

Cabinet Meeting

**Grand Jury Room, Town Hall, High Street,
Colchester, CO1 1PJ
Wednesday, 13 March 2019 at 18:00**

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

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COLCHESTER BOROUGH COUNCIL
Cabinet
Wednesday, 13 March 2019 at 18:00

The Cabinet Members are:

Leader and Chairman	Councillor Mark Cory (Liberal Democrats) Councillor Nick Barlow (Liberal Democrats) Councillor Tina Bourne (Labour) Councillor Martin Goss (Liberal Democrats) Councillor David King (Liberal Democrats) Councillor Mike Lilley (Labour) Councillor Beverley Oxford (The Highwoods Group) Councillor Tim Young (Labour)
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AGENDA
THE LIST OF ITEMS TO BE DISCUSSED AT THE MEETING
(Part A - open to the public)

Please note that Agenda items 1 to 5 are normally dealt with briefly.

1 Welcome and Announcements

The Chairman will welcome members of the public and Councillors and remind everyone to use microphones at all times when they are speaking. The Chairman will also explain action in the event of an emergency, mobile phones switched to silent, audio-recording of the meeting. Councillors who are members of the committee will introduce themselves.

2 Urgent Items

The Chairman will announce if there is any item not on the published agenda which will be considered because it is urgent and will explain the reason for the urgency.

3 Declarations of Interest

Councillors will be asked to say if there are any items on the agenda about which they have a disclosable pecuniary interest which would prevent them from participating in any discussion of the item or participating in any vote upon the item, or any other pecuniary interest or non-pecuniary interest.

4 Minutes of Previous Meeting

The Cabinet will be invited to confirm that the minutes are a correct record of the meeting held on 30 January 2019.

30-01-19 public version

7 - 24

5 Have Your Say!

The Chairman will invite members of the public to indicate if they wish to speak or present a petition on any item included on the agenda or any other matter relating to the terms of reference of the meeting. Please indicate your wish to speak at this point if your name has not been noted by Council staff.

6 Decisions Reviewed by the Scrutiny Panel

The Councillors will consider the outcome of a review of a decision by the Scrutiny Panel under the call-in procedure.

Call in of decision set out in minute 329 of the draft Cabinet minute of 30 January 2019: Recommendation from the Heritage and Tourism Task and Finish Group

25 - 34

To consider the recommendation in draft minute 203 of the Scrutiny Panel meeting of 22 February 2019.

7 Waste, Environment and Transportation

7(i) Waste and Zones Futures Business Case

35 - 54

Cabinet will consider a report outlining proposed service changes, financial savings and investment in front line services following a review of the existing Recycling, Waste and Fleet Service and Community Zones Service.

8 Commercial Services

8(i) Updates to the Business Plans of the Council's Companies

55 - 84

Cabinet will consider a report inviting it to review and agree updated Business Plans for Colchester Commercial (Holdings) Ltd and its subsidiary companies.

8(ii) Northern Gateway Heat Network: Project and Finance Update

85 - 90

Cabinet will consider a report providing an update on the Northern Gateway Heat Network Project.

9 Resources

9(i)	Strategic Plan Spending Priorities	91 - 96
	Cabinet will consider a report providing a summary of budget allocations for one off spending that supports the delivery of the Strategic Plan, and sets out proposals to allocate further funding.	
9(ii)	Corporate Key Performance Indicator Targets for 2019-20	97 - 118
	Cabinet will consider a report inviting it to set the Corporate Key Performance Indicators for 2019-20.	
9(iii)	Alternative Methods of Service Delivery Task and Finish Group: Update	119 - 132
	Cabinet will consider the recommendation contained in the extract from the notes of the Task and Finish Group meeting on 13 February 2019.	
10	Resources/Housing and Communities	
10(i)	Award of Contract for Corporate Building, Sheltered and Homeless Schemes Cleaning	133 - 136
	Cabinet will consider a report on the award of a new four year contract for the cleaning of corporate buildings and sheltered and homeless schemes.	
10(ii)	Policy and Public Initiatives Work Programme	137 - 138
	Cabinet will consider a recommendation from the Policy and Public Initiatives Panel that items be added to its work programme.	
11	General	
11(i)	Progress of Responses to the Public	139 - 142
	Cabinet will consider a report providing information about responses to members of the public who spoke under the Have Your Say! arrangements at meetings of Cabinet and Full Council.	
12	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)

13 Minutes - Part B

Cabinet will be invited to approve the not for publication extract from the minutes of the Cabinet meeting on 30 January 2019.

14 Commercial Services - Part B

14(i) Updates to the Business Plans of the Council's Companies - Part B

To note the not for publication appendices to the report of the Assistant Director, Policy and Corporate, at item 8(i) in Part A of the agenda,

14(ii) Northern Gateway Heat Network: Project and Finance Update - Part B

Cabinet will be invited to note the not for publication appendix to the report of the Assistant Director, Policy and Corporate, at item 8(ii) in Part A of the agenda.

15 Resources/Housing and Communities - Part B

15(i) Award of Contract for Corporate Building, Sheltered and Homeless Schemes Cleaning - Part B

Cabinet will consider a report on the award of a new four year contract for the cleaning of corporate buildings and sheltered and homeless schemes.

<p style="text-align: center;">CABINET 30 January 2019</p>
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Present: - Councillor Cory (Chairman)
Councillors Barlow, Bourne, Goss, King, Lilley, B. Oxford and T. Young

Also in attendance: - Councillors Barber, Hazell, Lissimore, G. Oxford, Scordis, Whitehead and Willetts

320. Minutes

RESOLVED that the minutes of the meeting held on 21 November 2018 be confirmed as a correct record.

Councillor Cory (in respect of his membership of North East Essex Clinical Commissioning Group) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

321. Have Your Say

Sue Beecham, Molly Walker and Ale Vargas addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1) to express their concerns about the Essex County Council consultation on the library service. They stressed the value of libraries to students and the elderly and their role in combating social isolation. They also provided access to the internet for those who were not online.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, responded and stressed the need for libraries to be kept open. At its meeting in December 2018 the Council had passed two motions in support of libraries, requesting that the consultation be stopped and that central government provide more resources to local government to ensure the maintenance of such services. Libraries were a key public service, which could be accessed without charge and also played a vital role in the provision of information to the public and as a meeting space for community groups.

Councillor T. Young, Portfolio Holder for Business and Culture, Councillor Bourne, Portfolio Holder for Housing and Communities, Councillor King, Portfolio Holder for Resources, Councillor B. Oxford, Portfolio Holder for Customers and Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, all expressed their support for the library service and their concern about potential closures. They encouraged residents to respond to the consultation, although concerns were expressed about the wording of the consultation questions. It was unrealistic to expect volunteers to take over the roles of

professional librarians. The comments from the public speakers would be included within the Council's formal response to the consultation.

Alistair Heron addressed the Cabinet pursuant to the provisions of Meetings General Procedure 5(1) to express his concern about the Council's interaction with the Broad Lane Sports Ground. He queried why £10,000 was allocated in the Revolving Investment Fund in respect Broad Lane Sports Ground and why the Council was seeking to change the lease, which had been set up for the benefit of the community.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, responded and explained that he had become involved as a ward councillor for Wivenhoe. He explained background to the current position and stressed that his involvement was to ensure that Broad Lane Sports Ground was protected for sport and that all users of the site had a proper legal standing. Councillor Barlow, Portfolio Holder for Commercial Services, explained that the Revolving Investment Fund was used to secure external investment for the benefit of local communities. The Council was looking to develop the sporting facilities on the site, and not to develop the site for other purposes.

Barrie Cook addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1) to express his concern about the proposed development by Alumno in the Cultural Quarter. A mixed use development of retirement flats with boutiques for small businesses would bring greater benefits to the town centre and the housing market than student flats.

Councillor T. Young, Portfolio Holder for Business and Culture stressed that any development needed to comply with the Masterplan, the Local Plan and the emerging Local Plan, and that such a scheme would not have done so. The Alumno scheme was the only scheme that had been put forward that complied with these policies. The scheme would be determined by the Planning Committee in the near future.

Councillor G. Oxford attended and with the consent of the Chairman addressed Cabinet to highlight the change in arrangements for the disposal of sharp boxes, which meant that this was the responsibility of the borough council. Communication had been poor, and whilst the previous arrangements through pharmacies meant that a replacement box would be issued without charge, local authorities were able to charge for the service. Councillor Hazell attended and with the consent of the Chairman, addressed Cabinet to reiterate the concerns of Councillor G. Oxford and suggested that instituting a scheme whereby patients took the boxes to surgeries and pharmacies and the Council collected from there, which would reduce the burden on the Council.

Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, explained that the new system had been introduced from 1 January 2019. Communication from the NHS to patients had been poor. The Council had the power to charge for the collection of medical waste since 2016. However, he had very recently signed a Portfolio Holder decision cancelling all charges for medical waste collection, and anyone who paid a charge since the introduction of the new arrangements would receive a refund. The new system was an improvement for patients as the waste would be collected and a new box issued from their home. Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, explained that he would ensure that the Clinical Commissioning Group were

aware of the concerns that had been raised.

Councillor Willetts attended and with the consent of the Chairman, highlighted the poor appearance of the market. The gazebos used for the market stalls were in a poor condition and this detracted from the ambience of the town centre. They needed to be replaced or an alternative solution found.

Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, explained that the arrangements for the market were being looked at. The Council would listen to views and look at the options for the future delivery of the market.

Councillor Barber attended and with the consent of the Chairman, addressed Cabinet to express his concern about the booking of David Icke at Charter Hall. Whilst he supported free speech David Icke held some abhorrent views, which were shared by some on the far-right, and he was concerned that a publicly funded venue should provide a platform for him.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, and Councillor Barlow, Portfolio Holder for Commercial Services, responded and acknowledged his concerns. There was a balance to be struck between free speech and ensuring offensive views were not given a platform. Discussions would be held with officers to ensure clear procedures were in place.

Councillor Lissimore attended and with the consent of the Chairman, addressed Cabinet about the proposed changes in plastic waste collections which meant that a number of plastic products would no longer be collected as recycling. This would be difficult for residents to understand and for operatives to enforce. It was contrary to previous Council policies and initiatives.

Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, explained that this proposal was driven by a global problem with the market for recyclable plastic. There was no market for these types of plastic and therefore even if collected, they would not be recycled. If the decision was approved, there would be an extensive programme of communications to residents before the change was introduced. Councillor Bourne, Portfolio Holder for Housing and Communities, stressed that the residents had demonstrated that they were able to adapt to changes in collection processes and she was confident they would understand the reason for the change.

Councillor Scordis attended and with the consent of the Chairman, addressed Cabinet. He supported Councillor Barber's comments on the booking of David Icke at Charter Hall. He suggested that one of the unused bowling greens on the Recreation Ground off Old Heath Road could be used as a safe space for walking dogs that could not be let off a lead. He also drew attention to a problem with waste and litter outside a newsagent and asked if the licensing system could be used to impose conditions on licensed premises to ensure litter outside their premises was cleared up.

Councillor Bourne, Portfolio Holder for Housing and Communities, indicated she would investigate the proposal for the bowling green. Councillor Liddy, Portfolio Holder for Planning, Public Safety and Licensing, explained that such conditions would be enforced, if they were on a licence. A ward councillor could call in a licence for review, if issues

were arising from the premises.

322. Potential Projects Using Housing Revenue Account Funding

The Assistant Director, Policy and Corporate, submitted a report a copy of which had been circulated to each Member.

Councillor Bourne, Portfolio Holder for Housing and Communities, introduced the report, together with the following reports on the ownership of new affordable housing sites, the housing revenue account estimates 2019-20 and the housing investment programme 2019-20. Taken together, the reports demonstrated that house building was a key priority for the administration. She explained that the abolition of the debt cap announced in November 2018 meant that the Council was now able to build new affordable homes and improve the existing housing stock. This report set out an ambitious programme of short, medium and long term aspirations for the development of housing of a type and tenure suitable for residents. These included phase 2 of the garage sites project which would lead to development of 35 units on old garage sites, the use of the Right to Buy Back, which would bring a number of previously Council owned properties back into Council ownership and a trial of "Airspace" modular units. In the medium term there would be a sheltered housing improvement programme and phase 3 of the garage sites. In the long term it was hoped that the government would trust local authorities to continue to provide housing to meet housing need, as they were best placed to understand the needs of their communities.

RESOLVED that: -

- (a) The Council should continue to explore further options but will now actively pursue viable development opportunities that are set out in the Assistant Director's report, from feasibility through to the completion of the relevant viable projects.
- (b) Colchester Amphora Housing Ltd (CAHL) and Colchester Borough Homes (CBH) be appointed to help the Council progress the projects as set out in the Assistant Director's report and advance the viable schemes through to completed delivery.
- (c) It be noted that the Housing Revenue Account (HRA) budget and Housing Investment Programme (HIP) for 2019/20, as reported elsewhere on the agenda for this meeting of the Cabinet, have been prepared with the inclusion of financial provisions to continue to actively progress these projects over the 2019/20 financial period.
- (d) These budgets should, in subsequent years, continue to include further provisions in order to continue to drive forwards the proposals that are set out in the Assistant Director's report for the short and medium term projects, that remain viable once the necessary due diligence is completed.

REASONS

There is a national housing crisis and Colchester is no different to anywhere else in requiring more homes, especially with regard to affordable homes. This decision is required in order to make any further progress in advancing schemes and take the first decisive steps, following the abolition of the HRA debt cap, to deliver more affordable homes. To do so, a budget provision now needs to be made for the next financial year, within which time the feasibility works would be completed, consultation and engagement would need to take place, planning applications would be submitted, contractors appointed and possibly even commencement of some sites. This means that the Council needs to decide whether or not to commit to the exploration of this programme of development, which could see up to 350 homes delivered in total over the next 5 or 6 years (subject to how feasibility works evolve), in order that it is not avoidably delayed as schemes can progress.

Whilst these may not be the only steps that are taken over the next few years, a decision to pursue these does not prejudice further development opportunities coming forward and would allow for new affordable homes to be provided without delay, so that the community can benefit from them as soon as possible. The programme as set out includes short, medium and long term ambitions; making a sustainable programme of new affordable housing that can be further developed over time. It is an early statement of intent to deliver a significant number of affordable homes moving forwards.

There is an acute need for more affordable home in Colchester. “Affordable housing” is a term that includes social rented, affordable rented and intermediate housing. This is provided to eligible households whose needs are not met by the open housing market and whose eligibility is determined with regard to local incomes and house prices. The definition now originates from the National Planning Policy Framework (2018). Rents for affordable housing should be set in accordance with the Government’s rent policy for social rent or affordable rent, at least 20% below local market rents (including service charges where applicable). Affordable housing should also include provisions to remain at an affordable price for future eligible households, or for any subsidy to be recycled for alternative affordable housing provision.

The homes that the Council creates will be used to accommodate people from our housing needs register. This means that the new homes address local need. The demand for this new affordable housing, and an illustration of why not acting is not an option, is demonstrated by the figures on the housing needs register as shown in Table 1 below:

Table 1

Households on the register according to number of bedrooms required

Number of bedrooms required	Number of households on the register
One	1111
Two	1671
Three	1079
Four or more	258
Total	4119

Gateway to Homechoice, 30 September 2018

ALTERNATIVE OPTIONS

The Council could decide not to pursue any of the projects at all; however this would not make the maximum use of the borrowing capacity that the Council has now been given, consequently missing an excellent opportunity to provide affordable housing for those most in need; which is a key priority of the Council as set out in the Strategic Plan. It would also mean that the Council may not be able to use the retained 1-4-1 Right To Buy receipts it holds, which must be returned plus interest to the Treasury if they are not spent within 3 years; whereby these developments should ensure that the Council would not need return any receipts for the foreseeable future due to the increased opportunities to reinvest them in new affordable homes, if delivered as planned.

The Council could decide not to pursue some of the individual projects identified in this report. However, at this time it is considered that all of the projects should be explored further and that the shorter term projects are all expected to be deliverable.

The Council could seek to identify alternative projects to those in this report. However, the project set out herein are those that have been identified as the most appropriate at this time. This decision does not rule out seeking further opportunities in due course and the additional borrowing, which under the prudential code must be affordable, would not prejudice any further borrowing for additional schemes that are identified in due course.

The Council could pursue the Airspace scheme without using HRA borrowing; however the “traditional” delivery model used by modular construction companies who build airspace schemes would return only a smaller percentage of the units to the Council to use as affordable housing, whilst most of the properties (which would be built by the developers at their cost) would be retained by the partnering company for them to sell or lease. As this does not provide as many affordable homes for the council it is not recommended during the few suggested pilot schemes, but could be revisited should a larger roll out follow. Whilst risk and cost is taken on by the Council from using the proposed 100% affordable housing model, this risk is being managed by use of a “pilot” to minimise implications until the chosen schemes can demonstrate their potential.

323. Ownership of the New Affordable Housing Delivered by Colchester Amphora

The Assistant Director, Policy and Corporate, submitted a report a copy of which had been circulated to each Member.

Councillor Bourne, Portfolio Holder for Housing and Communities, introduced the report, and highlighted that on each of the proposed sites, 30% affordable housing for rent would be secured. This would deliver over 100 affordable homes. It was no longer necessary to create a separate company to own these homes and it was proposed that Colchester Borough Council would be the landlord. They would then be let households awaiting homes on the Council's housing needs register in accordance with the allocations policy.

RESOLVED that:-

(a) "Prudential borrowing" now available to the Housing Revenue Account (HRA) be used to purchase all of the completed affordable housing units that are delivered from the first programme of development by Colchester Amphora Housing Ltd (CAHL).

(b) The Council enter into a Development Agreement with CAHL which will see all of the affordable housing units on their 4 sites be transferred to the Council, upon completion, at an appropriate market value for affordable housing.

(c) Authority be delegated to the Assistant Director, Policy and Corporate, in conjunction with the Portfolio Holder for Housing and Communities, to conclude the final legal agreements and financial matters in respect of all of the above.

(d) It be noted that completion of the Development Agreement shall be simultaneous with the conditional contract CAHL will enter into with the Council for the initial sale of the sites to the company that was agreed by Cabinet in October 2018.

(e) It be noted that provision for the acquisition of the first affordable homes has been incorporated into the 2019/20 Housing Revenue Account budget also on the agenda for this Cabinet meeting and would then be included in subsequent budget setting processes in following years, as the new homes are delivered.

REASONS

The Council has an established desire to build new affordable homes. CAHL, as a development company, is the delivery vehicle that will build new homes in the Borough including over 100 new affordable homes on behalf of the Council. However, due diligence as part of the Company set up has shown it is not economically beneficial if CAHL hold any of the completed stock once the developments are built..

The Council already owns affordable housing stock, but was unable to borrow more money within the HRA due to policies that the Government introduced in 2015, and the Government imposed HRA debt cap. That meant that the Council could not finance development of affordable homes. However, there was a fundamental change in Government policy in October 2018; with the Government's Autumn Budget providing a sudden announcement that the HRA debt cap was to be abolished with immediate effect,

a response to recent feedback from Councils across the country (including Colchester) regarding the biggest barriers to affordable housing development. This significant relaxation on the restriction of HRA borrowing means that the Council can now utilise a new capacity to borrow so that it can purchase the completed stock as new Council-owned affordable homes.

ALTERNATIVE OPTIONS

The Council could set up a new wholly-owned rental holding company that would acquire the affordable housing units. The newly established subsidiary company would secure the properties under Council control, although the stock would be owned by the company rather than the Council. Following the abolition of the HRA debt cap, this would now be a more complicated option that is now likely to be more expensive than a direct purchase by the Council. More detail is set out further below.

The Council could agree that CAHL could sell the rental units to a Registered Provider (RP) and generate a capital receipt. The Council would receive 100% nomination rights upon first let and a minimum of 75% on second let. However, the Council would not own the properties and has no control over the future disposal of them (one of the key aims from developing these sites), so it is not explored further herein.

The Council could agree that CAHL should retain the completed stock, but this would adversely affect the financial model for the development for both the company and, subsequently, to the Council.

324. Housing Revenue Account Estimates 2019-20

The Assistant Director, Policy and Corporate, submitted a report a copy of which had been circulated to each Member together with the draft minute of the Scrutiny Panel meeting of 29 January 2019.

Councillor Bourne, Portfolio Holder for Housing and Communities, introduced the report and explained that the Housing Revenue Account (HRA) was a ring-fenced fund to protect the rent paid by tenants and ensure it was not used for purposes other than housing. The estimates included the management fee for Colchester Borough Homes and the housing investment fund for repairs and maintenance of the housing stock. The position of the HRA was more positive than in preceding years. Councillor Bourne thanked and paid tribute to the officers who prepared and monitored the HRA.

RESOLVED that:-

- (a) The 2019/20 HRA revenue estimates as set out in Appendix A if the Assistant director's report be approved.
- (b) Dwelling rents as calculated in accordance with central Governments rent policy (as set out in paragraph 5.7 of the Assistant Director's report) be approved.

- (c) The HRA revenue funded element of £6,723,000 included within the total management fee for Colchester Borough Homes (CBH) be approved (as set out in paragraph 5.14 of the Assistant Director's report).
- (d) The revenue contribution of £2,448,500 to the Housing Investment Programme included in the budget (paragraph 5.30 of the Assistant Director's report) be noted.
- (e) The HRA balances position in Appendix B of the Assistant Director's report be noted.
- (f) The Medium Term Financial Forecast (MTFF) set out at Appendix C of the Assistant Director's report and the 30 Year HRA financial position set out at Appendix E of the Assistant Director's report, be noted.

REASONS

Financial Procedures require the Assistant Director of Policy and Corporate 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 presented to the Cabinet.

325. Housing Investment Programme 2019-20

The Assistant Director, Policy and Corporate submitted a report a copy of which had been circulated to each Member together with the draft minute of the Scrutiny Panel meeting of 29 January 2019.

Councillor Bourne, Portfolio Holder for Housing and Communities, introduced the report and explained that the Housing Investment Programme allocated £117 million into housing stock improvements. Attention was drawn to the proposals at Paragraphs 9.1 -9.12 of the Assistant Director's report which demonstrated the range and value of the work funded through the Housing Investment Programme.

RESOLVED that:-

- (a) The Housing Investment Programme for 2019/20 be approved.
- (b) The Capital Medium Term Financial Forecast (CMTFF) set out at Appendix A of the Assistant Director's 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.

Cabinet annually agree to accept a proposed 5 year Housing Investment Programme (HIP) in principle as the framework for procuring housing related planned works, improvements, responsive and void works and cyclical maintenance.

The proposed investment programme is linked to the Asset Management Strategy (AMS) and reviewed annually in the light of available resources and for each annual allocation to be brought to Cabinet for approval as part of the overall HIP report.

The Colchester Borough Homes (CBH) Board have considered the content of the Cabinet report submitted and is now seeking approval for the 2019/20 Capital programme.

The Assistant Director's report seeks the release of funds under grouped headings as described in the AMS and supported by the Management Agreement dated 9th August 2013, which governs the contractual relationship between Colchester Borough Council (CBC) and CBH.

ALTERNATIVE OPTIONS

No alternative options were presented to Cabinet.

Councillor T. Young (as a Director of North Essex Garden Communities Ltd) and Councillor King (as substitute Director of North Essex Garden Communities Ltd) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

326. 2019/20 General Fund Revenue Budget, Capital Programme and Medium Term Financial Forecast

The Assistant Director, Policy and Corporate, submitted a report a copy of which had been circulated to each Member, together with the draft minute from the Scrutiny Panel meeting of 29 January 2019.

Councillor Barber attended and with the consent of the Chairman addressed Cabinet and urged it to withdraw the allocation of £450,000 for work on the Local Plan until the Sustainability Appraisal had been completed. The Council should not commit resources to what was not yet the preferred option. The transfer of further funds to North Essex Garden Communities would remove the Council's ability to oversee the process.

Councillor King, Portfolio Holder for Resources, and Councillor T. Young, Portfolio Holder for Business and Culture, responded and stressed that the allocation was necessary in order to maintain the Local Plan process and ensure that resources were in place to ensure that any work that was required could be completed to the necessary standard. Outcomes had not been pre-determined. The other authorities involved in the Garden Communities had also contributed and if this allocation was not made the project could collapse, which was not in the borough's best interests.

Councillor G. Oxford attended and with the consent of the Chairman addressed Cabinet and stressed that the allocation was prudent as it was not clear how the situation in respect of the Local Plan may develop.

Councillor Laws attended and with the consent of the Chairman addressed Cabinet about the Better Colchester campaign. A number of the billboard adverts were self-congratulatory or their relevance to Colchester or the Council was unclear.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, explained that Better Colchester was a wide marketing campaign involving a number of partners. It was also linked to the "Live Well" campaign so some of the messages were about health and wellbeing.

Councillor King, Portfolio Holder for Resources, introduced the report and drew Cabinet's attention to the minute from the Scrutiny Panel. He thanked officers for the hard work that had gone into preparing the budget. The budget needed to be seen in the context of declining central government funding. This was a long-term trend that was accelerating. The Council had responded to this through a programme of efficiencies combined with creating opportunities for income and growth. As a consequence, the Council had strong balances and reserves, which would help if future settlements from government were challenging. The budget also provided investment in key services and work with partners, including policing and highways. It was a prudent and considered budget. It was acknowledged that an increase in Council Tax was an additional burden on residents but it was only the third rise since 2011. The generous Local Council Tax Support Scheme would be maintained to help those in need.

Councillor Cory and Councillor T. Young also expressed their support for the budget proposals and highlighted that in the context of the reductions in government funding the administration's radical approach to its delivery programme was the most efficient delivery method for services to residents.

RESOLVED that:-

- (a) It be noted that for the purpose of assessing the impact on balances the outturn for the current financial year is assumed to be on budget (see paragraph 6.4 of the Assistant Director's report).
- (b) The provisional Finance Settlement figures set out in Section 7 of the Assistant Director's report showing a cut to Revenue Support Grant of £275k be noted, meaning that there is no RSG in the 19/20 budget.
- (c) To note the figures for the business rates retention scheme and the arrangements for completion of the required return of estimated business rates income as set out at paragraph 7.8 of the Assistant Director's report.
- (d) The reduction in the New Homes Bonus grant be noted and that further reductions in later years are expected as set out in section 7 of the Assistant Director's report.
- (e) The cost pressures, proposed use of New Homes Bonus, savings and increased

income options identified during the budget forecast process as set out at in section 8 and detailed in Appendices C of the Assistant Director's report be approved.

(f). *RECOMMENDED TO COUNCIL* the 2019/20 Revenue Budget requirement of £20,206k (paragraph 8.24 of the Assistant Director's report) and the underlying detailed budgets set out in summary at Appendix E of the Assistant Director's report, and available background papers 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 2019/20 at £190.62 per Band D property, which represents an increase of £5.49 (2.97%) 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) *RECOMMENDED TO COUNCIL* the following changes to Council Tax discounts and premiums:-

- To introduce a 28 day exemption of 100% Council Tax for empty and substantially unfurnished properties (Class C Dwellings)
- To increase the long term empty premium to the maximum amounts as stated in Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018

(i) The Revenue Balances for the financial year 2019/20 as set out at Appendix J of the Assistant Director's report be agreed and it be agreed that the minimum level be set at a minimum of £1,900k

(k) The updated position on earmarked reserves set out in section 10 of the Assistant Director's report be noted and the following be agreed:-

- Release of £185k use of parking reserve
- Contribution to balances in respect of redundancy costs.
- Contribution to the business rates reserve of £406k

(l) The reinstatement of balances in respect of the pensions deficit payment made in 2017/18 as set out in section 8.22 of the Assistant Director's report be agreed.

(m) 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 12.3 of the Assistant Director's report.

(n) The Medium Term Financial Forecast for the financial years 2019/20 to 2022/23 set out in section 14 of the Assistant Director's report be noted.

(o) The position on the Capital Programme be noted and the Capital Strategy set out at Appendix O be approved and *RECOMMENDED to COUNCIL*

(p). *RECOMMENDED TO COUNCIL* the inclusion of the increased capital allocations set out at paragraphs 15.5 to 15.7 of the Assistant Director's report.

(q) The comments made on the robustness of budget estimates at section 16 of the

Assistant Director's report be noted.

(r) The 2019/20 Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy as set out in the background paper at Appendix P of the Assistant Director's report be approved and *RECOMMENDED TO COUNCIL*.

(s) The contents of the draft minute from the Scrutiny Panel meeting of 29 January 2019 be noted.

REASONS

The Council is required to approve an annual budget.

The Assistant Director's report sets out supporting information and also statutory commentary about the robustness of the budget and the level of balances.

ALTERNATIVE OPTIONS

There are different options that could be considered as part of the budget within the constraints set out in the Assistant Director's report.

327. Northern Gateway Heat Network Project: Revised Delivery Structure to Retain Assets in Council Ownership

The Assistant Director, Policy and Corporate, submitted a report a copy of which had been circulated to each Member.

RESOLVED that:-

(a) The revised delivery structure set out in the Assistant Director's report for the Northern Gateway Heat Network project be approved.

(b) Further work will be required to be undertaken to ensure that HNIP grant and RHI funding conditions are fulfilled; minimising the risk to both organisations.

(c) The financial and risk implications for the Council arising from the revised structure be noted.

REASONS

To allow CAEL, when the project is complete and selling heat, to be able claim the Renewable Heat Incentive (RHI) and still use the BEIS HNIP Grant money in the construction and installation without any State Aid implications arising.

To ensure the programme of development remains on track to deliver the heat network infrastructure and to meet the BEIS funding milestones

To benefit from government revenue funding which supports low carbon developments such

as the Northern Gateway Heat Network.

ALTERNATIVE OPTIONS

Various ways of delivering the project in two entities have been explored including setting up a new company for the infrastructure development and using one of the other CBC owned companies, but all other options have been discounted due to financial or risk reasons.

Not to agree the recommended revised structure would miss the opportunity to provide a sustainable funding stream into the project, which will add to viability of this ultra-low carbon scheme.

328. Great Jobs

Cabinet considered minute 301 from the Council meeting of 6 December 2018.

Councillor T, Young, Portfolio Holder for Business and Culture, thanked the other Group Leaders for indicating that they would have supported this motion at Council. The motion demonstrated the Council's support for good employment practices such as a fair wage, a safe working environment, guaranteed hours and access to union representation. There were benefits to employers from treating staff well, as they would work harder in return.

RESOLVED that the motion on Great Jobs be approved and adopted.

REASONS

The motion demonstrated the Council's support for good employment practices such as a fair wage, a safe working environment, guaranteed hours and access to union representation.

ALTERNATIVE OPTIONS

It was open to Cabinet not to approve or adopt the motion.

329. Recommendation from Heritage and Tourism Task and Finish Group //First Capital of Roman Britain / Britain's First Roman City

Cabinet considered minute 8 from the Heritage and Tourism Task and Finish Group.

Councillor G. Oxford attended and with the consent of the Chairman, addressed the Cabinet. As part of his mayoral legacy, a number of signs had received planning permission recently. He was content that the wording of "Colchester, Britain's First City" be used on these signs, as it was important a consistent and uniform approach was taken.

Councillor Laws, Chairman of the Heritage and Tourism Task and Finish Group, attended and with the consent of the Chairman, addressed the Cabinet. He stressed that he had an open mind on the wording of the strapline, and that it did not have to include a Roman reference. However, in the challenging retail environment, Colchester should play to its strengths and make the most of its Roman heritage, as York did with its Viking history.

Councillor T. Young, Portfolio Holder for Business and Culture, explained that the new strapline for Colchester; was “Colchester, Britain’s First City”. and he unveiled the new design for the logo. There was no need for further consultation and this would be used going forward. Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, and Councillor Barlow, Portfolio Holder for Commercial Services, expressed their support and their thanks to the Heritage and Tourism Task and Finish Group.

RESOLVED that Colchester’s new strapline be “Colchester, Britain’s First City” and this be used going forward without further consultation.

REASONS

A new strapline for Colchester was needed and the preferred wording reflected Colchester’s heritage.

No further consultation on the issue was required.

ALTERNATIVE OPTIONS

Cabinet could have proceeded with the recommendation from the Heritage and Tourism Task and Finish Group.

330. Central Support Futures Review

The Assistant Director, Policy and Corporate, submitted a report a copy of which had been circulated to each Member.

Councillor King, Portfolio Holder for Resources, explained that the Central Support Service review was part of a wider review of all services, This was one of the ways the Council was responding to the budget pressures it faced. The process for the reviews was well established and was well managed. As well as providing efficiencies, it would deliver a more effective structure.

RESOLVED that the proposed changes and the financial savings set out in the Assistant Director’s report be agreed.

REASONS

To ensure services are designed to be fit for the future and that adequate financial savings in relation to the services being reviewed are being achieved.

ALTERNATIVE OPTIONS

It was open to Cabinet not to agree the proposed changes, or to suggest changes to the proposals in the Assistant Director’s report.

331. Half Year 2018-19 Performance Report including Progress on the 2018-21 Strategic Plan Action Plan

The Assistant Director, Policy and Corporate, submitted a report a copy of which had been circulated to each Member together with minute 195 of the Scrutiny Panel meeting of 11 December 2018.

Councillor King presented the report and explained that the Key Performance Indicators were there to encourage good performance. Thirteen of the targets were at green, two were at amber and one was at red. The two amber targets needed to be seen in the context of high quality services and minor amendments had been made to the targets for the next municipal year. The presentation of the information in the report had been improved to make it easier to understand with further improvements to the presentation to be made in due course.

RESOLVED that:-

- (a) The contents of the Half Year 2018-19 Performance Report and progress on the Strategic Plan Action Plan be noted.
- (b) The Reporting Timetable covering 2018-2019, specifically the dates for setting KPI targets for 2019-2020, be noted.

REASONS

To review 'amber' and 'red' KPI performance for 2018 – 2019.

ALTERNATIVE OPTIONS

No alternative options were presented to the Cabinet.

332. Colchester High Street Pedestrianisation

Cabinet considered draft minute 21 of the meeting of the Policy and Public Initiatives Panel on 9 January 2019.

Councillor G. Oxford, attended and with the consent of the Chairman, addressed the Cabinet, and suggested that whilst this offered an opportunity to improve air quality, care would need to be taken to ensure the public transport links were maintained, for instance by reversing the bus routes through the town centre. Alternative disabled parking provision would also be necessary, which would need to be provided on flat and level ground.

Councillor Scordis, Chairman of the Policy and Public Initiatives Panel, explained that the meeting at which this item had been considered had been lively with many useful contributions. It was proposed to take a step back and look at how the High Street should look in 10 years' time. A wide consultation would be needed to attract representation and views from all interested parties.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy explained that this

approach demonstrated how the Council was listening to residents. It was accepted that this was a contentious issue and it was right to involve all parties. Pedestrianisation of the High Street need to be considered alongside congestion in Colchester. . Councillor T. Young, Portfolio Holder for Business and Culture, stressed that the consultation would be meaningful and an integral part of the process

RESOLVED that approval be given to the Policy and Public Initiatives Panel to progress the next steps regarding options for Colchester High Street including agreeing objectives, gathering baseline data and consultation with all stakeholders and the public

REASONS

This would provide an opportunity to prepare for an effective and informed approach including a wide ranging and meaningful consultation

ALTERNATIVE OPTIONS

It was open to Cabinet not to agree the recommendation in the meeting of the Policy and Public Initiatives meeting of 9 January 2019.

334. Appointment of the Deputy Mayor 2019-20

Consideration was given to the appointment of the Deputy Mayor for the 2019-20 Municipal Year.

Councillor, G. Oxford proposed Councillor Beverley Oxford for appointment as Deputy Mayor for the Borough of Colchester for the 2019-20 Municipal Year.

Councillor Cory, Leader of the Council and Portfolio for Strategy, indicated he supported the nomination and that he believed that Councillor Beverley Oxford, would be a great mayor.

Councillor Goss and Councillor T. Young, in their capacity as Group Leaders, indicated their support for the nomination.

RECOMMENDED TO COUNCIL that Councillor Beverley Oxford be nominated for appointment as Deputy Mayor for the Borough of Colchester for the 2019-20 Municipal Year.

335. Progress of Responses to the Public

The Assistant Director, Policy and Corporate 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.

336. Motion of thanks

Councillor Cory, Leader of the Council and Portfolio Holder for strategy, indicated that Ann Hedges, Chief Operating Officer, and Sean Plummer, Strategic Finance Manager and Section 151 Officer, would shortly be leaving the Council after long and valuable periods of service. He asked that the Cabinet's thanks to both Ann and Sean be formally recorded

RESOLVED that the Cabinet's thanks to Ann Hedges and Sean Plummer for their long and valuable service be recorded.

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

337. Minutes

RESOLVED that the not for publication minutes of the meeting held on 21 November 2018 be confirmed as a correct record.

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

338. Potential Housing Projects Using Housing Revenue Account Borrowing

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

Decisions Reviewed by the Scrutiny Panel - Recommendation of the Heritage and Tourism Task and Finish Group

Extract from the draft minutes of the Scrutiny Panel meeting on 22 February 2019

203. Cabinet or Portfolio Holder Decisions called in for Review // Recommendation of the Heritage and Tourism Task and Finish Group

The Scrutiny Panel undertook a review of the decision of the Cabinet set out in minute 329 of the Cabinet meeting of 30 January 2019 on the recommendation of the Heritage and Tourism Task and Finish Group in respect of the new strapline.

Will Quince, MP, addressed the Panel pursuant to the provisions of Meetings General Procedure Rule 5(1). He believed that issues around heritage and tourism were vital and that the Council had acted in an arrogant way in its decision on the new strapline. Branding was very important, but there had been no consultation with branding experts. In addition, the new strapline was inconsistent with the branding in the promotional film recently developed. There had been no consultation with residents. The recommendation from the Heritage and Tourism Task and Finish Group, which had been set up to look at these issues, had been ignored. Online polls had shown overwhelming public opposition to the new strapline. He asked the Panel to consider what benefit would result from the new strapline, what analysis and consultation had been undertaken, including with brand and marketing experts, why the recommendation from the Task and Finish Group was ignored, how much it had cost and why the new signs were produced before the decision had been taken.

Dorian Kelly addressed the Panel pursuant to the Panel pursuant to the provisions of Meetings General Procedure Rule 5(i). He considered that it would have been sensible to review the Colchester's marketing in its entirety, rather than just looking at the strapline. He was uneasy about the claim to be Britain's oldest recorded town, as there was evidence that London had a claim to an older record, and also Colchester had never been a town by definition. He felt that the inclusion of the word "First" in the strapline was welcome as Colchester had a history of firsts, and that a marketing campaign could be built on that.

Sir Bob Russell addressed the Panel pursuant to the provisions of Meeting General Procedure Rule 5(1). He had collaborated with Councillor G. Oxford on the signs that had been developed as his Mayoral legacy, and which were to be erected on access points on the boundaries of the historic borough. It had been Council policy to apply for city status, and bids had been made in 1992, 2000, 2002 and 2012, with no significant political objection. This policy had not been reversed and therefore the signs were in accordance with Council policy. He was disappointed the signs had not been erected: they had been through due planning process and no planning

objections had been raised. He noted that that Britain's First City strapline was beginning to be used and had been referred to in a recent Anglia News report.

Councillor G. Oxford attended and with the consent of the Chair addressed the Panel. Signs that he had developed as part of his Mayoral legacy had become linked to issues about the strapline and the call in. This was misleading, as they were separate issues. The signs had been through due process and had received planning permission. Essex County Council had indicated their support. The signs were now ready to be installed., He supported the use of "Britain's First City" as the strapline and had used this on the signs to ensure a consistent message. There had been consultation on the use of the word "city" and he agreed with comments of Sir Bob Russell in respect of city status.

Councillor Crow attended and with the consent of the Chair addressed the Panel. Colchester was not a city. He had considerable marketing and branding expertise and whilst he was not against changing the branding, if this brought benefit, but considered that it was misleading, caused confusion and needed explanation. The Task and Finish Group had spoken to respected local academics and recommended consultation, but this had been ignored. The decision to proceed with "Britain's First City" had been made behind closed doors. There was no evidence that strapline moved matters forward or brought any benefit.

Councillor Fox attended and with the consent of the Chair addressed the Panel. He was a member of the Heritage and Tourism Task and Finish Group. The Group had discussed the issue extensively and had input from internal and external experts. The Portfolio Holder for Business and Culture and the Leader of the Council had attended the meeting and heard the debate. The Group had received advice that brands needed to be authentic and that a strapline needed to be short and simple. He had not been in favour of the recommendation as he felt it was too long, and concentrated on the Roman aspect, when Colchester had much more to offer. Other cabinet members could have spoken at the cabinet meeting, and the strapline was already used in other material. The Council was often told it needed to do more to promote the Colchester's heritage, and this is what the strapline did. It was aimed at attracting an external audience.

Councillor Barber, as the lead signatory to the call in, presented the call in. Many of the comments made by the speakers had related to reason (d) cited on the call-in form relating to "lack of clarity of aims and desired outcomes". He agreed with Councillor Fox's comment that there was an external audience for the strapline. However, there was no evidence that the strapline had been tested for external consumption, nor was there was any evidence that the Council was considering changing the strapline as part of a wider marketing campaign. The Council needed to take a more holistic approach and think about what it was trying to achieve. There was also an internal audience and the Council needed to sell the idea to residents.

In respect of reason b "failure to have regard to due consultation", the comments made since the decision showed that this was an issue on which people felt strongly. It had struck a chord with the public and there was considerable emotion in the debate. A proper consultation was needed, engaging with residents and businesses, who also had a role in promoting Colchester's brand. A wider group of experts,

including marketing experts, should also be engaged. A consultation could be undertaken cost effectively.

In respect of reason (j) "Proper procedures were not followed", it was regrettable that the Task and Finish Group recommendations had not been followed. There was little point in the Task and Finish Group being established and meeting if its recommendations were to be ignored.

Councillor Barber explained that he considered that it was not clear what the Council was seeking to do by changing its strapline: was it seeking to make signs more accurate, promote Colchester or using it for leverage in seeking City Status. Whilst he accepted there were cost implications in consultation, this could be minimised by the use of social media.

Councillor T. Young, Portfolio Holder for Business and Culture, responded to the call in and explained that he was pleased with the debate that the proposed change in the strapline had engendered and that it had generated publicity for Colchester. The previous strapline "Britain's Oldest Recorded Town" was incorrect and therefore needed to change. In terms of the reason (a) "consideration of all available options", the Chair of the Task and Finish Group had asked for the issue to be placed on the agenda. The Task and Finish Group had recommended one option and the recommendation had not been unanimous. It was his view that the proposed wording was too long. He had proposed snappier wording but had used three of the six words suggested by the Group. The wording had been used before in other publications and he considered that it told the story of Colchester better than Britain's Oldest Recorded Town. The recommendation from the Task and Finish Group had been considered: the minutes were included in the Cabinet agenda, The Cabinet was not obliged to discuss every item before them. In terms of alternative options, Britain's Oldest Recorded Town was inaccurate and Britain's First Roman City failed to embrace Colchester's pre and post Roman history.

In terms of reason (b) "failure to have regard to due consultation", it was the purpose of the Task and Finish Group to undertake consultation. They had consulted with appropriate local experts. Councillor G. Oxford had also undertaken his own consultation before using the strapline on his Mayoral Legacy signs. The Council did undertake considerable consultation on major issues, for instance through the Policy and Public Initiatives Panel. However, the Council was a representative democracy and members were elected to take decisions and were entitled to do so without consultation.

He noted that the reasons cited on predetermination had largely been ruled out by the Monitoring Officer. In terms of cost, the only committed expenditure was approximately £10,000. The strapline was already in use by other organisations and it should be embraced to ensure that it worked and helped ensure that Colchester became a top visitor destination.

In discussion members of the Panel raised a number of issues. In terms of consultation members of the Panel explored, what level of marketing consultation would be deemed acceptable and what this would cost. If public consultation was undertaken how would this be organised and what level of support would be needed in order for a change to be made? Councillor Barber explained that the level and type of consultation would depend on the objectives of the change. If the Council

was seeking to address an external audience, it would require consultation and market research. However, the proposed change also concerned residents' identity and therefore consultation with residents was also necessary. It was also important to seek the views of local businesses so that they support and tie in their promotional work with the Council's message.

Councillor T. Young explained that if the decision was confirmed, he would take the issue of marketing back to the Task and Finish Group and discuss whether it wanted to spend some of its budget on marketing.

It was also noted by a member of the Panel that the Heritage and Tourism Task and Finish Group had made a specific recommendation that an online public consultation be undertaken. It was suggested that whilst it was open to the Cabinet not to agree the recommendation, it had not explained this decision. Reasons should have been given. Whilst Colchester's historical claim to be a city was understood, on four occasions it had been unsuccessful in applying for City Status. Cabinet had failed to explain or given reasons for this inconsistency, and whilst the administration's determination to promote Colchester was appreciated, there needed to be an element of truthfulness in the approach. In response Councillor T. Young explained that he believed that adequate consultation had taken place and further consultation was not necessary. In terms of City Status, this could only be rescinded by the Head of State. As this had never been done, Colchester had an irrefutable claim to be a city.

In response to a question from a member of the Panel Councillor T. Young explained that considerable weight had been given to the views of experts who spoke the Heritage and Tourism Task and Finish group. He had attended the Task and Finish group meeting and listened to the experts. They had explained their views fully. They also had differing opinions. Their views had helped inform the decision on the strapline and distinction needed to be made between the evidence the experts had given to the Task and Finish Group, and the recommendation from the Councillors on the Task and Finish Group. The Terms of Reference of the Task and Finish Group were clear that it was for the Group to make recommendations to Cabinet: it was for Cabinet to consider any recommendations made. There was no obligation on Cabinet to accept them.

A member of the Panel also explained that they considered that the wording used when presenting the new strapline at the Cabinet meeting indicated that this was a fait accompli. Councillor T. Young explained that notwithstanding how the item had been presented, it was open to Cabinet to raise concerns and to reach a different outcome. Whilst there had been some discussion with Leader in advance of the meeting there had been no pre-determination.

After considering the reasons for the call in and the submissions made by Councillor Barber and Councillor T. Young, it was the view of the Panel that concerns remained about reason (j) proper procedures were not followed. The Task and Finish Group had made a clear recommendation that included public consultation. Whilst it was open to Cabinet not to agree to this recommendation, the proper procedure would have been to explain this and give reasons. The Panel was therefore of the view that the decision should be referred back to Cabinet to explain why it chose not to follow the recommendation of the Heritage and Tourism Task and Finish Group. Once that

that further explanation was given, proper procedures would have been followed and the Panel would be content for the decision to be implemented.

RESOLVED that the decision set out in minute 329 of the Cabinet meeting on 30 January 2019 be referred back to Cabinet in order for Cabinet to give reasons why it had decided not to follow the recommendation of the Heritage and Tourism Task and Finish Group and had deemed that an online public consultation as proposed by the Heritage and Tourism Task and Finish Group was not necessary.

The following documents are also attached as appendices:-

Appendix A – Extract from the minutes of the Heritage and Tourism Task and Finish Group on 20 November 2018.

Appendix B - Extract from the draft minutes of the Cabinet on 30 January 2019

Appendix C – Call in form detailing the reasons for the call in.

**EXTRACT FROM THE MINUTES OF THE MEETING OF THE
HERITAGE AND TOURISM TASK AND FINISH GROUP
HELD ON 20 NOVEMBER 2018**

8. First Capital of Roman Britain / Britain's First Roman City

Officers provided a presentation to the Group on Branding and the importance of a tourism brand/strapline.

Officers also assisted the Group in their discussions on a potential change to the current strap line 'Britain's Oldest Recorded Town'. Officers considered that it was important not to narrow down Colchester's appeal given Colchester had a lot to offer beyond its heritage, and many tourism stakeholders with non-heritage related businesses whilst many potential visitors were not engaged by history or the Romans. Officers were of the view that a strapline shouldn't be too long and should flow well when written down or read.

The Chairman welcomed the suggestion to test a potential change in strapline by starting an online public consultation and proposed recommending to Cabinet that 'Britain's First Roman City' be adopted for this purpose.

Philip Crummy was of the opinion that a change to the use of the term First Capital would be open to challenge from London but he welcomed the use 'Roman' within any new strapline as he considered it was this characteristic of the town which set it apart from others. He commented on the Visit Colchester use of the term 'More than Britain's Oldest Recorded Town' and was of the view that it would be more appropriate for this term to be 'Britain's Oldest Recorded Town and more'.

Councillor Barton explained that she had exchanged emails with Jonathan Pearsall who had first suggested the idea of a change in strapline, and he had confirmed his support for 'Britain's First Roman City' whilst Councillor Scordis indicated his preference for 'Britain's Oldest Recorded Town and more'.

The Group agreed to recommend to Cabinet that consideration be given to undertaking an online public consultation on a change to Colchester's strapline from Britain's Oldest Recorded Town' to 'Britain's First Roman City and more'.

Extract from the draft minutes of the Cabinet meeting held on 30 January 2019

329. Recommendation from Heritage and Tourism Task and Finish Group //First Capital of Roman Britain / Britain's First Roman City

Cabinet considered minute 8 from the Heritage and Tourism Task and Finish Group.

Councillor G. Oxford attended and with the consent of the Chairman, addressed the Cabinet. As part of his mayoral legacy, a number of signs had received planning permission recently. He was content that the wording of "Colchester, Britain's First City" be used on these signs, as it was important a consistent and uniform approach was taken.

Councillor Laws, Chairman of the Heritage and Tourism Task and Finish Group, attended and with the consent of the Chairman, addressed the Cabinet. He stressed that he had an open mind on the wording of the strapline, and that it did not have to include a Roman reference. However, in the challenging retail environment, Colchester should play to its strengths and make the most of its Roman heritage, as York did with its Viking history.

Councillor T. Young, Portfolio Holder for Business and Culture, explained that the new strapline for Colchester; was "Colchester, Britain's First City". and he unveiled the new design for the logo. There was no need for further consultation and this would be used going forward. Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, and Councillor Barlow, Portfolio Holder for Commercial Services, expressed their support and their thanks to the Heritage and Tourism Task and Finish Group.

RESOLVED that Colchester's new strapline be "Colchester, Britain's First City" and this be used going forward without further consultation.

REASONS

A new strapline for Colchester was needed and the preferred wording reflected Colchester's heritage.

No further consultation on the issue was required.

ALTERNATIVE OPTIONS

Cabinet could have proceeded with the recommendation from the Heritage and Tourism Task and Finish Group.

COLCHESTER BOROUGH COUNCIL

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

Explanatory Note

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

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

We, the undersigned, request that the following decision be scrutinised by the Scrutiny Panel for the reasons set out below: -

The decision of the Cabinet on 30th January 2019, item 10(ii)

Reason(s) for call in:

- a) Failure to consider all options available: The Cabinet failed to discuss or consider the **recommendation** from the Heritage Task and Finish group was not properly discussed or considered at the Cabinet meeting on 30/1/19. The minutes of that meeting make no reference to a discussion of the options. No other options were considered, of which there are many.
- b) Failure to have regard to due consultation: There is a decision which impacts the whole borough. The minutes of the Cabinet meeting state "no consultation is needed." It is a statement repeated twice more and subsequently since by cabinet members. We do not agree with this statement and consider that this is an issue where consultation is imperative. The importance of consultation is reflected in comments made by the public since.
- d) Lack of clarity of aims and desired outcomes: No justification is given for Cabinet's belief that "a new strapline for Colchester was needed."
- g) Lack of presumption for openness: It is clear, especially given point a) and b), that this was a pre-determined decision. ~~This is further demonstrated by the fact the signs had already been designed and ordered prior to the decision.~~
- j) Proper procedures were not followed: The Heritage Task and Finish Group was invited to look into this issue and a well-respected list of local people were invited to feed into the process. They spent some time discussing the issue and making recommendations, which were not taken into account. Recommendations included consultation. Therefore, we do not consider proper procedures have been followed.

Signatures

1. Lewis Barber

Names in Capital Letters

LEWIS BARBER



2. Dennis Willetts	DENNIS WILLETTS	<input type="checkbox"/>
E-mail of support received on 6 February 2019		
3. Andrew Ellis	ANDREW ELLIS	<input type="checkbox"/>
E-mail of support received on 6 February 2019		
4. Simon Crow	SIMON CROW	<input type="checkbox"/>
E-mail of support received on 6 February 2019		<input type="checkbox"/>
5. Jackie Maclean	JACKIE MACLEAN	<input type="checkbox"/>
E-mail of support received on 6 February 2019		<input type="checkbox"/>

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

For Office Use:

Date and time of Receipt: 6 February 2018, 8.30am Action:

Report of	Assistant Director - Environment	Author	Richard Block
Title	Waste and Zones Futures Business Case		☎ 506825
Wards affected	All wards		

1. Executive Summary

- 1.1 This report outlines proposed service changes, financial savings and investment in front line services following a review of the existing Recycling, Waste and Fleet Service and Community Zones Service.

2. Recommended Decision

- 2.1 To approve the changes to the organisational structure proposed by the report.
- 2.2 To approve all other changes and savings proposed by the report.
- 2.3 To accept the offer from Essex County Council for them to pay this Council a discretionary recycling credit of £30 per tonne for recycled food waste collected from residents with a minimum guaranteed total annual income of £175,000.
- 2.4 To delegate authority to the Assistant Director – Environment in consultation with the Portfolio holder for Waste, Environment and Transportation to award a contract for the handling and sale of recycled materials for 5 years.

3. Reason for Recommended Decision

- 3.1 So services are organised and provided to meet the future needs of Colchester and to ensure the Council Budget Strategy is achieved.

4. Alternative Options

- 4.1 To not approve the changes and proposals in this report.

5. Background Information

Introduction

- 5.1 The senior management restructure which came into effect on 1 July 2017 included a clear intention to commence a series of service reviews to be known as “Service Futures”. These aim to drive out inefficiencies, progress further cultural change and take full advantage of our investment in Information Technology and more flexible ways of working.
- 5.2 A combined review of the Recycling Waste and Fleet Service and Community Zones Service under the theme of “Waste and Zones” was commenced in August 2018. These services are currently led by 2 different Group Managers but were brought together under the leadership of the Assistant Director for Environment in October 2018. This was because several links and potential benefits of bringing the services closer together had previously been recognised which is also why the areas were reviewed together.

Scope

- 5.3 The scope for this Futures Review was previously considered and agreed by Leadership Team and the Policy and Public Initiatives Panel. The Panel agreed the following parts of the services would be out of scope:
- Fleet – we are just going through a procurement for new fleet including both vehicles and maintenance so the decision about how we provide fleet is out of scope, but the overall management and operation of fleet are in scope
 - Grounds maintenance contract – is largely out of scope as it still has 5 years to run. However, we should still challenge some of the assumptions in this contract such as who does what and resulting duplication. Therefore, the internal resource should be in scope

They also agreed that the following issues would not be looked at as part of this work:

- Collection methodology for the Waste Service. This was comprehensively considered as part of the changes to the Waste Service last year and while there remain many options, this is not the focus of this review
- Outsourcing the overall service is not an approach that will be considered. There may be discreet parts of Waste or Zones that may be better delivered by external suppliers, but the overall direction is to retain the services in-house and to continue to look for better ways for working
- Charging for collection of green waste or for replacement recycling kit will not be considered

The Services

Recycling, Waste and Fleet

- 5.4 The Recycling Waste and Fleet Service provides recycling and waste collections to every household in the Borough every week. Currently the service carries out individual collections of residual waste, food waste, garden waste, paper, glass, cans and textiles from households and all the associated support activities. Fleet provision and maintenance for all Council services is all also managed within the Service. The Service employs 132 full time equivalent (FTE) staff and has a gross budget of £4.5 million. The current organisational structure for Recycling, Waste and Fleet is shown at appendix 1.

Zones

- 5.5 Zones was created in 2009 to provide a single multi-skilled team to deal with a wide range of tasks, ranging from functional street cleansing tasks to community engagement & enforcement roles. In the following years Zones have also taken responsibility for Parks, Recreation, Open Spaces including management of the iDVerde Grounds Maintenance Contract, the Countryside Team including High Woods Country Park and the Cemetery and Crematorium. The Service employs 90.9 FTE and has a gross budget of £5.8 million. The current organisational structure for Zones is shown at appendix 2.

Findings of Review

- 5.6 At the start of the review, a series of staff workshops were undertaken involving staff at all levels to identify current issues and their ideas on how to respond to these. A notice board and confidential suggestions box was also made available to front line staff working from the Shrub End Depot for the same purpose. This extensive engagement resulted in several themes/issues being identified. These are shown in the table below:

Theme
With increasing housing growth, capacity and resilience are issues across both services but are particularly acute in waste
There could be some ways to create more capacity by doing things differently
Waste and Zones have many shared purposes, but they often don't connect well when they need to
There are many opportunities for increased income although some will require investment and/or changes to the way we operate
Some processes could be improved and simplified
We could make some financial savings on our Grounds Maintenance Contracts without reducing service by eliminating duplication
The level of our resource used to manage and monitor the ID Verde Grounds Maintenance Contract is too high
Waste and Zones needs more support within the service to free up front line managers
The Shrub End Depot requires significant redevelopment to ensure it is fit for the future
Staff and management structures need to be reviewed

Identified Savings

- 5.7 It is proposed that a combination of new income/savings ideas and allocation of savings/income that has been previously identified but not budgeted for is used. This will enable frontline services to be protected.

A summary of the identified savings and additional income is shown in the table below:

Item	Comments	2019/20	2020/21	2021/22
Savings		£'000	£'000	£'000
Fleet	Savings associated with the decision previously made by Cabinet to purchase vehicles rather than leasing.	150	100	
Business rates for toilets	The most recent Central Government budget resulted in Business Rates for public toilets no longer being payable from April 2019. Councils will also be compensated for any losses in business rate income.	12		
iDeverde contract savings	iDeverde currently conduct work that Zones also complete or could complete more efficiently e.g. locking and unlocking Castle Park resulting in savings in the Grounds Maintenance Contract cost.	40		
Management re-structure	By introducing an integrated management structure for Waste and Zones the overall number of managers can be reduced from 18 to 14.	107		
Income				
Fees & charges	This represents inflationary increases of existing fees and charges across all paid for services for each year.	30	30	30
Highwoods Country Park	The team at the Highwoods Park Visitor Centre believe there are opportunities for increased income from sales in the centre with very little additional investment i.e. provision of a credit card reader.	10		
Recycling credits	This was previously agreed by Cabinet and relates to getting a better deal from Essex County Council (ECC) for food waste recycling credits. Further details are provided later in the report.	175		
Cemetery & Crematorium	This relates to new income from increasing the number of direct funerals. These are funerals with no associated service and can be fit in before other funerals at the start of the day.	38		

Putt in the park	This is a new concession in Castle Park and a lease has been agreed. This new income is as a result of the lease.		18	
Castle Park café	This represents additional income from a new lease for this café over and above the levels already in the budget.	10		
Total		572	148	30

Proposed Management Restructure

- 5.8 Most of the above savings/income proposals are self-explanatory but the most significant and the one that requires further explanation is the proposed new management structure.
- 5.9 It is proposed to deal with several of the identified the themes by a new integrated management structure and the proposed structure is shown at appendix 3. This will bring together Waste and Zones into a single, integrated service under one Group Manager. It retains the approach of zoning the Borough, makes no reductions in frontline staff and no changes to the geographical coverage of each zone.
- 5.10 It is clear from the review that Parks and Open Spaces is not truly integrated into the current Zones Structure. The proposed structure will result in full integration. It also joins up Waste and Zones by having a single front-line manager responsible for all issues in each zone. This then provides a single accountable point of contact for all issues in that area. Because of the additional pressures associated with managing the Town Centre Zone (Zone 2) which includes Castle Park, a deputy zone manager is proposed for that Zone.
- 5.11 The creation of a Specialist and Support element to the structure will free up frontline managers to manage frontline services in the Zone they are responsible for. The proposed structure will improve communication, result in less duplication and will build resilience across all services.
- 5.12 In the current structure there are 18 managers but by creating a new integrated service the overall number of posts at a management grade can be reduced to 14 generating £107,000 of annual revenue savings, whilst maintaining frontline service levels.
- 5.13 The Cemetery and Crematorium does not fit well into this structure, so it is proposed this be moved to be managed in Communities. It is also proposed that the Zone Warden resource allocated to community engagement and development work (2 FTE) would move to be managed in Communities so this important work can be maintained and directly managed by the Community Engagement Team.

Recycling Credits

- 5.14 Cabinet previously resolved that we should retain recycled food waste and make our own arrangements for it to be processed on the basis we currently receive no share of the savings Essex County Council make from us collecting it separately. They also resolved that a recycling credit should be claimed from Essex County Council to cover the cost of processing the food waste and some of the extra cost we incur by collecting it separately from other waste.
- 5.15 Following negotiations with Essex County Council, they have offered to pay us a discretionary rate of £30 per tonne if we carry on using their contracts to process food

waste. They have also guaranteed a minimum total annual recycling credit payment to Colchester of £175,000. Since the Waste Collection System changes we made in June 2017, we have increased the amount of food waste collected from residents by 100%. This would previously have been disposed of as black bag waste by Essex County Council, so the deal will provide Colchester with a fair share of the savings Essex have made on landfill costs. It will also allow Essex to use economies of scale and get the best overall price for processing food waste collected from across the County.

Other Areas Considered in the Review

Enforcement

5.16 A greater focus on enforcement of street environmental crime such as littering and low-level Antisocial Behaviour was identified as an outcome required from this Futures. We have seen excellent results from using a private company to conduct this enforcement through the Better Colchester Campaign. It is therefore proposed to continue the approach of using a private enforcement company through the Better Colchester Campaign until the level of Fixed Penalty Notices they issue starts to reduce significantly. We have also been developing Zone Wardens, so they conduct more enforcement and have recently seen some significant successes in the Town Centre. We will continue with this development and training, so they are able to conduct more enforcement.

New Technology

5.17 Several areas of new technology including litter bins that communicate when they are full have been reviewed. At this stage the capital costs for such technology outweigh the savings made. Such technology will be kept under review as costs are likely to reduce resulting in the payback period for the initial investment reducing to an acceptable level.

Market and Street Trading

5.18 These areas are being reviewed as part of this Futures. Findings so far are that putting the market up and taking it down is a massive drain on Zone Operative time. We are examining alternative methods of operating the market and street trading including the potential of getting a private company or cooperative of Market Traders to run it, including set up and take down. This would release around 70 hours of Zone Operative/Warden time adding capacity to the service. We still need to do more work before a final recommendation can be made.

Investment Proposed

Proposed Investment to Respond to Housing Growth

5.19 To enable services to keep pace with housing growth, it is proposed to invest to increase the capacity of frontline services. Waste and recycling collections are the service most impacted by this as a new round is required for every 1500 new houses built and at least this many have been built since the Waste Collection Service changes made in June 2017. We have been able to release some capacity during the review through simple changes such as allowing food waste collection crews to tip food waste at Shrub End rather than each vehicle travelling to the processing facility, but more significant investment is needed now and, in the future, to keep pace with housing growth.

5.20 It is proposed that a total of £187,500 is invested to provide an additional refuse and recycling collection vehicle and crew in May 2019 and a second new vehicle provided 6 months later. It is also proposed that a third vehicle is added in 2021/2022. If this investment is not made considering the projected housing growth in the Borough, it will not be possible to provide waste and recycling collection services to new properties in the future. This has been included within the 2019/20 budget report.

Investment in Shrub End Depot

5.21 The Shrub End Depot is no longer fit for purpose and requires significant re-investment to provide the facilities and space to operate effectively now, and in the future. £800,000 has previously been allocated in the Capital Programme for the Shrub End Depot. It is anticipated that an additional £200,000 is required to redevelop the current site although further detailed work is underway to establish an accurate estimate. It is therefore, proposed to invest £200,000 of one-off additional capital funding in 2020/21 for redevelopment of Shrub End Depot. This has also been included within the budget proposals.

5.22 A table summarising the investment proposed is shown below:

	2019/20	2020/21	2021/22
Reinvestment to provide additional capacity in the service to respond to housing growth	£187,500	£62,500	£125,000
Investment at Shrub End Depot		£200,000	

Other Cost Pressures

Recycled materials

5.23 We have been reviewing the arrangements for processing and sale of dry recyclable materials collected from residents (Paper/Card, Plastic and Tins). The current contract with the existing processing company has come to an end and we have recently seen the financial position associated with the income received for recycled materials deteriorate due to challenging market conditions. Therefore, a procurement for a new contract has been started.

5.24 We recently held an open day with prospective recycling processing and sale contractors to help develop the specification for the new contract. All suppliers informed us on this day there is not likely to be a market for recycled plastic bags and film collected with other plastics in the foreseeable future. This is demonstrated by the fact that most other Councils no longer collect this material.

5.25 If we were to continue to collect these materials from residents as recycling they would not actually be recycled. This would be misleading to residents as they would be making the effort to separate these materials from black bag waste thinking they would be recycled when they would be disposed of by incineration or landfill. If we continue to collect these plastics with recycling, we have estimated the additional cost of removing them from the plastics that can be recycled, and the subsequent incineration or landfill costs will be at least £50,000 each year. No allowance has been made in the 2019/2020 budget for this increased cost.

- 5.26 It is therefore, proposed to no longer accept film, plastic bags and plastic wrappers in plastic recycling collected from residents. These can instead be collected as refuse without adding any significant extra volume to black bag waste. Based on the current amounts of this material we collect (500 tonnes each year) this means residents will have an extra 8 grams of material for each black sack of landfill waste they put out for collection which is less than the weight of a tablespoon of sugar. If this change is approved an educational approach will be taken with residents rather than stickering and leaving bags of recycling.
- 5.27 The new contract for the sale of our recyclable materials will have flexibility so that if in future years any material that cannot currently be recycled becomes recyclable, we will be able to collect this again from residents. The Procurement process to select a contractor has commenced but won't be completed until the end of March 2019. It is therefore proposed that authority to award the contract is delegated to the Assistant Director Environment in consultation with the Portfolio Holder for Waste, Environment and Transportation.

Recycling Kit

- 5.28 Apart from Garden Waste Sacks, we currently have limited control over replacement recycling kit for residents. A roll of 62 clear sacks is delivered to every household and top up supplies of clear sacks and recycling boxes/containers are available at a range of stockists across the Borough. This has resulted in expenditure forecast to exceed the budget by £170,000 (77%) this year which is mainly due to clear sacks. If no changes are made for next year, there will be a similar budget pressure. It is therefore proposed to introduce a downloadable voucher system for all replacement recycling kit. Where it appears a greater amount of replacement recycling kit is being requested than could feasibly be used, further investigation will be undertaken and the request for a voucher could be refused. This will allow greater control over stock whilst still allowing residents to obtain replacement recycling kit free of charge.

Conclusion

- 5.29 Significant annual budget savings are generated by the proposals in this report whilst maintaining frontline services and investing in them, so they can grow to respond to additional demands created by new housing.
- 5.30 The proposed integration of Waste and Zones will create more efficient, effective and resilient services facilitating a reduction in management posts to protect frontline services. The proposed structure will also allow other themes identified through the review to be tackled effectively in the future.

6 Equality, Diversity and Human Rights implications

- 6.1 The proposals have no equality, diversity or human rights implications. No service reductions are being proposed. Additional controls are being proposed over how residents can obtain replacement recycling kit, but the system proposed is the same as that is issued for replacement garden waste sacks and this has presented no implications in these areas.

7 Strategic Plan References

- 7.1 The services that have been reviewed through this Futures are wide ranging and as such contribute to all of the themes of the [Strategic Plan 2018-21](#). If the proposals made

in this report are implemented the resulting services would continue to have this wide-ranging contribution.

8 Consultation

- 8.1 A formal consultation process has been undertaken with staff affected by these proposals to get their views on them. Staff workshops early in the review also helped to inform the proposals.

9 Publicity Considerations

- 9.1 If proposals to ask residents to dispose of plastic bags and film with other refuse and to introduce a voucher system to obtain all replacement recycling kit are approved, Borough wide publicity will be required.

10 Financial Implications

- 10.1 Reviews carried out under the Futures Programme make a key contribution to savings identified in the medium-term financial plan. If all the proposals in this report are approved a cumulative annual revenue saving of £750,000 would be made by 2021/2022 with no reduction to frontline services.
- 10.2 This Futures Review has also identified the need to invest in frontline services to ensure they grow to meet the needs of new housing growth and to ensure the Shrub End Depot is fit for purpose. If approved this would mean that by 2021/2022 a total of £375,00 additional annual revenue funding and £200,000 of one-off capital is invested in these front-line services.
- 10.3 If the steps proposed above to control recycling kit and to remove plastic film from recycling are not taken, this will create further financial implications which have not been allowed for in the budget proposals for 2019/2020.

10. Community Safety, Health and Wellbeing Implications

- 10.1 The proposed changes and structure would ensure services continue to play a key role in delivering Community Safety, Health and Wellbeing. The proposed Neighbourhood Zone Managers and Zone Wardens would play a key role in ensuring Community Safety in the Neighbourhood Zones.
- 10.2 Moving some Zone Wardens to Communities will ensure their work continues to be closely aligned with identified community needs.
- 10.3 It will be vital to ensure that excellent links are maintained between Neighbourhood Services and Communities as there are many areas where both services need to work closely together to ensure Community Safety, Health and Wellbeing objectives are achieved. Multidisciplinary Projects such as the Town Centre Action Plan provide a useful example of how this can be achieved.

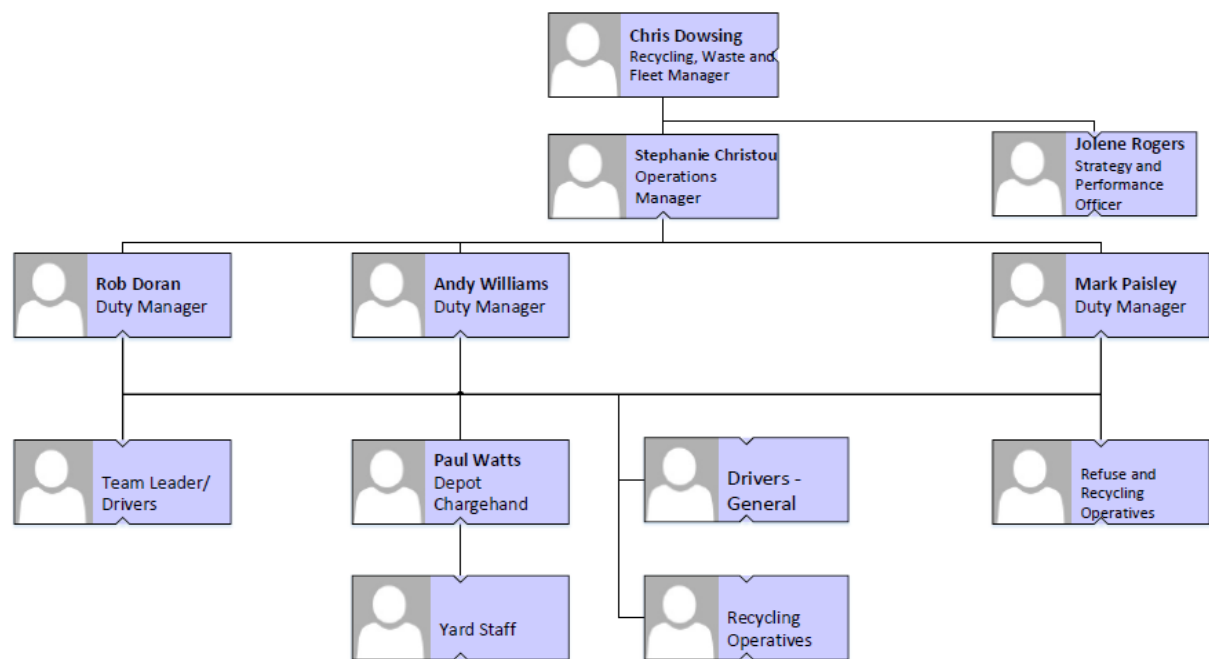
11. Health and Safety Implications

- 11.1 There are no health and safety implications.

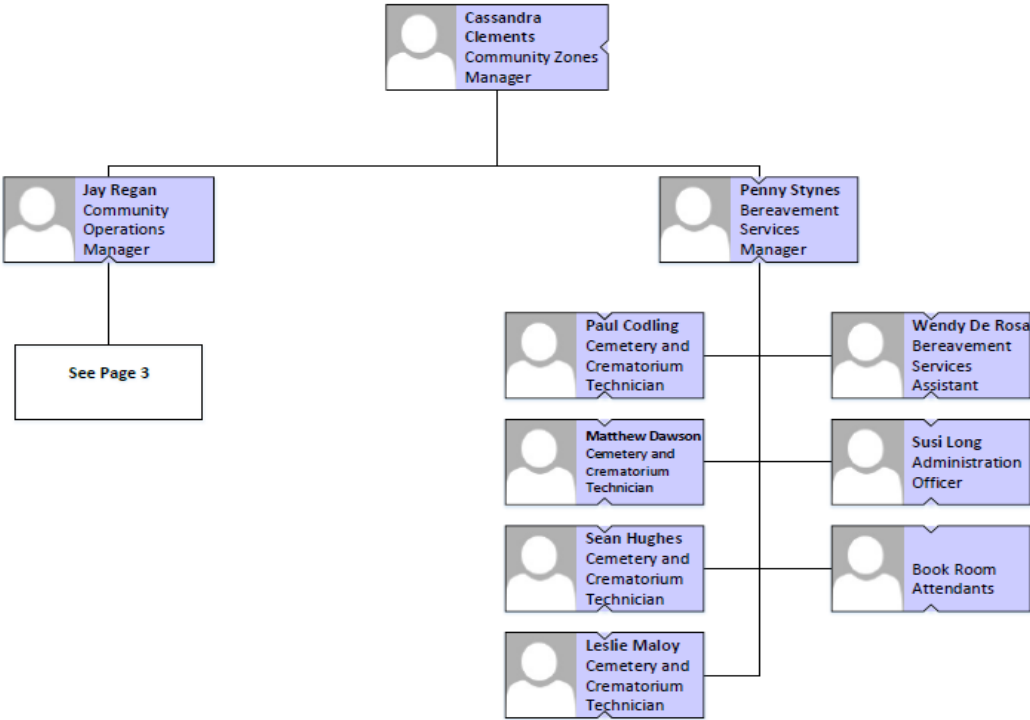
12. Risk Management Implications

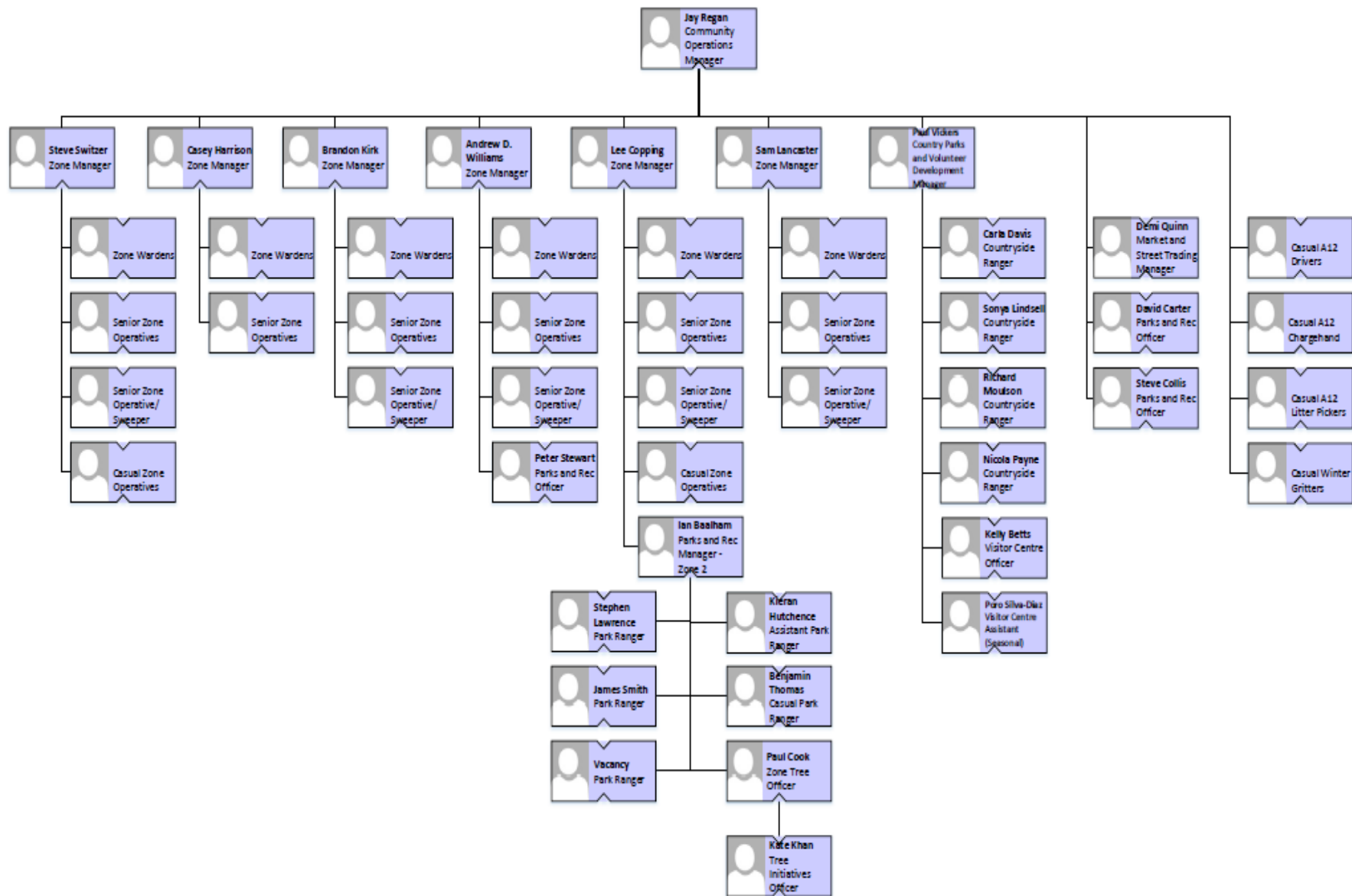
- 12.1 The proposals above will result in reduced overall management capacity, but this is mitigated by the new integrated management structure reducing duplication and creating greater synergies and alignment of services.
- 12.2 There is a risk that the level of savings and new income referred to above is not achieved although some are already guaranteed as they are underpinned by contracts or legislation. Other estimates are minimum expected levels.

Appendix 1 – Current Management Structure for Recycling, Waste and Fleet



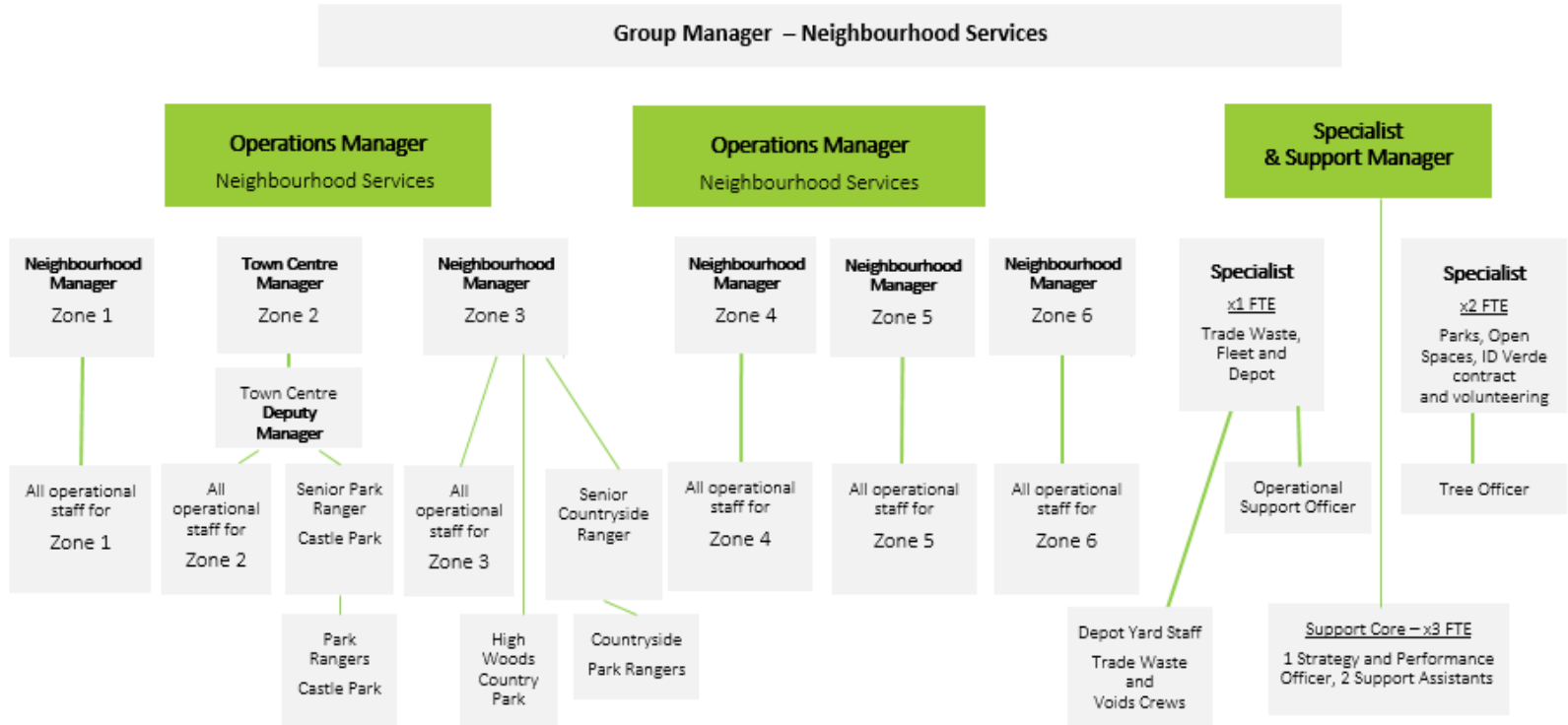
Appendix 2 – Current Management Structure for Zones





Appendix 3 – Proposed Organisational Structure

Cem and Crem and Zone Warden FTE for Community Engagement/Development moves to Communities



Extract from the draft minutes of the Scrutiny Panel meeting of 29 January 2019

198. Waste and Zones Futures Business Case

The Panel considered a report inviting it to consider the proposed service changes, financial savings and investment in front line services following the review of the existing Recycling, Waste and Fleet Service and Community Zones Service. Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, Councillor Bourne, Portfolio Holder for Housing and Communities and Richard Block, Assistant Director for Environment presented the report and attended to assist the Panel.

Councillor Goss explained the background to the report and presented the key proposals of the Business Case. Potential savings and additional income of £748,000 had been identified over the next three years. It was stressed that although a new management structure would be put in place, there would no reduction in frontline staff. The new structure would fully integrate the Parks and Open Spaces team into the zones structure. In addition, as the Cemetery and Crematorium did not fit well into the zones structure, it would be moved in the Communities team, as would some Zones resources allocated for community development and engagement work. Other elements of the Business Case were a greater focus on enforcement, a greater emphasis on the use of technology and a review of the market.

A key element of the Business Case was further investment in the Shrub End Depot and in the capacity of frontline services in order to ensure there was sufficient capacity to cater for the increase in housing growth in the borough. In addition, a new contract for the processing and sale of dry recyclable material was underway. Due to global market conditions there was no longer a demand for plastic film, plastic bags and plastic wrappers and it was proposed that these no longer be collected as recyclable material. Residents would be advised to include them in their black bag waste. An allowance would be included within the 2019/20 budget to allow for the increased costs that could arise from this.

In summary this was a positive review which would deal with capacity issues in the Waste and Zones services. It would increase the capacity of the service, improve the technology available and also introduce better controls on recycling supplies. In response to a query from a member of the Panel about the possibilities of increasing the use of multi compartment vehicles, it was explained that this was outside the scope of the review, but a number of efficiencies in collection methods had been identified as part of the review. These issues had been looked at in detail in the review of waste and recycling collection in 2017. It was also confirmed that issues relating to the provision of wheeled bins was outside the scope of this review.

It was suggested that it would be beneficial for ward councillors and parish councils to receive better information about the work of the zones teams to ensure better co-ordination and that processes needed to be put in place to raise the visibility of their work. Councillor Goss responded that there was an efficient internal workflow system in place to ensure that tasks allocated to the zones teams were completed efficiently. Rotas for the Zones teams were made available to parish councils to help avoid duplication. Ward councillors should build effective relationships with their Zones teams and communicate regularly with them to ensure that they were aware of the work they were undertaking. However, work was underway to create an online portal for members to report issues and to improve communication between ward councillors and the Zones teams. Concern was also expressed by a member of the Panel about the consistency of the approach to enforcement by the Zones teams, particularly in respect of items belonging to street homeless individuals. Councillor Bourne and Councillor Goss responded and explained that they believed the Zones teams approached this issue fairly and sensitively.

In respect of the proposed changes to collections of plastic film, bags and wrappers, concern was expressed by a member of the Panel about the resulting increase in waste to landfill. This proposal was counter to the view expressed by Council in the motion on plastic packaging approved by Council in December 2017. Commercial waste and recycling companies were still collecting such products. In addition, the market for recyclables was fluid and could change quickly. Further information was sought about how these changes would be communicated to residents.

In response, Councillor Goss stressed that that this decision was market led. There was no commercial demand for the material. The Council had recently held a market engagement day in advance of tendering for the new contract and this had been the universal view of the suppliers. Even if the material was collected, it would not be recycled, as the recycling companies would remove it when sorting. The key was to pressure the manufacturers and supermarkets from using such materials. In terms of engaging with residents, information would be provided through the recycling calendar. Traditional media and social media channels would also be used, and councillors, including parish councillors, would also play a role in disseminating key messages.

A member of the Panel sought information about the additional cost of this change to collection methods. In response, Richard Block explained that this was not clear, as the cost would be included in the new waste collection contract, which had not been let. However, it was anticipated that costs would reduce, as there would be less contamination of recyclable material, and the costs that resulted from this contamination would no longer be built into the contract.

The Panel also explored what tonnage increase in waste and recyclables was anticipated from the increase in housing growth, in order to justify the acquisition of a further vehicle and crew. This would be provided to the Panel, but it needed to be borne in mind that other factors also had to be taken into consideration, such as the collection run times. It was also stressed that the service was also looking to increase opportunities for recycling, and was looking into collection points for bottle bricks and recycling points for crisp packets.

The Panel also explored some of the staffing issues arising out of the review. it was confirmed that there would be no reduction in frontline staff. There would be a reorganisation of the management structure, and four current management posts would not be included in the new structure. In terms of the transfer of the community development and engagement work. It was estimated that across the borough this amounted to two full time equivalents. This resource would be transferred into the Communities team which would provide a dedicated resource and help ensure a consistent borough wide approach that would be better integrated with the work of the wider Community Enabling team.

RESOLVED that:-

- (a) The contents of the Waste and Zones Futures Business Case be noted;
- (b) The financial savings and the investment in frontline services proposed in the service were scrutinised;
- (c) Further information be provided to the Panel about the tonnage increase in waste and recyclables was anticipated from the increase in housing growth.

13 March 2019

Report of	Assistant Director Policy & Corporate	Author	Andrew Tyrrell
Title	Updates to the Business Plans of the Council's Companies.		
Wards affected	All Wards		

1. Executive Summary

- 1.1 In April 2018 the Council set up a wholly owned company, Colchester Commercial Holdings Ltd (CCHL), with three subsidiary trading companies; Colchester Amphora Energy Ltd (CAEL), Colchester Amphora Homes Ltd (CAHL) and Colchester Amphora Trading Ltd (CATL). Each of these companies had an agreed Business Plan for the period 2018-2021.
- 1.2 This Report includes draft versions, with updates to these Business Plans to reflect changes that have occurred over the last year of activities. The Business Plans are reviewed annually, with this being the first revision to reflect current trading activity.

2. Recommended Decision

- 2.1 To review, and agree, the refreshed draft Colchester Commercial (Holdings) Limited Business Plans and those for its 3 subsidiary companies.
- 2.2 To delegate, to the Assistant Director Policy & Corporate, in consultation with the Portfolio Holder for Commercial Services, authority to finalise any minor amendments to the wording, formatting etc.

3. Reason for Recommended Decision

- 3.1 The companies have undertaken a plethora of activities since they were formed. The Business Plans were agreed prior to the companies commencing those activities and, inevitably, need updating to reflect changes since their conception. The fundamental aims and objectives of the plans have not changed.

4. Alternative Options

- 4.1 The Cabinet could decide not to agree the Business Plans, but this would leave out of date plans in circulation that do not reflect the most up to date reflections on the companies planned activities.

5. Background Information

- 5.1 The Localism Act 2011 enabled local authorities to undertake activities designed to make a profit, but only if delivered within a company. The Council established wholly owned companies using these powers. The companies were incorporated under the Companies Act 2006 on 1 June 2017, and began operating from 1 April 2018. The aim was to enable the Council to operate its direct trading services and development functions within a more commercial culture, to address the challenges of ongoing budget pressures. A further 3 subsidiary companies, each with distinct areas of trading, were also formed:
- Colchester Amphora Energy Ltd (CAEL)
 - Colchester Amphora Homes Ltd (CAHL)
 - Colchester Amphora Trading Ltd (CATL)
- 5.2 CCHL is a private company limited by shares, with the Council being the sole shareholder. The Council consequently retains full control over the direction of the companies, manages the risks and receives the resulting financial benefits.
- 5.3 The Management Agreement between the Council and CCHL sets out how the company will provide a range of services to the Council. The Company and its subsidiaries are also managed and monitored in accordance with the target budgets and other Key Performance Indicators (KPI) agreed with the Council under its Management Agreement.
- 5.4 The Company manages, on behalf of the Council, the following budgets:
- Sports and Leisure Services
 - Corporate asset management
 - Commercial and investment properties
 - Helpline
 - CCTV
 - Capital budgets related to project in the Revolving Investment Fund (RIF).
- 5.5 Similarly, it was agreed that CCHL and its subsidiaries will “buy” services from the Council and these services are outlined in a Service Level Agreement (SLA). The Companies pay CBC a fee for the provision of these services. The current SLA runs from 1 April 2018 to 31 March 2021 and forms the basis of the partnership between the Councils companies and the services provided by the Council.
- 5.6 There are then Business Plans for each company. CCHL, as the overarching strategic company, ensures that the three subsidiary companies deliver against their individual Business Plan targets. The Business Plan for CCHL sets out that the holding company provides the strategic direction, financial performance monitoring and senior management capacity for the subsidiary companies.
- 5.7 In addition, although CCHL is a holding company, it does undertake some trading activities. For example, it provides the senior management service and strategic direction to the Council's Sport and Leisure function. Each of the subsidiaries has its own Business Plan as detailed below.
- 5.8 The refreshed CCHL Business Plan remains broadly similar to the 2018 version. Except that it starts to identify some growth objectives which, together with its subsidiaries, will be a focus for the remainder of the plan period (alongside delivery of the management agreement services for the Council). The Plan sets out aims to:
- Continue to deliver against set targets
 - Develop second programme of sites for CAHL
 - Develop phase 3 garage sites for the Council

- Continue to develop a pipeline of development projects for the Council
- Invest in Digital Technology in both Helpline and CCTV Service
- Explore new opportunities to develop low carbon projects in Colchester
- Continue to explore market for CCHL products and services

- 5.9 The CAEL Business Plan sets out the rationale for setting up the company, which was initially to focus on the Northern Gateway Heat Network. To be able to trade and supply heat the Council needed to set up a new company and it did so to demonstrate its commitment to the low carbon agenda and to provide leadership in the development of “infrastructure-first” energy provision. The resulting Northern Gateway Heat Network (NGHN) will provide an innovative ultralow-carbon heat solution to residents, businesses and other commercial users as part of the proposed growth planned in this part of the borough. The project will be the first of this scale in the UK, and was 1 of only 9 pilot projects that gained grant funding nationally.
- 5.10 In its refreshed Business Plan, CAEL now outlines the changes that have occurred in its first year of trading. The Northern Gateway Heat Project remains the main company focus, but the delivery mechanism for the project has changed with the Council taking on a lead role in the infrastructure of the scheme (as agreed at Cabinet in January). CAEL remain responsible for the heat plant and for supplying services to customers. The structure has been amended to reflect the CAEL ability to secure Renewable Heat incentive (RHI), which adds more financial sustainability into the project and grows the rate of return to the Council as shareholder. The Plan continues to highlight other emerging projects which will be developed in the next year of trading.
- 5.11 The Business Plan for CAHL reflects how the company was established to respond to the need for more high quality homes in the borough that are affordable for local people by creating a cross subsidy mechanism with sale of the private homes creating a surplus to invest in affordable homes. Development of new homes for private sale also provides income opportunities for the Council (by optimising existing assets in its ownership and recycling any profits from development for the Council to reinvest into core services).
- 5.12 The Business Plan for 2018 to 2021 sets out that the company will develop 4 sites, which were agreed by Cabinet in October 2018. The sites will deliver over 300 new homes and 30% of the new homes built will be affordable homes. The Business Plan also sets out that the company will be seeking to develop and secure terms for a second programme of sites for the Council.
- 5.13 The refreshed CAHL Business Plan 2019 highlights the same core objectives of the company (building quality affordable homes for local people, creating a commercial income stream for the Council, and building sustainable homes). However, a number of changes have occurred since the company was established in 2018 and these are highlighted in the refreshed plan; these include:
- Changes to the CBC HRA borrowing headroom thus enabling the completed affordable assets in CAHL to be purchased back by the Council rather than being retained and rented out by CAHL
 - Agreements to the site value and site purchase contracts exchanging for the land CAHL is buying from CBC
 - CBC putting equity into CAHL
 - New work taken on by the company to provide housing development management services to CBC for its own garage site new homes programme

- 5.14 The Business Plan for CATL sets out that the company offers a range of commercial trading businesses and services to customers which will generate new levels of income for the Council. CATL's offering has 2 main functions;
- Direct commercial trading services, including Helpline, Monitoring and CCTV and Events.
 - Professional property and business services, offered initially to the Council and then to external clients as the company grows. These services include estates management of the Council's assets, economic development and business support services and commercial development and regeneration project management.
- 5.15 The refreshed CATL Business Plan highlights the direction of travel for the new company as it approaches the end of its first year of trading. The Plan outlines new business opportunities as the Company becomes more established; for Events this focuses on growing the venues and introducing new markets, such as corporate functions. For Helpline, there are also new markets to be explored now that the business is trading effectively. For Development services more work is being picked up for other Council departments, such as Communities, although the Company plans to seek other public sector clients in 2019.
- 5.16 All of the Business Plans must be delivered in full compliance with the governance requirements set out by the Council. The Business Plans require the agreement of the Cabinet, with the revised draft Business Plans attached as Appendices.
- 5.17 All of the Business Plans are being considered by the Governance & Audit Committee on the 7th of March, as this Committee performs a shareholder role in relation to the companies. Any recommendations that originate from the meeting will be reported via the minutes, which will be available at the Cabinet meeting.

6. Equality, Diversity and Human Rights implications

- 6.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 6.2 The recommended decision will have no disproportionate impact on any protected group, whilst further Equality Impact Assessment information can be found [here](#).

7. Strategic Plan References

- 7.1 The activities of the Council's companies contribute to the following Strategic plan References:

GROWTH... Ensuring all residents benefit from the growth of the borough

- Help make sure Colchester is a welcoming place for all residents and visitors
- Ensure residents benefit from Colchester's economic growth with skills, jobs and improving infrastructure
- Promote inward investment to the borough

- Work with partners to create a shared vision for a vibrant town centre.

RESPONSIBILITY... Encouraging everyone to do their bit to making our borough even better

- Increase the supply of good quality homes by using legal powers to reduce the number of empty homes and improve standards in the private rented sector

OPPORTUNITY... Promoting and improving Colchester and its environment

- Promote and enhance Colchester borough's heritage and visitor attractions to increase visitor numbers and to support job creation
- Promote green technologies through initiatives such as SMART Cities
- Help business to flourish by supporting infrastructure for start-up businesses and facilitating a Business Improvement District
- Promote initiatives to help residents live healthier lives.

WELLBEING... Making Colchester an even better place to live and supporting those who need most help

- Encourage belonging, involvement and responsibility in all the borough's communities
- Work with Essex Police and partners in the Safer Colchester Partnership to make Colchester an even safer place
- Create new social housing by building Council homes and supporting Registered Providers
- Target support to the most disadvantaged residents and communities
- Help residents adopt healthier lifestyles by enabling the provision of excellent leisure facilities and beautiful green spaces, countryside and beaches.

8. Consultation

- 8.1 There is no specific consultation requirement generated in relation to this Report.

9. Publicity Considerations

- 9.1 There is no specific publicity consideration in relation to this Report.

10. Financial implications

- 10.1 The companies operate as separate organisations with financial regulations agreed by relevant company boards. Where the companies are spending money on behalf of the Council, such as sport and leisure, capital budgets within the RIF, etc, then all approvals are required to be in line with normal Council procedures.
- 10.2 When the companies were set up the financial targets and estimated dividend for 2018/19 was broadly based on existing budget assumptions when services were operating within the Council. Some adjustments were made as part of the 2018/19 budget, such as a reduced income target from helpline and assumptions in respect of an agreed business plan for events. The latter reflected investment made by the Council in Charter Hall.

- 10.3. The dividend also reflected costs of the Council providing services to CCHL meaning that whilst this has provided an income for the Council it did not produce an actual budgetary saving as the management fee allowed for these costs.
- 10.4 The performance in the current year shows that it is expected that CCHL will deliver against its target dividend for 2018/19.
- 10.5 Looking ahead to 2019/20 the target / dividend set out in the CCHL business plan and council budgets assumes an increase in income for the Council of £107k. The business plan sets out how CCHL expect to deliver this increased dividend.
- 10.6 Funding for CCHL and certain CATL services is via a management fee paid by the Council. In addition separate agreements are being finalised to provide loan finance to the housing and energy subsidiaries. These have been subject to separate reports agreed by Cabinet and as such are not set out in detail within this report.

11. Health, Wellbeing and Community Safety Implications

- 11.1 Health and wellbeing is influenced by a number of factors, many of which fall under the responsibility of the Council. The Company activities span various aspects and assist the Council to do all it reasonably can to promote positive health benefits to our residents; whilst reducing, removing or minimising any unintended consequences to health that may arise from services or decisions.

12. Health and Safety Implications

- 12.1 The matters herein do not result in harm to the health and safety of the general public.

13. Risk Management Implications

- 13.1 The key risks associated with the companies concern the financial risk attached to the delivery of income targets (capital and revenue) and management of costs. This is actively managed through regular monitoring and reporting on the financial position and the governance arrangements detailed within the report.

Appendices

Public

Appendix 1: CCHL Business Plan

Confidential

Appendix 2: Confidential CAEL Business Plan

Appendix 3: Confidential CAHL Business Plan

Appendix 4: Confidential CATL Business Plan



Colchester
COMMERCIAL HOLDINGS

BUSINESS PLAN 2018 - 2021

Updated March 2019

CONTENTS

CONTENTS	02
EXECUTIVE SUMMARY	03
OBJECTIVES	04
CCHL AIMS	04
GOVERNANCE & MANAGEMENT STRUCTURE	05
SERVICES PROVIDED BY THE COUNCIL	07
MARKET OVERVIEW	08 - 10
CCHL REVIEW 2018 -- 2019	13 - 20
FORWARD LOOK	21
FINANCIAL PLAN	22



EXECUTIVE SUMMARY



Colchester Commercial Holdings Ltd

is the holding company for three separate subsidiaries, with related but distinct products, services, markets and opportunities. This business plan consolidates the three sub-divisions into a high-quality commercial offer which maintains the strong public sector ethos of its shareholder.



Colchester Amphora Trading

will deliver high quality products and services to public and private sector clients in the Property, Leisure and Health Care industries.



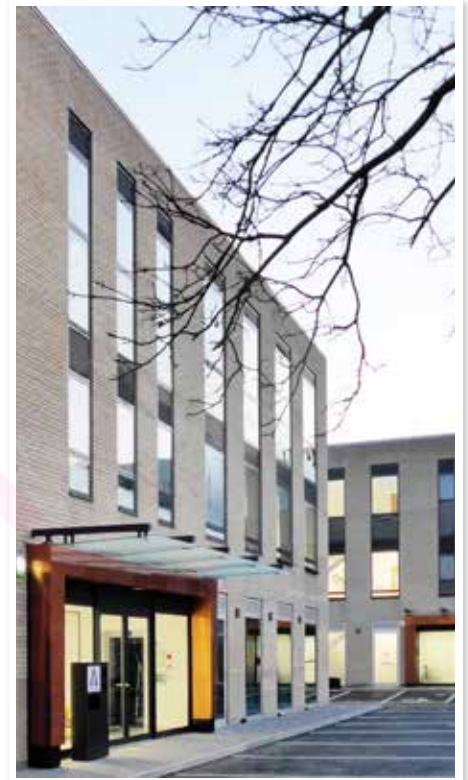
Colchester Amphora Energy

will design and implement low carbon energy systems and provide energy services in Colchester.



Colchester Amphora Homes

will deliver high quality affordable and private sale homes in Colchester and the surrounding area.



OBJECTIVES

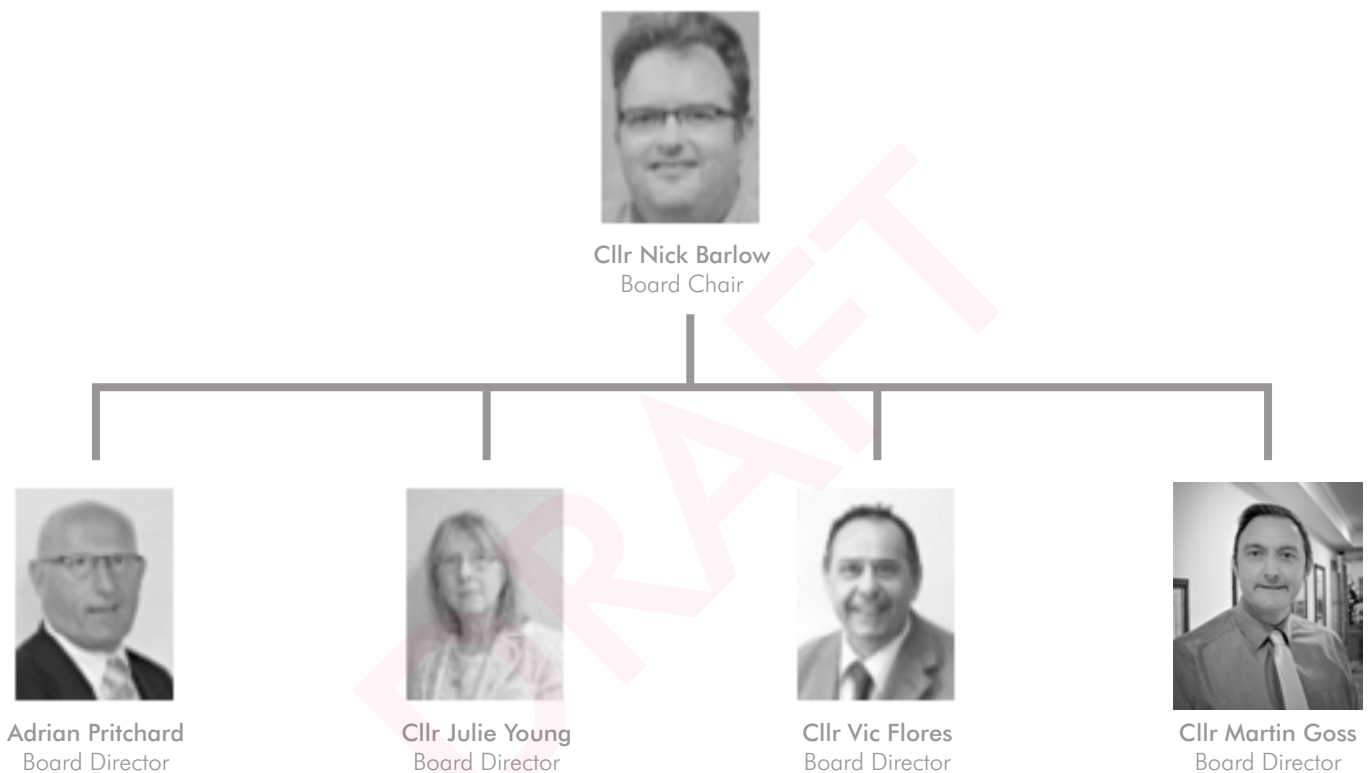
CCHL AIMS:

- Generate profit to maintain viability, reduce risk, return a dividend to our shareholder and re-invest in CCHL.
- Operate in a commercial, innovative manner exploring options for development and expansion.
- Provide our clients with high-quality products and services while maintaining a high level of return for the Council.
- Improve quality and availability of homes for private sale and affordable rent for local people.
- Capitalise on our unique product and services range to gain market share.
- Build the global brand of Colchester as a place to do business, invest, live, study and visit.

GOVERNANCE & MANAGEMENT STRUCTURE

CCHL is a company limited by shares, wholly owned by Colchester Borough Council.

A board of directors has been established to provide strategic direction and oversee performance:



The directors hold the responsibility for making decisions, providing leadership and monitoring the performance of the company. The directors are responsible for obtaining appropriate legal, financial and tax advice to enable them to make informed decisions about the running of the company. The directors are responsible for maintaining and regularly reviewing a robust risk management framework. The Board meet on a bi-monthly basis and are bound by the Articles of Association and Code of Conduct.

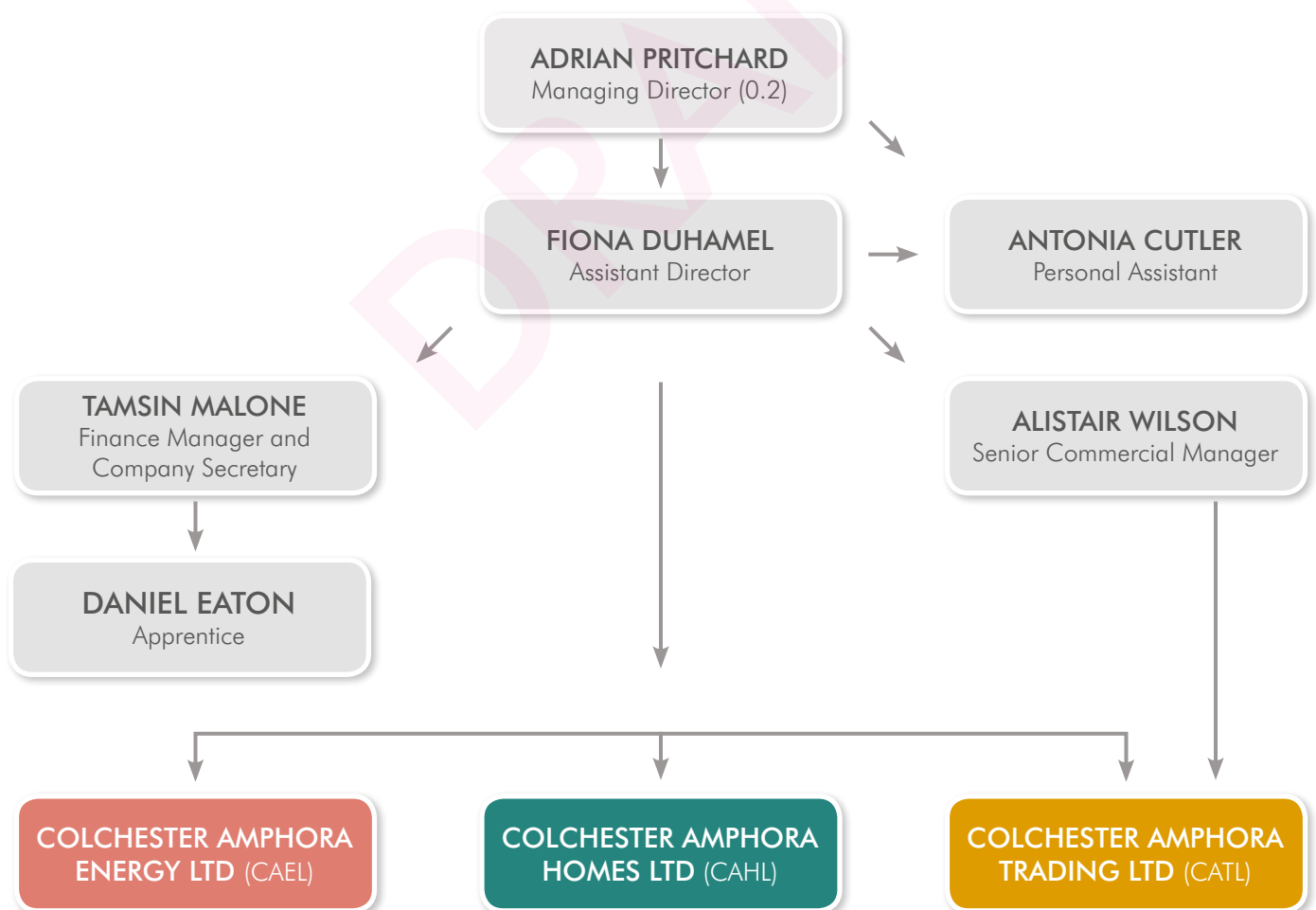
The articles of association govern the decision making and by whom. the company is required to comply with all laws governing private limited companies, such as the Companies Act 2006 and the regulatory regime for local authority companies under the Local Government and Housing Act 1989.

The board of directors are responsible for decisions regarding business development and the day-to-day operation of the company. However, the Cabinet, on behalf of the Council, are required to approve any decisions that would affect the shareholder's rights.

CCHL accesses a range of services from the Council through a series of Service Level Agreements. These are reviewed on a quarterly basis to ensure performance and to ensure the company and Council are achieving value for money.

Any profits made will either be repaid to the Council as a dividend, for the Council to invest in local services or reinvested in to the company.

The senior management of CCHL, as shown below, will produce an annual report on company performance to be taken to Governance and Audit Committee in June each year to provide an update on performance.



OPERATIONAL MANAGEMENT



Accommodation

To provide office accommodation and associated facilities at Rowan House, Sheepen Road, Colchester



Finance

The provision of accountancy services for all aspects of the budget cycle, cash flow management and administration of the Council's financial systems.



ICT and Telephony

To provide efficient and effective ICT services in relation to advice, best practice, policy development, data security and general ICT services



Governance

The provision of hall keeping, insurance, internal audit (via Mazaars), Health and Safety, legal and procurement advice



HR

The People and Performance Team and HRSC will provide operational HR and strategic support



Communication, Marketing and PR

Develop, market, maintain and protect CCHL brand/s and services locally, regionally and nationally to raise their profile, increase customer awareness and satisfaction, communicate with target audiences and engage new audiences



Fleet Services

The provision of vehicles and maintenance in line with the specification required.



Customers

The provisions of customer business services, Multi-Functional Devices and Customer Experience Services.

MARKET OVERVIEW

COLCHESTER AMPHORA HOMES LTD (CAHL)

The need for housing in Colchester continues to grow and supply constraints are an ongoing issue

The current housing market nationally has suffered from some stagnation as a result of uncertainty around Brexit and other policy changes, e.g. tax changes regarding Buy to Lets. However, government policy incentives around first time buyers such as Help to Buy are stimulating an active housing market around smaller homes.

Supply and Demand

Whilst most indicators show an increase in new housing completions in Colchester over the last two years, the number of new housing starts has fallen and remains well short of projected need.

Outlook

There is a clear recognition across political parties of the urgent need to build more homes in the country overall, and specifically in Colchester. Long run trends in population growth and cumulative impact of years of undersupply point to an ongoing need for high quality new homes at an affordable price for both purchase and rent. This market dynamic is driving CAHL's desire to increase output and therefore to help address Colchester's housing shortage over the coming years.



MARKET OVERVIEW

COLCHESTER AMPHORA ENERGY LTD (CAEL)

The Northern Gateway heat project will provide services to the core scheme identified, as such it will not be in competition with other energy service providers in this area.

However, we will work with the local authority to promote the heat network as part of a wider vision for the new Northern Gateway destination, a place which is proving to be a local and regional trailblazer for innovation around sustainability and digital communications.

In addition, as one of the 9 UK heat network pilots funded by BEIS, CAEL will continue to promote the ultra-low carbon scheme at Northern Gateway through national networks and local channels.



MARKET OVERVIEW

COLCHESTER AMPHORA TRADING LTD (CATL)

Development Management

Development management is a client-driven industry, and as clients' needs change, the sector - and the firms within it - must adapt quickly in terms of services, structure and operations.

The past few years have seen significant transition, particularly in terms of technology, legislation, financial market Brexit uncertainty and the construction industry. Development management firms have had to respond rapidly, while maintaining their competitive edge and ensuring their own long-term growth.

"The market for development management is borne from investors and landowner seeking to drive best value from their assets".

CATL is new in this sector and as such will target smaller bespoke projects to work on as the larger established nationwide firms have larger multi-disciplinary teams who are able to respond to large scale development projects with ease.





Helpline has been established in the Borough of Colchester, and provided a service to residents across North Essex, for over 20 years with a current customer base of over 3500 individuals.

Helpline prides itself on being the leading provider in North Essex of a dedicated Monitoring & Response falls pick up service, which operates 24 hours a day, 7 day a week. The key ethos of the organisation is to allow residents to remain independent at home and provide peace of mind to friends and family at the touch of a button.

Nationally, NHS England recognize the valuable input Technology Enabled Care (TEC) has on individuals, as it allows people to be in control of their own health, wellbeing and support, keeping them safe, well and independent and offering them and their families peace of mind.

TEC uses phone networks and internet connections to provide access to a range of health practitioners as well as care and support organisations that can respond to emergencies.

By 2025, analogue telephone services will be switched off as the UK's telecoms infrastructure is upgraded to digital connectivity. This shift has major implications for the technology enabled care sector and the 1.7 million people who rely on telecare in the UK. With this digital changeover TEC providers need to carry out work to upgrade their systems and recognise the opportunity digital connectivity represents to devise new services and product offerings.



COLCHESTER EVENTS COMPANY



The UK events industry is worth £42.3 billion and there are over 85m event attendees with 1.3 million business events held each year.

Colchester Event Company strives for excellence across the events industry, ensuring a vibrant and challenging selection of entertainment. Maximising the use of venue and outdoor space alike, attracting nationally profiled artists and events due to the commercial viability of the area plus can-do attitudes.



Focusing on social inclusion to ensure that all demographics of audience can be catered for through cultural diversity, working with minority groups to enable organisation and participation in events.

Colchester Events Company wants to develop long lasting partnerships and relationships to ensure sustainability moving forward with projects and initiatives that ensure a level of engagement and delivery for a wide spectrum of partners.



SPOTLIGHT ON: COLCHESTER AMPHORA HOMES LTD

Colchester Amphora Homes Ltd is a housing development company which has now purchased four sites from the Council to deliver over 300 units, including 30% affordable homes.

The Company aims to be on site building its first homes in Summer 2019.



CAHL will:

- Seek to become a successful local developer with a reputation for delivering high quality, well-designed residential property.
- Make a positive contribution to the delivery of more housing across Colchester to meet need across a mix of tenures
- Recycle surplus funds generated from these projects to support corporate objectives of the Council as single shareholder
- Provide 30% affordable housing on its sites.
- Trade in a manner that, wherever possible, acts in the best interest of the Council.

CAHL Delivery Schedule

		Mill Rd	Military Rd	Town Hall	Creffield Rd
Delivery Year	2019				
	2020				
	2021	46 Affordable / 45 Private Sale			
	2022	35 Affordable / 60 Private Sale	4 Affordable / 11 Private Sale	18 Affordable / 33 Private Sale	4 Affordable / 8 Private Sale
	2023	8 Affordable / 60 Private Sale		11 Private Sale	
	2024	45 Private Sale			

Within CAHL we will continue to offer products and services which are:

- High quality but good value for money
- Based on local provision, both in terms of the sites bought, which will be in or around the Borough, and the local suppliers CAHL seeks to use
- Sustainable - CAHL will strive to create homes which reflect the highest possible levels of environmental sustainability
- Reliable - CAHL will aim to become known as a trusted housebuilder who delivers a quality product
- Innovative - where possible we will seek to introduce new levels of innovation in homes without adding to cost for buyers.

SPOTLIGHT ON: COLCHESTER AMPHORA TRADING LTD

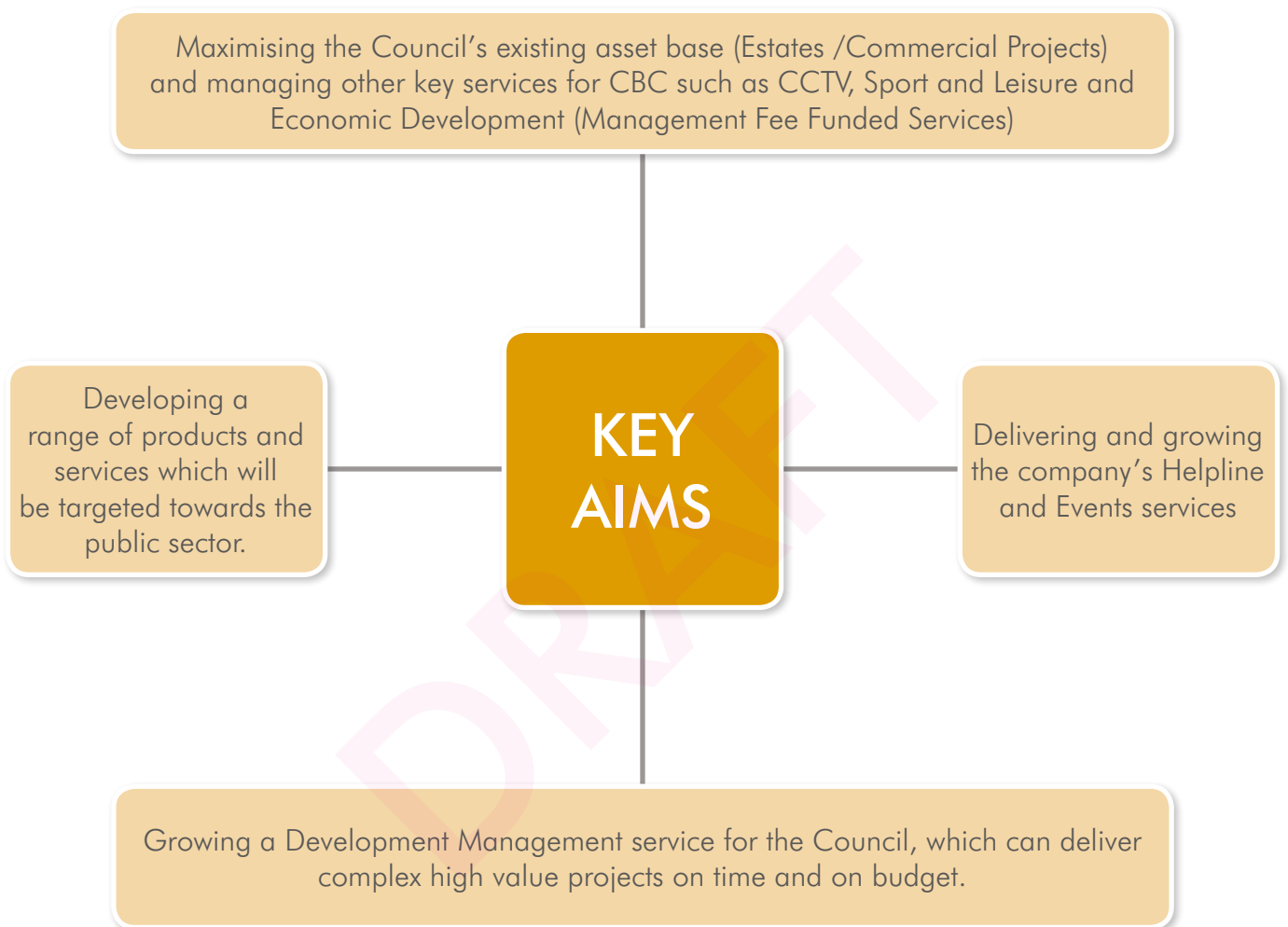
CATL delivers a diverse range of products and services to individuals and businesses across the borough.

CATL will:

- Maximise commercial opportunities and to trade our services in a manner which reflects the ethos of our parent company and sole shareholder, Colchester Borough Council.
- Build our customer and client base and grow a local and regional reputation by delivering high quality services which are good value for money.
- Deliver key services to our largest client, Colchester Borough Council, which maintain and grow its asset-based income levels AND maximise economic and social benefits across the Borough
- Develop new areas of business across all our services
- Maintain a happy, well rewarded, and productive workforce



CATL will focus on four key areas of work within this plan period:



Our Services will be:

- Flexible and innovative with tailor-made options to meet the needs of the individual customer
- Locally delivered - wherever possible (and relevant) we will utilise local suppliers
- Delivered by trusted, reliable and skilled employees.

SPOTLIGHT ON: COLCHESTER AMPHORA ENERGY LTD

Colchester Amphora Energy Ltd (CAEL) will continue to develop and promote the use of local low carbon sources of heat and power through a range of projects and initiatives.

CAEL's current focus is on the delivery of a large heat network at North Colchester that will provide an ultra-low carbon heat solution to residents, businesses and other commercial users as part of the proposed growth location in this part of the Borough.

Delivery Timeline:

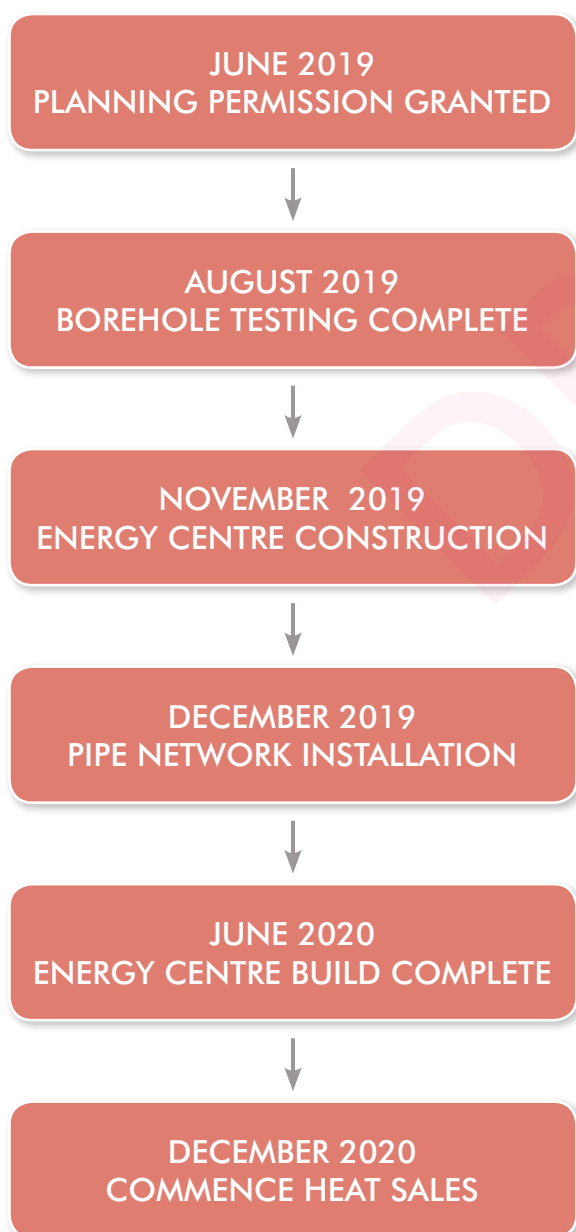


Image of borehole testing compound at the Northern Gateway

CAEL continues to explore new opportunities and are working with local and regional partners to develop proposals for further projects in the Borough.

OUR FIRST YEAR IN NUMBERS

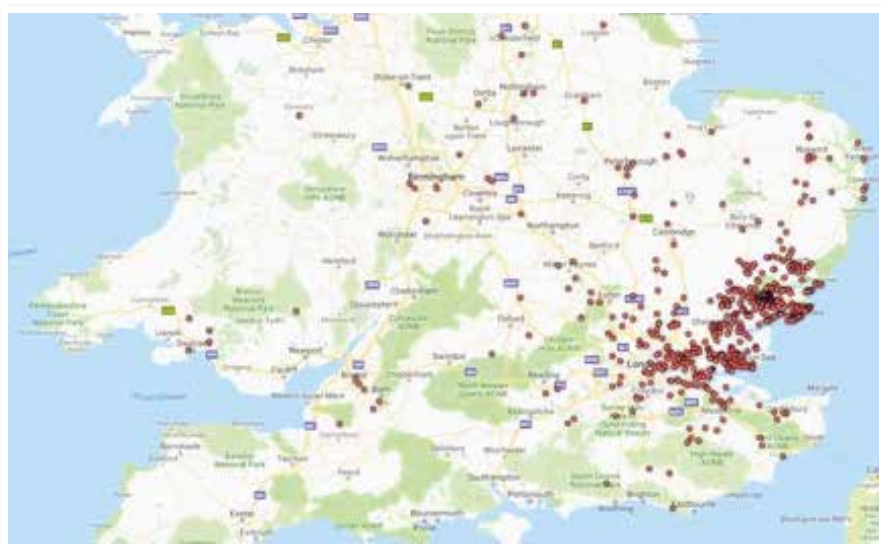
COLCHESTER AMPHORA TRADING COLCHESTER EVENTS COMPANY

CEC	17/18	18/19	Change	% Change
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Number of Visitors by venue:

Charter Hall	26,000	31,000	5,000	
Open Air/Park	130,000	180,000	50,000	
	156,000	211,000	55,000	35%

Number of Events by venue:	17/18	18/19	Change	% Change
Charter Hall	48	55	7	
Town Hall	341	359	18	
Castle	59	57	-2	
Open Air/Park	42	46	4	
	490	517	27	6%



Map illustrating ticket purchasers in 2017/18 season for Colchester Events Company

OUR FIRST YEAR IN NUMBERS

HELPLINE

Helpline	17/18	18/19	Change	% Change
Answered Calls	55,340	56,000	660	1%
Customers	3,125	3,500	375	12%
Customer Falls	2,820	3,000	180	6%



Helpline response officer with vehicle



CCTV office

CCTV	17/18	18/19	Change	% Change
Assisted Arrests	241	150	-91	-38%

OUR FIRST YEAR IN NUMBERS



COLCHESTER AMPHORA ENERGY LTD

- Testing and drilling of Borehole 1
- Detailed planning submitted



COLCHESTER AMPHORA HOMES LTD

- 2 housing development sites acquired
- 4 Garage Sites in development
- Detailed planning submitted



COLCHESTER COMMERCIAL HOLDINGS LTD

- £286,000 dividend returned to Colchester Borough Council

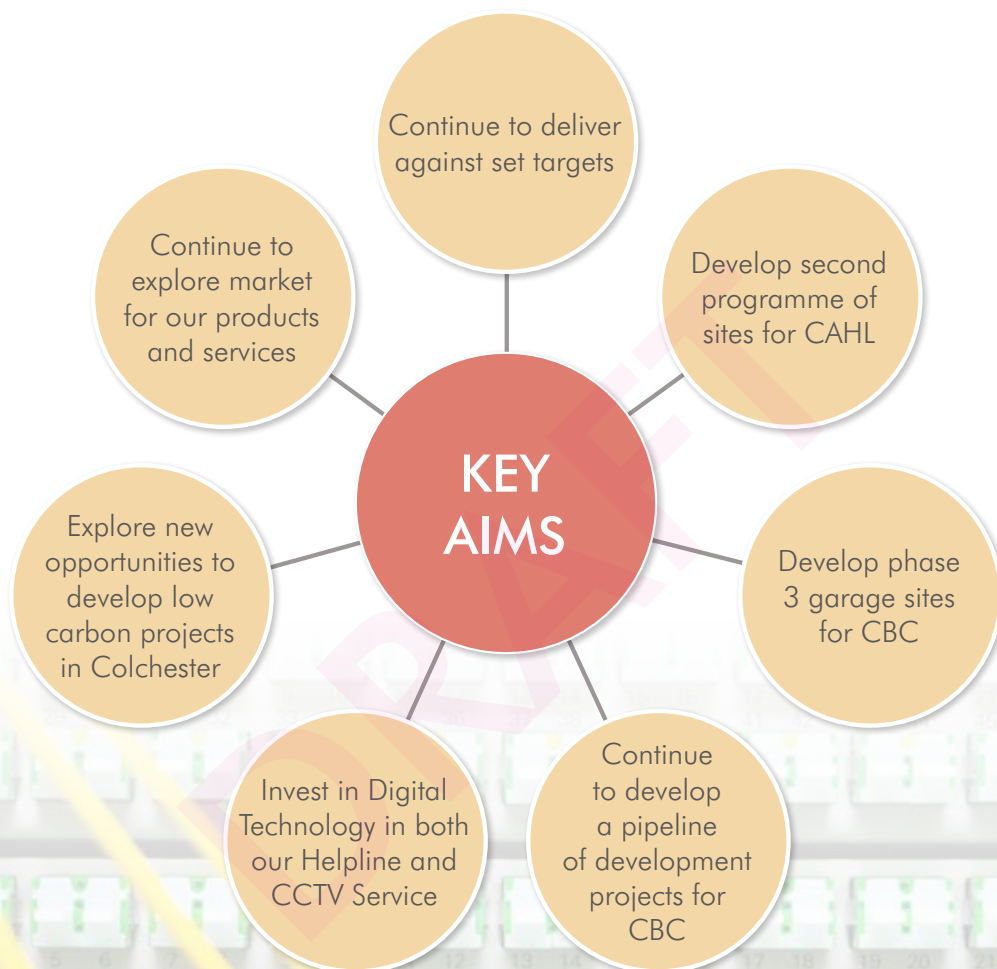


COMMERCIAL DEVELOPMENT & ESTATES

- £3.2m income raised for Colchester Borough Council (CBC) via commercial lets
- £18m of external funding secured for CBC
- Managed £30m capital programme for CBC

FORWARD LOOK

BUILDING UPON OUR PERFORMANCE TO DATE:



FINANCIAL PLAN

Colchester Commercial (Holdings) Limited Group Forecast Consolidated Forecast 2019 to 2022

	2019/2020	2020/2021	2021/2022	TOTAL
Income	4,456,944	4,742,789	5,027,179	13,908,912
Expenditure	-3,970,835	-4,089,690	-4,213,141	-12,273,666
Profit before tax	486,108	653,098	814,039	1,635,245
Tax	-92,361	-124,089	-154,667	-310,697
Net Profit (Available for dividends)	393,748	529,010	659,371	1,324,549

The above forecast ignores the potential impact of the Local Government Pension Scheme movements as they cannot be accurately predicted.

Due to the fact that the balance sheet is relatively simple and no large fluctuations are expected it has not been deemed necessary to include a forecast balance sheet.

Due to the fact that the level of cash is controlled against the level of debt held with the Council it has also not been deemed necessary to include a forecast statement of cash flows.



Report of	Assistant Director of Policy and Corporate	Author	Michael Woods
Title	Northern Gateway Heat Network : Project and Finance Update		
Wards affected	Highwoods & Mile End		

1. Executive Summary

- 1.1 The Northern Gateway Heat Network is a flagship project for low carbon heat generation of its type in the UK and has the support of the Department of Business, Industry and Industrial Strategy (BEIS) Heat Network Project (HNIP). This report sets out an update of the finances after commercialisation activities have taken place, further due diligence work and development of the project over the last year.
- 1.2 A business case has previously been agreed by Cabinet which outlined the full financial details of the scheme as at March 2017, including the £3.3m grant from BEIS, £200k commercialisation monies from BEIS and a loan to the Council's wholly-owned energy company Colchester Amphora Energy Limited (CAEL) from CBC of £2.5m.
- 1.3 Since these decisions, and as part of the due diligence work, a number of significant changes have occurred either within the project or linked to it. The result is that an increase in the size of scheme and the proposed accommodation heat requirements means that the capital cost of the project has risen, although income levels have risen too.

2. Recommended Decision

- 2.1 To approve the additional Capital expenditure of £720K for the increased scheme size, as outlined in the confidential annex table 1 attached to this report, which will need to be met by the Council under the current approved delivery structure.
- 2.2. To note the good progress made on the project to date including the imminent final drawdown of the BEIS grant.
- 2.3 To note the financial and risk implications for the Council arising from the updated project including the need to finance the additional capital costs from Council budgets.
- 2.4 Agree that further financial review of the project is brought back to the Council once design and construction tenders are returned.

3. Reason for Recommended Decision

- 3.1 To allow the Heat Network to deliver to the ambitions of the emerging Local Plan for the Northern Gateway, and in particular section CC1:

(v) Supporting opportunities to deliver decentralised energy systems, particularly those which are powered by a renewable or low carbon source. Supporting connection to an existing decentralised energy supply system where there is capacity to supply the proposed development, or design for future connection where there are proposals for such a system.

(vi) Requiring development in the Northern Gateway and East Colchester to connect to, or be capable of connecting to the district heating scheme where there is capacity to supply the proposed development and where it is appropriate and viable to do so.

- 3.2 The increase in heat sales allow a higher rate of return.
- 3.3 To continue to show leadership across the Borough for the implementation of low carbon heat in new developments.

4. Alternative Options

- 4.1 One option would be to retain the capital expenditure envelope for the heat network project that was approved by Cabinet in March 2017, which could be achieved by reducing the size of the scheme. By removing a significant proportion of the low density housing (which would have to be connected to the gas network) leading to reduced pipe network costs and a subsequent reduction in heat demands/sales there would be a smaller energy centre with less capital costs.
- 4.2 Whilst this would reduce some costs it would also remove the Council's ambition to bring forward a very low carbon housing development scheme. It is not feasible to remove any part of the health care facilities as they are hungry in heat demand which is high income producing for the network and vital for overall viability. Removing elements of the scheme could also impact upon overall financial sustainability and directly upon rates of return for the project as there are general increases in costs of delivering the project since March 2017 and these have been offset by the increase in heat sales.

5.0 Background Information

- 5.1 Cabinet approved the full business case for the development of the Colchester Northern Gateway Heat Network on 15 March 2017 with a capital expenditure of £5.9 million including the £3.3m construction grant from BEIS, £200k commercialisation monies from BEIS and a loan to CAEL from CBC of £2.5m.
- 5.2. The Northern Gateway Heat Network is 1 of 9 pilot schemes funded by Department of Business Energy and Industrial Strategy (BEIS) through Heat Network Investment Project (HNIP) grant funding, across the country and has national significance due to the innovative use of ground water to generate heat. The Council and CAEL have consulted with, and will continue to have an ongoing dialogue with, BEIS; who see the scheme in Colchester as having the potential to be “rolled” out on a more national basis following the completion of the scheme. Whilst the technology within the scheme is more used widely in Europe and is very successful in generating localised heat, its use in the UK is new.
- 5.3 Since March 2017 and following the finalisation of some significant changes within or linked to the project, further due diligence has been carried out. This has led to the creation of a detailed energy model for the heat demand from all the buildings in the proposed development, which has been redefined and an accurate cost model developed.
- 5.4 The impact of these changes, whilst generally positive for the Council as landowner, has led to an increase in capital costs for the planned heat network. These cost increases are outlined below;
- The original proposed care development land is now under offer as part of a larger site to a Healthcare provider which will make a significant contribution to the Northern Gateway area. This use has a higher heat demand than the previous care uses and will consequently lead to higher upfront capital costs but importantly will also lead to higher annual revenues for the network.
 - A larger accommodation schedule on the land south of Axial way (which is mainly additional commercial floorspace arising from the recent master planning work) is positive as it means future increased lettable space for CBC as landowner but it does require a larger heat network so capital costs will increase.
 - The disappointing abstraction results of the first borehole test has led to further a borehole being required as part of the operation of the network, which has increased costs
 - 16 % increase in connections over the past 12 months leading to higher pipe network costs and more connection charges
 - Higher allowance for electrical systems & addition of security, fire & gas detection
 - Increase in thermal store size for increased heat demand
 - Evolved layouts of housing through the site master planning process have led to higher pipe network cost
- 5.5 Under the new structure (approved by Cabinet in January 2019) the majority of the increased costs must sit within the Council-owned part of the project, in the Energy Centre and pipe network. CAEL will own the heat pump and the boreholes, and operate the scheme, so will absorb the cost of the additional borehole, as required to be able to claim Renewable Heat Incentive (See Confidential Annex, Table 2).

6.0 The Due Diligence Process

- 6.1 The work in defining the new proposed scheme and cost model has been largely carried out by appointed specialists for the project, WSP Ltd who are a large engineering consultancy with significant experience of heat networks and Woodward Energy Consulting Ltd who have over 30 years of experience in district heating systems and have worked directly for BEIS.
- 6.2 The commercialisation work and due diligence for the project over the past 12 months has included the following activities;
- Excavation of the first borehole
 - Legal and financial advice on the ability to claim Renewable Heat incentive for the project
 - Legal and financial advice on the loan arrangements between CAEL and CBC
 - Review and refinement of the financial model, project costs and programme
 - Development of detailed design for the heat network for planning application submission in February.
 - Regular reports to BEIS on the grant funding has led to the imminent draw down of the final tranche of BEIS funding
- 6.3 Further work will take place to validate the assumptions of the financial model and its inputs as information comes available through the tender process for the design and installation of the scheme.
- 6.4 The Councils own financial team will continue to carry out due diligence on the viability and sustainability of the current proposals.

7.0 Financial implications

7.1 Rate of Return on the project

- 7.1.1 In the March 2017 Cabinet paper the stated total rate of return for the Council was 7.34%. The proposed increase in the size of the scheme comes with higher costs but also higher income and a higher projected rate of return on investment of 7.8% based on a 25 year model period and 8.4% based on a 40 year model period.

7.2 Revenue Consequences

- 7.2.1 The additional capital costs of the scheme will have a revenue impact upon the Council which has been outlined in the confidential appendix attached to this paper.

7.3 Capital Strategy

- 7.3.1 The revised scheme and costings requires a greater level of investment than first envisaged, an increase of £720k. This additional cost is not covered by grant, so the additional funds will need to be found from within the Council's overall capital financing resources for 2019/20. This will require the amendment of the capital strategy agreed as part of the 2019/20 budget by Council last month. The anticipated increases in income and improved rate of return on the Council's investment are attractive. The actual rate of return achieved should be calculated after allowing for the capital costs of replacing plant and equipment in due course.

8.0 Strategic Plan References

- 8.1 The project relates directly to the vision, themes and objectives of the [Strategic Plan 2018-21](#) of “Encourage green technologies through initiatives such as SMART Cities” of which district heating with a low carbon heat source is an example, and the emerging Local Plan 2017-2033 Policy CC1: Climate Change which specifically mentions the Northern gateway.

9.0 Consultation

To date no public consultation has been carried out but the project will form part of public consultation for planning consent for the Northern Gateway south side development.

10.0 Equality, Diversity and Human Rights implications

- 10.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 10.2 The recommended decision will have no disproportionate impact on any protected group.

11.0 Publicity Considerations

- 11.1 The Heat Network project is part of the wider Northern Gateway development and will be included the “communication plan” for the whole development. Additionally, there will be some primarily B2B publicity communication to companies / groups interest the heat network delivery and particularly those companies who have expressed interested in becoming suppliers of services and equipment to the scheme. When an installation contractor is selected and ground breaking occurs for the Energy Centre a more specific and intense communication programme on the Heat Network will commence.
- 11.2 There continues to be much interest in the technology being used on a national and international scale, so the scheme features in a number of trade publications and marketing and publicity being disseminated by BEIS.

12.0 Community Safety Implications

- 12.1 None

13.0 Health and Safety Implications

- 13.1 Normal health and safety standards will be complied with during the construction process and operation

14.0 Risk Management Implications

14.1 The following risks have been identified in respect of the whole project;

Risk	Consequence	P	I	Total	Mitigation	Action Owner	Start Date
RHI and State Aid issues complexity	Not able to receive RHI & higher financial return with RHI are not met.	2	4	8	Consultation with HNIP and OFGEM, RHI pre-registration. Careful development & monitoring of budget.	MW	May 2018
Complexity of contractual arrangements	Increased administration costs, unforeseen contractual issues	2	2	4	Appropriate legal and technical advice and strong contract management. CAEL is ultimately owned by CBC.	MW	May 2018
Borehole 2 & 3 abstraction rate below target rate	Scheme not viable using Ground Source heat pump	2	3	6	Use of different technology (CHP plant)	MW	March 2017
Construction costs rise	Would reduce the levels of returns	2	3	4	Contingency and robust procurement process	MW	Feb 19
Utilities connections & miscellaneous risks	See Confidential annex table 3	2	2	2		MW	Mar 17
Northern Gateway south side build programme delay	Not meeting BEIS HNIP programme targets. Sales targets in financial model not met	3	3	9	Early programme development and monitoring	CATL	Feb 19
Brexit	Change in predicted costs	2	2	4	Robust procurement process	MW	Jan 2019

Report of	Assistant Director Policy and Corporate	Author	Dan Gascoyne ☎ 282202
Title	Strategic Plan Spending Priorities		
Wards affected	All		

1. Executive Summary

- 1.1 As part of the 2019/20 budget the Council agreed an to include a budget allocation for one off spending that supports delivery of the Strategic Plan. Some funding for specific projects or themes has already been agreed as part of the budget report.
- 1.2 This report provides a summary of allocations already agreed and sets out proposals to allocate further funding.

2. Recommended Decision

- 2.1 To agree the funding allocations set out in section 5.4.

3. Reason for Recommended Decision

- 3.1 These priorities reflect those set out in the Strategic Plan and the allocation of resources will enable them to be moved forward more quickly.

4. Alternative Options

- 4.1 A different set of actions could be agreed however it is felt that these are of the highest importance
- 4.2 No additional actions could be instigated however there is a significant amount of one-off money available that should be put to use for the benefit of Colchester

5. Background Information

- 5.1. In the current year funding from the New Homes Bonus and other funding sources is being used to support strategic plan priorities as part of the “Better Colchester” campaign. In total £1.95m was made available for projects and initiatives that would continue into 2019/20 and funding will be carried forward for these schemes.
- 5.2. The balance of £402K remains available for strategic spending priorities and it has been agreed that £100k of this be held as a contingency against existing proposals.
- 5.3. The Council has agreed to allocate part of the New Homes Bonus to support one off spending meaning that in total there is £1.386m available that can be used to help deliver projects which continue to support strategic plan priorities as part of the Better Colchester campaign, to address one off service pressures and to support schemes which can deliver income to assist with managing future budget pressures.

- 5.4. Cabinet and Council agreed the allocation of £650k of this leaving £736k to be allocated. The following table sets out the proposals to allocate this in the 19/20 budget.

Proposed Items for Consideration	Proposals £'000	Comment
Highways and transportation	100	Funding of £100k already agreed for LHP. Further £100k for partnership working worth ECC
Rural community safety (toolkit) and police resources in parishes	60	Further £60k for police resources in partnership with parishes.
Match Funding Projects	50	Match funding projects which will contribute to the delivery of our Strategic Plan priorities.
Healthy Organisation	50	Training, development of staff and consideration of improvements to improve wellbeing of staff.
Signs & Street Furniture	110	Various individual schemes to be assessed and prioritised across the town.
Events (incl. Christmas and support to other non-CBC events)	26	Includes funding Christmas events and those delivered by the Council. It also includes an allowance for a contribution towards other events including £1k for Armed Forces Day.
Health and Wellbeing	50	Allocation awaiting confirmation of other funding.
Heritage (town walls and lighting)	60	£30k additional funding for Town Walls and £30k for lighting.
Programme support	45	Staff resource to support delivery of program
Allocation for Invest to save / RIF projects and sum to hold back	185	Proposal to allocate a sum for new projects which help deliver additional income to support the Council's revenue budget. .
Total	736	

6. Equality, Diversity and Human Rights implications

- 6.1 An equality impact assessment was available for the Strategic Plan and is relevant for this. The link is available here [Strategic Plan 2018-21](#)

7. Strategic Plan References

- 7.1 The priorities are all set out in the [Strategic Plan 2018-21](#). This programme of work will take forward a number of areas.

8. Consultation

- 8.1 A number of these priorities will require public consultation and finance for appropriate consultation will be included in the allocation of resources to inform how specific projects will be taken forward.
- 8.2 The work of the Public Policy and Initiatives Panel in particular has asked the public for ideas and a range of these are now being taken forward

9. Publicity Considerations

- 9.1 There will be a range of areas that will of interest to the public and proactive communications will be undertaken and a range of communication campaigns will be used to support some of the behaviour change activities.
- 9.2 #BetterColchester has been established as a brand to inform and engage people of the actions being taken and how they can get involved. A range of activities are underway including adverts in the Gazette,. Spotify adverts, Facebook boosts, short videos, bus stop adverts. The aim is to get key messages to the public to explain what we are doing to improve the issues they tell us they have about the borough

10. Financial implications

- 10.1 The 2019/20 budget includes the allocation of £736k. Appendix A provides a complete breakdown of allocations made for 2019/20 including those agreed as part of the 2019/20 budget report.

11. Health, Wellbeing and Community Safety Implications

- 11.1 A number of the priorities will improve the health, wellbeing and community safety for our residents

12. Health and Safety Implications

- 12.1 N/A

13. Risk Management Implications

- 13.1 N/A

Appendix A

Proposed Items for Consideration	Total	...of which agreed in Budget Report	Proposals	Comment
	£'000	£'000		
Better Colchester and Communications and Campaigns	150	150	0	Funding agreed in budget
Highways and transportation	200	100	100	Funding of £100k already agreed for LHP. Further £100k for partnership working worth ECC
Cleaner Streets - Zones Resource	100	100	0	The Council will also continue to invest as required in projects that further enhance the look, condition and cleanliness of the town centre, which will include £100k to retain the additional improvement capacity of the 3 operative roles created in 2018/19.
CCTV	40	40	0	Funds to deliver condition survey as part of potential business case for further investment in digital upgrade.
Car Park Action by security firm patrols, deep cleans, lighting etc	50	50	0	
Enforcement	60	60	0	Continuation of enforcement work.
Rural community safety (toolkit) and police resources in parishes	90	30	60	Further £60k for police resources in partnership with parishes.
Colchester Orbital	20	20	0	Further allocation for this project.
Community support projects	100	100	0	Youth and other community projects and investments with a priority for rural needs - and projects that attract contributory funding.
Match funding Projects	50		50	
Healthy Organisation	50		50	

Appendix A

Proposed Items for Consideration	<i>Total</i>	<i>...of which agreed in Budget Report</i>	<i>Proposals</i>	Comment
	£'000	£'000		
Signs & Street Furniture	110		110	
Events (incl. Christmas and support to other non-CBC events)	26		26	
Health and Wellbeing	50		50	
Heritage (town walls and lighting)	60		60	
Program support	45		45	
Allocation for Invest to save / RIF projects and sum to hold back	185		185	
Total	1,386.00	650.00	736.00	

Report of	Assistant Director (Policy and Corporate)	Author	Dan Gascoyne ☎ 282577
Title	Corporate Key Performance Indicator Targets for 2019-2020		
Wards affected	Not applicable		

1. Executive Summary

- 1.1 Cabinet is invited to set the Corporate Key Performance Indicator (KPI) Targets for 2019-2020.

2. Recommended Decision

- 2.1 To set Corporate KPI Targets for 2019-2020.
- 2.2 To note the dates contained in the Reporting Timetable covering 2019-2020.

3. Reason for Recommended Decision

- 3.1 To confirm the Corporate KPI Targets for 2019-2020.

4. Alternative Options

- 4.1 No alternative options have been presented to Cabinet.

5. Background Information

- 5.1 The report on KPIs now features an improved graphical presentation of year-to-date performance and previous year performance against target.
- 5.2 The overall position for April – December 2018 can be found at Appendix A.
- 5.3 It is proposed that a number of KPI targets remain unchanged. It is also proposed that the following KPI targets are changed from their current target:

KPI	Description	Current Target	Proposed Target
K1B1	Housing Benefit	9 days	7 days
K1B1	Local Council Tax Support (LCTS)	9 days	7 days
K1P1	Processing of Major planning applications	85%	80%
K1R3	Sickness Rates	7.5 days	9 days
K1W1	Residual household waste per household	340 kg	346 kg

- 5.4 It was accepted by Scrutiny Panel that K1B1 Housing Benefit and LCTS would remain unchanged at 9 days. After further review and careful consideration by the Portfolio Holder it is now proposed that Cabinet consider changing this to 7 days.
- 5.5 Housing Key Indicators delivered by Colchester Borough Homes (CBH) have been agreed by Portfolio Holder for Housing and Communities. These targets can be found at Appendix A.

6. Equality, Diversity and Human Rights implications

- 6.1 Where required, specific Equality Impact Assessments will exist for policies and activities rather than for individual performance indicators.

7. Strategic Plan References

- 7.1 There are no particular references to the 2018 – 2021 Strategic Plan.

8. Consultation

- 8.1 There are not any direct implications with regard to consultation.

9. Publicity Considerations

- 9.1 The performance report contains measures for our key performance. Many of these are used to monitor the performance of our services, and as such these may be of public interest. The performance report and related information is published on the [Performance](#) section of the Council's website.

10. Financial implications

- 10.1 The financial implications to deliver the indicators form part of the budget setting process rather than for individual performance indicators.

11. Health, Wellbeing and Community Safety Implications

- 11.1 There are performance measures and actions within the Strategic Plan Action Plan which aim to improve community safety rather than for individual performance indicators.

12. Health and Safety Implications

- 12.1 This report has no direct implications with regard to Health and Safety.

13. Risk Management Implications

- 13.1 We aim to deliver against performance indicators as a key part of our performance framework.

Appendices

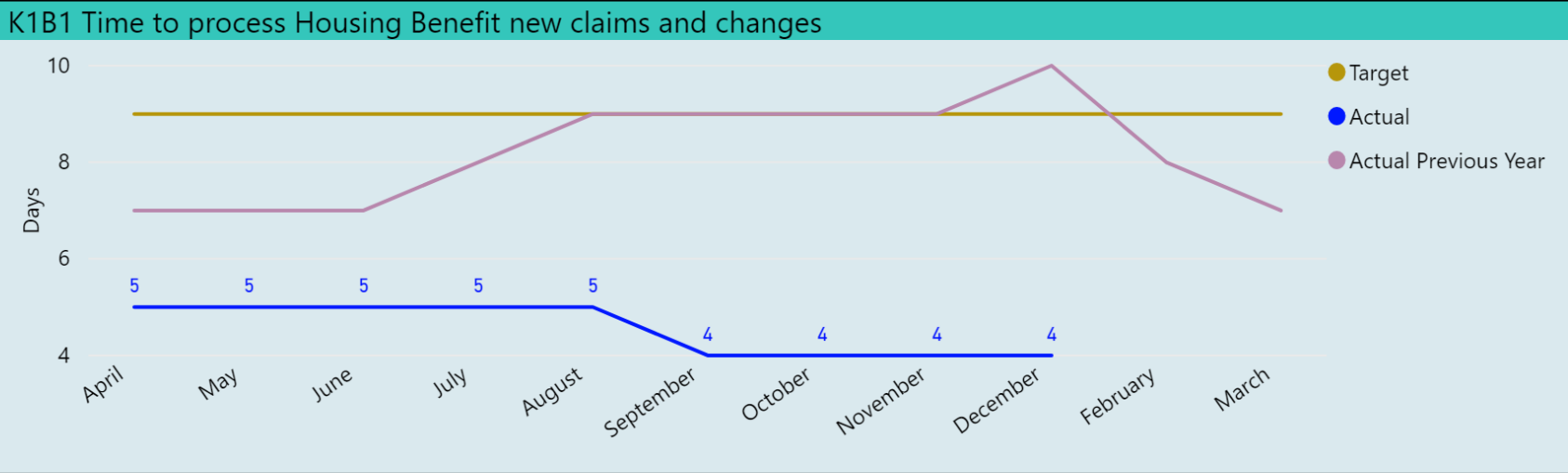
- A. KPI Year End Report covering April - December 2018.
B Reporting Timetable covering 2019-2020.

Background Papers

Not applicable.

Cabinet 13 March 2019

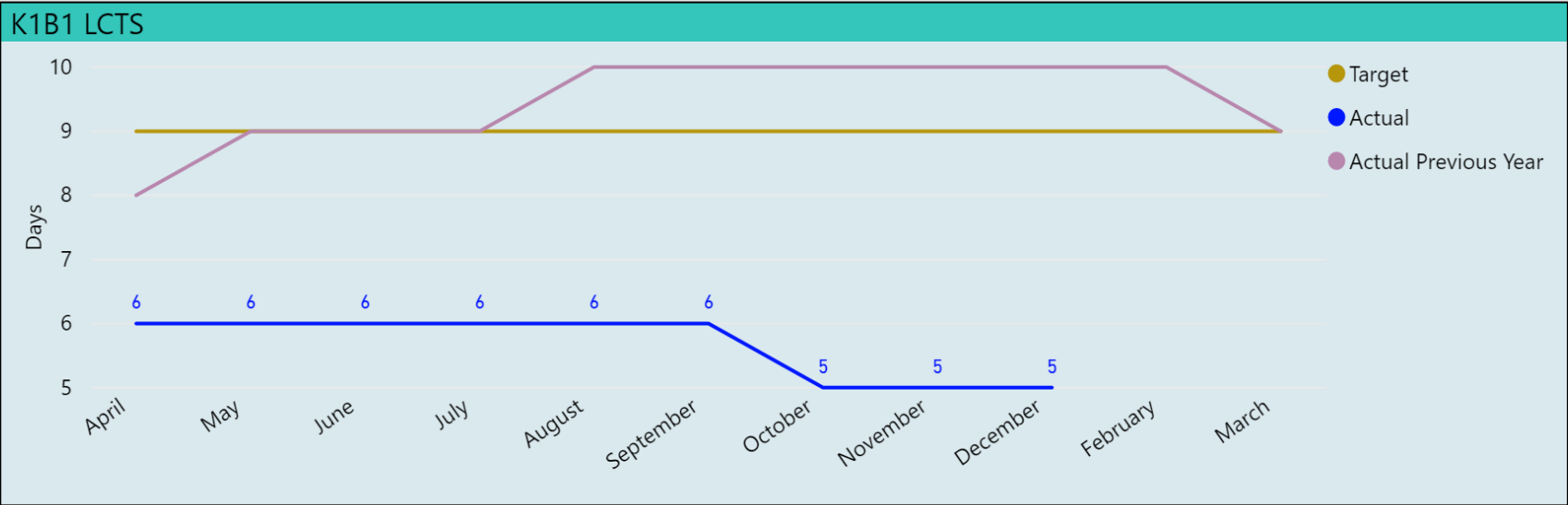
Proposed Targets 2019 - 2020



Supporting Narrative

It was accepted by Scrutiny Panel that K1B1 Housing Benefit and LCTS would remain unchanged at 9 days. After further review and careful consideration by the Portfolio Holder it is now proposed that Cabinet consider changing this to 7 days.

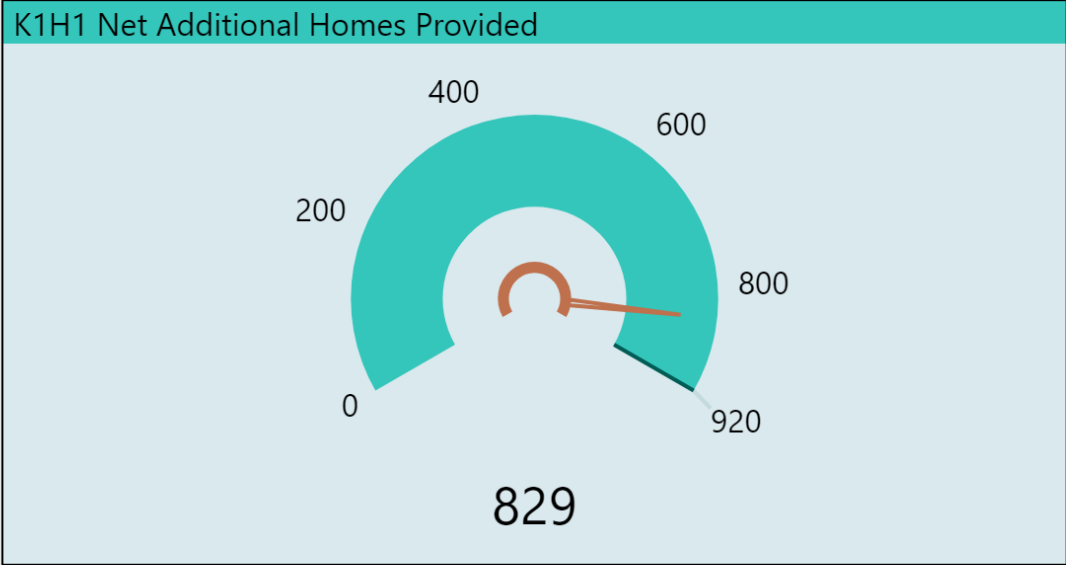
Target 2017-2018	Target 2018-2019	Target 2019-2020
12	9	7



Supporting Narrative

Target changed to 7 days - see above. The introduction of Universal Credit brings uncertainty to the year ahead. Although current performance is good, this performance may not be sustainable due to Universal Credit roll out, reduced resources and the need to deal with increasingly complex claims.

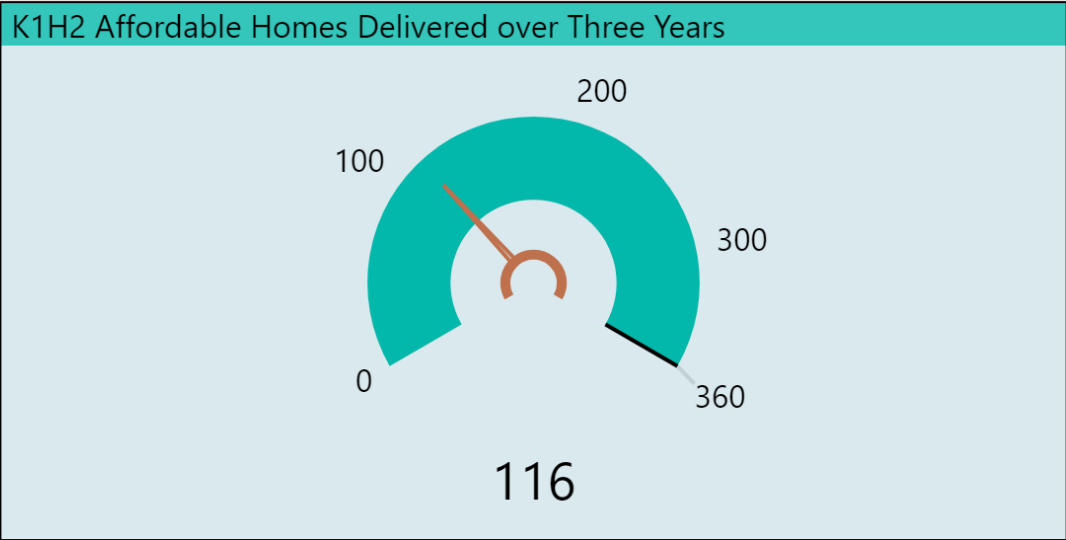
Target 2017-2018	Target 2018-2019	Target 2019-2020
16	9	7



Supporting Narrative

Target to remain at 920.

Target 2017-2018	Target 2018-2019	Target 2019-2020
830	920	920

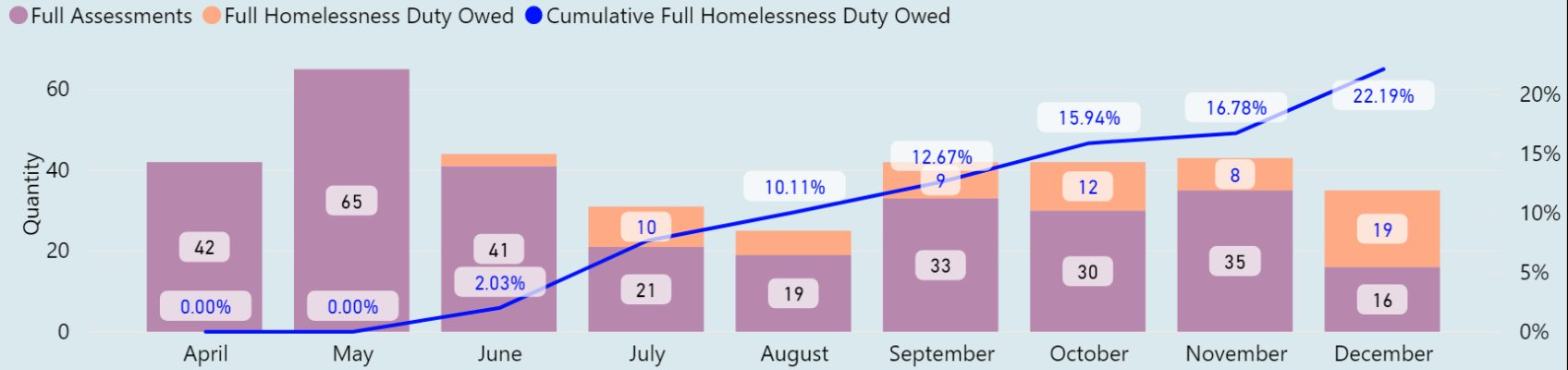


Supporting Narrative

This target is in-line with the 2018-2021 Strategic Plan Action Plan and should remain as is. Target to be reviewed during 2019/20 based on an analysis of the development pipeline and the Council’s proposals for further HRA borrowing to build and purchase more affordable homes.

SPAP Target 2015-2018	Year One Target 2018-2019	Year Two Target 2019-2020	Year Three Target 2020-2021
255	120	240	360

K1H3 Full Homelessness Duty Owed

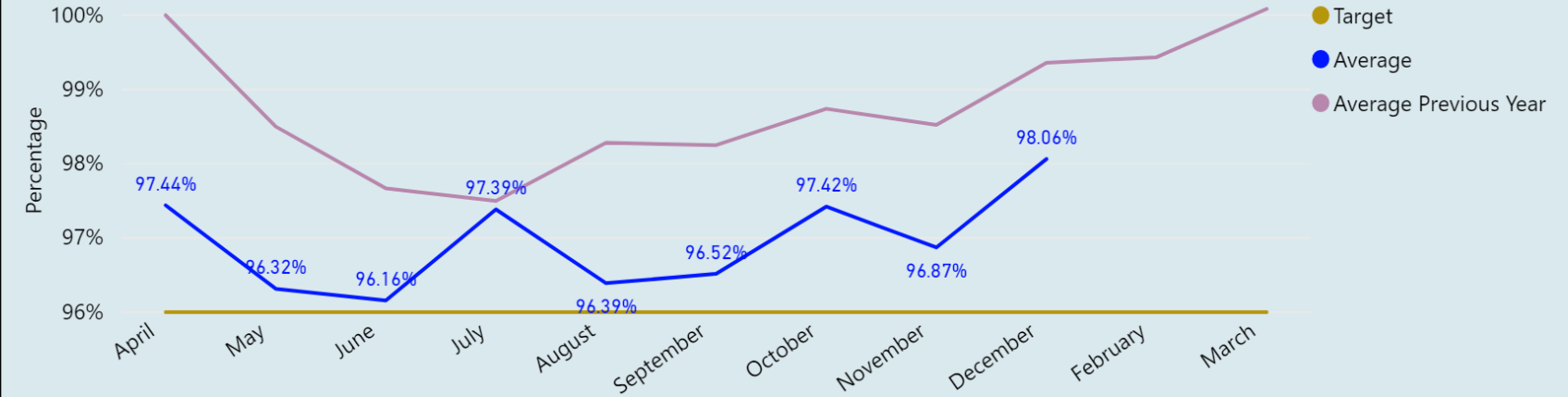


Supporting Narrative

The target agreed at CBH Board and by the Portfolio Holder for Housing is 20%. This is calculated by the proportion of households for whom a Personal Housing Plan (PHP) has been agreed where the actions outline in the PHP have not resulted in prevention or relief of homelessness and a full homelessness duty is owed.

Target 2017-2018	Target 2018-2019	Target 2019-2020
45.00%	20.00%	20.00%

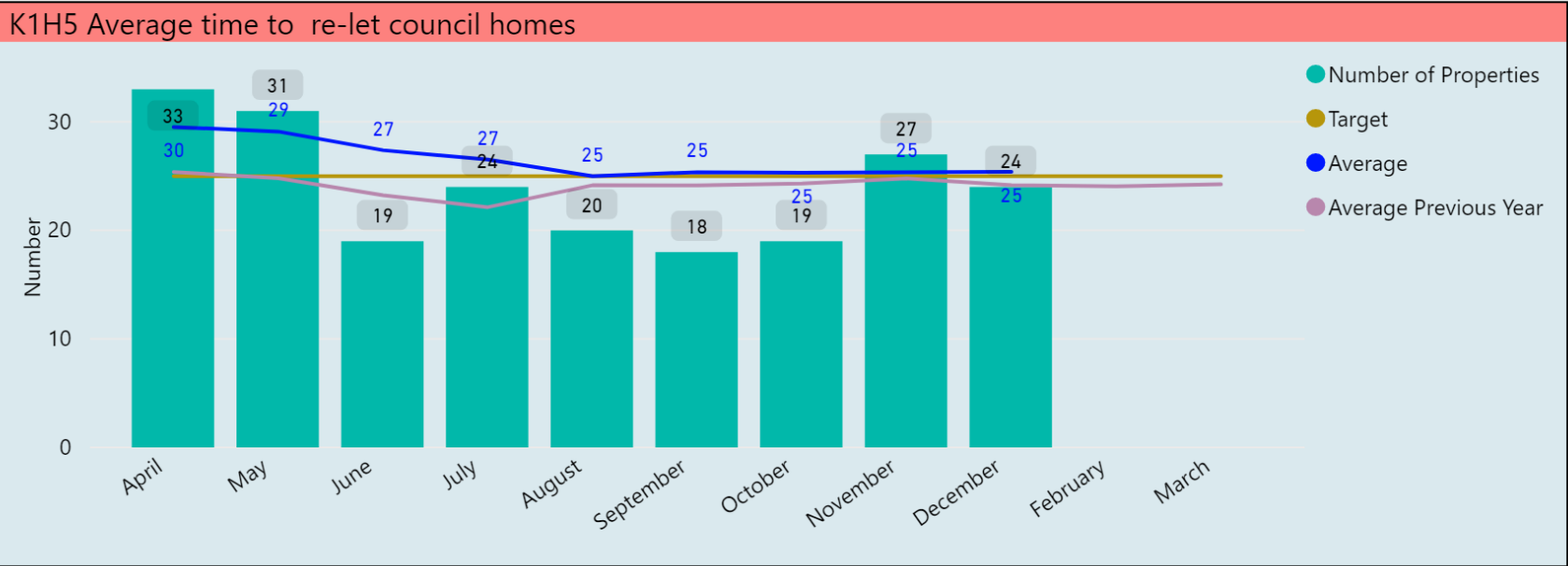
K1H4 Rent Collected



Supporting Narrative

This target has changed to 98%. The target monitors the rent collected from current tenants as a percentage of the rent collectable plus any arrears at the start of the year.

Target 2017-2018	Target 2018-2019	Target 2019-2020
98.00%	96.00%	98.00%

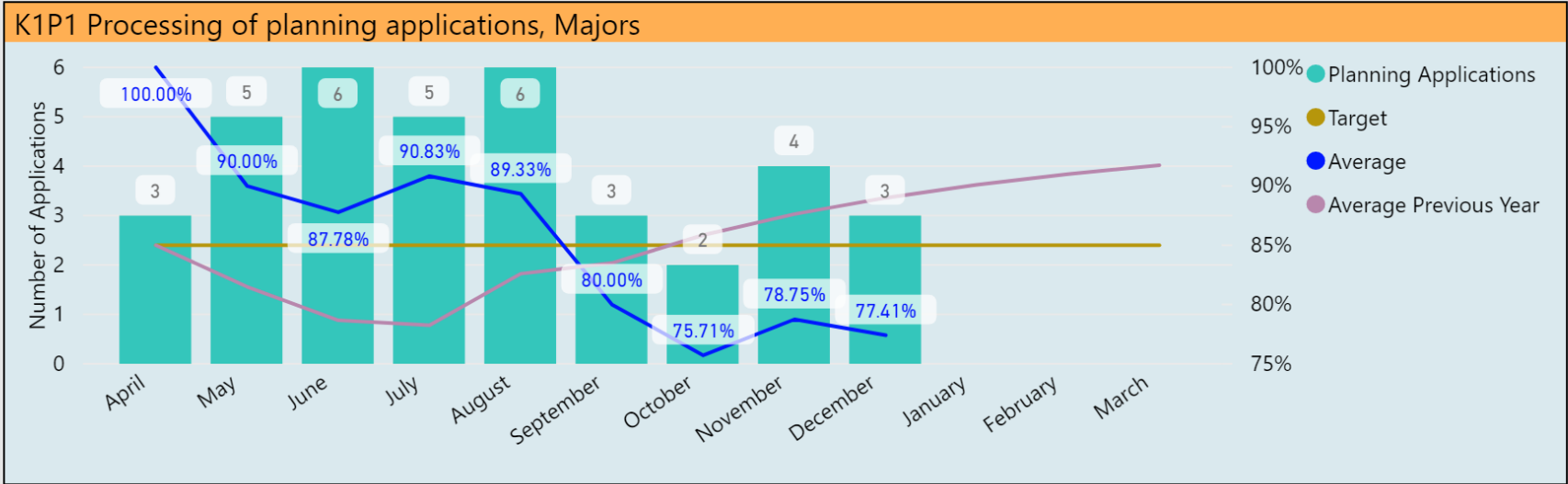


Supporting Narrative

The target remains unchanged.

The target monitors the number of days taken to re-let vacant general needs homes, including any days spent in capital works.

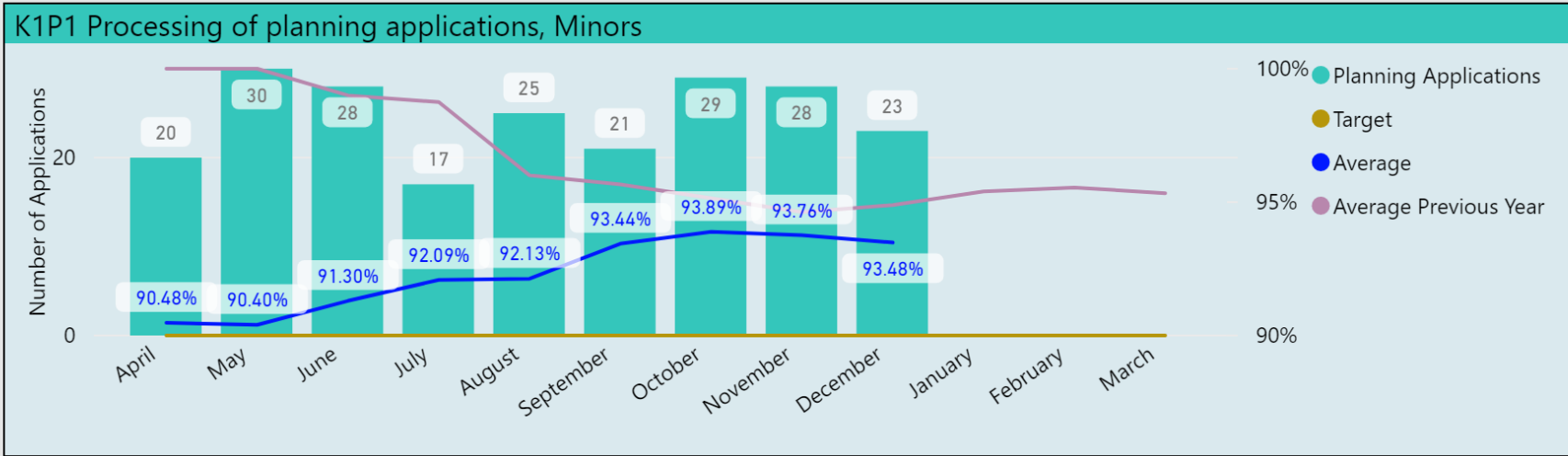
Target 2017-2018	Target 2018-2019	Target 2019-2020
25	25	25



Supporting Narrative

Low numbers of Planning Applications for Majors makes the current target extremely challenging due to the volatility of the data.

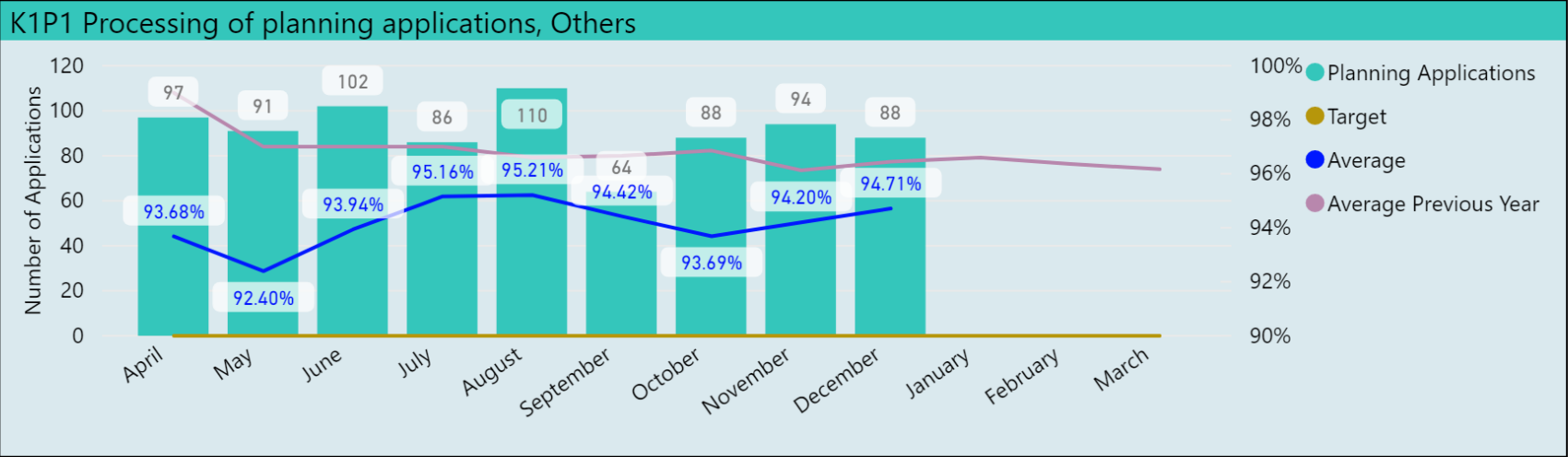
Target 2017-2018	Target 2018-2019	Target 2019-2020
85.00%	85.00%	80.00%



Supporting Narrative

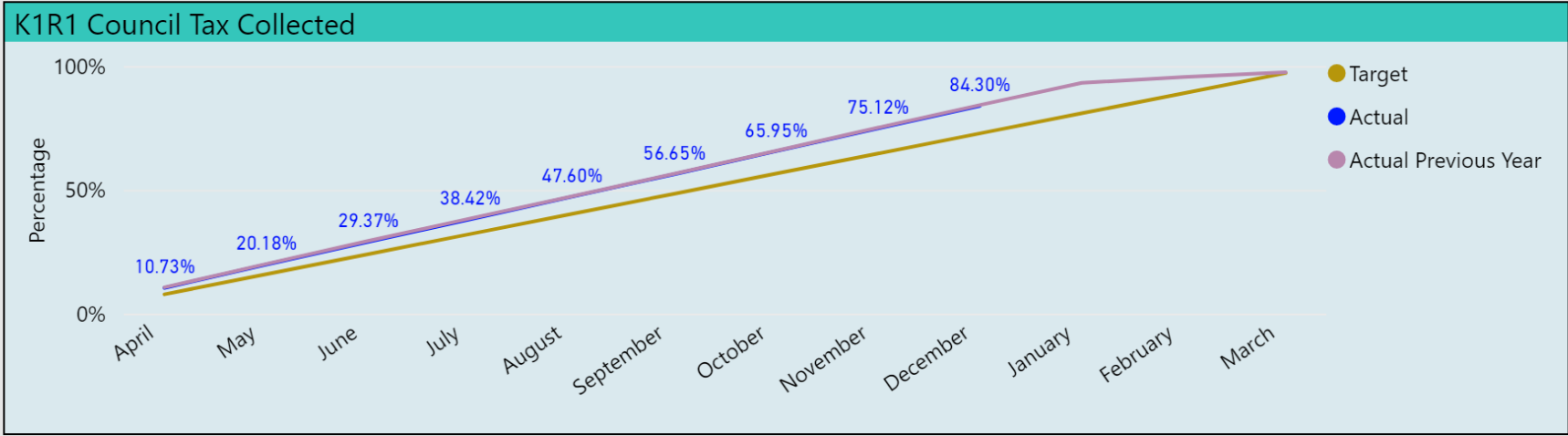
Planning Applications for Minors and Others should remain extant.

Target 2017-2018	Target 2018-2019	Target 2019-2020
88.00%	90.00%	90.00%



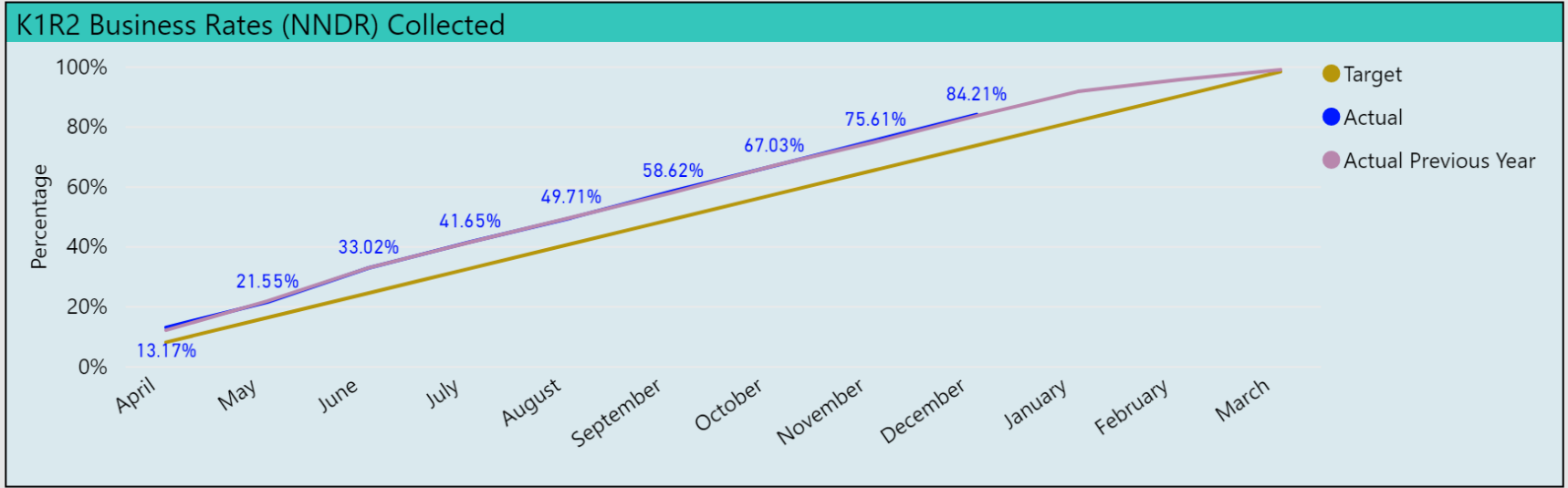
Supporting Narrative
Planning Applications for Minors and Others should remain extant.

Target 2017-2018	Target 2018-2019	Target 2019-2020
91.00%	90.00%	90.00%



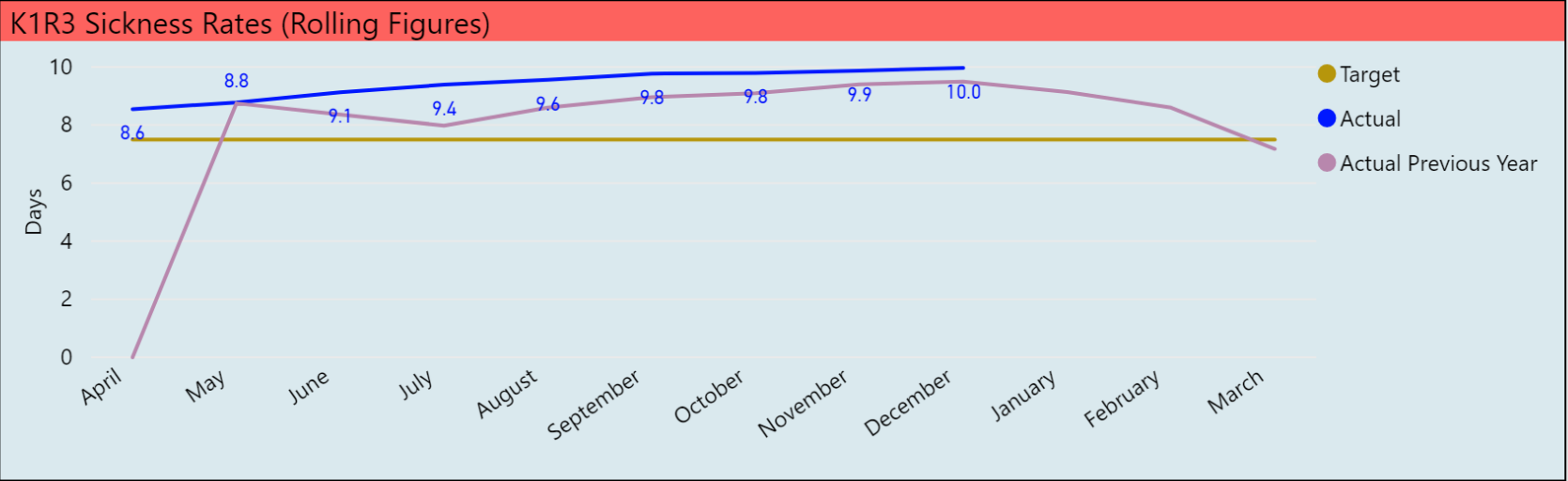
Supporting Narrative
Although currently 'Green' the current target is extremely challenging and should remain as is.

Target 2017-2018	Target 2018-2019	Target 2019-2020
97.50%	97.50%	97.50%



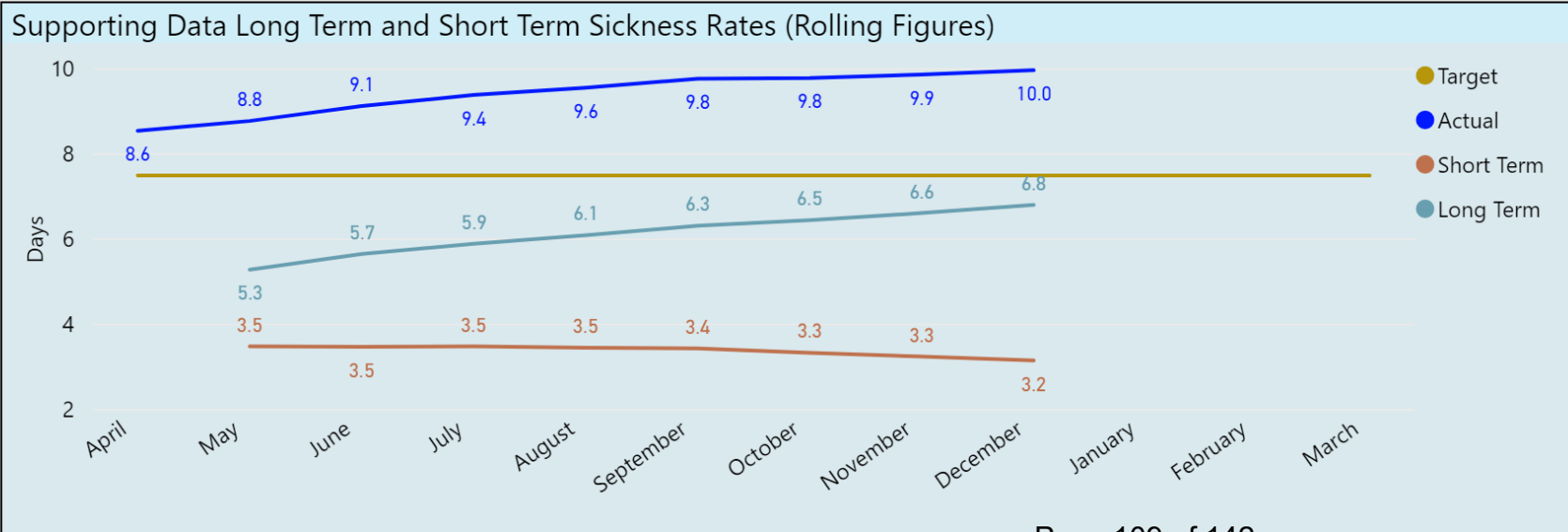
Supporting Narrative
Although currently 'Green' the current target is extremely challenging and should remain as is.

Target 2017-2018	Target 2018-2019	Target 2019-2020
97.80%	98.50%	98.50%



Supporting Narrative

This performance is of corporate concern and driven by long term sickness (short term sickness rates are falling). Regular case conferences are being held in all cases of long term sickness to support staff. The data reported is based on a 12 month rolling average which takes time for management actions to influence. It is proposed that 7.5 days becomes a three year target and annual targets are set incrementally to achieve this figure: 19/20 9 days; 20/21 8 days; 21/22 7.5 days



	Target 2017-2018	Target 2018-2019	Target 2019-2020
	7.50	7.50	9.00

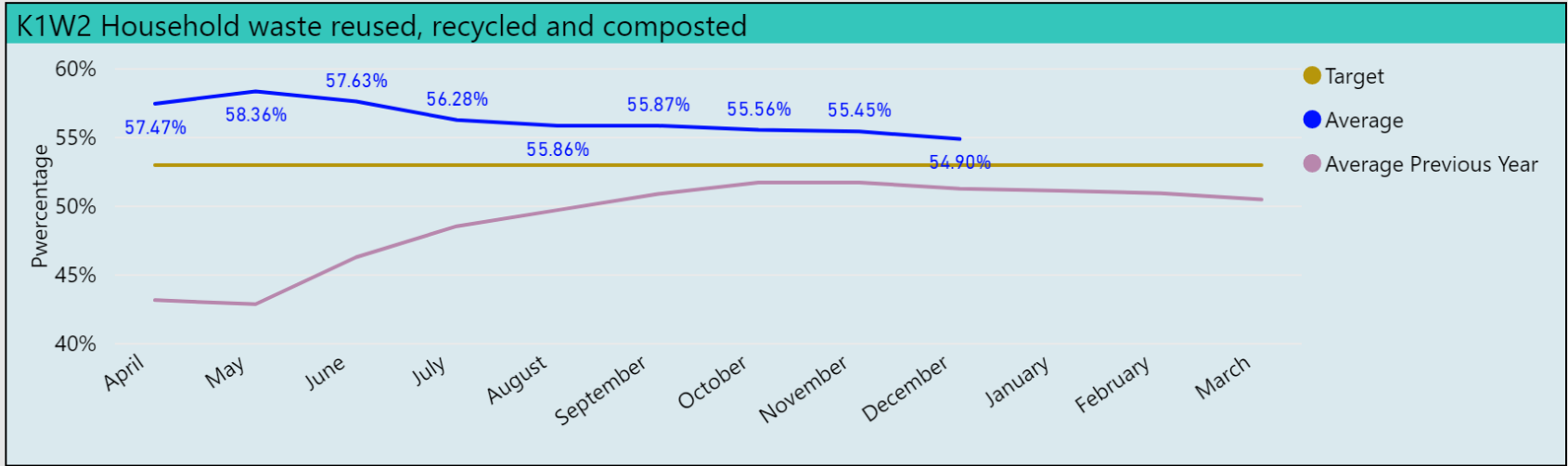
	Actual	Long Term	Short Term
	9.97	6.81	3.16



Supporting Narrative

2017/18 performance was 374.5 kg. It is proposed that this target be increased slightly from 340kg to 346 kg in line with improved data available now that the new service model has been operational for over 12 months.

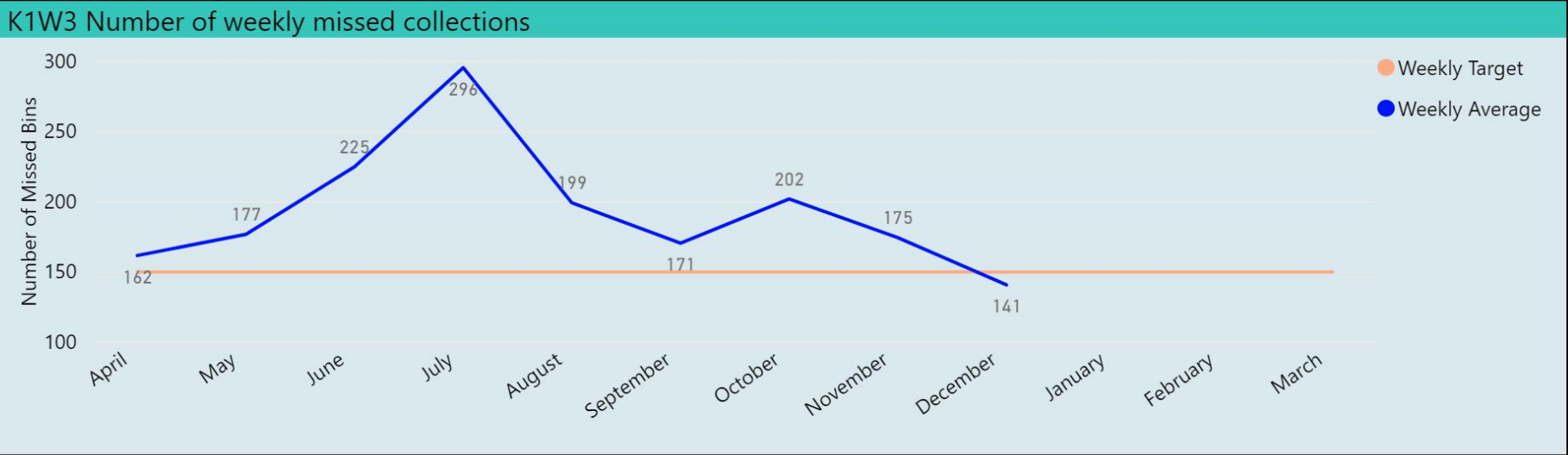
Target 2017-2018	Target 2018-2019	Target 2019-2020
374.50	340	346



Supporting Narrative

Colchester has achieved the third largest increase nationally in household recycling rates last year following the introduction of a new service in 2017 and it is proposed that this target remains at 53%.

Target 2017-2018	Target 2018-2019	Target 2019-2020
49.00%	53.00%	53.00%



Supporting Narrative

This challenging target has only been achieved for P9 (December) therefore should remain unchanged for 2019-2020.

Weekly Target 2017-2018	Weekly Target 2018-2019	2018-2019 Target % Missed	2018-2019 Actual % Missed	Weekly Target 2019-2020	
	95	150	0.06%	0.04%	150

Performance Reporting Timetable 2019 – 2020**Appendix B**

The deadlines for the monthly performance reports are shown here along with the meetings this data will be reported to:

Monthly Performance Statistics – Quarter One April - June 2019			
Data Deadline to People & Performance (P&P)	16 May 2019 P1 (April statistics)	13 June 2019 P2 (May statistics)	18 July 2019 P3 (June statistics)
SMT Chat (Mondays)	20 May 2019	17 June 2019	22 July 2019

Monthly Performance Statistics – Quarter Two July - September 2019			
Data Deadline to People & Performance (P&P)	15 August 2019 P4 (July statistics)	19 September 2019 P5 (August statistics)	17 October 2019 P6 (September statistics)
SMT Chat (Mondays)	19 August 2019	23 September 2019	21 October 2019

Half Year Performance Report April – September 2019 Strategic Plan Action Plan, Monthly Performance Statistics and Award and Accreditations				
P&C	PMB (less KPIs)	Leadership	Scrutiny Panel	Cabinet
17 October 2019	October 2019	November 2019	December 2019	January 2020

Monthly Performance Statistics – Quarter Three October - December 2019			
Data Deadline to People & Performance (P&P)	14 November 2019 P7 (October statistics)	12 December 2019 P8 (November statistics)	16 January 2020 P9 (December statistics)
SMT Chat (Mondays)	18 November 2019	16 December 2019	20 January 2020

Monthly Performance Statistics – Quarter Four January - March 2020			
Data Deadline to People & Performance (P&P)	13 February 2020 P10 (January statistics)	19 March 2020 P11 (February statistics)	16 April 2020 P12 (March statistics)
SMT Chat (Mondays)	17 February 2020	23 March 2020	20 April 2020

Proposed KPI Targets for April 2020 – March 2021				
P&C	PMB	Leadership	Scrutiny Panel	Cabinet
12 December 2019	December 2019	January 2020	January 2020	March 2020

Year End Performance Report April 2019 – March 2020 Strategic Plan Action Plan, Monthly Performance Statistics and Award and Accreditations				
P&C	PMB	Leadership	Scrutiny Panel	Cabinet
16 April 2020	May 2020	May/June 2020	June 2020	July 2020

Note: Single Data List Indicators – Services to continue reporting direct to the relevant Government Department

Extract from the draft minutes of the Scrutiny Panel meeting of 29 January 2019

201. Corporate Key Performance Indicators 2019-20

The Panel received a report setting out the proposed Corporate Key Performance Indicators (KPIs) for 2019-20. Councillor King, Portfolio Holder for Resources, and Dan Gascoyne, Assistant Director Policy and Corporate, attended to present the report and assist the Panel.

Councillor King explained that the presentation of the KPIs had been improved in order to make trends clearer and he hoped that the Panel found it useful. Of the 19 KPIs, 16 were on target, two were at amber and one was at red. It was proposed to amend two of the targets in order to make them more realistic going forward. This was not unusual: since 2015-16 ten of the targets had been amended and in the majority of cases the target had been made more challenging. The overall picture shown by the KPIs was of high performance.

In discussion, members of the Panel welcomed the improved performance on the targets relating to the collection of waste and recyclable materials and the number of missed collections. A member of the Panel sought clarification on the strategy behind the targets and the balance between a stretching target to improve performance and an unrealistic target that could not be met and which put officers under undue pressure. For example, it was noted that the KPI relating to sickness absence was at red. This had been an issue for many years. The KPI seemed to conflict with the need to make officers strive and despite many initiatives, sustained improvement had not been achieved.

Councillor King accepted that it was a challenging issue but considerable work was going into addressing it. It was important that the Council monitored sickness absence and took appropriate action to reduce it. The Council needed to set the right context and expectations, within which managers could focus on individual cases. This necessitated ensuring that they were given the proper time and resources. The Council did benchmark its figures against other authorities but in doing so needed to ensure it was comparing like with like.

RESOLVED that:

- (a) The proposed Key Performance Indicators for 2019-20 be noted.
- (b) The dates contained in the Reporting Timetable covering 2019-20 be noted.

Extract from the notes of the Alternative Methods of Service Delivery Task and Finish Group meeting held on 13 February 2019

9. Alternative Service Delivery Update

The Group considered a report from the Assistant Director, Policy and Corporate, providing an update on the Group's work. Dan Gascoyne, Assistant Director, Policy and Corporate, and Alison Shaw, Business Partner Procurement, attended to present the report.

Dan Gascoyne explained that since the last meeting, officers had met with representatives from the Social Value Portal to discuss how a framework for deriving social value from procurement could work in practice. The Social Value Portal could administer a process on behalf of the Council during its procurement and contract management processes. He considered that it would be more efficient to procure an external service for social value, rather than doing so in-house. Indicative costs were set out in the report. It may be possible to negotiate on these, but it needed to be borne in mind that there would be a cost involved, even if the Council went with another provider, or built its own in-house procedure. Whilst there was currently no budget identified for this work, if the Group were to recommend it be pursued then a business case to secure funding could be put together.

Alison Shaw provided the Group with further information about how a social value framework with the Social Value Portal could be administered. The Portal could offer all the measures in the TOMS framework and allow suppliers to "pick and mix" and identify where they could offer social value. This allowed different suppliers to provide different types of social value and also allowed them to play to their strengths. The Social Value Portal could develop a dedicated framework for Colchester, aligned with the Council's Strategic Plan priorities, and focusing on the measures that the Group had identified as priorities at its previous meeting. The framework would be managed by the Social Value Portal on the Council's behalf, and as part of the procurement process, supplier would register with them. The Portal would monitor the performance of the contractor, measure the social value gained and report to the Council.

In discussion members of the Group questioned how the value of various types of social value was calculated. For example, some types of social value might not involve a tangible benefit to the Council but could bring a wider benefit to society. It was explained that the Social Value Portal gave a monetary value to all social value. This gave a consistent approach and allowed comparisons to be made, although it was appreciated that some measures were difficult to quantify. Councillor King

stressed the need to ensure that the values attributed to social value measures were robust and reflected local circumstances, and in order to ensure that the values attributed were appropriate, it would be sensible to introduce any framework cautiously.

The Group noted the proposed recommendation in respect of the definition of “local” and clarification was sought about the precise definition of North Essex and South Suffolk and in particular whether this included Ipswich. Some concern was expressed that this could disadvantage some Colchester businesses, who operated in competition with businesses in Ipswich. The Group considered whether it would be appropriate to define the area through administrative boundaries, but after discussion felt that this meant be overly rigid and would not reflect economic factors. The key determinants should be labour markets and travel to work times. The Group indicated that it appropriate to delegate authority to officers to determine the precise area, based on these factors.

The Group also discussed the recommendation in respect of whether Social Value should become an additional Key Performance Indicator. It was considered that it was too early in the process to decide whether this would be appropriate, and whilst it was helpful to flag this as an issue at this point, it should be considered further when social value processes were better established.

RECOMMENDED to Cabinet: -

(a) That Cabinet approves the development of methods to measure and report the Social Value benefits derived from contract spend in line with the Strategic Plan priorities.

(b) That Cabinet delegates authority to the Portfolio Holder for Resources to agree priority Social Value measures relevant for this borough and identified by the Group as shown in Appendix 4 to the report to the Task and Finish Group, together with the additional measure identified at the Group’s meeting on 24 January 2019 in respect of the number of jobs created for current or ex-armed forces personnel.

(c) That Cabinet approves the Group’s recommendation that ‘local’ is defined as North Essex and South Suffolk for the purposes of Social Value measures, and authority to approve the exact boundaries be delegated to the Assistant Director - Policy and Corporate, taking into account travel to work and labour market criteria.

(d) That Cabinet considers if an additional Social Value performance measure would be appropriate, after further work has been done to develop effective measurement methods that reflect the Council’s priorities.

(e) That Cabinet agrees that the Group continues its work by further exploring the options for mutual and co-operative services and returning to a future Cabinet meeting with recommendations about alternative service delivery models.

Appendix A - report considered by the Task and Finish Group at its meeting on 13 February 2019

Report of	Assistant Director of Policy and Corporate	Author	Dan Gascoyne
Title	Task and Finish Group – Alternative Service Delivery - Update		☎ 282577
Wards affected	Not applicable		

1. Executive Summary

- 1.1 This report sets out the conclusions of the Task and Finish Group following the work it has undertaken on delivering Social Value through procurement. It makes a number of recommendations to Cabinet in respect of Social Value and recommends that the Group continue its work by further exploring options for mutual and co-operative services.

2. Recommended Decision

To recommend to Cabinet that:

- 2.1 Cabinet approves the development of methods to measure and report the Social Value benefits derived from contract spend in line with the Strategic Plan priorities.
- 2.2 Cabinet delegates authority to the Portfolio Holder for Resources to agree priority Social Value measures relevant for this borough and identified by the Group as shown in Appendix 4, together with the additional measure identified at the Group's meeting on 24 January 2019 in respect of the number of jobs created for current or ex-armed forces personnel.
- 2.3 Cabinet approves the Group's recommendation that 'local' is defined as North Essex and South Suffolk for the purposes of Social Value measures, and authority to approve the exact boundaries be delegated to the Assistant Director - Policy and Corporate, taking into account travel to work and labour market criteria.
- 2.4 Cabinet considers if an additional Social Value performance measure would be appropriate, after further work has been done to develop effective measurement methods that reflect the Council's priorities.
- 2.5 Cabinet agrees that the Group continues its work by further exploring the options for mutual and co-operative services and returns to a future Cabinet meeting with recommendations about alternative service delivery models.

3. Reason for Recommended Decision

- 3.1 The Group agreed it would concentrate its work on issues relating to Social Value and how the Council could use its procurement processes to maximise the Social Value it obtained. The National TOMs framework from the [Social Value Portal](#) (SVP) was discussed and a number of the measures were prioritised for further consideration to develop a manageable process for both Council officers and suppliers.
- 3.2 Several of the measures include 'local' within the definition and calculation. The Group discussed different ways of defining the local area and asked officers to look at data that reflects the economic and demographic context.

4. Alternative Options

- 4.1 No alternative options are proposed.

5. Background Information

- 5.1 At its meeting on 6 June 2018, Cabinet approved the establishment of the Alternative methods of Service Delivery Task and Finish Group:
- To explore alternative methods of service delivery and contracting of services. To provide alternative business plan options for delivery through mutual or cooperative services.
 - The Group may use other Local Authority examples to examine models of service delivery and carry out peer reviews of services where appropriate.
- 5.2 The Group consists of Councillors Martyn Warnes (Chair), Cyril Liddy, Simon Crow Dennis Willetts, (Jackie McLean substitute), Beverley Oxford, Helen Chuah and Nick Cope. Three meetings have taken place to date.
- 5.3 The initial scoping stages identified two elements to focus on:
- The Council's approach to delivering Social Value through procurement
 - Options for alternative service delivery to be explored as part of the Council's overall approach to service improvement.

This would enable the Council to deliver community benefits through its procurement processes in the short term, and then consider the potential in the longer term for alternative service delivery models, such as public sector mutual or cooperatives.

- 5.4 Current procurement processes include a question for Bidders to identify how they intend to provide Social Value as part of their Bid proposal across categories of Employment, Apprenticeships, Community Engagement and Environmental Impact. Typically, this has a weighting impact of 5%. A recent example of a social benefit received from a contract is the donation of 2019 trees by our Grounds Maintenance contractor, idVerde, in the annual "Trees for Years" giveaway event on 2 February 2019.
- 5.5 In July 2013, the Council agreed three Social Value themes to support the local economy, the Living Wage and environmental issues. Please see Appendix 1.

6. Task and Finish Group Activity

- 6.1 Key issues and questions identified and considered are shown in Appendices 1-3.
- 6.2 The Group agreed it would concentrate its work on issues relating to Social Value and how the Council could use its procurement processes to maximise the Social Value it obtained. The National TOMs framework from the [Social Value Portal](#) (SVP) was discussed and a number of the measures were prioritised for further consideration to develop a manageable process for both Council officers and suppliers. See Appendix 4 for the TOMs framework showing the national set of Themes, Outcomes and Measures.
- The Group identified a new measure for development that would identify the support provided to help Armed Forces personnel into work.
- 6.3 Several of the measures included 'local' within the definition and calculation. The Group discussed a range of options to help officers and contractors to be clear about how the Council defines 'local' for the purposes of Social Value measures. The Group asked officers to provide further data such as 'travel to work' areas, local plan information and other considerations including geography and postcode areas to help reflect the economic and demographic context.
- 6.4 The SVP approached Council officers to give an understanding how the National TOMS Framework could be used as a measurement tool to calculate and monitor the value of community benefits derived from the award of Council contracts.

The presentation from the Social Value Portal to officers clarified the process and that the framework considered by the Group is a national one. Should the Council opt to work with the SVP, there would be an opportunity to create a Colchester-specific framework that could be closely aligned with our Strategic Plan and its objectives.

- 6.5 As well as development of a Colchester-specific framework, the SVP offer includes online management and monitoring with access for Council officers and suppliers during procurement and the subsequent contract management processes.
- 6.6 The SVP have indicated costs in the region of £9,000 per annum for a three-year commitment payable by the Council and each successful supplier would pay the SVP 0.15% of the contract value capped at £3,000 a year.
- 6.7 An alternative option would be for the Council to take a more limited approach to monitoring Social Value by developing its own measures using existing resources. This could have a detrimental effect on other procurement activity and create a resource pressure across service areas to manage and monitor the benefits delivered in contracts.

7. Task and Finish Group Conclusions

- 7.1 A means of monitoring and measuring Social Value benefits is necessary.
- 7.2 Cabinet be invited to consider the list of priorities identified by the T&F Group using the national TOMS framework.
- 7.2 Subject to Cabinet agreement, that officers in consultation with the Portfolio Holder for Resources:
- develop methods to measure the Social Value benefits derived from contract expenditure in line with the Strategic Plan priorities
 - explore how 'local' is defined when applied to people, schools and colleges, suppliers and community projects for the purposes of Social Value measures
 - actively engage with the Social Value Portal to develop a TOMS framework that aligns with our Strategic Plan and forms an essential part of procurement
 - develop ways to report the Social Value benefits received
 - consider if Social Value benefits received could become an additional performance indicator to help deliver the Council's priorities, as the process develops and matures.
- 7.3 That the Group continues its work of further exploring the options for mutual and co-operative services and to return to a future Cabinet meeting with recommendations about alternative service delivery models.

8. Equality, Diversity and Human Rights implications

- 8.1 The relevant Equality Impact Assessment for the Council's Procurement Strategy can be found [here](#) or via: www.colchester.gov.uk > Your Council > How the Council Works > Equality and Diversity > Equality Impact Assessments > Commercial Services >

9. Strategic Plan References

- 9.1 Social Value has strong links to the vision, themes and objectives of the [Strategic Plan 2018-21](#), in particular, the four themes shown below:

Growth - Ensuring all residents benefit from the growth of the borough

Responsibility - Encouraging everyone to do their bit to making our borough even better

Opportunity - Promoting and improving Colchester and its environment

Wellbeing - Making Colchester an even better place to live and supporting those who need most help.

10. Consultation

- 10.1 There are no particular references at this point, but the Group is mindful of the need to engage with relevant stakeholders to maximise the potential outcomes.

11. Publicity Considerations

- 11.1 The Council launched a [Social Value webpage](#) in 2013 when the Act came into force, with connections made to [Supplying the Council](#) and [Modern Slavery](#) elsewhere on the Council's website.
- 11.2 There is the opportunity to refresh these web resources in the light of decisions taken to promote Social Value and to explain the current approach. This could include clarifying the benefits for residents, employers and suppliers.

12. Financial implications

- 12.1 As shown in paragraph 6.6, contracting with the SVP would involve costs in the region of £9,000 per annum for a three-year commitment, payable by the Council, with each successful supplier paying the SVP 0.15% of the contract value capped at £3,000 a year, in addition to officer time. Actual costs will be subject to further commercial negotiation on pricing, including consideration of a one-year option.

The development of an effective tool for measuring and monitoring Social Value would also enable the Council to have a much clearer understanding of the cash equivalent of any Social Value extracted, which would provide an opportunity to demonstrate the cost benefit overall for reporting purposes.

13. Health, Wellbeing and Community Safety Implications

- 13.1 Social Value benefits, outcomes and impacts derived from contracts awarded to contractors and suppliers will deliver a range of improvements for the local community. Examples of possible Social Value benefits could include:
- access to work placements
 - increased opportunities for local employment
 - a commitment to spend with local suppliers where possible
 - contributions of time, money or equipment towards community projects
 - environmental considerations.

14. Health and Safety Implications

- 14.1 None

15. Risk Management Implications

- 15.1 It is difficult to calculate and measure the social value and community benefits derived from contracts. This is partly because many of those benefits are qualitative and to be understood, they require data collection and reporting.

The risk is that without a range of standard measurements that can be quantified and used by all suppliers, the Council will not be able to objectively define the benefits.

Appendix 1

Task and Finish Group Scoping Document

Current Position on Social Value

*Revisit the Council's agreed three themes / priorities relating to **Social Value** as resolved by Cabinet in July 2013 to determine if these are still relevant or whether there are new themes and priorities to be considered (see below).*

See [CBC Social Value page](#) for current publication.

At the Cabinet meeting in July 2013, it was

RESOLVED that:

- a) The Council's procurement process and guidance be amended to include a requirement to consider appropriate and relevant measures to address the impact on the local economy, the environment and compliance with the living wage at the pre-procurement stage of future procurements over the EU threshold.*
- b) The key social value issues applicable to Colchester Borough Council will be those set out at paragraph 4.7 of the Assistant Chief Executive's report (as below).*

Following discussions at Leadership Team, the following three themes / priorities are recommended as those which should be taken into account when considering social value:

Social Value Theme	Examples
<i>Impact on local economy</i>	<i>Requirement to advertise employment opportunities locally Skills training / apprenticeships Use of local sub-contractors</i>
<i>Compliance with living wage</i>	<i>Subject to the decision on accreditation; relevant contractor employees would have to be paid at least the living wage (currently £7.49).</i>
<i>Environmental</i>	<i>Requirement to use low emission vehicles Eco-efficiency – doing more with less resource Reduce, reuse and recycle Increase in amenity Visual improvement</i>

Questions to consider

- To what extent are these 2013 themes still relevant for 2019 and beyond, and how well do they align with [the Strategic Plan 2018-21](#)?
- Could the Council connect the various aspects of Social Value more clearly on the Council's website to reflect its importance to the organisation and its communities?

Appendix 2

Task and Finish Group Scoping Document

Extending the Council's commitment to Social Value

*Review the 2018 national [Social Value Portal framework](#) of Themes, Outcomes and Measures (TOMS) to explore implications for the Council's approach to Social Value within procurement and how the Council might **measure** the Social Value contributions and community benefits delivered by our partners, suppliers and contractors.*

In 2018 the Social Value Portal developed a National Themes, Outcomes and Measures (TOMS) framework.

The Framework has 5 main themes, with up to 35 measures. Individual measures are designed to be selected on a contract-by-contract basis to reflect relevance, suitability and proportionality:

- Jobs: Promote Local Skills and Employment
- Growth: Supporting Growth of Responsible Regional Business
- Social: Healthier, Safer and more Resilient Communities
- Environment: Protecting and Improving Our Environment
- Innovation: Promoting Social Innovation

To some extent, the 2013 themes are being addressed within current tendering processes and HR arrangements, eg [Current Vacancies](#), [Apprenticeships](#) and [Living Wage](#). Likewise, environmental issues are being picked up in a range of activities, eg [the Strategic Plan 2018-21](#), purchase of freighters with Euro 6 diesel engines, [the No Vehicle Idling Policy](#).

The Task and Finish Group could review the 2013 themes and update them for 2019 in line with the Social Value Portal TOMS. More could be done to the Council's website to refresh and connect the relevant content.

If resource was allocated, the Council could hold a "Meet the Buyer" event and produce good practice guidance aimed at local suppliers to inform how to identify and respond to tender opportunities to supplement the information currently provided on the Council's [Supplying the Council](#) page.

Questions to consider

- Should the TOMS framework approach be adopted for tenders and contracts?
- What other benefits and contributions should be considered that are outside the procurement process?

Appendix 3

Task and Finish Group Scoping Document

Alternative Methods of Service Delivery - definitions and further information/research used

Public Service Mutuals (PSM) offer an alternative model for delivering public services. DCMS defines these mutuals as organisations which “have left the formal public sector, continue to deliver public services and aim to have a positive social impact”. Mutuals can take a variety of legal forms, but most are community interest companies, community benefit societies or charities.

[Public Service Mutuals: State of the Sector 2018](#) was produced by Social Enterprise UK for DCMS and provides a detailed study of the public service mutuals market, with 70% of the sector interviewed. It covers achievements the industry has made so far, while also noting the challenging environment mutuals are operating in, and the key issues raised by those that run them.

The DCMS [Civil Society Strategy: building a future that works for everyone](#) sets out plans to bring together the public sector, private businesses, charities and volunteers to tackle social problems and build a fairer society. The wide-ranging 123-page strategy has 15 mission objectives across what it describes as the five key foundations of social value: people, places, the social sector, the private sector, and the public sector.

[Social enterprise, mutual, co-operative and collective ownership models](#)

LGA guide to employee-led organisations – see pages 11-15 for definitions, and the TUPE/pensions considerations in section 4.

National [Social Value Portal](#) and Network – an “online solution that allows organisations to measure and manage the contribution that their organisation and supply chain makes to society”

[Cooperative Councils Innovation Network](#) – “a collaboration between local authorities committed to transforming the way they work with communities”

[CLES](#) (Centre For Local Economic Strategies) - an “independent think and do tank realising progressive economics for people and place.

Appendix 4

Social Value Portal - National TOMS Framework 2019

Theme	Outcomes	Ref	Measures - Minimum Requirements	Priority
Jobs: Promote Local Skills and Employment	More local people in employment	NT1	No. of local people (FTE) employed on contract for one year or the whole duration of the contract, whichever is shorter.	
		NT2	% of local people employed on contract (FTE)	✓
	More opportunities for disadvantaged people	NT3	No. of employees (FTE) taken on who are long term unemployed (unemployed for a year or longer)	
		NT4	No. of employees (FTE) taken on who are not in employment, education, or training (NEETs)	✓
		NT5	No. of employees (FTE) taken on who are rehabilitating young offenders (18-24 y.o.)	✓
		NT6	No. of jobs (FTE) created for people with disabilities	✓
		NT7	No. of hours dedicated to supporting unemployed people into work by providing career mentoring, including mock interviews, CV advice, and careers guidance -(over 24 y.o.)	
	Improved skills for local people	NT8	Local school and college visits e.g. delivering careers talks, curriculum support, literacy support, safety talks (No. hours, includes preparation time)	
		NT9	No. of training opportunities on contract (BTEC, City & Guilds, NVQ, HNC) that have either been completed during the year, or that will be supported by the organisation to completion in the following years - Level 2,3, or 4+	
		NT10	No. of apprenticeships on the contract that have either been completed during the year, or that will be supported by the organisation to completion in the following years - Level 2,3, or 4+	✓
	Improved employability of young people	NT11	No. of hours dedicated to support young people into work (e.g. CV advice, mock interviews, careers guidance) - (under 24 y.o.)	
		NT12	No. of weeks spent on meaningful work placements or pre-employment course; 1-6 weeks student placements (unpaid)	✓
		NT13	Meaningful work placements that pay Minimum or National Living wage according to eligibility - 6 weeks or more (internships)	
Growth: Supporting Growth of Responsible Regional Business	More opportunities for local SMEs and VCSEs	NT14	Total amount (£) spent with VCSEs within your supply chain	
		NT15	Provision of expert business advice to VCSEs and SMEs (e.g. financial advice / legal advice / HR advice/HSE)	
		NT16	Equipment or resources donated to VCSEs (£ equivalent value)	
		NT17	Number of voluntary hours donated to support VCSEs (excludes expert business advice)	
		NT18	Total amount (£) spent in LOCAL supply chain through the contract.	✓
		NT19	Total amount (£) spent through contract with LOCAL micro, small and medium enterprises (MSMEs)	
	Improving staff wellbeing	NT20	Demonstrate commitment to work practices that improve staff wellbeing, recognise mental health as an issue and reduce absenteeism due to ill health. Identify time dedicated for wellbeing courses	✓

Theme	Outcomes	Ref	Measures - Minimum Requirements	Priority
	A workforce and culture that reflect the diversity of the local community	NT21	Diversity training provided for contractors and subcontractors	✓
	Ethical Procurement is promoted	NT22	Percentage of procurement contracts that includes commitments to ethical procurement, including to verify anti-slavery and other relevant requirements.	✓
	Social Value embedded in the supply chain	NT23	Percentage of contracts with the supply chain on which Social Value commitments, measurement and monitoring are required	✓
Social: Healthier, Safer and more Resilient Communities	Crime is reduced	NT24	Initiatives aimed at reducing crime (e.g. support for local youth groups, lighting for public spaces, private security, etc.)	
	Creating a healthier community	NT25	Initiatives to be taken to tackle homelessness (supporting temporary housing schemes, etc)	
		NT26	Initiatives taken or supported to engage people in health interventions (e.g. stop smoking, obesity, alcoholism, drugs, etc) or wellbeing initiatives in the community, including physical activities for adults and children.	
	Vulnerable people are helped to live independently	NT27	Initiatives to be taken to support older, disabled and vulnerable people to build stronger community networks (e.g. befriending schemes, digital inclusion clubs)	
	More working with the Community	NT28	Donations or in-kind contributions to local community projects (£ & materials)	✓
		NT29	No hours volunteering time provided to support local community projects	✓
		NT30	Support provided to help local community draw up their own Community Charter or Stakeholder Plan	
Environment: Protecting and Improving Our Environment	Climate Impacts are reduced	NT31	Savings in CO2 emissions on contract not from transport (specify how these are to be achieved).	
	Air pollution is reduced	NT32	Car miles saved on the project (e.g. cycle to work programmes, public transport or car-pooling programmes, etc.)	
		NT33	Number of low or no emission staff vehicles included on project (miles driven)	✓
	Better places to live	NT34	Voluntary time dedicated to the creation or management of green infrastructure, to increase biodiversity, or to keep green spaces clean	
Innovation: Promoting Social Innovation	Sustainable Procurement is promoted	NT35	Percentage of procurement contracts that includes sustainable procurement commitments or other relevant requirements and certifications (e.g. to use local produce, reduce food waste, and keep resources in circulation longer.)	✓
		NT36	Other measures (£) - please describe any additional initiatives that you would like to make and £ to be invested	
		NT37	Other measures (hrs) - please describe any additional initiatives that you would like to make and hrs to be committed (No. expert hrs)	
		NT38	Other measures (hrs) - please describe any additional initiatives that you would like to make and hrs to be committed (No. voluntary hrs)	

13th March 2019

Report of	Assistant Director Corporate & Policy	Author	Clare Lawrance ☎ 282506
Title	Award of Contract for Corporate Buildings, Sheltered & Homeless Scheme Cleaning		
Wards affected	All wards		

1. Executive Summary

- 1.1 This report presents a recommendation for the award of a new 4 year (3 years & 11 months allowing for transition to a new provider) contract which may be extended by a further 2 years (1+1) subject to satisfactory performance.
- 1.2 The Council is now officially recognised as a Living Wage employer. This means that as well as paying the Living Wage to all directly employed staff, a phased plan for third party contracted staff is in place as relevant contracts come up for renewal, these contracts will stipulate the need for Living Wage.
- 1.3 This contract is being awarded on a fixed priced basis for the duration of the contract with the exception of a % uplift for Living Wage increases announced in November each year.

2. Recommended Decision

- 2.1 To award the contract for cleaning of corporate buildings, sheltered & homeless schemes to Kingdom Services.
- 2.2 In the event that the successful bidder is unable to proceed, to appoint the second placed contractor.

3. Reason for Recommended Decision

- 3.1 The existing contract ends with the successful completion of the current contract on 30th April 2019.

4. Alternative Options

- 4.1 Not to accept the tender of the proposed contractor. This would impede the delivery of a service to tenants and customers.

5. Background Information

- 5.1 Further background information is contained in paragraph 5 of the not for publication report in Part B of the agenda.

6. Equality, Diversity and Human Rights implications

- 6.1 The Equality Impact Assessment for Building Services, Facilities Management and Events is [here](#).

7. Strategic Plan References

- 7.1 This decision is part of delivering against responsibility and wellbeing priorities in the Council's Strategic Plan 2018-21:
- Grow - Help make sure Colchester is a welcoming place for all residents and visitors.

8. Consultation

- 8.1 Tenants acting as Quality Audit Assessors were consulted on the specification prior to publication. Feedback is sought on current performance on a rolling basis.

9. Publicity Considerations

- 9.1 Colchester Borough Homes (CBH) will ensure residents are informed about the new contract arrangements and put in place systems to capture and act on customer feedback. CBH will also ensure users of Corporate Buildings are aware of the appropriate service standards and how to provide feedback on the service.

10. Financial implications

- 10.1 The financial implications are contained within the Background Paper on Part 2 of the agenda because this contains commercially sensitive information it has been presented so as not to identify the individual contractors involved.
- 10.2 The costs associated with this contract are contained within previously approved budgets.

11. Health, Wellbeing and Community Safety Implications

- 11.1 Maintaining safe, clean and presentable buildings is important to maintaining confidence in the Council's services. Through this contract the Council sustains the fabric of Council owned assets.
- 11.2 In providing a cleaning service the Council seeks to minimise risks arising from unclean and unsafe communal and public areas.

12. Health and Safety Implications

- 12.1 Through the role of Contract Administrator compliance with Health & Safety regulations by the contractor will be monitored by CBH.

- 12.2 The production of and compliance with Risk Assessments & Method Statements relating to cleaning services e.g. COSHH, Working at Height, Manual Handling etc will be monitored by CBH.

13. Risk Management Implications

- 13.1 By following an EU compliant tender process and by implementing the controls and recommendations as set out in this report, the Council is seeking to mitigate against any potential risks or challenges.
- 13.2 To reduce risk and ensuring the Council are able to comply with their landlord obligation, it is proposed that should the preferred supplier withdraw (whether by choice or due to unforeseen circumstances) Cabinet endorse the appointment of the contractor in second place.

**EXTRACT FROM THE MINUTES OF THE MEETING OF POLICY AND PUBLIC
INITIATIVES PANEL HELD ON 9 JANUARY 2019**

23. Work Programme 2018-19

The Committee considered a report by the Assistant Director Policy and Corporate giving details of the Panel's Work Programme, updated since the last meeting.

The Panel had three matters of business for consideration (Sustainable Transport; Business Improvement District - enhancing the walls in the town centre; Responsible Dog Owners Policy) and needed to confirm whether it would be feasible to include each of these at the Panel's next meeting in March, which would be the last meeting in the current municipal year.

The Chairman confirmed that Councillor Scott-Boutell had offered to discuss the matter of responsible dog ownership with the Environmental Protection Manager with a view to this being scheduled for consideration by the Panel in the new municipal year.

The Chairman also referred to the matter raised by Ali Wilkin as a potential new idea/initiative for the Panel, namely for the Panel to conduct a Cumulative Impact Assessment on the effect of austerity on working age disabled adults. He was aware that the council had already undertaken work on the impact of Universal Credit and accordingly proposed that this be included in the Panel's work programme for consideration in the new municipal year, with the emphasis being on how the Council's welfare team can help residents who are suffering or feel they are being forgotten.

Councillor Laws asked the Panel to consider facilitating an open discussion about the River Colne. He considered the river was underutilised from a social sporting point of view and referred to a forthcoming planning application at East Bay and the obstacles when using the river to make the journey from Colchester town centre to Wivenhoe. He asked for the Panel to consider the issue in the context of encouraging more healthy lifestyles

Councillor Buston referred to the Wivenhoe Trail and speculated why this couldn't be extended from the Hythe and the need to make more of this stretch of the river.

Councillor Luxford Vaughan supported the views expressed in relation to the navigation of the river but she also referred to problems associated with jet ski use and the management responsibilities associated with them. She also referred to wildlife and the impact of the Local Plan and the need for mitigation measures.

Councillor Harris supported the proposal made by Councillor Laws to encourage greater use of the river as well as the wildlife concerns expressed by Councillor Luxford Vaughan.

RESOLVED that the work programme be amended to reflect the following changes:

- (i) Sustainable Transport and Business Improvement District - enhancing the walls in the town centre continue to be scheduled for consideration at the Panel's next meeting in March 2019;
- (ii) Next steps in options for Colchester High Street be scheduled for the Panel's next meeting in March 2019;
- (iii) Responsible Dog Ownership Policy be re-scheduled for consideration early in the new municipal year.

RECOMMENDED to Cabinet that approval be given for the following items to be included in the Panel's work programme at an appropriate time in the new municipal year:

- (i) The impact of Universal Credit / Austerity;
- (ii) The use of the River Colne in terms of encouraging more effective use from environmental and activity aspects.

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, 30 January 2019	Sue Beecham, Molly Walker and Ale Vargas	Essex County Council consultation on library services	Verbal response provided at the meeting by Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, Councillor T. Young, Portfolio Holder for Business and Culture, Councillor Bourne, Portfolio Holder for Housing and Communities, Councillor B. Oxford, Portfolio Holder for Customers and Councillor Goss, Portfolio Holder for Waste, Environment and Transportation.	30 January 2019
Cabinet, 30 January 2019	Alistair Heron	Broad Lane Sports Ground	Verbal response provided at the meeting by Councillor Cory, Leader of the Council and Portfolio Holder for Strategy.	30 January 2019
Cabinet, 30 January 2019	Barrie Cook	Student flats development in the Cultural Quarter	Verbal response provided at the meeting by Councillor T. Young, Portfolio Holder for Business and Culture	30 January 2019
Council, 20 February 2019	Trevor Orton	Have Your Say Arrangements	Verbal response provided at the meeting by Councillor Cory, Leader of the Council and Portfolio Holder for Strategy	20 February 2019

Council, 20 February 2019	John Franklin	Future Planning of Colchester	Verbal response provided at the meeting by Councillor T. Young, Portfolio Holder for Business and Culture	20 February 2019
Council, 20 February 2019	Angel Kalyan	The Council's handling of her complaints	Verbal response provided at the meeting by the Chief Executive	20 February 2019
Council, 20 February 2019	Alan Short	The Council's scrutiny arrangements	Verbal response provided at the meeting by Councillor Davies, Chair of the Scrutiny Panel, and Councillor Fox, Chair of the Governance and Audit Committee	20 February 2019
Council, 20 February 2019	Tom Foster, Giles Coode-Adams, CAUSE	Local Plan	Verbal response provided at the meeting by Councillor T. Young, Portfolio Holder for Business and Culture	20 February 2019
Council, 20 February 2019	Sebastian Thornton	Issues with the police and Independent Office of Police Conduct	Verbal response provided at the meeting by Councillor Lilley, Portfolio Holder for Planning, Community Safety and Licensing	20 February 2019
Council, 20 February 2019	Sir Bob Russell	Britain's first city strapline	Verbal response provided at the meeting by Councillor T. Young, Portfolio Holder for Business and Culture	20 February 2019
Council, 20 February 2019	Alistair Heron	Broad Lane Sports Ground	Verbal response provided at the meeting by councillor Cory, Leader of the Council and Portfolio Holder for Strategy	20 February 2019
Council, 20 February 2019	Paul Frost	Publication of North Essex Communities Business Plan	Verbal response provided at the meeting by Councillor T. Young, Portfolio Holder for Business and Culture	20 February 2019

Council, 20 February 2019	Paul Griffith	Recommendation from the Parliamentary Committee on Standards in Public Life and declarations of interest	Verbal response provided at the meeting by the Monitoring Officer	20 February 2019
Council, 20 February 2019	Philip Parker	Male domestic abuse	Verbal response provided at the meeting by Councillor Bourne, Portfolio Holder for Housing and Communities	20 February 2019

(ii) Petitions

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

