

# The Council Meeting

Council Chamber, Town Hall  
14 October 2009 at 6.00pm

## Information for Members of the Public

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# COLCHESTER BOROUGH COUNCIL

**TO ALL MEMBERS OF THE COUNCIL**

**28 October 2009**

You are hereby summoned to attend a meeting of the Council to be held at the Council Chamber, Town Hall on **14 October 2009 at 6:00pm** for the transaction of the business stated below.



**Chief Executive**

## AGENDA

### **Pages**

#### **1. Welcome and Announcements**

(a) The Mayor to welcome members of the public and Councillors and to invite the Chaplain to address the meeting. The Mayor to remind all speakers of the requirement for microphones to be used at all times.

(b) At the Mayor's discretion, to announce information on:

- action in the event of an emergency;
- mobile phones switched to off or to silent;
- location of toilets;
- introduction of members of the meeting.

#### **2. Have Your Say!**

(a) The Mayor to ask members of the public to indicate if they wish to ask a question, make a statement or present a petition on any matter relating to the business of the Council – either on an item on the agenda for this meeting or on a general matter not on this agenda (Council Procedure Rule 6(2)).

(b) The Mayor to invite contributions from members of the public who wish to address the Council on a general matter not on this agenda.

(Note: A period of up to 15 minutes is available for general statements and questions under 'Have Your Say!').

### **3. Minutes**

**1 - 7**

A... Motion that the Minutes of the meeting held on 8 July 2009 be confirmed as a correct record.

### **4. Mayor's Announcements**

Mayor's Announcements (if any) and matters arising pursuant to Council Procedure Rule 8(3).

### **5. Personal Interests of Members**

Disclosures by Members under Council Procedure Rule 9(3) to 9(9) (if any).

### **6. Prejudicial Interests of Members**

Disclosures by Members under Council Procedure Rules 9(10) and 9(11) (if any).

(Note: Members should only declare personal and/or prejudicial interests on items that are to be considered at the meeting).

### **7. Items (if any) referred under the Call-in Procedure**

To consider any items referred by the Strategic Overview and Scrutiny Panel or the Finance and Audit Scrutiny Panel under the Call-In Procedure because they are considered to be contrary to the policy framework of the Council or contrary to, or not wholly in accordance with the budget.

### **8. Recommendations of the Cabinet, Panels and Committees**

#### **i. Risk Management Strategy**

**8 - 9**

B... Motion that the recommendation contained in minute 29 of the Cabinet meeting of 9 September be approved and adopted.

#### **ii. Provision of New Cremators for Colchester Crematorium**

**10**

C... Motion that the recommendation contained in minute 32 of

the Cabinet meeting of 9 September be approved and adopted.

iii. Office of High Steward

**11**

D... Motion that the recommendation contained in minute 14 of the Accounts and Regulatory Committee meeting of 22 September be approved and adopted.

## **9. Future Electoral Arrangements**

The Leader of the Council to introduce a debate on future electoral arrangements.

(Note: a period of one hour is available for the debate and individual members may only speak for three minutes).

## **10. Notices of Motion pursuant to Council Procedure Rule 11**

**12 - 14**

E... (i) Resolution informing Cabinet of the view of Council on the schools investment programme

Proposer: Councillor Bentley

“Council welcomes and supports the £130 million Government investment into education in Colchester, which will benefit all school children throughout the Borough. The “Building Schools for the Future” funding will enable an extensive refurbishment and rebuild programme in order to provide a modern learning environment for our young people.

Council believes that nothing should be done, or left undone, which would impede or hinder this investment and that Colchester Borough Council should fully cooperate with Essex County Council to help secure this multi million pound investment.

Council supports the need of Philip Morant School to improve the road access to its premises as part of the investment into that school, for which planning permission has already been granted by this Council. These improvements should be expedited by means of the Cabinet cooperating fully with the appropriate authorities to enable the land to be made available for the building of the access road.

This to be agreed by Cabinet at its next meeting on 21 October 2009 and be carried out as expeditiously as possible.”

As the subject matter of the motion comprises an executive function, the suspension of Council Procedure Rule 11(2) will be moved to allow Council to debate the Motion.

## **11. Questions to Cabinet Members and Chairmen pursuant to Council Procedure Rule 10**

To receive and answer pre-notified questions in accordance with Council Procedure Rule 10(1) followed by any oral questions (ie not submitted in advance) in accordance with Council Procedure Rule 10 (3).

(Note: A period of up to 60 minutes is available for pre-notified questions and oral questions by Members of the Council to Cabinet Members and Chairmen (or in their absence, Deputy Chairmen)).

The following pre notified questions have been received:-

### **Questioner: Councillor T. Higgins**

To the Portfolio Holder for Communication, Customers and Leisure

Could the Portfolio Holder outline Colchester Borough Council's plans for development of the New Town Recreation Ground with respect to:

- (i) the repair of the collapsing Boundary Wall on Falcon Crescent;
- (ii) building of the new Multiple Use Games Area.

In particular could the Portfolio Holder outline how these much needed developments will be funded and tell the Ward Councillors when the work will begin?

### **Questioner: Councillor T. Higgins**

To the Portfolio Holder for Street and Waste Services

Could the Portfolio Holder outline Colchester Borough Council's plans for development of the New Town Recreation Ground with respect to:

- (i) finding a suitable toilet facility to replace the vandalised block that is currently closed.

In particular could the Portfolio Holder outline how this much needed development will be funded and tell the Ward Councillors when the work will begin?

## **12. Schedules of Decisions taken by Portfolio Holders**

To note schedules covering the period 25 June - 2 October 2009.

### **13. Reports Referred to in Recommendations**

**24 - 57**

The reports specified below are submitted for information and are referred to in the recommendations specified in item on the agenda:

Report to Cabinet 9 September 2009: 2008/09 Year End Reiview of Risk Management

Report to Cabinet 9 September 2009: Payment Options for the Provision of New Creamators for Clchester Crematorium

Report to Accounts and Regulatory Committee 22 September 2009: Office of High Steward

### **14. Urgent items**

To consider any business not specified in this summons which by reason of special circumstances the Mayor determines should be considered at the meeting as a matter of urgency.

### **15. Exclusion of the Public**

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





**COUNCIL**  
**8 JULY 2009**

*Present :-* Councillor Henry Spyvee (Mayor)  
Councillor Sonia Lewis (Deputy Mayor)  
Councillors Christopher Arnold, Nick Barlow,  
Lyn Barton, Kevin Bentley, Mary Blandon,  
Elizabeth Blundell, John Bouckley, Helen Chuah,  
Barrie Cook, Nick Cope, Mark Cory,  
Robert Davidson, Beverly Davies, Tina Dopson,  
Andrew Ellis, Margaret Fisher, Stephen Ford,  
Wyn Foster, Ray Gamble, Christopher Garnett,  
Chris Hall, Mike Hardy, Dave Harris,  
Pauline Hazell, Peter Higgins, Theresa Higgins,  
Mike Hogg, Martin Hunt, Justin Knight,  
Michael Lilley, Jackie Maclean, Jon Manning,  
Richard Martin, Kim Naish, Nigel Offen,  
Beverley Oxford, Gerard Oxford, Gaye Pyman,  
Ann Quarrie, Lesley Scott-Boutell, Paul Smith,  
Laura Sykes, Nick Taylor, Jill Tod, Anne Turrell,  
Dennis Willetts, Julie Young and Tim Young

The meeting was opened with prayers by the Mayors Chaplain, The Reverend Bob Fuller.

### **13. Minutes**

The minutes of the meeting held on 20 May 2009 were confirmed as a correct record.

### **14. Have Your Say!**

Mr McKinney addressed the Council pursuant to the provisions of Council Procedure Rule 6(2) to ask about the accountability of Colchester Borough Councillors and express his concern that queries he raised with Councillors were not responded to. He also enquired whether there were any plans to build more Council housing, which he considered was a better option than renting housing from housing associations. He noted that the football ground at Layer Road had yet to be sold and enquired about the costs of maintaining and securing the site. In order to attract tourism the town needed to be friendlier and cleaner. Reducing the cost of car parking would also help generate tourism and support local businesses. He advocated a trial of free car-parking. He also enquired that if the Council budget was not fully spent,

whether Council tax was lowered accordingly. Councillor Turrell Leader of the Council and Portfolio Holder for Strategy, indicated that a full written response would be sent within two weeks.

Mr Bailey addressed the Council pursuant to the provisions of Council Procedure Rule 6(2). He believed that more needed to be done to keep the town centre attractive. He had complained to the Council about the state of the pavements in the town centre. They had subsequently been cleaned and he urged the Council to maintain this standard of cleanliness. Concern was also expressed about the floral displays in the town centre. He noted that assurances had been given that the planters in the town centre would now be replanted, but enquired how this would be funded. He also asked why plans for an underground bus facility had been abandoned and suggested that the area around Colchester Town station could be developed as a transport interchange. Councillor Turrell Leader of the Council and Portfolio Holder for Strategy, indicated that a full written response would be sent within two weeks.

Nick Chilvers addressed the Council pursuant to the provisions of Council Procedure Rule 6(2). He believed that weeds in the town centre planters were undermining the Council's efforts to improve the town centre. In respect of the Visual Arts Facility he expressed concern that costs were increasing but the specification for the building was being reduced. He did not believe that the Keddie's building was suitable for use as a college and should be knocked down. Super stops would not be acceptable. In relation to the suggestion that High Street be made car-free, he believed that this would result in gridlock and pollution being transferred to the main traffic routes in Colchester running through residential areas such as Cowdray Avenue and Brook Street. Councillor Turrell Leader of the Council and Portfolio Holder for Strategy, indicated that a full written response would be sent within two weeks.

Andy Hamilton addressed the Council pursuant to the provisions of Council Procedure Rule 6(2) to thank the Leader of the Council for the information she had provided about the subsidy provided to Shopmobility. He believed that the subsidy provided for free car parking should be added to the grant when calculating the subsidy given to Shopmobility each year. He also enquired as to when the Equality Impact Assessment would be done and when it would be made public. He noted that Samantha Drummond had been appointed to the Council's Independent Remuneration Panel and queried whether she was a suitable person to be on a Council Committee, in view of recent events. Councillor Turrell Leader of the Council and Portfolio Holder for Strategy, indicated that a full written response would be sent within two weeks.

Paula Whitney addressed the Council pursuant to the provisions of Council Procedure Rule 6(2) to express concern about the changes to car parking

charges. She noted that when the town centre had been closed to traffic for the Tour Series event, this had a particularly severe impact on bus users who could not access the town centre. The closures had not affected the town centre car parks which had remained open. She stressed the economic importance of bus users to the town centre, particularly to the St Botolph's area. Bus use to the town centre was currently increasing, whilst car journeys to the town centre were decreasing. She supported a car-free High Street and stressed that was different to a pedestrianised High Street. It was vital to maintain access for buses and taxis. Councillor T. Young, Portfolio Holder for Street and Waste Services, responded and stressed that the recent changes to car-parking charges had been widely welcomed. It was important that Colchester remained competitive with other towns in the region. Pedestrians', cyclists and the bus users were valued by the administration and by local businesses and made an important contribution to the vibrancy of the town centre. The Council would look at proposals for a car free High Street.

Will Quince addressed the Council pursuant to the provisions of Council Procedure Rule 6(2) to express concern about the current portrayal of Colchester in the national media. The Conservative group had led the way in revitalising the flora and fauna in Colchester. He noted that some remedial action was now been taken and asked when residents would once again be able to see Colchester in bloom. Councillor Turrell Leader of the Council and Portfolio Holder for Strategy, indicated that a full written response would be sent within two weeks.

It was agreed that copies of responses sent to Have Your Say! speakers at this meeting and at future Council meetings would be circulated to all councillors.

## **15. Mayor's Announcements**

The Mayor made a presentation to Wivenhoe Town Council who had reaccredited as a Quality Parish Council. Wivenhoe Town Council were represented by the Mayor and Mayoress of Wivenhoe, Councillor Neil Lodge and Mrs Shirley Lodge, and the Town Clerk, Antoinette Stinson. Mrs Joy Sheppard of Essex Association of Local Councils and Councillor John Gili-Ross of Colchester Association of Local Councils, were also in attendance. The Council expressed its congratulations to Wivenhoe Town Council on its reaccreditation.

The Mayor announced that he would be celebrating Bastille Day in Avignon on 14 July 2009 and would pass on the Council's good wishes. The Mayor also urged Councillors to respond to his invitation to the Freedom of the Borough ceremony for 16th Air Assault Brigade on 17 July 2009.

The Mayor also announced the following events:-

The Run for Fun on 17 September 2009;  
The Fire Swim on 3-4 October 2009;  
Charity Gala at the Mercury Theatre on 16 January 2010, for which tickets were now available.

## 16. Schedules of Decisions taken by Portfolio Holders

It was *RESOLVED* that the Schedule of Portfolio Holder decisions covering the period 8 April 2009 – 24 June 2009 be noted.

## 17. Questions to Cabinet Members and Chairmen pursuant to Council Procedure Rule 10

### Questioner Subject

### Response

#### Pre-notified Questions

Councillor Bouckley	In the interests of health and safety, what percentage of Colchester Borough Council staff absences were caused by stress, depression or anxiety during the last financial year?	Direct oral answer given by the Leader of the Council and Portfolio Holder for Strategy.
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#### Oral Questions

Councillor Arnold	Whether the funding for twinning was under review.	Written answer to be provided by the Portfolio holder for Communication, Customers and Leisure.
Councillor Harris	Could the Portfolio Holder for Street and Waste Services confirm the start dates for the extension of the bulky waste special collection scheme?	Direct oral answer given by the Portfolio Holder for Street and Waste Services.
Councillor Bentley	The reasons why the borough was not represented at a regional conference on economic development in Cambridge on 6 July 2009, and whether the Council would be represented in future.	Direct oral answer given by the Portfolio Holder for Resources and Business.

Councillor Bentley	When was the decision taken to replant the planters and whether there would be flowers in the town centre summer to allow Colchester to enter Anglia in Bloom?	Direct oral answer given by the Portfolio Holder for Communication, Customers and Leisure.
Councillor Naish	What alternative arrangements were in place following the enforced closure of the swimming pool at Leisure World?	Direct oral answer given by the Portfolio Holder for Communication, Customers and Leisure.
Councillor Naish	Could the Portfolio Holder for Street and Waste Services explain how successful the recent Day of Action in Berechurch was and would he provide ward councillors with a full written response on the outcomes of the day?	Direct oral answer given by the Portfolio Holder for Street and Waste Services and written response to be sent to ward councillors.
Councillor Willetts	Where was the alleged £10 million "black hole" in the Council accounts?	Direct oral answer given by the Portfolio Holder for Resources and Business.
Councillor Willetts	Did the Portfolio Holder for Culture and Diversity have plans to put in good order the seven key sites for Roman heritage identified by the Strategic Overview and Scrutiny Panel, and could any funds recovered from Icelandic backs be used to repair the Town Wall and other heritage sites in Colchester.	Direct oral answer given by the Portfolio Holder for Culture and Diversity.
Councillor Willetts	Had the Council abandoned the policy of seeking sponsorship for roundabouts in Colchester, or was there another reason for disappearance of the sponsorship signs.	Written answer to be provided by the Leader of the Council and Portfolio Holder for Strategy.
Councillor T. Higgins	Did the new powers allowing penalty charges to be levied for double parking and for parking in front of dropped kerbs apply in Colchester. If they did, could statistics on use be provided and if not, when would they	Written answer to be provided by the Portfolio Holder for Street and Waste Services.

	be introduced?	
Councillor J. Young	Was the reduction in parking charges a long term strategy and would it be reviewed if income was to suffer?	Direct oral answer given by Portfolio Holder for Street and Waste Services.
Councillor Blundell	Would the Portfolio Holder for Communication, Customers and Leisure give an assurance that he would look at the situation in Marks Tey as part of the review of planters and boarders?	Direct oral answer given by the Portfolio Holder for Communication, Customers and Leisure.
Councillor Blundell	Could the Portfolio Holder for Performance and Partnerships state when Shopmobility and the eleven other organisations who have service level agreements with the Council in order to carry out certain agreed functions on behalf of local residents will learn whether they will receive their full funding for the 2009/10 financial year?	Direct oral answer given by the Portfolio Holder for Performance and Partnerships.
Councillor Davies	Following the failure of the call handling system and its back up system, and in the light of the comments of the auditors that the Council's disaster management procedures were not adequate, what action was being taken to improve procedures?	Written answer to be provided by the Portfolio Holder for Communication, Customers and Leisure.
Councillor Hazell	The purpose of the funding provided by Essex County Council for maintaining verges, and whether the Council should have been more circumspect in its statement on funding for the Castle Park and the Roman Circus.	Direct oral answer given by the Portfolio Holder for Communication, Customers and Leisure.
Councillor Ellis	The timescale for the appointment of a Heritage Champion.	Direct oral answer given by the Leader of the Council and Portfolio Holder for Strategy.

Councillor Cook	Could the Portfolio Holder for Culture and Diversity explain the alleged £10 million “black hole” in the Council’s accounts?	Direct oral answer given the Portfolio Holder for Culture and Diversity.
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## 18. Future Debate Opportunities

It was *PROPOSED* by Councillor Hunt that the proposals in the Monitoring Officer’s report entitled Future Debate Opportunities be approved and adopted subject to a *SECONDARY AMENDMENT* that the proposals be introduced for a trial period of twelve months and that there be no such debate at the meeting when the Council was considering the budget and setting Council tax.

Councillors Bentley, T. Young and G. Oxford indicated their support for the proposals.

*RESOLVED* that the proposals in the Monitoring Officer’s report entitled Future Debate Opportunities be approved and adopted subject to the proposals being introduced for a trial period of twelve months and that there be no such debate at the meeting when the Council was considering the budget and setting Council tax.

**Extract from the Minutes of the Cabinet meeting on 9 September 2009**

**29. 2008/09 Year End Review of Risk Management**

The Head of Resource Management submitted a report a copy of which had been circulated to each Member and a copy of which appears as Appendix B to these minutes in the Minute Book.

Councillor Willetts attended and addressed the Cabinet. He noted that the analysis had shown that the most significant risk facing the Council was that it would not be able to effectively respond to changes in the Borough economy, both internally and externally. This was supported by the comments of the Audit Commission. In view of this, the Council needed a work programme to demonstrate how it could address the difficulties resulting from the recession.

Councillor Offen, Portfolio Holder for Resources and Business, responded by stating that the Strategic Plan fulfilled this function. He paid tribute to the work undertaken by Hayley McGrath, Risk and Resilience Manager, in championing and embedding risk management processes.

Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy and Tina Dopson, Portfolio Holder for Performance and Partnerships, stressed that the Audit Commission had congratulated the Council on its response to the recession. The Council was managing its resources well in a difficult time and working with partners to support frontline services.

*RESOLVED* that:-

- (a) The risk management work undertaken during 2008/09, including the quarter 4 Strategic Risk Register be noted.
- (b) The proposed risk management strategy for 2009/10 be approved.
- (c) The intended work plan for 2009/10 be noted.

*RECOMMENDED* to Council that the proposed risk management strategy for 2009-10 be included in the Policy Framework.

*REASONS*

The Cabinet had overall ownership of the risk management process and was responsible for endorsing its strategic direction. Therefore the risk management strategy stated that Cabinet should receive an annual report on progress and should formally agree any amendments to the strategy itself.

During the year quarterly progress reports were presented to the Finance and Audit Scrutiny Panel (FASP) detailing work undertaken and current issues. This report was presented to FASP on 28 July 2009 where they approved it's



referral to the Cabinet meeting.

The Risk Management Strategy was one of the Corporate Governance documents that supported the Constitution of the Council. Therefore any amendments needed to be approved by full Council.

*ALTERNATIVE OPTIONS*

Not to approve the risk management strategy for 2009/10 and not to recommend to Council that it be included in the Policy Framework

**Extract from the Minutes of the Cabinet meeting on 9 September 2009**

**32. Payment Options for the Provision of New Cremators for Colchester Crematorium**

The Head of Environmental and Protective Services submitted a report a copy of which had been circulated to each Member and a copy of which appears as Appendix E to these minutes in the Minute Book.

*RECOMMENDED* TO Council that approval for the provision of new cremators be included in the Capital Programme.

*RESOLVED* that: the payment method be as proposed in paragraph 5.2 of the Head of Environmental and Protective Services report.

*REASONS*

Legislation required crematoria to abate mercury emissions by 50% by 2012 and 100% by 2020. The current cremators were near the end of their lives and required replacement. It was proposed that the cremators were replaced with two new cremators with integral abatement equipment. This would enable the Council to abate 100% of the mercury emissions and would ensure the Council was able to comply with the legislative requirement in 2020 with no additional works. A decision was also required as to which payment method should be employed for the purchase of the cremators.

*ALTERNATIVE OPTIONS*

(a) Not to include the provision of new crematoria in the Capital Programme.

(b) Alternative payment options were set out in paragraph 5.2 of the Head of Environmental and Protective Services report.

**Extract from the Minutes of the Accounts and Regulatory Committee 22  
September 2009**

**14. Office of High Steward**

Ms. Amanda Chidgey, Democratic Services Manager, attended the meeting for this item and presented the report 'Office of High Steward'.

*RESOLVED* that:

- i) The Committee acknowledged the letter from Sir Ivor Crewe, formally offering his resignation from the Office of High Steward.
- ii) The Committee approved the following recommendation to the Council:
  - (a) Sir Ivor Crewe's wish to relinquish the role of High Steward for the reasons set out in his formal letter of resignation, be accepted and
  - (b) No arrangements be made at the present time regarding the appointment of a successor to the Office of High Steward"

## Council Meeting, 14 October 2009

### MAIN AMENDMENTS

#### Notices of Motion pursuant to Council Procedure Rule 11

Item Number	Heading	Proposer
10(i)	Resolution informing Cabinet of the view of Council on the schools investment programme	Councillor Barton
	<p>The Motion concerning the view of Council on the schools investment programme be approved and adopted subject to the following amendments:-</p> <p>(i) In paragraph 1:-</p> <ul style="list-style-type: none"> <li>• In the first sentence the deletion of the words “£130 million” and their replacement with the words “possible substantial”; the deletion of the word “will” and its replacement with the word “should”; the deletion of the word “all” and its replacement with the word “most” and the following additional words to be inserted at the end of sentence: <p style="margin-left: 40px;">“and in order for this benefit to be felt fully urges Essex County Council’s Cabinet, even at this late stage, to change its decision to close Thomas Lord Audley and Alderman Blaxill schools, both of which are on an improving curve.”</p> </li> <li>• In the second sentence the insertion of the words “ This Council recognises that” at the start of the sentence; the insertion of the words “to take place at schools who choose to be included” between the words “refurbishment programme” and the words “in order to provide” and the following additional words to be inserted at the end of the sentence:- <p style="margin-left: 40px;">“such as the facilities which will be offered at the newly built school on the Charles Lucas site which council fully supports.”</p> </li> </ul> <p>(ii) In paragraph 2:-</p> <ul style="list-style-type: none"> <li>• The insertion of the words “subject to legal, administrative and financial requirements” between the words “believes that” and the words “nothing should be done” and the insertion of the words “on matters over which Essex County Council has control” between the words “Essex County Council” and “to help secure”.</li> </ul>	

(iii) The deletion of the wording at paragraph 3 and its replacement with the following wording:-

“On receipt of a formal request for a lease or purchase of Colchester Borough Council open space, the council will in the normal way of conducting council business, assess whether there is a need for Philip Morant School to improve the road access to its premises by enacting the planning permission which has rested with the governing board of that school for the last 10 years; will discuss and reach financial terms with the school governors for a possible lease to be offered; and will carry out the public consultation required by law when disposing of public open space should such disposal be contemplated. “

(iv) The deletion of the word “agreed” and its replacement with the word “discussed” and the deletion of the words after the word “Cabinet” and the insertion of the following words “at the first meeting after a formal request has been received from Philip Morant School”.

The Amended Motion to read:-

“Council welcomes and supports the possible substantial Government investment into education in Colchester, which should benefit most school children throughout the Borough and in order for this benefit to be felt fully urges Essex County Council’s cabinet, even at this late stage, to change its decision to close Thomas Lord Audley and Alderman Blaxill schools, both of which are on an improving curve .This Council recognises that the “Building Schools for the Future” funding will enable an extensive refurbishment and rebuild programme to take place at schools who choose to be included in order to provide a modern learning environment for our young people such as the facilities which will be offered at the newly built school on the Charles Lucas site which the council fully supports.

Council believes that subject to legal, administrative and financial requirements nothing should be done, or left undone, which would impede or hinder this investment and that Colchester Borough Council should fully cooperate with Essex County Council on matters over which Essex County Council has control to help secure this multi-million pound investment.

On receipt of a formal request for a lease or purchase of Colchester Borough Council open space, the council will in the normal way of conducting council business, assess whether there is a need for Philip Morant School to improve

	<p>the road access to its premises by enacting the planning permission which has rested with the governing board of that school for the last 10 years; will discuss and reach financial terms with the school governors for a possible lease to be offered; and will carry out the public consultation required by law when disposing of public open space should such disposal be contemplated.</p> <p>This to be discussed by Cabinet at the first meeting after a formal request has been received from Philip Morant School.</p>
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**Record of Decisions taken under Scheme of Delegation to Cabinet Members**  
**25 June 2009 - 2 October 2009**

Agenda item 12

**Portfolio – Communication, Customers and Leisure**

<b>Date</b>	<b>Number</b>	<b>Report Title</b>	<b>Author</b>	<b>Decision</b>	<b>Result</b>
24/7/09	COM-002-09	Colchester Twinning Society// Funding	Amanda Chidgey	To approve that a grant of £2,500 be awarded to Colchester Twinning Society for the period 2009-2010	Agreed 31/7/09

**Record of Decisions taken under Scheme of Delegation to Cabinet Members  
25 June 2009 - 2 October 2009**

<b>Portfolio – Culture and Diversity</b>					
<b>Date</b>	<b>Number</b>	<b>Report Title</b>	<b>Author</b>	<b>Decision</b>	<b>Result</b>
3/8/09	RES-008-09/ NEI-001-09/ CUL-001-09	Repayment of Right to Buy discount, Buying back former Council properties and Covenants on housing land and property	Suzanne Norton/ Tina Hinson	To adopt a policy for the Repayment of Right to Buy discounts, Buying back former Council properties and Covenants on housing land and property	Agreed 14/8/09
25/8/09	CUL-002-09	Cleaning of Communal Areas to the Housing Stock	Mike Scarlett/ Lorraine Cater	To recommend the award of the contract for the cleaning of communal areas within two/three storey blocks of flats to InterClean EMS Ltd	Agreed 7/9/09
14/9/09	RES-010-09/ CUL-003-09/ PLA-001-09	Disposal of 15 Queen Street	Fiona Duhamel	Agree Heads of Terms for the disposal of 15 Queen Street which forms part of the proposed Cultural Quarter in the St Botolph's Regeneration area of Colchester	Agreed 24/9/09



**Record of Decisions taken under Scheme of Delegation to Cabinet Members  
25 June 2009 - 2 October 2009**

<b>Portfolio - Neighbourhoods</b>					
<b>Date</b>	<b>Number</b>	<b>Report Title</b>	<b>Author</b>	<b>Decision</b>	<b>Result</b>
3/8/09	RES-008-09/ NEI-001-09/ CUL-001-09	Repayment of Right to Buy discount, Buying back former Council properties and Covenants on housing land and property	Suzanne Norton/ Tina Hinson	To adopt a policy for the Repayment of Right to Buy discounts, Buying back former Council properties and Covenants on housing land and property	Agreed 14/8/09

**Record of Decisions taken under Scheme of Delegation to Cabinet Members  
25 June 2009 - 2 October 2009**

<b>Portfolio - Performance and Partnerships</b>					
<b>Date</b>	<b>Number</b>	<b>Report Title</b>	<b>Author</b>	<b>Decision</b>	<b>Result</b>

**Record of Decisions taken under Scheme of Delegation to Cabinet Members  
25 June 2009 - 2 October 2009**

<b>Portfolio – Planning, Regeneration and Sustainability</b>					
<b>Date</b>	<b>Number</b>	<b>Report Title</b>	<b>Author</b>	<b>Decision</b>	<b>Result</b>
14/9/09	RES-010-09/ CUL-003-09/ PLA-001-09	Disposal of 15 Queen Street	Fiona Duhamel	Agree Heads of Terms for the disposal of 15 Queen Street which forms part of the proposed Cultural Quarter in the St Botolph's Regeneration area of Colchester	Agreed 24/9/09

**Record of Decisions taken under Scheme of Delegation to Cabinet Members  
25 June 2009 - 2 October 2009**

<b>Portfolio – Resources and Business</b>						
<b>Date</b>	<b>Number</b>	<b>Report Title</b>	<b>Author</b>	<b>Decision</b>	<b>Result</b>	
16/6/09	RES-001-09	Lion Walk Centre – Lease Extension and Improvements	Michael Timmins	Approval to the extension of the head-lease of the Lion Walk Shopping Centre in return for a capital receipt of £475,000 and improvement to the Centre and the 'public realm'	Agreed 30/6/09	
7/7/09	RES-002-09	Procurement Strategy 2009-2012	Jackie Martin	To approve the Council's Procurement Strategy 2009-2012	Agreed 27/7/09	
14/7/09	RES-003-09	Enterprise, Skills and Employment grant application (Signpost)	Janita Warren	To award Signpost (Colchester) a grant of £21,000 for the financial year 2009/10	Agreed 23/7/09	
14/7/09	RES-004-09	Enterprise, Skills and Employment grant application ( Colchester Business Enterprise Agency COLBEA)	Janita Warren	To award Colchester Business Enterprise Agency (COLBEA) a grant of £21,000 for the financial year 2009/10	Agreed 23/7/09	
3/8/09	RES-005-09	Sale of HRA Land at rear of 60 and 62 Wilson Marriage Road	Suzanne Norton/ Tina Hinson	To approve the sale of HRA land at the rear of 60 and 62 Wilson Marriage Road at under value	Agreed 14/8/09	
3/8/09	RES-006-09	Sale of Garage at 4 Bourne Road, West Bergholt	Nicola Baines/ Tina Hinson	To approve sale of garage (number 4 Bourne Road) to the owner of 12 Bourne Road, West Bergholt	Agreed 14/8/09	
3/8/09	RES-007-09	Sale of Land Adjacent to 154 Monkwick Avenue, Colchester	Nicola Baines/ Tina Hinson	To approve sale of land adjacent to 154 Monkwick Avenue, Colchester	Agreed 14/8/09	
3/8/09	RES-008-09/ NEI-001-09/	Repayment of Right to Buy discount, Buying back former Council	Suzanne Norton/ Norton/	To adopt a policy for the Repayment of Right to Buy	Agreed 14/8/09	

**Record of Decisions taken under Scheme of Delegation to Cabinet Members  
25 June 2009 - 2 October 2009**

	CUL-001-09	properties and Covenants on housing land and property	Tina Hinson	discounts, Buying back former Council properties and Covenants on housing land and property	
20/8/09	RES-009-09	Local Authority Mortgage Interest Rates	Peter Evans	To set the locally determined interest rate as 6.02% for the 6 months starting 1 October 2009	Agreed 7/9/09
14/9/09	RES-010-09/ CUL-003-09/ PLA-001-09	Disposal of 15 Queen Street	Fiona Duhamel	Agree Heads of Terms for the disposal of 15 Queen Street which forms part of the proposed Cultural Quarter in the St Botolph's Regeneration area of Colchester	Agreed 24/9/09

**Record of Decisions taken under Scheme of Delegation to Cabinet Members  
25 June 2009 - 2 October 2009**

<b>Portfolio - Strategy</b>					
<b>Date</b>	<b>Number</b>	<b>Report Title</b>	<b>Author</b>	<b>Decision</b>	<b>Result</b>

**Record of Decisions taken under Scheme of Delegation to Cabinet Members  
25 June 2009 - 2 October 2009**

<b>Portfolio - Street and Waste Services</b>						
<b>Date</b>	<b>Number</b>	<b>Report Title</b>	<b>Author</b>	<b>Decision</b>	<b>Result</b>	
19/6/09	STS-001-09	Street Naming and Numbering Legislation	Sarah Taylor	To approve adoption of sections of the Towns Improvement Clauses Act 1847 and supplementary legislation	Agreed 17/7/09	
8/7/09	STS-002-09	Appointment of contractor for A Door-stepping Campaign to Raise Awareness in Recycling	Elisabeth Axmann	To appoint M.E.L. Research to undertake a door-stepping campaign to raise awareness in recycling	Agreed 16/7/09	
17/7/09	STS-003-09	Travel Concessions – Senior Railcards	Peter Evans	To set the charge for a senior railcard as £20.50 from 1 <sup>st</sup> October 2009	Agreed 28/7/09	
13/7/09	STS-004-09	Concessionary Travel Administration – response to consultation document from Department for Transport	Peter Evans	To confirm response to the Department for Transport (DfT) consultation	Agreed 27/7/09	
16/9/09	STS-005-09	Charging for Dog Waste Bags	Colin Rand	To agree the introduction of a charge for the provision of dog waste bags that are currently distributed free	Agreed 24/9/09	
21/9/09	STS-006-09	Change to Colchester Charter Market Rules and Regulations and Street Trading Rules and Regulations	Matthew Young	To agree to the additions of a rule to not let stalls or trading space to any political party on the Colchester Charter Market and Street Trading	Due 5/10/09	



## Cabinet

9 September 2009

Item  
**8(i)**

<b>Report of</b>	<b>Head of Resource Management</b>	<b>Author</b>	<b>Hayley McGrath 508902</b>
<b>Title</b>	<b>2008/09 Year End Review of Risk Management</b>		
<b>Wards affected</b>	Not applicable		

**This report reviews the Risk Management work undertaken  
for the period 1 April 2008 to 31 March 2009.**

### 1. Decision(s) Required

- 1.1 Consider and note the risk management work undertaken during 2008/09, including the quarter 4 Strategic risk register.
- 1.2 Approve the proposed risk management strategy for 2009/10 and refer it to full Council for inclusion in the Policy Framework.
- 1.3 Consider and note the intended work plan for 2009/10.

### 2. Reason for Decision(s)

- 2.1 Cabinet has overall ownership of the risk management process and is responsible for endorsing its strategic direction. Therefore the risk management strategy states that Cabinet should receive an annual report on progress and should formally agree any amendments to the strategy itself.
- 2.2 During the year quarterly progress reports are presented to the Finance and Audit Scrutiny Panel detailing work undertaken and current issues. This report was presented to F.A.S.P. on 28 July 2009 where they approved it's referral to this meeting.
- 2.3 The Risk Management Strategy is one of the Corporate Governance documents that supports the Constitution of the Council. Therefore any amendments have to be approved by full Council.

### 3. Key Messages

- A risk management culture continues to be developed throughout the authority with the embedding of the programmed reporting structure.
- Risk Management has been developed to form an integral part of the Corporate Governance framework.
- Training for officers and members is progressing which has led to an increased awareness of risk issues. This is evidenced by the increase in requests to review and assist with risk issues across all departments and also by the development of a formal member training programme.
- The key strategic risks relate to: Effectiveness in responding to changes in the Borough economy; and protection of public funds and resources.
- Whilst the operational risks are being adequately controlled, the operational registers need to be reviewed now that all of the Heads of Service are in post.



## 4. Supporting Information

- 4.1 The aim of the Council is to adopt best practices in the identification, evaluation, cost-effective control and monitoring of risks across all processes to ensure that risks are properly considered and reduced as far as practicable.
- 4.2 In broad terms risks are split into three categories:
- Strategic – those risks relating to the long term goals of the Council
  - Operational – risks related to the day-to-day operation of each individual service
  - Project – consideration of the risks occurring as a result of the Council's involvement in specific initiatives
- 4.3 Strategic risks are essentially those that threaten the long term goals of the Council and therefore are mainly based around meeting the objectives of the Strategic Plan. They may also represent developing issues that have the potential to fundamentally effect service provision, such as proposals to dramatically change the corporate assessment process. Strategic risks are owned by members of the Senior Management Team.
- 4.4 Operational risks are those that threaten the routine service delivery of the Council. Each service area has their own operational risk register that details the risks associated with providing the service. These registers are reported, in summary format, to the Senior Management Team and committee on an annual basis. High risks and the success in controlling them are reported to Senior Management Team on a quarterly basis, as these assist in the formulation of the strategic risk register.
- 4.5 Project risks are those that relate solely to the successful delivery of that specific project. They tend to be quantifiable issues, such as resource or time related, and constantly change and develop over the course of the project as each stage is completed. The lead on the project is responsible for ensuring that there is an appropriate risk register and high level issues are reported to the senior management team.
- 4.6 Identified risks, in all three categories, are judged against levels of probability and impact to give them an overall score. This allows the risks to be shown as 'high, medium or low' which enables the Council to set a prioritised action plan for managing its risks. There are insufficient resources to be able to reduce all risks - and in some cases it would not be cost effective. Therefore resources are more effectively targeted at the high, and in some cases medium, risks as these would have the severest effect on the Council if they occurred. Categorising an issue as 'high risk' indicates that it would have a fundamental effect on the Council, if it occurred, and therefore plans need to be put in place to either stop it happening or reducing the effect if it does. High risk does not mean that it has, or will definitely, occur.
- 4.7 In many cases the causes of risks are outside of the Council's control, such as general economic issues. The Council cannot stop these risks from occurring (the probability score) but can put plans in place to mitigate against their effect if they occur (the impact score). Likewise there are occasions that risks can be reduced with preventative actions but there is not much that can be done to mitigate their effect if they do occur, such as a failure to protect public resources. Therefore some risks will tend to maintain the same score, regardless of the controls that the Council puts in place.

## 5. Summary of 2008/09

- 5.1 The primary focus for 2008/09 was to ensure that risk management was embedded across the authority and that the areas identified for improvement in the internal and external audit reports issued in 2007/08 were strengthened.
- 5.2 There were no fundamental changes to the risk management function, or the processes used to identify and control risk, during 2008/09.
- 5.3 An internal audit report regarding the annual review of risk management was issued in January 2009. This highlighted five, level two, recommendations centring on the reporting processes and ensuring the operational registers were brought in line with the revised management structure. All of these recommendations were agreed with and the areas that were not completed during 2008/09, or required further evidence, have been included as part of the work plan for 2009/10.
- 5.4 The Use of Resources assessment for 2008/09 has been carried out by the Audit Commission however the scores for the assessment have yet to be released. The format of the assessment changed significantly for the 2008/09 review. Previously risk management was scored according to a set criteria, however from 2008/09 risk management forms part of KLOE 2.4 - 'Does The Organisation Manage Its Risk And Maintain A Sound System of Internal Control?' This requires the Council to give a self assessment showing how the organisation has an effective risk management process which covers partnership working. The results of the risk management assessment will be reported in due course
- 5.5 The key achievements during 2008/09 were:
- The successful embedding of the reporting process - with regular reports to both the senior management team and F.A.S.P.
  - The revision of the strategic risk register which has created a more dynamic, focused approach to controlling the highlighted risk issues.
  - The adoption of a partnership strategy that provides a robust framework for managing risks across all partnerships.
  - Development of the links between the Council and Colchester Borough Homes in respect of risk management - sharing good practice on training and access to C.B.H.'s strategic risk register.
  - Development of the training programme, with courses designed for members and officers. The first course for members was due to be provided on 21<sup>st</sup> July.
  - Integration of risk management in the Corporate Governance framework. Management of risk is now an integral part of Corporate Governance and the Risk and Resilience Manager works closely with the Monitoring Officer to ensure that all the necessary control processes are in place and up to date. This includes the completion of the Annual Governance Statement, updating the Code of Corporate Governance and reviewing the Code of Conduct.
- 5.6 There are however some areas that still need to be strengthened and these are shown in detail in the work plan for 2009/10.
- 5.7 During 2008/09 the strategic risk register was reviewed every quarter and reported to FASP. The quarter 4 review for 2008/09 was carried out in March 2009 and the senior management team have approved the register attached at appendix 1 as being the position at 31 March 2009. These risks have been mapped onto a risk chart as shown at appendix 2.
- 5.8 Four items on the strategic register are as shown as having a high level of probability. This does not necessarily mean that they have, or will, definitely occur but shows that the senior management team have recognised that these are complex areas that require robust and effective controls, which are outlined in the action plan section of the strategic register.

## **6. Risk Management Strategy for 2009/10**

6.1 The Council's approach to managing risk was fundamentally reviewed in 2006/07 and a revised strategy was produced. A requirement within the strategy, and also under the Use of Resources assessment, is an annual review of the strategy to ensure that it is still appropriate to the Council's needs. Therefore a review has been undertaken and the strategy has been updated for 2009/10. The revised strategy is attached at appendix 3. There are no fundamental changes proposed to the risk process with amendments only to the areas of external review comments and work plans.

## **7. Work plan for 2009/10**

7.1 With regard to the comments made in the internal audit review, and the self assessment, the following areas will be the primary focus for developing risk management further in 2009/10:

- Completion of the operational risk registers. All of the Heads of Service are now in post and the primary objective for 2009/10 will be the review of the operational registers to ensure that they reflect the risks of the service areas.
- Development of a risk register for members. This will build on the training recently undertaken with members and review the issues that we highlighted during the session.
- Setting of performance indicators for the service and regular review against them. Including formal assessment of training provided and its effectiveness.
- Review of the guidance available to officers and members – ensuring that there is a standard approach to identifying and controlling risk, and making this available on the Hub.

7.2 Detailed progress against these areas will be provided quarterly to F.A.S.P. during the year.

## **8. Proposals**

8.1 To note and comment upon the Councils progress and performance in managing risk during 2008/09, the revised risk management strategy and work plan for 2009/10 and endorse the submission of the revised Risk Management Strategy to full Council.

## **9. Strategic Plan References**

9.1 The strategic risk register reflects the objectives of the strategic plan and the actions have been set with due regard to the identified key strategic risks. Therefore the risk process supports the achievement of the strategic objectives.

## **10. Risk Management References**

10.1 The failure to adequately identify and manage risks may have an effect on the ability of the Council to achieve its objectives and operate effectively.

## **11. Other Standard References**

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

**Colchester Borough Council – Corporate Strategic Risk Register**  
**Quarter 4 2008/09 - May 2009**

**Key points this update:**

Risk 1a: Failure to redirect strategic vision- score has reduced from 12 to 6 due to controls in place.

Risk 6b: No corporate approach to Repairs & Renewals – score has increase from 9 to 12 due to reassessment of the risk

<b>Specific Risks</b>		<b>Score</b>		<b>Consequence</b>	<b>Action</b>	<b>Owner</b>	<b>Timing</b>
		P	O				
<b>1. AMBITION</b>							
1.a	Failure to adequately redirect the strategic vision and move the resources required to support it.	2	3	Desired strategic outcomes are not achieved and improvements are not delivered.	Ensure that there is a structured regular review process for the Strategic plan, and corresponding action plan, so that it continues to deliver the strategic vision.	E.D. People & Performance	Ongoing annual review process.
1.b	Unrealistic expectations (both internally and externally) regarding speed of delivery.	3	3	Failure of one or more of the strategic projects.	Develop a structured reporting process to ensure that direction and priorities from Cabinet are communicated effectively to relevant officers.	Chief Exec	Ongoing
1.c	The Council is unable to effectively respond to changes in the Borough economy both internally and externally.	3	5	Financial or reputational loss by the Authority.	The desired 'place shape' needs to be formalised and clearly communicated to all staff.	E.D. Place Shaping	
1.d	Over reliance on a limited number of key personnel to deliver the ambition.	2	3	Inability to attract key partners / investment.  Key staff difficult to retain leading to loss of knowledge and inability to maintain momentum of the change process.	Ensure that the Strategic Plan is central to the decision making processes and is reflected in the resource allocations supporting Service Plus areas.	Chief Exec / Head of Resource Management	Annual Budget Process
					Ensure that there is a structured use of the 'People Strategy' to ensure skills / capacity are appropriately based and to identify priority areas for improvement.	E.D. Customer Excellence	

2. CUSTOMERS			ACTION PLAN – CUSTOMERS		
Specific Risks	Score P I O	Consequence	Action	Owner	Timing
2.a The Council fails to understand and consult its customers.	1 2	The Authority fails to manage / understand expectations from its customers.	Ensure that there is a structured corporate wide process to develop a good understanding of our customers which drives service improvement.	E.D. Customer Excellence	Ongoing
2.b A lack of political awareness amongst officers could lead to a failure to support our elected members.	3 4 12	Councillors not engaged with staff to deliver political priorities and fulfil role as community / ward champion.	A programme to improve levels of political awareness has been developed and will be implemented shortly. This will enhance relationship between officers and elected members.	E.D. Customer Excellence	July 09
2.c The Council fails to enhance the skills of its people to deliver customer excellence.	1 3 3	Staff become disengaged with the customer excellence programme and the link to service improvement.	Ensure that the learning and development strategy supports the customer excellence programme.	E.D. Customer Excellence	Ongoing
2.d The Council fails to develop and align the customer excellence programme, in phase four, with the Way We Work.	1 3 3	Customer Excellence will become irrelevant to the Way We Work and loses its profile as a top corporate priority to drive improvement.			

3. GENERAL MANAGEMENT			ACTION PLAN – GENERAL MANAGEMENT		
Specific Risks	Score P I O	Consequence	Action	Owner	Timing
3.a Failure to recruit and retain people with the right skills at the right time at the right cost.	3	Service delivery failure.	Develop capacity planning and monitoring plans to anticipate needs.	Head of Corporate Management	Autumn 2009
3.b Failure to implement and deliver an effective performance management process.	2	Financial and reputational loss.	Ensure effective communications strategy and execution.	Head of Corporate Management	Plans included in GSP May 2009
3.c Failure to equip managers with general management and professional skills and to update skills to be able to respond to changing working practices, such as flexible working.	2	Personal liability of Officers and Members.	Ensure people strategy is developed and executed effectively	Head of Corporate Management	Strategy agreed April 2009
3.d Failure to provide effective and visible political and managerial leadership.	3	Disengaged and demotivated staff.	Ensure Organisational Development is clearly defined and monitored within WWW. Programme/	Executive Director Customer Excellence	
3.e Failure to manage the Council's reputation.	4	Legal action against the Council.	Ensure performance management process is effectively implemented and monitored to include development needs and plans.	Head of Corporate Management	Ongoing
3.f Failure to develop and maintain fit for purpose IT infrastructure and services.	3	Loss of stakeholder confidence in the Borough leading to reduced partnership involvement in delivery.	Active promotion and use of Colchester Learning Managers programme and development to meet evolving needs.	Head of Corporate Management	Ongoing
3.g Failure to comply with 'working practises' legislation including: ➤ Health & Safety ➤ F.O.I ➤ DDA ➤ Equality & Diversity	2	High staff turnover, high cost of delivery. Efficiency and productivity reduction. Inability to meet changing requirements and needs. Enforcement action by regulators.	Ensure ICT strategy is developed in conjunction with Service plans and promote industry best practice in IT service management in internal organisation. Ensure the Performance Dashboard process is used effectively to monitor and remediate performance.	Head of Corporate Management	ICT strategy agreed. Service plans under preparation Ongoing

4. HORIZON SCANNING			ACTION PLAN – HORIZON SCANNING			
Specific Risks	Score			Action	Owner	Timing
	P	I	O			
4.a Requirements of Local Government reorganisation (opportunity & threat)	2	4	8	<p>Ensure organisational readiness to respond to external challenges through the Way We Work programme strands:</p> <ul style="list-style-type: none"> <li>- People</li> <li>- IT/ flexible working</li> <li>- Customer Excellence</li> <li>- Place Shaping</li> </ul> <p>Supported by a robust Medium term Financial strategy and organisational development strategy.</p>	E.M.T.	
4.b Failure to respond to current economic recession appropriately, to assess its full extent or adapt services including plan for recovery and future needs.	4	3	12			
4.c Underestimation of impact / potential of the Olympic games.	2	2	4			
4.d Failure by the Council to spot / influence at an early stage the direction of Central Government policies / new legislation.	2	3	6			
				<p>If not properly managed then either the Council will lose the opportunity to develop further or will have enforced changes to service delivery.</p> <p>Adverse impact on local residents / resources. Missed opportunities to boost tourism / economy.</p> <p>Conflict between Council / Government agendas.</p>		

5. PARTNERSHIPS			ACTION PLAN – PARTNERSHIPS		
Specific Risks	Score P I O	Consequence	Action	Owner	Timing
5.a Failure or inappropriate performance management of one or more strategic partnerships or key contracts E.g. Haven Gateway, RCE, Serco, CBH	4	The cost of service delivery is increased however quality decreases. Failure to deliver key priorities.	Assess proposed strategic partnerships to ensure that they will satisfy the Council's objectives before commitment to new partnerships is made.	EMT	Ongoing as part of partnership strategy.
5.b Change of direction / policy within key partner organisations and they revise input / withdraw from projects.	3	Reputational and financial loss by the Authority. Failure to deliver expected outcomes through partnerships	Define a relationship / performance management process for partnerships	ED People & Performance	Partnership strategy has been developed and approved by Cabinet.
5.c Potential inability to agree shared outcomes/ agendas with partners and the Council's ability to influence partner's performance, particularly in relation to CAA and LAA requirements.	3	Requirement to repay external funding granted to partnership – taking on the liabilities of the 'withdrawn' partner. External assessment of the Councils partnerships are critical and score poorly.	Ensure that there is a mechanism to review partnerships and assess the value added.	ED People & Performance	



6. ASSETS & RESOURCES			ACTION PLAN – ASSETS & RESOURCES			
Specific Risks	Score		Consequence	Action	Owner	Timing
	P	I O				
6.a	2	5	Service delivery failure. Financial and reputational loss by the Authority. Personal liability of Officers and Members. Legal actions against the Council. Loss of stakeholder confidence in the Borough Inability to sustain costs	Ensure that there is a robust system of internal control that encompasses all assurance systems including Internal Audit, Risk Management, Budget process, Corporate Governance and performance management. This must be reported to senior officers and members on a regular basis to ensure that it is fully embedded.	EMT / Head of Resource Management	There is an ongoing cycle of reviewing and reporting including internal Audit, Risk management and the AGS
	4	3				
6.b	3	2	Failure to deliver a balanced budget. Required to use Reserves & Resources to fund services and support Renaissance programme without ability to 'top-up'. Severe impact on cash-flow leading to negative effect on performance targets.	Continue to ensure that the budget monitoring process is reflective of finances across the whole Council not just individual service areas.	Head of Resource Management	Monthly reports to PMB. Quarterly reports to FASP
6.c	3	6				
6.d	3	2	Failure to set aside sufficient capital funds for major projects – insufficient allowance for contingency issues.	Develop the annual budget strategy to ensure it has controls built in to be able to respond to changes in the strategic objectives.	Head of Resource Management	Annual exercise. Council approves the final budget in February
	3	6				
				Review the medium term financial outlook and capital programme processes to ensure they are kept up to date and realistic.	Head of Resource Management	MTFS is part of the budget strategy & considered during the process. Capital programme reported to FASP quarterly.

RISK MATRIX QUARTER 4 2008/09 - MAY 09

Low Risks	Medium Risks	High Risks
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Scoring 1-5

Risk Tolerance Line

<b>Probability of Occurrence</b>	5 Very High					
	4 High			3e 4b 5a 6b		
	3 Medium		3a 5b 5c 6c 6d	1b	2b 3d 3f	1c
	2 Low		4c	1a 1d 3a 4d	3b 3c 4a	6a
	1 Very Low		2a	2d 2c		
		1 Very Low	2 Low	3 Medium	4 High	5 Very high
<b>Severity of Impact</b>						

## RISK MANAGEMENT STRATEGY

*This document outlines the Council's commitment to managing risk in an effective and appropriate manner. It is intended to be used as the framework for delivery of the Risk Management function and provides guidance on developing risk management as a routine process for all services.*

### INTRODUCTION

The Council undertakes that this strategy will promote and ensure that:

1. The management of risk is linked to performance improvement and the achievement of the Council's strategic objectives.
2. Members and the Senior Management Team own, lead and support on risk management.
3. Ownership and accountability are clearly assigned for the management of risks throughout the Council.
4. There is a commitment to embedding risk management into the Council's culture and organisational processes at all levels including strategic, programme, project and operational
5. All members and officers acknowledge and embrace the importance of risk management as a process, by which key risks and opportunities are identified, evaluated, managed and contribute towards good corporate governance.
6. Effective monitoring and reporting mechanisms are in place to continuously review the Council's exposure to, and management of, risks and opportunities.
7. Best practice systems for managing risk are used throughout the Council, including mechanisms for monitoring and reviewing effectiveness against agreed standards and targets.
8. Accountability to stakeholders is fully demonstrated through periodic progress reports and an annual statement on the effectiveness of and the added value (benefits) from the Council's risk management strategy, framework and processes.
9. The Council's approach is regularly assessed by an external, independent body against other public sector organisations, national standards and Best Practice.
10. The Risk Management Strategy is reviewed and updated annually in line with the Council's developing needs and requirements.

### **Endorsement by Adrian Pritchard, Chief Executive**

*“Colchester Borough Council is committed to ensuring that risks to the effective delivery of its services and achievement of its overall objectives are properly and adequately controlled. It is recognised that effective management of risk will enable the Council to maximise its opportunities and enhance the value of services it provides to the community. Colchester Borough Council expects all officers and members to have due regard for risk when carrying out their duties.”*

A handwritten signature in black ink that reads "A. R. Pritchard." The signature is written in a cursive style with a long, sweeping underline.

### **WHAT IS RISK MANAGEMENT**

Risk Management is the control of business risks in a manner consistent with the principles of economy, efficiency and effectiveness. It is an essential performance management process to ensure that both the long and short term objectives of the Council are achieved and that opportunities are fully maximised.

Risk Management is not about eliminating risk, as this would limit the ability of the organisation to develop and deliver its ambitions. Its purpose is to recognise the issues that could effect the achievement of our objectives and develop actions to control or reduce those risks. Acknowledgement of potential problems and preparing for them is an essential element to successfully delivering any service or project. Good management of risk will enable the Council to rapidly respond to change and develop innovative responses to challenges and opportunities.

‘The Good Governance Standard for Public Services’ issued by The Independent Commission on Good Governance in Public Services states that there are six core principles of good governance including ‘Taking informed, transparent decisions and managing risk’. The document goes on to state ‘Risk management is important to the successful delivery of public services. An effective risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective’.

## BACKGROUND

### Current Position

The first Risk Management Strategy was adopted by the Council in September 2003 and incorporated in the Council's policy framework. This introduced the concept of risk and identified the process to be followed.

In broad terms risks are split into three categories:

- Strategic – those risks relating to the long term goals of the Council
- Operational – risks related to the day-to-day operation of each individual service
- Project – consideration of the risks occurring as a result of the Council's involvement in specific initiatives

A significant amount of progress has been made in managing the risks to the Council. The following are some of the achievements since the adoption of the strategy:

- Creation of an overall strategic register.
- Creation of operational risk registers for all service areas.
- Consideration of risk in Committee reports.
- Development of a comprehensive risk register for the regeneration programme and consideration of risk as a project management tool.
- Successful internal and external assessment.
- Provision of advice to other authorities regarding our management of risk.

The CPA score was an endorsement that we have devised a practical and workable approach to managing risk. This has resulted in the Council becoming more risk aware and actually taking more risks, as demonstrated by the comprehensive risk register for the renaissance projects. Colchester is also highly regarded for managing risk by both our insurers and other authorities.

The Audit Commission, in the 2007/08 Audit and Inspection Letter, stated that "*Risk management arrangements continue to be embedded. A risk strategy is in place and approved by members. A corporate risk register is regularly updated, and contains specific and generic risk in respect of partnerships. The Finance and Scrutiny Panel who are responsible for risk management regularly review the corporate risk register. Project initiation contains a risk assessment*".

The annual Use of Resources assessment for 2007/08 highlighted areas of Risk Management that were performing well but by the same token highlighted areas where further development is required, including:

- Continue to roll out awareness training for Members
- Development of the senior officer and member risk champion roles
- Further embed risk management into business processes
- Ensure that reports to support strategic policy decisions include a risk assessment, including a sustainability impact appraisal.
- Consideration of opportunity risk in the successful delivery of major innovative and challenging projects.

The issues of awareness and training and further embedding into the business process have also been highlighted in the 2008/09 Internal Audit assessment of the risk management system.

## OWNERSHIP

The responsibility to manage risk rests with every member and officer of the Council however it is essential that there is a clearly defined structure for the co-ordination and review of risk information and ownership of the process.

Appendix D is from the CIPFA/SOLACE risk management guide, Chance or Choice. It is a generic map of responsibility for each part of the risk management process.

The following defines the responsibility for the risk management process at Colchester:

**Cabinet** – Overall ownership of the risk management process and endorsement of the strategic direction of risk management.

**Portfolio Holder for Resources & Business** – Lead member for the risk management process

**Finance & Audit Scrutiny Panel (FASP)** – Responsible for reviewing the effectiveness of the risk management process and reporting critical items to cabinet as necessary.

**Performance Management Board (PMB)** – Ownership of the strategic risks and overview of the operational risks. Actively support the Risk Management Strategy and framework.

**Executive Director** – Lead officer for the risk management process, demonstrating commitment to manage risk

**Head Of Resource Management** – Responsible for co-ordination of the risk management process, co-ordinating and preparing reports and providing advice and support.

**Heads of Service** – Ownership, control and reporting of their service's operational risks. Contribute to the development of a risk management culture in their teams.

**All Employees** – To understand and to take ownership of the need to identify, assess, and help manage risk in their individual areas of responsibility. Bringing to the management's attention at the earliest opportunity details of any emerging risks that may adversely impact on service delivery.

**Internal Audit, External Audit and other Review Bodies** – Annual review and report on the Council's arrangements for managing risk throughout the Council, having regard to statutory requirements and best practice. Assurance on the effectiveness of risk management and the controls environment.

## THE WAY FORWARD

### Aims & Objectives

The aim of the Council is to adopt best practices in the identification, evaluation, cost-effective control and monitoring of risks across all processes to ensure that risks are properly considered and reduced as far as practicable.

The risk management objectives of Colchester Borough Council are to:

- Integrate risk management into the culture of the Council
- Ensure that there are strong and identifiable links between managing risk and all other management and performance processes.
- Manage risk in accordance with best practice
- Anticipate and respond to changing social, environmental and legislative requirements
- Prevent injury, damage and losses and reduce the cost of risk
- Raise awareness of the need for risk management by all those connected with the Council's delivery of services.
- Ensure that opportunities are properly maximised through the control of risk.
- Reduce duplication between services in managing overlapping risks and promote 'best practise'.

Risk Management forms an important part of the Council's system of Internal Control and is therefore one of the Use of Resources Key Lines of Enquiry. The Risk Management function has achieved assessment at level 3 from level 2 last year. The objectives outlined above have been set to ensure that the function can maintain this assessment level. The approach of the Use of Resources assessment was changed for the 2008/09 year and the authority is now required to provide a broad self assessment review of the function as opposed to meeting set performance criteria. However Appendix C outlines the 2007/08 Use of Resources criteria for Risk Management which provides a basis for service delivery.

### Strategic Risk Management

Strategic risks are essentially those that threaten the long term goals of the Council and therefore are mainly based around meeting the objectives of the Strategic Plan. They may also represent developing issues that have the potential to fundamentally effect service provision, such as proposals to dramatically change the corporate assessment process.

Strategic risks will be controlled using a register that will detail the risks and associated controls. The register will be owned by the Senior Management Team, with ownership for risks being assigned to individual officers, and will be reviewed every quarter. The strategic risks will be reported to F.A.S.P. every quarter.

## **Operational Risk Management**

Operational risks are those that threaten the routine service delivery of the Council. Each service area will have their own operational risk register that details the risks associated with providing the service. These registers will be reported, in summary format, to the Senior Management Team and committee on an annual basis. High risks and the success in controlling them will be reported to Senior Management Team on a quarterly basis, as these will help in the formulation of the strategic risk register.

### **Links**

It is essential that risk management does not operate in isolation to other management processes. To fully embed a risk management culture it has to be demonstrated that risk is considered and influences all decisions that the Council makes. It is essential that there is a defined link between the results of managing risk and the following:

- The Strategic Plan
- Service Plans
- Revenue and Capital Budgets
- Annual Internal Audit Plan

### **Action Required**

The following actions will be implemented to achieve the objectives set out above:

- Considering risk management as part of the Council's strategic planning and corporate governance arrangements.
- Ensuring that the responsibility for risk management is clearly and appropriately allocated
- Maintaining documented procedures for managing risk
- Maintaining a corporate approach to identify and prioritise key services and key risks across the Council and assess risks on key projects.
- Maintain a corporate mechanism to evaluate these key risks and determine if they are being adequately managed and financed.
- Establish a procedure for ensuring that there is a cohesive approach to linking the risks to other management processes
- Including risk management considerations in all committee reports
- Providing risk management awareness training to both members and officers.
- Developing risk management performance indicators.
- Establishing a reporting system which will provide assurance on how well the Council is managing its key risks and ensures that the appropriate Members and officers are fully briefed on risk issues.
- Preparing contingency plans in areas where there is a potential for an occurrence to have a significant effect on the Council and its business capability.
- Regularly reviewing the risk process to ensure that it complies with current national Governance Standards and Best Practice.
- Creation of an annual 'Action Plan' that details particular areas of development for the coming year, including details of the value added and how they will be embedded.



## REVIEW

To ensure that the risk management process is effective it will need to be measured and reported to P.M.B., F.A.S.P. & Cabinet. As well as a structured reporting process of risks and controls during the year there will need to be an annual review demonstrating the success of the following:

- The inclusion of risk management principles within Service Plans and budgets.
- The development of the Internal Audit plan based on the risk issues.
- Achievement against identified performance indicators.
- Members consistently ensuring managing risk is considered as part of the decision making processes within the Council.
- Service managers making recommendations that regard risk as an opportunity as well as a threat .
- Risk management principles being considered in service reviews, for example in areas such as options for change and service improvements.
- Changes in risk being independently identified and assessed by Service Managers
- Compliance with the use of resources criteria and self assessment requirements.

Suitable opportunities to benchmark the risk management service against other organisations should also be explored to ensure that it is effective and the work carried out by the Council conforms to best practise.

The four appendices attached give greater detail of key issues:

Appendix 1 – Outline of the risk management process

Appendix 2 – Details of how Risk Management will be reported.

Appendix 3 – The 2007 Use of Resources Criteria for Risk Management

Appendix 4 – CIPFA guidance on Risk Management Responsibilities

## APPENDIX A

### The Risk Management Process

Risk Management is a continual process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them and / or responding to them. The risks faced by the Council are constantly changing and the continual process of monitoring risks should ensure that we can respond to the new challenges. This process is referred to as the risk management cycle.

#### **Stage 1 – Risk Identification**

Identifying and understanding the hazards and risks facing the council is crucial if informed decisions are to be made about policies or service delivery methods. There is detailed guidance available on how to identify risks which includes team sessions and individual knowledge. Once identified a risk should be reported to the Head of Service who will consider its inclusion on the relevant risk register. If the risk is identified in between register reviews then it is reported to the Risk & Resilience Manager for information and the Head of Service is responsible for managing the risk.

#### **Stage 2 – Risk Analysis**

Once risks have been identified they need to be systematically and accurately assessed. If a risk is seen to be unacceptable, then steps need to be taken to control or respond to it.

#### **Stage 3 – Risk Control**

Risk control is the process of taking action to minimise the likelihood of the risk event occurring and / or reducing the severity of the consequences should it occur.

#### **Stage 4 – Risk Monitoring**

The risk management process does not finish with the risk control procedures in place. Their effectiveness in controlling risk must be monitored and reviewed. It is also important to assess whether the nature of the risk has changed over time.

## APPENDIX B

### Reporting

No matter how good the process to identify and control risks is, it will not be effective unless the information gained from it is reported and used to influence other management issues / processes. Therefore it is essential that there is a defined process and timetable for reporting the results of the risk management process to both members and officers.

#### Types of Report

- A quarterly report to P.M.B., detailing the *high level* operational risks along with comment from the Services regarding the progress that they have made in controlling the risk.
- The strategic risk register needs to be reviewed on a quarterly basis by P.M.B.
- A quarterly report needs to be provided to Committee (F.A.S.P.) detailing the current strategic and high level operational risks and the progress made in controlling them.
- Six monthly review of the operational risk registers and a summary report of these reviews to P.M.B.
- An annual report reviewing Risk Management activity and an action plan for the coming year - taking into account changes in methodology and results of internal and external reviews. Going to P.M.B., FASP and Cabinet. This needs to cover all of the three areas of risk
- Ad-hoc reports need to be provided to P.M.B. when new, significant risk issues arise.

The reports can be summarised as follows:

	<b>Service's</b>	<b>P.M.B.</b>	<b>F.A.S.P.</b>	<b>Cabinet</b>
<b>Quarterly</b>		Progress of high level operational risks  Review of strategic risk register	Progress report of strategic & high level operational risks	
<b>6 Monthly</b>	Review of operational risk register	Summary of operational review from services		
<b>Yearly</b>		Scrutiny of annual progress report to cttee on R.M. & action plan for coming year.	Endorsement of annual progress report on R.M. & action plan for coming year	Summary of past years work on R.M. and agreement of action plan for the coming year.



## Appendix C Use of Resources Criteria

<b>4. INTERNAL CONTROL</b> <b>How well does the council's internal control environment enable it to manage its significant business risks?</b>		
<b>Key line of enquiry</b> 4.1 The council manages its significant business risks		
<b>Audit Focus</b> Evidence that: the council has a risk management process in place the risk management system covers partnership working		
<b>Criteria for Judgement</b>		
<b>Level 2</b>	<b>Level 3</b>	<b>Level 4</b>
<p>* The council has adopted a risk management strategy/policy that has been approved by members.</p> <p>* The risk management strategy/policy requires the council to:</p> <ul style="list-style-type: none"> <li>• identify corporate and operational risks</li> <li>• assess the risks for likelihood and impact</li> <li>• identify mitigating controls</li> <li>• allocate responsibility for the mitigating controls.</li> </ul> <p>* The council maintains and reviews a register of its corporate business risks linking them to strategic business objectives and assigns named individuals to lead on the actions identified to mitigate each risk.</p> <p>* Member responsibility for corporate risk management is identified in the terms of reference of one or more committees as appropriate.</p> <p>* Reports to support strategic policy decisions, and project initiation documents, include a risk assessment.</p>	<p>1.1.2</p> <p>* The risk management process is reviewed and updated at least annually.</p> <p>* The risk management process specifically considers risks in relation to significant partnerships and provides for assurances to be obtained about the management of those risks.</p> <p>* All appropriate staff are given relevant training and guidance to enable them to take responsibility for managing risk within their own working environment.</p> <p>* The members with specific responsibility for risk management have received risk management awareness training.</p> <p>* Members with responsibility for corporate risk management receive reports on a regular basis and take appropriate action to ensure that corporate business risks are being identified and effectively managed, including reporting to full council as appropriate.</p>	<p>* A senior officer and member jointly champion and take responsibility for embedding risk management throughout the council.</p> <p>* The council can demonstrate that it has embedded risk management in its business processes, including:</p> <ul style="list-style-type: none"> <li>• strategic planning</li> <li>• financial planning</li> <li>• policy making and review</li> <li>• performance management</li> </ul> <p>* All members receive risk management awareness training appropriate to their needs and responsibilities</p> <p>* The council considers the opportunity side of innovative and challenging projects.</p> <p>* Reports to support strategic policy decisions, and initiation documents for all major projects, require a risk assessment including sustainability impact appraisal.</p>



## Appendix D Risk Management Responsibilities – CIPFA / SOLACE Guidance

	Framework, Strategy and Process	Identifying risk	Analysing Risk	Profiling risk	Prioritising action based on risk appetite	Determining action on risk	Controlling risk	Monitoring & Reporting	Reporting to external stakeholders.
<b>Members</b>	Agreeing the Framework, Strategy and Process Determined by Officers	Identifying risk	Analysing Risk	Profiling Risk	Determining the risk appetite and prioritising risk. Agreeing the priorities determined by officers			Reviewing the effectiveness of the risk management process.	Reporting to external stakeholders on the framework, strategy, process and effectiveness .
<b>Risk Management Team</b>	Providing advice And support to the executive Management Team and Members	Providing advice and support.	Providing Advice and support	Providing advice and support	Providing advice and support			Co-ordinating the results for reporting to the corporate management team and members	
<b>Senior Management Team</b>	Determining the framework, Strategy and Process	Identifying strategic and cross-cutting issues	Analysing Strategic and cross-cutting issues.	Profiling strategic and cross-cutting issues.	Determining the risk appetite and prioritising strategic and cross-cutting issues	Determining action on strategic and cross-cutting issues. Delegating responsibility for control.		Monitoring progress on managing strategic and cross-cutting risks and reviewing the implementation of the risk management framework, strategy and process. Reporting to members.	Reporting to external stakeholders on the framework, strategy, process and effectiveness.
<b>Head of Resource Management</b>	Providing Advice and Support	Providing advice and support	Providing advice and support	Providing advice and support	Providing advice and support	Providing advice and support	Providing advice and support	Co-ordinating the results for reporting to the executive management team and members	Preparing draft reports for the corporate management team and members to issue.
<b>Service Managers / G.M.T'ss</b>		Identifying service Risks	Analysing Service risks.	Profiling service risks.	Prioritising action on service risks.	Determining action on service risks. Delegating responsibility for control.		Monitoring progress on managing service risks. Reporting to the group management team	
<b>Employees, contractors And partners</b>		Maintaining awareness of risks and feeding these into the formal process.	Maintaining awareness impact of risks and feeding information into the processes				Controlling risk in their jobs.	Monitoring progress on Managing job related risks Reporting to the service manager.	



## Cabinet

Item  
**11(i)**

9 September 2009

<b>Report of</b>	<b>Head of Environmental &amp; Protective Services</b>	<b>Author</b>	<b>Penny Stynes</b> ☎ 282950 <b>Steve Heath</b> ☎ 282389 <b>Karen Newman</b> ☎ 507855
<b>Title</b>	<b>Payment options for the provision of new cremators for Colchester Crematorium</b>		
<b>Wards affected</b>	Not applicable		

**This report concerns the payment options for the provision of new cremators for Colchester Crematorium**

### 1. Decision(s) Required

- 1.1 Recommendation to Full Council for the approval for the provision of the cremators to be included in the Capital Programme.
- 1.2 Determination of the payment method for the new cremators.

### 2. Reasons for Decision(s)

- 2.1 Legislation requires crematoria to abate mercury emissions by 50% by 2012 and 100% by 2020. The current cremators are near the end of their lives and require replacement. It is proposed that the cremators are replaced with two new cremators with integral abatement equipment. This will enable us to abate 100% of the mercury emissions and will ensure we are able to comply with the legislative requirement in 2020 with no additional works. A decision is also required as to which payment method should be employed for the purchase of the cremators.

### 3. Alternative Options

Not applicable.

### 4. Supporting Information

- 4.1 Mercury is a toxic metal. 16% of airborne mercury results from the cremation of deceased with amalgam fillings in their teeth (the remaining 84% of airborne mercury results from other industrial processes). During cremation the mercury vaporises and passes into the atmosphere, and subsequently it falls back down to earth or into waterways.
- 4.2 In 2007 DEFRA issued an amendment to the Environmental Protection Act 1990 in the form of additional guidance notes for the "Control of Mercury Emissions from Crematoria". The guidance notes require a 50% reduction in mercury emissions from crematoria by 2012, and 100% abatement of mercury emissions from crematoria by 2020.



- 4.3 The reduction of 50% of mercury emissions by 2012 relates to the country globally. It is for each crematorium to decide whether to abate or not, but those that don't will be expected to share costs with those that do in order to comply with the legislation.
- 4.4 The "trading" of abatement of emissions would work like this: Crematorium A plans to abate mercury by 100% by 2012. Crematorium B plans not to abate at all. Crematorium B becomes compliant with the legislation by paying Crematorium A an agreed sum towards their abatement equipment, thus claiming the credit for the 50% of Crematorium A's cremations which they have abated over the minimum requirement. There is a non-profit making scheme which was set up to facilitate the "trading" of abated cremations, called the CAMEO scheme. Alternatively crematoria are free to find their own "trading" partners.
- 4.5 It was initially thought that some useful income might be accrued by crematoria that were abating 100%, as a result of "trading" with other crematoria, but as the deadline looms nearer more and more crematoria are opting to abate by 100% by 2012, and therefore there is less likelihood of significant income to be derived from this source. Of course, the period for possible trading would be limited to between 2012 and 2020 as after 2020 all crematoria must have abated 100% of their cremations.
- 4.6 The CBC strategy to comply with this legislation by replacing both of the existing cremators in 2010, thus abating 100%, was approved by the Portfolio Holder in September 2005. During the latter part of 2008 and early 2009, a procurement framework for replacement cremators was created with the support of the Essex Procurement Hub, with the successful supplier being Facultatieve Technologies (FT). The Procurement Hub will receive a rebate of 1.5% of the contract cost from the supplier for each authority using the framework, which will be shared with all Hub members. To date there is considerable interest in the framework from other crematoria, in Essex and beyond, so it is likely that some income for CBC will be derived from this source.
- 4.7 A provisional order has been made to Facultatieve Technologies for 2 cremators with integral mercury abatement equipment, for delivery March/April 2010. The cost of the two new cremators totals £695k, which includes building works of £27k.
- 4.8 Savings are likely to accrue in the future as a result of the more efficient fuel consumption of the new cremators and the greater reliability of the cremators. (**See Appendix B**)
- 4.9 An environmental surcharge on adult cremations was established in 2005 (approved by the Portfolio Holder) to assist with the funding of the new equipment. The surcharge income was saved as contributions to the repairs and renewals (R&R) reserve. In 09/10 this reserve totals £248k, and is likely to increase to £322k in 10/11.

## **5. Proposals**

### **5.1 Inclusion in the Capital Programme**

This scheme is not yet included within the Capital Programme and it is proposed that its addition be approved by Cabinet.

### **5.2 Payment options**

The payment method for the purchase of the cremators has to be decided. A loan or lease arrangement for the balance of the cost above that of the R&R reserve will be necessary. There are 3 options to be considered:

- purchasing the cremators outright, **borrowing** via an annuity loan.
- **leasing** through another leasing company – **Finance Lease**
- a leasing arrangement with the company preferred by the cremator manufacturer – **Managed Service**

The strengths and weaknesses of each of the options are shown in the table below:

Table 1

<b>Method of payment</b>	<b>Advantages</b>	<b>Risks</b>
<b>Borrow</b> (Treasury Management to identify when and how)	<ul style="list-style-type: none"> <li>• Low interest rates.</li> <li>• Best use of resources while interest rates are low.</li> <li>• Flexibility – other options can be looked explored at any stage in order to maximise resources</li> <li>• R&amp;R contributions (including 09/10) now total £248k – this resource would be used before borrowing</li> <li>• Cremators are owned by CBC from the outset</li> </ul>	<ul style="list-style-type: none"> <li>• Possible loss of partial VAT exemption advantage for the whole of CBC</li> <li>• Management of supply and disposal of mercury abatement chemical reagents is not included and will have to be undertaken by Crematorium staff.</li> <li>• Payment of a proportion of the cost to be made immediately on confirmation of the order and thereafter in staged payments throughout the build period.</li> </ul>
<b>Finance lease</b>	<ul style="list-style-type: none"> <li>• Low interest rate</li> <li>• Staged lease payments</li> <li>• Ownership of cremators will pass to CBC at the end of the lease term.</li> <li>• Deemed to be the best deal available, and an attractive framework, in the view of CBC Finance Manager.</li> <li>• £430K cheaper than Managed Service lease option.</li> <li>• No risk to the partial exemption limit.</li> </ul>	<ul style="list-style-type: none"> <li>• Management of supply and disposal of mercury abatement chemical reagents is not included and will have to be undertaken by Crematorium staff.</li> <li>• Payment of a proportion of the cost to be made immediately on confirmation of the order and thereafter in staged payments throughout the build period.</li> </ul>
<b>Managed Service</b>	<ul style="list-style-type: none"> <li>• No payments to be made until cremators are working.</li> <li>• Pay per cremation.</li> <li>• Project management for installation included.</li> <li>• Management of supply and disposal of mercury abatement chemical reagents included.</li> <li>• Flexibility of the lease</li> </ul>	<ul style="list-style-type: none"> <li>• This option will cost £430K more than other options over the life of the lease.</li> <li>• The cremators will remain the property of Managed Service at the end of the lease.</li> <li>• On renewing the lease, less advantageous rates may be demanded.</li> </ul>

	<p>term – a possibility of changing the lease terms mid-way through the lease.</p> <ul style="list-style-type: none"> <li>• No risk to the partial exemption limit.</li> </ul>	
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The Council's Treasury Management Advisor, Sector Treasury Services undertook a Discounted Cash Flow exercise of the three options. **(Please see Appendix A)** This determines the 'whole-life' cost of each option at today's prices to identify the option that provides the best value for money, and the preferred option using this approach is to purchase the cremators outright.

However, taking into account the risks to the Council's Partial Exemption VAT limit (see paragraph 9), the preferred option will be a combination of leasing and borrowing. The funds held in the R & R reserve plus a £100K of borrowing will be sufficient to buy one of the cremators outright. This will mean that the Council has a tangible asset in its possession, but will not risk breaching the Partial Exemption limit. Purchasing the second cremator on a fixed term low interest rate lease will ensure that there is no risk to the Partial Exemption limit; the staged payments will give flexibility in the use of the Council's resources; and the cremator will pass to CBC ownership at the end of the lease term.

## 6. Strategic Plan References

- 6.1 The provision of the new cremators links to the Corporate objective of striving to be cleaner and greener.

## 7. Consultation

Not applicable.

## 8. Publicity Considerations

No applicable

## 9. Financial implications

### 9.1 Risks to the VAT Partial Exemption Limit

The Council has a 'partially exempt' VAT status, as a result of its income being a mixture of taxable and exempt activities. This means that up to 5% of the total VAT the Council reclaims in any one year can be on exempt activities, which is currently in the region of £0.5m. As cremation is an exempt activity, a high level of expenditure in any one year has the potential to take the council over the partial exemption limit, leading to the requirement to pay all of its exempt VAT. (Other activities within the Council could also affect the partial exemption limit, either positively or adversely, but they are unknown at this stage.)

The most recent forecast of the partial exemption limit shows that the Council has 'headroom' of £475k expenditure in 09/10 and £129k in 10/11; a total of £604k. This assumes that the option to tax is taken on the BIC, and the VAT status of the museums service is unchanged – these are the two potential major risks to the partial exemption limit. The projected headroom is insufficient to enable the two cremators to be purchased outright without breaching the limit, leading to the finance lease becoming the preferred

option. However, it is thought that a combination of the finance lease and borrowing will provide the best value for money (see paragraph 5).

## 9.2 Revenue implications

The Crematorium revenue budget currently includes a contribution to the R&R reserve to fund replacement cremators (£74k in 2009/10) and a £39k budget for planned maintenance. The annual revenue implications of each of the 3 options is summarised in the table below:

Table 2

<b>Item</b>	<b>Borrowing</b>	<b>Finance Lease</b>	<b>Managed Service</b>
Service Charges	35,321	35,321	-
Reagent	7,500	7,500	-
MRP	40,000	-	-
Interest	10,000	-	-
Item 8	5,000	-	-
Lease costs	-	62,770	-
Managed Service	-	-	147,945
<b>TOTAL</b>	<b>102,821</b>	<b>110,591</b>	<b>147,945</b>

- 9.3 It is proposed that the environmental surcharge should continue to be levied, and the resulting income should be directly used to pay for the borrowing for the first cremator and the lease for the second cremator. In this way the cremators will pay for themselves within the lease term, with a residue amount being saved towards a further replacement programme in or around 2022 – 2025.

## 10. Equality, Diversity and Human Rights implications

Not applicable

## 11. Community Safety Implications

Not applicable

## 12. Health and Safety Implications

Not applicable

## 13. Risk Management Implications

- 13.1 The purchase of the cremators is essential to the continuity of the crematorium service given at Colchester Crematorium.

- 13.2 The purchase of the cremators with integral abatement equipment is essential in order to comply with both current and future legislative requirements.

## Appendix 1

### Option Appraisal Exercise

Prepared by Sector Treasury for Colchester Borough Council

#### Lease v Borrow

Asset:	2 x Cremators
Term:	10 Years
Based on Capital Cost:	£500,000.00*
Interest Accrued on	
Stage Payments:	£1,562.50 (assuming a 4 month installation)
Lease COF:	4.15%
Borrow COF:	4.50% (PWL B Annuity Rate as at 31/07/09)
Appraisal DCF Rate:	3.50% (as per Treasury Green Book guidance)
Disposal Proceeds:	£0.00 (at 10 Years)
Maintenance Costs:	£35,321 (per annum)
Managed Service:	£98.63 (per cremation)
Cremations pa:	1,500

#### Borrow

Cost per £1000	Yr 1 to 10	NPV	Disposal costs	Gross NPV
£126.38	£98,511.00	£829,558.39	£0	£0.00
				£829,558.39
				<u>£829,558.39</u>

Finance Lease	Yr 1 to 10	NPV	End of lease cost	Gross NPV
£123.84	£97,434.50	£838,685.64	£1,000	£708.92
				£838,685.64
				<u>£839,394.56</u>

Managed Service	Yr 1 to 10	NPV	End of lease cost	Gross NPV
	£147,945.00	£1,273,464.18	?	£1,273,464.18
				<u>£1,273,464.18</u>

**\*NB This Discounted Cash Flow was based on a Capital Cost of £500,000 – adjustments should be made for variations in the Capital Cost.**

## Appendix 2

### Comparative fuel consumption figures:

Gas consumption

#### Expected gas consumption of the new cremators

Given the typical pre heat time, the typical length of the operational day, and based on at least 4 cremations being carried out in a day, Facultatieve Technologies state that they expect the 2 new cremators to perform as follows:

One typical cremation may consume	259 kWh
Over one week, of 29 cremations	7,511kWh
Over a 50 week year (1450 cremations)	375,550 kWh

Given a typical current gas price of £0.037 per kWh unit the expected amount of gas required to fuel a typical cremation will cost £9.58 or £13,895.35 a year.

Facultatieve state that the above calculations are based on standard cremation times and average gas consumption figures. Cremation times and gas consumption vary according to the following factors:

1. The size of the body
2. The cause of death (cancer, for example, can lengthen the cremation time significantly)
3. The period of continuous use of the cremator
4. The quality of the cremator maintenance
5. The skill of the operators and code of practice followed by them to determine the end of the cremation

Facultatieve Technologies expect the average cremation (over at least 100 cremations) to be in the order of 75 minutes for non cancerous cadavers.

(Facultatieve Technologies point out that in reading these figures cognisance must be taken of the statistic that approximately half of all deaths in the UK are due to cancer. It is the experience of the staff at Colchester Crematorium that, due to a range of factors, an increasing number of cremations are taking considerably longer than the quoted 75 minutes; a fact which naturally has the potential to skew the average duration and fuel consumption figures by quite a lot.)

#### The actual gas consumption of the current cremators

One typical cremation consumes	1319 kWh
Over one week, 29 cremations	38,251 kWh
Over a 50 week year	1,912,550 kWh

Given a typical current gas price of £0.037 per kWh unit the amount of gas required to fuel a typical cremation currently costs £48.80 or £70,764.35 a year.

#### Savings from gas consumption

There are several variables to be considered when comparing the consumption figures for the new and current cremators, the most significant being the length of average cremations. It could be that the current cremators are performing so badly that the cremation duration is considerably longer than it ever would be with new cremators. Alternatively it may be that the Facultatieve figures err on the optimistic side as is the experience at Colchester Crematorium.

In any event the actual proportion of the savings that could be made must be viewed with caution.

It seems that the cost of an average cremation in the current cremators costs around £48.00, and in the new cremators, using the figures supplied by Facultatieve, it is likely to cost around £9.60. Based on those figures and on a total of 1450 cremations a year the saving looks to be around £55,000, but it is felt that these figures should be viewed with extreme caution. However, it does seem likely that the savings in gas consumption that will be made with the new cremators will be extremely significant.

### **Electricity consumption**

Facultatieve Technologies state that they expect 2 new cremators with mercury filtration plant to consume 36.25 kW of electricity per hour under normal running conditions.

Electrical consumption comparison is difficult to make because the current actual electricity consumption figures cover all of the functions of the whole of the crematorium, including the chapel, office, waiting room, public toilets, etc. therefore it hasn't been attempted.

### **Savings due to the Powerperfector**

Early in 2009 a Powerperfector unit was fitted in the crematorium, which has significantly reduced electricity consumption across all of the functions of the crematorium building.

Month	May 2008	May 2009	June 2008	June 2009	July 2008	July 2009
kW used	14664	11563	8617	8094	7468	6922

At about £0.16 per kW, this shows a saving of about £3,400 a year.

While not in themselves anything to do with the replacement of the cremators, it is expected that the savings in consumption of electricity delivered by the Powerperfector unit, as demonstrated by the figures above, would reduce the electricity consumption figures supplied by Facultatieve Technologies significantly.

22 September 2009

Report of	Head of Corporate Management	Author	Amanda Chidgey
Title	Office of High Steward		☎ 282227
Wards affected	Not applicable		

**This report gives details of a request from Sir Ivor Crewe regarding the Office of High Steward**

## 1. Decisions Required

- 1.1 The Committee is requested to consider the contents of a letter dated 26 July 2009 from Sir Ivor Crewe formally offering his resignation from the Office of High Steward;
- 1.2 The Committee is further requested to consider approving the following recommendation to the Council:

“*RECOMMENDED* that –

- (i) Sir Ivor Crewe’s wish to relinquish the role of High Steward for the reasons set out in his formal letter of resignation, be accepted and
- (ii) No arrangements be made at the present time regarding the appointment of a successor to the Office of High Steward”

## 2. Alternative Option

- 2.1 The Committee has discretion as to how it wishes to respond to the request from Sir Ivor Crewe.

## 3. Background Information

- 3.1 The office of High Steward was created in Colchester by means of a Royal Charter dated 9 July 1635, which was also the Charter that first gave the town a Mayor in place of two annually elected Bailiffs. The Charter sets out the duties of the High Steward as being:-

“to advise and direct the Mayor and Commonalty of the same Borough in the chief business touching that Borough.”

- 3.2 The Charter goes on to say that after the death or resignation of a High Steward:-

“...at a time fitting.....it shall be rightfully lawful for the Mayor, Aldermen, Assistants, Common Council and Free Burgesses of the Commonalty of the Borough..... to choose and prefer one other as High Steward....”

- 3.3 Professor Crewe was Colchester’s 22<sup>nd</sup> High Steward following a period of five years whilst the Office had been vacant. His predecessor was the late Lord Alport, who had assumed the Office of High Steward following a ceremony in the Town Hall in October



1967 and had represented Colchester in the House of Commons for 11 years. Lord Alport died in 1998.

#### **4. Standard References**

- 4.1 There are no specific Strategic Plan references or consultation and publicity considerations; or financial, equality, diversity and human rights; community safety; health and safety or risk management implications in this matter.

