

The Council Meeting

Council Chamber, Town Hall
6 December 2012 at 6.00pm

Information for Members of the Public

Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda, which is usually published 5 working days before the meeting, and minutes once they are published. Dates of the meetings are available at www.colchester.gov.uk or from Democratic Services.

Have Your Say!

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

Private Sessions

Occasionally meetings will need to discuss issues in private. This can only happen on a limited range of issues, which are set by law. When a committee does so, you will be asked to leave the meeting.

Mobile phones, pagers, cameras, audio recorders

Please ensure that all mobile phones and pagers are turned off or switched to silent before the meeting begins and note that photography or audio recording is not permitted.

Access

There is wheelchair access to the Town Hall from St Runwald Street. There is an induction loop in all the meeting rooms. If you need help with reading or understanding this document please take it to Angel Court Council offices, High Street, Colchester or telephone (01206) 282222 or textphone 18001 followed by the full number that you wish to call and we will try to provide a reading service, translation or other formats you may need.

Facilities

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

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

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telephone (01206) 282222 or textphone 18001 followed by the full number you wish
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www.colchester.gov.uk

COLCHESTER BOROUGH COUNCIL

TO ALL MEMBERS OF THE COUNCIL

3 December 2012

You are hereby summoned to attend a meeting of the Council to be held at the Council Chamber, Town Hall on **6 December 2012 at 6:00pm** for the transaction of the business stated below.



Chief Executive

AGENDA

Please note that the business may be subject to short breaks at approximately 90 minute intervals.

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 - 9

A... Motion that the minutes of the meetings held on 17 October 2012 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. Declarations of Interest

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

- Where a Councillor has a disclosable pecuniary interest, other pecuniary interest or a non-pecuniary interest in any business of the authority and he/she is present at a meeting of the authority at which the business is considered, the Councillor must disclose to that meeting the existence and nature of that interest, whether or not such interest is registered on his/her register of Interests or if he/she has made a pending notification.
- If a Councillor has a disclosable pecuniary interest in a matter being considered at a meeting, he/she must not participate in any discussion or vote on the matter at the meeting. The Councillor must withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Where a Councillor has another pecuniary interest in a matter being considered at a meeting and where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the Councillor's judgment of the public interest, the Councillor must disclose the existence and nature of the interest

and withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.

- Failure to comply with the arrangements regarding disclosable pecuniary interests without reasonable excuse is a criminal offence, with a penalty of up to £5,000 and disqualification from office for up to 5 years.

6. 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.

7. Recommendations of the Cabinet, Panels and Committees

- | | | |
|------|--|----------------|
| i. | Fundamental Service Review of Customer Contact | 10 - 11 |
| | B... Motion that the recommendation contained in minute 39 of the Cabinet meeting on 28 November 2012 be approved and adopted. | |
| ii. | 2013/14 Revenue Budget, Capital Programme and Financial Reserves | 12 - 13 |
| | C... Motion that the recommendation contained in minute 40 of the Cabinet meeting on 28 November 2012 be approved and adopted. | |
| iii. | Localised Council Tax Support 2013/14 | 14 |
| | D... Motion that the recommendation contained in minute 41 of the Cabinet meeting of 28 November 2012 be approved and adopted. | |
| | Please note that the full Support Scheme is not included in the printed Council Summons due to its size. A copy is attached below.. If you require a printed copy please contact Richard Clifford, Democratic Services Officer tel 01206 507832. | |
| iv. | Future Uses of the Magistrates' Court Task and Finish Group | 16 - 17 |
| | E... Motion that the recommendation contained in minute 43 of the | |

Cabinet meeting of 28 November 2012 be approved and adopted.

- v. Strategic Tenancy Strategy **18**
- F... Motion that the recommendation contained in minute 44 of the Cabinet meeting on 28 November 2012 be approved and adopted.
- vi. Appointment of Deputy Mayor for 2013-14 Municipal Year **19**
- G... Motion that the recommendation contained in minute 46 of the Cabinet meeting of 28 November 2012 be approved and adopted.
- vii. Review of Anti-Fraud and Corruption, Whistleblowing, Anti-Money Laundering and Benefits Fraud Sanctions Policies **20**
- H... Motion that the recommendation contained in minute 4 of the Standards Committee meeting of 21 November 2012 be approved and adopted.
- viii. Review of the Local Code of Corporate Governance **21**
- I... Motion that the recommendation contained in minute 5 of the Standards Committee meeting of 21 November 2012 be approved and adopted.

8. Petition - Sheltered Housing

A - Petition

A petition in the following terms, containing approximately 2369 signatures, was received by the Council on 6 October 2012.

Lead Petitioner: Andy Abbott

“We the undersigned oppose the closures of Joyce Brooks House and Abbeygate House, and note that a further five sheltered accommodation schemes for older people are “under review” of closure. These actions make it clear that the future of publicly owned sheltered housing is under threat from council policy, and that a privatisation by stealth is planned. We call on the council to guarantee the future of all publicly owned sheltered housing.”

B - Notice of Motion

Proposer: Councillor Bourne

Motion that:-

(i) In receiving this petition Council notes that a number of residents were concerned about the closure of two of our long established sheltered housing schemes.

(ii) Council notes that:-

- The Council is implementing the recommendations of the Sheltered Housing Review agreed by Cabinet in September 2011. The Review was developed in consultation with current and possible future sheltered housing tenants, where residents specified the type of amenity and accommodation they would wish to reside in. The results of the consultation were overwhelming in stating a requirement for a separate kitchen/living/sleeping area rather than the current bedsit style accommodation offered by some of the older sheltered schemes.
- The Council is in the process of spending £3.8 million to refurbish some of our sheltered schemes to the standard that residents stated they desired for 21st century living. This shows an ongoing commitment by Colchester Borough Council to invest in its sheltered schemes for the benefit of current and future tenants. The Worsnop House refurbishment has been warmly received by residents, ward members and others.
- The Council has set out its plan and budgeting commitments to invest in a major upgrade of suitable existing sheltered schemes. The proceeds received from the sale of Joyce Brooks House and Abbeygate House are being reinvested in part financing the significant refurbishment of Worsnop House and to the benefit of residents.

(iii) That, in respect of the petition's request for Council to guarantee the future of all publicly owned sheltered housing, the Cabinet be recommended to continue with the implementation of the sheltered housing review in line with the consultation responses to develop a Colchester Standard.

As the motion relates to an executive function, a motion to move procedure rule 11(2) will be moved to allow the motion to be debated.

Council to debate the petition and motion in accordance with the Petition Procedure Rules.

9. Notices of Motion pursuant to Council Procedure Rule 11

None received at the time of the publication of the Summons.

10. 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)).

None received at the time of the publication of the Summons.

11. Members Allowances Scheme 22 - 39

J.. Motion that the recommendations contained in the Head of Corporate Management's report be approved and adopted.

12. Schedules of Decisions taken by Portfolio Holders 40 - 43

To note schedules covering the period 29 September - 21 November 2012.

13. Reports Referred to in Recommendations 44 - 251

The reports specified below are submitted for information and are referred to in the recommendations specified in item 7 on the agenda:

Fundamental Service Review of Customer Contact: report to Cabinet 28 November 2012

2012/13 Revenue Budget, Capital Programme and Financial Reserves: report to Cabinet 28 November 2012

Localised Council Tax Support 2013-14:report to Cabinet 28 November 2012

Future Uses of the Magistrates' Court Task and Finish Group: report to Cabinet 28 November 2012

Strategic Tenancy Strategy: report to Cabinet 28 November 2012

Review of Anti-Fraud and Corruption, Whistleblowing, Anti Money Laundering and Benefits Fraud Sanctions Policies: report to Standards Committee 21 November 2012

Review of Local Code of Corporate Governance: report to Standards Committee 21 November 2012

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).

COLCHESTER BOROUGH COUNCIL

Part B

(not open to the public or the media)

Pages

16. Reports Referred to in Recommendations

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

The reports specified below are submitted for information and are referred to in the recommendations specified in item 7 on the agenda:

Fundamental Service Review of Customer Contact: Appendix E to report to Cabinet 281112

Future Use of the Magistrates' Court Task and Finish Group: report to Cabinet 281112

COUNCIL

17 OCTOBER 2012

Present :- Councillor Christopher Arnold (the Mayor) (Chairman)
Councillor Colin Sykes (Deputy Mayor)
Councillors Nick Barlow, Lyn Barton, Kevin Bentley,
Mary Blandon, Tina Bourne, Mark Cable,
Nigel Chapman, Peter Chillingworth, Helen Chuah,
Barrie Cook, Nick Cope, Mark Cory, Beverly Davies,
Andrew Ellis, Margaret Fairley-Crowe, Annie Feltham,
Stephen Ford, Bill Frame, Ray Gamble, Martin Goss,
Glenn Granger, Scott Greenhill, Marcus Harrington,
Dave Harris, Julia Havis, Jo Hayes, Pauline Hazell,
Peter Higgins, Theresa Higgins, Mike Hogg, Martin Hunt
(Deputy Leader) , Brian Jarvis, John Jowers,
Margaret Kimberley, Sonia Lewis, Cyril Liddy,
Michael Lilley, Sue Lissimore, Jackie Maclean,
Jon Manning, Richard Martin, Colin Mudie, Kim Naish,
Nigel Offen, Beverley Oxford, Gerard Oxford,
Philip Oxford, Will Quince, Lesley Scott-Boutell,
Paul Smith, Terry Sutton, Laura Sykes, Anne Turrell
(Leader of the Council) , Dennis Willetts, Julie Young
and Tim Young

The meeting was opened with prayers by the Reverend Mark Wallace.

23. Honorary Aldermen

It was PROPOSED by Councillor Smith and *RESOLVED UNANIMOUSLY* that in pursuance of the provisions of Section 249 of the Local Government Act 1972, this Council conferred the title of "Honorary Alderman" on former Councillors John Gordon Bouckley, John Christopher Garnett and William Henry Forester Spyvee in recognition of their loyal and eminent service as Members of the Council and its constituent authority.

The Mayor presented a transcript of the resolution to Honorary Aldermen Bouckley, Garnett and Spyvee who then offered their thanks to Council following their appointment.

COUNCIL 17 OCTOBER 2012

Present :- Councillor Christopher Arnold (the Mayor) (Chairman)
Councillor Colin Sykes (Deputy Mayor)
Councillors Nick Barlow, Lyn Barton, Kevin Bentley,
Mary Blandon, Tina Bourne, Mark Cable,
Nigel Chapman, Peter Chillingworth, Helen Chuah,
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Nigel Offen, Beverley Oxford, Gerard Oxford,
Philip Oxford, Will Quince, Lesley Scott-Boutell,
Paul Smith, Terry Sutton, Laura Sykes, Anne Turrell
(Leader of the Council) , Dennis Willetts, Julie Young
and Tim Young

24. Minutes

The minutes of the meetings held on 25 June 2012 and 18 July 2012 were confirmed as a correct record.

25. Have Your Say!

Dave Harris addressed the Council pursuant to the provisions of Council Procedure Rule 6(1) about Colchester in Bloom. The Colchester in Bloom team had exceeded all expectations. The Committee and volunteers had worked hard all year and as a consequence had won a Gold award. This was a significant achievement. Gardeners, businesses, allotment holders and Council officers, particularly the parks staff, all deserved praise for the efforts they had made under the leadership of Pam Schomberg.

The Mayor responded and indicated that Fordham had entered Anglia in Bloom and had won best newcomer and a silver award in the small village category.

Pam Schomberg addressed the Council pursuant to the provisions of Council Procedure Rule 6(1). Colchester in Bloom had been established three years ago with the aim of making a difference. In the first two years, Colchester had won a silver gilt award but to have won gold and be awarded best in category was a real achievement. Colchester in Bloom had been responsible for planting of boxes in the Town Centre. Its own contest had attracted over 100 entries. In order to help Colchester in Bloom to

progress, she asked Councillors to provide information about what was going on in their communities and to encourage residents to take part.

Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy, thanked Pam Schomberg and all those who had contributed towards Colchester in Bloom on behalf of the Council and hoped that Councillors would support Colchester in Bloom in 2013.

Angel Kalyan addressed the Council pursuant to the provisions of Council Procedure Rule 6(1). She referred to correspondence sent to Councillors in June 2011 which had not been acknowledged or replied to substantively. The Monitoring Officer had advised Councillors that this was a matter for the Courts. However the Council had not placed the matter before the Courts. She expressed concern about the role and powers of the Monitoring Officer and asked:-

- If Council supported and promoted this system of governance;
- Whether there was anyone with a role in the governance of the Council who would fully embrace and take action to ensure equality for all;
- If so, how would the necessary change that the Council needed be brought forward.

Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy, indicated that a written response would be sent.

26. Mayor's Announcements

The Mayor made the following announcements:-

- On 10 November 2012 there would be a Lexden Choral Remembrance themed concert at St Peter ad Vincula, Coggeshall;
- An announcement would be made in due course about the details of the civic event on 1 December 2012;
- A civic carol service would be held in St Botolph's Church on 13 December 2012.

The Mayor presented the following awards to officers of the Council:-

RSPCA Silver Footprint award in respect of the Stray Dog service;
SOCITM Three star award in respect of Colchester Borough Council's website;
Customer Excellence Awards for Resource Management, Corporate Management and Environmental and Protective Services.

27. Year End Review of Risk Management

RESOLVED that the recommendation contained in minute 25 of the Cabinet meeting of 5 September 2012 be approved and adopted (MAJORITY voted FOR).

28. Results of Consultation on Proposal to Change the Name of Harbour Ward

RESOLVED that the recommendation contained in minute 11 of the Accounts and Regulatory Committee meeting of 25 September 2012 be approved and adopted (MAJORITY voted FOR).

29. Questions to Cabinet Members and Chairmen

Councillor T. Young (in respect of his position as Chairman of Colne Housing) and Councillor Frame (in respect of his position on the Board of Colne Housing) declared a Disclosable Pecuniary Interest in the questions on Abbots Activity Centre pursuant to the provisions of Meetings General Procedure Rule7(5) and left the meeting whilst these questions were asked and responded to.

Questioner	Subject	Response
Pre-notified questions		
Councillor Harris	<p>Can I ask for the Council to apply to its own employees and to the employees of all contractors it uses, the "Living Wage" concept, as other Councils are in other parts of the country. The living wage will ensure that the very lowest paid are dealt a better hand, albeit a very small amount above the minimum wage.</p> <p>The Living Wage is a number. An hourly rate, set independently, every year (by the GLA in London). It is calculated according to cost of living and gives the minimum pay rate required for a worker to provide their family with the essentials of life.</p> <p>This would set an example to others in Essex</p>	<p>Councillor Smith, Portfolio Holder for Business and Resources, indicated that adopting the Living Wage concept would increase the wages of a number of Council staff, particularly at Leisure World. It would also raise complex issues as the Council would be obliged to require all contractors to pay their staff at this rate when working on Council contracts. Whilst some Councils had adopted the concept this had on occasions been accompanied by job cuts or reductions in salaries of other officers. Consideration would be given to the concept as part of the budget process.</p>
Verbal Questions		
Councillor Hazell	Whether the full costs of inviting teams to Colchester had been factored into the budget for securing the use of Colchester	Councillor Bourne, Portfolio Holder for Housing, responded that the Partnership had worked hard to bring a team to Essex

	<p>as an Olympic base or training camp and what communications the Portfolio Holder had had with the garrison and university about the costs.</p>	<p>and Colchester and whilst it had ultimately had not been successful, she did not regard the Partnership as a failure. Enquiries had been made by a number of teams. Colchester Borough Council's expenditure had been approximately £6500 plus officer time. Only £60 had been spent on hospitality. As a representative on the Partnership Councillor Hazell was aware of discussions with the partners on these issues.</p>
Councillor Lissimore	<p>Whether the Portfolio Holder for Street and Waste Services agreed that the bins behind the shops at Prettygate should be emptied on a regular basis and could he ensure that they would not be left to overflow again?</p>	<p>Councillor Hunt, Portfolio Holder for Street and Waste Services, indicated that he agreed and would pass on the concerns about the emptying of these bins to the relevant officers.</p>
Councillor Lewis	<p>The Portfolio Holder for Housing had not provided a response to the question she had posed at Council on 18 July 2012 about the lack of storage facilities or space for sheds in some flats.</p>	<p>Councillor Bourne, Portfolio Holder for Housing, indicated that she had responded and offered an opportunity for officers of Colchester Borough Homes to take Councillor Lewis around relevant properties.</p>
Councillor Lewis	<p>Would the final decision on the appointment of the organisation to run Abbots Activity Centre be subject to pre-scrutiny and would the money saved still be spent on clubs for elderly residents around the borough as was the intention under the original decision?</p>	<p>Councillor Feltham, Portfolio Holder for Communities and Leisure, indicated that the final decision on the organisation to run Abbots would be subject to pre-scrutiny. The position on the savings would be clearer once the firm bids had been received.</p>
Councillor Lewis	<p>Could the Leader of the Council confirm whether the funds saved from the appointment of a new organisation to run Abbots Activity Centre would still be spent on clubs for elderly residents around the borough as was the intention under the original decision?</p>	<p>Councillor Turrell, the Leader of the Council and Portfolio Holder for Strategy, confirmed that Abbots Activity Centre would not be closing and that the Council would help other clubs for elderly persons within the borough.</p>

Councillor Quince	Would the Portfolio Holder for Communities and Leisure take the opportunity to apologise to the users of Abbots for the way that the Council had handled the decision making process which he considered had been shambolic and whether the Portfolio Holder agreed that the failure to seek business plans was responsible for this.	Councillor Feltham, Portfolio Holder for Communities and Leisure, responded that the Council had nothing for apologise for.
Councillor Willetts	Would the Portfolio Holder for Communities comment on the state of her Portfolio, citing concerns about Vineyard Gate, St Botolph's Quarter, Jumbo and John Lewis? In view of developments, would the bus stop on Queen Street now remain in its existing location?	Councillor Barton, Portfolio Holder for Renaissance, responded that:- <ul style="list-style-type: none"> • The Vineyard Gate agreement would be signed very shortly; • The Essex County Standard article on the bid for funding for St Botolph's was inaccurate. This had been a speculative bid for a forward funding loan. The Council was moving forward with its plans. • The future of Jumbo was not in her Portfolio. • There had been no plans to move the bus stop on Queens Street.
Councillor Willetts	Would the Portfolio Holder for Communities and Leisure comment on the apparent lessening of commitment to equality and diversity issues and the winding down of the Equality and Diversity Member Liaison Group?	Councillor Feltham, Portfolio Holder for Communities and Leisure, indicated that the administration took equality and diversity issues very seriously. It was looking for different ways of taking the issue forward and invited any member of Council who had issues or ideas to contact her.
Councillor Chapman	Why did the minutes of Council meetings not contain the answers to questions to Portfolio Holders and Chairman?	Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy, indicated that she agreed that the responses to questions should be included

		within the minutes
Councillor Hayes	Could the Portfolio Holder for Communities and Leisure confirm that Colchester and East Essex Cricket Club had received a grant of £50,000 from Sport England?	Councillor Feltham, Portfolio Holder for Communities and Leisure, confirmed that the club had received such a grant as part of the Olympic Legacy.
Councillor Hazell	Could the Portfolio Holder for Communities and Leisure give an update on the progress of Fundamental Service Review on Sport and Leisure Services as it impacted on Eudo Road tennis courts and could the Portfolio Holder confirm that none of the tennis courts would be sold for housing?	Councillor Feltham, Portfolio Holder for Communities and Leisure, confirmed that expressions of interest had been invited and that all the companies that had been invited to submit expressions of interest were sports companies.
Councillor Bentley	Could the Portfolio Holder for Customers consider whether opening hours of 9am -5pm were appropriate for the Customer Service Centre, given the needs of working people without access to the internet?	Councillor Oxford, Portfolio Holder for Customers, indicated that there would be financial implications of offering a wider service. Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy, indicated that this issue would fall within the remit of the Fundamental Service Review of Universal Customer Contact. The Business Case for this review would be published shortly.
Councillor Quince	Would the Leader of the Council confirm that no tennis courts at Eudo Road would be sold for housing, as she had previously stated in a telephone conversation with Councillor Hazell?	Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy, stated that the Fundamental Service Review was almost complete. The Council wanted to create a centre of excellence for tennis and expressions of interest for the site had been sought from sports organisations only.
Councillor Davies	Was the Portfolio Holder for Business and Resources aware of the government's proposals to extend the grant to prevent	Councillor Smith, Portfolio Holder for Business and Resources, responded that the grant was being reduced to 40%

	<p>rises in council tax and that therefore the lack of a council tax locally was not due to the administration's prudence?</p>	<p>of the existing level. The government was also transferring a number of the risks around finance from central government to local government and this was increasing the pressure on local government budgets.</p>
<p>Councillor Goss</p>	<p>Would the Leader of the Council and Portfolio Holder for Strategy clear up the confusion on the trial of iPads for Councillors?</p>	<p>Councillor Turrell., Leader of the Council and Portfolio Holder for Strategy, explained that the Council was looking at new technology. A number of iPads had been purchased for staff to test and the results of this test would be shared with councillors. It had been suggested that the trial also be extended to Councillors and a number of Councillors had purchased an iPad for their own use. However it had not been proposed that iPads would be supplied to all Councillors.</p>
<p>Councillor Goss</p>	<p>Could the Portfolio Holder for Street and Waste Services confirm whether there had been increase in complaints about rodents in those areas where there had been a move to fortnightly waste collections?</p>	<p>Councillor Hunt, Portfolio Holder for Street and Waste Services, indicated that since 2010 the number of complaints about rodents in the relevant areas had halved.</p>

30. Schedules of Decisions taken by Portfolio Holders

RESOLVED that the Schedules of Portfolio Holder decisions for the period 4 July 2012 - 28 September 2012 be noted.

**COUNCIL
17 OCTOBER 2012**

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Philip Oxford, Will Quince, Lesley Scott-Boutell,
Paul Smith, Terry Sutton, Laura Sykes, Anne Turrell
(Leader of the Council) , Dennis Willetts, Julie Young
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31. Change of Name of Harbour Ward

RESOLVED that in accordance with Section 59 of the Local Government and Public Involvement in Health Act 2007, Harbour Ward be renamed Old Heath Ward and that the appropriate authorities be notified of this change as soon as practicable (MAJORITY voted FOR).

Extract from the minutes of the Cabinet meeting on 28 November 2012

39. Fundamental Service Review of Customer Contact

The Executive Director submitted a report a copy of which had been circulated to each Member together with draft minute 16 of the Strategic Overview and Scrutiny Panel meeting of 30 October 2012.

Jane Dabbs, representing Unison, addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2). She stressed Unison's support for accountable and democratic public services but was concerned about introducing a commercial aspect to these services. It was accepted that the current financial climate meant change was necessary. She stressed the profound nature of change that was proposed by this Fundamental Service Review (FSR). There was concern about the impact on customers and staff if the change was not delivered successfully first time round and Unison members were concerned about the Council's ability to deliver change successfully. If agreed the changes would need to be implemented in an appropriate and timely manner. Previous FSRs had led to changes in work practices which had led to an increase in workload leaving staff struggling to meet the new demands made of them. Some concern was also expressed about the viability of the commercial approach set out in the Business Case.

Adrian Pritchard, Chief Executive, thanked Jane for her comments and indicated that he had met Unison and would continue to do so to discuss their concerns. He also wanted to ensure the proposals were implemented correctly. He acknowledged the concerns about the commercial ethos in the Business Case, but stressed that the financial strategy made no assumptions about the level of income that might result from such commercial activities.

Richard Aldridge of Colchester Citizens Advice Bureau, addressed the Cabinet pursuant to the provisions of Cabinet Procedure Rule 5(2). He noted the proposals in the Business Case and indicated that the CAB would be interested in working with the Council to help deliver services in future.

Councillor Bentley, Chairman of Strategic Overview and Scrutiny Panel, addressed the Cabinet. He considered that the scrutiny of the proposals had been an example of scrutiny at its best. He commended the proposals in general but stressed the following points which had been made during the Panel's debate:-

- the need for greater detail in the Business Case;
- the need to use of non-technical language and proper English in public reports;
- the definition of a customer;
- the need for effective communication of the changes to ensure the public and the media understood the changes and he reiterated the Panel's request to scrutinise the communications strategy;

- the request for the Panel to be provided with regular updates, particularly on risk and he indicated the Panel would welcome the opportunity to scrutinise the risk register;
- the need to be upfront about the impact on staff posts.

Councillor Turrell, Portfolio Holder for Strategy, indicated the proposals would be referred to the Strategic Overview and Scrutiny Panel at various stages and that a Councillor implementation group would be formed which would include a representative from the Conservative group.

Councillor B. Oxford, Portfolio Holder for Customers, Councillor Smith, Portfolio Holder for Business and Resources and Councillor T. Young, Portfolio Holder for Planning, Community Safety and Culture, expressed their support for the proposals. They stressed that the Business Case demonstrated the Cabinet's desire to protect jobs and services. The review proposed new ways of delivering services to improve the customer experience. The ethos behind the review was to improve the way services were delivered and to allow customers to access services in the way that they wanted to. Face to face contact with Council staff would still be available for those who wanted or needed it. Tribute was paid to Council staff and whilst any loss of jobs would be regretted, staff would be dealt with in a fair, open, sympathetic and supportive way.

The Cabinet expressed its thanks to Pam Donnelly, Executive Director, and all other officers who had worked on the review.

RESOLVED that the business case resulting from the Fundamental Service Review of Customer Contact attached to the Executive Director's report be approved and the implementation planning stage of the review be authorised.

RECOMMENDED to COUNCIL the inclusion and subsequent release of £2.366 million from the Council's capital programme to fund the estimated capital costs set out in the Financial Summary (Appendix I, page 2 of the Executive Director's report).

REASONS

To allow the implementation of the main recommendations to begin and the subsequent delivery of a transformed organisation to enable an improved customer experience.

ALTERNATIVE OPTIONS

The alternative option would be not to approve the business case or to ask for changes to be made to the proposals set out in the business case. In either scenario, the delivery of an improved customer experience and greater efficiency and effectiveness could be delayed or not delivered. The business case is the result of considerable research, analysis and consultation on the part of a core project team, led by the Executive Management Team.

Extract from the minutes of the Cabinet meeting on 28 November 2012

40. 2013/14 Revenue Budget, Capital Programme and Financial Reserves

The Head of Resource Management submitted a report a copy of which had been circulated to each Member.

Councillor Smith, Portfolio Holder for Business and Resources, highlighted the inclusion of growth items within the budget which would help create jobs and homes for the residents of the Borough. He also drew attention to the proposal to add the Olympic Legacy Project to the capital programme which would bring health benefits to the younger generation. However, the financial situation was still challenging and it was proposed to increase the level of reserves to reflect the transfer of risks from central to local government.

RESOLVED that:-

- (a) The current 2013/14 revenue budget forecast which at this stage shows a budget gap of £248k and the forecast variables and risks be noted.
- (b) The action being taken to finalise the budget be noted.
- (c) The recommended level of revenue balances be set at £1.8m for 2013/14 as set out in the Risk Analysis subject to consideration of outstanding issues as part of the final budget report in January 2013 (Appendix B of the Head of Resource Management's report).
- (d) The current budget forecast for 2012/13 as set out at paragraph 12.11 of the Head of Resource Management's report be noted.
- (e) The position on the capital programme set out at Section 14 of the Head of Resource Management's report be noted and to *RECOMMEND to COUNCIL* that the Olympic Legacy Project be included in the capital programme and that subject to this decision resources be released.
- (f) In respect of Council Tax discounts the options and proposed approach as set out in Section 15 of the Head of Resource Management's report be noted and the decision be delegated to the Portfolio Holder for Business and Resources.

REASONS

- (a) The Council is required to approve a budget strategy and timetable in respect of the year 2013/14.

(b) The Head of Resource Management's report relates to the budget update, a review of balances, the capital programme and consideration of possible changes to Council Tax discounts.

ALTERNATIVE OPTIONS

There are different options that could be considered and as the budget progresses changes and further proposals will be made and considered by Cabinet and in turn Full Council.

Extract from the minutes of the Cabinet meeting on 28 November 2012

41. Localised Council Tax Support 2013-14

The Head of Resource Management submitted a report a copy of which had been circulated to each Member together with draft minute 17 of the meeting of the Strategic Overview and Scrutiny Panel on 30 October 2012.

Councillor Smith, Portfolio Holder for Business and Resources, indicated that the Council Tax Support Scheme had to reflect the 10% cut in funding in council tax support resulting from government policy. A number of difficult choices had been made and the scheme sought to spread the burden as fairly as possible. There were distinctive features in the scheme, such as the help provided to those returning to work. The Council took seriously the impact on vulnerable groups and an announcement would be made shortly about help to those affected.

He also indicated there were a number of technical areas where government guidance was still awaited and that therefore it would be sensible to delegate authority for the final agreement of the policy document.

RESOLVED that:-

(a) the Localised Council Tax Support Scheme as set out within the Head of Resource Management's report and detailed in the Policy document be agreed and that it be delegated to the Portfolio Holder for Business and Resources on behalf of the Council to agree the final Policy Document reflecting any final changes to regulations.

(b) The change to the Scheme of Delegation to Officers from Cabinet as set out at paragraph 6.1 of the Head of Resource Management's report be agreed with the addition of a delegation in respect of exceptional hardship arrangements.

RECOMMENDED to COUNCIL that the Localised Council Tax Support Scheme as set out within the Head of Resource Management's report and detailed in the Policy document be approved and adopted, subject to any changes that may be agreed by the Portfolio Holder for Business and Resources to reflect final changes in Regulations.

REASONS

The Welfare Reform Act abolishes Council Tax Benefit (CTB), and replaces it with a Local Council Tax Support scheme (LCTS). A new Local Government Finance Act and regulations set out how the Council must create a LCTS scheme, removing most of the existing complex legislation. This will mean the

majority of LCTS awards will be based on criteria set and administered by each local billing authority (such as Colchester), having consulted with the major precepting authorities (i.e. Essex County Council, Fire and Police authorities) and the public. The Act and regulations will direct how authorities will support pensioners, with little change to the way their entitlement is presently decided. New draft regulations set out that the Council must finalise its local scheme by 31 January 2013.

ALTERNATIVE OPTIONS

The Council must agree a LCTS scheme. If the Council does not set a scheme based on agreed local criteria then the “default scheme” will need to be used, the cost of which would almost certainly be higher than the level of grant funding, resulting in a budget pressure.

There are a number of different criteria which could be used to deliver a cost neutral scheme. Other Essex billing authorities are expected to agree some different arrangements reflecting their own local circumstances.

It would be possible for the Council to meet the shortfall in funding from the Council’s budget. However, this would also create a pressure on the major precepting authorities’ budgets and the approach agreed across Essex has been to produce a scheme which is expected to be cost neutral.

The Government announced details of a transitional grant that would be available to authorities that approved a LCTS scheme that met certain criteria. Information on this is set out at Appendix A of the Head of Resource Management’s report. This shows that there is an anticipated funding gap if the Council was to set a ‘grant compliant’ scheme.

Extracts from the minutes of the Cabinet meeting on 28 November 2012

43. Future Use of the Magistrates' Court Task and Finish Group

The Future Use of the Magistrates' Court Task and Finish Group submitted a report a copy of which had been circulated to each Member.

Councillor Frame, Chairman of the Future Use of the Magistrates' Court Task and Finish Group, attended and addressed the Cabinet. The Group had looked at a wide range of options for the future use of the Magistrates' Court. This had led to four expressions of interest and two firm offers, details of which were set out in the Group's report. As well as reducing the Council's costs, the recommendations also provided an opportunity to support local businesses and to widen access to the Town Hall. The figures in the report were tentative and further negotiations would be required. Councillor Frame paid tribute to the members of the Group and to Ann Hedges, Executive Director, and Amanda Chidgey, Democratic Services Manager, who had provided support to the Group.

Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy, expressed the Cabinet's thanks to the members of the Task and Finish Group. Councillor Hunt, Portfolio Holder for Street and Waste Services, expressed his support for the Group's recommendations as the Council could not afford for the Magistrates' Court and associated rooms to remain unused.

RESOLVED that:-

(a) The work of the Future Use of the Magistrates' Courts Task and Finish Group, the details of the two offers submitted set out in the separate report in Part B of the agenda and the Group's recommendations as set out in Paragraph 5 of the Task and Finish Group's report be noted.

(b) Should the recommendations of the Group be approved by Council, authority be delegated to the Portfolio Holder for Business and Resources, following consultation with Executive Director Ann Hedges, to conclude negotiations on terms no less advantageous than as proposed.

RECOMMENDED to COUNCIL that, in accordance with the resolution of Cabinet on 25 January 2012, it determine the final recommendations of the Future Use of the Magistrates' Courts Task and Finish Group.

REASONS

At the Cabinet meeting on 25 January 2012, following consideration of a Motion agreed by Council, it was agreed that the Task and Finish Group on the Future Use of the Magistrates' Courts be reconvened to oversee the implementation of the proposals and to take the final recommendation to Council.

ALTERNATIVE OPTIONS

A range of alternative options have been considered by the Task and Finish Group which essentially can be summarised as:

- To withdraw from the marketing exercise and do nothing further;
- To retain the buildings for the short term and go out to market again in due course.

The Cabinet resolved under Section 100A(4) of the Local Government Act 1972 and the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

51. Future Use of the Magistrates' Court Task and Finish Group

The Head of Corporate Management submitted a report a copy of which had been circulated to each Member.

RESOLVED that:-

- (a) the commercially sensitive information and the financial implications set out in paragraph 2 of the Head of Corporate Management's report be noted.
- (b) in respect of the proposal detailed at paragraph 2.5 of the Head of Corporate Management's report, any offer of contract resulting from this proposal would need to be made to the proposed limited company referred to therein
- (c) in the event that the proposal referred to at (b) above not proceeding, authority be given to pursue the alternative offer mentioned at paragraph 2.7 of the Head of Corporate Management's report.

REASONS

As set out in minute 43.

ALTERNATIVE OPTIONS

As set out in minute 43.

Extract from the minutes of the Cabinet meeting on 28 November 2012

44. Colchester Borough Council's Strategic Tenancy Strategy

The Head of Strategic Policy and Regeneration submitted a report a copy of which had been circulated to each Member.

Councillor Bourne, Portfolio for Housing, introduced the Strategic Tenancy Strategy and commended it as a good example of partnership working.

RESOLVED that the Strategic Tenancy Strategy as attached at Appendix A of the Head of Strategic Policy and Regeneration's report be agreed.

RECOMMENDED to COUNCIL that the Strategic Tenancy Strategy be adopted as part of the Council's Policy Framework.

REASONS

The Localism Act 2011 requires that by January 2013, Local Housing Authorities in England to prepare and publish a strategic tenancy strategy. In adopting the strategy, Colchester Borough Council will meet the statutory requirements placed on it under the Localism Act 2011.

ALTERNATIVE OPTIONS

Not to adopt a Strategic Tenancy Strategy. Colchester Borough Council would then not meet its statutory duty under the Localism Act 2011. Failure to comply with this requirement would expose the Council to possible legal challenge. Additionally, without an agreed approach in place, housing providers, other partners and residents would be unclear as to the Council's position on key issues and what was expected of Registered Providers of social housing (RPs) operating in the Borough.

Extract from the minutes of the Cabinet meeting on 28 November 2012

46. Appointment of Deputy Mayor for the 2013-2014 Municipal Year

Consideration was given to the appointment of the Deputy Mayor for the Municipal Year 2013-14.

Councillor Quince proposed Councillor John Elliott be appointed Deputy Mayor for the Municipal Year 2013-14. He had a long history of service on the Council and he believed he would make an excellent Deputy Mayor.

Councillor C. Sykes attended and addressed the Cabinet to express his support for the proposal and that Councillor Laura Sykes and he would be delighted to have Councillor Elliott as Deputy Mayor.

RECOMMENDED to Council that Councillor John Elliott be nominated for appointment as Deputy Mayor for the Borough of Colchester for the 2013-14 Municipal Year.

Extract from the minutes of the Standards Committee meeting of 21 November 2012

4. Review of Anti-Fraud and Corruption, Whistleblowing, Anti-Money Laundering and Benefits Fraud Sanctions Policy

The Committee considered a report from the Monitoring Officer reviewing Colchester Borough Council's key anti-fraud and corruption policies.

Hayley McGrath, Risk and Resilience Manager, attended to assist the Panel. The Council's key anti-fraud and corruption policies were subject to regular review to ensure they remained fit for purpose and to help ensure the Council maintained high standards of corporate governance. Following a review, no significant changes were proposed except to separate out the Benefits Fraud Sanctions Policy from the Anti-Fraud and Corruption Policy. The policies had been supported by a programme of training sessions for relevant staff which had been well received and further such training sessions were planned.

RESOLVED that the revised Anti-Fraud and Corruption, Whistle Blowing, Anti-Money Laundering and Benefit Fraud Sanction Polices be approved.

RECOMENDED to COUNCIL that the revised Anti-Fraud and Corruption, Whistle Blowing, Anti-Money Laundering and Benefit Fraud Sanction Polices be adopted and included in the Council's Policy Framework.

Extract from the minutes of the Standards Committee meeting of 21 November 2012

5. Review of Local Code of Corporate Governance

The Committee considered a report from the Monitoring Officer reviewing the Local Code of Corporate Governance.

The Committee noted the main changes to the Local Code of Corporate Governance, which were:-


- Charter Status for Elected Member Development was achieved in April 2011
- The Localism Act 2011 led to a number of changes including, access to information regulations, officer pay policy and new standards arrangements.
- Data Transparency - Code of Recommended Practice for Local Authorities – new section on website to co-ordinate these Central Government requirements.
- All reference to Comprehensive Area Assessment, Community Strategy and Sustainable Community Strategy have been removed.

The Committee suggested that a reference to the LGA's Leadership Academy programme should be included within section 5 as this was an important way that members developed key skills and knowledge.

RESOLVED that the updated Local Code of Corporate Governance be noted and that a reference to the LGA's Leadership Academy programme be included within section 5 of the Code.

RECOMMENDED to COUNCIL that the updated Local Code of Governance be approved and adopted.

6 December 2012

Report of	Head of Corporate Management	Author	Amanda Chidgey
Title	Members' Allowance Scheme		 282227
Wards affected	Not Applicable		

This report requests the Council to consider amendments to the Members' Allowances Scheme following recommendations from the Independent Remuneration Panel

1. Decision(s) Required

- 1.1 To consider and approve, as appropriate, the recommendations of the Independent Remuneration Panel following its review of the Members Allowances Scheme as set out in the report of the Panel and as detailed in paragraph 4.3 (a) – (d) of this report;
- 1.2 To give authority to the Head of Corporate Management to make the necessary consequential amendments to the existing Members Allowances Scheme;

2. Reasons for Decision(s)

- 2.1 The Independent Remuneration Panel had been convened to review the scheme and the index applied to the scheme to adjust the level of allowances, the periodic review of which was required to be undertaken.
- 2.2 All Councils are required to convene an Independent Remuneration Panel before any changes or amendments are made to their allowances scheme and they must pay regard to the Panel's recommendations before setting a new or amended Members' Allowances Scheme.

3. Alternative Options

- 3.1 It is for the Council to determine to what extent it wishes to pay regard to the recommendations made by the Independent Remuneration Panel.

4. Supporting Information

- 4.1 The Independent Remuneration Panel, convened under The Local Authorities (Members' Allowances) (England) Regulations 2003, which comprises four independent members of the local community, has conducted a review of the Members' Allowances Scheme. Its report, dated September 2012, and recommendations are attached at Appendix 1 for the Council's consideration.
- 4.2 The terms of reference, composition and working arrangements of the Panel are described in its report and as such the report is self-explanatory.
- 4.3 In summary the Panel's recommendations are as follows, such amendments to be effective from 1 January 2013:

- (a) The Special Responsibility Allowance payable to the members of the Planning Committee be retained at its existing level;
- (b) The Special Responsibility Allowance paid to the members of the Licensing Committee be retained at half the existing level;
- (c) The existing arrangement for increasing allowances be retained in line with the Council's Allowance Adjustment Index;
- (d) That no changes be made to the scheme in respect of all other matters, namely:
 - Basic Allowance and Adjustment Index;
 - Special Responsibility Allowances for the Leader, Deputy leader and Cabinet Members;
 - Special Responsibility Allowances for the Chairmen of Committees/Panels;
 - Special Responsibility Allowances for the Opposition Leaders;
 - Co-opted Members Allowance;
 - Travel and Subsistence Allowances;
 - Pensions for Members;
 - Child Care and Dependents' Carers Allowance.

4.4 If the Council approves the recommendations of the Panel without further amendment the provisions contained within the existing Members' Allowances Scheme will not require any alteration, subject only to the table of allowances paid being revised to reflect the recommendation set out in Paragraph 4.3 (b) above.

5. Proposals

5.1 The recommendations of the Independent Remuneration Panel are self explanatory and it is for the Council to determine their merits or otherwise.

6. Standard References

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

**A Review
of
Members' Allowances Scheme
For
Colchester Borough Council**

**The Sixth Report by the
Independent Remuneration Panel**

October 2012

Foreword

This is the sixth report produced by the Independent Remuneration Panel for the Colchester Borough Council. The Panel was established in Spring 2003 to make recommendations to the Authority on the range and levels of remuneration for the Authority's members. It was done as part of the wider modernisation agenda that has now been undertaken throughout the country.

The Panel had also reported in July 2003 on various matters including the principle of pensionable allowances, travel and subsistence and co-optees allowances; in January 2005 on childcare and dependant carers expenses; in June 2005 on the workload of the Licensing Committee and in April 2007 on the adjustment index and had made recommendations to the Council accordingly.

The Panel had been convened on this occasion because the periodic review of the Members Allowances scheme and the adjustment index was due.

This report contains the Panels' recommendations.

David Priest
Chairman of the Independent Remuneration Panel
4 October 2012

Summary of Recommendations

The Independent Remuneration Panel makes the following recommendations as a result of their review of the Colchester Borough Council Members Allowances Scheme, such amendments to the scheme to take effect from 1 January 2013:

- (a) The Special Responsibility Allowance payable to the members of the Planning Committee be retained at its existing level;
- (b) The Special Responsibility Allowance paid to the members of the Licensing Committee be retained at half the existing level;
- (c) The existing arrangement for increasing allowances be retained in line with the Council's Allowance Adjustment Index;
- (d) That no changes be made to the scheme in respect of all other matters, namely:
 - Basic Allowance and Adjustment Index;
 - Special Responsibility Allowances for the Leader, Deputy leader and Cabinet Members;
 - Special Responsibility Allowances for the Chairmen of Committees/Panels;
 - Special Responsibility Allowances for the Opposition Leaders;
 - Co-opted Members Allowance;
 - Travel and Subsistence Allowances;
 - Pensions for Members;
 - Child Care and Dependents' Carers Allowance.

**Table: Potential Cost Implications of Panel's Recommendations
(Based on 2012/13 Structure and Memberships)**

If accepted, the Panel's recommendations to amend the scheme by means of the reduction of the SRA for members of the Licensing Committee, would result in an annual saving of £4,264.00 from within the Members Allowances budget.

	Allowance per Annum £			
	Basic	SRA	Per Councillor	SRA Totals
Band One				
Council Leader	£6,316.97	£18,950.92	£25,267.89	£18,950.92
Band Two				
Deputy Leader	£6,316.97	£11,939.08	£18,256.05	£11,939.08
Band Three				
Cabinet Members (6)	£6,316.97	£11,370.55	£17,687.52	£68,223.30
Band Four				
Leader Largest Opposition Group	£6,316.97	£7,580.37	£13,897.34	£7,580.37
Band Five				
Chairman, Strategic O & S	£6,316.97	£6,632.82	£12,949.79	£6,632.82
Chairman, Finance & Audit Scrutiny	£6,316.97	£6,632.82	£12,949.79	£6,632.82
Chairman, Planning Committee	£6,316.97	£6,632.82	£12,949.79	£6,632.82
Band Six				
Chairman, Licensing	£6,316.97	£5,685.28	£12,002.25	£5,685.28
Band Seven				
Chairman, Other Committee/Panel (3)	£6,316.97	£3,790.19	£10,107.16	£11,370.57
Band Eight				
Member, Planning Committee (13)	£6,316.97	£994.93	£7,311.90	£12,934.09
Band Nine				
Member, Licensing Committee (10)	£6,316.97	£426.40	£6,743.37	£4,264.00
Band Ten				
Co-opted Member (1)	£210.56		£210.56	
Other Opposition SRAs (variable)¹				
Leader, Labour Group (8 members)	£6,316.97	£6,064.32	£12,381.29	£6,064.32
Leader, Highwoods Group (3 members)	£6,316.97	£2,274.11	£8,591.08	£2,274.11
Sub Totals	£379,018.20			£169,184.50
TOTALS				£548,202.70

¹ The SRAs shown for other Opposition Group Leaders are based on group sizes as at May 2012. As the SRAs for these positions are variable the figures shown in the summary table are indicative only and the Panel recognises that they may change after elections (see below for details).

² Currently two of the six Cabinet members choose to receive half of their Allowance entitlement. The figures shown in the summary table are exclusive of this arrangement as the Panel recognises that this may change after the elections.

Independent Remuneration Panel
Review of Members' Allowances Scheme
For
Colchester Borough Council

Terms of Reference and Background

The Regulatory Context

1. The following is a summary of the proceedings and recommendations made by the Independent Remuneration Panel appointed by the Colchester Borough Council under the 2003 consolidated regulations to review the Members Allowance Scheme and the Adjustment Index. This report sets out the Panel's recommendations to Colchester Borough Council on a revised scheme of such allowances for Members to be adopted in November 2012 or as soon as reasonably practicable.
2. The Independent Remuneration Panel has been set up in the context of the Local Authorities (Members' Allowances) (England) Regulations 2003 (SI 1021 and 1022), which came into force on 1 May 2003.
3. The Independent Remuneration Panel has been convened to review the scheme, also bearing in mind the periodic review of the index applied to the scheme to adjust the level of allowances paid is now due.

The Council wishes the recommendations of the Panel to be determined at its next available full Council Meeting with any changes coming into force at the start of the following calendar month.

As such, this forms the Panel's terms of reference.

Methodology and Evidence Considered

4. The Panel met in private on 16 July, 21 August and 6 September 2012 at Rowan House in Colchester. The Council's Democratic Services Manager led on the drafting of the report and the Panel agreed its final form.
5. The Panel reviewed a wide range of information, including the Colchester's current Members Allowances Scheme, Department for Communities and Local Government Guidance on Allowances, the Panel's previous report in 2007, a summary of CIPFA Near Neighbour

- Allowances, statistics on the frequency and duration of standing panel and committee meetings, the frequency of Deputies chairing meetings and the responses from Councillors to an invitation from the Panel to submit their views on the current Allowances Scheme.
- 6. The Panel also invited and considered individual representations from the Leader of the Council, the Chief Executive and the four Group Leaders of the Council. Furthermore, the Panel took into account practice and allowance levels elsewhere, particularly in district authorities. This exercise was done mainly for benchmarking purposes. It is from these processes and deliberations that the Panel has arrived at the recommendations set out in this report.

Principles of the Review

- 7. In accordance with the practice adopted in previous reviews, the Panel sought to arrive at a set of recommendations in relation to the terms of reference based on a framework that was transparent, simple and could be easily understood by both Members and the public. This objective, the Panel felt, had been achieved through its previous reviews and it decided that it would not make significant changes to the framework laid down previously unless there was a strong case to do so.
- 8. The Panel has laid out a summary of its deliberations in this report to assist Members and the public to understand its approach. While the Panel's recommendations are not mandatory it is hoped that if the Council disagrees with the recommendations that they will accept the Panel's logic. The recommendations presented in this report represent the view of the Panel and not the official view of Colchester Borough Council.

The Panel

- 9. The Panel comprised the following members:

David Priest -	Chairman, former Managing Director of Woods Air Movement Limited
Richard Aldridge -	Solicitor at Asher Prior Bates and Chief Executive of Colchester Citizen's Advice Bureau
Stephen Beresky –	Director of Colchester Community Voluntary Services
Amanda Westbrook -	Director of Balcerne Gardens Trust
- 10. Andrew Weavers, Monitoring Officer and Amanda Chidgey, Democratic Services Manager assisted throughout the review process.

11. The Panel wish to record its gratitude to the Leader of the Council, Leaders of the political groups and the Chief Executive for making themselves available to talk to the Panel and ensuring the work of the Panel was supported and conducted in an efficient and effective manner.

Current level of Members Allowances

12. The Panel was provided with details of the allowances currently paid to Councillors as follows:

Members Allowance	£
Basic Allowance	
All Councillors	6,316.97
Special Responsibility Allowances	
Leader of the Council	18,950.92
Deputy Leader	11,939.08
Other Cabinet Members	11,370.55
Chairman Strategic Overview & Scrutiny Committee	6,632.82
Chairman Other Scrutiny Panel	6,632.82
Chairman Planning Committee	6,632.82
Chairman Licensing Committee	5,685.28
Chairman Other Panel / Committee	3,790.19
Member of Planning Committee	994.93
Member of Licensing Committee	852.79
Co-opted Member	210.56
Opposition Leader (Conservative)	7,580.37
Opposition Leader (Labour)	6,064.30*
Opposition Leader (Highwoods)	2,274.11*

*amount equates to 10% of the largest Opposition Leader x number in political group.

NB. Each Councillor will qualify for only one Special Responsibility Allowance (the highest) regardless of the number of positions of responsibility

Current level of Allowance Index

13. The Panel were also advised that the allowances paid were increased annually by the same percentage as that applied to the Council's officers' salary scale and this mechanism was known as the Allowance Adjustment Index.

The Evidence Reviewed

Colchester Borough Council Background Information

14. The Panel was provided with background information regarding Colchester Borough Council, including details of the administrative arrangements in place since the Independent Remuneration Panel was first convened in 2003 to the present day. In particular the Panel noted the information relating to Colchester's position as one of the largest District Councils in the country and its relative influence across the region generally.

Independent Remuneration Panel report 2007

15. Copies of the most recent report compiled by the Independent Remuneration panel in April 2007 were provided to the Panel. At that time the Panel had been requested to consider the Adjustment Index applied to the Allowance Scheme and had also taken the opportunity to review the Scheme as a whole. The contents of the report were considered by the Panel members and were noted.

Summary of Members Allowances Schemes for CIPFA Near Neighbour Authorities

16. The Panel received comparative information on the current allowances paid by the 15 District Councils which formed the CIPFA Near Neighbour Group for Colchester as at August 2012, together with those allowances paid by Colchester's other physical neighbours, Tendring District Council and Ipswich Borough Council. The details contained in this document were considered by the Panel members, in particular the information illustrating the relatively high level of Basic Allowance provided for in Colchester.

Colchester Borough Council Members Allowances Scheme 2012/13

17. Full details of Colchester Borough Council's Members Allowance Scheme for the year 2012/13 were provided to the Panel which the Panel members considered and reviewed in the context of all the associated information supplied to them.

Department for Communities and Local Government - Guidance on Local Authority Allowances

18. The document entitled Guidance on Local Authority Allowances, published by the Department for Communities and Local Government was supplied to the Panel members and its contents assisted them in their deliberations.

Frequency and Duration of Meetings

19. The Panel were provided with a document setting out statistical information for the Municipal Year 2011/12 regarding the frequency and average duration of all the Council's standing committees and panels, together with the average size of agendas for the meetings of each of these committees and panels. The Panel in particular noted the information indicating that the figures in respect of the Planning Committee were substantially higher than for any other meetings.

Boundary Commission Changes

20. In discussion the Panel was informed by the Monitoring Officer that a review of the total number of Councillors representing the Borough had been provisionally scheduled in the Boundary Commission work programme for the period 2013/14. The Panel was further advised that this was therefore beyond the timescale of this review.

Further Evidence Requested

Statistics on the number of occasions Deputy Chairmen presided at meetings

21. In response to a reference made by one of the Group Leaders to the responsibilities assumed by Deputy Chairmen, the Panel requested statistics on the number of occasions Deputy Chairmen had presided at meetings. The Panel members were provided with this information for all standing committees and panels for the Municipal Year 2011/12. This indicated that the number of occasions when Deputy Chairmen had presided at meetings equated to 14% of meetings.

Consultation Undertaken

Representations from Councillors

22. All 60 Borough Councillors were invited to submit their views on the Allowance Scheme to the Panel and to suggest any changes to the scheme. In response to this invitation 11 responses had been received and the details of these have been recorded in Appendix 1 at the end of this report.

Representations from the Leader of the Council, Group Leaders and the Chief Executive

23. The Panel met individually with the Leader of the Council, the four Group Leaders of the Council and the Chief executive to ascertain their respective views on the scheme and to suggest any changes.
24. The views expressed to the Panel were overwhelmingly in support of not fundamentally changing the allowance scheme. It was felt that the scheme had stood the test of time and was still considered appropriate in its structure and scope and did not require significant changes, particularly at this current time.
25. In addition, one of the Group Leaders had raised concerns regarding the classification of allowances as income in Benefits entitlement assessments whilst another Group Leader and one of the Councillors in their submission had commented that there was no recognition of the amount of casework undertaken by individual councillors and suggested that this could be addressed by the inclusion of a measure of reward against performance to reflect the hard work and time commitment provided by certain councillors.
26. The Panel acknowledged the Benefits issue as being a potential disincentive to persons considering standing for election to the Council and the potential for disparity between the work undertaken by individual councillors in their own wards and communities. However the Panel concluded that neither of these issues were within the remit of the Panel. The Panel was strongly of the view, however, that the ability of councillors to claim an allowance was a legitimate entitlement for all councillors.

Issues Arising**The Basic Allowance and Adjustment Index**

27. The Panel noted that the current Basic Allowance (£6,316.97) was the highest of neighbour group schemes. In addition the Panel acknowledged the Council's position as one of the largest District Councils in the country and its relative influence across the region generally.
28. The Council currently linked the Basic Allowance and Special Responsibility Allowances to the annual percentage salary increase for staff and that, over time, it appeared that this mechanism had proved to be the most appropriate because it treats Officers and Members equally in terms of their annual 'cost of living' increase of salary/allowances.
29. The Panel also noted that the consultation had revealed a consensus to maintain the current Basic Allowance arrangements.

30. **As a result of this evidence, the Panel recommends no change be made to the Basic Allowance and the Adjustment Index arrangements.**

Special Responsibility Allowances - The Leader, Deputy Leader and Cabinet Members

31. In considering all the evidence presented to them, the Panel members were of the view that there was no requirement to warrant the making of any changes to the Special Responsibility Allowance payable to the Leader of the Council, the Deputy Leader and the Cabinet Members.
32. **As a result of this evidence, the Panel recommends no change be made to the Special Responsibility Allowances payable to the Leader of the Council, the Deputy leader and the Cabinet Members.**

Special Responsibility Allowances - Chairmen of Committees/Panels

33. In considering all the evidence presented to them, the Panel members were of the view that there was no requirement to warrant the making of any changes to the Special Responsibility Allowance payable to the Chairmen of the Scrutiny Panels, Chairmen of Planning and Licensing Committees and Chairmen of other Panels/Committees.
34. **As a result of this evidence, the Panel recommends no change be made to the Special Responsibility Allowances payable to the Chairmen of the Scrutiny Panels, Chairmen of Planning and Licensing Committees and Chairmen of other Panels/Committees.**

Special Responsibility Allowances - Leaders of Opposition Groups

35. In considering all the evidence presented to them, the Panel members were of the view that there was no requirement to warrant the making of any changes to the Special Responsibility Allowance payable to the Leaders of the Opposition Groups.
36. **As a result of this evidence, the Panel recommends no change be made to the Special Responsibility Allowances payable to the Leaders of the Opposition Groups.**

Special Responsibility Allowances - Members of the Planning Committee

37. The Panel noted that the Members of the Planning Committee currently received a Special Responsibility Allowance amounting to £994.93. The Panel had received information that indicated that the workload of the Planning Committee was significantly higher than for all other Committees and Panels and the results of the consultation had tended to support this scenario.

38. **As a result of this evidence, the Panel recommends the Special Responsibility Allowance payable to members of the Planning Committee be retained at its existing level, to reflect the higher workload of this Committee.**

Special Responsibility Allowances - Members of the Licensing Committee

39. The Panel noted that the Members of the Licensing Committee currently received a Special Responsibility Allowance amounting to £994.93, the same as that received by members of the Planning Committee. The Panel had received information that indicated that the workload of the Licensing Committee was not significantly greater than for other Panels/Committees. The results of the consultation had indicated that the workload of the Licensing Committee was high at the time the Licensing responsibility was transferred to the Council and the Committee was formed but had reduced significantly recently. Most consultees were of the view that the case for the payment of the Special Responsibility Allowance to Licensing Committee members was significantly less valid than when it had first been introduced.
40. **Thus, the Panel recommends that the Special Responsibility Allowance payable to members of the Licensing Committee be retained at half the existing level to reflect the relative workload of this Committee.**

Co-opted Members' Allowance

41. The Panel noted that a Special Responsibility Allowance payable to Co-opted Members was at a rate of £210.56 but that the use of such Members on Panels and Committees had declined considerably following the change in arrangements for the Standards Committee.
42. **The Panel recommends that the payment of a Special Responsibility Allowance for Co-opted Members remain unchanged.**

Travel and Subsistence Allowances

43. The Panel noted that currently travel and subsistence allowances were made to Councillors on a claims basis in respect of certain approved duties and that the use of this facility, although still in force and still valid, had declined in recent years.
44. **The Panel recommends that no change be made to the current arrangement for claim based travel and subsistence allowances payable in respect of approved duties.**

Pensions for Members

45. The Panel had received no evidence to warrant reconsideration of the issue of pensionable allowances.
46. **The Panel recommends that no reconsideration be made to the current arrangement that pensions for Councillors be provided through the private sector.**

Child Care and Dependents' Carers Allowance

47. The Council does have in place a Child Care and Dependents' Carers Allowance scheme, as permitted by the 2003 Regulations, the Allowance being payable for the reimbursement of expenses at a maximum of £7.00 per hour.
48. **The Panel recommends that no change be made to the existing arrangements for the Child Care and Dependents' Carers Allowance.**

Effective Date

49. **The Panel further recommends that the revision to the allowance scheme is to be effective from 1 January 2013.**

APPENDIX 1

COUNCILLORS' VIEWS ON MEMBERS ALLOWANCE SCHEME

I think the scheme is fair

I think that the role of deputy chairs should be recognised and would question if a SRA is now suitable for licensing given that they operate a panel system which greatly reduces the workload.

Since I never claim any allowances over and above the basic which comes automatically, I have no particular views on this matter.

The basic allowance is too small, £6000 is low if this is all you are receiving. In my ward we put out a bi monthly newsletter at a cost of £225 and meet a significant amount of our election costs and send out a professionally produced Christmas card. In addition to this (my) ward have a monthly surgery where we hire premises to hold this. Add costs of stationary and stamps which rose last year and petrol means that the gap between the basic allowance and costs is small which provides very little incentive. We are expected to be available 24/7 and regularly receive calls over the weekend and sometimes late at night. We have gone out to see constituents in the early hours of the morning on occasion. There is no recognition in the allowance system in the amount of casework that is done, some areas such as mine have constant casework on a daily basis Colchester Borough Homes hold statistics of Councillors enquiries and you can see from this who is doing most and least.

No doubt many will say that cuts are needed but some people rely on their allowance and time doing this role is time that cannot be spent doing other work. Others work full time as well and combining a full time job and being a councillor is hard work indeed. I would recommend a small increase and some research into paying more to those who generate most casework.

I am happy with the current arrangements and have no thoughts on how/why it should be reformed, but I dare say others will have!

Thank you for the consultation. I can only speak for myself, but I look for no changes in my allowances at this time. I consider they fairly represent my involvement in Council meetings and local ward work. For your information, I try to attend as many of my 5 Parish Councils as I can. 4 meet monthly, one bi-monthly, so there is a potential of 54 per year. There are the usual queries from residents to deal with and these vary enormously. I spend about 5 hours a week dealing with Council email correspondence. There are the usual Full Council meetings, attendance at various other scrutiny or cabinet meetings when appropriate. With regard to planning, these are fortnightly and may last from 2.00 pm till 8-9 on occasions. We have liaison meetings with officers plus training on occasions.

Generally speaking when one councillor subs for another at a committee meeting it is regarded as an experience gathering matter, as well as helping out a colleague

who – for whatever reason – is unable to be present at that meeting. However, more than once I have considered the position of Planning Committee members who, on average, are paid about £40 per planning committee that they attend – and the time they give to that also includes time given over to site visits. But – as far as I know – subs on the Planning Committee are not paid this £40 or so for their input and/or the time that they give up in order to help out and that payment still accrues to the Councillor who is not present at the meeting, and this doesn't seem to be entirely fair to me.

For Licensing Committee members the matter is rather more complicated, as not every member participates in every meeting or application that is to be heard so I can't work out a way that the payment for membership of this committee can be 'evened out' but I do wonder if there is some way of recompensing 'subs' on the Planning Committee and deducting the relevant payment from the actual Planning Committee member who is absent.

Perhaps you could take a look at this query of mine as part of the Review of the Members Allowance Scheme – many thanks.

It still mentions teas for evening meetings!!
Otherwise I can't think of anything although why are some Committees "Committees" and others "Panels". Is there some subtle difference.

I am concerned with the number of people on the planning committee. The committee was increased this year to 14 and therefore the amount of extra responsibility allowances have increased.

I know we are reviewing the number of meetings but I still feel that this needs looking into.

Part of the reason is that some members need substitutes and those subs to do not get the SRA. Some people have ended substituting for several meetings.

A suggestion could be to the panel that you only receive the SRA if you attend the meeting.

I know some of this is not strictly for the remuneration panel but these are my thoughts.

The only thing I noticed was on page 4 under Subsistence Allowance, it states that teas are provided, whereas this hasn't been the case for some time.
Other than this, I can't see anything else that needs a comment.

I have no suggestions to make

With inflation low I don't see the need to change. So I would support the status quo for another year or two until the economy takes an upturn.

APPENDIX 2

SUPPLEMENTARY INFORMATION RECEIVED BY THE PANEL

- Composition of Panel / Background / Terms of Reference;
- Department for Communities and Local Government - Guidance on Local Authority Allowances;
- Colchester Borough Council Background Information;
- Colchester Borough Council Members Allowances Scheme for the year 2012/13;
- Independent Remuneration Panel report dated April 2007;
- Summary of Members Allowances Schemes for CIPFA Near Neighbour Authorities;
- Details of responses from Councillors in response to an invitation for them to submit their views on the existing Allowance Scheme;
- A summary of frequency and duration of Council standing Committees and Panels
- Statistics on the number of meetings chaired by Deputy Chairmen

Agenda Item 12
Record of Decisions taken under Scheme of Delegation to Cabinet Members
29 September – 21 November 2012

Portfolio – Business and Resources					
Date	Number	Report Title	Author	Decision	Result

Portfolio – Communities and Leisure Services					
Date	Number	Report Title	Author	Decision	Result
19/09/12	COM-003-12	Proposed transfer of the Abbots building	Tamara Moreau	To re-advertise the opportunity to manage the Abbots Centre building currently used by the Council to provide an Activity Centre for older people	Call-in received 26/9/12. Reviewed at Finance and Audit Scrutiny Panel 16 October 2012. Decision confirmed can be implemented. (see minute 21)
10/10/12	COM-004-12	Management Plan for Westlands Country Park 2012-2015	Paul Vickers	To adopt the management plan for Westlands Country Park 2012-2015	Agreed 17/10/12

Agenda Item 12
Record of Decisions taken under Scheme of Delegation to Cabinet Members
29 September – 21 November 2012

12/10/12	COM-005-12	Alterations and New Build at High Woods Visitors Centre, Colchester	Lee Spalding Bob Penny	To award contract for project at High Woods Visitors Centre, Colchester	Agreed 19/10/12
25/10/12	COM-006-12	Procurement of Fitness Centre Equipment for Leisure World Colchester	Brett Gooch Simon Grady	To award contract for the supply of new fitness centre equipment at Leisure World Colchester to Life Fitness UK Ltd	Agreed 1/11/12
7/11/12	COM-007-12	CONSULTATION: Secondary Education Provision in Colchester	Gareth Mitchell	Response to Essex County Council Consultation: Secondary Education Provision in Colchester – Consultation on a strategic plan for the provision of additional secondary school places into 2020 and beyond	Agreed 19/11/12

Portfolio – Customers

Date	Number	Report Title	Author	Decision	Result

Portfolio – Housing

Date	Number	Report Title	Author	Decision	Result
4/10/12	HOU-005-12	Response to the Government's consultation paper 'High Income Social Tenants: Pay to Stay'	Tina Hinson. Joanne Webb	To agree Colchester Borough Council's response to the Department for Communities and Local Government's consultation paper: 'High Income Social Tenants: Pay to Stay'	Agreed 11/10/12

Agenda Item 12
Record of Decisions taken under Scheme of Delegation to Cabinet Members
29 September – 21 November 2012

5/10/12	HOU-006-12	Housing Covenants – Appeal against decision made under the Council's Repayment of Right to Buy discount, Buying back former Council properties and Covenants on housing land and property policy.	Suzanne Norton	Consideration of appeal against the decision not to vary or remove a restrictive covenant	Agreed 12/10/12
9/11/12	HOU-007-12	Sale of Abbeygate House, St Johns Green, Colchester	Emma Lamond/ Joanne Webb	To approve the sale of Abbeygate House to a not-for-profit organisation providing affordable housing for ex-military personnel	Agreed 16/11/12

Portfolio – Planning, Community Safety and Culture

Date	Number	Report Title	Author	Decision	Result

Portfolio – Renaissance

Date	Number	Report Title	Author	Decision	Result
12/9/12	REN-001-12	Response to Department for Transport Circular 01/06 'Setting Local Speed Limits' revised guidance consultation	Rachel Forkin	Colchester Borough Council response to the Department for Transport Circular 01/06 'Setting Local Speed Limits' revised guidance consultation	Call-in received 21/9/12. Reviewed at Finance and Audit Scrutiny Panel 16

Agenda Item 12
Record of Decisions taken under Scheme of Delegation to Cabinet Members
29 September – 21 November 2012

					October 2012. Decision confirmed can be implemented. (see minute 22)
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Portfolio – Strategy					
Date	Number	Report Title	Author	Decision	Result

Portfolio – Street and Waste Services					
Date	Number	Report Title	Author	Decision	Result
27/09/12	STW-001-12	Responsible Dog Ownership Strategy 2012-15	Karen Newman	To adopt for the Borough of Colchester the Responsible Dog Ownership Strategy 2012-15	Agreed 4/10/12



Cabinet

28 November 2012

Item
7(i)

Report of	Executive Director	Author	Pam Donnelly Georgina Blakemore ☎ 282212
Title	Fundamental Service Review of Customer Contact		
Wards affected	All		

**This report concerns the Fundamental Service Review of Customer Contact
and the business case arising from this review**

1. Decision Required

- 1.1 To approve the attached business case resulting from the Fundamental Service Review of Customer Contact, and authorise the implementation planning stage of the review.
- 1.2 To recommend to full Council the inclusion and subsequent release of £2.366 million from the Council's capital programme to fund the estimated capital costs set out in the Financial Summary (Appendix I, page 2).

2. Reasons for Decision

- 2.1 To allow the implementation of the main recommendations to begin and the subsequent delivery of a transformed organisation to enable an improved customer experience.

3. Alternative Options

- 3.1 The alternative option would be not to approve the business case or to ask for changes to be made to the proposals set out in the business case. In either scenario, the delivery of an improved customer experience and greater efficiency and effectiveness could be delayed or not delivered. The business case is the result of considerable research, analysis and consultation on the part of a core project team, led by the Executive Management Team

4. Supporting Information

- 4.1 The business case outlines the overall proposal for the Fundamental Service Review of Customer Contact. The business case is a complex document that amalgamates the organisational philosophy, a new operating model and nine themes of work. Each theme is appended to the business case. There are a set of recommendations and decisions emerging from individual themes that will help to shape the implementation planning and subsequent delivery of a transformed organisation.

5. Proposals

5.1 The Fundamental Service Review of Customer Contact will:

- deliver an easy and positive customer experience – consistently
- improve our efficiency
- enable the organisation to be more resilient and sustainable by taking a more commercial approach.

5.2 The recommendations being proposed in addition to the overall decision as shown at paragraph 1 above are:

5.2.1 Approve the operating model.

5.2.2 Appendix A - Journey Management

Agree the customer journey approach on which the operating model is built.

5.2.3 Appendix B - Commercial

Agree the commercial ethos and purpose of the trading arm.

5.2.4 Appendix C - Changing Behaviour

Agree the principle of changing behaviour – our own, and our customers – as a tool to manage demand up and down.

5.2.5 Appendix D - ICT

Agree the content of the theme is worked up into a programme and timetabled.

5.2.6 Appendix E - Locations

- Libraries - continue to progress the option confirming the basis on which it would work and firm up costs.
- Re-evaluate our office requirements.

5.2.7 Appendix F - Cultural Change

Agree the proposals for managing our staff and supporting our councillors through significant and ongoing change.

5.2.8 Appendix G – Organisational governance

Approve the implementation of the new governance structure.

5.2.9 Appendix H - Organisational shape

Agree the new shape will be developed following the Cabinet decision in November 2012.

5.2.10 Appendix I – Financial summary

- Approve the revenue impact shown on page 1 of Appendix I.
- Approve the capital investment shown on page 2 of Appendix I.

6. Strategic Plan References

6.1 The proposals outlined in this business case contribute to the vision and broad aims set out in the Strategic Plan 2012-15, and the priority areas of enabling local communities to help themselves, and supporting vulnerable groups.

7. Consultation

- 7.1 Customers, staff, external stakeholders and Unison have played an important part in the development of this business case.

8. Publicity Considerations

- 8.1 This review has been shaped and based on what our customers have told us about their experience of doing business with us. This will help to ensure the review will lead to services that offer a better customer experience at every level. The overall aim is make it quicker and easier for customers to access Council services and deliver efficiencies for the Council during difficult financial circumstances.
- 8.3 A news release has been issued to the local media and put on the Council's website to coincide with the publication of the business case - see page 4.
- 8.4 Media coverage included "Colchester Council has made a persuasive case for change. More and more people feel comfortable getting the support they need via the internet – a much cheaper method. In addition, plans to set up a trading company to make the most of Colchester's assets should also be welcomed".

9. Financial implications

- 9.1 The business case sets out the full financial implications of proposals. These are shown within Section 3 of the business case, and in more detail within the financial summary at Appendix I.
- 9.2.1 The financial picture includes implications for both the revenue budget and capital programme. This includes a need for an initial capital investment and associated revenue costs in ICT of which a significant element is unavoidable if the Council is to simply maintain existing operating systems.
- 9.2.1 In terms of the revenue budget, an initial cost in Year 1 (2013/14) is shown with net recurring savings of £1.4 million in year 4, and a further anticipated net income from more commercial activities of £0.9 million by the same stage.
- 9.4 The financial implications of this review need to be viewed in the context of the challenging financial climate and the Council's financial strategies. They will therefore be reflected within the capital programme and the 2013/14 revenue budget and Medium Term Financial Forecast.

10. Equality and Diversity Implications

- 10.1 The screening stage for an Equality Impact Assessment has been carried out, and is available by [clicking this link](#), or following this pathway from the homepage of www.colchester.gov.uk: Council and Democracy>Policies, Strategies and Performance>Equality and Diversity>Equality Impact Assessments>Corporate Management>Customer Contact – Business Case.

11. Other Standard References

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

12. Risk Management Implications

- 12.1 The high-level risks associated with this review have been identified in section 5 of the business case.

Background Papers

- The business case with appendices is provided with this report.
- The Equality Impact Assessment screening document is available online (see paragraph 10.1 above) or in the Members' Room.
- Strategic Overview and Scrutiny Panel report and minutes – 30 October 2012, and three items of additional information requested by the Panel.
- News release issued with 30 October Panel report – the text as shown below:

“Council service review planned to improve customer experience

Customers have told us we need to let them do more for themselves, they expect to be able to book and pay online and find information more easily.

A report planned for discussion at the Council's Scrutiny meeting on 30 October outlines plans for significant changes to the way the Council works and a complete review of the customer experience. The review involves all areas of the organisation and the services it provides as part of the Council's continual improvement programme.

If the new approach is adopted, customers could see changes across all service areas and in the way the Council communicates with them. This review builds on previous reviews which saw Street Services launch online reporting of graffiti and fly-tipping and at Leisure World which will see the introduction of an online membership portal as well as major building transformation to provide more in-demand sports facilities.

Proposals outlined in the business case will look at investment in technology to make life simpler for our customers and to give them choice, flexibility and the ability to self serve. This will bring the Council's infrastructure up to date and shape future service delivery. All Council locations are also being reviewed to establish whether they are fit for purpose and best meet the needs of both customers and employees.

The Council recognises that it needs to change the way it works and how it delivers services to create efficiencies and direct services to those most in need of support. The proposals outlined contribute to the broad aims set out in the Strategic Plan and in particular to enable local communities to help themselves and support vulnerable groups.

Councillor Anne Turrell, Leader of Colchester Borough Council, said: “In the current economic climate it is important for us to look at new ways to deliver the best possible service according to what our customers need.”

“The Council is being pro-active and making changes that will improve services and ensure we deliver the best value for money from our resources. We have been working with our staff to find practical solutions that will improve the customer experience.”

When the proposals are scrutinised by Strategic Overview and Scrutiny Panel and then if approved by Cabinet in November, the business case will be implemented and take into account a number of elements such as structure, costs, savings and timescales in more detail and is subject to a consultation period with Council staff and Unison.

Notes to Editors:

- *According to the latest SOCITM research the difference in the cost of a local authority servicing contacts via different channels are 15p web, £2.83 by phone and £8.62 for face-to-face.*
- *The Council's website receives over 65,000 hits per month.”*



Fundamental Service Review of Customer Contact

- Customers – how and where our customers contact us.
- Community – how we deliver frontline services to our customers.
- Commercial – how we achieve a sustainable financial future.

Universal Customer Contact – Fundamental Service Review (UCC FSR)

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Appendices

Summaries of each of the themes:

	Appendix
• Journey management	A
• Commercial	B
• Behaviour change	C
• ICT	D
• Locations	E
• Cultural change	F
• Organisational governance	G
• Organisational shape	H
• Financial summary.	I

1. Executive summary

The business case presents an opportunity for the Council to:

- drive through a radical and ambitious change based on our experience of delivering fundamental service-based transformation
- renew and extend our commitment to customer excellence
- deliver services in the most effective way for our customers
- provide resilience for the organisation through the delivery of efficiencies and managed demand
- respond to the changing needs of a growing and diverse population for effective and efficient service delivery based on the standards of the best providers
- transform the organisation in a way which supports our organisational philosophy
- create a sustainable commercial services arm governed by a trading board
- deliver a positive cumulative revenue impact over four years of £3.95 million, from a total capital investment of £2.84 million.

The business case highlights:

- The opportunities to be delivered through a model which will focus on the needs of our customers, community and commercial opportunities.
- Some of the risks associated with major organisational change and the risk of staying as we are
- The scale of cultural change which will be needed to succeed
- The need for investment in our ICT infrastructure and our people
- The challenges presented by the rapidly changing information landscape and opportunities created by our digital strategy
- The need to phase change to manage risk.

The business case presents our thinking on a range of themes:

- operating model and customer behaviour:
 - journey management, commercial and behaviour change
- enablers:
 - ICT, locations and cultural change
- decision-making and benefits:
 - organisational governance, shape and financial summary.

The delivery of the business case will be phased in line with the financial projections.

2. Introduction

The world around us has fundamentally changed in recent years. The fiscal deficit at global and national level has meant a significant reduction in all public sector spend. New, innovative and creative ways of working will be needed if we are to match reduced resources with rising expectations and customer demand.

The UCC FSR is our response to these challenges, and builds on previous FSRs which have delivered almost £4 million of savings and significant improvements to the customer experience over the last three years.

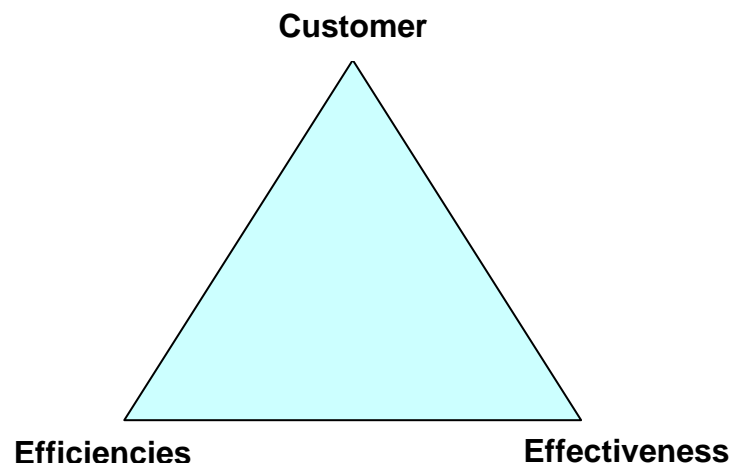
The UCC FSR will develop and apply a unified model for managing customer contact, and therefore will have a significant impact on the organisation itself and the way it delivers services to customers and the community.

The UCC FSR is looking to secure long-term resilience for the Council so that it can continue to serve the needs of a growing and ever changing population.

Our work to date

Over the last three years, the FSR model has been used as a basis for delivering customer-led efficiencies across significant parts of the organisation including Street Services, Housing, Revenues and Benefits, and Sport and Leisure to achieve significant improvements in the customer experience, whilst saving the Council money and delivering value for our residents.

Our model is based on three important drivers, which are customers, efficiency and effectiveness



This approach has been an important part of our overall budget strategy and has helped us steer through some difficult financial circumstances without sacrificing frontline service delivery. We have identified some common themes, consistent opportunities and the chance to deliver even more improvements and efficiencies for the whole organisation. We want to go much further and build on this so that we can continue to deliver high quality services to our customers in an environment where resources are stretched.

We will achieve this by consolidating our work to date, transforming the organisation and commercialising some opportunities by extending the FSR methodology to the whole organisation through the UCC FSR.

2.1 Our vision and philosophy

Our vision is for a Universal Customer Environment which enables:

- Our staff to deliver customer excellence as determined by our customers, not us.
- Positive behaviour change amongst our residents to reduce demand on our resources and make for a better place.
- A significant channel shift to empower our customers to self-serve when and where it is appropriate.
- Efficient service delivery which helps anxious and frustrated customers, and avoids waste.
- A high standard of complex case management for our most vulnerable customers in an appropriate face-to-face environment.
- A more efficient and effective customer journey to make life simple for our customers.
- A commercial philosophy to evolve that secures organisational resilience and service delivery.

To deliver the vision, our underpinning organisational philosophy will change to reflect the business-critical areas for the successful delivery of efficient service provision, namely:

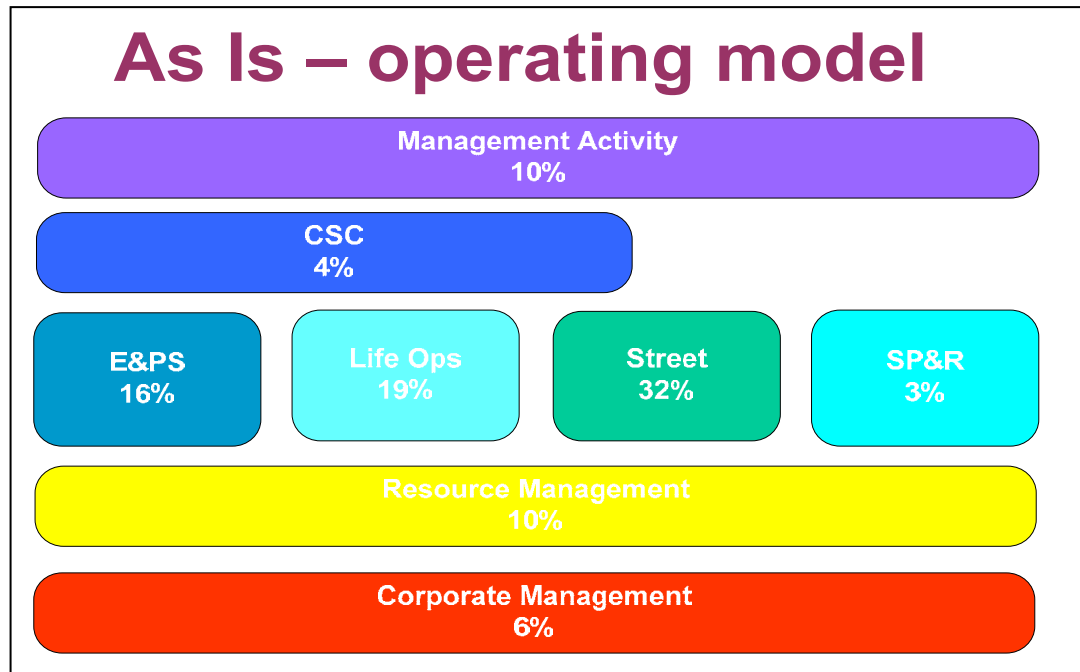
- Universal Customer Environment
- Service Delivery
- Policy, Trading and Business services.

We have a real opportunity to reshape the organisation around three key priorities - our **customers**, our **community** and to give more emphasis to our **commercial** work. This will provide a way forward for us which will enable us to respond positively to some of the external challenges ahead, and provide the resilience we need as an organisation to deliver our strategic priorities.

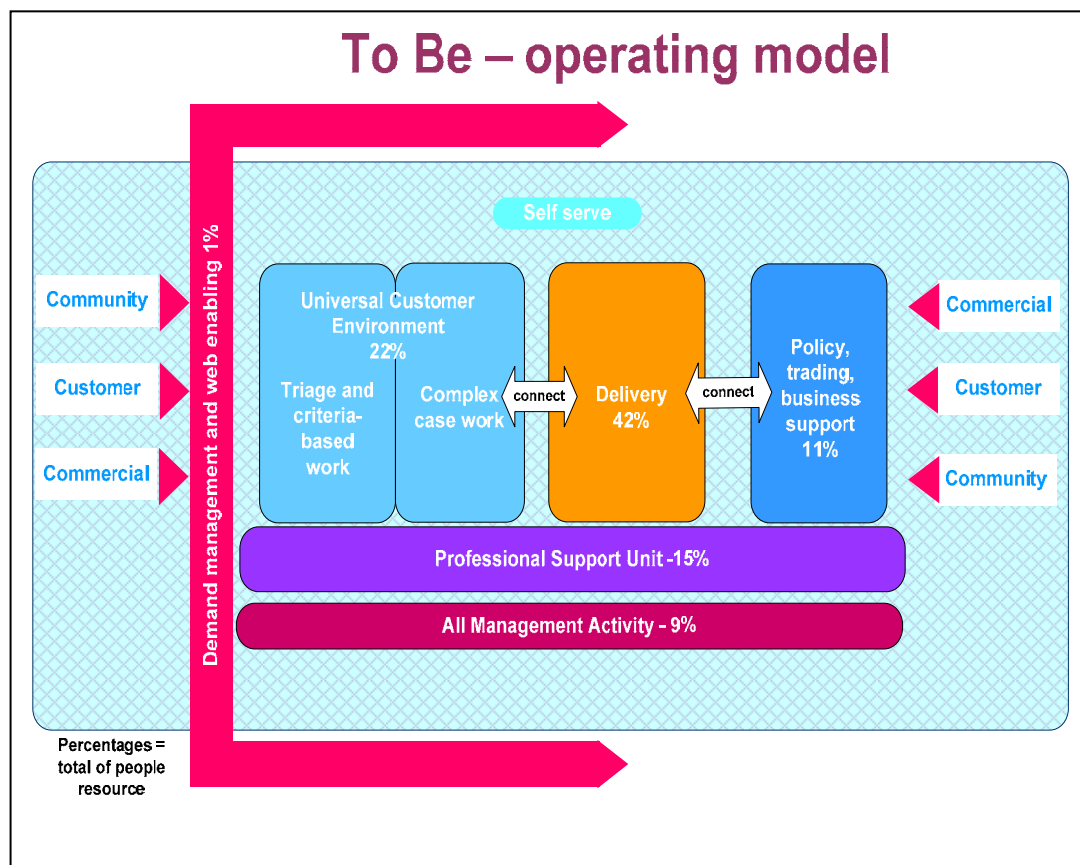
2.2 Operating model

To deliver the philosophy, the organisational operating model needs to reflect the significant shift being proposed toward the improved customer experience.

This is the current model of (permanent) people resources:



The proposed model reflects the new philosophy, and shows a consolidation of customer contact in the new Universal Customer Environment.



2.3 Our customers

Customer insight – what our customers are telling us

The views of our customers underpin the Universal Customer Environment. This has been achieved through a systematic approach to gathering customer insight using a range of insight tools. A wide range of customer insight sources collected between 2008 and 2011 for the UCC FSR have given us a picture of current customer views relating to:

1. overall customer contact - how many customers contact us, how do they contact us and what they contact us about
2. the views and experiences of customers who are contacting us
3. what we know about our customers and their expectations of us.

To date, our customer insight findings show that:

- 83% of current CSC contact is through face-to-face and phone. This equates to 369,380 of the 445,036 customers contacting the CSC.
- Housing, Revenues, Benefits and Street Services are the main services being accessed at the CSC.
- There is a considerable amount of contact with customers outside of the CSC including 201,624 contacts via our rule-based processes and over 5 million contacts through service delivery to the community.
- Customer satisfaction and experience with our staff is good with customers finding staff polite friendly and helpful.
- Customers are less satisfied with the time we take to deal with enquiries, the difficulty they have in contacting the right person, the knowledge staff have and the quality of information available to them.
- A customer's likelihood to self-serve will vary depending on the service they are accessing.
- Customers who are average, high or very high in their likelihood to self-serve are currently contacting our offices.
- Mobile technologies are currently absent from our channel portfolio, but many customer groups visiting the CSC are receptive to mobile channel options.

Customer behaviours and expectations of us are changing rapidly, with more customers taking up online options for payments and expecting to be able to self-serve. Customers are viewing the availability and use of self-serve and the personalisation of services as a logical next step.

What our staff are telling us

The views of staff reflect those of our customers. Our 2011 staff survey highlights the difference between staff responses from companies which are 'the ones to watch' and those of the Council. In each response, our employees expressed a lower level of confidence in our current ability to deliver excellent customer service than staff at similar organisations. Our employees clearly recognise the importance of customer service and want to improve our approach.

The Universal Customer Environment – what does it mean for our customers?

We will offer our customers the opportunity to interact with us in a way that encourages self-sufficiency, but ensures access to expertise when the need arises. Our customers will be able to make enquiries, bookings, applications, requests for services and payments easily.

The availability and easy access to information via self-service is the key to this significant change. A customer will be able to serve themselves either by mobile technology, kiosks, touch phone or online. This will bring the Council in line with many other sectors and organisations that have already made significant shifts toward self-service such as banking, supermarkets and central government (for example car tax, tax returns).

The key to delivering this shift will be technology, cultural change and a robust approach to business process.

Underpinning the customer environment will be an enhanced and secure approach to data management. This supports the 'one customer record' approach that is required to deliver a joined-up view across our organisation of customer contact and activity. The data must be central and remain accurate. This will mean less flexibility around data entry in back-end systems, and the need for all customer contact to be routed into one function responsible for customer excellence and therefore data accuracy.

Organisationally, mechanisms need to be put in place that will deliver changes to incoming post, e-mail, text and phone contact as well as ensuring that our own outbound communication to our customers does not generate incoming contact that is paper-based, or indeed unnecessary in the first place.

We will also need to shift our focus to improve online information, application, payment and progress of work so the customer has the ability to access information about their particular need in their own time, without making a contact that has to be handled by a person in the organisation. This is a significant shift in culture, technology and resources and will require a corporate approach across many processes.

There are many services that customers pay for such as car parks and leisure services where we would want to see an increase in customer demand.

Ease of use and an efficiency of process are entirely consistent with driving demand up, just as it is with driving demand down. Therefore, we will look to divert resources used up on demand that can be avoided towards providing an improved first contact. This may extend the first contact time, but will ensure less contact further down the line and give us the opportunity to join up services for customers – for example a customer requesting a premises licence may also require food hygiene, planning consent, links into business enterprise, tourist services and a trade waste service.

Our customers will also be able to access our services in their communities and across various locations in the borough. The opportunity to share an existing town centre location with another partner has been pursued, and there is a realistic possibility that Council customers will be able to access services through the main library in Colchester town centre.

The borough's library network also offers opportunity to have a council presence in a variety of ways, mainly via self-serve but we could extend technology that supports 'live chat' such as Skype, and use the library base to deliver mobile services which are tailored more to their local communities.

The longer term aspiration for our customer experience is to ensure we are enabling customers to help themselves prior to our services even being required. This is the opportunity to look at activity and resource to implement specific interventions that are measureable and help manage future demand

The behaviour change work is one way of 'future-proofing' the organisation against unknown levels of rising demand – the accuracy of being able to measure the success of behaviour change is difficult because of this rise. We will never be quite sure how much demand that was coming in has been proactively diverted or prevented by behaviour change work.

The Universal Customer Environment will have strategic influence, deliver operational excellence and be accountable for the customer experience. It will comprise of a triage function where customers (physically present or not) will get a resolution, or be referred quickly and with all relevant information already gathered into a more complex case management environment.

Teams, processes and technology will be configured around customer journeys and be simpler for the customer and more efficient for the Council. There are three scenarios in the journey management theme (Appendix A), where the improvements for the customer and the efficiencies for the Council are clearly shown.

Another example would be the billing, invoicing and debt collection function. Currently activity happens across many services and is not joined up. We have no single picture of a customer's total debt, as records are within back-end systems and there is no single view by customer.

At the first contact point with customers who need to make a payment arrangement with us, we only ask 9% of customers to make a payment at that point as they set up their agreement with us, and only 16% of these conversations result in a direct debit being set up. There is no system that helps our frontline take the appropriate action or any knowledge bank that would help to guide advisors through the process.

The solution to this is a single customer record so any debt could be seen by the person dealing with the first contact, and to increase income collected and increase the likelihood of regular payments being made. It needs a knowledge management system that, together with the technology, facilitates advisors through the rule-based process of taking a payment, record keeping and setting up payment arrangements by direct debit.

Our real opportunity to be more efficient would be around looking further forward at the process of billing and invoicing, the wording on our bills and the ease of making payments. If customers can pay but won't, they need to be moved quickly toward recovery action. This is the work of the corporate debt team. Customers who can't pay need to be recognised early, and quickly routed to appropriate help and advice. The first stages of this process remain within the Universal Customer Environment, mainly as triage.

2.4 Our communities

Frontline delivery of services to our customers is an important element in the UCC model, where it is expressed in terms of a community-based approach. It also has strong links into the Universal Customer Environment, through effective demand management and customer enabling.

We already deliver street-based services through a community-based zone approach. This is working well, and provides a real opportunity for us to adapt our existing service delivery in ways that respond to the changing needs of our communities and enables residents to co-deliver services, facilitated by our staff and councillors.

There are also other significant areas of location-based community delivery such as cemetery and crematorium, sport and leisure, and Colchester and Ipswich museums. Generic services such as recycling and waste will continue to be delivered borough-wide.

All frontline service delivery will be strategically led, giving customers a consistent experience whatever service they are receiving. This approach will ensure consistency across Zones, location-based services and borough-wide generic service delivery.

We are looking to secure the delivery of high quality services in the future by developing our commercial activities. This will allow for commercial surpluses to be reinvested in frontline service delivery, enabling us to become more sustainable in the future.

2.5 Our commercial approach

The generation of commercial income will be vital to the future resilience of the Council in delivering excellent frontline services during a time of reducing government grant. We have an opportunity to build a sustainable commercial services arm which will create a focus for commercial activities that will grow over time to support the political aspirations of the administration expressed through the Strategic Plan.

A commercial arm is a vital and integral part of the operating model which delivers our vision for an organisation with a strong customer, community and commercial focus.

The trading company or companies will always:

- operate within the framework of the Constitution
- be commercially sound
- and not compromise the Council's reputation.

An example of this approach would be the creation of [BBC Worldwide](#) – the commercial arm of the BBC.

We would expect our focus to be in the following areas:

- better and improved procurement
- enhancement of existing income streams
- developing our assets into sustainable revenue streams
- providing services to others
- commercialising the UCC concept
- managing services for others
- pursuing shared management arrangements.

A trading board is proposed to ensure all future planning and decision making is properly supported and challenged, and to ensure through recommendations to Full Council and Cabinet that the Council is getting value for money and is entering into sound commercial arrangements.

The commercial theme will encompass a number of potential trading opportunities, but the most financially rewarding is likely to be based around the use of our property and land assets. Work is already progressed for the use of the Northern Gateway, and Cabinet has recently approved a vision for this area and agreed terms for the first specific site to come forward. Key to this will be the delivery mechanisms that allow a capital asset to be turned into a sustainable source of revenue.

2.6 Increasing customer and financial demand for 24/7 online options

The following figures were compiled by Society of Information Technology Management (SOCITM) and published on the Government Digital Service in July 2012.

“Two-thirds of the 600 million+ customer contacts received by local authorities each year are now coming in through digital channels. Nearly a quarter of all visits to council websites involve transactions like paying for services or reporting faults. Customer demand for self-serve, online 24/7 options continues to rise.”

“According to the latest SOCITM research the difference in the cost of a local authority servicing contacts via different channels are 15p web, £2.83 by phone and £8.62 for face-to-face.”

3. Financial implications

The financial picture can be described across four areas:

- investment (mainly capital)
- costs (revenue budget)
- savings (revenue budget)
- income (revenue budget).

Investment

£1.3 million of the ICT investment proposals would have to be delivered whether we implement the UCC FSR or not, to keep our ICT at an acceptable level.

The investment would improve efficiency to a degree but the real opportunities are enabled by the new operating model underpinned by business rules. This transformation requires an additional £1.54 million of capital investment, and is anticipated to return £1.97 million of cumulative revenue savings over four years.

Costs

Costs identified around behaviour change for the new operating model total £350k over four years and return £750k cumulative savings plus a positive impact on demand management.

Additional revenue costs for ICT reflect the higher dependency and profile of technology as an enabler of the organisation to deliver. There is also a cost of change, reflecting the importance of taking people through transformation by supporting and developing skills for the new way of working.

Savings

If we invest in behaviour change (customers), ICT and change management (our people, including councillors) and deliver services via a new operating model, there is an estimated positive revenue impact of £1.97 million over four years.

Income

The commercial opportunity being pursued is an integral part of the organisational philosophy, and is the vehicle for sustainable service delivery in the future.

The financial picture for the commercial arm can be summarised as break-even in Year 2 with a cumulative commercial surplus of £1.985m over four years. The annual surplus for reinvestment back into council services is estimated at £935k by year 4 (see appendix B).

Summary tables

- **Revenue**

The table below illustrates the summary revenue cost and savings/income assumptions which underpin the business case.

Recurring revenue costs / savings / income	Year 1	Year 2	Year 3	Year 4	Total Years 1-4 cumulative
Theme	2013/14	2014/15	2015/16	2016/17	
	£'000	£'000	£'000	£'000	£'000
Sub-total – eight themes (all bar commercial theme) - net revenue impact	310	(180)	(680)	(1,420)	(1,970)
Sub-total – commercial theme - net revenue impact	30	(295)	(785)	(935)	(1,985)
TOTAL - revenue impact	340	(475)	(1,465)	(2,355)	(3,955)

- **Capital**

The table below illustrates the capital investment required to enable the business case to be delivered.

Capital investment	Year 1	Year 2	Year 3	Year 4	Total Years 1-4 cumulative
	2013/14	2014/15	2015/16	2016/17	
	£'000	£'000	£'000		£'000
Investment required without the FSR	800	500	0	0	1,300
Additional investment	920	575	0	50	1,545
TOTAL	1,720	1,075	0	50	2,845
Available in the capital programme	479	0	0	0	479
Funding gap - capital	1,241	1,075	0	50	2,366

Please also see the revenue and capital summary in Appendix I.

4. Communication and engagement

Communication and engagement is central to the successful implementation of the UCC FSR. It will focus on the transformation needed to deliver a major shift in the way we work and how we deliver services to our customers.

Communication and engagement will reflect the emerging operating model and will target four major groups:

- customers
- staff
- councillors
- partners.

The approach will be based on an interactive approach to secure the level of engagement we need to work effectively with these four groups.

Communication and engagement will be ongoing, reflecting the key milestones in the timetable and will support the UCC FSR through the implementation and development stages.

5. Risks

There are four strategic risks identified at this stage, although each theme will continue to work on risk registers throughout implementation planning and implementation.

The cross-cutting strategic risks are:

1. ICT
2. cultural change
3. financial
4. external factors.

A high level description of the risks is below with some risk mitigation described for the two biggest challenges, namely ICT and cultural change.

1. ICT

We have to deliver the change and improvement to our ICT. There are risks specific to ICT, but these should be viewed and mitigated as a business risk to ensure integration and business engagement.

These risks identified from within the ICT theme are more detailed because of the reliance of the FSR and 'business as usual' on the delivery of the ICT proposals.

There is also a need to deliver this theme ahead of many other changes as it is an enabler.

These ICT risks are as follows:

ICT	Risk description	Risk mitigation
1.	There is a risk that ICT is seen as distinct from business transformation, and is therefore run as a separate programme.	A single transformation programme that includes ICT.
2.	The technology transformation required to support UCC FSR is large and complex.	Strong leadership and good programme management to reduce and where possible manage, eliminate, share or transfer the risks.
3.	The outcomes from the UCC FSR will lead to an increased reliance on ICT. There is a risk that ICT's importance will not be recognised, and that our Corporate ICT will not be sufficiently resourced to meet the increasing and changing demands from the Council, customers and communities.	Must first identify strategic ICT skills and competences, and then retain sufficient capacity in those skills and competences.
4.	UCC FSR requires a step-change in integration and coordination across the Council, which must define and implement mandatory 'corporate' requirements, covering aspects such as security, integration, data and technologies, to enable that integration and coordination.	Need to define these new corporate requirements, implement associated governance arrangements and have an overall solution design before starting to procure any new application systems.
5.	Unilateral ICT decisions by services undermine applications and data integration.	Implement governance arrangements.
6.	The Council suffers a significant security breach that leads to reputational damage, reduces customer confidence, undermines channel shift.	Review security arrangements and policies. Implement a security design that handles the new threats. Implement governance arrangements so that policies, practices and their ICT underpinnings remain fit-for-purpose.
7	Involvement of third parties.	Engage early in the process and have strong project management.

2. Cultural Change

The degree of cultural change is significant and affects everybody in the organisation. People are busy now, so how do we embark upon a major change as well?

Cultural change	Risk description	Risk mitigation
1.	The scale of change is significant and touches everybody.	Good communications, programme management and appropriate leadership.
2.	New skills and knowledge will be required.	A learning and development plan, and an early start on skills and development for implementation so that people are ready.
3.	Lack of organisational capacity to move from business case to implementation.	Create a leadership group around implementation with remit to secure resources and start implementation work. Make decisions around what work can stop and communicate them.
4.	Maintaining service delivery during a period of major change.	Focus specific resources on delivery, and manage the improvement within the FSR implementation.

3. Financial

The financial investment, cost, savings and income predictions are based on a series of assumptions. Although they are calculated on this basis at this stage, we anticipate changes up and down as the implementation work gets underway.

4. External factors

There is a risk around the changing external environment and the implications this will have on the services we need to provide. These risks could be any combination of factors - political, economic, social, technological, environmental or legal.

In addition to the four cross-cutting strategic risks set out in this section, any commercial proposals would be the subject of an individual business case and risk assessment. A Trading Board is proposed to ensure all future planning and decision making is properly supported and challenged.

6. Implementation

The implementation challenge is significant. It is therefore recommended that an Implementation Group is established. This Group will be led by the Chief Executive and supported by senior officers, and be tasked with the successful implementation of the new way of working.

The Implementation Group will consider a wide range of issues including people, customer, ICT and performance – and the development of new financial arrangements to support the new operating model.

In addition, an Implementation Board will be established. This will be politically led and representative of all political groups. Its purpose will be to hold the Implementation Group to account for the delivery and implementation of the UCC FSR.

7. Work to date

The business case is a summary of our work to date; to understand the complete picture it must be read alongside the appendices which follow.

They set out a number of critical success factors namely:

- the importance of simplifying the ways in which our customers do business with us to improve customer experience and deliver efficiencies (Appendix A)
- the development of a sharper commercial focus (Appendix B)
- the need for major changes to the ways in which our customers behave and interact with us (Appendix C)
- a substantial investment in ICT to enable change (Appendix D)
- the role of physical locations in the customer journey (Appendix E)
- a recognition of how important cultural change will be (Appendix F)
- new organisational governance arrangements (Appendix G)
- the need for a new organisation shape (Appendix H)
- a strong underpinning financial model. (Appendix I).

8. Next steps

If the business case is approved by the Cabinet, the next stages are:

- to move forward to the implementation planning stage of the review
- to recommend to full Council the inclusion and subsequent release of £2.366 million from the Council's capital programme.

The implementation planning stage, including proposed timescales over the next four years, will be co-ordinated by the Implementation Group and reported to the Implementation Board.

Theme summary - Journey management – Appendix A

The journey management theme for this business case has emerged from earlier work which has enabled a high level operating model to be more clearly defined, and for the pathways through the organisation for customers to be better understood.

The new organisational philosophy focuses on further improvement to the customer excellence programme that has been developed in Colchester; the journey management theme has taken the organisational philosophy and translated the customer journey principles of how a new organisation may operate to deliver that philosophy, and then modelled it.

The Universal Contact Environment (UCE) is described below:

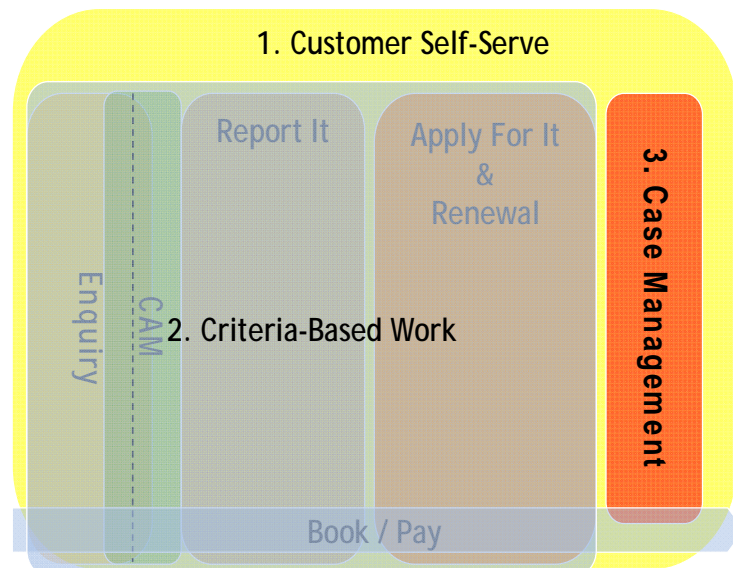
CBC Universal Contact Environment (UCE)

The Universal Contact Environment – consists of three primary capabilities:

1. Customer Self-Serve
2. Criteria-Based Working - Triage
3. Case Management Working.

All customer self-serve capability enables avoidance of unnecessary contacts – creating capacity within Triage.

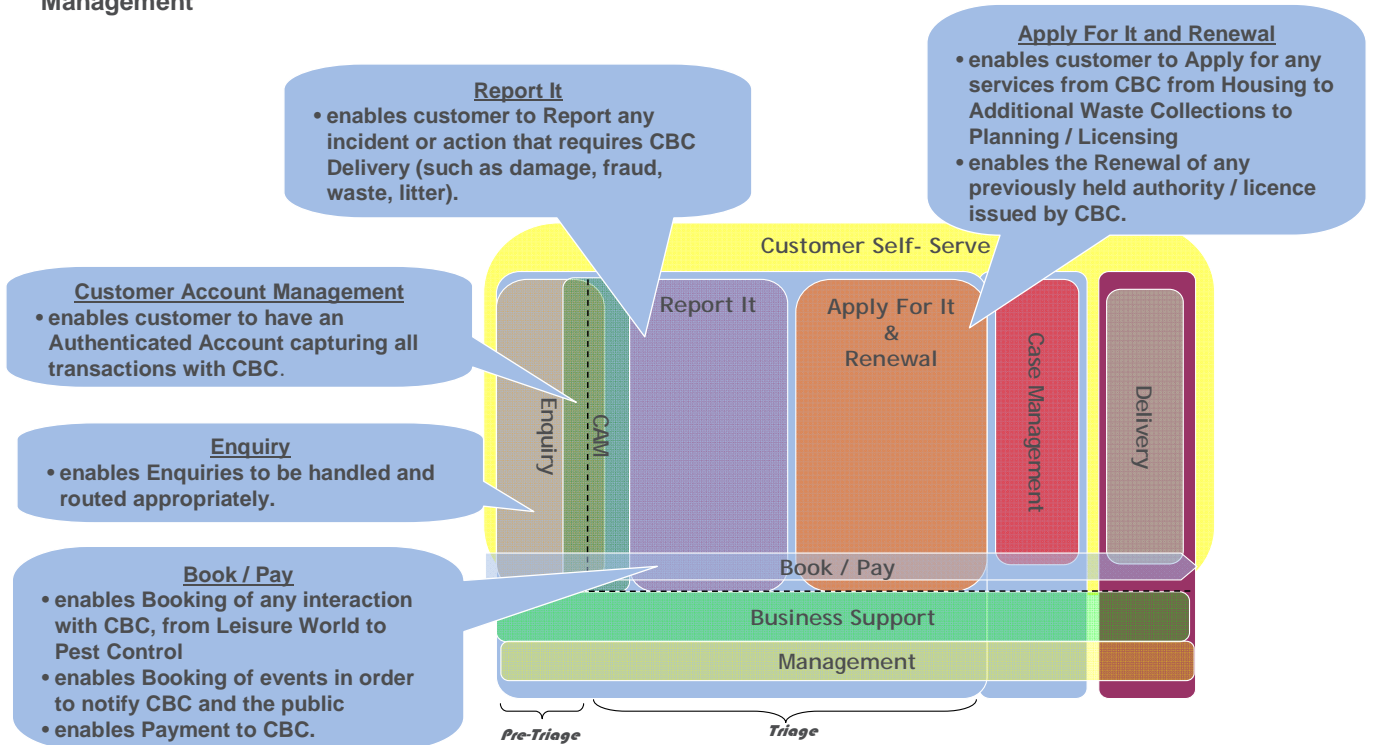
The criteria-based capability (Triage) enables the capacity for case management to support more complex and challenging interactions.



The following illustration expands on the three capabilities shown on page 1:

CBC UCE - Criteria-Based Work and Customer Journeys

- Criteria-Based Work falls into specific customer journeys
- Enquiries, Report It and Apply For It will, where required, be resolved as part of Triage and/or Case Management



This work, based on examining 360 service processes, has allowed us to standardise our processes and define a new set of business rules to allow for this work to be developed further.

The Approach

A small working group was set up to help inform the business case. The group has worked within a tight framework to produce an informative and innovative journey mapping of the Council's activity.

The group brought together resources from across the Council to inform the process, and invited representatives of services or activities to help build a complete picture.

The group was tasked with:

1. identifying the building blocks of customer journeys for Colchester:

Customer Account Management	- a single accessible customer record
Enquire	- any question a customer may have
Report it	- anything a customer wants to inform us about
Book and pay for it	- anything that needs a timeslot or paying for
Apply for it	- anything where we need information to proceed to a decision (maybe preceded by 'enquire').

2. taking as many service processes as could be identified, and running them through the building blocks to ensure no exceptions.
3. establishing high-level principles that would need to be in place to achieve the outcomes for the customer.
4. translating and further testing the theory into scenarios that are real, and then describing the benefits.
5. outlining a model of operating that would enable and support the principles underpinning the journey management theme.

The results of that work show how the building blocks map across the emerging operating model which will deliver the UCC FSR outcomes.

The Principles

The team applied key principles across all the customer journeys examined, and these are listed below:

- Customers can use a range of channels although our default will be digital (online or telephony).
- Our channels take varying levels of need / accessibility into consideration.
- Processes are customer-centric – that is, they are shaped by the ideal customer journey.
- Processes are quick and uncomplicated, and take as few steps as possible.
- Information is easy to find and understand.
- We don't ask customers what we already know and don't ask for details we don't really need.
- Single entry of data to avoid customers having to repeat themselves, for example to transfer name / address record.
- Customers are advised what to expect during the process and are kept up-to-date along the way.
- It is easy for customers to track the progress and status of any transaction or process.
- Customers are helped with reminders and checklists, but remain responsible.
- Where we can, we allow customers to book convenient time slots.
- We resolve things for customers at their first point of contact wherever possible, keeping internal handoffs to a minimum.
- When contacting us, customers get through quickly to the right person to handle their query.

The principles and assumptions that have been made need to be carried forward to the implementation 'planning' stage, as the foundation of the model and resulting improvements and efficiencies are based upon them all being achieved.

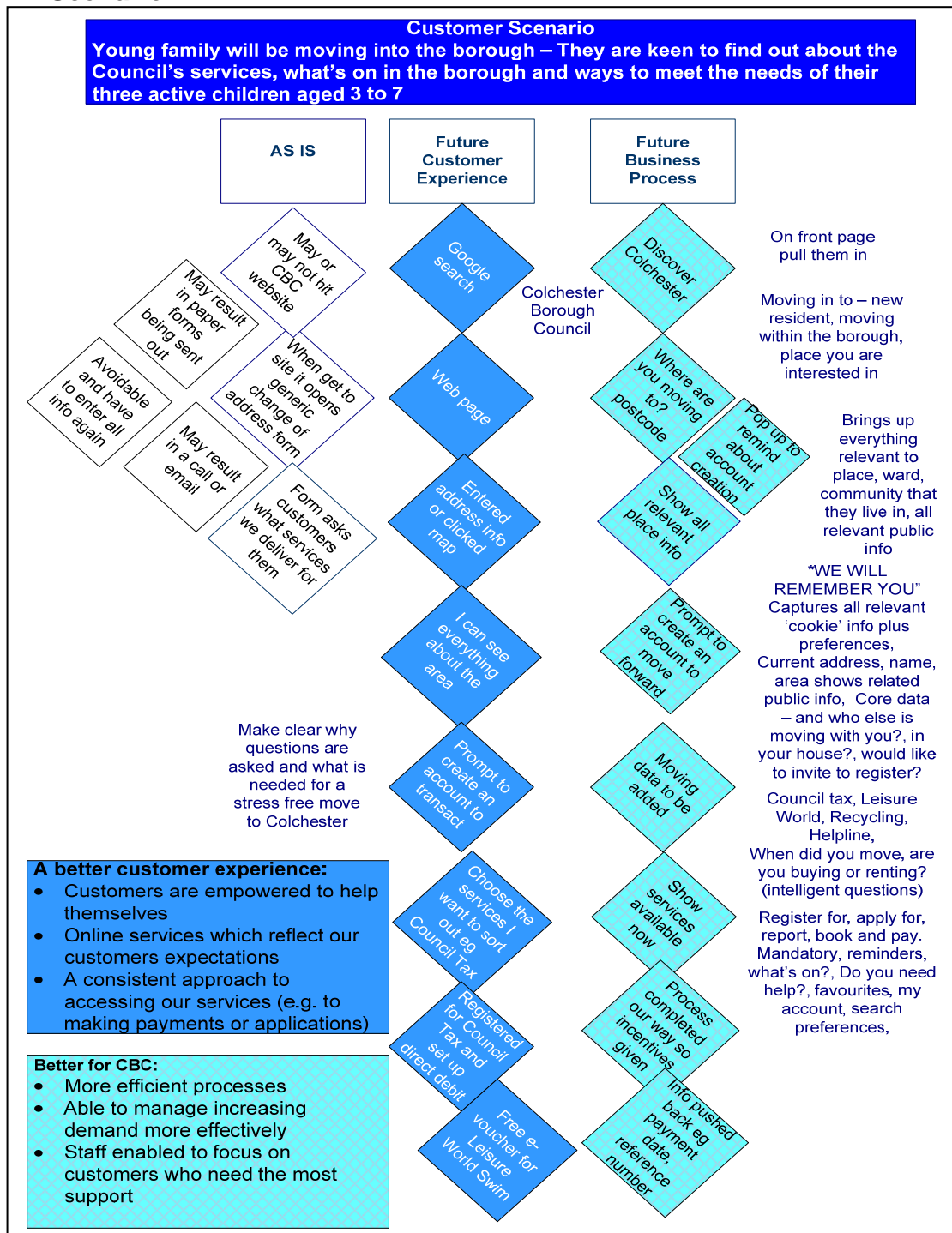
Scenarios

To illustrate how the customer experience would look distinctly different in the UCE, and how significant efficiencies for the Council will be delivered, a number of scenarios have been developed to present an 'as is' view of how something would work today, a 'to be' picture of how it would work in the future and clearly describe the customer benefits resulting in the change.

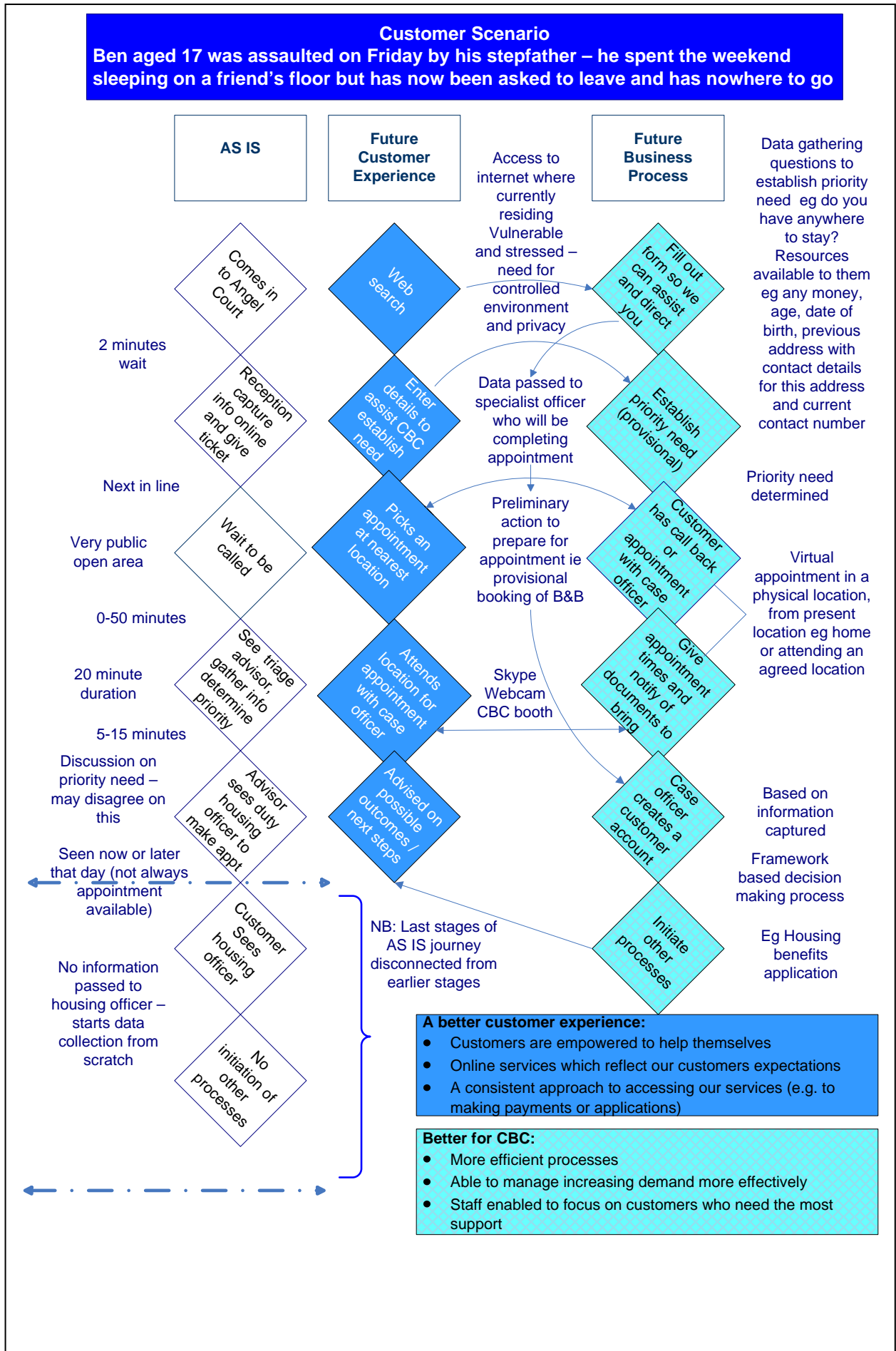
The three scenarios are:

1. Young, vulnerable and potentially homeless customer.
2. Family moving into the borough.
3. Customer wanting to sign up for a market stall.

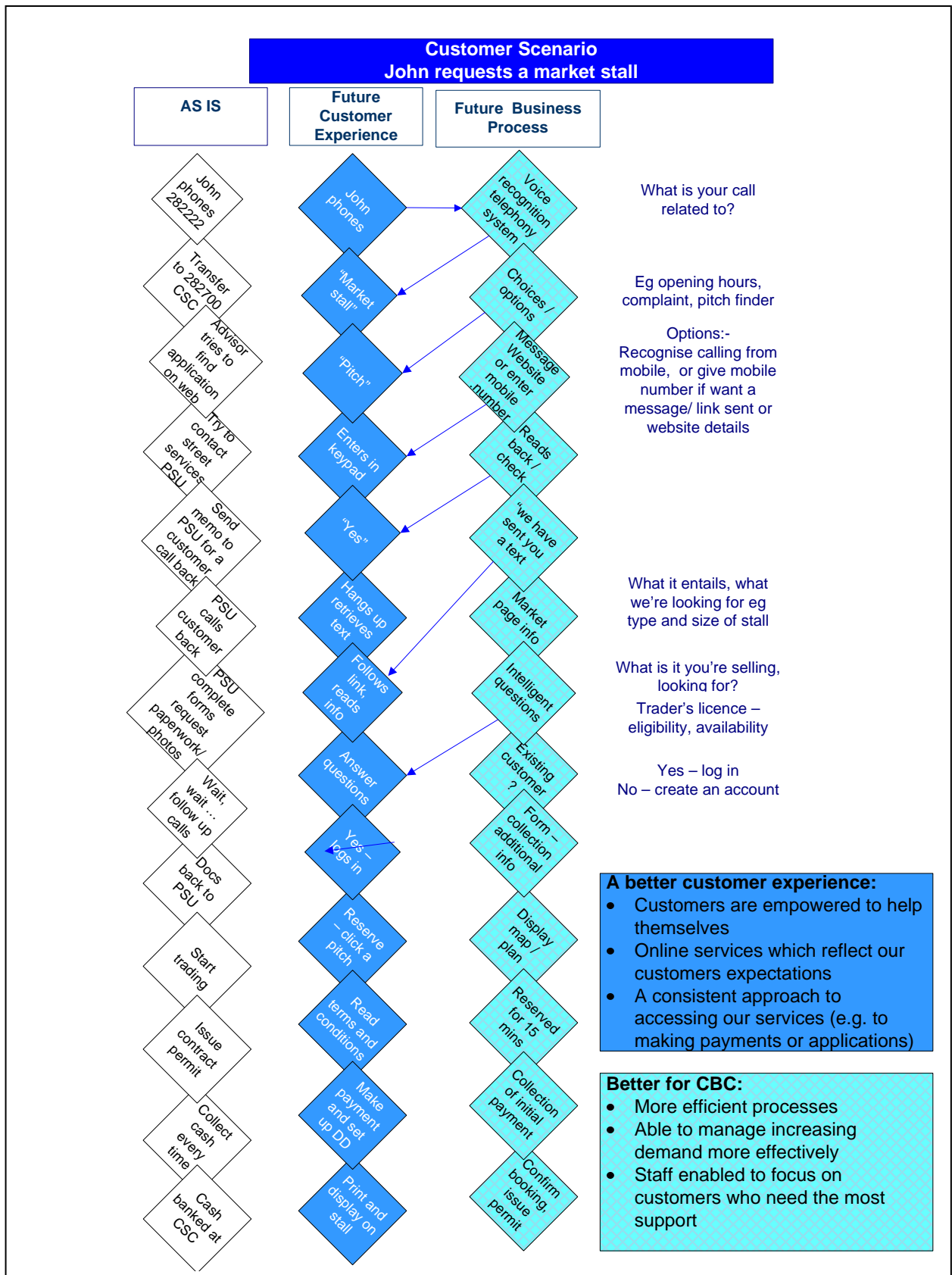
Scenario 1



Scenario 2



Scenario 3



Further work and implementation

This scenario can be read as a generic "book and pay" customer journey.

Implementation

There is a significant quantity of information and work available to be handed across to an implementation team from the journey management theme.

This includes:

- Job Accountability Statements for the triage area have been drafted.
- a 99-point list of 'Challenges, Issues and Priorities' that needs editing and to have owners assigned to work up resolution of the list.
- the next level of process and journey mapping
- further focus on areas identified where more work is needed, for example planning services.

The framework and principles used to map business processes to customer journeys will be used in implementation to ensure consistency, customer focus and a direct translation to the new operating model.

Conclusion

The changes to journey management arrangements are predicated upon a major investment in enabling technologies.

Upfront investment in technology will be needed to deliver substantial improvements to the customer journey, which our customers, staff and councillors tell us are much needed.

This facilitates significant changes to the way in which organisational resources are deployed.

These efficiencies are reflected in the financial summary at Appendix I, with the journey management theme content highlighted below:

Recurring revenue costs / savings / income		Year 1	Year 2	Year 3	Year 4
Theme	Type	2013/14	2014/15	2015/16	2016/17
		£'000	£'000	£'000	£'000
Journey management	saving	nil	(300)	(700)	(1,000)

Note: Costs associated to the delivery of journey management are shown in ICT and culture change (appendices D and F).

Theme summary – Commercial – Appendix B

The generation of commercial income will be vital to the future resilience of the Council in delivering excellent frontline services during a time of reducing government funding. We have an opportunity to build a sustainable commercial services arm, which will create a focus for commercial activities that will grow over time to support the political aspirations of the administration expressed through the Strategic Plan.

A commercial arm is a vital and integral part of the operating model which delivers our vision for an organisation with a strong customer, community and commercial focus.

A clear purpose and mission for this activity is important to ensure that the commercial business reflects a public service ethos, whilst freeing up resources to maximise commercial income and help us to improve our financial position. This will help us continue to provide public sector services in the future which can never be commercial such as welfare, housing and homelessness, in addition to some of the statutory activities which we are required to undertake such as crime and disorder and some health outcomes.

We will work towards arrangements for a commercial arm for the Council which will be owned by the Council. Its sole purpose will be the generation of revenue by creating surpluses from commercial activities, which will be reinvested in frontline service delivery.

This will be achieved by setting high level criteria which the trading arm will undertake, namely that it:

- reflects the requirements of the Constitution
- is commercially sound
- does not compromise the Council's reputation.

Our mission will be to deliver high quality services across a range of categories. We will achieve this by:

- understanding who our customers are
- being responsive to their changing needs
- delivering services and products that reflect these needs
- being alert to changes in the environment
- being as efficient as possible in our use of resources including people, buildings and money to generate surpluses
- aiming for excellence in all that we do.

Our vision is for a trading company(ies) that will become a dynamic and successful arms' length organisation(s), and will provide growing and sustainable revenue streams for the Council to enable the delivery of its priorities as expressed in the Strategic Plan.

It will be based on some important principles, namely:

- to serve the people of Colchester
- be open to opportunities wherever they occur
- develop the full potential of our people
- be open and transparent
- to challenge existing ways of working
- to protect the reputation of the Council.

We expect our focus to be in the following areas:

- better and improved procurement
- enhancement of existing income streams
- developing our assets into sustainable revenue streams
- providing services to others
- commercialising the UCC concept
- managing services for others
- pursuing shared management opportunities.

Delivery of income will be dependent on the costs incurred in delivering sustainable revenue streams. In addition, the current market conditions will determine our revenue priorities. A financial assumption about cost and income for the commercial theme is shown on the next page, and is also reflected in the financial summary at Appendix I.

The commercial theme will encompass a number of potential trading opportunities, but the most financially rewarding is likely to be based around the use of our property and land assets. Work is already progressed for the use of the Northern Gateway, and Cabinet has recently approved a vision for this area and agreed terms for the first specific site to come forward. Key to this will be the delivery mechanisms that allow a capital asset to be turned into a sustainable source of revenue.

A trading board is proposed to ensure all future planning and decision making is properly supported and challenged, and to ensure through recommendations to Full Council and Cabinet that the Council is getting value for money and is entering into sound commercial arrangements.

We need to consider the nature of the operating model we currently use for other aspects of our business, for example Colchester Borough Homes and Colchester Community Stadium Company, and those that will be most appropriate in the future so that we can put in place the most efficient tax and profit arrangements possible.

To ensure that the decision-making process is sound, we need to obtain external commercial advice. A workshop has been scheduled for October to this end, so that all of the issues are fully explored before formal recommendations are made to Cabinet.

In the meantime our financial aspiration remains as follows:

Theme	Type	Year 1	Year 2	Year 3	Year 4
		2013/14	2014/15	2015/16	2016/17
		£'000	£'000	£'000	£'000
Commercial	cost	330	415	525	525
Commercial	income	(300)	(710)	(1,310)	(1,460)
TOTAL		30	(295)	(785)	(935)

There is also related information about this commercial theme in Appendix F Cultural change (page 4), and Appendix G Organisational governance (pages 2-4).

Theme summary - Behaviour change – Appendix C

Introduction

This theme is critical to the successful implementation of the FSR in that it seeks to respond to some uncomfortable facts. We are seeing an unprecedented rise in customer demand and in customer needs. The growing population of the borough and the increased expectations and needs of residents will, if nothing is done, lead to an exponential increase on demand for customer services from the Council at the very time that resources are seeing a real reduction.

Influencing people's behaviour is critical to reducing growth in demand for Council services where we want to reduce it and even to prevent it. In some cases we may wish to increase demand. In an ideal scenario we could, by the way we frame and apply policy, information and education, make customers more self-sufficient to the point that their specific demand or need never comes to fruition in the first place.

So could you prevent a teenager from becoming homeless in the first place so that need does not present itself to the Council? Can you reduce levels of littering so that the cost of cleaning streets reduces?

What we know is that prevention is not necessarily an easy option. It requires upfront resources and a long term strategy as well as a degree of patience: this is not an easy win. However, examples are emerging where organisations are taking new approaches to impacting demand by a proactive approach, based on understanding their customers to a point of being able to identify the nudges and incentives which, through careful planning and targeted action, can have a significant impact on demand.

In addition, many authorities are undertaking more fundamental community development projects where customers are empowered to assist in service redesign and involvement in provision, as part of Big Society and Localism initiatives. There is widespread recognition that although in the past education and information has been directed at changing behaviours, this new approach can have a much greater impact on demand.

The various opportunities need to be further explored to understand how preventative and marketing work can be planned to predict and deliver quantified results, but we are already getting indications of the savings that could be made across the Council.

Description of the task

The task is to develop a structured framework to build the capacity and capability of staff to undertake behaviour change work embedded in service design and delivery. This will include measures to ensure that insight and customer data are used throughout the organisation to shape policy, services and manage customer behaviour. The framework would target services and communications with a raft of measures including formalised training, clear governance arrangements and protocols, including systematic measurement of behaviour change initiatives, through regular monitoring and evaluation.

There would be a programme developed on the basis of identifying those initiatives with the biggest impact.

This is likely to be delivered in the shape of an enabling team who set up this framework and facilitate staff to carry out projects with a behaviour change or demand management impact.

The Challenge

The challenge is to ensure the behaviour change is built into the culture and business of the organisation. The team will enable staff to undertake customer engagement, insight and marketing exercises and other interventions, but within a managed framework where impact is measured and recorded. This will ensure customers' needs, wants and behaviours are used to shape services and to empower customers in order to manage demand. In addition, engaging with customers and empowering them to be involved in service redesign and provision is key to demand management in the long term.

Behaviour change pilots

To start the process a number of pilot projects in key areas have been identified with the intention of understanding what has the best impact.

1 - Community Empowerment

Community empowerment is one of three initial sub-themes being developed as part of the behaviour change theme. There are two specific opportunities taking shape under this sub-theme:

1 - Food waste incentive scheme

Based on three sample groups taken from the existing food waste trial (7,100 households), the aim of the project will be to encourage food waste participation, and ultimately reduce the amount of black bag weight sent to landfill.

2a) Helping communities to help themselves build resilience and play a part in the customer 'frontline'.

A 'community triage' service using community volunteers.

2b) Helping communities to lead and direct the regeneration and renewal of their local area

It is proposed that the 'Hythe Forward' project is an ideal opportunity to test the principles of behaviour change and community empowerment in one of Colchester's regeneration areas.

3 - Essex Family – 'Colchester Delivers'

Essex Family concentrates on finding better solutions for families with the most complex needs. The work will require long-term behaviour change, for the families, for public sector organisations, the way we work in partnership, and for communities.

Behaviour change pilots – others

It is recognised that a further pilot about increasing income growth would be valuable in understanding the full opportunity that this might have for the Council. This work is already being considered as part of the implementation of the Sport and Leisure FSR.

Further work to understand the scale of the potential impact has been undertaken in a couple of specific ways. Using the advice of the Cabinet Office's own behaviour change team, workshops with all Council services have been undertaken to identify a list of potential projects. There has also been an assessment undertaken of the potential impact using 'top down' Council budgets to estimate the potential savings that could be achieved (work undertaken by 'Impower'). Clearly this work is at an early stage, and some of the results can only be quantified as projects are actually rolled out, but there is increasing confidence in the real value of this work.

The Costs

Although some elements of this programme are successfully being put in place, to extend the framework, costs would include initial upfront investment.

This could be in the form of an ongoing resource (which would be expected to come from existing resources), with a new limited budget to implement the strategic framework outlined above. It would be set the objective of embedding its work into service delivery within three years. Costs of software and the development of the web engagement hub will need to be identified.

The costs of the team would not include the upfront costs of each separate initiative. Estimates from Impower suggest a notional £50k per major service which would have to be deducted from any actual saving. Nevertheless, the early work by Impower suggests a net saving to the Council of £1.9 million* (£0.5 million from Housing Revenue Account/HRA). In practice, the savings would build up over time but could reach a net saving of £300k a year.

You would expect that the impact of one initiative would begin to tail off over time, so the framework envisages new initiatives continually being brought forward. A difficult issue is to estimate any net benefit calculation in assessing how the behaviour change initiatives are affecting the trends of growing demand. Will they just reduce the impact of those trends or will they actually remove demand to the extent that there are real savings relative to today's base budget?

This work on potential impact against growing demands will need to be reviewed through the implementation stage. However, current indications suggest there should be a potential three to ten-fold return on the three-year set up costs of a behaviour change team.

The relevant section of Appendix I financial summary shows:

Recurring revenue costs / savings / income		Year 1	Year 2	Year 3	Year 4
Theme	Type	2013/14	2014/15	2015/16	2016/17
		£'000	£'000	£'000	£'000
Behaviour change	cost	50	100	100	100
Behaviour change	saving	nil	(150)	(200)	(400)
Total		50	(50)	(100)	(300)

* not all delivered in four years

Theme summary – ICT – Appendix D

Introduction

Even if we do nothing we need to spend £1.3 million on our ICT in order to keep us up-to-date. We are entirely dependent on effective ICT to deliver our services and meet customer expectations.

This theme highlights the improvements we now need to make to our ICT to support the rest of the change.

The changes represent the biggest jump forward in ICT that we have ever seen, and many of the savings identified in other themes will be largely dependent on the success of ICT.

Ten core areas have been identified that pull together the outline from the initial business case:

1. IDOX document management and workflow
2. Customer index
3. iConnect
4. Unified communications
5. Upgrade operating system
6. Move to data centre
7. Self-serve and information provision
8. Hardware
9. Infrastructure and connectivity
10. Skills development.

Capita were asked to undertake a piece of work to further develop these areas for the full business case, to look at how they might be delivered and to provide some more robust costing.

At present, the work suggests that we require a capital sum of £2.7 million and a revenue increase of around £220k a year.

Aspirations

We all know some of the limitations with our current ICT.

While we have invested over the years, the last two years have seen little additional money for ICT. Our systems are starting to groan under the strain of what we are asking them to do.

People's expectations - staff, councillors and customers - are rising, and we need to deliver to this agenda. New technologies are also emerging that will allow us to make the next leap forward.

The expectation and aspiration should be for quick, reliable systems that facilitate our work and enable customers to self-serve as far as possible.

Some of the key advances we want to deliver include:

- customers should be able to access all services in one place
- good, consistent customer experience across all channels
- transition to customer self-service, then telephone and face-to-face only when needed
- single view of customer
- end-to-end processes are the basis for service / function design
- staff and councillors also have access to quick, reliable information and systems.

We have a complicated infrastructure and a number of applications that are not delivering what we require. The recommendations from Capita are that we need to look at this to see how we can improve, either by tackling specific applications or, where needed, to replace with industry standard.

Our ICT will have to deliver across a wide range of services and as such will always have a level of complexity. However, we have made this more complicated than it needs to be; we need to ensure a corporate approach to ICT to ensure that the full implications are taken into account.

Security of systems will also need to be improved as more information is available to a greater number of people.

Background

ICT has been the catalyst for significant changes over the years, both to how services are delivered to the customer, and to how people work to deliver services. We are now in a position where we need to transform our existing systems, and embrace new technologies to support the services going forward, reduce costs and provide the tools to help deliver the UCC FSR.

With the UCC FSR, the organisation is set to change significantly over the next two to three years, and the ICT systems need to change with it to continue to provide the appropriate support to this new organisation in delivering services differently to our customers, who are themselves demanding that we change.

In order to evaluate the gap between where we are now in terms of ICT, and where we will need to be to support the FSR, we engaged external consultants to help us establish a model architecture we feel would be best suited to support the delivery of the FSR outcomes, such as they are currently known. Since 2009, there has been little capital investment in the underlying technology, and what has been spent has been largely to deliver the specific outcomes of service-based FSRs.

We have generally refrained from refreshing the hardware in accordance with the three-year timeframe recommended by manufacturers and industry guidelines, preferring to make the assets work harder for longer, and much of this equipment is now four to five years old.

This has meant the infrastructure – servers, network, storage devices, desktop machines and the respective operating system software - has stood still, and is now reaching the end of its useful life.

When the current VDI system was put in place in 2009 it was designed for a specific organisation: directorate-based, with specific ICT applications geared to that service, plus a number of corporate-wide applications.

The aim of the ICT strategy at the time was to maintain this, whilst delivering the flexibility and improvements to meet the accommodation strategy, and at the same time improve services to customers. Although steps are being taken to switch more and more services online, IT Systems remain mostly geared to individual services and service areas. The ICT strategy for 2010-13 acknowledged that some consolidation was desirable.

Going forward

The UCC FSR is set to change how the organisation functions and looks. This means that if our ICT infrastructure is left 'as is', it will no longer be best suited to support the delivery of services in the new world.

We need to make our ICT services as flexible and as current as we can, so that they are robust, yet adaptable enough that they can be quickly aligned with changing organisational needs. Bringing our ageing infrastructure up-to-date means it too will be designed to take advantage of changes in technology, and introduces the greatest degree of flexibility so that it does not constrain the FSR.

The FSR gives us the opportunity to look at the number of corporate and directorate applications we currently use and see where economies and efficiencies can be made. It is possible that some systems could be integrated with others, or where this is not possible to introduce links between them so that they all use the same set of data which is consistent, accurate and reliable.

We have concentrated on areas we know will deliver improvements and/or cost savings over time and technologies or strategies which we feel we need to embrace to take the ICT services forward for the next few years.

We have therefore looked at both the software elements and the hardware, and identified those elements which require investment immediately, those which will deliver the basics of the UCC FSR, those which will deliver all the FSR, and those which will provide added value to the organisation over and above this. This is detailed in the Capita report.

These are the key areas identified:

Software

- a) Document management
- b) iConnect
- c) Customer Data management
- d) Improved office systems.

Hardware

- a) Location and management
- b) Integration of user's own equipment
- c) Unified communications
- d) Upgraded operating systems.

A summary of the detail is set out below:

Software

a) Document Management

However the organisation develops, it is essential that we have a secure, reliable and robust system for electronically storing and moving documents across the organisation. This will enable us to maintain compliance with legislation (Freedom of Information, Data Protection), access customer and case documentation easily, reduce physical storage space, and remove old documents in a timely fashion. We currently use a product called IDOX for this, but this is set up to support a departmental-based organisation – Benefits for instance have their own set up, as do Planning. This corporate application need to be reviewed and enhanced to deliver a more holistic service or, if the supplier is not able to deliver to our new specification, then replaced with a more adaptable solution. Alongside this, we need to consider how useful or acceptable the operation to scan documents into the system has been. We know that the current system and how it works is not delivering effectively for even our current requirements.

b) iConnect

This is our flagship customer access service, though which a number of online services are already available, and which will be our branding for all online transactions going forward. It will enable a customised “my view” active view and is designed to improve and extend self-service, allow seamless mobility between services and reduce officer involvement, offering the ability for the customer to book, pay, inform or check online. It needs further development and a decision needs to be taken on how this is taken forward. Again, the supplier needs to commit to delivering to our changing needs or be replaced.

In addition, further development of software will be needed to ensure that the customer journey is rewarding, and that the elements of triage are supported. To this end, an automated system should be introduced to separate out and deal with those contacts which do not require judgement decisions, leaving advisers free to deal with more complex cases. A corporate workflow capability is also necessary to ensure that cases are managed and directed to the right person and complement the customer journey.

c) Customer Data management

This we feel will be the key element in delivering improved online and self-service to our customers, and enable us to manage the customer journey across the organisation. This relies on a single, master record being established and managed for each customer so that we record and maintain the customer detail accurately, consistently and use this master record to ensure all other systems use the same information. We are developing this Customer Master Index now, although we need closer engagement from the current supplier to move this forward. This is also an opportune time to consider whether a supplier change is desirable.

In order to maintain this data, in which there must be a high degree of confidence as to consistency and reliability, there must be some additional investment in data management tools.

d) Improved Office Systems

We currently use Microsoft products, which are now out of date, and which Microsoft will soon no longer support. In particular, our level of the MS Office suite is now nearly ten years old and we urgently need to upgrade this software to the most recent version (Office 2010) and if possible put ourselves in a position to adopt Office 2013 when it is released early next year. These are essential tools which will improve productivity.

We urgently need to upgrade our Microsoft desktop operating system, which is due to be abandoned by Microsoft in early 2014. Windows XP has been the platform of choice for many organisations, and its life has already been extended by the refusal of many Microsoft customers to upgrade to Windows Vista. However, with the successful rollout of Windows 7, shortly to be upgraded to Windows 8, Microsoft has announced that Windows XP is to be de-supported. Again, this means no further development or upgrades, and as such, a growing list of security vulnerabilities. Continued use of this past the end date would be very risky, and would also put us in breach of the GCSx code of connection resulting in the Council being refused access to government databases such as the DWP CIS system.

As we have other licensing arrangements with Microsoft, as well as upgrade needs, it is strongly suggested that we enter a three-year Enterprise Agreement which would cover all licensing costs and enable access to all upgrades for the duration. This would be a cheaper option than to purchase the licences for each element separately and it would allow for some future-proofing.

Hardware

a) Location and Management

There are several compelling reasons to consider moving our entire ICT system offsite, into a purpose-built data centre.

With advances in ICT and networking, there is no longer any imperative to have the servers located on-site, and location independence would enable us to seek out the most financially advantageous offering. With our main server room in Angel Court, there is an increasing risk of outages due to either air condition failure (the units are around 15 years old and in urgent need of replacement) or of power failure (due to the ageing electrical infrastructure in the town centre). In addition, it will enable 24/7 monitoring of the systems and enable the development of a robust disaster recovery/business continuity solution for the ICT systems.

The Angel Court Server room is physically full, and with the Rowan House room having only limited space, there is little room for expansion or to accommodate new or additional equipment. Finally, there will be a significant reduction in carbon emissions locally as our power and air conditioning requirements would be greatly reduced, whereas an overall increase in emissions at a data centre to cope with the increased load is likely to be relatively small.

It is strongly recommended that the server environment continues to be managed under the ICT contract, but that the servers are relocated out of the existing server rooms into a managed data centre. In addition, this would best position us to take advantage of a future cloud computing environment which could lead to us divesting ourselves of the hardware altogether in the future.

b) Integration of User's Own Equipment

Often referred to as Bring Your Own Device or BYOD, this is a direct result of the consumerisation of ICT, the development of smart devices and a growing understanding of technology by the general public.

It represents a significant change in how organisations view connection to their systems, making them more accessible rather than confining access to them to specific organisation-supplied devices. This is reducing support and equipment costs by using emerging technologies to securely link the devices people use at home or in their daily lives to corporate work systems.

People are in the main more comfortable doing this, using the devices with which they are familiar rather than using work- provided equipment which is often older or less effective, or at best duplicates what they already have and increases the number of devices they have to carry. We must as an organisation encourage users to connect using their own devices and enable as wide a variety as possible to be connected without compromising on security.

c) Unified Communications

This is an emerging trend aimed at improving productivity and enabling our customers to speak to the right person with the minimum delay. It makes use of several technologies beyond telephony and e-mail; integrating video, instant messaging, ICT systems, mobile telecommunication services, videoconferencing and personal availability monitoring (telepresence) systems to generate fast communication between workers, thus reducing communication response times and directing customers to the right place quicker. Voicemail into e-mail integration is also an option.

In order to improve the customer experience of how quickly and efficiently we respond to their calls, it will be necessary to invest further in this evolving technology, either expanding on the facilities we already have or purchasing new solutions.

The Council has a contract for telephony services which runs until 2014, which integrates Voice telephony with The ICT VDI desktop. However, there are shortcomings in the current system which means we have as yet been unable to take full advantage of the VoIP telephone system. In particular, integrating VDI and VoIP for normal telephony when working from home, and home videoconferencing and video have always been problematic. As a result, there needs to be further investment into resolving this aspect, and as a first step, the VDI environment needs upgrading to enable inclusion of the voice software into the VDI environment for home use.

d) Upgrading Operating Systems

Our VDI environment needs to be refreshed as it has now grown beyond its original specification, and as demand for it continues to grow this has introduced some instability, causing confidence in the solution to drop. Issues include slowed system response, unexpected errors at start-up, difficulties in adding new users, and lack of space.

Most importantly, we need to review the solution generally and see where the inherent problems lie, and address those areas which still work less well for the users of the council systems. There are several elements to upgrading the environment, but the basis of this will be to upgrade to the latest versions of the software which enables VDI to work. At the same time, we need to revisit the virtualisation of the server hardware and improve the level of virtualisation, thus reducing the physical number of servers we have to maintain.

Conclusion

ICT is a key enabler to the successful delivery of services, but it will not be able to support a changing organisation unless it too changes. Although this will require considerable investment now, it should be balanced against the minimal capital spend on corporate ICT systems over the past three years.

Although there are risks associated with taking on such a large-scale project to transform our ICT systems, the risk to the success of the UCC FSR is even greater if we do not take the opportunity to align systems more closely with the business need of the organisation going forward.

Cost Summary – ICT theme

Capital		Year 1	Year 2	Year 3	Year 4	Cumulative total for Years 1-4
		2013/14	2014/15	2015/16	2016/17	
		£'000	£'000	£'000	£'000	£'000
ICT – needed without the FSR	*see note	800	500	0	0	1,300
ICT – additional	below	900	500	0	0	1,400
TOTAL		1,700	1,000	0	0	2,700

* £1.3 million of the proposals would have to be delivered whether we implement the UCC FSR or not to keep our IT at an acceptable level.

Recurring revenue costs / savings / income	Year 1	Year 2	Year 3	Year 4	Cumulative total for Years 1-4
Theme	2013/14	2014/15	2015/16	2016/17	
	£'000	£'000	£'000	£'000	£'000
ICT	220	220	220	220	880
TOTAL - revenue impact	220	220	220	220	880

Implementation is a large proportion of these costs, and there may be cheaper ways of delivering this work. However, this is also the highest risk to implementation and if we try to strip too much cost out then projects could fail to be delivered effectively.

Revenue costs are estimated at £400k, however £180k is already in budgets. The additional revenue cost is £220k.

£1.3 million of the proposals would have to be delivered whether we implement the UCC FSR or not to keep our IT at an acceptable level.

Virtually none of the savings from the UCC FSR will be delivered without the investment in IT.

Theme summary – Locations – Appendix E

Introduction

We have worked towards looking at options to deliver against two objectives:

- Reducing the amount of space we occupy to reduce costs and/or using excess space to generate income
- Making our services accessible to customers in the places they want.

The interim business case for locations was based on two key recommendations:

1. That we move our face-to-face contact to the Main Library
2. That we revisit our office space across a range of buildings to ensure we have only the space we require in the future.

Options

There remain a number of options that still need to be fully explored. They are not all standalone options, but present some mix-and-match opportunities dependent on the overall approach. We anticipate that we should be able to reduce the space we occupy in the medium term to make some savings.

We know that we want to deliver our front-facing services differently, and that this will also mean changes to the back office services. We will need less formal office desk space, but need to enable new ways of working and the office environment is critical to this.

In addition, we are now talking to Colchester Borough Homes about how they will participate in the UCC FSR. Accommodation decisions will also need to consider appropriate space to make this happen.

Co-location with Libraries

Discussions have continued on moving our front-facing service to the Main Library and are very positive. At this stage we still have to have detailed discussions about cost. However, based on early indications these could be as low as £10k a year for mainly shared space. We are talking about how this would work and how far we want to integrate services. At the moment this is based on mainly shared space, retaining our staff.

Technology will enable a different way of working but we will always need to see some customers face-to-face. The service provided in the Library will enable us to support customers to self-serve and offer the triage service in an appropriate environment. We would also offer private appointment space for some of the more complex case management.

Summary of costs and savings

Location	Year 1	Year 2	Year 3	Year 4	Comment
	2013/14	2014/15	2015/16	2016/17	
Capital costs – reconfiguration of Main Library	£20k	0	0	0	It is anticipated that a small contribution will be requested by ECC for changes in the Library. This is likely to be fairly modest.
One-off costs / furniture purchase - capital	0	£75k	0	£50k	Costs to refurbish current accommodation.
Main Library - revenue	0	£10k	£10k	£10k	These numbers are still being negotiated, but this looks like the maximum cost.
Angel Court	£40k	£40k	£40k	£40k	Income pressure – loss of payment from ECC.
Savings	0	0	0	(£290k)	Savings from reduction in the number of buildings we occupy.
TOTAL - revenue only	£40k	£50k	£50k	(£240k)	

Theme summary - Cultural change – Appendix F

The culture of any organisation must be considered as part of any major change process. Culture is determined by both formal and informal processes; procedures; values and decision making within an organisation.

The formal arrangements begin to set the culture. It determines how decisions are taken in an organisation; how the organisation responds to external environmental factors; how it approaches internal issues; the structure and working practices that are employed; and how it manages its use of resources; its view of risk; and its ambition for opportunity.

The informal arrangements also dictate an organisation's culture. The values which are held and practised by individuals; the approach of senior management; the symbols and folklore which are seen and talked about; the respect given to customers; the way in which people work together; and whether the organisation is seen as one organisation or a collection of functions and services all working in their own silos and on their own projects.

You can quite often find that formal processes are in conflict with the internal symbols and workings or vice-versa. Being less risk averse brings with it its own risks, of getting things wrong or by developing a blame culture. Managing resources at the micro level may mean that you stifle creativity and innovation. Constant and detailed monitoring of performance may result in not seeing the bigger picture or joining up initiatives which make better use of resources or better outcomes for customers.

It is difficult to describe easily in words or a picture what the culture of the organisation is or should be. However you get a feel for the culture of the organisation every time you interact with it. The first time you enter a customer access point (web, phone, face-to-face). Every time you look to do business with the organisation. Each time you read or hear about the organisation.

The existing culture of the organisation is one which has evolved into a more customer-centred organisation with its front-facing customer service centre, which looks to resolve 80% or more enquiries at the first point of contact. It delivers good performing services in the main, and has embraced new technology without exploiting the full potential of that new technology. Its approach to savings and income is to seek new ways of working to gain efficiencies and thus savings, but has a traditional feel to it when it comes to income generation. Increase in charges, traditional income streams and a history of in-house service provision rather than outsourcing. It has ambition for its place, the borough of Colchester whilst providing community-focused services rather than community-led services.

The Council has some way to travel if it wants to be truly centred on the customer. Some of the customer journey processes are more centred on the needs of the professional staff rather than those of the customer, with parts of the organisation still using very traditional, time consuming and outdated ways of providing information and basic 'book and pay' interactions.

Although the senior management team operates collectively with budget setting and cost control being managed as one organisation, the services are still provided in silo-type vertical structures creating some silo mentality and empire protectionism. This is likely to remain the case as some services will always be delivered on a borough-wide or zoned basis. Vertical structures will be necessary to ensure service delivery and efficient working. Part of the cultural change will be further reduction in silo working and protectionism of resources if the Council is to truly operate as one organisation.

The cultural change required for the new organisational philosophy is to continue on the journey already set but to instil a new vigour and passion when dealing with customers. It will need to provide a more business-focused approach to many of our dealings including a more commercial philosophy for those services we charge for, and to take advantage of further opportunities in a commercial manner.

In order to achieve the cultural change necessary and ultimately the organisational philosophy described, we will need to concentrate our formal and informal processes on four key areas:

- **Customer Excellence**

Customer excellence is achieved by putting the customer at the heart of what we do and more importantly how we do it. Currently the customer comes into the organisation at the front end, and individual services are provided through vertical service delivery mechanisms:

Service Delivery	
Customer Contact	→
Individual Services	→
Collective Services	→
Information and Support	→
Case Management	↓

The horizontal customer journey comes up against vertical service delivery, which is based more on professional processes than customer experience. Rather than this horizontal front-end customer experience and a vertical set of delivery mechanisms, the customer journey needs to be created from the front end to final service delivery:

Service Delivery	
Customer Contact - Report it	→
Individual Services - Book it	→
Collective Services - Pay for it	→
Information and Support - Self-serve	→
Case Management - Complex need	→

This will require a different managerial and supervisory model with all staff taking responsibility for the customer as they go through various stages of service delivery.

The customer ends their customer journey when they have reached the point at which they are no longer a customer with a need, rather than the professional processes dictating how far the customer gets in their quest to have their need satisfied.

In the future, the organisational structure will enable this philosophy rather than hinder it.

In addition, customer excellence must be underpinned by the full use of technology including investment in hardware, software and skills together with a constant drive for ongoing simplification of our customer journey work.

Whether it is self-serve or self-reporting; assisted help with technological processes; or individual case management for customer with complex and multiple needs, the cultural change is one of the right skills, attitudes and abilities to deliver excellent customer service throughout the organisation.

- **Place**

The culture of the organisation needs to be one which has ambition and aspiration for the borough as a whole. In order to achieve this we need to view the town of Colchester as the hub for employment, leisure, arts, retail, urban living and a real sense of regional place with regional facilities and services.

The Council also needs a cultural shift in seeing its smaller towns (Wivenhoe, Tiptree and West Mersea) as needing the combination of some urban facilities without losing the rural feel of smaller market towns. A new relationship needs to be forged with these three towns, so that ambition and aspiration can be matched between the Council and the Town and Parish Councils which are at the heart of their communities.

The borough also has many rural villages which again have their own combination of needs for some local housing and employment opportunities tempered by rural living and both tourist and local enjoyment.

- **Creativity and Commercial**

If the Council is not only to survive but to thrive over the coming years, then it must foster and embrace creativity in its dealings with customers and its delivery of borough-wide services. Creativity needs to be encouraged and nurtured, but in a framework of a public sector body which has a political leadership with political priorities.

Creativity can take many forms, but within the Council its bedrock is that of value for public sector money providing services to customers, some of whom do not have a choice in customer terms. The Council also operates on the basis of demand-led need for people with complex and multiple requirements to live in society and to fulfil their potential. Creativity cannot create the 'haves' and 'have nots'; cannot exclude those without the technology or wherewithal for seeking assistance from the public sector 'system'; and must not return to the mentality of the 'professional knows best'.

Used in the right way creativity can enhance people's life opportunities and can liberate residents and customers from their problems and their issues.

Commercial is an interesting concept for a public sector body. Commercial in this context is not looking to create an organisation which is driven purely for profit or 'bottom line' motives. Many staff came into the public sector to give a public service. However, service comes with a price. The price of how much the service costs to provide per resident or per contact. The price of how much people are able or prepared to pay for certain services. The price one pays for not managing demand for services, or the opportunity price of not using finite resources to provide other services.

Commercial in this context and the cultural change required is one of being more commercially and business-focused in those areas that can make a significant contribution to the future provision of public sector services which cannot themselves be commercial – for example, welfare reform; housing and homelessness; some enforcement activities; reducing crime and disorder; improving health outcomes; provision of social housing and so on.

Commercial is about a range of business-focused activities which enhance the overall resources of the Council.

- better and improved procurement of things and services
- more sophisticated consideration to enhancing existing income streams
- turning existing owned assets into new and lasting revenue contributions
- exploiting new ways of working or service delivery to provide contractually for others
- offering the Universal Customer Contact concept to other organisations for a management fee
- more managing of services on behalf of other organisations
- pursuing shared management or specialisms with other local authorities.

This is the commercial cultural change required if the Council is to enhance its future revenue opportunities, and to respond to future demand for services which will be with us for a number of years to come. This will require dedicated resources; a new operating model to take advantage of the commercial opportunities created or presented; and a recognition of the contribution that the commercial philosophy of the organisation can make to the wider Council and its activities.

- **Skills, Growth and Choice**

With any organisational and cultural change process, the skills of people in the organisation are paramount. Skills of learning a new role or a new way of working; ICT skills which underpin the new philosophy; and instilling the right attributes and attitudes to make the changes in working effectively.

Managerial and leadership skills will also need to be developed to create the right atmosphere for change and to express the vision which is compelling for others to want to work in a new way.

Additional skills and support will be needed to engender the right commercial philosophy to have a successful commercial approach. Perhaps the most fundamental and important aspect is belief in why change is needed; how change will occur; and what change looks like when it is successful.

The people strand of our current cultural change programme is currently developing the skills programme for the future.

The growth part of the cultural change programme comes in the growth of our people to deliver customer excellence or service delivery in new and innovative ways. It also comes in the form of the organisation which, as it grows, it becomes more confident in the new approach and more adept at adapting to changing circumstances.

All of us prefer choice in our lives and to make our own decisions at major times throughout our careers. By adopting the new organisational philosophy; the skills being offered and the growth in personal effectiveness so comes choice. Choice to change roles, face new challenges, work in a broader spectrum of the Council, and ultimately a choice to stay or to leave for other organisations and other challenges.

The cultural change programme is paramount to the effectiveness of the organisational change proposed. An initial working budget of £50,000 is proposed to implement the cultural change programme. This will be in addition to reshaping existing resources which contribute to change in the organisation and to skilling the staff who are employed by the organisation.

The relevant extract from Appendix I financial summary shows:

Recurring revenue costs / savings / income		Year 1	Year 2	Year 3	Year 4
Theme	Type	2013/14	2014/15	2015/16	2016/17
		£'000	£'000	£'000	£'000
Cultural Change	cost	50	50	nil	nil

Theme summary - Organisational governance – Appendix G

Introduction

In moving to a new operating model, the formal governance arrangements of the organisation need to be considered. The governance arrangements must be fit for purpose to respond to the new organisational philosophy, and to ensure both decision making and scrutiny are sound for the new way of working and the decisions required.

Formal Governance and Political Decision-Making

The Council has agreed and implemented the 'Leader and Cabinet' model of working, together with the 'strong leader' approach. The Council must also, through legislative requirements, put in place a series of committees and panels for the purpose of functional decision-making and the scrutiny of executive decisions.

Effectively the Council has to have:

- Full Council
- Cabinet (made up of the Leader of the Council and between two and nine portfolio holders)
- Local Plan Committee
- Planning Committee
- Licensing Committee
- Accounts and Regulatory Committee
- Standards Committee
- Crime and Disorder Committee
- Scrutiny Function.

By virtue of policy decisions of the Council and Cabinet, we currently have two 'trading' companies (Colchester Community Stadium Company and Colchester Borough Homes), together with two 'trading' services which, due to councillor involvement, require joint committees (North Essex Parking Partnership and the Colchester and Ipswich Museums Service). The Council also participates in the Essex Traveller Joint Committee which is not engaged in 'trading' services.

Although the opportunity for change is limited due to the legislative requirement for certain governance arrangements, there is scope for councillors to play a major part in the philosophy, performance, resource usage, trading position and service delivery of the organisation in the future. In addition, the way of operating the governance arrangements can be more flexible and could enhance the decision-making processes.

Future Governance and Political Decision-Making

Appendix G1 describes a revised governance structure which aligns with the organisational direction being proposed. Full Council and Cabinet are central, as in the existing structure, and the various committees continue in their current guise with their current remits.

Task and Finish Groups, which have been used successfully, are seen as the way forward in considering issues, debating policy changes and making policy recommendations into Cabinet. This would negate the need for a standing policy panel.

One single Scrutiny Panel is proposed. This would meet monthly, and could take a single issue for scrutiny together with the range of existing scrutiny areas relating to performance, resources and policy implementation. Call-ins would also be scheduled into the scrutiny function.

The additional governance being proposed is the establishment of a 'Trading Board'. This board would not have any executive functions, and would be a committee of the Full Council, and would consider the trading issues of the Council as well as challenging and scrutinising the trading arrangements which are entered into.

The current two companies owned by the Council, together with the 'Joint Committee' arrangements for the two trading services, would also relate to the Trading Board for trading purposes.

In addition, the Trading Board would look at strategic procurement issues, current and future income streams, and how the Council is to use its assets for income generation and/or community benefit. It would both challenge and monitor the more commercial activities of the Council and make recommendations to the Cabinet and the Full Council on trading proposals.

The Trading Board could co-opt 'external' members to give it additional commercial skills. The co-opted members would not have any voting rights.

Future Trading Arrangements

As stated previously, the Council has already established two private sector trading companies. Colchester Borough Homes is the Council's Arms Length Management Organisation (ALMO) which is classified as a private company limited by shares. The one share issued is held by the Council which is the parent company. Colchester Borough Homes via a housing management agreement has responsibility for the Council's housing management functions, and performs that role in return for a management fee.

The second private sector company owned by the Council is the Colchester Community Stadium Company, which is classified as a private company limited by shares. One share is held by the Council.

Its role is to act as the Head Lessee for the use of the stadium with leases and trading arrangements being entered into with Colchester United Football Club for use on football match days; for the commercial use of the stadium on non-match days; and with Colchester United Community Sports Trust for community activities. It covers its costs through income from the commercial operator and the sports trust whilst all other revenue earned is returned to the Council.

The Council also manages services for other local authorities in relation to the North Essex Parking Partnership and the Colchester and Ipswich Joint Museums Service. There are joint committees in place to oversee those arrangements. The North Essex Parking Partnership joint committee is a committee of Essex County Council (on-street parking being a function of the County Council), but with Colchester being the lead authority and acting on its behalf. The Colchester and Ipswich Joint Museums Service joint committee manages its (and Ipswich's) own functions. The county-wide Traveller Joint Committee, of which the Council will be a member, is also being finalised. The Council needs to consider whether a different operating model for all (if possible) is more in line with the philosophy going forward.

If the Council is looking to use some of its assets for future revenue gain together with further trading opportunities in some areas, then it needs to establish the right trading models which take advantage of the 'Teckal' exemption in procurement, and the most efficient tax and profit arrangements for the activities it undertakes.

- Teckal Exemption

The Teckal exemption is a piece of European case law that enables local authorities to procure or trade with other parts of the public sector which do not need to apply full EU procurement legislation.

The exemption only applies where:

- the service provider carries out the principal part of its activities with the relevant public body
- there is the same kind of control over the service provider as the public body has over its own departments, and
- there is no private sector ownership of the service provider or any intention that there should be.

The EU is intending to issue a new Directive shortly which will codify Teckal in legislation. It is expected that this will include much tighter controls but the impact of these are not known at this stage.

This effectively applies to 'public sector to public sector' activities. As the Council may wish to trade with or enter partnership arrangements with the private sector, then the 'Teckal' exemption will not apply. In those instances, a company or commercial structure needs to be established creating the most tax-efficient arrangements possible.

- Commercial Structure

Initial discussions suggest that a parent company is created which 'controls' and co-ordinates the activities of subsidiary companies which are fit for the purpose they are intended for, namely public-to-public trading activities or public-to-private trading activities.

The Trading Board established would continue to challenge and monitor all of these arrangements and ensure, through recommendations to Cabinet or Full Council, that the Council is getting value for money and is entering into sound commercial arrangements. The Joint Committee arrangements could then be reviewed as part of these discussions to determine the best governance and commercial arrangements for the future.

Proposals for the 'commercial' element of the organisational philosophy encompassing current commercial arrangements will be developed over the coming months. They can be introduced during 2013/14. The Trading Board can be established in advance of these proposals.

Theme Champions

Although not part of the executive or scrutiny arrangements, 'theme champions' currently exist, and are appointed on specific issues which are important to the Council. These champions would represent the Council, but would work closely with the relevant portfolio holder who would retain all executive decision-making powers and responsibilities.

Way of Operating

There are options around how the current governance arrangements operate.

Groupings of certain committees could reduce the need for separate meetings and therefore reduce the cost of running them.

Some of the meetings could be held in different areas of the borough. Some could look at conducting business in a different way. Some could seek to invite participation from different individuals/groups or 'expert' witnesses. These different ways of operating require further discussion with councillors in order to make any firm proposals.

Costs and Savings

Broadly cost-neutral.

Officer Governance Arrangements

These arrangements are for noting only. The existing officer governance arrangements which manage the business of the Council currently consist of a Performance Management Board and four themed areas which cover:

- Customer Excellence
- Transformation
- People
- Place.

These themed areas look to develop the organisation to improve its performance, manage the changes needed to respond to customer and partner requirements, and co-ordinate the corporate policies across all services around the themed areas.

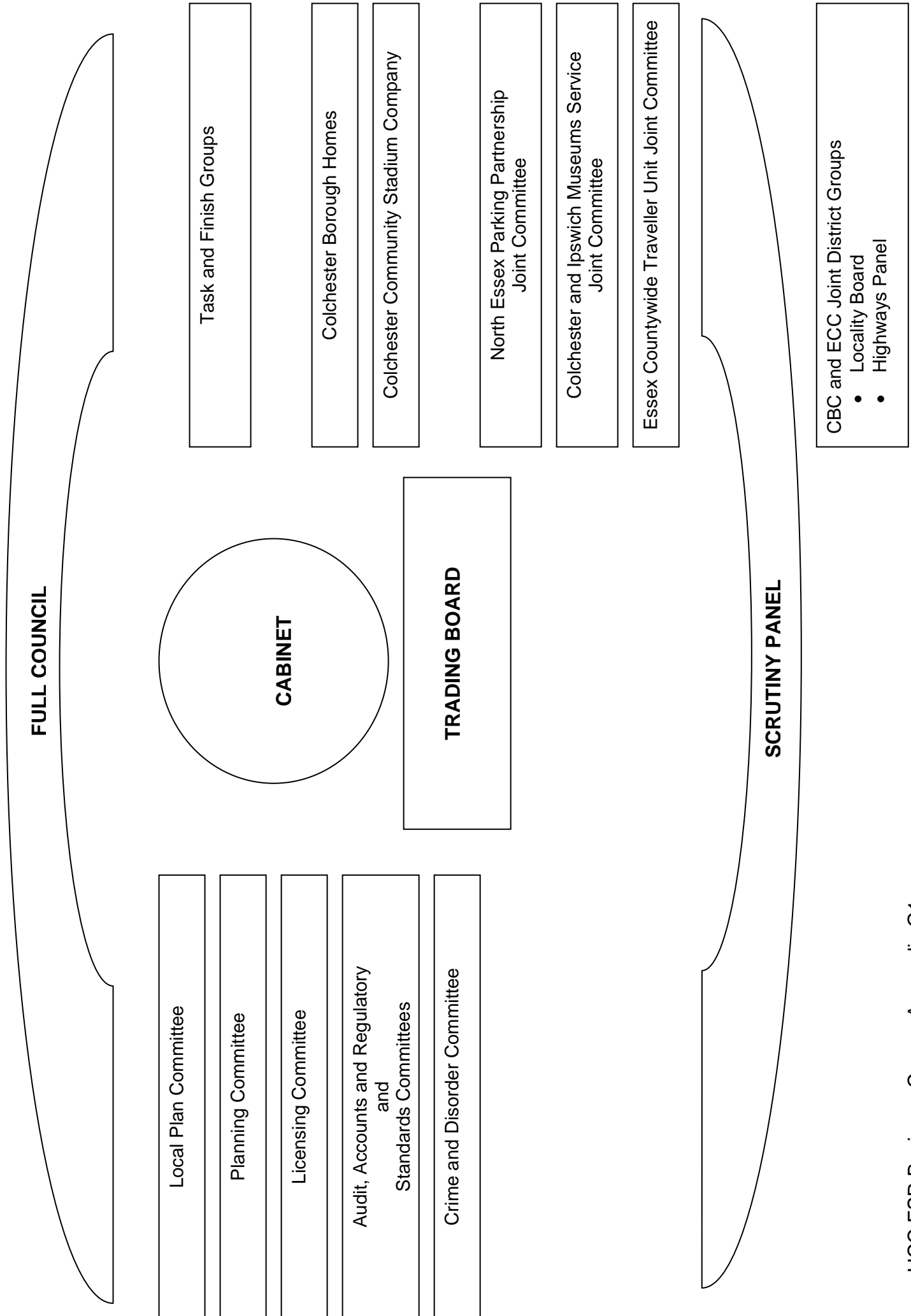
The Performance Management Board, which meets monthly, will remain as this is effectively the 'work horse' for performance and resource management issues. In addition, the Senior Management Team will meet six-weekly to consider areas relating to the new organisational philosophy.

These areas will major on those issues in relation to the principles of:

- Customer
- Community
- Commercial.

If the major organisational and cultural change proposed is to be successful, then an officer implementation board and team will be established.

It will utilise existing resources, be chaired by the Chief Executive or senior member of management, and will be tasked with the successful implementation of the new way of working.



Theme summary – Organisational shape – Appendix H

The current organisational shape has been in place for a number of years and has served the Council well. Executive Directors have held strategic responsibilities for corporate areas of work and lead roles on borough-wide initiatives and policy developments. Heads of Service have concentrated on the delivery of services, and have managed effectively the majority of the resources which rightly are directed at providing services to customers and local communities.

A change in the organisational philosophy requires a change in the management arrangements. These arrangements need to concentrate on those areas which have been identified as crucial to the success of the Council in delivering customer journeys which achieve:

- even better outcomes for people
- delivery of efficient service provision
- enhanced income opportunities for the Council.

When the business case has been considered and if approved, a new senior management structure will be proposed which will complement the new operating model of the Council.

Indicative savings have been included in the business case for cost and saving purposes.

Theme summary – Financial overview – Appendix I

These are estimates for savings and costs against each theme, with a health warning that further work is needed to establish that they are fully deliverable.

- **Revenue Budget**

Recurring revenue costs / savings / income		Year 1	Year 2	Year 3	Year 4
Theme	Type	2013/14	2014/15	2015/16	2016/17
		£'000	£'000	£'000	£'000
Journey management	saving	nil	(300)	(700)	(1,000)
Organisational shape	saving	(50)	(150)	(150)	(150)
Behaviour change	cost	50	100	100	100
Behaviour change	saving	nil	(150)	(200)	(400)
Locations	cost	40	50	50	50
Locations	saving	nil	nil	nil	(240)
ICT	cost	220	220	220	220
Cultural change	cost	50	50	nil	nil
Governance		nil	nil	nil	nil
Sub-total - above themes		310	(180)	(680)	(1,420)
Commercial	cost	330	415	525	525
Commercial	income	(300)	(710)	(1,310)	(1,460)
Sub-total - Commercial		30	(295)	(785)	(935)
TOTAL - revenue impact		340	(475)	(1,465)	(2,355)

- Notes: 1 Levels of demand are not taken into account, therefore some savings may represent cost avoided rather than cash savings.
2. No assumption for split of savings/income - General Fund v HRA.
3. No assumption for redundancy costs is included.
4. There are a range of dependencies ie things that have to be delivered to enable the savings in other themes. For example without the investment in IT, it is unlikely that the majority of the journey management theme savings can be achieved.
5. Further work is required to ensure that the savings assumptions are not being duplicated.
6. Some numbers are rounded.
7. For illustrative purposes, the revenue cost of borrowing to fund the capital funding gap would be around £100k a year, excluding any provision to repay the debt.

- **Capital Budget**

Capital		Year 1	Year 2	Year 3	Year 4	Cumulative total for Years 1-4
		2013/14	2014/15	2015/16	2016/17	
		£'000	£'000	£'000		£'000
ICT		1,700	1,000			2,700
Accommodation		20	75		50	290
TOTAL		1,720	1,075		50	2,845
Available in capital programme	CSC	100				100
	FSR	379				379
	Total	479	0	0	0	479
Funding gap		1,241	1,075	0	50	2,366

Notes:

1. While the whole of the ICT is shown in 2013/14, it is unlikely that the whole spend would be required in a single financial year. Work to profile spend has not yet been undertaken.
2. Some numbers are rounded.
3. Approximately £1.3 million of the ICT capital investment would be required without the UCC FSR to undertake some basic improvements such as upgrade the operating system.



Cabinet

28 November 2012

Item
8(i)

Report of	Head of Resource Management	Author	Sean Plummer ☎ 282347
Title	2013/14 Revenue Budget, Capital Programme and Financial Reserves		
Wards affected	Not applicable		

This report provides an update on the 2013/14 Revenue Budget, Capital Programme and Financial Reserves

1. Decisions Required

1.1. Cabinet is requested to:

- i) Note the current 2013/14 revenue budget forecast which at this stage shows a budget gap of £248k and the forecast variables and risks.
- ii) Note the action being taken to finalise the budget.
- iii) Agree that the recommended level of revenue balances be set at £1.8m for 2013/14 as set out in the Risk Analysis subject to consideration of outstanding issues as part of the final budget report in January (Appendix B).
- iv) Note the current budget forecast for 2012/13 as set out at paragraph 12.11
- v) Note the position on the capital programme set out at Section 14 and recommend to Council that the Olympic Legacy Project be included in the capital programme and that subject to this decision resources are released.
- vi) Agree that in respect of Council Tax discounts Cabinet note the options and proposed approach as set out in Section 15 and agree to delegate the decision to the Portfolio Holder for Business and Resources

2. Reasons for Decisions

- 2.1 The Council is required to approve a budget strategy and timetable in respect of the year 2013/14.
- 2.2 This report relates to the budget update, a review of balances, the capital programme and consideration of possible changes to Council Tax discounts.

3. Alternative Options

- 3.1 There are different options that could be considered and as the budget progresses changes and further proposals will be made and considered by Cabinet and in turn Full Council.

4. Background

- 4.1. A timetable for the 2013/14 budget process (see Appendix A) was agreed at Cabinet on 4 July 2012.
- 4.2. An initial 2013/14 budget forecast was presented and agreed at the Cabinet meeting on 3 October 2012. This showed a budget gap of £374k.

5. Local Government Finance Settlement and other Government Grants

Formula Grant / Retention of Business Rates

- 5.1. As previously reported Government proposals arising from the review of Local Government funding will result in a change to how local councils are financed from 2013/14. There still remains a significant level of uncertainty as to how the scheme will work. Some of the key issues set out in the most recent consultation exercise show:-
- There will be a 50% local share of NNDR (in other words 50% of all NNDR collected will go to Government)
 - This will in turn be distributed via Revenue Support Grant (RSG) or other specified grants. As such we will still receive a level of RSG.
 - A number of existing grants are being 'rolled in' to the NNDR scheme. These include Council Tax Freeze grant and the new Council Tax Support (CTS) Grant.
 - The Government is proposing to remove funding required for the New Homes Bonus with different options as to how this will be achieved.
- 5.2. The transition to the new funding system is expected to be within current Government spending controls. The Comprehensive Spending Review points to a further reduction in government funding in 2013/14, however, what this will mean for Colchester is unclear. At this stage the assumption continues to be made of a reduction in core funding (potentially business rates and government grant) of £720k. The Local Government Finance Report for 2013/14 is expected at the end of December.
- 5.3. The Council receives other Government grants and confirmation has been received that the level of homelessness grant will be unchanged. However, the housing benefit administration grant has reduced by £61k and is therefore shown in the updated list of cost pressures.

New Homes Bonus

- 5.4. Alongside the announcement of formula grant we expect to receive confirmation of the New Homes Bonus. The main part of the grant is based on a payment for any increase in housing numbers (expressed as Band D equivalents) with a further sum paid for affordable homes delivered. The Council receive 80% of the calculated grant with the remaining 20% paid to Essex County Council. The 2013/14 grant will include payments in respect of growth for 3 years and the bonus paid in respect of affordable homes delivery. Based on current estimates we expect to receive c£2.6m in 2013/14.

	£'000	Growth	Payable annually to....
Grant re: growth in Oct 09 – Oct 10	724	629 *	2016/17
Grant re: growth in Oct 10 – Oct 11	749	651 *	2017/18
Grant re: growth in Oct 11 – Oct 12 (estimate)	982	853 *	2018/19
Total Grant re growth in taxbase	2,455	2,133 *	

	£'000	Growth	Payable annually to....
Affordable homes bonus	52	185 #	2017/18
Affordable homes bonus (estimate)	100	357 #	2018/19
Total Grant re affordable homes	152	542 #	
Total Estimated total grant for 13/14	2,607		
<i>Total increase for 13/14</i>	<i>1,082</i>		

* based on Band D equivalents
affordable homes delivered

- 5.5. It has been highlighted in previous Cabinet reports that funding allocated by the Government for the New Homes Bonus is insufficient to meet the cost of the scheme, therefore the Government has stated that any shortfall will be met by the main 'formula grant' allocation.. Given this and also the methodology of the scheme which means that annual rewards will last for 6 years it continues to be important that a prudent and cautious approach to the New Homes Bonus is taken. The budget forecast shown in this report reflects the total expected level of NHB of £2.6m.
- 5.5. The final budget report will include the Medium Term Financial Forecast (MTFF) and the New Homes Bonus will be a factor in the future funding streams of the Council alongside the retention of business rates.

6. Summary of 2013/14 Budget Forecast

- 6.1 The revised 2013/14 revenue budget forecast shows that the current budget gap has now reduced to £248k.

	2013/14 £'000	Note
Net Base Budget	21,287	Net of one-off items
Cost Pressures (incl. inflation)	1,556	Section 7
Growth	1,100	Section 8.
Savings	(1,720)	Section 9
Forecast Base Budget	22,223	
Government Grant / NNDR	(7,951)	See para 5.1 and 5.2.
New Homes Bonus	(2,607)	See para 5.4 and 5.5
Council Tax	(11,085)	Based on a 2.5% increase and 0.5% increase in taxbase.
Use of Reserves	(332)	Ongoing use to fund community stadium, S106 and pensions increase
Total Funding	(21,975)	
Budget gap	248	

- 6.2 Cabinet is asked to note the above 2013/14 revenue budget forecast and the assumptions set out in this report concerning cost pressures, growth items and risks.

7. Changes in 2013/14 Budget Forecast

Cost pressures

- 7.1. There have been some changes to the proposed list of cost pressures previously reported. The financial implications of the Universal Customer Contact Fundamental

Service Review (UCC FSR) are shown here as a net cost pressure. However, as shown within the separate report on this agenda the net position includes a number of financial savings. The total list is as follows:-

	Current allowance £'000	Updated allowance £'000	Comment
Inflationary pressure	240	240	Net inflation impact. This allowance will be reviewed as assumptions for key areas such as energy and pay are assessed.
Incremental pension contributions	102	102	Additional cost arising from actuarial review which is being funded from reserve setup in 2011/12.
Elections	(92)	(92)	One-off reduction due to no borough elections in May 2013.
Castle Museum - Income	50	50	The planned temporary closure of the museum will result in a reduction in income. Steps to manage these continue to be put in place, however, it is considered prudent at this stage to allow for a reduction in income.
Land Charges	200	200	Current assumed reduction in income from land charges due to more information now being available for free under the Environmental Information Regulations.
Risk Factor	400	400	As reported to Cabinet in July a recurring budget risk factor of £400k is included in respect of various potential risks arising from Government reforms and other budget issues such as inflation assumptions.
Insurance		150	Increased Vehicle Insurance premiums increased costs due to increased number of vehicles and claims history.
UCC FSR		370	The report on this agenda sets out net additional costs of £340k in respect of this review. This reflects a number of additional costs and also savings. The most significant costs element is ICT which includes the revenue impact of capital investment. £30k relates to a previous shared management target now reflected within FSR figures
Housing Benefit Administration grant		61	Grant reduced (see para 5.3.)
St James / Roman House – Business Rates		75	£75k pressure due to ongoing full year NNDR costs for vacant St James/Roman House
Total	900	1,556	

7.2. There are also other potential cost pressures that will be need to be considered in the final budget report. These include issues identified in the review of the 2012/13 budget.

8. Growth Items

8.1. The previous budget update to Cabinet in October included an allowance for growth of £1m. The table below now also includes proposals in respect of the affordable homes element of the New Homes Bonus.

	Current allowance £'000	Updated allowance £'000	Comment
Food Waste	750	750	Current estimate for rollout of Food Waste Scheme.
New Homes Bonus	250	250	Allocated sum from New Homes Bonus to support enabling projects.
Allowance for affordable housing		100	Growth achieved through New Homes Bonus element allocated to support affordable housing initiatives
Total Growth Items	1,000	1,100	

9 Savings/Increased Income

9.1. The following table provides a summary of proposed savings and adjustments totalling £1.72m including items previously reported to Cabinet.

	Current assumption £'000	Updated assumption £'000	Comment
Total Service Items	(646)	(696)	Current savings across services including ongoing impact of items agreed in the 12/13 budget such as further ICT contract savings of £0.3m and some new proposed savings. Updated assumption includes an additional £50k in respect of planning fee income.
Fundamental Service Reviews	(739)	(739)	Savings from Sport and Leisure Review and further planned savings in respect of Street Services. The net cost relates to the UCC FSR is shown within cost pressures.
Savings Risk Factor	(285)	(285)	It is proposed that at this stage the savings risk factor be removed from the budget forecast. Consideration will be given to whether to include any allowance in the 13/14 budget as part of the risk assessment of balances and the emerging savings proposals.
Total	(1,670)	(1,720)	

9.2. Further work is ongoing to review these savings projections and consider other possible changes.

9.3. The level of savings required is likely to involve some one off costs and as such it will be necessary to provide for these within the budget forecast. Whilst not shown in the table above it is also acknowledged that to deliver the savings expected from the UCC FSR

will also result in one-off costs. Consideration will therefore be given to any necessary budget allocation for these purposes in the final budget paper.

10. Council Tax

- 10.1. The budget forecast for Council Tax income is based on a planning assumption of a 2.5% increase in the level of Council Tax. However, there are two important issues which the Cabinet will need to consider in respect of a grant that has been made available for authorities that do not increase the Council Tax rate and the indicated level at which a referendum could be required.

Council Tax Freeze Grant

- 10.2. The Chancellor of the Exchequer announced on the 8th October that the Government will set aside an extra £450 million to help freeze council tax bills in England. The new grant will be paid to local authorities who decide to freeze or reduce their Council Tax in 2013/14. The grant paid will be paid for 2 years and will be equivalent to a 1% increase in Council Tax. Full details of the grant have not yet been received, however, for Colchester the estimated grant would be £108k for 2013/14 and 2014/15.

- 10.3. This will be the third Council Tax freeze grant which has been made available to local authorities:-

	Grant £'000	Period paid / payable
<i>Grants Received:-</i>		
• Council Tax Freeze in 2011/12	267	4 years from 2011/12 to 2014/15
• Council Tax Freeze in 2012/13	269	2012/13 only
<i>Potential Grant available:-</i>		
• Council Tax Freeze in 2013/14	108	2013/14 and 2014/15

Council Tax referendum

- 10.4. Last year changes to Council Tax were set out in the Localism Act provisions for Council Tax referendums. Schedule 5 of the Localism Act introduced a new Chapter into the 1992 Local Government Finance Act making provision for council tax referendums to be held if an authority increases its council tax by an amount exceeding principles determined by the Secretary of State and agreed by the House of Commons. The Localism Act also abolished the capping regime in England.
- 10.5. As part of the 2012/13 Finance Settlement the Secretary of State announced that authorities will be required to seek the approval of their local electorate in a referendum, if compared with 2011/12, they set council tax increases that exceed:-
- 4% for the Greater London Authority, police authorities and single purpose fire and rescue authorities.
 - 3.75% for the City of London
 - 3.5% for other principal authorities. (e.g. Colchester Borough Council)
- 10.6. For 2013-14 the Government will propose to lower the local authority tax referendum threshold to 2%. The Secretary of State for Communities and Local Government will formally set out the detail on this in December.

- 10.7. Where an authority exceeds the relevant limit it will be required to seek the approval of the local electorate in a referendum.
- 10.8. Currently, local precepting authorities (i.e. parish and town councils) are not included in the proposed principles. However, the Government has stated that it will monitor increases in this sector and has not ruled out setting principles that will apply to high spending town and parish councils.

Implications for Budget Position

- 10.9. The potential implications for the budget position are therefore:-
- A reduction in income of £162k if Council Tax is frozen and the grant is received. This option also creates a pressure when the grant stops in 2014/15.
 - Reduced income of c£54k if the assumed increase in Council Tax is reduced to 2%
- 10.10. The final budget report will include the recommendation in respect of Council Tax and will show the implications for the 2013/14 budget and also the Medium Term Financial Forecast.
- 10.11. The assumed increase in the Council Tax base (the equivalent number of Band D properties used for tax setting) is currently 0.5%. The tax base will be calculated and agreed in December and any changes to this forecast will be assessed within the final budget report. The tax base calculation will also reflect the impact of the Localised Council Tax Support Scheme (subject to a report on this agenda), decisions in respect of Council Tax discounts and assessment of collection rates.

11. Summary and Risk and variables

- 11.1. As is common at this stage in the budget setting process there remain a number of key budget risks which include areas where information has not yet been released. The following table sets out the key issues and the current assumption used.

Risk / Variable	Current Budget Assumption	Comment / Timing
Grant Settlement / NNDR retention	Cash reduction of 8.6% (£720k)	Announcement expected end of December
Other Government grants e.g.:- Benefit Admin grant Homelessness grant New Homes Bonus	£61k reduction assumed Cash freeze Grant of £2.6m	Some grants have been confirmed. For other grants estimates have been made based on the methodology of the scheme or provisional announced figures.
Confirmation of budget savings	As set out in report	Ongoing risk assessment and detailed consideration of proposed savings.
Consideration of any potential recurring pressures and savings identified in the review of 2012/13 budget to date.	Some issues reflected in existing budget forecast. Other areas subject to review.	Work continuing as part of detailed budget setting and critical analysis of budget issues.
Completion of detailed budgets / Housing Revenue Account (HRA) recharges	Assumed all delivered as per budget allocation. No adverse	Detailed budgets to be finalised and recharges calculated in December.

Risk / Variable	Current Budget Assumption	Comment / Timing
	impact on the charge to HRA.	
Confirmation of potential one off costs arising from budget proposals (incl. FSRs)	Nil included	Assessment of costs following confirmation of proposed budget savings.
Forecast balances position at 31 March 13	This note forecasts general balances of between circa £1.8m - £2m depending on 12/13 outturn	Continue monitoring of current year budget. Review position in December. Review of allocations within balances (see para 12.12 and 12.13)
Links to capital programme	Budget proposals based on current programme.	Assess revenue impact of any proposed changes to capital programme.
Council Tax Rate	Planning assumption of 2.5%	Consider implication of referendum and Council Tax Freeze grant.
Taxbase calculated	Assumed increase of 0.5%.	Taxbase determined in December. Will be impacted by proposals for Local Council Tax Support Scheme and changes to discounts and exemptions.

11.2. The above highlights the key risks and variables that may affect the budget forecast. Senior Management Team (SMT) and Leadership Team will continue to review these areas to minimise any potential impact and identify remedial action.

11.3. In summary, there is now a reduced budget gap. SMT and Leadership Team are continuing to work through the outstanding areas of work and consideration of options to deliver a balanced budget will be detailed in the final budget report in January. These proposals will include an update of the Medium Term Financial Forecast (MTFF) which will reflect any impact in future years arising from proposals to balance the 2013/14 budget.

12. Revenue Balances

Recommended Level of Balances

12.1 The Local Government Act 2003 places a specific duty on the Chief Financial Officer (Section 151 Officer) to report on the adequacy of the proposed financial reserves when the budget is being considered. This section on Revenue Balances and the following section on Earmarked Reserves and Provisions, together with the attached appendices, address this requirement.

12.2 The Council is required to maintain a prudent level of revenue balances in order to ensure sufficient funding is available to meet cash flow requirements and urgent or emergency issues that may arise during a financial year.

12.3 The minimum level of revenue balances is determined through a Risk Management Analysis based on criteria recommended by the Chartered Institute of Public Finance and Accountancy and endorsed by the Audit Commission. The approach taken last year has been reviewed and updated.

12.4. Attached at Appendix B is a schedule detailing the risk analysis for the financial year 2013/14. The analysis concludes that the minimum revenue balances should be increased from £1.5m to £1.8m, however, a number of areas will be considered in more detail within the final budget report.

12.5. The reason for the proposed change in the level of balances is the increased risks associated with a number of Government reforms. The key financial risks are:-

Local Council Tax Support Scheme (LCTS)

12.6. The separate report on this agenda sets out the proposals relating to the LCTS scheme. This explains that there are a number of new risks to the Council relating to:-

- *Recovery of Council Tax.* There is a risk of a lower level of collection of Council Tax, given that more people will have to pay Council Tax and many for the first time.
- *Recovery costs and resources.* The number of people paying Council Tax will increase and we will need to consider the impact on resources.
- *Demand.* Under the existing benefit scheme there is no direct financial impact on the Council of changes in the amount of benefit paid. Under the LCTS scheme the Government grant will be a fixed sum and therefore any increase will be borne by all of the major preceptors including Colchester.

Local Retention of Business Rates

12.7. Currently the level of business rates collected has no material financial impact on the Council as all money collected is paid to Government. Whilst final details of the new scheme have not yet been received it is clear that the Council will need to consider the risk associated with changes in the level of business rates collected. This could include:-

- Changes in rateable value of properties following appeals, including outstanding appeal issues not dealt with before the start of the new arrangements.
- Changes to operational businesses in the borough including the impact of the general economic environment.
- Collection rates of business rates

12.8. The business rates scheme includes proposals for a 'safety net'. The level of this has not yet been confirmed, however, there will still be a level of financial risk and volatility to the Council.

12.9. As this report shows there remain a number of potential risks and variables that need to be considered as part of the final budget report. The proposal on the recommended level of balances will be reviewed in the final budget report when the implications and details of items have been more fully assessed such as:-

- the Finance Settlement,
- business rate retention scheme
- Council Tax base (including collection rate assumptions)
- budget savings and other variables

Forecast Balances Position

12.10. Appendix C details the forecast revenue balances position. This includes assumptions regarding the use of balances and the current forecast outturn position against the 12/13 budget as explained below.

- 12.11. The report to FASP on 20 November 2012 sets out a number of forecast variances on the 2012/13 budget. In total, a forecast potential net budget surplus after allowing for the allocated risk factor of £202k is currently identified. A number of variables remain that could affect this position, both favourably and adversely. As part of the final budget report in January the current year position will be reviewed. The potential impact on balances is shown at Appendix C based on delivering this year's outturn on budget and the position reported to FASP.
- 12.12. The balances position reflects a number of allocations for specific projects or contingency items, such as sums held for legal fees. As part of the budget process these items are being reviewed to confirm whether it is necessary to continue to hold them at current levels. This review is also considering the accounting treatment for the estimated loss, or impairment, in respect of the Icelandic investment in view of the legal status of the claim and repayments that continue to be made.
- 12.13. At this stage it is envisaged that this review will identify the potential to release sums held within balances that could be considered for use to support the 2013/14 budget or future budget pressures.

13. Earmarked Reserves and Provisions

- 13.1 The Council maintains a number of earmarked reserves and provisions, which allows it to prudently plan for future expenditure requirements. Earmarked reserves totalled £5.3m and provisions £0.4m at 31 March 2012
- 13.2. As part of the budget process a review has been undertaken into the level and appropriateness of earmarked reserves and provisions. The review concludes that the reserves and provisions detailed in Appendix D remain appropriate and at a broadly adequate level. However, further detailed work is on-going to confirm this assumption and the position will be considered as part of the final budget report.
- 13.3. It is currently assumed that:-
- we continue to use the S106 reserve to support costs of staff involved in monitoring S106 agreements.
 - the Capital Expenditure Reserve is used to meet the costs of the Minimum Revenue Provision in respect of the Community Stadium.
 - the Pensions Provision is used to meet the additional cost arising from the triennial review.

14. Capital Programme

- 14.1. Proposals for changes to the capital programme in 2013/14 will be set out within the budget report to Cabinet in January. This will include an assessment of forecast capital resources and capital funding proposals. There are two projects to specifically consider at this stage for inclusion in the capital programme and the subsequent release of resources.

UCC FSR

- 14.2. The separate report in this agenda sets out the business case for the UCC FSR. The report sets out both the revenue and capital implications showing an additional capital cost of £2.4m. This cost is expected to be mostly incurred during 2013/14 and 2014/15.

Olympic legacy project

- 14.3. Appendix E sets out proposals relating to a project to deliver an outside gym in the Castle Park. Funding for this project has been identified through S106 resources.

However, £94k of this is linked to the development of the Jarmin Road residential development and the timing of S106 payments means that delivering this project would have to be delayed. The option exists for the Council to therefore cover this anticipated initial shortfall as part of the capital programme to enable the project to progress next year.

14.4. Based on the existing capital programme including decisions made this year and capital receipts achieved there is an anticipated current surplus of c£0.9m. Looking ahead to 2013/14 there are further receipts forecast of c£2.5m. Therefore based on actual and anticipated resources in the coming year there is sufficient funding available to meet the cost of the required capital investment in respect of these two projects.

14.5. It is important to note that capital resources are limited, although the Council is able to consider borrowing to support the capital programme in line with the prudential borrowing powers. There will be other possible capital projects that will be seeking funding and therefore the Council will need to carefully consider different priorities for investment.

15 Council Tax Discounts

15.1 The Local Government Act 2003 gave local billing authorities the ability to vary the discounts on second and empty homes. In May 2012 the Government published the results of the consultation into the ideas discussed in the Technical Reforms of Council Tax paper launched in October 2011. The main areas of interest for the Council are around the proposals for reducing or abolishing some discounts and exemptions. The proposals themselves are currently part of the Local Government Finance Bill, which has recently been enacted.

15.2. Local authorities have been given the opportunity to use new powers within the Finance Bill to reduce the level of discounts currently granted in respect of second homes and some classes for empty properties. This will result in an increase in the council tax base and an increase in the amount of council tax receivable by the Council. The main recipient of the additional Council Tax receivable will be the Essex County Council as the amount will be apportioned between the major precepting authorities: Essex County Council (ECC), Essex Police Authority (EPA) and Essex Fire Authority (EFA). The anticipated discretion for 2013/14 is subject to Government determining the necessary statutory changes.

15.3. The areas where the Council now has discretion to change discounts are:-

Government Proposal	Current Arrangements	Options
<i>1. Second Homes:</i>		
Extend the range of discount available to billing authorities to allow them to levy up to full council tax on second homes.	Authorities allowed to grant a discount of 10% - 50%. CBC – 10% discount allowed.	Discount of 10% or 0%.
<i>2. Empty dwellings undergoing major repair ("Class A"):</i>		
Abolish the Class A exemption and empower billing authorities to give a discount which they may set at 100% or any lower percentage. The maximum period for the exemption will remain at one	Current scheme – 100% discount for up to one year. CBC – 100% discount for up to one year. No discount provided after one year.	Discount between 100% and 0% for a period of 12 months.

Government Proposal	Current Arrangements	Options
year. A discount of between 0% and 50% can be set after one year.		
<i>3. Vacant dwellings (Class C):</i>		
Abolish the Class C exemption and empower billing authorities to give a discount which they may set at 100% or any lower percentage. The maximum period for the exemption will remain at six months.	Current scheme – 100% discount for up to six months. CBC – 100% discount for up to six months. No discount provided after six months.	Discount between 100% and 0% for a period of 6 months.
<i>4. Empty Homes Premium</i>		
Introduce primary legislation to implement an empty homes premium. A premium would become payable on a dwelling if it has been empty and unfurnished for at least two years. The maximum premium allowable would be 50%.	Current scheme – discount allowable between 0% and 50%. CBC – discount of 0% (i.e. full charge levied).	Premium charge between 0% and 50%.

15.4. These changes have been proposed by the Government as part of the agenda to promote decentralisation and localism and that given Council Tax is a local tax this forms part of this broad agenda. Whilst there are financial implications in terms of increasing Council Tax revenue, it should also be recognised that these options can lead to some behavioural change i.e. properties being brought back into occupation earlier. Whilst this may in turn reduce the potential extra income it will potentially have other benefits such as increasing the supply of housing.

15.5. As stated earlier, the largest recipient on any additional Council Tax revenue would be ECC. An agreement has operated for a number of years with ECC for a proportion of additional income due to the reduction in discount on second homes to be returned to CBC. Last year this percentage was reduced from 60% to 50% and ECC also gave the Council notice that this arrangement will end at the end March 2015. Discussions are currently taking place with ECC and the other major preceptors concerning how this concept might be applied to the wider discretion available for these other discounts.

15.6. It is proposed that Cabinet support the principle of using the discretion to change Council Tax discounts and is therefore minded to reduce discounts to support the aim of bringing properties back into use and increasing the supply of housing. It is proposed that the decision in respect of these discounts is delegated to the Portfolio Holder for Business and Resources.

16. Strategic Plan References

16.1. The Council has agreed an over arching vision for the Borough: Colchester, the place to live, learn, work and visit. Alongside this are number of broad aims.

16.2. The 2013/14 budget and the Medium Term Financial Forecast will be underpinned by the Strategic Plan priorities and will seek to preserve and shift resources where needed to these priorities.

17. Consultation

17.1. The Council is required to consult on its budget proposals. A consultation exercise took place as part of the production of the Strategic Plan agreed by Council in February 2012.

17.2. The budget strategy and timetable aims to ensure that information is available for scrutiny and input from all Members on proposals in the process. The aim is that detailed information will be available prior to the final budget report being submitted to Cabinet and approval by Council in February.

17.3. As has been the case in previous years the opportunity remains open for the leader of the opposition to meet with officers to assist with consideration of any alternative budget proposals.

17.4. Furthermore, we will continue with the statutory consultation with business ratepayers and will meet with parish councils in respect of grant funding.

18. Financial implications

18.1 As set out in the report.

19. Risk Management Implications

19.1 The strategic risks of the authority are being considered in developing the 2013/14 budget and all forecast savings/new income options are being risk assessed as part of the budget process.

20. Other Standard References

20.1 Having considered publicity, equality, diversity and human rights, community safety and health and safety implications, there are none that are significant to the matters in this report.

Background Papers

Report to Cabinet 3 October 2012 – 2013/14 Revenue Budget Update

2013/14 Budget Timetable	
Budget Strategy March 12 – July 2012	
March – June (SMT and Budget Group)	Budget Group Meetings Agreed Update MTFE /Budget Strategy Review potential cost pressures, growth and risks Consider approach to budget Initial budget reviews started
Cabinet – 4 July 12	<ul style="list-style-type: none"> • Report on updated budget strategy / MTFE • Timetable approved
SOSP – 17 July 12	Review Cabinet report
Budget Group / Leadership Team - June / July	Consider review of capital programme Consider approach to consultation
Detailed Budget preparation and Budget Setting Consultation	
Budget Group / Leadership Team regular sessions on progress / budget options now - December	Review budget tasks Consider outcomes of Fundamental Service Reviews
Cabinet –3 October 12	<ul style="list-style-type: none"> • Budget Update • Review of capital resources / programme (if available)
Cabinet – 28 November 12	<ul style="list-style-type: none"> • Budget update • Reserves and balances • Government Finance settlement (if available)
FASP – 22 January 13	Review consultation / Budget position (Detailed proposals)
Cabinet – 23 January 13	Revenue and Capital budgets recommended to Council
Council – 20 February 13	Budget agreed / capital programme agreed / Council Tax set

REVIEW OF REVENUE BALANCES 2013/14

RISK MANAGEMENT ASSESSMENT

Introduction

A risk assessment has been undertaken to determine the prudent level of general fund balances as part of the 2012/13 budget process.

Background

Historically we have maintained a strong level of balances and these have been used to:-

- Support the annual budget - particularly to fund one off items.
- Fund new initiatives identified during the year.
- Provide cover for cashflow and emergency situations.
- Provide flexibility and a resource for change management.

The following table set out general fund balances over recent years:-

	£'000	
31 March 2007	2,708	(includes £902k to support 07/08 budget)
31 March 2008	3,347	(includes £1,232k to support 08/09 budget)
31 March 2009	2,891	(includes £1.17k to support 09/10 budget)
31 March 2010	3,926	(includes £1.89m to support 10/11 budget)
31 March 2011	3,457	(includes £1.6m to support 11/12 budget)
31 March 2012	4,919	(includes £3.1m to support 12/13 budget and beyond)
31 March 2013 (estimated)	2,739	Based on being 'on budget' in 12/13 (includes £900k allocated for future years)

A thorough review of the balances position was reported to Cabinet as part of the 2012/13 budget exercise. This included a risk assessment to establish the minimum level, which was agreed at £1.5 million.

Risk Assessment

The risk assessment has been kept under review. The results of the current assessment are summarised in schedule 1. This shows a proposal to increase the minimum level of balances to £1.8 million. It is then a matter of judgement whether it would be desirable to hold any further level of balances beyond this, or to seek to rebuild balances above this level to provide for future flexibility. The overall assessment will be considered in more detail as part of the final budget report.

The main issues to mention concerning the assessment are: -

- The key reason for proposing to increase balances is the new risks associated with major Local Government reforms such as the creation of a Local Council Tax Support Scheme and the local retention of business rates.

- While the possible requirement to meet capital spending from revenue resources is still recognised as a potential risk the assessment is "nil" because of the current level of funds held in the capital expenditure reserve and the introduction of the Prudential Code.
- Investment income has been identified as a risk area. In last year's risk assessment this was classified as a "high risk" and due to the continuing uncertainty in the world economy this has been maintained.
- The assessment includes the risk that the VAT exemption limit will be exceeded with a consequent loss of recoverable VAT. Regular monitoring and active management of new schemes minimises this risk.

Implications

The risk assessment will be carried out at least annually as part of the budget process. While the current assessment indicates a minimum level it is important to recognise that there are implications of operating at this level. As noted above we have traditionally had a level of balances that have provided flexibility and enabled new initiatives to be considered outside the annual budget process. Operating at the minimum level requires an approach and a discipline to: -

- Ensure all spending aspirations for the coming year are assessed as part of the annual budget process. The continued development of the Medium Term Financial Forecast will assist in this.
- Recognise that it will not be possible to draw on balances to fund new discretionary initiatives identified in the year, however desirable they may be; an alternative source of funding would need to be identified.
- Realise future assessments could identify a need to rebuild balances
- Accept that the potential for interest earnings on balances will change depending on the level of balances held. (This will be reflected in the budget accordingly).
- Acknowledge that any balances desired for future flexibility/change management will need to be built up over and above the prudent level identified.

In addition it is acknowledged that it may be necessary for balances to fall below the recommended level. Balances are provided to mitigate unbudgeted cost pressures and as such at times they may be used to provide temporary support to the Council's budget.

REVIEW OF REVENUE BALANCES 2013/14

RISK MANAGEMENT ASSESSMENT

Factor	Assessed Risk		
	High £'000	Medium £'000	Low £'000
Cash Flow	950		
Capital (nil given reserves and receipts)			0
Inflation		100	
Investment Income	150		
Trading Activities and fees and charges		200	
Emergencies		50	
Benefits			100
New Spending – legal commitments			100
Litigation		150	
Partnerships			100
VAT Exemption Limit			350
Budget Process		100	
Revenue impact of capital schemes			150
Impact of Local Government Finance reforms (Welfare Reform, including LCTS and retention of business rates scheme)	300		
	1,400	600	800

	Minimum Provision
High Risk – 100%	1,400
Medium Risk – 50%	300
Low Risk – 10%	80
Sub Total	1,780
Unforeseen factors,	20
Recommended level	1,800

Note: detailed assessment to be updated as part of final budget report

**General Fund Balances
Current Position**

	£'000	£'000
Balance as at 31 March 2012 (As per Statement of Accounts)		4,919
Use of balances during 2012/13:		
• Financing carry forwards – Proposed carry forward of 12/13 budgets		141
• Funds released in previous years carried forward to 12/13 and future years (note 1)		1,420
• Supporting the 12/13 and future years Budget (Note 2)		1,400
• Further Changes in 2012/13		137
Projected Balances as at 31 March 2013		1,822
Proposed minimum balance (subject to review)		1,800
Potential Surplus Balances as at 31 March 2013		22
<i>Potential net budget surplus 2012/13 (Note 3)</i>		202
<i>Potential Revised surplus (Note 3)</i>		224

Notes:

1. This includes previous approved releases from balances which have not yet been spent including funding agreed by Cabinet in March as part of the Jubilee budget. These items are currently being reviewed to confirm whether all allocations are still required.
2. This includes funding allocated in balances in respect of a number of key risk areas such as the various Government welfare reforms and proposed changes in respect of NNDR. This also includes a provision for future cost pressure in respect of Community Stadium funding.
3. The latest budget outturn forecast for 2012/13 reported to Finance and Audit Scrutiny Panel shows a potential surplus of £202k after allowing for use of the risk factor of £285k. This therefore shows the impact if this position did occur.

Earmarked Reserves and Provisions

A. Earmarked Reserves

Reserve	Amount 31/03/12 £'000	Estimate 31/03/13 £'000	Comment
Renewals and Repairs (including Building Maintenance Programme)	1,608	1,200	Maintained for the replacement of plant and equipment and the maintenance of premises. Annual contributions are based upon the estimated renewal or repair cost, spread over the life of the asset.
Insurance	314	200	The 12/13 budget includes an additional contribution of £150k towards these costs and this will continue for 13/14. To cover the self-insurance of selected properties. The balance of the fund is split with a proportion specifically identified as a provision against the cost of claims (see section B). The actuarial review carried out at the beginning of the year has identified this as a prudent level of reserve to hold in respect of the risks covered.
Capital Expenditure	1,382	1,000	Revenue provision to fund the capital programme. The reserve is fully committed to funding the current capital programme. However actual use of balance is dependent not only on progress of spending on approved capital schemes but also level of other resources, mainly capital receipts, received. This Reserve is also being used to support some financing costs of the Community Stadium
Asset Replacement Reserve	12	0	A reserve for the future replacement of vehicles and plant. The vehicle replacement policy has been reviewed. Revenue contributions to this reserve have now ceased and the funding is now sourced from the Council's Capital Programme.
Gosbecks	357	350	Maintained to provide for the development of the Archaeological Park. The main source of funding was a 'dowry' agreed on the transfer of land.
Heritage Reserve	2	1	This represents balance held of museums donations and as such represents a small element of the

Reserve	Amount 31/03/12 £'000	Estimate 31/03/13 £'000	Comment
Mercury Theatre	218	0	Council's support to heritage schemes. Provision for the building's long term structural upkeep. Cabinet has agreed to use funds in this reserve to support roof repairs to the Mercury Theatre.
Hollies Bequest	8	7	Provision for the upkeep of open space.
Section 106 monitoring	107	60	Required for future monitoring of Section 106 agreements. From 2010/11 onwards it has been agreed to use £70k from this reserve. Given the reduced balance the MTFF assumes a contribution of £30k from 2013/14.
Revenue Grants unapplied	712	200	Under new accounting rules any grant received where there are no clear conditions that the grant is repayable if not spent now have to be transferred to this reserve. For all these grants proposals for use of the money exist and the funds are held in the reserve until the money is spent.
Regeneration Reserve	35	0	Contribution to reserve in respect of balancing any deficit in funding schemes in particular years.
Parking Reserve	509	350	As part of the existing 'on street' parking arrangements there is requirement to keep any surplus funds separate from the General Fund. With the North Essex Parking Partnership (NEPP) there is also a requirement to hold separately funds provided to support TRO (Traffic Regulation Order) work and also initial funding provided by Essex County Council
Building Control	41	0	The Building (Local Authority Charges) Regulations came into force on 1 April 2010. The new charges allow Building Control to more accurately reflect the cost of chargeable services. In any year there is therefore the likelihood of a balance on this account that must be assessed as part of ongoing charges.
Heritage Mersea Mount	13	10	Funding received from English Heritage towards costs relating to Mersea Mount.
	5,318	3,018	

B. Provisions

Provision	Amount 31/03/12 £'000	Estimate 31/03/13 £'000	Comment
Insurance	401	300	This element of the fund is specifically set aside as a provision to meet the cost of identified claims including subsidence. It also includes a contingency for liable costs if a previous insurer, which has gone into administration, is unable to remain solvent.
	401	300	

Olympic Legacy Project

Background and Aims

For some time, the idea of an outside gym to encourage greater active participation in parks and open spaces has been considered but has not come to fruition due to financial constraints. Outdoor gyms are becoming increasingly popular and several companies are now offering specialised equipment for an outdoor venue. The opportunity to encourage a more diverse range of residents to take structured exercise in a welcoming outdoor environment has not been offered before but with the impact of the London 2012 Olympics and an increasing awareness of wellbeing issues and problems associated with obesity it is timely to address this issue. The idea of a “play area for adults” may initially seem amusing but there are many benefits to be derived from such a facility not least health and wellbeing.

The aim of the Olympic legacy project is:-

- To encourage outdoor fitness
- To encourage exercise whilst having fun with friends and family
- To create a suitable meeting place for a casual workout
- To link with Leisure World’s activity programmes as an outdoor venue
- To provide teenagers and adults of all ages free-to-use cardiovascular and strength workouts within a natural environment
- To provide appropriate alternative adult play facilities to redirect older users from children’s play areas
- To provide opportunities for new recreational uses

The Olympic Legacy project will incorporate a social fitness zone, items to assist more senior residents to improve their health and wellbeing and equipment targeted at teenagers and young adults.

The proposed location for the Olympic Legacy project is to the rear of the Castle Park café on land that has been used for crazy golf and previously for glasshouses when there was a productive plant nursery within the park.

The procurement process will involve inviting suitable companies to submit designs against a design brief and then evaluating those responses in terms of value for money, compliance with brief, range and suitability of equipment and overall design.

Financial Implications

The planning application associated with the Jarmin Road residential development is delivering contributions for affordable housing and a contribution of £94k towards the Olympic Legacy project through the S106 agreement. The S106 agreement has been drafted to secure a £94k contribution for such a legacy project. The wording of the agreement ensures the developer’s obligation remains regardless of any progress that may be made in advance of the S106 payment being triggered.

On the basis of a project budget of £125k this would leave a funding shortfall of £31k. It has been identified that there is sufficient funding in the Open space sport and recreational facilities S106 borough projects and Castle Ward contributions to meet this shortfall, subject to the normal procedures for the allocation of S106 contributions.



Cabinet

28 November 2012

Item
9(i)

Report of	Head of Resource Management	Authors John Fisher & Sara Wilcock
Title	Localised Council Tax Support 2013/14	☎ 282326
Wards affected	All wards	

This report requests Cabinet to recommend to Council a new policy to create a Local Council Tax Support scheme.

1 Decision Required

- 1.1 To agree and recommend to Council the Localised Council Tax Support Scheme as set out within this report and detailed in the Policy document.
- 1.2 To agree the change to the Council's Scheme of Delegation to Officers as set out at paragraph 6.1.

2 Reasons for Decision

- 2.1. The Welfare Reform Act abolishes Council Tax Benefit (CTB), and replaces it with a Local Council Tax Support scheme (LCTS). A new Local Government Finance Act and regulations set out how the Council must create a LCTS scheme, removing most of the existing complex legislation. This will mean the majority of LCTS awards will be based on criteria set and administered by each local billing authority (such as Colchester), having consulted with the major precepting authorities (i.e. Essex County Council, Fire and Police authorities) and the public. The Act and regulations will direct how authorities will support pensioners, with little change to the way their entitlement is presently decided.
- 2.2. New draft regulations set out that the Council must finalise its local scheme by 31 January 2013.

3. Alternative Options

- 3.1. The Council must agree a LCTS scheme. If the Council does not set a scheme based on agreed local criteria then the "default scheme" will need to be used, the cost of which would almost certainly be higher than the level of grant funding, resulting in a budget pressure.
- 3.2. There are a number of different criteria which could be used to deliver a cost neutral scheme. Other Essex billing authorities are expected to agree some different arrangements reflecting their own local circumstances.
- 3.3. It would be possible for the Council to meet the shortfall in funding from the Council's budget. However, this would also create a pressure on the major precepting authorities' budgets and the approach agreed across Essex has been to produce a scheme which is expected to be cost neutral.
- 3.4. The Government announced details of a transitional grant that would be available to authorities that approved a LCTS scheme that met certain criteria. Information on this is

set out at Appendix A. This shows that there is an anticipated funding gap if the Council was to set a 'grant compliant' scheme.

4. Supporting Information

- 4.1. The major precepting authorities will share the financial risks associated with LCTS. Representatives from all the Essex billing authorities and Essex County Council have been working together to jointly develop a county wide framework, reflected in the proposals in this report.
- 4.2. The Policy Review and Development on 6 August 2012 considered the implications of the LCTS scheme and specifically draft proposals for the new scheme were considered by Panel. The Panel resolved that
 - the development of a cost neutral scheme be continued;
 - the criteria proposed be approved and included in a LCTS policy document.
- 4.3. Regulations will require that pension age people will not be affected financially when their existing claims move to LCTS. They also direct that councils should consider steps to encourage people to find work, protect vulnerable people, and prevent child poverty.
- 4.4. The Essex project group has looked for ways to create affordable local schemes, with the priority to minimise the impact on existing and future claimants.

5. Scheme design

- 5.1. It is estimated the Council will pay CTB of £11.5m this year (2012/13). The trend of annual growth because of the increasing number of claims is 4%, indicating the cost of Council Tax Support for 2013/14 based on existing criteria would be in the region of £11.9m.
- 5.2. Currently, Government Subsidy meets the full cost of CTB. For 2013/14 the Government will be providing a fixed grant which will be paid to billing and major precepting authorities. As previously stated the total funding is being reduced by 10%. Indicative grants for 2013/14 have been provided which in total for Colchester are £9.9m, of which it is expected that £1.294m will be paid to this Council with the balance received by Essex County Council, and Fire and Police authorities. In total there is an estimated funding gap of £2m.
- 5.3. Effectively, a cost saving can only involve and impact working age people. To provide some local context, 61% of these presently pay no Council Tax because of the type or the low level of their income. On average each person's Council Tax Benefit is c£850.
- 5.4. To make a sufficient saving would involve continuing full support to some as we do now, and impact the minority of people; or spread the reduced level of support across all working age claims. This could mean either:
 - people with low means-tested incomes (presently receiving partial CTB) will lose about two thirds and have to pay c£660 more (£12.70 more per week); or
 - every working age person would pay about £260 more (£5 more a week) on average.
- 5.5. The main effect of spreading the saving across all working age claims is that the majority who presently pay nothing would have to pay something. It is acknowledged that this creates a challenge to maintain high collection rates, as it is possible requests to defer or protract payments will increase; or those affected might decide to delay or not pay, increasing effort and cost for administration, leading to more people going through the legal process of recovery.

Recommended scheme criteria

- 5.6. The following table sets out recommendations to meet the £2m shortfall, with supporting comments about each action. The proposals remain the same as those considered and agreed by the Policy Panel. Modelling, using current caseload data, illustrates the potential financial effect of proposed changes to the benefit scheme. The total projected saving is the sum of each of the actions separately. Several people will be affected by more than one action depending on their circumstances. 'Multi-modelling', to adjust the saving to reflect people affected by more than one action, results in a saving of c£2m.

Note	Action	Number affected	Value £'000
1	Maximum liability 80%	8,079 (all)	1,525
2	£6,000 capital/savings limit	98	73
3	Abolish Second Adult Rebate	82	18
4	Flat rate £10 non-dependant deduction	275	72
5	Take account of maintenance in full	288	99
	Take account of Child Benefit in full	1647	753
6	Flat rate £25 earnings disregard	300	+ 97
Total working age impact (based on individual actions)			2,443
Estimated adjustment combined impact of actions			(400)
Total estimated saving			2,043

Note 1 - Currently Council Tax Benefit is awarded or calculated based on the claimant's full liability (100%). Instead, it is recommended to use 80%, meaning each working age claimant would have to pay at least £3.63pw more than they do now.

Note 2 - Council Tax Benefit takes account of 'tariff income' in lieu of interest on their savings between £6,000 and the current £16,000 limit. A single limit of £6,000 for Council Tax Support, and abolition of tariff income, will simplify the new scheme by removing complicated administration and explanation; and could be held to indicate support is for people in more immediate financial need.

Note 3 - Second Adult Rebate is paid when the claimant's income is more than other people in their home. In practice, it is complicated to promote and explain, difficult to administer; and has proved to be ineffective as a solution and no real advantage for collection.

Note 4 - The existing range of 5 rates of 'non-dependant' deduction, reflecting the number and incomes of other people in the claimant's home, require claimants to ask for (and prove) personal details about wages and details from the people they live with. A single flat rate in future would stream line the application process and remove the need to know other people's incomes, making the process easier and more transparent.

Note 5 - Child Benefit and child maintenance are currently disregarded in full. £15 of maintenance for adults is disregarded. This is in contrast to no disregard for most other types of unearned income and a £5 disregard for most earnings. This seems to give an advantage to people receiving maintenance, particularly when it is high to the extreme of being affluent. It is recommended to remove these disregards to make it fairer for everyone, helping to distribute the budget saving more evenly.

Note 6 - Earnings disregards are intended to provide an incentive to work. The current £5 disregard for single people has remained unchanged since 1993. It is one of five earnings disregards (including £5, £10, £20 and £25) relative to the claimant's circumstances. A single (flat rate) £25 disregard will simplify the new support scheme and would indicate a greater or more attractive incentive, albeit it would be affected by the taper in the calculation, by which the true gain of support would be less. A fifth higher earnings disregard linked to tax credit awards would continue unchanged.

- 5.7. Retention of existing extra living allowances for children and families, higher earnings disregards, and allowances for child care fees, act to safeguard against child poverty.
- 5.8. The current safeguards for vulnerable claimants, for example people who are blind or receiving Attendance Allowance, exempting them from non-dependant deductions, will continue.
- 5.9. The report to the Policy Review and Development Panel set out other actions which may have been necessary depending on the estimated spend and grant for next year. This included options such as a further limit on the liability used for calculation to band D and taking all unearned income into account. Currently, it is estimated, that these and other options are not necessary to achieve the saving required, although these are a feature of some other councils' schemes.
- 5.10. The Policy Panel also considered excluding 'extended payments' from the Council's policy, costing c£29,000 for CTB, which helps long term unemployed when they find work, to tide them over until they get their first wage. The Panel agreed the development of an alternative such as a 'Return to Work Bonus' as an additional form of Council Tax Discount, as perhaps a more obvious incentive. At this stage it has not been possible to propose a viable solution, and this will be investigated further for the 2014/15 scheme.
- 5.11. The abolition of CTB removes the statutory option to award Discretionary Housing Payments to help people. Awards for exceptional hardship will avoid hardship and distress for vulnerable people. The Policy Panel supported the principle to develop a Discretionary Support Fund, based on the same criteria as Discretionary Housing Payments. The fund would provide short term targeted assistance to working age applicants particularly to aid and assist the most impoverished families. Criteria will be developed to help ensure that additional support is given to those most in need in a fair and transparent manner.
- Proposals for the criteria include that the tax payer must;
- make a separate application for assistance,
 - provide full details of income and expenditure,
 - be willing to receive assistance from either the Authority or third parties, (such as the Citizens Advice Bureau) regarding financial management,
 - ensure that payment methods and arrangements are explored to assist the taxpayer,
 - assist the Authority to minimise liability by ensuring that all discounts, exemptions and reductions are properly granted,
 - maximise income through the application of other welfare benefits and identify the most economical tariffs for the supply of utilities.

Funding for the Discretionary Support Fund is currently being reviewed and will be set out when confirmation of Government and other funding is known.

Other scheme change

- 5.12. The current regulations require the Council to consider a claimant's 'underlying entitlement' when they have been overpaid. This is mainly caused by changes of people's circumstances and how long they can take to tell the Council, in relation to a one month time limit for a change that would increase their benefit. It is recommended to remove underlying entitlement for Council Tax Support. People will still be expected to report changes straight away. In fairness, changes will be taken into account from when they occur, if the person has good cause to delay telling us. Separate penalties can be applied for failure to supply information. People will be protected by their right of appeal.

5.13 It is a requirement to set out the LCTS scheme in a Policy document which details the 'rules' of the scheme. This needs to be approved by Full Council. This document is provided as a Background Paper and a summary is shown at Appendix B.

6. Delegation to Officers

6.1. The Council's Constitution sets out a delegated power to the Head of Resource Management to operate and administer Council Tax Benefit, including provisions for debt collection and legal proceedings. Cabinet is asked to agree that this is amended to add and include Council Tax Support.

7 Proposals

7.1 It is proposed that:-

- (i) Cabinet recommend to Council that the Local Council Tax Support Scheme as set out within this report and detailed within the Policy document be agreed for 2013/14.
- (ii) The scheme of delegation be updated to reflect the operation and administration of the Local Council Tax Support Scheme.

8. Strategic Plan References

8.1. The Council's Strategic Plan sets out several priorities including delivering an efficient benefits service and supporting more vulnerable groups.

9. Consultation

9.1. The Local Government Finance Bill sets out that Billing Authorities have to hold a public consultation on LCTS proposals. To comply with this a 6 week consultation started on 1 August and finished on 12 September, coordinated with each of the Essex authorities and working with Essex County Council.

9.2. Responses to the Council's proposals for the new scheme are set out at Appendix C.

9.3. A range of initiatives were undertaken to promote the consultation across both Essex and Colchester. Within Colchester this included writing to 8000 current working age Council Tax benefit recipients, inviting stakeholders to participate, and, advising Council Tax payers throughout the borough of the consultation.

9.4. As a legal requirement, the major precepting authorities have been consulted and agreed the framework, on the basis of a cost neutral scheme to avoid affecting the general population, thereby reducing support to some current recipients.

9.5. This report was considered by Strategic Overview and Scrutiny Panel on 30 October 2012 and the minutes of this meeting are provided in this agenda.

10. Publicity Considerations

10.1 A communication plan has been developed by all the Essex authorities, working with the Essex Communications Group. This includes a coordinated approach for websites, press releases and leaflets, leading up to the annual posting of Council Tax bills in March.

10.2. The Council aims to contact all current working age recipients of Council Tax Benefit in January to advise how the changes will specifically affect them. We will be advising

customers of easy ways to pay as well as whom to contact in case of difficulty in paying. The Council will provide proactive information to those affected to help them pay their Council Tax and minimise the negative effect on the collection of this additional cost.

- 10.3. Literature that accompanies the annual council tax bill will also contain information and advice about the new Local Council Tax Support scheme; this will be sent to all residents in February/March 2013.

11. Financial Implications

- 11.1. The effect of the local funding gap of c£2m will be borne by the major precepting authorities in proportion to their current precept size. Currently this equates to 11.8% for Colchester. This is significant as the extra amount payable by working age claimants will be a risk for payments to the Collection Fund.
- 11.2. The recommended policy covered by this report is intended to deliver a “cost neutral scheme”, in other words the estimated cost of the LCTS scheme is in line with the provisional funding provided by Government.
- 11.3. The details of the Government transitional grant are attached at Appendix A. This shows that to comply with the criteria would result in total net funding gap in the region of £1m after allowing for the one-off grant and as such would not be ‘cost neutral’.
- 11.4. There are a number of potential financial risks involved with the LCTS scheme. These include:
- *Recovery of Council Tax.* There is a risk of a lower level of collection of Council Tax, given that more people will have to pay Council Tax and many for the first time.
 - *Recovery costs and resources.* The number of people paying Council Tax will increase and we will need to consider the impact on resources.
 - *Demand.* Under the existing benefit scheme there is no direct financial impact on the Council of changes in the amount of benefit paid. Under the LCTS scheme the Government grant will be a fixed sum and therefore any increase will be borne by all of the major preceptors including Colchester.
- 11.5. A range of measures will be on offer to affected people to help them to pay, including help to increase their income or reduce their expenses, and easy ways to pay such as weekly Direct Debit and other methods.
- 11.6. The LCTS scheme is based on a Council Tax discount, or in other words a reduction in the amount of Council Tax due. The proposed methodology for reflecting the cost of this is therefore to show it as a reduction in the Council Tax base (the number of equivalent Band D properties). In simple terms this will mean that the amount of Council Tax due will be less by the amount of Council Tax Support provided. On the basis of a cost neutral scheme this reduction in Council Tax should equal the level of Government grant provided. This will be considered in more detail in budget reports to Cabinet which will also consider the impact of any changes to the grant from that provisionally set out.
- 11.7. The Government is currently consulting on the methodology for dealing with Parish Councils in respect of the LCTS. The most recent proposal is that the tax base agreed by parish councils should not include any adjustment in respect of LCTS and that therefore the grant from Government should be retained by the billing authority. This protects parish councils from any impact of changes to LCTS costs in year and that these are therefore borne by the billing and major precepting authorities.

11.8. The agreed scheme for 2013/14 cannot be changed during the year. It is though recognised that it will be necessary to review the impact of the proposals and to consider any further changes that are considered required for implementing in 2014/15.

12. Equality, Diversity and Human Rights Implications

12.1. An Equality Impact assessment (EQIA) has been carried out of the draft policy in preparation for this report and for the consultation, and is available on the Council's website, or click [here](#).

13. Community Safety Implications

13.1. The proposals contain provisions for dealing with welfare concerns of residents, particularly vulnerable people and to avoid child poverty. It is intended to limit hardship to avoid giving rise to crime and disorder.

14 Health and Safety Implications

14.1. There are no health and safety implications.

15 Risk Management Implications

15.1. As highlighted earlier in the report there are a number of financial risks associated with the proposed introduction of the LCTS scheme. Once the Council has set its policy, it cannot be changed until the following financial year (2014/15). This therefore makes it essential to closely monitor LCTS scheme and the impact on collection rates.

Background Papers

Report and minutes of the Policy Review and Development Panel, 6 August 2012

LCTS Policy Document (*currently being redrafted. Final version will be presented to Council*)



Council Tax Support Draft policy guide

A summary of the scheme

Introduction

As part of the major changes to the Welfare Benefits system, from 1st April 2013 Council Tax Benefit will end and is to be replaced by a new scheme called Localised Support for Council Tax or Council Tax Support. Both systems are means tested which means that they compare your income and capital against an assessment of your needs.

The new scheme will largely be decided by each Council rather than nationally by Central Government (as now). Funding to each Council will be reduced and if you are of working age the amount of help you receive may be less than under the current scheme (Council Tax Benefit).

Regulations will protect pensioners (persons who are of an age where they can claim pension credit) and therefore if you are a pensioner and are currently receiving Council Tax Benefit, then the amount of help you receive under the new Council Tax Support scheme will be broadly the same and operate in a similar way to the current Council Tax Benefit system

To assist certain vulnerable groups, the Council has also decided that there will be additional protection given. More details are given later within this document.

The rules of the Council Tax Support scheme divide the persons who can claim support into various classes. The classes or groups are set out in regulations (law made by the Government) for pensioners and the classes or groups for working age applicants are set by the Council.

With the introduction of Council Tax Support, people who already receive Council Tax Benefit will automatically change to the new scheme. In particular, they will not be required to apply to for Council Tax Support, and the details they have already provided will continue to be used.

Initially, for people already getting Council Tax Benefit, the Council will write to them in March 2013, showing their new Council Tax Support and the details used to calculate it. It will then be important that the claimant or someone helping them should check their details, and let the Council know if they have changed.

The yearly amount of Council Tax Support will be shown as part of each person's Council Tax bill. This will also set out how much is left to pay and how to pay it.

Any questions or comments about this guide should be sent in writing to:

John Fisher, Finance Manager,
Resource Management, Colchester Borough Council,
PO Box 886, Colchester, CO3 3WG.

Or email john.fisher@colchester.gov.uk

<p>This is a draft document setting out proposals to be considered and agreed by the Council, and may change depending on funding details and further development of the scheme.</p>
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We can provide this document in other formats, for example, Braille, large print, CD or another language, free of charge. For more information about this, phone 01206 282600. If you use a textphone, dial 18001 01206 282600

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The draft Council Tax Support scheme for working age persons

The Council has decided that there will be two classes and the Council will decide which class each applicant is in. The class will determine the level of Council Tax Support that can be provided:

Class A

To obtain support the individual must:

- a. have not attained the qualifying age for state pension credit; or
- b. has attained the qualifying age for state pension credit if he, and his partner, is a person on income support, on an income-based jobseeker's allowance or on an income-related employment and support allowance.
- c. be liable to pay council tax in respect of a dwelling in which he is solely or mainly / resident;
- d. not have capital savings above £6,000;
- e. be a person whose income is **less** than their living allowances (*applicable amount*) or the claimant or partner is in receipt of Income Support, Jobseekers allowance (income based) or Employment and Support Allowance (income related); and
- f. have made a valid claim for support.

Class B

To obtain support the individual must:

- a. have not attained the qualifying age for state pension credit; or
- b. has attained the qualifying age for state pension credit if he, and his partner, is a person on income support, on an income-based jobseeker's allowance or on an income-related employment and support allowance.
- c. be liable to pay Council Tax in respect of a dwelling in which they are solely or mainly / resident;
- d. be somebody in respect of whom a maximum council tax support amount can be calculated;
- e. not have capital savings above £6,000;
- f. be a person whose income is **more** than their living allowances (*applicable amount*);
- g. have made a valid claim for support;

Council Tax Support payable to working age people

If a person matches the criteria in Class A, including that their *income* is less than their *living allowances (applicable amounts)* that person qualifies for 80% of their council tax liability. This also applies if a person in receipt of income support, on an income-based jobseeker's allowance or on an income-related employment and support allowance

If a person matches the criteria in Class B, it will mean the person's *income* is greater than their living allowances (*applicable amount*). Twenty per cent of the difference between the two will be subtracted from the maximum council tax liability allowed. The Council has decided that for 2013/14, the maximum council tax liability will be 80% of council tax the person is liable to pay.

Note: for the purpose of this draft document, the proposal to base liability on 80% is indicative. The Council may decide to use a different percentage depending on funding details and further development of the scheme.

How Council Tax Support works

Who can claim?

If you have to pay Council Tax, you may be able to get Council Tax Support (CTS) from 1st April 2013.

You can only get support if you have a right to reside and are habitually resident in the United Kingdom (UK). If you have entered the UK within the 2 years before your claim for benefit, the council will ask you about this.

People given refugee status, humanitarian protection or exceptional leave to remain in the UK will continue to be eligible for benefit.

Most full-time students are not entitled to Council Tax Support.

How much Council Tax Support can I get?

Maximum CTS depends on:

- Whether you are in the Pension Age scheme (attained the qualifying age for state pension credit) or are in the Working Age scheme;
- How much council tax you have to pay; and
- Who you live with.

Capital

Savings and investments (capital) may have an effect on the assessment of your income. Capital will only affect your income if you are of pension age and have more than £6000. If you are working age and have more than £6,000, you will not normally be able to get Council Tax Support. The figure is £16,000 if you are of pension credit age.

How to claim

New claims for Council Tax Support can be made electronically using the Council's e-claim interactive form, in writing or by telephone. See the Council's website at colchester.gov.uk/claim for more details or phone 01206 282600.

With the introduction of Council Tax Support, people who already receive Council Tax Benefit will automatically change to the new scheme. They will not be required to apply for Council Tax Support, and the details they have already provided will continue to be used.

All claims will need to be supported by evidence of your circumstances and this will need to be provided to the Council. If you are claiming Housing Benefit as well as Council Tax Support, the Council will provide you with a joint claim form.

If you are married and your husband or wife normally lives with you, or if you live with someone as though you are a married couple, only one of you can make the claim for Council Tax Support. You may choose who is to make the claim, or if you cannot agree who is to claim, the Council will nominate one of you to be the claimant.

Information and evidence

The Council may need more information or supporting evidence so that they can calculate your Council Tax Support. If all the information they need is not on the claim form, or they need to clarify something or want some more verification of your circumstances the Council will contact you. If you do not reply within one month a decision will be made on your claim based on the evidence you have provided.

How long will it take to decide your claim for Council Tax Support

The Council will deal with your claim for Council Tax Support as soon as possible after receiving all the information from you that they need to work out your entitlement

Date of claim

The date of claim will be the date of first contact provided that the claim form is returned to an office of the authority within one month of the claim form being issued.

If you change your address

If you move to a different Council's area, you would have to contact them to claim their Council Tax Support. Their scheme may be different. You must tell us when you move from our area, so we can stop your Council Tax Support and send you a revised bill.

Backdating a claim

If you are of working age, your claim to Council Tax Support may be backdated in some circumstances. You must prove to the Council that there was continuous good cause for not having made an earlier claim. However, for working age customers the maximum time the council can go back is 3 months from the date your claim for backdating was actually made. You must show there was 'good cause' for not making an earlier claim throughout the whole of any period you want backdated up to the date your claim for backdating was made.

If you have reached the qualifying age for state pension credit your Council Tax Support may be paid for up to 3 months before the date you made your claim. You do not have to ask for this and you do not have to show "good cause" for not having claimed earlier.

Start of Council Tax Support

If you become liable for the Council Tax for the first time, for example if you move to a new address or reach the age of 18 or stop being a registered student, you should claim either in advance (you may claim up to 13 weeks before you expect to become liable), or in the week that your liability starts. You then get support from the day you start being liable for Council Tax. If you claim later than this, your support starts on the Monday after the day you claim

If you are already paying the Council Tax and become entitled to support because you have less money or your applicable amount changes, you also start getting benefit on the Monday after you claim.

Appointees

An appointee, for the purposes of Council Tax Support, is someone over 18 appointed by the Council, to manage the Council Tax Support claim of someone who is incapable of doing so themselves (mainly because of mental incapacity).

If you are already an appointee for other benefits and wish to be the appointee for Council Tax Support, you should write to be appointed by the Council. The role and responsibilities are the same. If you wish to become an appointee you should get in touch with the Council; they will explain the process and your responsibilities. The authority can end the appointment at any time. It is ended automatically if one of the people listed below is appointed. As an appointee you can resign at any time.

An appointee cannot be made where there is already someone acting for the customer's financial affairs in any of the following capacities:

- a receiver appointed by the Court of Protection
- under Scottish law, a tutor, curator or other guardian, a continuing attorney or welfare attorney
- someone appointed to have the power of attorney.

How is maximum Council Tax Support calculated for the Working Age Scheme?

For the Working Age the maximum Council Tax Support is set by the Council as up to 80% of the council tax you are liable to pay less any non dependant deductions (see non dependant deductions later in this document). If you are already getting or have claimed Income Support, income-based Jobseeker's Allowance or income related Employment and Support Allowance then you will receive the maximum Council Tax Support.

How is maximum Council Tax Support calculated for the Pension Age Scheme?

For the Pension Age Scheme the maximum Council Tax Support is set by the Government as up to 100% of the council tax you are liable to pay less any non dependant deductions (see non dependant deductions later in this document). If you are already getting or have claimed Pension Credit Guarantee the Council will grant maximum Council Tax Support.

If you do not get Pension Credit Guarantee, Income Support, income-based Jobseeker's Allowance or income related Employment and Support Allowance

Even if you do not get Pension Credit Guarantee, Income Support, income-based JSA or income-related Employment & Support Allowance you may still get some help with paying your council tax. This is worked out by comparing the maximum Council Tax Support you could get with:

- your needs (called your living allowances or applicable amounts); and
- your income and capital resources.

Absences from home

There are some special situations in which you may continue to get Council Tax Support and these are explained below.

Going away

You should normally let the council know if you are temporarily absent. But the Council may not need to know if you will be absent for only a short time (for example 2-3 weeks) and your circumstances remain unchanged. If in doubt, ask us.

If you are temporarily absent you can normally get Council Tax Support for a maximum of 13 weeks as long as you:

- intend to return home; and
- you will not let or sub-let the part of your home you normally live in your absence; and
- you will not be away for longer than 13 weeks.

In certain circumstances, you may be able to get Council Tax Support for up to 52 weeks, for example if you are in hospital, or are held in custody on remand, provided that you:

- intend to return home; and
- you will not let or sub-let the part of your home where you live in your absence; and
- you will not be away for longer than 52 weeks.

Council Tax support when you have a new partner

You and your partner will be jointly and severally liable for the Council Tax.

If you notify the council of the change, either before, or in, the week that your partner becomes jointly and severally liable, support for you and your partner, as a couple, can be paid from the day that joint liability for council tax begins.

If you notify the Council of the change after the week in which your partner becomes jointly liable for Council Tax, support for you and your partner, as a couple, can only be paid from the Monday following the day you told the Council about the change. In this case, the Council will re-assess your support entitlement from the Monday following the day you and your partner become a couple, and they will take any income and capital your partner has into account and will look at your joint needs.

End of Council Tax Support

If you stop being liable for the Council Tax, for example if you move away from an address or become exempt or start being a registered student, your Council Tax Support stops on the day you stop being liable. If you no longer qualify for Council Tax Support because, for example, your income increases or your applicable amount changes, your Council Tax Support will be stopped from the beginning of the next support week.

End of Income Support, income-based Jobseeker's Allowance or income related Employment and Support Allowance entitlement and Pension Credit Guarantee

If you stop getting Income Support, income-based Jobseeker's Allowance, income related Employment and Support Allowance or Pension Credit Guarantee, you must tell the Council and they will have to stop your Council Tax Support. At the same time they will ask you to explain your new circumstances, because you may still be able to get some help with your Council Tax.

Extended Payments

Extended payments are intended to help long-term unemployed people who secure employment, by giving them an additional four weeks of Council Tax Support at the level they were previously entitled to before they commenced work. The award is dependant on specific criteria, including that you are in receipt of a particular 'qualifying income-related benefit' or 'qualifying contributory benefit'. Other criteria must be satisfied relating to the employment and the 'qualifying benefits'.

People who live with you - non-dependants

People who normally share your accommodation but are not dependent on you for financial support are known as non-dependants. Others who live with you as a family and any children you have fostered do not count as non-dependants.

Non-dependant deductions

Any non-dependants who normally share your accommodation could affect the amount of Council Tax Support you get whether or not you are also getting Income Support, income-based Jobseeker's Allowance, income related Employment and Support Allowance or Pension Credit Guarantee

These people do not count as non-dependants, whether they share accommodation or not:

- carers employed by a charity that charges for the service;
- joint tenants;
- subtenants;
- boarders;
- tenants of owner occupiers; and
- landlords/ladies and their partners.

They do not count as part of your household.

Non-dependant deductions from Council Tax Support

Non-dependants are people like grown-up sons or daughters and elderly relatives. If you have non-dependants living with you, your Council Tax Support may be affected.

Deductions will be made from your Council Tax Support for non-dependants aged over 18 who normally live with you. There is one level of deduction of £10 for each non-dependent.

A deduction will not be made for a non-dependant if the claimant or partner is:

- Registered blind or ceased to be within the last 28 weeks;
- Receives the care component of Disability Living Allowance at any rate;
- Receives Attendance Allowance or Constant Attendance Allowance.

A deduction will also not be made if the non-dependant is:

- receiving Income Support, income based Jobseeker's Allowance, income related Employment and Support Allowance or Pension Credit Guarantee;
- aged under 18 years;
- a full-time student
- receives Work Training (YT) Allowance
- in prison or detention;
- has been in hospital more than 52 weeks;
- does not normally live there;
- disregarded for Council Tax discount purposes.

Working out the amount of Council Tax Support

The maximum amount of Council Tax Support depends on:

- Whether you are in the Pension Age scheme (attained the qualifying age for state pension credit) or are in the Working Age scheme;
- How much Council Tax you have to pay; and
- Who you live with.

Calculating your needs - Living Allowances or Applicable Amounts

The living allowances (also known as applicable amounts) represent the needs of you and your family if you have one. The larger your family the larger your applicable amount. The applicable amount is made up of three parts:

- a personal allowance; and
- personal allowances for children in your family; and
- premiums.

For the Pension Age scheme this is set out in national regulations. For the Working Age scheme this is set locally by the Council. Your living allowance takes into account the size of your family, your age and extra needs you may have. It is made up of personal allowances and premiums. Premiums are included if you have a family, or disability, or a disabled child.

Personal allowance

Your living allowance (applicable amount) always includes a personal allowance. Different amounts apply according to your age and whether you have a partner.

Personal allowances for children

If you are looking after children (other than foster children) then you get an allowance for each child included in your applicable amount according to his or her age. This allowance is included until that child leaves school or reaches their 20th birthday.

A special rule applies if a child has left school and starts work before the Child Benefit stops.

Income less than your living allowance

In this case you get maximum Council Tax Support (depending on whether you are of Pension Age or Working Age this may vary in amount). You will also get maximum Council Tax Support if your income is the same as your applicable amount.

Income greater than your living allowance

In this case you will get an amount less than your maximum Council Tax Support. The amount by which your Council Tax Support is reduced is based on the difference between your income and your needs.

A percentage of this difference – called a taper – is taken away from your maximum Council Tax Support

Premiums for your family

Once personal allowances and allowances for children have been worked out, premiums can be added – if they apply – to make up your applicable amount.

Premiums or components for disabilities

These premiums are included in your applicable amount for people in your family with disabilities. There are three premiums and two components in this group:

- disabled child premium (for each disabled child in your household);
- disability premium (if you or your partner gets one of the benefits listed below or you have been off sick for more than 52 weeks);
- severe disability premium (if you are disabled and live in special circumstances);
- work related activity component; and
- support component.

Your children

A family premium will be included if you have any dependent children in your household. No matter how many children you have, you can only get one family premium.

Disabled child premium

The disabled child premium is a flat-rate premium, which may be awarded for each disabled child in your household and can be included with any other premiums. Your child is considered disabled if they are:

- registered blind
- or receiving Disability Living Allowance.

Disability premium

Disability premium will be included in your applicable amount if you and your partner are aged less than pension credit age and:

- either of you is registered blind; or
- either of you gets one of the qualifying benefits listed below; or
- has been off sick for 52 weeks or more.

Qualifying benefits

You will get the disability premium if you or your partner get any of the following benefits:

- Personal Independence Payments (replacing Disability Living Allowance) ;or
- Working Tax Credit Disability Element; or
- Constant Attendance Allowance; or
- War pensioners' mobility supplement; or
- Severe Disablement Allowance; or
- Incapacity Benefit – long term rate or short-term higher rate paid at the long term rate.

Severe disability premium

This premium cannot be included on its own. You must first qualify for the disability premium.

If you are single or a lone parent - the severe disability premium may be included in your applicable amount if you:

- receive the care component of Disability Living Allowance at the highest or middle rate, Attendance Allowance or Constant Attendance Allowance; and
- live alone (but if others live with you, see below); and
- no one receives Carer's Allowance for looking after you.

If you have a partner - you may get the severe disability premium if you both:

- receive the care component of Disability Living Allowance (DLA) at the highest or middle rate, Attendance Allowance (AA) or Constant Attendance Allowance; or
- your partner is blind and you receive the care component of DLA at the highest or middle rate, AA or Constant Attendance Allowance; and
- no one lives with you; and
- no one receives Carers Allowance for looking after either one or both of you.

For the purposes of severe disability premium your Council Tax Support is not affected if other people living with you are:

- Children; or
- aged 16-17; or
- a person who is registered blind; or
- receiving the care component of Disability Living Allowance (DLA) at the highest or middle rate, or Attendance Allowance (AA); or
- people caring for you who are employed by a charity making a charge for this service.

Work Related Activity Component

This is awarded where you or your partner receives main phase Employment and Support Allowance and receive a similar component within that benefit.

Support Component

This is awarded where you or your partner receives main phase Employment and Support Allowance and receive a similar component within that benefit.

Enhanced Disability Premium

Enhanced Disability Premium is awarded where you, or a member of your family, who is aged under 60 receives the highest rate of Disabled Living Allowance (DLA) or where the claimant is in receipt of Employment and Support Allowance Support Component. This premium will remain in payment if the DLA is suspended during hospitalisation. This premium is awarded at three different rates. They are for:

- each dependent child/young person in your household paid the highest rate of DLA;
- single person who receives the highest rate of DLA;
- couples where at least one member of the couple receives the highest rate of DLA.

Carer Premium

The Carer Premium is awarded if either you or your partner are looking after a disabled person and receive:

- Carer's Allowance; or
- Receive Carer's Allowance and would be entitled to it but for an overlapping benefit.

If both you and your partner satisfy the qualifying conditions two premiums can be awarded. The carer premium continues for eight weeks after caring ceases.

Calculating your resources

Your resources are made up of your income and your capital. These are worked out as a weekly amount of income.

Income

Income is all the money that you have coming in from earnings, social security benefits, maintenance payments and other sources. Depending on the type of income, it may be completely or partially ignored in the calculation of your Council Tax Support (the disregards), or taken fully into account.

Normally, your resources and those of your partner are taken together when your income and capital are worked out.

Income from employment

This explains what counts as your income from work you do, when you are employed by someone else. If you are a company director or any other officeholder in a company you are classed as an employee of that company.

Earnings from employment means any money you are paid when you work for someone else. This includes the following types of payments:

- bonuses or commission (including tips);
- money you get instead of your normal pay (for example, a liquidator may give you money when your employer stops trading and you are owed some pay);
- money you get in place of notice to end your employment, or money you get to make up for losing your job;
- money you get for holidays you did not take (holiday pay) – but not holiday pay owed to you more than four weeks after you stopped work;
- money you get if you are kept on while doing no work (for example, a retainer paid to school cooks during school holidays);

- expenses you are given to cover your travel to and from work;
- expenses you are given to cover the costs of looking after someone in your family
- any expenses you are given that are not essential for you to carry out your work;
- money you get, under the Employment Protection (Consolidation) Act 1978, if you are not given work because of bad weather, or money you get because of unfair dismissal;
- money that an industrial tribunal orders your employer to give you if the period of notice or redundancy that is required by law has not been given;
- money you get from your former employer's redundancy funds if the business goes into liquidation;
- Statutory Sick Pay or Statutory Maternity Pay;
- Statutory Paternity Pay and Statutory Adoption Pay;
- Employer's sick pay or employer's maternity pay
- earnings from permitted work, that is, work while you are getting an incapacity benefit which your doctor thinks would benefit your health.

Earnings from employment do not include:

- payment in kind (where no money is involved)
- expenses you are given that are essential for you to carry out work
- any occupational pension.

Net earnings

Once your gross earnings have been worked out, your council will take away:

- your income tax payments (allowing for personal relief); and
- your National Insurance (NI) contributions; and
- half of any contributions you make to an occupational or personal pension scheme (any amounts paid to a pension scheme by your employer do not count).

This gives your net earnings, which are used to work out your Council Tax Support.

Self-employed earnings

If you are self-employed, all the money you earn when you are not employed by someone else is known as your earnings from self-employment. You may have self-employed earnings even if you are also working for someone else, or if you are a franchise holder.

When working out your earnings the Council will want to know how much you earn when you are self-employed, and you will be asked to provide evidence of how much you earn.

There are three stages in working out your self-employed earnings. The first is calculating the gross profit of your business. In the second stage, deductions – which are called allowable expenses – are taken away from the gross profit to give the net profit of the business. In the third stage, tax, NI, and pension payments are taken away from your net profit to give your net earnings.

If the authority feels that your income from self-employment is not representative, it will calculate your net profit based on the number of hours worked multiplied by the national minimum wage.

Childminders

If you are a childminder only one third of your earnings from childminding will be taken into account when your council works out your Council Tax Support.

Earnings and earnings disregards

After working out your net earnings, any amount that is not counted in the calculation of your Council Tax Support is known as a disregard.

A single standard minimum earnings disregard of £25 for Working Age cases will be applied irrespective of whether you are a single person or part of a couple.

Additional disregard

If you work on average 30 hours a week or more you will usually be able to get an extra earnings disregard. In certain circumstances you can also qualify for the higher earnings disregard if you work 16 hours or more e.g. if you are a lone parent or disabled. This is the same amount as the 30-hour tax credit in your Working Tax Credit (WTC)

Childcare charges

In certain circumstances, average childcare charges of up to £175 (for one child) or up to £300 for 2 or more children per week per family can be offset against your earnings. This disregard, which is in addition to the other earnings disregards, is available to:

- lone parents who are working 16 hours or more per week;
- couples where both are working 16 hours or more per week;
- couples where one member is working 16 hours or more per week and, generally, the disability premium, or, in certain circumstances, the higher pensioner premium, is included in the applicable amount on account of the other member's incapacity or the other member is in hospital or in prison.

It applies where formal childcare is provided by, for example, registered childminders or day nurseries for children until the first Monday in September following their 15th birthday (or the 16th birthday for children who are entitled to Disability Living Allowance or who are registered blind).

In certain circumstances, help with childcare costs can be given while you are on maternity leave or paternity or adoption leave or you are sick. The authority will be able to give you more details.

In some other cases explained here, different amounts of your earnings are not counted.

If you are in receipt of Income Support, income-based Jobseeker's Allowance, income related Employment and Support Allowance or Pension Credit Guarantee, then any earnings you get will not be counted again in working out Council Tax Support.

Notional Earnings

If you have done some work and you seem to have been paid very little for it, then the council will estimate what that work is worth. If you have a good reason for the pay being so low – for example, if you worked for someone who had very little money – then you should let the council know. If necessary, the Council may check your statement of earnings by asking your employer.

Other income

Other income is all the other money you have coming in apart from earnings from employment or self-employment. It is sometimes called unearned income. In some cases none of your unearned income is counted. Sometimes part of it is counted. Other incomes such as child maintenance and adult maintenance will be counted in full.

Unearned income that is counted in part

The following are the types of unearned income that are only partly counted.

- the first £15 of Widowed Mother's Allowance or Widowed Parent's Allowance;
- the first £20 of any money from sub-tenants; or
- the first £20 then 50% of the excess of money you receive from a boarder is ignored. The balance is treated as income.

Unearned income that is not counted

The following types of income are not counted by the Council when it works out your Council Tax Support:

- any income you get if you are getting the Guarantee Credit or Pension Credit, Income Support, income related Employment and Support Allowance (ESA) or income-based Jobseeker's Allowance (JSA);
- Disability Living Allowance (DLA);
- Attendance Allowance (AA) or Constant Attendance Allowance (CAA);
- Attendance allowances paid as part of a War Disablement Pension or Industrial Injuries Disablement Benefit;
- money you get which takes the place of DLA, AA, CAA, or Income Support;
- war pensioners' mobility supplement;
- any money you get from the Social Fund;
- Guardian's Allowance;
- money you get as a holder of the Victoria Cross, the George Cross, or any comparable award;
- any grants or allowances you get from your local education authority if you have a dependent child who continues in education after school leaving age;
- any training premium and any refunded travelling expenses or living away from home allowances when you are on a Department for Education and Employment Training Scheme training course or at an employment rehabilitation centre;
- any money such as interest or dividends from savings or investments;
- any expenses you get from an employer that you need to carry out your work;
- any expenses you get from a charity so that you can carry out unpaid work;
- any income in kind (where you are given something other than money);
- any income you have which has been held back outside this country, as long as it remains held back, and it is not within your control;
- any money you get for fostering a child;
- any money you get for looking after an elderly or disabled person temporarily (community boarding out schemes);
- any money you get from a local Social Services Department to help keep a child at home instead of putting them into care;
- any Council Tax Benefit you have received;
- special payments made with your War Widow's Pension if you have been designated as a pre-1973 war widow;
- any charitable or voluntary payments which are made regularly;
- payments made under the Employment Department's 'Access to Work' scheme for disabled people; or
- War Disablement Pension or a War Widow's/Widower's Pension, or any similar payment from another country

Some types of income may be counted as capital.

State benefits

The following benefits are counted in full as income for Council Tax Support:

- Child Benefit
- Contribution-based Jobseeker's Allowance
- Contribution-based Employment and Support Allowance
- Universal Credit
- State Pension
- Incapacity Benefit
- Severe Disablement Allowance
- Carer's Allowance
- Industrial Injuries Disablement Benefit
- Industrial Death Benefit

- Working Tax Credit
- Child Tax Credit (ignored if you or your partner are pension age)
- Savings Credit of Pension Credit
- Bereavement Benefits (ignored if you or your partner are pension age).

Notional income

The council may think that there is income, which you could get, but you are not claiming it. This is known as notional income because you do not actually receive that income. The Council may take this into account for Council Tax Support purposes.

Parental contributions to students

If you are making a parental contribution to a student then part of your income is not counted to take account of this.

Students

Council Tax Support is not normally available for students. The exceptions are:

- vulnerable students, such as disabled students and lone parents;
- part-time students; and
- couples where one partner is not a student.

Student loans and grant income

The grant money you get is generally paid to cover the period you are studying. If it does not cover this period your council, or Student Awards Agency for Scotland, will tell you the period it does cover.

If you are eligible for a loan or have been awarded a grant the Council will assume that these amounts are paid, whether they are actually paid or not.

Money you receive in your loan is your income for the period from the start of September to the end of June and is divided into a weekly amount by the number of weeks in that period.

If you receive a dependants grant it will be taken into account over the same period as your loan unless you also receive, or only receive, a grant towards your personal maintenance.

Because much of your loan is meant for essential educational items, some of the grant is ignored when working out your income for Council Tax Support. The following elements of your loan or grant are not counted:

- tuition and examination fees;
- any disability allowance in your grant;
- the cost of term-time residential study away from your college;
- the Two Homes Grant – given when you maintain another home away from college;
- an allowance for books and equipment; and
- Travel expenses.

Students and partners

Your grant may have been reduced to allow for your partner's income because your partner can make a contribution to your expenses. An amount – equal to that contribution – is then ignored when the council works out your joint income for Council Tax Support. If a student is required to contribute to his own grant income, an equivalent amount is disregarded from the income used to assess that contribution.

Other income

Student's other income will be treated in the same way as grant income if it is intended for expenditure that is needed on the course. If the income is not intended for expenditure on the course, it is treated under the normal rules for income.

Loans from the Student Loans Company

The maximum student loan available to you will be taken into account regardless of whether you have borrowed up to your limit or not. The loan will be divided by the number of weeks between the beginning of September and the end of June to arrive at a weekly figure for assessment purposes. Up to £10 a week of the loan may be ignored.

Student's Access funds

These discretionary payments are made by educational establishments to students facing financial hardship. The amount of payments to be taken into account depends on how it is paid and what the payment is for. Some payments from the funds can be disregarded in full.

Capital

Your capital includes savings and investments held by yourself in any form (for example, bank and building society accounts, investment trusts, and shares) from any source (for example, inheritance, redundancy payments, and irregular payments from a charitable or voluntary source). It will normally also include the net sale value of land and housing that you do not occupy, after deducting 10% for expenses of sale.

If you have a partner, capital belonging to your partner is treated as yours for the purposes of Council Tax Support

Capital outside the United Kingdom

If you have capital – in the form of liquid or fixed assets – outside this country, the council will need to know how soon it can be transferred and how much it is worth. If the capital cannot be brought into this country, enquiries will be made about how easily it can be sold, and whether a willing buyer can be found. If no willing buyer can be found, it may not be counted.

Capital for Working Age

The first £6,000 of capital is not counted. If you have capital over £6,000 no support will be granted.

Capital for Pension Age

The first £10,000 of capital is not counted. Capital over £10,000 up to £16,000 will be taken into account at £1 a week for each £500 (or part of £500) of capital over £6,000. Actual interest payments or dividends are not counted as income but as capital.

For people who receive the Guarantee Credit of Pension Credit there is no upper limit on the capital you can have.

Personal possessions

Personal possessions – for example, a car, furniture and fittings in your house, and family belongings – are usually not included in the calculation of capital. However, this may not be the case where the Council has good reason to believe that something has been bought to reduce your capital in order to gain or increase entitlement to benefit. If the council decides that you deliberately got rid of capital just so that you can get Council Tax Support, it may assume that you have notional capital to the value of the capital you disposed of.

If you own your home

The value of your property (including the house, garage and outbuildings) is not counted unless any part of the property could reasonably be sold off separately. Loans raised on the property will be counted as capital.

Property you own but do not occupy

The value of this property is counted as capital but you may be able to get HB/CTB even if the value of the property means that your savings are more than £16,000. This is because the value of the property may be ignored when your savings are worked out, in certain circumstances.

If the property is occupied by an elderly or disabled relative as their home, its value is not taken into account for as long as it is so occupied.

If you have recently acquired the property and you intend to occupy it as your home, its value may not be counted for 26 weeks, or for a longer period if reasonable, from the date you acquired it.

If you are trying to sell the property, its value may not be counted for the first 26 weeks after you start doing this. It may not be counted for longer than this if you are finding it difficult to sell the property.

If you are carrying out essential repairs or alterations so that you can live in the property, its value may not be counted for a period of 26 weeks from the date you first arranged for repairs to be carried out. It may not be counted for longer than this if you are finding it difficult to finish the work.

If you are taking legal action so that you can live in the property, its value may not be counted for the first 26 weeks after you start doing this. It may not be counted for longer than this if legal action is continuing and you cannot live in the property.

If you have left the property after the breakdown of a relationship, and it is occupied by your former partner, its value may not be counted for the first 26 weeks after you left. If the property is occupied by your former partner and they are a lone parent, the property will not be counted for as long as it continues to be so occupied.

Deposits on your accommodation

Sums that have to be deposited with a housing association as a condition of your tenancy are not counted.

Earmarked capital

If capital from the sale of a house is kept for a house purchase, it is not counted for up to six months, or longer if:

- major repairs or adaptations are needed for you to occupy your home; or
- the completion of the purchase of your new home is unavoidably delayed.

Compensation received for a burglary or for damage to or loss of a house is also not counted for six months, as long as it is to be used for repair or replacement.

Valuation of property

Property will be valued at the price it would be expected to fetch on the open market, less any outstanding mortgage or legal charges on the property. Ten per cent of the current market value will also be deducted to take into account the cost of the sale.

If you have property outside Great Britain and there is no restriction on transferring money to this country, your property will be valued at its local sale value. If there is a restriction, its notional value will be the value of a sale to someone in the UK. In both cases, any outstanding legal charges on the property or mortgages will be deducted, together with 10% of the total to cover the cost of the sale.

National Savings Certificates

National Savings Certificates of the current issue are valued at purchase price. Certificates of a previous issue are valued as if they were purchased on the last day of that issue.

Life assurance policies

The surrender value of life assurance policies is not taken into account when assessing Council Tax Support.

Arrears of benefits

Any arrears of Disability Living Allowance, Attendance Allowance, Pension Credit, Income Support, income-based Jobseeker's Allowance, Working Tax Credit and Child Tax Credit that you get are not counted for up to 12 months.

Lump sum payment of deferred State Pension

The gross amount of lump sum, or an interim payment made on account of a final lump sum, paid at the end of the period of deferring State Pension will be disregarded as capital for the life of the recipient.

Business assets

Business assets of a self-employed earner are not counted while engaged in that business. Nor are they counted in certain other circumstances, but any shares owned will be treated as capital.

Compensation payments

For Council Tax Support purposes, compensation payments will normally be counted in full as capital. Capital will not be counted if it is held in trust or by the 'Court of Protection' as a result of a personal injury payment – for example, a criminal injury payment or a vaccine damage payment. For persons of Pension Age compensation payments made as a result of personal injury are ignored whether or not placed in a trust.

Notional Capital

The council may think that there is capital which you could get but which you do not have. This is known as notional capital because you do not actually possess that capital.

- Capital you have disposed of - You will be treated as having notional capital if you have disposed of capital in order to get Council Tax Support or to get more Council Tax Support.
- Capital you could have got - If you have the right to money held in a private trust, then that is actually your capital, and will be taken fully into account.

If the Council has decided to treat you as possessing notional capital they will reduce the amount of this capital on a regular basis by a set calculation. This calculation reduces your notional capital by the amount of support you have lost as a result of deprivation.

The Council Tax Support scheme for Pensioners **(People who have reached the age at which pension credit can be claimed)**

Regulations will set out three classes and the Council will decide which class each applicant is in. The class will determine the level of Council Tax Support that can be provided:

Class A

To obtain support the person must:

- a. have attained the qualifying age for state pension credit;
- b. not be somebody with a partner of working age in receipt of income support, income-based jobseeker's allowance or income-based employment and support allowance;
- c. be liable to pay council tax in respect of a dwelling in which they are resident;
- d. not have capital savings above £16,000;
- e. must have their assessed income less than or equal to the set living allowances (applicable amounts) set out in the regulations; and
- f. have made a valid application for the support

The class also includes persons who have successfully claimed Pension Credit Guarantee.

Class B

To obtain support the person must:

- a. have attained the qualifying age for state pension credit;
- b. not be somebody with a partner of working age in receipt of income support, income-based jobseeker's allowance or income-based employment and support allowance;
- c. be liable to pay council tax in respect of a dwelling in which they are resident;
- d. not have capital savings above £16,000;
- e. have made a valid applied for the scheme; and
- f. Have assessed income above the set living allowances set out in the regulations.

Class C

To obtain support the person must:

- a. have attained the qualifying age for state pension credit;
- b. not be somebody with a partner of working age in receipt of income support, income-based jobseeker's allowance or income-based employment and support allowance;
- c. be liable to pay council tax in respect of a dwelling in which they are resident;
- d. made a valid application for the for a scheme;
- e. be somebody who has at least one second adult living with them who is not his/ her partner, not somebody who pays rent, and who is on a prescribed low wage and/or prescribed benefit, as set out in the regulations.

What Council Tax Support will be payable to Pension Age persons?

If a person matches the criteria in Class A, including that their *income* is less than their *living allowances (applicable amounts)* that person qualifies for 100% reduction on their council tax liability. This also applies if a person in receipt of state pension credit guarantee credit from the Department for Work and Pensions (Pensions Service)

If a person matches the criteria in Class B, it will mean the person's *income* is greater than their *applicable amount (living allowances)*. Twenty per cent of the difference between the two will be subtracted from this individual's council tax liability.

Council Tax Support for person in Class C may be awarded in respect of a second adult sharing the household who would normally be expected to contribute towards the council tax bill, but who cannot afford to do so, based on their low income or on prescribed benefits. This reduction will equate to the *second adult rebate* available under the Council Tax Benefit scheme and may be awarded at 100%, 25%, 15% or 7.5% of the council tax liability, depending on individual circumstances.

The regulations will prescribe how Council Tax Support for pension age people is calculated.

The following applies to everyone receiving Council Tax Support.

How Council Tax Support is paid

If you are liable to pay the Council Tax, the Council will normally send you a Council Tax bill from which your Council Tax Support has already been deducted. You will then have to pay only the reduced amount. This means that you will not actually receive any money, but your Council Tax bills will be reduced.

How you will be notified about your Council Tax Support

The Council will reach a decision on your entitlement to Council Tax Support as soon as possible after our claim and all supporting evidence is received.

How to appeal

If you disagree with the decision you will need to write to the Council stating the reasons. The council has two months to reply to you. If the Council agrees with your appeal then the Council Tax Support will be amended and you will receive another Council Tax bill showing the revised amount.

If the council does not agree with your appeal or you do not receive a response within two months, you may appeal to the Valuation Tribunal. This is an independent tribunal who will hear your case (either in person or in writing). If the Valuation Tribunal agrees with you they will instruct the Council to amend your Council Tax Support accordingly.

Throughout the appeal you will still be required to make payment of your Council Tax liability as determined by the Council.

Changes of circumstances

You must notify your Council immediately if there is a change in anything that might affect your right to or the amount of Council Tax Support.

This will include:

- where you live; or
- who you live with; or
- your income, savings and investments; or if you stop getting Pension Credit, Income Support, income-based Jobseeker's Allowance or Employment and Support Allowance; or
- if you get a job; or
- if you or your partner go into hospital; or
- if there is any other change in your circumstances which you might reasonably be expected to know might affect your right to Council Tax Support

The changes must be notified in writing although in certain circumstances the council may accept this by telephone or electronically

Most of these changes will affect your Council Tax Support in the following support week, but changes in the amount of council tax payable will affect your Council Tax Support from the day on which the change occurs.

Counter Fraud and Compliance

In order to protect the finances of the Council and also in the interests of all Council Taxpayers, the authority will undertake such actions as allowed by law to;

- a. Prevent and detect fraudulent claims and actions in respect of Council Tax Support;
- b. Carry out investigations fairly, professionally and in accordance with the law; and
- c. Ensure that sanctions are applied in appropriate cases

Information and information sharing

The Council will use information provided by the Department of Work and Pension and Her Majesty's Revenues and Customs for the purposes of council tax support, council tax liability, billing, administration and enforcement

The Council may receive and obtain information and evidence relating to claims for Council Tax Support, the council may receive or obtain the information or evidence from–

- a. persons making claims for council tax support;
- b. other persons in connection with such claims;
- c. other local authorities; or
- d. central government departments including the DWP and HMRC

The Council may verify relevant information supplied to, or obtained for Council Tax Support purposes.

Government Transitional Grant

1. Additional Information – Financial Implications

Additional one-off Government Grant

- 1.1. The Government has recently announced that it is making £100m available for one year to support local authorities who adopt schemes that comply with criteria set by Government.
- 1.2. If the Council was to agree a scheme that complied with the criteria the grant that would be received is as follows:-

	£
Colchester BC	35,006
Essex County Council	196,952
Essex Police	24,776
Essex Fire	12,037
Total	268,771

- 1.3. The deadline for applications for the grant is 15 February 2013 with payments made in March 2013. Authorities can only apply after 31 January (i.e. when local schemes are required to be have been agreed).

The Criteria

- 1.4. To apply for a grant, billing authorities must adopt schemes which ensure that:
- (i) Those who would be entitled to 100% support under current council tax benefit arrangements pay between zero and no more than 8.5% of their net council tax liability;
 - (ii) The taper rate does not increase above 25%;
 - (iii) There is no sharp reduction in support for those entering work.
- 1.5. Although not one of the scheme criteria, in allowing flexibility over aspects of the scheme, Government would not expect local authorities to impose large additional increases in non-dependant deductions.

Implications for Colchester - Finance

- 1.6. The proposals within the current report would not meet the criteria set by Government and as such the grant could not be applied for.
- 1.7. Modelling has been carried out to provide an indication of the financial implications of a 'grant compliant' scheme, however, it should be noted that there remain some areas of uncertainty.
- 1.8. The main area affected is the current Council proposal that the maximum liability be set at 80% (i.e. paying a minimum of 20% of Council Tax). To qualify for the grant would mean that the scheme would need to change to ensure that those currently in receipt of 100% Council Tax benefit would pay a maximum of 8.5%. Other parts of the current proposals may also be impacted if the scheme was to be altered to comply with the grant. A prudent approach has therefore been taken to estimating the impact.

- 1.9. The table below shows the best estimate of the total saving that would be delivered if the scheme was altered to comply with the grant and the overall net funding gap after the grant compared to the proposals within the report.

	<i>Proposals within report</i>	<i>Grant compliant Scheme</i>	
	<i>£'000</i>	<i>£'000</i>	
Funding Gap	2,000	2,000	See Para 5.2 in report.
Estimated saving	(2,000)	(670)	See comments at 1.8. above and 1.10 below.
Transitional grant	Nil	(269)	See table at 1.2 above
Cost / Funding Gap	Nil	1,061	

- 1.10. It should be stressed that the table above reflects what is believed to be 'worst case' figures for the grant compliant scheme. With further detailed modelling and clarification of the grant scheme it is possible that the saving delivered would increase.
- 1.11. The table shows a funding gap of c£1m which would fall on the Collection Fund and therefore this Council and the major precepting authorities. The grant is payable for one year and therefore there would be a budget pressure of a further £269k across the same organisations for 2014/15.

Timetable and Consultation

- 1.12. It is important to consider that the Council is required to agree a LCTS Scheme before 31 January 2013. Cabinet is being asked to recommend the scheme for approval by Council on 6 December 2012. The current proposals within the report have been considered by the Policy Review and Development Panel and have been subject to the required consultation with the public and major precepting bodies.
- 1.13. If the Council was to propose significant changes to the current proposals to comply with the grant it would be necessary to consider whether an updated consultation exercise would be required.

Consultation Results

	Total number of respondents who accessed the consultation survey = 119																	
		Yes	No	Don't Know														
Q1	At the moment people who have a very low income have all of their Council Tax paid by Council Tax Benefit. Our proposal is that these people of working age would not have all of their Council Tax paid by Council Tax Support, but would have to pay some themselves. Do you agree?	31.93%	57.14%	10.92%														
Q2	If yes, how much should people of working age on benefits pay of their weekly Council Tax that is due?					15%	20%	25%										
						26.47%	41.18%	8.82%										
Q3	The maximum amount of Council Tax Support given to people on benefit would be limited to the Council Tax for an average property in our area; the claimant would have to top up the rest. Do you agree?	44.34%	44.34%	11.32%														
Q4	Council Tax Support would only be given to people whose savings are £6,000 or less. Do you agree?	71.03%	21.50%	7.48%														
Q5	People who cannot work (for example they have a long term illness) would be given more Council Tax Support than those who are unemployed and able to work? Do you agree?	70.19%	20.19%	9.62%														

Total number of respondents who accessed the consultation survey = 119		Yes	No	Don't Know						
Q6	Currently, in our calculation of Council Tax Benefit, we do not take account of some incomes such as Child Benefit and some earnings. More of the money that someone gets would be used to calculate their Council Tax Support. Do you agree?	49.04%	36.54%	14.42%						
Q7	People would be given a greater incentive to work by having more of their earnings ignored when calculating their Council Tax Support. Do you agree?	54.46%	28.71%	16.83%						
Q8	Currently, a claimant's Council Tax Benefit is reduced by varying amounts reflecting incomes of adult non-dependant people living with them. Under our proposals, we would introduce a flat rate £10 non-dependent deduction, claimants would pay more. Do you agree?	36.27%	36.27%	27.45%						
Q9	Currently some people are not entitled to help with their Council Tax due to their high income or savings, but they get a reduction in their Council Tax because they share their home with someone who is not their partner and who has a low income. This reduction would no longer be offered. Do you think this should be stopped?	70.59%	19.61%	9.80%						
Q10	We currently help people from when we receive their claim. We would help them from an earlier date if they gave us a good reason. Do you	79.21%	11.88%	8.91%						

Total number of respondents who accessed the consultation survey = 119									
		Yes	No	Don't Know					
	agree?								
Q11	We have identified that the groups listed below will have to pay more Council tax as a result of these proposals. Please indicate whether you think the impact on these people's lives will be high, medium or low.	High	Medium	Low	Don't know				
	Families with children	56.70%	25.77%	9.28%	8.25%				
	Lone parents	72.16%	14.43%	6.19%	7.22%				
	Carers	48.45%	24.74%	11.34%	15.46%				
	Part time and full time workers	22.68%	38.14%	28.87%	10.31%				
	People who are disabled	68.04%	10.31%	12.37%	9.28%				
	Single people and couples without children	27.84%	20.62%	42.27%	9.28%				
Q12	Have you got any general comments that you wish to make about these proposed changes?								
Q13	Are you responding as a resident or on behalf of an organisation?	Resident = 97.94%							
		Organisation = 2.06%							
Q15	Do you or your partner receive Council Tax Benefit?	75%	23.86%	1.14%					

Additional Commentary & Response

Q1. At the moment people who have a very low income have all of their Council Tax paid by Council Tax Benefit. Our proposal is that these people of working age would not have all of their Council Tax paid by Council Tax Support, but would have to pay some themselves. Do you agree?

31% of respondents agreed whilst 57% did not agree with this question. Further analysis shows that of those respondents who also completed Q15 (Do you or your partner receive Council Tax Benefit?) 83% who did not agree with Q1 were in receipt of Council Tax Benefit. Of the 88 customers who completed Q15, 22 respondents agreed with Q1, 11 (50%) were Council Tax Benefit recipients and 11 (50%) stated they were not.

The Council acknowledges that the majority of respondents were not in favour of the proposal. The Council notes that the majority of respondents not in favour were those in receipt of Council Tax Benefit and therefore most likely to be affected. However the cut in funding available means that the Council does not have the financial capacity to continue to support people in exactly the same way that Council Tax Benefit does.

Q3. The maximum amount of Council Tax Support given to people on benefit would be limited to the Council Tax for an average property in our area; the claimant would have to top up the rest. Do you agree?

Respondents were split evenly as to whether they agreed with this question. The Council's proposals do not include limiting support to Council Tax for an average property in our area.

Q4. Council Tax Support would only be given to people whose savings are £6,000 or less. Do you agree?

The majority of respondents agreed that Council Tax Support should only be given to those people who have less than £6000 savings. The savings limit would only affect those working age customers who were not in receipt of Income Support, Jobseekers Allowance (Income Based) or Employment Support Allowance (Income Related). The Council's proposals remain unchanged, to not pay Council Tax Support to Working Age claimants who have over £6,000 savings.

Q5. People who cannot work, (for example they have a long term illness) would be given more Council Tax Support than those who are unemployed and able to work? Do you agree?

The majority of respondents (70%) agreed with the question. The proposals for the new scheme include safeguards for vulnerable claimants (such as people who are disabled), for example disregarding specific types of income that are related to a disability.

Q6. Currently, in our calculation of Council Tax Benefit, we do not take account of some incomes such as Child Benefit and some earnings. More of the money that someone gets would be used to calculate their Council Tax Support. Do you agree?

The majority of respondents to this question (49%) agreed. The Council will retain the proposals within our scheme to include both Child Benefit and Maintenance as income. People who are in receipt of Income Support, Jobseekers Allowance (Income Based) or Employment Support Allowance (Income Related) will continue to have their Child Benefit and Maintenance ignored in their calculation for Council Tax Support in the same way as they do now in respect of Council Tax Benefit.

Q7. People would be given a greater incentive to work by having more of their earnings ignored when calculating their Council Tax Support.

Do you agree?

The majority of customers who responded to this question agreed (54%). Currently there are a range of earnings disregards (starting at £5.00 per week), the Councils proposal remains; to simplify these with a standard minimum £25.00 weekly disregard.

Q8. Currently, a claimant's Council Tax Benefit is reduced by varying amounts reflecting incomes of adult non-dependant people living with them. Under our proposals, we would introduce a flat rate £10 non-dependent deduction, claimants would pay more. Do you agree?

Again respondents were split evenly, 37 agreeing, 37 disagreeing with the question posed. The Councils proposal remains that we will have a flat rate non-dependant deduction of £10 per week, however there are some exceptions to this which mirror current Council Tax benefit rules. In summary these are designed to protect certain vulnerable claimants, as well as those non-dependants in receipt of passported benefits.

Q9. Currently some people are not entitled to help with their Council Tax due to their high income or savings, but they get a reduction in their Council Tax because they share their home with someone who is not their partner and who has a low income. This reduction would no longer be offered. Do you think this should be stopped?

The majority of respondents to this question agreed with the statement; 70%. The Councils proposal remains; to abolish this reduction known as Second Adult Rebate.

Q10. We currently help people from when we receive their claim. We would help them from an earlier date if they gave us a good reason. Do you agree?

The majority of respondents agreed with this question, 79% agreed that we should help people from an earlier date if they gave us a good reason. The Councils proposal to pay a maximum of 3 months backdated support remains, where claimants can prove there was a continuous good reason not to have claimed earlier.

Local Council Tax Support Consultation Responses

Comments were made by 63 of the total responses received of 119.

Comments can be grouped into the following themes in response to the proposals:

Theme	Number of comments
General non-agreement	21
Impact on those who are ill or disabled	10
Ability to pay / 'means testing'	7
Impact on children	6
Positive comments to all or an element of the scheme	5
Pensioners exemption	4
Reference to Work / Earnings	4
Reference to Non-dependants	2
Reference to Capital / Savings	1
Other	3

Below are listed the individual responses to the following question; (these remain unedited and replicate the exact comments)

Have you got any general comments that you wish to make about these proposed changes?

People who are able to pay should pay

Grouping those in part time work with those in full time is in my view unfair. The changes in the savings threshold from 16 to 6 Thousand pound is too big a cut. Why should pensioners be exempt?. The only fair way to change is for all claimants to be means tested

I think it is appalling that the scheme is hitting the working age only - why are pensioners not being affected? This is essentially discrimination and making the working age subsidise the elderly who in many cases can afford it and have greater resources and live in larger properties but dont have restrictions put on them. It should be means tested for the elderly as well as the working age in order to spread the cost of this ridiculous and ill-thought out coalition idea. Why are Councils being forced into putting in a new scheme anyway? It just seems like an administrative nightmare for everyone which will essentially just cost the taxpayers more money, along with confusion and inconvenience for those who genuinely need help. Why are single person discounts not being adjusted - particularly for those who can most afford them and get money off! Surely this would save more money and reduce the admin for everyone involved? I dread to think of the cost involved in recovering the sums of money from those who will have to pay something next year who have never had to pay before. Who will be funding this? I expect Council Tax will go up as a result meaning that actually there are no savings at all its just a paper exercise for the Government to say they have saved money - but essentially they have just shifted the costs, the hassle and the admin onto local councils and their residents!

The categories in question 11 are mostly irrelevant in that (with the exception of disabled people, who generally have low or no incomes, it says nothing about income - and what matters is their income. If you have a very low income the effect will be high, otherwise it will be low.

More children will be in poverty and more families loosing their homes.

I beleive that it will cost more to recover the shortfall in Council Tax from these people than this scheme will save. Why are pensioners being protected? The only reason I can think of is for political purposes. How is this fair? How does this illustrate us "all being in this together"? Why should working age have to pay more simply because they are younger? I know the council's

hand are tied in this and the ruling has come down from Central Government. When will these cuts stop?

I think it is about time this system is overhauled. I am a pensioner who made a effort to save for a small pension and now find that I lose most of it by having to pay Rent and Council Tax whereas my 20 year old neighbour who has never worked gets full benefits ! Why did I bother ??? Hopefully these proposals will get some of the spongers out of the system.

DO not agree that child benefit should be taken into account as "income" as this is intended to pay for necessary basics for children including food, school shoes and uniforms etc = the amount for one child being Â£80/month which would be reduced by around Â£30 for a band D (if I've understood the changes correctly). Equivalnet to a months' supply of nappies or a pair of school shoes. This is not "income" that can be spent on anything

I think it should be possible for council tenants who cannot afford to pay a large amount eg those of us are disabled and unable to work should be given the option to move to a property in a lower tax band.

The changes should encourage people to work rather than stay on benefit. Working people should be better off under the new proposals

With rising costs throughout the economy I don't think lone parents should be affected by this change when there is thousands of unemployed on jsa, where will the money go to? Paying the council workers a higher wage? I struggle with what I get at the moment with full council tax benefit, how will I cope having more money going out then comes in? I can not work due to my baby daughter but I did work for 10 years and have paid thousands in taxes so far!!

I have a comment about your plans for self-employed people (that if they're income is very low you will make a calculation that they're earning the minimum wage time the number of hours they work). That is completely preposterous! Anyone who runs a business knows that you routinely put in huge numbers of hours more than you are paid for (eg on admin, marketing, accounts, business networking, etc), and that your actual income can vary significantly from month to month. In the current economic climate in particular, what you are proposing is deeply, deeply flawed and unrealistic. If you propose the same for other help you provide, such as housing benefit, then the end result may be that people will abandon their self-employed business and become unemployed, as they simply won't be able to manage financially in self-employment any longer.

i would love to go to work and pay my own way, but due to my illness i simply cannot do this. by haveing to pay some of the taxes would leave me with only Â£40 per week to live on that is for food elec/gas etc this is not enough

Some people who are on Incapacity benefit/ESA and DLA/PIP and also have care needs that also result in home care/personal budget from social services to pay for their home care already have their DLA/PIP taken into account to work out their contribution towards this care and then use their DLA/PIP that is left over for additional care needs. These proposals would mean that they will have to pay 20% of their council tax bill, and for many this will result in them having to cut back on vital care that they currently recive - these people reciving care from Social Services are clearly the most vulnerable in society and therefore these proposals will have a disproportionate effect on the most disabled people.

any cuts in benefits has a direct effect on low income families, even the smallest reduction has a knock on effect on health as the quality of food given to children will be reduced as well as more parents missing food altogether, again causing a knock on effect on health and therefore creating more strain on the NHS and reducing the number of people able to work. As to the

effect on carers that just beggers belief, they are already poor and work harder than most working people for a pittance. Good grief this is the 21st century not the victorian era.

i dont think we should pay any off the council tax on a very low incomme! people with millions get council tax and should not pensioners get extra money for every thing i think they should be made to pay like the rest i dont see how making them not pay is fair to everyone else?!?!?

people who are disabled arnt able to pay for council tax fue to there needs as they have higher needs than those who are able to work. eg haveing special diets or clothing, or haveing help from someone and have to pay a bit to them foor help higher electRICT and gas bills if they canot get out and the elderly also as they need to keep warm and canot get out and about ether

I think it is wrong to take into consideration child benefit and child maintenance when calculating the amount of benefit a household should receive. Children under the age of 18 are not eligible to pay council tax so why are payments made for them included?? Child Maintenance is paid to help maintain THE CHILD.....the CHILD does not pay a council tax bill. To include these payments is taking money meant for the child. These are just more proposals to make the low income of this country pay for the mistakes of the rich and greedy. To take more from these needy families I think will increase child poverty and decrease standards of living even further.

As a disabled person who relies on a carer 24/7 i think that half if not all of the carers allowance that people like my husband gets should be ignored when calculating council tax support. Its people like my husband that make it cheaper on the government and local councils, Instead of the government having to pay for a full time professional carers possibly costing tens of thousands a year they pay someone like my husband approximately Â£2700 a year and thats for approximately 8760 hours which works out about 31p per hour. I think under those type of circumstanes that half if not all of carers allowance should be ignored.

Yes - how can people who have next to no money coming in even start to find anymore to pay for this - its impossible!

If there is a shortfall in funding then money should be taken from such vanity projects such a firesite to fund it

what happens to couples on Income Support due to one being disabled and I work 9 hours a week to get us an extra Â£20 to be able to live in a very moderate way? how will we be able to afford payment towards Council Tax?

Pensioners should not be exempt

I do not think it is acceptable to reduce support for people who cannot work through illness/disability, who have capital of under Â£6000 and have no form of income other than government benefits, (ie they have no one else to help them financially.)

Put the council tax up of every bank in Essex. They got us in this mess, make them pay for it not the poor and disabled. On Â£70.00 ppw where do you think we are going to find the money? It does not cover food, gas and electric. I am already dealing with the CCCS due to not being able to pay my existing debts.

Consider those who have just come out of full time education and cannot find work in their chosen field.

i think you should txa the people that are better of not the one that are worse off i am on benfets and cannot pay out any more i am have a lot of money taken from my money new and donot need any more taken

yes people who are on non prescribed drugs so elegal drugs, should pay for council tax, and so should alcoholics, if people find their own rentable property they should be given more help when they suffer from serious health

The system has to be fair particularly to those who may be disabled or are a carer for their spouse/partner who would find it near impossible to hold down any type of regular employment, it could be discriminatory against them, after all carers are already saving the state a huge amount of money by doing a thankless job that's unrewarded but is willingly taken on because of love. The state should not take advantage of these people.

the impact on full time workers, would be less than on part time workers, due to pay differences. everyone who has to pay, that didn't, will be massively impacted. i'm disabled but under the new scheme, based on having to pay 20%, i will have to find more than Â£300 a year, at a time, when the government, are talking about stopping DLA completely and reducing other sickness benefits, in the near future.

I think the council tax should increase for everybody to cover the deficit rather than just taking it out on poorer people.

AS A LONE PARENT WHO HAS BEEN ON LONG TERM INCAPACITY & RECEIVES NO HELP. HOW WILL I BE ABLE TO ENCOURAGE MY CHILDREN TO FURTHER EDUCATION IF IN THE END I WILL NOT BE ABLE TO AFFORD FOR THEM TO GO.

People on means-tested benefits eg income-based JSA, ESA, should continue to get full CTB. CBC should ensure that vulnerable people should be protected from reductions in CTB by making a full impact assessment.

Unsure on how people with a long term illness will be affected, especially if they haven't been able to claim DLA but are in the ESA "support group" because their illness prevents their working.

i have been on incapacity benefit for approx 6 years and have always found it hard to pay my bills. i have a young daughter who is with me 2 days a week and the only income i have is my benefit. i have been told i am not able to get any financial help from anywhere else. as a result i am now in debt for over Â£1100 and at present have no way of paying this back. if these proposals are introduced i would not be able to pay. there must be hundreds of others like me and i can only imagine that the council would have to take people like myself to court. this would not help the situation and cost the council a lot more, not only in court costs but administration costs as well.

Maybe if the council tax wasn't so expensive in the first place we could all easily afford to pay it! It is disgusting how much it is!

defy the government and take care of the vulnerable the poor, the elderly and the needy. The measure of a civilised society is how we look after these groups. This criminal unelected government protecting its criminal banking elite need to be held to account as they give billions to the IMF and NATO. take a leaf out of Iceland's book, and bring these criminal elite to court for bankrupting the country and passing their deliberately created debts onto the people. The gap between the top wealthy few and the poorer has never been greater. We must NOT return to an era where the poor and the vulnerable are shipped into workhouses and soup-kitchens and made homeless, and up to their eyes in debt through no fault of their own and where disabled people are marginalised by the media and forced into work that doesn't exist in the 1st place. This whole situation has been the deliberate creation of the Bilderberg cronies -> divide and rule, keep the people in debt and enslaved and under control. but who cares what WE think - we're given the impression we have a choice - we don't. Filling in this questionnaire will make not one jot of difference to anything.

I think it is unrealistic to expect people on basic Jobseekers Allowance or Income Support to pay at least 20% of their Council Tax. On that low level of benefit, people will have to make a choice between buying basic necessities like food and paying their Council Tax. It does not seem fair to me that people will be pushed into a situation where they will have to do without food to pay Council Tax.

this is just another example of the government hitting those most in need who have NO money and barely scrape by instead of just charging a little more to those who can afford to pay on their existing council tax, there are more households in work than out of work and a slight increase in their charge would nullify the need for these "hitting up" tactics on those claiming ctb, just shows how greedy the government is getting expecting the worse off to pay for their mistakes and shortfalls

dreadful we shall all end up on the streets

I am due to redundancy out of work even though i am actively looking for work, and have been studying to further my chances of obtaining work. I currently live on my own and receive JSA. I do not have all of my rent paid and out of my Â£71.00 per week , i have to top up rent, pay water bill, electric and try and feed myself, of which is near on impossible. As a result of being out of work , my health has deteriorated and i have had to under go two bowel operations due to stress, even though i am most of the time a positive person, and now i can not even contemplate my situation if i am expected to pay council tax. Where is this money to come from? This is just putting people under more pressure, as i am existing at the moment and this will create even more stress for me and others alike. Perhaps the council should whilst this country is in this awful state, stop with the flower beds around the town. Whilst they look nice they are not a necessity and feel that monies should be saved in non essential services. Flowers are not one of them.

Capital raised to Â£10,000 would be fair to the majority of good honest citizens of the council.

The effects on different groups will depend not only on their incomes, but the type and council tax band for property they occupy. it seems reasonable that those able to afford more expensive property should receive less council tax support. this could help offset having to reduce the savings limit so drastically, as many with savings over Â£6000 will still have low incomes and face hardship.

They are not in line with government intentions and will have an increasing impact on those in need of support as the level of actual funding decreases,

The applicable benefits that entitle people to reductions does not include DLA only PIP which is replacing DLA. PIP is being brought in gradually from next October so I don't understand why DLA is not included.

Yes, the government has simply massaged the welfare system to reduce benefits overall. It is nothing more than another stealth tax at a time when the corporations are paying no tax. It is 'immoral' that local councils are not standing up to national government and its 'immorality'. Ask David Cameron to live on benefits. Let's see how well he gets on.

Some of the questions where I answered "No" I would have checked "Partly agree" if that was an option. For instance, if someone has no income other than their JSA and no savings, how can they pay even 20% of council tax? Money for child support shouldn't be counted. That's money to spend on the child(ren) and I expect it's already as low as it can be.

Child maintenance and child benefit should NOT be taken into account. This is for the child, it helps towards clothing and feeding the child/ren to help them to help to keep them out of

poverty! It has taken me 10yrs to get maintenance and is still a monthly challenge to get it, I am owed an awful lot of money.

Yes. The whole concept of targetting the disadvantaged is misconceived. If government funding is contracting by 10%, Council Tax assessments should be recalculated accordingly as local taxation on those that can afford to pay.

People who work will have to pay more?! This is terrible to the people who are on benefits who can spend their money on taxi's, fags and drink!!!!!!

The questionnaire talks about giving people the incentive to work, I have been unemployed for the last 12 months and have applied for over 300 positions in the last year, with only one interview, and still no job. Currenty I am getting Â£70 pounds a week to exist on, How do the council expect individuals like myself to pay council tax of 20% out of the income that I receive that is not enough at present, Getting a "job" is not as easy as some people think it is. I want to work but cannot get work as there is none available to me.?

People like carers should have all of their council tax covered and not pay the first 20%. This particular type of regime goes back to the regime that was in force when you bought in the poll tax, this was wrong and was seen to be so and had to eventually be scrapped and the council tax bought in. This regime harps back to those days and is equally wrong.

Its a disgrace and this scheme will hit the low paid and part time workers struggling already to make ends meet

im a single mum who is disabled and can barely afford bills as it is i fell id be sqrewd over

if you take into account money children are given such as csa the children will suffer, its not extra money or spare money, with so many bills that are going up its covering all of that, winter time heating house is a worrying time and thiers clothes and clothes are alot foot wear school trips, food is so expensive. i am struggling. i get csa and if we have to pay more out of that i myself will have to miss meals

Non dep deductions for families receiving ATA/DLA. Also same scheme for the whole of Essex as this was the original plan?

Non dep deductions for household's on ATA & DLA Same scheme for all Essex authorities

Very difficult to administer and explain differences between HB & LCTS to claimants.

i think that getting help from local council is very helpfull but i always taught that these families and individual can always give something back to the town where they live .some people really need help and they deserve all the support but unemployed benefits is a tricky one because some of them rather choose to stay at their homes or running about in pubs or town rather looking for a job and put an effort.

1- The answers to some of these questions will depend on what the basic income is. The government says that each individual needs 'x' amount of income to live on. Any income above that should be subject to Council Tax deduction. 4 - Savings levels should be higher, say 12k - 15k, because otherwise people on benefits have no incentive to save money & ths improve their life situation. 6- I don't think that DLA should be included in any benefit/Council Tax calculations. I think that the clue is in the word 'very' as in 'very low income'-can anyone one very low income afford to pay more? 15% of any income over the minimum required to live on and not including it!

People on Jobseekers Allowance can't afford to pay any Council Tax.

if the council were to take back the services currently run by Colchester Borough Homes, they could save the 10% needed without effecting benefits.

I feel I am not sufficiently economically qualified to express a cogent opinion

28 November 2012

Report of	Task and Finish Group	Author	Amanda Chidgey
Title	Future Use of the Magistrates' Courts Task and Finish Group // Final Report		282227
Wards affected	Not applicable		

This report concerns the work undertaken by the Magistrates' Courts Task and Finish Group and presents the recommendations of the Group to the Cabinet

1. Decision(s) Required

- 1.1 To review the work of the Future Use of the Magistrates' Courts Task and Finish Group and to consider the details of the two offers submitted set out in a separate report in Part B of the agenda and the Group's recommendations as set out in Paragraph 5 below.
- 1.2 In accordance with the previous Cabinet resolution, to refer the final recommendations of the Future Use of the Magistrates' Courts Task and Finish Group to Council for determination.
- 1.3 Should the recommendations of the Group be approved by Council, authority be delegated to the Portfolio Holder for Business and Resources, following consultation with Executive Director Ann Hedges, to conclude negotiations on terms no less advantageous than as proposed.

2. Reasons for Decision(s)

- 2.1 At the Cabinet meeting on 25 January 2012, following consideration of a Motion agreed by Council, it was agreed that the Task and Finish Group on the Future Use of the Magistrates' Courts be reconvened to oversee the implementation of the proposals and to take the final recommendation to Council.

3. Alternative Options

- 3.1 A range of alternative options have been considered by the Task and Finish Group which essentially can be summarised as:
 - To withdraw from the marketing exercise and do nothing further;
 - To retain the buildings for the short term and go out to market again in due course.

4. Supporting Information

- 4.1 The following Motion was approved by Council in December 2011:

“(a) It is the wish of Council that the Town Hall be retained as the Civic Centre of the Borough. Within the Town Hall the Council Chamber, the Moot Hall, the Principal meeting rooms, the Mayor's Parlour and suitable accommodation for the day-to-day work of the Cabinet and Borough Councillors should remain within the control of the Council.

But Council also encourages Cabinet to make the main civic rooms available for public use on a secondary basis, in so far as it is practicable.

(b) It is encouraged to test the market in regard to future uses of the Magistrates' Courts when they revert to the Borough Council, along with the Old Library and any other surplus space in the Town Hall, but should note that future uses should be sympathetic with the purpose and dignity of the Town Hall as the Borough's Civic Centre."

4.2 In the light of this Motion Cabinet agreed to reconvene the Task and Finish Group on the Future Use of the Magistrates' Courts to oversee the implementation of the proposals and to take the final recommendation to Council.

4.3 The membership of the Group comprised:

Councillor Bill Frame (Chairman);
Councillor Gerard Oxford (Deputy Chairman)
Councillor Beverly Davies
Councillor Terry Sutton
Councillor Laura Sykes
Councillor Julie Young

4.4 Following the preparation of a Scoping Document to form the basis of the Group's work in February 2012, over a number of subsequent meetings, the Group had completed the following main tasks:

- Determined the extent of the building to be marketing, including the Old Library (as specified by Council) and some of the existing political Group Rooms;
- Identified Heritage Considerations and a range of Acceptable Potential Uses;
- Agreed Criteria to determine marketing proposals;
- Maintained an open view in terms of ideas and potential uses, including community uses;
- Considered marketing proposals from five Agents and selected three to invite to submit bids for marketing;
- Appointed Savills to market the accommodation.

4.5 The marketing exercise had identified three potential interested parties, all of which were companies wishing to use some or all of the premises for restaurant purposes and towards the conclusion of the Group's work a fourth party made their very keen interest in utilising the majority of the available premises known to officers.

4.6 During the course of the meetings the Group also provided for arrangements to be put in place for the public to look round the Courts once they had been vacated.

4.7 The current costs associated with the premises and the details of the two offers submitted have been set out in a separate report in Part B of the agenda. In terms of costs, however, the essential issues were that the Old Library area delivered approximately £18k additional income, after taking into account the current running costs set against anticipated income, whilst the building as a whole (including Magistrates' Courts repair and maintenance costs) reduced this additional income to £13k. The income lost in respect of the Magistrates' Courts area amounted to £36k per year.

4.8 At the Group's final meetings it was explained that two interested parties had withdrawn from the process due to conflicting priorities and the extent of financial commitment necessary to convert the premises whilst the other two had committed to making formal offers as follows:

- An offer of rent for a 20 year lease of the Old Library and associated rooms only with break clauses at ten and fifteen years to operate a bistro style establishment;
- An offer of rent for a 14 year lease with an option to extend for a further 7 years of the Old Library, Court rooms, cells and all associated rooms with the exception of the flat and the tower area.

4.9 In consideration of the two offers, the Group discussed the advantages and disadvantages which can be summarised in terms of:

- Potential loss of the Old Library for public meetings over and above the commercial bookings element;
- Greater difficulty in marketing the Magistrates' Courts buildings separately without the benefit of the Old Library being included in the package;
- Loss of town centre facilities for use by local groups;
- Benefit of gaining a fixed annual income with the knowledge that the building would be retained by the Council if the business uses proved to be unsuccessful;
- Potential merits of withdrawing from the exercise and remarket the building in three or so years' time;
- Need for any phased proposal to be incorporated into a staged lease arrangement to ensure delivery of each part of the development;
- Requirement for parameters regarding usage to be considered, bearing in mind the need for sympathy with the existing use of the Town Hall buildings, but without the imposition of unworkable restrictions.

5. Proposals

5.1 Following detailed consideration of the two offers made, the Magistrates' Courts Task and Finish Group invites the Cabinet to consider the following recommendations:

That –

- (i) Subject to contract, the offer in respect of the Old Library, Court rooms, cells and all associated rooms with the exception of the flat and the tower area, be accepted in principle, to be subject to further negotiation and effective from Spring 2013;
- (ii) In order to progress matters further, consideration be given to authority being delegated to the Portfolio Holder for Business and Resources, following consultation with Executive Director Ann Hedges, to conclude negotiations on terms no less advantageous than as proposed;
- (iii) In accordance with the agreed scope of the Task and Finish Group its work had now been concluded but, should Cabinet require further involvement by the Group the members confirmed their willingness to contribute further.

6. Strategic Plan References

6.1 Certain elements of this work could potentially assist in addressing one of the Council's priority areas, namely improving opportunities for local business to thrive.

7. Publicity Considerations

7.1 There is likely to be public interest in any changes to the use of the buildings associated with the Town Hall.

8. Financial Implications

- 8.1 The reason for initiating the review was the relocation of the Magistrates' Courts from the Town Hall premises and the associated cost pressure of £36k if an alternative use for the premises is not found. This pressure was reflected in the 2012/13 budget on the basis of the lost income, however, this was done so on the basis that the review would seek to identify steps to mitigate this in future years.
- 8.2 Details of the potential revenue improvement are set out in a separate report in Part B of the agenda.

9. Equality, Diversity and Human Rights Implications

- 9.1 Several parts of the Town Hall are no longer in use for Council business due to accessibility issues outlined in the Disability Discrimination Act. It will be necessary to undertake a full Equality Impact Assessment prior to the implementation of any of the proposals identified in Paragraph 5 above.

10. Consultation, Community Safety Health and Safety or Risk Management Implications

- 10.1 There are no significant Consultation, Community Safety, Health and Safety or Risk Management implications.



Cabinet

28 November

Item
10(i)

Report of	Head of Strategic Policy and Regeneration	Author	Tina Hinson ☎ 506903 Joanne Webb ☎ 506575
Title	Colchester Borough Council's Strategic Tenancy Strategy		
Wards affected	All wards affected		

This report concerns a proposal to adopt a Strategic Tenancy Strategy which will ensure we meet our statutory duty under the Localism Act 2011.

1. Decision(s) Required

- 1.1 To adopt a strategic tenancy strategy as attached at Appendix A.
- 1.2 To recommend to full Council that the strategy be adopted as part of the Council's Policy Framework.

2. Reasons for Decision(s)

- 2.1 The Localism Act 2011 requires that by January 2013, Local Housing Authorities in England to prepare and publish a strategic tenancy strategy. In adopting the strategy, Colchester Borough Council will meet the statutory requirements placed on it under the Localism Act 2011.

3. Alternative Options

- 3.1 Not to adopt a Strategic Tenancy Strategy. Colchester Borough Council would then not meet its statutory duty under the Localism Act 2011. Failure to comply with this requirement would expose the Council to possible legal challenge. Additionally, without an agreed approach in place, housing providers, other partners and residents would be unclear as to the Council's position on key issues and what was expected of Registered Providers of social housing (RPs) operating in the Borough.

4. Supporting Information

- 4.1 The Localism Act requires each Local Authority to establish a strategic tenancy strategy which sets out principles on the types of tenancies they want to see used locally by Registered Providers.
- 4.2 The key elements of the tenancy strategy are set out below:
"A local housing authority in England must prepare and publish a strategy (a "tenancy strategy") setting out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to—
 - the kinds of tenancies they grant,

- the circumstances in which they will grant a tenancy of a particular kind,
- where they grant tenancies for a certain term, the lengths of the terms, and
- the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.”

- 4.3 Registered Providers is a term used to refer to organisations providing social housing. These organisations have also been known as ‘Housing Associations’ or ‘Registered Social Landlords’.
- 4.4 All Registered Providers are expected to adopt a ‘Landlord’s Tenancy Policy’ which sets out: the kinds of tenancies that they will offer, and at what rent; the circumstances in which tenancies will be granted; the length of tenancies granted and the process for reviewing tenancies. In developing these policies, they are expected to ‘have regard’ to the Tenancy Strategies of the Local Authorities in the area where they manage homes.
- 4.5 The proposed Strategic Tenancy Strategy for Colchester is attached at Appendix A. It will enable Colchester to meet its duty under the Localism Act whilst also meeting wider strategic objectives. These include:
- providing guidance that Registered Providers will have ‘regard to’ in developing their own policies;
 - ensuring a more consistent and transparent strategic approach to tenancy and other related policies across Local Authority boundaries;
 - taking account of affordability and sustainability of tenancies for households on low incomes;
 - making the best use of social and affordable housing to reduce housing need and facilitate tenant mobility;
 - ensuring Local Authorities take account of the implications of affordable rent tenures in their allocations policy and homelessness strategies;
- 4.6 Colchester Borough Council has worked with eight local authorities from the Greater Haven Gateway (GHG) sub-region and beyond to develop a common framework. Working together, the local authorities acknowledge that many significant strategic tenancy issues are general to all localities and this has allowed us to produce a ‘common framework’ which all parties have endorsed and will sign up to.
- 4.7 The councils involved in the Common Framework are: Babergh DC, Braintree DC, Colchester BC, Ipswich BC, Maldon DC, Mid Suffolk DC, Suffolk Coastal DC, Tendring DC and Waveney DC. The steering group also included representatives from 6 registered providers with homes in several districts across the local authorities. These representatives included a Registered Provider focused on rural provision, and RPs with different stock levels. The National Housing Federation, which represents 1200 housing organisations in England, was also involved in the steering group.
- 4.8 The ‘common framework’ consists of a set of key principles with supporting statements relating to each issue. The use of a common framework also assists our Registered Provider partners who work across local authority boundaries by providing consistency across the GHG.
- 4.9 As both a Local Housing Authority and a Registered Provider, CBC were acutely aware that in developing a Strategic Tenancy Strategy we should not be asking other Registered Providers who develop and manage homes in the borough to have regard to principles which we ourselves would not have regard to.

- 4.10 The Common framework and principles have been incorporated into the attached strategy. Evidence data and examples have been incorporated from Colchester to provide a local context.
- 4.11 The principles in the strategic tenancy strategy include:
- A definition of affordability relating to local earnings levels.
 - Affordable rents must not be set at a level which exceeds a Universal Credit cap which means that households would have to subsidise their rent from their basic living allowance.
 - Registered Providers must discuss levels of conversions of properties from social to affordable rents with the Local Authority
 - Registered Providers should seek to ensure that revenue raised from converting social to affordable rents is reinvested in the same Local Authority area
 - Fixed term tenancies should be for a minimum of five years unless exceptional circumstances apply
 - Sheltered and long term supported accommodation should be let on secure tenancies
 - Registered Providers policies on fixed term tenancies and affordable rents must not act as a barrier to encouraging underoccupying tenants to downsize
 - Registered Providers should discuss plans to dispose of any properties with the Local Authority. Any income from disposals should be reinvested in that Local Authority's area.
- 4.12 Colchester Borough Council, as a landlord, is also bound to have 'due regard' to the Strategic Tenancy Strategy. Colchester Borough Council is drawing up its own 'Landlord's Policy' following the development of the Strategic Tenancy Strategy to ensure that the two documents are in agreement.

5. Proposals

- 5.1 To adopt a Strategic Tenancy Strategy as attached at Appendix A.
- 5.2 Monitoring the tenancy strategy will be a critical part of understanding and evaluating the impact of tenancy changes and will provide the necessary intelligence to review and revise policies. Data will be collected for each financial year and an annual meeting will be held with Registered Providers and the Local Authorities to evaluate the monitoring information and amend the strategy as necessary.

6. Strategic Plan References

- 6.1 The Strategic Tenancy Strategy reflects the Council's objectives in the Strategic Plan;
- Providing more affordable homes across the borough
 - Supporting more vulnerable groups

7. Consultation

- 7.1 The strategy was developed in partnership with major Registered Providers in the area who sat on the sub-regional project team which developed the strategy. The project team

also included the Eastern Regional Manager from the National Housing Federation (NHF) who also did some pre-consultation with NHF members in the Greater Haven Gateway. A formal consultation on the strategy was undertaken for 12 weeks via a web-based survey on each Local Authority's web-site and a consultation event was held specifically for Registered Providers, so that those not involved directly in the working group could feed in their views.

- 7.2 As a result of feedback amendments were made to the wording of a number of principles in order to aid understanding or to add clarity.

8. Publicity Considerations

- 8.1 The Localism Act requires that Local Authorities publish their Strategic Tenancy Strategy and make it available to the public. Therefore, the Strategy will be available on Colchester Borough Council's website.
- 8.2 Registered Providers with stock in the area will be informed that a Strategic Tenancy Strategy has been adopted.

9. Financial Implications

- 9.1 In having regard to the Strategic Tenancy Strategy as a landlord, there may be implications to the Housing Revenue Account.

10. Equality, Diversity and Human Rights implications

- 10.1 An EqIA has been completed on the proposed strategy and can be accessed here.
[http://Colchester.gov.uk/Council and Democracy/ Policies, Strategies and Performance/ Equality and Diversity/ Equality Impact Assessments/ Strategic Policy and Regeneration/ Housing/ Strategic Tenancy Strategy](http://Colchester.gov.uk/Council%20and%20Democracy/Policies,%20Strategies%20and%20Performance/Equality%20and%20Diversity/Equality%20Impact%20Assessments/Strategic%20Policy%20and%20Regeneration/Housing/Strategic%20Tenancy%20Strategy)

11. Community Safety Implications

- 11.1 None

12. Health and Safety Implications

- 12.1 None

13. Risk Management Implications

- 13.1 The consultation revealed the extent to which the relationship between Councils and Registered Providers can be strained when their interests differ. Certain elements of the strategy will need careful management to maintain our positive relationship with local providers. In particular, the Strategy seeks to limit the most negative potential impacts of fixed term tenancies and affordable rented homes and that may risk our relationship with some providers and limit the development opportunities locally. In particular, there are risks associated with:
- changes to security of tenure

- the higher cost of some new tenancies
- how and where income from higher rents is spent by providers

These risks would still apply if we did not adopt a strategy at all.

Appendix A- Colchester Borough Council Strategic Tenancy Strategy

Colchester Borough Council Strategic Tenancy Strategy

Based on a Common Framework with
Babergh DC; Braintree DC; Colchester
BC; Ipswich BC; Maldon DC; Mid Suffolk
DC; Suffolk Coastal DC; Tendring DC;
Waveney DC

Principles in the Common Framework

1A - Housing costs are affordable if they do not exceed 25% of an individual's full time income. Income is based on the gross median income of an individual in the local authority where they live.

1B – Affordable rents are not set at a level which exceeds a Universal Credit cap which means that households would have to subsidise their rent from their basic living allowance.

2A - In the broad market area no more than the conversion rate agreed with Homes and Community Agency should be re-let annually as an Affordable Rent (AR) to ensure there is a sufficient balance of tenures to meet housing need.

2B – Registered Providers (RPs) share with local authorities information which shows the number and percentage of social rent properties that are re-let annually as affordable rents.

2C - RPs have due regard to local authority's evidence and understanding of affordability issues when deciding what property types they will convert from social rents to affordable rents and in what locations. Local authorities and RPs will have an open dialogue where there are concerns.

2D – RPs make best efforts, using income generated from affordable rents, to focus their development capacity on areas and property types which meet LA strategic housing needs within the broad market area.

2E - In situations where s106 agreements have been agreed but where the sites have not been built there is an open discussion between local authorities, RPs and developers about the most appropriate affordable housing tenure mix. That this discussion is based on a robust viability assessment of the particular site and this data informs any proposed changes to the s106.

3A - Where a RP is using flexible tenancies and offers an introductory tenancy a minimum five year fixed tenancy will normally follow if the terms of the tenancy have been satisfactorily met.

3B– RPs will share with tenants and local authorities a list of exceptional circumstances which would result in the offer of a tenancy for less than five years.

3C Fixed term tenancies will be renewed unless one or more items in the exclusion list are met.

3D - Sheltered housing will normally continue to be let on secure or fully assured tenancies.

3E – If supported housing is intended to meet the long term needs of an individual then the tenancies will normally continue to be let on secure or fully assured tenancies.

4A - Standards for a minimum level of housing options advice are included within this strategy and are delivered through a joint protocol. This includes at the start of a tenancy and at the end of a fixed term tenancy when it is not being renewed.

5A - Barriers to downsizing are removed to enable households to move to smaller properties that meet their aspirations, whilst also ensuring that they are fully aware of any changes to their security of tenure.

5B - Fixed term tenancies will normally be used for properties that are in the greatest demand by households so preventing future under occupation in larger properties.

5C - Tenants that currently live in an adapted property will have their tenancy renewed unless other circumstances apply (see principle 3C).

6A - Working together RPs and LAs will explore opportunities to maximize alternatives to disposal or potential joint redevelopments to meet both housing needs in the broad market area and RP development programmes.

6B – By recording capital derived from disposals of properties in each local authority RPs will be able to share this information with LAs, indicating, where possible, if the capital is reinvested outside the broad market area.

Tenancy Strategy – A Common Framework

Introduction

Why have a strategy?

The Localism Act 2011 requires Local Authorities to publish a strategic tenancy. The Act specifically sets out the scope of a tenancy strategy:

“A local housing authority in England must prepare and publish a strategy (a “tenancy strategy”) setting out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to:

- (a) the kinds of tenancies they grant,*
- (b) the circumstances in which they will grant a tenancy of a particular kind,*
- (c) where they grant tenancies for a term certain, the lengths of the terms, and*
- (d) the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.”*

This strategy refers to flexible and affordable rent tenancies arrangements for RPs. Local Authorities with their own housing stock, who are part of this agreement, will be developing their own strategic housing policies to address these flexibilities.

How was it developed?

This tenancy strategy has been developed and jointly written by a partnership of nine local authorities in Essex and Suffolk plus Registered Providers (RPs) that work within the broad geographical area. The ten authorities are: Babergh DC, Braintree DC, Colchester BC, Ipswich BC, Maldon DC, Mid Suffolk DC, Suffolk Coastal DC, Tendring DC and Waveney DC.

Working together the local authorities acknowledge that many significant strategic tenancy issues are general to all localities and this has allowed us to produce a ‘common framework’ which all parties have endorsed and (will) sign up to. The ‘common framework’ consists of a set of key principles with supporting statements relating to each issue. Affordable housing markets vary within the nine authorities; for example rent levels are different in each local authority but using the principle of affordability in the framework this will show whether a household on a median income is able to afford rent for their home. A short summary of the local housing market of each authority can be found in Appendix 1.

Objectives of the strategy

The context for this strategy is that it supports and fits with other wider housing and planning policies of each Local Authority to achieve growth, economic prosperity and increased provision of Affordable Housing. Both local authorities and registered providers will continue to foster good relations, which will be of mutual benefit, to help achieve these aims.

The main objectives of the strategy are to:

- provide guidance that RP's will have 'regard to' in developing their own policies
- ensure a more consistent and transparent strategic approach to tenancy and other related policies across LA boundaries
- take account of affordability and sustainability of tenancies for households on low incomes
(see principles 1a, 1b, 2a, 2c, 3a, 3c)
- make the best use of social and affordable housing to reduce housing need and facilitate tenant mobility
(see principles 3a, 3d, 3e, 5a, 5b)
- ensure LA's take account of the implications of affordable rent tenures in their allocations policy and homelessness strategies
(see principle 4A).

What do we mean by 'have regard to'?

'To have regard to' is not defined in statute but case law suggests that it means in this context registered providers are:

- ✓ actively informed of the direction provided by the tenancy strategy, and
- ✓ able to evidence that they have considered the content, even if they choose not to follow it, *and*
- ✓ consider the tenancy strategy when they review their own policies.

This document has been developed and written some time after RPs had to make critical business decisions about fixed tenancies, affordable rents, conversions and disposals as part of their bid for grant under the 2011-15 HCA affordable homes programme. In recognition that some RPs have already produced their own landlord tenancy policies this common framework should be understood as a process rather than a static document. Coming together to develop the framework has created the environment to do more than write a document. It has encouraged an open dialogue between RPs and local authorities about the strategic impact of legislative changes to tenancies. It has enabled local authorities, over a wide market area, to set out common principles which reflect their ideas for balancing the housing needs of their local communities.

Monitoring and Review

It is agreed that monitoring the tenancy strategy will be a critical part of understanding and evaluating the impact of tenancy changes and will provide the necessary intelligence to review and revise policies. Data will be collected for each financial year and an annual meeting will be held with RPs and LAs to evaluate the monitoring information and amend the strategy as necessary.

The following sections contain the key themes and general principles in the common framework. The background to developing the affordability principle can be found in appendix 2.

Local Amendments to the Common Framework

This version of the Strategy has been adapted specifically for Colchester Borough Council. The principles are adopted unchanged from the common framework but changes have been made to reflect local circumstances and in response to local consultation.

Passages changed in this way are highlighted. This to help Registered Providers in particular (who may be working across Local Authority boundaries) to identify changes in emphasis we may have introduced locally.

1. Affordability and sustainability of new tenures

1A - Housing costs are affordable if they do not exceed 25% of an individual's full time income. Income is based on the gross median income of an individual in the local authority where they live.

1B – Affordable rents are not set at a level which exceeds a Universal Credit cap which means that households would have to subsidise their rent from their basic living allowance.

The Localism Act takes its definition of Social Housing from Section 68 of the Housing and Regeneration Act. It defines 'Social Housing' as low cost rental accommodation and low cost home ownership. Low cost rental accommodation is described as accommodation which is available to rent below market rate in accordance with procedures to ensure that it is available to those whose needs are not served by the commercial housing market.

Our intention is to adopt a 'benchmark' for affordability. The principle effectively means that affordable housing in the Colchester Borough Council district should be affordable to a full-time worker on a typical local income. There are 3 stages of assumptions here:

1. **Median income** is the middle income for all the full-time working people in the district. By definition, half the district's workers earn more and half less than this figure. We have assumed that affordable housing should meet the needs of the lower 50% of wage earners.
2. We have used the income of a **single full-time worker** because it is reasonable that a single person or a single parent should be able to afford 'affordable' housing. We recognise that we cannot find a benchmark that suits every individual situation, such as part-time workers and households with 2 people working.
3. **25% of gross median income** being spent on rent and any service charges is established as a reasonable measure of affordability in a range of research and publications, including Strategic Housing Market Assessments. For someone on £24,000 per year, we are indicating that housing costs of around £6,000 per year (£120 per week) should be affordable. This is very similar to the calculation undertaken by mortgage lenders when they assess what people can afford to borrow.

Typical local incomes are set out in the appendix to this document and will be updated annually, once the Annual Survey of Household Earnings (ASHE) data is published.

Housing affordability

The local authorities adopting this strategy have therefore agreed a principle definition of affordability which measures whether a household can access and sustain the cost of

housing. This principle is based on key sets of data and an informed judgment of what is an affordable ratio of housing costs to income. This common definition will enable local authorities to assess affordability and 'localise' the housing market information and advice they give Registered Providers working in their area. It will also provide the means to compare information across local authority boundaries and identify 'housing market area linkages'.

Affordable rents and Universal Credit (UC)

Government plans are to carry forward the current provisions for help with housing costs into Universal Credit, then move towards a more flat rate approach for assessing housing costs. However, rents vary significantly depending on the type of landlord (private, housing association or council) and on geographical location. Housing costs form a significant part of most claimants' overall benefit. As a result, households will face major budgeting problems if the housing element of their UC does not accurately reflect their housing costs. (see appendix 3)

The impact of this policy

We recognise that this policy risks limiting the development of affordable housing. Lower rents than the 'norm' of 80% of market rent will require a higher subsidy or may prevent RPs from fulfilling their agreements with the HCA. Our intention is to make sure rent levels are seriously considered, other sources of funding are explored to subsidise rent levels and that we discuss with RPs if lower rent levels are feasible.

In common with all of this Strategy, RPs are asked to 'have regard' to it and it is not binding on providers. However, we hope that providers will maintain a dialogue with us about rent levels in new homes. We are fearful that the consequence of high rents (particularly for larger family homes) could be people refusing offers of housing because the rent is too high making it more and more difficult for us to find housing solutions for people who desperately need them. Similarly, tenants may be evicted for rent arrears because the amount they were expected to find was significantly more than it is prudent for them to agree to.

Monitoring

Principle 1

We want to understand how the introduction of affordable rents will affect household's choices when they are rehoused; whether a household's income level will affect who is rehoused; will more households be rehoused from lower priority bands on the housing register?

We will monitor annually:

From the housing register

- a) number of non working households rehoused
- b) number of working households rehoused and their income level
- c) number of retired people rehoused
- d) band on the housing register (reason e.g. overcrowding)
- e) whether new applicant or transfer

From CORE

- f) number and type of tenancy
- g) Basic weekly median rent payable for social rent and affordable rents

From Department of Work and Pensions

i) Universal Credit levels for household types

2. Converting Social Rents to Affordable Rents

Registered Providers have the flexibility to let new properties and convert a proportion of vacant Social Rent properties to Affordable Rents at re-let, at a rent level of up to 80% of market rent. Registered Providers are able to convert properties to Affordable Rents where they have signed an investment agreement with the Home and Communities Agency (HCA). Not all Registered Providers have entered into the new funding arrangement which means they will continue to let their properties on Social Rents.

We recognise that converting a proportion of existing stock to Affordable Rents is a crucial element in generating additional financial capacity for RPs to deliver more affordable housing. Moreover that due to delays in signing HCA funding agreements that RPs will need to convert more properties initially to meet the proportion of 50% conversion of re-lets that was proposed. However, LAs have a role in balancing the housing market would like to maintain a supply of properties with social rents to meet the needs of working low income households.

Principle 2A - In the broad market area no more than the conversion rate agreed with Homes and Community Agency should be re-let annually as an Affordable Rent (AR) to ensure there is a sufficient balance of tenures to meet housing need.

Principle 2B – RPs share with local authorities' information which shows the number and percentage of social rent properties that are re-let annually as affordable rents.

Principle 2C - RPs have due regard to local authority's evidence and understanding of affordability issues when deciding what property types they will convert from social rents to affordable rents and in what locations. Local authorities and RPs will have an open dialogue where there are concerns.

Principle 2D – RPs make best efforts, using income generated from affordable rents, to focus their development capacity on areas and property types which meet LA strategic housing needs within the broad market area.

Principle 2E - In situations where s106 agreements have been agreed but where the sites have not been built there is an open discussion between local authorities, RPs and developers about the most appropriate affordable housing tenure mix. That this discussion is based on a robust viability assessment of the particular site and this data informs any proposed changes to the s106.

Local authorities would like to work with RPs to help balance competing needs between RPs converting properties to give them the greatest financial headroom to develop new properties with the need for properties to be affordable for households on low incomes and in housing need.

Before conversions take place we would encourage RPs to work with LAs to consider the potential impact on the supply of affordable housing where specific types of properties may be in short supply or market levels may be very high.

Income from the increased Affordable Rents rental stream will, in the foreseeable future, contribute to the funding base for new affordable housing development. Local authorities would like to be informed of how the income, available for development, from Affordable Rents will be invested i.e. at a local authority, housing market area or county area level to meet strategic housing need. An informed and shared understanding of how these resources are used will promote transparency and accountability.

We recognise that the area of operation of housing associations varies considerably. Associations working with the HCA will pledge to raise finances from conversions in one or more locations and invest in another. Throughout this document, we have used the term 'broad market area'. This is intended to indicate an area that is larger than a single district. For Colchester, we would regard our broad market area as including all surrounding districts and the districts covered by the area of the 'Gateway to Homechoice' scheme.

By seeking information about the general pattern of where associations are investing resources from conversions, it may help LAs to make decisions about future associations they wish to work with on key developments locally.

Some s106 agreements that have already been agreed on sites that have yet to be developed have included Social Rents as their preferred affordable housing tenure. During this transition period, as Affordable Rents are introduced, further discussion and assessment will be required with RPs and developers to decide the most appropriate affordable tenure mix.



Monitoring
Principle 2

We will monitor annually:

- a) number and % of RP re-lets converted to Affordable Rents
- b) the size of properties converted to Affordable Rents

3. Length of tenancy – Fixed term tenancies

The Localism Act has created a new type of tenancy called a flexible tenancy. Housing providers will no longer have to let a tenancy for life, but can let it on a fixed term, which will be reviewed. The new legislation is intended to make the housing system more flexible and allow more people on the waiting list and in overcrowded conditions to be rehoused.

Principle 3A - Where a RP is using flexible tenancies and offers an introductory tenancy a minimum five year fixed tenancy will normally follow if the terms of the tenancy have been satisfactorily met.

Principle 3B – RPs will share with tenants and local authorities a list of exceptional circumstances which would result in an offer of a tenancy for less than five years.

Principle 3C Fixed term tenancies will be renewed unless one or more items in the exclusion list are met.

Principle 3D - Sheltered housing will normally continue to be let on secure or fully assured tenancies.

Principle 3E – If supported housing is intended to meet the long term needs of an individual then the tenancies will normally continue to be let on secure or fully assured tenancies.

Where providers use these new flexibilities, they will offer tenancies for a fixed term of at least 5 years, except for in 'exceptional circumstances' where they may offer a tenancy of between 2 and 5 years.

It is anticipated that unless there is a significant change in tenant's household circumstances that the fixed tenancy will be renewed for a further period. This general principle benefits all parties: tenants are able to remain in their homes and maintain their social networks in that area; RPs do not have an unnecessary turnover in their stock with the associated administrative burden and voids; applicants on the housing register are not disadvantaged because the housing stock continues to be used for those with the greatest need.

The following list details the circumstances in which a fixed tenancy may not be renewed:

- Increase in tenant's financial circumstances. (after full financial assessment)
- The property has become permanently under-occupied.
- The property is overcrowded and the household requires a larger one.

- The property was allocated to meet particular needs that are no longer present e.g. the need for a single story dwelling because a member of the original household had a disability but now no longer lives there.
- The terms of the tenancy have been breached i.e. neglect of property, rent arrears.

Registered providers using the new tenure flexibilities will publish a tenancy policy which will be made available to the Local Authority where they operate. It is critical that tenants taking up fixed term tenancies are fully informed about what will happen at the end of the fixed term. We therefore expect that providers will have very clear, published information that sets out the information we are requesting and in most cases, there is no reporting burden for providers. In short, we expect the overwhelming majority of fixed-term tenancies to be for 5 years.

Our major concern is that there may be circumstances when an individual is offered a shorter fixed-term than 5 years. We want to be clear in the advice we give to homeless households seeking our help and to applicants to our register. We want to be able to tell them what they can expect from housing providers. We believe this to be a fundamental part of our role and would therefore like to monitor exceptions and discuss them with the providers.



Monitoring

Principle 3

We would like to record the number of exceptions to the above principles and the reasons why to ensure consistency and transparency across local authorities in the common framework.

We will monitor annually:

- a) number of general needs tenancies let on less than five years fixed term and reasons why
- b) number of exceptions where sheltered housing and supported housing is let on a fixed term tenancy and the reasons why

4. Housing Options Advice

Households will require sufficient information for them to assess at different stages of their 'housing pathway' what is the best choice for them in their current circumstances and the implications of exercising that choice. It will also be necessary to make arrangements for advocacy to be available when a tenant requires representation in appealing a decision which terminates their tenancy.

4.A - Standards for a minimum level of housing options advice are included within this strategy and are delivered through a joint protocol. This includes at the start of a tenancy and at the end of a fixed term tenancy when it is not being renewed.

The provision of adequate housing options advice also clearly links to local authority's homelessness strategies and their statutory homelessness duties.

At the tenancy sign up stage RPs already provide information, advice and support for their new tenants. An additional element will be the requirement to provide information about the fixed length of the tenancy and highlight to any households moving from fully assured or secure tenancies the implications of this move (in line with principle 5A on downsizing and transfers).

The need for housing options advice at the renewal of a fixed term tenancy is a new requirement and could be provided or procured by RPs, for example through a service level agreement from a local Citizen Advice Bureau. Establishing a clear protocol for providing housing options advice to tenants, at the point at which their fixed tenancy is not renewed, will achieve clarity for tenants and also for other housing and housing related service providers within the area. It will minimise the scope for the ending of a fixed term tenancy to become a contested area between organisations with different policies and priorities.

Ideas for a draft protocol for the provision of housing options advice is attached as appendix 4.

Monitoring

Principle 4

Local authorities want to work with RPs to ensure that a joint protocol is used to provide or procure a minimum level of housing options advice at each stage of a household's housing journey.

We will monitor annually:

- a) number of complaints associated with non renewal of fixed term tenancies

b) review the housing options advice joint protocol with reference to lessons learned through monitoring complaints, non renewals and evictions.

5. Maintaining and enhancing mobility

We are keen to work with RPs to ensure that best use is made of the social housing stock including managing overcrowding and under occupation. We want to manage the impact of Affordable Rents and fixed tenancies so that there are not any unintended consequences that impede mobility and reduce effective use of the stock.

5.A - Barriers to downsizing are removed to enable households to move to smaller properties that meet their aspirations, whilst also ensuring that they are fully aware of any changes to their security of tenure.

5.B - Fixed term tenancies will normally be used for properties that are in the greatest demand by households so preventing future under occupation in larger properties.

5.C - Tenants that currently live in an adapted property will have their tenancy renewed unless other circumstances apply (see principle 3C).

This area of the common framework links most closely with allocations policies. For members of 'Gateway to Homechoice' choice based lettings scheme, the allocations policy provides the operational detail. For other local authorities this detail will be found in their own allocations policies.

As referred to in principle 4A we want to see comprehensive housing options advice available so households are aware of the tenancy implications of making a decision to move – which in some circumstances may involve moving from a secure or fully assured tenancy to a fixed tenancy or a Social Rent to an Affordable Rent, or both.

To make best use of the social housing stock RPs and LAs are agreed that it is important to support tenants to downsize, as this has the effect of releasing additional bedroom capacity for larger households in most need. To ensure that households are given as much encouragement and incentive to move as possible additional flexibility may be required to offer 'like for like' tenancies.

Households that are overcrowded and are moving to larger properties are likely to be offered fixed term tenancies, particularly households moving to four bedroom and larger three bed houses. Using fixed term tenancies will ensure that when a household no longer needs a larger property it may be re-let to a larger household in need.

There is a high demand for adapted properties. We acknowledge that this is an area where more flexibility may be required because of the often complex needs of the household.



Monitoring principle 5

To minimize barriers to making best use of the housing stock we will identify trends by monitoring annually:

- a) number of transfers – with reasons (under occupiers, overcrowding, adapted properties)
- b) number of mutual exchanges by similar categories



6. Disposals of homes owned by Registered Providers

Disposals of properties

There are two main issues relating to the disposal of RP properties; which properties are disposed of and where the income from the properties is reinvested.

6.A - Working together RPs and LAs will explore opportunities to maximize alternatives to disposal or potential joint redevelopments to meet both housing needs in the broad market area and RP development programmes.

6.B – By recording capital derived from disposals of properties in each local authority RPs will be able to share this information with LAs, indicating, where possible, if the capital is reinvested outside the broad market area.

Local authorities would like RPs to talk to them about which properties they are proposing to dispose of prior to any decision being made. Local authorities want to be included in an early dialogue as they may wish to influence choices about which properties will be disposed of or discuss alternative options or in some cases they may wish to acquire/enable others to acquire the properties to meet housing need. RPs and local authorities can work together at a local level to address viability issues, poor property conditions, emerging need and management issues on potential disposals. This joint approach will maximize the opportunities for retaining the property or the potential for redeveloping it without grant.

We understand that national RPs may make strategic business decisions about the disposal of affordable housing units and may not be able to recycle this capital within the same geographical area. However we consider it essential to have transparency about the use of this capital so that information is openly available to residents, local authorities and the Homes and Communities Agency.

Monitoring principle 6

Local authorities want to be involved and influence the disposal of affordable housing in their area. To understand the impact of disposals and any trends we will monitor annually:

- a) number and type of properties disposed of
- b) the value of the properties disposed of
- c) whether capital realized from disposals is reinvested within the broad market area

Appendix 1 - Registered Providers and Local Authority housing stock

Information	Babergh	Braintree	Colchester
Number of LA owned affordable homes	3,416	27 units of temporary accommodation (HSSA 2011 submission)	6300
Number of RSL affordable homes	1,680 Includes Shared Ownership & Intermediate rented homes.	10,233 (HSSA 2010)	3090
Number of RSLs in LA area	17 RSLs including supported housing providers (8 developing)	27	18

Information	Ipswich	Maldon	Mid Suffolk
Number of LA owned affordable homes	8,230 HSSA 2008	0	
Number of RSL affordable homes	4,570 HSSA 2008	2,875	
Number of RSLs in LA area	26 CORE lettings	10 (7 developing)	

Information	Suffolk Coastal	Tendring	Waveney
Number of LA owned affordable homes	0		4,651
Number of RSL affordable homes	5,156		1924
Number of RSLs in LA area	12		10

Appendix 2 – 25% gross income as a measure of affordability

Table 1 below uses the 2010 Annual Survey of Hours and Earnings to provide the median gross income for each of the local authorities within the common framework area. The middle column gives a figure for 25% of the median income in each area. The shaded column shows what would be an affordable rent per week based on 25% gross income.

**Table 1: Weekly affordable rents based on 25% median gross income figures
Figure 7.7a Median annual pay - Gross (£) - For full-time employee jobs: UK, 2010**

Description	Median gross income	25% of median gross	Weekly affordable rent threshold based on 25% of median gross
Babergh	22,341	5,585	107.4
Braintree	23,599	5,900	113.46
Colchester	24,583	6,146	118.19
Ipswich	23,251	5,813	111.79
Maldon	24,402	6,101	117.33
Mid Suffolk	21,260	5,315	102.21
Suffolk Coastal	27,375	6,844	131.61
Tendring	20,941	5,235	100.67
Waveney	22,322	5,581	107.33

Source: Annual Survey of Hours and Earnings, Office for National Statistics.

Taking the principle of 25% gross income and applying these to likely ARTs rent levels, in the example of Colchester, we can see in the table below that rents for one and two bed properties are affordable whereas three and four bedroom properties are not affordable. With the caveat that actual affordable rents are likely to vary considerably between small areas in each local authority as the location will be taken into account during a rental evaluation.

Table 2: Affordability in Colchester based on 25% gross income and affordable rent tenancies for different sized properties

	80% market rent weekly*	25% gross income	Affordable Yes/No
1 bed	91.20	118.19	Yes
2 bed	115.20	118.19	Yes
3 bed	138.40	118.19	No
4 bed	175.39	118.19	No

*Market Rent- Hometrack May 2011(1 to 3 beds only) 4 bed figures are not listed on Hometrack, figures have been calculated by looking at a sample of properties on Rightmove, producing a conservative estimate of market rent of £950 pcm.

Table 3 below takes the principle of 25% gross median income as affordable and applies it to the cost of home ownership. Where the data is available it shows that the cost of a mortgage for lower quartile flats and maisonettes is affordable. This calculation applies

to small lower quartile properties and doesn't take into account the requirement for a deposit. Nevertheless it is indicative that 25% of a median gross income would be affordable to sustain a mortgage.

Table 3: Affordability of LQ flat/maisonette based on 25% median gross income

Description	Median gross income	3.5 income multiplier for mortgage eligibility*	LQ flat or maisonette August 2011**	Annual cost of 25 year repayment mortgage***	25% of median gross income	
Babergh	22,341	78194	72,000	5273	5585	Affordable
Braintree	23,599	82597	85,000	5570	5900	Affordable
Colchester	24,583	86041	87,500	5802	6146	Affordable
Ipswich	23,251	81379	76,000	5488	5813	Affordable
Maldon	24,402	85407	106,950	5760	6101	Affordable
Mid Suffolk	21,260	74410	78,250	5018	5315	Affordable
Suffolk Coastal	27,375	95813	102,000	6462	6844	Affordable
Tendring	20,941	73294	70,000	4943	5235	Affordable
Waveney	22,322	78127			5581	
<i>Source: Annual Survey of Hours and Earnings, Office for National Statistics.</i>						
*figures have been rounded						
**Hometrack						
***BBC website mortgage calculator 4.5% interest rate						

Appendix 3 – Affordability and Universal Credit

This appendix looks at the affordability of ARTs within estimated Universal Credit payments. The table below shows the housing award within Universal Credit for different family sizes living in Colchester and compares this to ARTs levels for different sized properties. The proposed cap for Universal Credit will be £350 for a single person and £500 for couples and couples with children both of which include a housing allowance. It shows that ART rents are affordable and Universal Credit caps will not be used. This may not be the case in local authorities with high private rented markets. This is why a general principle has been included within the strategic tenancy strategy to say that ART rent levels should not exceed the housing award for their size household – so that households do not have to subsidise rent payments from their basic living allowance.

Table 1: Colchester ART rents and Universal Credit housing award (non working household)

	80% market rent weekly	Universal Credit – single person +25yrs housing element	Universal Credit – couple housing element	Universal Credit – couple 1/ 2 housing element	Universal credit – lone parent 3 children housing element	Universal credit – couple 3 children housing element
1 bed	91.20	£98	£98			
2 bed	115.20			£127/127		
3 bed	138.40				£155	
4 bed	£175.39					£196

Universal Credit calculations based on Policy in Practice Estimate of Universal Credit Entitlement <http://policyinpractice.co.uk/universal-credit/universal-credit-calculator/estimate-of-universal-credit-entitlement/>

Housing element: Universal credit combines some benefits which are for living expenses with payments towards housing costs into one payment. The combined amounts cannot exceed the cap limit. The amount between the payment for living expenses and the cap is defined in this table as the housing element.

Appendix 4 – Draft Housing Options Protocol

RP responsibilities

- Provide or procure a full housing options service covering private renting, and low cost home ownership to help tenants resolve their own housing needs. This will include up-to-date and in-depth advice on housing options and how to pay for them.
- Ensure that tenants have six months notice that their fixed tenancy will not be renewed and start the housing options advice at this early stage.
- Not to discriminate on the grounds of race, gender, ethnic origin, disability, age or sexual orientation.
- Make it clear what you are able to do and what you cannot do and refer tenants to specialist agencies for debt advice, legal advice and benefits advice as appropriate. Provide personalised referrals to other organisations if unable to help
- Advise in clear and easy to understand language and ensure any information meets 'Plain English' standards and provide relevant leaflets, and/or written information, and clear information about on-line resources
- Provide a named person to work with and provide advice to the tenant. Respond fully and promptly to ongoing tenant requests for advice and information.
- Arrange a home visit/s if the tenant is unable to attend your office
- Provide clear information on complaints policy if the tenant is unhappy with the service they have received
- Ensure tenants are aware of a clear and defined independent appeals procedure

Tenant responsibilities

- Attend appointments on time or give notice if unable to attend
- Provide relevant information as soon as possible to help speed up the process of giving advice and assistance
- Provide any relevant changes of circumstances

Setting specific standards and monitoring

Service standards need to be developed and agreed and below are examples of what could be included:

- Expectations/requirements in relation to staffing levels, training, qualifications and experience.
- RP policies, procedures and systems to ensure a consistent and quality service e.g. complaints procedure.
- Involvement of users in developing the service offered

21 November 2012

Report of	Monitoring Officer	Author	Andrew Weavers ☎ 282213
Title	Review of Anti-Fraud and Corruption, Whistleblowing, Anti- Money Laundering and Benefits Fraud Sanctions Policies		
Wards affected	Not applicable		

This report provides the Committee with a review of the Council's key anti-fraud and corruption policies

1. Decision(s) Required

- 1.1 To approve the revised Anti-Fraud and Corruption, Whistleblowing, Anti-Money Laundering and Benefit Fraud Sanctions Policies and they are referred to Full Council for adoption in the Council's Policy Framework.

2. Background

- 2.1 Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which such bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.
- 2.2 The Council strives to meet the highest standards of corporate governance to help ensure it meets its objectives. Members and Officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal.
- 2.3 The Council's Ethical Governance arrangements are a key part of good Corporate Governance and two important component parts of this are the Council's Anti-Fraud and Corruption Policy and the Whistleblowing Policy. Both of these policies have been subject to regular review to ensure that they remain fit for purpose. The Committee last reviewed the Anti-Fraud and Corruption Policy and the Whistleblowing Policy at its meeting on 25 November 2011. The Committee at the same meeting reviewed its Anti-Money Laundering Policy and the Benefits Fraud Sanctions Policy. Full Council subsequently adopted the policies at its meeting on 22 February 2012.

3. Review of Anti-Corruption, Whistleblowing and Anti-Money Laundering Policies

- 3.1 The Full Council at its meeting on 22 February adopted a statement of intent in relation to both Ethical and Corporate Governance which gave a high organisational commitment to zero tolerance to fraud, corruption and bribery. This was supported by the various policies below.
- 3.2 The revised Anti-Fraud and Corruption Policy and Whistleblowing Policy which were agreed last year have been reviewed as part of an internal audit on fraud awareness and found to be fit of purpose. The opportunity has been taken to update both polices and are attached to this report. In addition, the Anti-Money Laundering Policy has been reviewed and is also considered fit of purpose.

3.3 Training sessions were run during the past year for all managers on fraud awareness which covered all the above policies and an e-learning module will be rolled out to all staff during the coming year.

4. Review of Benefits Fraud Sanctions Policy

4.1 The Benefits Fraud Sanctions Policy is a separate policy which the Council is required to have in place. This was separated out from the organisation's Anti-Fraud and Corruption Policy last year. This has been amended to reflect the impending changes to the Local Council Tax Support Scheme and Government Strategy and is considered fit for purpose and is attached to this report.

5. Strategic Plan References

5.1 Governance forms parts of the Council's commitment to customer excellence which underpins the Council's Strategic Plan vision.

6. Publicity Considerations

6.1 Any amendments to the Council's policies will be included in the Constitution and will be placed on the Council's website.

7. Financial, Equality, Diversity and Human Rights, Consultation, Community Safety, Health and Safety and Risk Management Implications

7.1 None.

COLCHESTER BOROUGH COUNCIL

ANTI-FRAUD AND CORRUPTION POLICY



November 2012

INTRODUCTION

Colchester Borough Council, like every Local Authority, has a duty to ensure that it safeguards the public money that it is responsible for.

The Council expects the highest standards of conduct and integrity from all that have dealings with it including staff, members, contractors, volunteers and the public. It is committed to the elimination of fraud and corruption and to ensuring that all activities are conducted ethically, honestly and to the highest possible standard of openness and accountability so as to protect public safety and public money.

All suspicions or concerns of fraudulent or corrupt practise will be investigated. There will be no distinction made in investigation and action between cases that generate financial benefits and those that do not. Any investigations will not compromise the Council's commitment to Equal Opportunities or the requirements of the Human Rights Act or any other relevant statutory provision.

This policy has been created with due regard to the CIPFA better Governance Forum's Red Book 2 'Managing the Risk of Fraud' and the Audit Commission Publication 'Protecting the Public Purse'.

OVERVIEW

This policy provides an overview of the of measures designed to combat any attempted fraudulent or corrupt act. For ease of understanding it is separated into four areas as below:-

- Culture
- Responsibilities & Prevention
- Detection and Investigation
- Awareness & Monitoring

Fraud and corruption are defined by the Audit Commission as:-

Fraud – “the intentional distortion of financial statements or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain”.

In addition, fraud can also be defined as *“the intentional distortion of financial statements or other records by persons internal or external to the authority which is carried out to mislead or misrepresent”.*

Corruption – “the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person”.

The Council also abides by the Bribery Act 2010 which covers, amongst other things, the offences of bribing another person, of allowing to be bribed and organisational responsibility. Such offences include:

- The offer, promise or giving of financial or other advantage to another person in return for the person improperly performing a relevant function or activity

- Requesting, agreeing to receive or accepting a financial or other advantage intending that, in consequence a relevant function or activity should be performed improperly.
- Commercial organisation responsibility for a person, associated with the organisation, bribing another person for the purpose of obtaining or retaining business for the organisation

In addition, this policy also covers “*the failure to disclose an interest in order to gain financial or other pecuniary benefit.*”

CULTURE

The prevention/detection of fraud/corruption and the protection of public money are responsibilities of everyone, both internal and external to the organisation. The Council's elected members and employees play an important role in creating and maintaining this culture. They are positively encouraged to raise concerns regarding fraud and corruption, immaterial of seniority, rank or status, in the knowledge that such concerns will wherever possible be treated in confidence. The public also has a role to play in this process and should inform the Council if they feel that fraud/corruption may have occurred.

Concerns must be raised when members, employees or the public reasonably believe that one or more of the following has occurred, is in the process of occurring or is likely to occur:

- A criminal offence
- A failure to comply with a statutory or legal obligation
- Improper or unauthorised use of public or other official funds
- A miscarriage of justice
- Maladministration, misconduct or malpractice
- Endangering an individual's health and/or safety
- Damage to the environment
- Deliberate concealment of any of the above

The Council will ensure that any allegations received in any way, including by anonymous letter or telephone call, will be taken seriously and investigated in an appropriate manner. The Council has a whistle blowing policy that sets out the approach to these types of allegation in more detail.

The Council will deal firmly with those who defraud the Council or who are corrupt, or where there has been financial malpractice. There is, of course, a need to ensure that any investigation process is not misused and, therefore, any abuse (such as employees/members raising malicious allegations) may be dealt with as a disciplinary matter (employees) or through Group procedures (members).

When fraud or corruption has occurred due to a breakdown in the Council's systems or procedures, Directors will ensure that appropriate improvements in systems of control are implemented in order to prevent a re-occurrence

RESPONSIBILITIES & PREVENTION

Responsibilities of Elected Members

As elected representatives, all members of the Council have a duty to protect the Council and public money from any acts of fraud and corruption. This is done through existing practice, compliance with the National and Local Code of Conduct for Members, the Council's Constitution including Financial Regulations and Standing Orders and relevant legislation. Conduct and ethical matters are specifically brought to the attention of members during induction and include the declaration and registration of interests. Officers advise members of new legislative or procedural requirements.

Responsibilities of the Monitoring Officer

The Monitoring Officer is responsible for ensuring that all decisions made by the Council are within the law. The Monitoring Officer's key role is to promote and maintain high standards of conduct throughout the Council by developing, enforcing and reporting appropriate governance arrangements including codes of conduct and other standards policies.

All suspected instances of fraud or corruption (apart from benefit claim issues) should be reported to the Monitoring Officer.

Responsibilities of the Head of Resource Management

The Head of Resource Management has been designated the statutory responsibilities of the Finance Director as defined by s151 of the Local Government Act 1972. These responsibilities outline that every local authority in England & Wales should:

“make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has the responsibility or the administration of those affairs”

'Proper administration' encompasses all aspects of local authority financial management including:

- Compliance with the statutory requirements for accounting and internal audit;
- Managing the financial affairs of the Council
- The proper exercise of a wide range of delegated powers both formal and informal;
- The recognition of the fiduciary responsibility owed to local tax payers.

Under these statutory responsibilities the Head of Resource Management contributes to the anti-fraud and corruption framework of the Council.

Responsibilities of the Senior Management Team

Managers at all levels are responsible for the communication and implementation of this policy. They are also responsible for ensuring that their employees are aware of the Council's personnel policies and procedures, the Council's Financial Regulations and Standing Orders and that the requirements of each are being met. Managers are expected to create an environment in which their staff feel able to approach them with any concerns they may have

about suspected irregularities. Special arrangements may be applied from time to time for example where employees are responsible for cash handling or are in charge of financial systems and systems that generate payments, for example payroll or the Revenues & Benefits computer system. These procedures will be supported by relevant training.

The Council recognises that a key preventative measure in dealing with fraud and corruption is for managers to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts and agency staff. The Council's formal recruitment procedure contains appropriate safeguards in the form of written references, the verification of qualifications held and employment history. As in other public bodies Criminal Records Bureau (CRB) checks are undertaken for employees working with or who may have contact with children or vulnerable adults.

Responsibilities of Employees

Each employee is governed in their work by the Council's Standing Orders and Financial Regulations, and other policies on conduct and on IT usage. Included in the Council policies are guidelines on Gifts and Hospitality, and codes of conduct associated with professional and personal conduct and conflict of interest. These are issued to all employees when they join the Council. In addition, employees are responsible for ensuring that they follow any instructions given to them, particularly in relation to the safekeeping of the assets of the Council. Employees are expected always to be aware of the possibility that fraud, corruption and theft may exist in the workplace and be able to share their concerns with management.

Role of Internal Audit

Internal Audit plays a preventative role in trying to ensure that systems and procedures are in place to prevent and deter fraud and corruption. Internal Audit may be requested to investigate cases of suspected financial irregularity, fraud or corruption, except Benefit fraud investigations, in accordance with agreed procedures. Within the Financial Procedure Rules in the Constitution, representatives of Internal Audit are empowered to:

- enter at all reasonable times any Council premises or land
- have access to all records, documentation and correspondence relating to any financial and other transactions as considered necessary
- have access to records belonging to third parties such as contractors when required
- require and receive such explanations as are regarded necessary concerning any matter under examination
- require any employee of the Council to account for cash, stores or any other Council property under his/her control or possession

Internal Audit liaises with management to recommend changes in procedures to reduce risks and prevent losses to the Authority.

Role of the Benefits Investigation

Due to the specialised nature of benefit fraud investigations a separate sanctions policy has been developed that covers all aspects of the benefit investigation process.

Role of the Ethical Governance Review Team

The team consists of various officers whose roles include governance issues and the objective is to promote and embed a governance culture throughout the organisation by implementing policies, reviewing issues, providing training and sharing information.

Role of the Audit Commission

Independent external audit is an essential safeguard of the stewardship of public money. This is currently carried out by the Audit Commission through specific reviews that are designed to test (amongst other things) the adequacy of the Council's financial systems and arrangements for preventing and detecting fraud and corruption. It is not the external auditors' function to prevent fraud and irregularities, but the integrity of public funds is at all times a matter of general concern. External auditors are always alert to the possibility of fraud and irregularity, and will act without undue delay if grounds for suspicion come to their notice. The Council contributes to the bi-annual Audit Commission led National Fraud Initiative which is designed to cross match customers across authorities too highlight areas where there are potential fraudulent claims.

Role of the Public

This policy, although primarily aimed at those within or associated with the Council, enables concerns raised by the public to be investigated, as appropriate, by the relevant person in a proper manner.

Conflicts of Interest

Both elected members and employees must ensure that they avoid situations where there is a potential for a conflict of interest. Such situations can arise with externalisation of services, internal tendering, planning and land issues etc. Effective role separation will ensure decisions made are seen to be based upon impartial advice and avoid questions about improper disclosure of confidential information.

Official Guidance

In addition to Financial Regulations and Standing Orders, due regard will be had to external and inspectorate recommendations.

The Council is aware of the high degree of external scrutiny of its affairs by a variety of bodies such as the Audit Commission (including External Audit and Inspection), other Government Inspection bodies, the Local Government Ombudsman, Standards for England, HM Customs & Excise and the Inland Revenue. These bodies are important in highlighting any areas where improvements can be made.

DETECTION & INVESTIGATION

Internal Audit plays an important role in the detection of fraud and corruption. Included within the audit plans are reviews of system controls including financial controls and specific fraud and corruption tests, spot checks and unannounced visits.

In addition to Internal Audit, there are numerous systems and management controls in place to deter fraud and corruption but it is often the vigilance of employees and members of the public that aids detection. In some cases frauds are discovered by chance or “tip-off” and the Council will ensure that such information is properly dealt with within its whistle blowing policies.

Detailed guidance on the investigation process is available separately.

Disciplinary Action

The Council’s Disciplinary Procedures will be used to facilitate a thorough investigation of any allegations of improper behaviour by employees. Theft, fraud and corruption are serious offences which may constitute gross misconduct against the Council and employees will face disciplinary action if there is evidence that they have been involved in these activities, including Benefit fraud. Disciplinary action will be taken in addition to, or instead of, criminal proceedings depending on the circumstances of each individual case.

Members will face appropriate action under this policy if they are found to have been involved in theft, fraud and corruption against the Authority. Action will be taken in addition to, or instead of criminal proceedings, depending on the circumstances of each individual case but in a consistent manner. If the matter is a breach of the Code of Conduct for Members then it will also be referred to Standards for England - the national standards organisation.

Prosecution

In terms of proceedings the Council will endeavour to take action in relevant cases to deter others from committing offences against the Authority.

Publicity

The Council will optimise the publicity opportunities associated with anti-fraud and corruption activity within the Council. Wherever possible, where the Council has suffered a financial loss action will be taken to pursue the recovery of the loss.

All anti-fraud and corruption activities, including the update of this policy, will be publicised.

AWARENESS & MONITORING

The Council recognises that the continuing success of this policy and its general credibility will depend in part on the effectiveness of training and awareness for members and employees and will therefore take appropriate action to raise awareness levels.

The Monitoring Officer will provide an annual report to senior management and Members outlining investigations undertaken during the year.

This policy and associated procedures will be reviewed annually and will be reported to senior management and Members.

Colchester Borough Council

Whistleblowing Policy and Procedure

1. Introduction

- (1) Employees or Councillors are often the first to realise that there may be some form of inappropriate conduct within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances it may be easier to ignore the concern rather than report what may just be a suspicion of misconduct, but this can have serious consequences if wrongdoing goes undetected.
- (2) The Council is committed to the highest possible standards of openness, probity, accountability and honesty. In line with that commitment we expect employees, councillors and others that we deal with who have serious concerns about any aspect of the Council's work to come forward and voice those concerns.
- (3) This policy document makes it clear that employees and councillors can do so without fear of victimisation, subsequent discrimination or disadvantage. This Whistleblowing Policy and Procedure is intended to encourage and enable employees and councillors to raise serious concerns within the Council rather than overlooking a problem or 'blowing the whistle' outside. With the exception of employment related grievances, this policy will apply to any act of Whistleblowing, as defined by the charity Public Concern at Work to mean;" A disclosure of confidential information which relates to some danger, fraud or other illegal or unethical conduct connected with the workplace, be it of the employer or of its employees." Examples of these matters are given below in paragraph 2.2.
- (4) This policy and procedure applies to all employees, councillors, partners, volunteers and contractors. It also covers suppliers and members of the public.
- (5) These procedures are in addition to the Council's complaints procedures and other statutory reporting procedures. Officers are responsible for making customers aware of the existence of these procedures.
- (6) This policy has been discussed with the relevant trade unions and has their support.

2. Aims and Scope of this Policy

2.1 This policy aims to:

- (a) encourage you to feel confident in raising serious concerns and to question and act upon concerns about practice without fear of recrimination.
- (b) provide avenues for you to raise those concerns and receive feedback on any action taken
- (c) ensure that you receive a response to your concerns and that you are aware of how to pursue them if you are not satisfied
- (d) reassure you that you will be protected from possible reprisals or victimisation if you have a reasonable belief that you have made any disclosure in good faith.
- (e) advise you of the support that the Council will provide if you raise concerns in good faith.

2.2 There are existing procedures in place to enable you to lodge a grievance relating to your own employment. This Whistleblowing Policy and Procedure is intended to cover major concerns that fall outside the scope of other procedures. These include:

- (a) conduct which is an offence or a breach of law
- (b) disclosures related to miscarriages of justice
- (c) health and safety risks, including risks to the public as well as other employees
- (d) damages to the environment
- (e) the unauthorised use of public funds
- (f) possible fraud and corruption
- (g) other unethical conduct
- (h) unacceptable business risks.

2.3 This concern may be about something that:

- (a) makes you feel uncomfortable in terms of known standards, your experience or the standards you believe the Council subscribes to; or
- (b) is against the Council's Procedure Rules and policies; or
- (c) falls below established standards of practice; or
- (d) amounts to improper conduct.

3. Safeguards

Harassment or Victimisation

3.1 The Council is committed to good practice and high standards and wants to be supportive of employees and councillors.

- 3.2 The Council recognises that the decision to report a concern can be a difficult one to make. If what you are saying is true, you should have nothing to fear because you will be doing your duty to the Council and those for whom you are providing a service. In these situations you are a witness and not a complainant.
- 3.3 The Council will not tolerate the harassment or victimisation of any person who raises a concern. The Council's disciplinary procedures will be used against any employee who is found to be harassing or victimising the person raising the concern and such behaviour by a councillor will be reported under the Members' Code of Conduct.
- 3.4 Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary or redundancy procedures that already affect you if you are an employee.

Confidentiality

- 3.5 All concerns will be treated in confidence and the Council will do its best to protect your identity if you do not want your name to be disclosed. If investigation of a concern discloses a situation that is sufficiently serious to warrant disciplinary action or police involvement, then your evidence may be important. Your name will not however be released as a possible witness until the reason for its disclosure at this stage has been fully discussed with you.

Anonymous Allegations

- 3.6 This policy encourages you to put your name to your allegation whenever possible.
- 3.7 Concerns expressed anonymously are much less powerful but will be considered at the discretion of the Council.
- 3.8 In exercising this discretion the factors to be taken into account would include the:
 - (a) seriousness of the issues raised;
 - (b) credibility of the concern; and
 - (c) likelihood of confirming the allegation from attributable sources.

Untrue Allegations

- 3.9 If you make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against you. If however, you make an allegation maliciously or for personal gain, disciplinary action may be taken against you, or if you are a councillor a complaint may be made under the Members' Code of Conduct.

4. How to raise a concern

- 4.1 You should normally raise concerns with the Monitoring Officer or the Section 151 Officer. However if your concern relates to one of these officers you should raise your concerns with the Chief Executive
- 4.2 Concerns may be raised verbally or in writing. Employees or councillors who wish to make a written report are invited to use the following format:
- (a) the background and history of the concern (giving relevant dates);
and
 - (b) the reason why you are particularly concerned about the situation.
- 4.3 The earlier you express the concern the easier it is to take action.
- 4.4 Although you are not expected to prove beyond doubt the truth of an allegation, you will need to demonstrate to the person contacted that there are reasonable grounds for your concern.
- 4.5 Advice and guidance on how matters of concern may be pursued can be obtained from:
- Chief Executive, Adrian Pritchard ☎ 282211
- Monitoring Officer, Andrew Weavers ☎282213
- Section 151 Officer, Sean Plummer ☎282347
- Finance Manager Audit and Governance, Elfreda Walker ☎282461.
- Risk & Resilience Manager, Hayley McGrath ☎508902
- 4.6 You may wish to consider discussing your concern with a colleague first and you may find it easier to raise the matter if there are two (or more) of you who have had the same experience or concerns.
- 4.7 If you are an employee you may invite your trade union or a friend to be present during any meetings or interviews in connection with the concerns you have raised. If you are a councillor you may be accompanied by your group leader.
- 4.8 Further guidance on protection for anyone raising a concern can be found in the Public Interests Disclosure Act 1998.

5. How the Council will respond

- 5.1 The Council will respond to your concerns. Do not forget that testing out your concerns is not the same as rejecting them.
- 5.2 Where appropriate, the matters raised may be:
- (a) investigated by management, internal audit, or through the disciplinary process

- (b) referred to the police
 - (c) referred to the Council's external auditor
 - (d) the subject of an independent inquiry.
- 5.3 In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle, which the Council will have in mind, is the public interest.
- 5.4 Some concerns may be resolved by agreed action without the need for investigation.
- 5.5 Within **five** working days of a concern being raised, one of the Officers named at 4.5 above will write to you:
- (a) acknowledging that the concern has been received
 - (b) indicating how it is proposed to deal with the matter
 - (c) giving an estimate of how long it will take to provide a final response
 - (d) informing you whether any initial enquiries have been made
 - (e) supplying you with information on staff support mechanisms, and
 - (f) informing you whether further investigations will take place and if not, why not.
- 5.6 The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the Council will seek further information from you.
- 5.7 Where any meeting is arranged, off-site where appropriate, if you so wish, you can be accompanied by a union or professional association representative or a friend, or the group leader if you are a councillor.
- 5.8 The Council will take steps to minimise any difficulties, which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings the Council will arrange for you to receive advice about the procedure and will help you with the preparation of statements.
- 5.9 The Council accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, you will receive information about the outcomes of any investigation.
- 6. The Responsible Officer**
- 6.1 The Monitoring Officer has overall responsibility for the maintenance and operation of this policy. That officer maintains a record of concerns raised and

the outcomes (but in a form which does not endanger your confidentiality) and will provide an annual report on the operation of the policy to the Standards Committee.

7. How the matter can be taken further

7.1 This policy is intended to provide you with an avenue to raise concerns within the Council. The Council hopes you will be satisfied with any action taken. If you are not, and if you feel it is right to take the matter outside the Council, the following are possible contact points:

- (a) your local Citizens Advice Bureau
- (b) relevant professional bodies or regulatory organisations
- (c) the police
- (d) Local Government Ombudsman
- (e) the Council's Standards Committee.

7.2 If you are considering taking the matter outside of the Council, you should ensure that you are entitled to do so and that you do not disclose confidential information. An independent charity, Public Concern at Work, can offer independent and confidential advice. They can be contacted on ☎ 020 7404 6609 or by email at whistle@pcaw.co.uk

8. Questions regarding this policy

8.1 Any questions should, in the first instance, be referred to the Monitoring Officer.

9. Review

9.1 This policy will be reviewed annually and will be reported to senior management and Members.

Anti-Money Laundering Policy

1. Introduction

Although local authorities are not directly covered by the requirements of the Money Laundering Regulations 2007, guidance from CIPFA indicates that they should comply with the underlying spirit of the legislation and regulations.

Colchester Borough Council is committed to the highest possible standards of conduct and has, therefore, put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements.

All organisations, including the Council, must report any money laundering suspicions for cash transactions over £9000. To help prevent money laundering, the Council has set a cash payment limit of £8,000. No cash payments above £8,000 will be accepted by any Council service.

This is not designed to prevent customers making payments for Council services but to minimise the risk to the Council of high value cash transactions.

2. Scope of the Policy

This policy applies to all employees, whether permanent or temporary, and Members of the Council.

Its aim is to enable employees and Members to respond to a concern they have in the course of their dealings for the Council. Individuals who have a concern relating to a matter outside work should contact the Police.

3. Definition of Money Laundering

Money laundering describes offences involving the integration of the proceeds of crime or terrorist funds into the mainstream economy. Such offences are defined under the Proceeds of Crime Act 2002 ("the Act") as the following 'prohibited acts':

- Concealing, disguising, converting, transferring or removing criminal property from the UK
- Becoming involved in an arrangement which an individual knows or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person
- Acquiring, using or possessing criminal property
- Doing something that might prejudice an investigation e.g. falsifying a document
- Failure to disclose one of the offences listed in a) to c) above, where there are reasonable grounds for knowledge or suspicion
- Tipping off a person(s) who is or is suspected of being involved in money laundering in such a way as to reduce the likelihood of or prejudice an investigation

Provided the Council does not undertake activities regulated under the Financial Services and Markets Act 2000, the offences of failure to disclose and tipping off do not apply. However, the Council and its employees and Members remain subject to the remainder of the offences and the full provisions of the Terrorism Act 2000.

The Terrorism Act 2000 made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism, or resulting from acts of terrorism.

Although the term 'money laundering' is generally used to describe the activities of organised crime, for most people it will involve a suspicion that someone they know, or know of, is benefiting financially from dishonest activities.

Potentially very heavy penalties (unlimited fines and imprisonment up to fourteen years) can be handed down to those who are convicted of one of the offences above.

4. Requirements of the Money Laundering Legislation

The main requirements of the legislation are:

- To appoint a money laundering reporting officer
- Maintain client identification procedures in certain circumstances
- Implement a procedure to enable the reporting of suspicions of money laundering
- Maintain record keeping procedures

5. The Money Laundering Reporting Officer (MLRO)

The Council has designated the Monitoring Officer as the Money Laundering Reporting Officer (MLRO). He can be contacted on 01206 282213 or at andrew.weavers@colchester.gov.uk

In the absence of the MLRO or in instances where it is suspected that the MLRO themselves are involved in suspicious transactions, concerns should be raised with the Section 151 Officer.

6. Client Identification Procedures

Although not a legal requirement, the Council has developed formal client identification procedures which must be followed when Council land or property is being sold. These procedures require individuals and if appropriate, companies to provide proof of identity and current address.

If satisfactory evidence is not obtained at the outset of a matter, then the transaction must not be progressed and a disclosure report, available on the Hub, must be submitted to the Money Laundering Reporting Officer.

All personal data collected must be kept in compliance with the Data Protection Act.

7. Reporting Procedure for Suspicions of Money Laundering

Where you know or suspect that money laundering activity is taking/has taken place, or become concerned that your involvement in a matter may amount to a prohibited act under the Act, you must disclose this as soon as practicable to the MLRO. The disclosure should be within “hours” of the information coming to your attention, not weeks or months later.

Your disclosure should be made to the MLRO using the disclosure report, available on the Hub. The report must include as much detail as possible including:

- Full details of the people involved
- Full details of the nature of their/your involvement.
- The types of money laundering activity involved
- The dates of such activities
- Whether the transactions have happened, are ongoing or are imminent;
- Where they took place;
- How they were undertaken;
- The (likely) amount of money/assets involved;
- Why, exactly, you are suspicious.

Along with any other available information to enable the MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable him to prepare his report to the Serious Organised Crime Agency (SOCA), where appropriate. You should also enclose copies of any relevant supporting documentation.

If you are concerned that your involvement in the transaction would amount to a prohibited act under sections 327 – 329 of the Act, then your report must include all relevant details, as you will need consent from SOCA, via the MLRO, to take any further part in the transaction - this is the case even if the client gives instructions for the matter to proceed before such consent is given. You should therefore make it clear in the report if such consent is required and clarify whether there are any deadlines for giving such consent e.g. a completion date or court deadline;

Once you have reported the matter to the MLRO you must follow any directions he may give you. You must NOT make any further enquiries into the matter yourself: any necessary investigation will be undertaken by the SOCA. Simply report your suspicions to the MLRO who will refer the matter on to the SOCA if appropriate. All members of staff will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.

Similarly, at no time and under no circumstances should you voice any suspicions to the person(s) whom you suspect of money laundering, even if the SOCA has given consent to a particular transaction proceeding, without the specific consent of the MLRO; otherwise you may commit a criminal offence of “tipping off”.

Do not, therefore, make any reference on a client file to a report having been made to the MLRO – should the client exercise their right to see the file, then such a note will obviously tip them off to the report having been made and

may render you liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

8. Consideration of the disclosure by the Money Laundering Reporting Officer

Upon receipt of a disclosure report, the MLRO must note the date of receipt on his section of the report and acknowledge receipt of it. He should also advise you of the timescale within which he expects to respond to you.

The MLRO will consider the report and any other available internal information he thinks relevant e.g.:

- reviewing other transaction patterns and volumes;
- the length of any business relationship involved;
- the number of any one-off transactions and linked one-off transactions;
- any identification evidence held;

And undertake such other reasonable inquiries he thinks appropriate in order to ensure that all available information is taken into account in deciding whether a report to the SOCA is required (such enquiries being made in such a way as to avoid any appearance of tipping off those involved). The MLRO may also need to discuss the report with you.

Once the MLRO has evaluated the disclosure report and any other relevant information, he must make a timely determination as to whether:

- there is actual or suspected money laundering taking place; or
- there are reasonable grounds to know or suspect that is the case; and
- whether he needs to seek consent from the SOCA for a particular transaction to proceed.

Where the MLRO does so conclude, then he must disclose the matter as soon as practicable to the SOCA on their standard report form and in the prescribed manner, unless he has a reasonable excuse for non-disclosure to the SOCA (for example, if you are a lawyer and you wish to claim legal professional privilege for not disclosing the information).

Where the MLRO suspects money laundering but has a reasonable excuse for non-disclosure, then he must note the report accordingly; he can then immediately give his consent for any ongoing or imminent transactions to proceed.

In cases where legal professional privilege may apply, the MLRO must liaise with the Section 151 Officer to decide whether there is a reasonable excuse for not reporting the matter to the SOCA.

Where consent is required from the SOCA for a transaction to proceed, then the transaction(s) in question must not be undertaken or completed until the SOCA has specifically given consent, or there is deemed consent through the expiration of the relevant time limits without objection from the SOCA.

Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then he shall mark the report accordingly and give his consent for any ongoing or imminent transaction(s) to proceed.

All disclosure reports referred to the MLRO and reports made by him to the SOCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.

The MLRO commits a criminal offence if he knows or suspects, or has reasonable grounds to do so, through a disclosure being made to him, that another person is engaged in money laundering and he does not disclose this as soon as practicable to the SOCA.

9. Training

Officers considered likely to be exposed to suspicious situations, will be made aware of these by their senior officer and provided with appropriate training.

Additionally, all employees and Members will be familiarised with the legal and regulatory requirements relating to money laundering and how they affect both the Council and themselves.

Notwithstanding the paragraphs above, it is the duty of officers and Members to report all suspicious transactions whether they have received their training or not.

10. Conclusion

Given a local authority's legal position with regard to the legislative requirements governing money laundering, the Council believes that this Policy represents a proportionate response to the level of risk it faces of money laundering offences.

11. Review

This policy and associated procedures will be reviewed annually.

COLCHESTER BOROUGH COUNCIL

FRAUD SANCTIONS POLICY



AMENDED 08.11.12

1. Introduction

- 1.1 Colchester Borough Council aims to provide a modern, customer focused, efficient, effective and secure Housing Benefit service that is continuously seeking to improve. This document sets out the policy of Colchester Borough Council towards sanctions, including criminal prosecutions, for offences relating to benefit fraud.
- 1.2 This policy has been developed with the aim of providing a framework to ensure a fair and consistent approach to the use of formal sanctions. It refers to criteria relating to the offence, offender, value and duration of the fraud which have to be taken into account before considering whether a sanction is appropriate, and if so, which sanction to apply.
- 1.3 This policy needs to be considered in conjunction with the council's Anti-Fraud and Corruption Policy Statement which sets out the commitment to prevent, detect and investigate benefit fraud.
- 1.4 Housing and Council Tax Benefits are administered by a local authority on behalf of the Department of Work and Pensions (DWP) as part of the statutory local government functions. Our policy is therefore a matter for our members. In practice, the policy broadly follows the approach of the Department of Work and Pensions.
- 1.5 With the introduction of the Local Council Tax Support scheme in April 2013 there are amendments due to be made to relevant legislation to bring in the necessary powers, offences and penalties, to allow local authorities to investigate and tackle potential fraudulent council tax support claims. These will be similar to existing rules in relation to council tax benefit which will end in April 2013.

2.0 General Principles

- 2.1 Colchester Borough Council is committed to the prevention, detection, correction, investigation and, where appropriate, prosecution of fraudulent benefit claims.
- 2.2 The aim is to prevent criminal offences occurring by making it clear to our customers that they have a responsibility to provide accurate and timely information about their claims; to punish wrongdoing; and to deter offending.
- 2.3 This policy supports the DWP Public Service Agreement and the Governments latest fraud strategy published in February 2012 called 'Fighting Fraud Locally' It also provides a full response to the need to be effective against fraud in the full range of welfare benefits.
- 2.4 Each potential fraud is assessed against local criteria by Colchester Borough Council's Housing and Council Tax Benefits Investigation Team. This assessment will result either in cases being investigated further under criminal investigation standards or referred to the Housing and Council Tax Benefits Review Team. Review action usually comprises of an interview regarding any changes in circumstances and the allegation concerned. Further action will

depend upon the outcome of the interview but they will be reminded of their responsibilities and may be advised about their future conduct and required to rectify or withdraw their claim.

- 2.5 Each case that is subject to criminal investigation is considered on its own merits, having regard to all of the facts, before an appropriate sanction is administered.

3. Organisation

- 3.1 Criminal investigations are undertaken in accordance with:

- Police and Criminal Evidence Act 1984 and its code of practice
- Criminal Procedures and Investigation Act 1996 and its code of practice
- all other relevant legislative and common law rules
- Departmental Policy
- advice from internal legal department

- 3.2 Fraud Investigators receive Professionalism in Security (PINS) training which is accredited by Portsmouth University. Additional guidance is provided by the Fraud Procedures and Instruction Manual which is regularly updated to ensure that:

- investigations are conducted in a legal and professional manner
- policy and legislation is correctly applied, and
- approved working methods are applied

- 3.3 Colchester Borough Council has a legal team who provide advice and guidance to investigators throughout the investigative and prosecution process if required. They do not conduct any part of the investigation but advise on the investigator's obligations, evidential requirements and any appropriate charges. Colchester Borough Council's legal team are also responsible for identifying those cases which are not suitable for criminal prosecution for evidential reasons.

- 3.4 Colchester Borough Council also has access to free technical support and/or legal advice from the DWP prosecution division.

- 3.5 Colchester Borough Council also works closely with the DWP Fraud Investigation Service (FIS) team operating under similar prosecution practices and has a Fraud Partnership Agreement (FPA) with them to support joint working activity such as joint interviews under caution and investigations, to aid in the tackling of fraud in the full range of welfare benefits.

4. Sanction Process

Where an offence has been committed the Investigation Team can consider administering a caution, offering an administrative penalty, or instigating a prosecution. The choice will depend on the factors below and taking into account the criteria within section 4.9.

Cautions:

- 4.1 A formal caution is an administrative sanction that a local authority in England and Wales is able to offer as an alternative to a prosecution as long as specific criteria are met, and the case is one that Colchester Borough Council could take to court if the caution was refused.
- 4.2 Cautions are usually aimed at the less serious benefit frauds and those where the overpayment is under £2,000. It also provides an additional tool for the Investigation Team to use in those cases where the deterrent effect is considered a sufficient and suitable alternative to prosecution or an administrative penalty.
- 4.3 The offender must admit to the offence in an Interview Under Caution (IUC) and provide informed consent to being cautioned. To be able to offer a caution requires the same standard of criminal evidence as for a prosecution and should only be offered if the authority could prosecute should the caution be refused.
- 4.4 If the customer is consequently prosecuted for another benefit offence the caution can be cited in court.

4.5 Administrative Penalties

- 4.6 An Administrative Penalty is the offer to the customer to agree to pay a financial penalty where the customer has caused benefit to be overpaid to them, by either an act or omission. The amount of the penalty is currently stipulated at 30 percent of the amount of the gross overpayment.
- 4.7 These penalties will be offered where the case is deemed to be not so serious to deserve any other sanction and an Administrative Penalty is considered to be a suitable alternative to prosecution and where the gross overpayment is less than £2,000. Unlike cautions, no admission of guilt is required from the customer before offering an administrative penalty, although there is a statutory requirement for investigators to ensure that there are grounds for instituting criminal proceedings for an offence relating to the overpayment.

4.8 Prosecutions

- 4.9 If there is sufficient evidence Colchester Borough Council will refer the case to the solicitors internally for consideration of criminal prosecution where one or more of the following criteria are met:
 - the gross adjudicated overpayment is £2,000 or over
 - false identities or other personal details have been used
 - false or forged documents have been used
 - official documents have been altered or falsified
 - the person concerned is in a position of trust
 - the person concerned assisted or encouraged others to commit offences
 - there is evidence of premeditation or organised fraud
 - the person concerned has relevant previous convictions
 - the customer had previously been convicted of benefit fraud

- the amount of the adjudicated overpayment is under £2,000 and the offer of an administrative penalty or formal caution is not accepted.
- Is the person in sound mind and in good physical position?
- Are there any social factors (eg death in the family)?

4.91 In all cases, including those which do not fall within any of the above criteria, Colchester Borough Council retains discretion as to whether criminal proceedings are started.

5 Proceeds of Crime Act (POCA)

5.1 Colchester Borough Council Investigation Officers must consider in all suitable cases the ability for a court to obtain restraint and/or confiscation orders of identified assets. A restraint order will prevent a person from dealing with specific assets. A confiscation order will enable the council to recover losses from assets which are found to be the proceeds of crime.

6 Loss of Provision:

6.1 Social security (Loss of Benefit) Regulations 2001 as amended by the Social Security (loss of benefit) Amendment Regulations 2010 allow for reduction or withdrawal of Social Security benefits and allowances in payment to individuals and their partners who have accepted the offer of a caution or administrative penalty. This includes both DWP and Local Authority benefits, such as Council Tax and Housing benefit.

6.2 This provision allows the DWP and local authorities to apply a sanction in the form of a 4 week benefit sanction period where a person accepts an Administrative Penalty, caution or is convicted of benefit fraud on one occasion. Benefits can be withdrawn for the 4 week period.

7 Recovery of Debt:

7.1 Where an overpayment arising from fraud is identified Colchester Borough Council will take steps to recover the resultant debt, including taking action in the civil courts if necessary, in addition to any sanction it may impose in respect of that fraud. The council has an overpayment policy which is updated regularly.

8. Summary

8.1 This policy sets out the main areas that the council takes into consideration when investigating potentially fraudulent claims for benefits. As well as the above, the council is working towards achieving the performance standards set by the DWP for its counter fraud work.

8.2 Whilst the council appreciates that the majority of customers are honest, it will continue to fight abuse of the system by those who falsely claim benefits to which they are not entitled. All investigations will be completed by trained staff who will respect the rights of all customers.

November 2012

21 November 2012

Report of	Monitoring Officer	Author	Andrew Weavers ☎ 282213
Title	Review of Local Code of Corporate Governance		
Wards affected	Not applicable		

This report requests the Committee to review the updated Local Code of Corporate Governance

1. Decision(s) Required

- 1.1 To review the updated Local Code of Corporate Governance and to recommend to Council that it be approved.

2. Background

- 2.1 Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which such bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.
- 2.2 The Council strives to meet the highest standards of corporate governance to help ensure it meets its objectives. Members and Officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal.
- 2.3 The Committee considered at its meeting on 24 June 2011 a revised Local Code of Corporate Governance and subsequently the Full Council at its meeting on 19 October 2011 included it within the Council's Policy Framework.
- 2.4 The Local Code of Corporate Governance has been developed in accordance with guidance issued in 2007 jointly by CIPFA (The Chartered Institute of Public Finance and Accountancy) and SOLACE (The Society of Local Authority Chief Executives) entitled "Delivering Good Governance in Local Authorities".
- 2.5 This Guidance identified six Core Principles against which local authorities should review their existing corporate governance arrangements and develop and maintain a local code of governance. The principles are;
- Focusing on the purpose of the Council and outcomes for the community and creating and implementing a vision for the local area;
 - Members and officers working together to achieve a common purpose with clearly defined functions and roles;
 - Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
 - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
 - Developing the capacity and capability of members and officers to be effective; and
 - Engaging with local people and other stakeholders to ensure robust public accountability.

- 2.2 The six core principles each have a number of supporting principles, which in turn have a range of specific requirements that apply across the range of Council business.
- 2.3 Attached to this report is an updated Local Code of Corporate Governance which has been prepared in light of the Guidance, the six principles and progress made during the last year. It has also been the subject of consultation with various officers.
- 2.4 The Code takes each principle in turn and elaborates on how the Council will meet its aims, what source documents or processes evidence the aims and in addition highlights any further or ongoing work. This in turn links into the Council's Annual Governance Statement.
- 2.5 The following changes to the Code are highlighted for the Committee's information:
- Charter Status for Elected Member Development was achieved in April 2011
 - The Localism Act 2011 led to a number of changes including, access to information regulations, officer pay policy and new standards arrangements.
 - Data Transparency - Code of Recommended Practice for Local Authorities – new section on website to co-ordinate these Central Government requirements.
 - All reference to Comprehensive Area Assessment, Community Strategy and Sustainable Community Strategy have been removed.
- 2.6 The Council achieved Charter Status for Elected Member Development in April 2011. This is recognition that the Council has achieved best practice in the way it provides learning and development opportunities for its elected members. This helps ensure that elected members have the necessary skills and knowledge to effectively represent the community.

In order to achieve Charter Status the Council had to demonstrate that it has met all five of the following criteria:

- Being fully committed to developing elected members in order to achieve the Council's strategic objectives;
- Adopting a member led strategic approach to elected member development;
- Having a member learning and development plan in place that clearly identifies the difference that development activities will make;
- Demonstrating that member learning and development is effective in building capacity;
- Addressing wider development matters to promote work-life balance and citizenship.

To meet these criteria, the Council implemented a number of strategies, including a member development policy, Councillor training plan and an all-party member development group. The award is independently evaluated by South East Employers on behalf of the region. It considers a portfolio of evidence from the Council and conducts an assessment day. The accreditation lasts for three years.

3. Strategic Plan References

- 3.1 The Council's Strategic Plan sets out two categories of priority areas, one of these is "Leading our communities" to help make Colchester the place to live, learn work and visit. Providing clear information, arrangements and policy will help communities and individuals engage with the Council and its objectives.

4. Publicity Considerations

- 4.1 The Local Code of Corporate Governance will be included in the Constitution and will be placed on the Council's website.

5. Financial, Equality, Diversity and Human Rights, Consultation, Community Safety, Health and Safety and Risk Management Implications

- 5.1 None.



COLCHESTER BOROUGH COUNCIL

CODE OF CORPORATE GOVERNANCE

Contents

- Core Principle 1** *Focusing on the purpose of the Council and outcomes for the community and creating and implementing a vision for the local area.*
- Core Principle 2** *Members and officers working together to achieve a common purpose with clearly defined functions and roles.*
- Core Principle 3** *Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.*
- Core Principle 4** *Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.*
- Core Principle 5** *Developing the capacity and capability of members and officers to be effective.*
- Core Principle 6** *Engaging with local people and other stakeholders to ensure robust public accountability.*

**COLCHESTER BOROUGH COUNCIL
CODE OF CORPORATE GOVERNANCE**

INTRODUCTION

“Governance is about how local government bodies ensure that they are doing the right things, in the right way for everyone, in a timely, inclusive, open, honest and accountable manner.

It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and where appropriate, lead their communities”.

Delivering Good Governance in Local Authorities (CIPFA/SOLACE 2007)

The CIPFA/SOLACE guidance “Delivering Good Governance in Local Authorities” identified six Core Principles against which local authorities should review their existing corporate governance arrangements and develop and maintain a local code of governance. These principles are:

- *Focusing on the purpose of the Council and outcomes for the community and creating and implementing a vision for the local area*
- *Members and officers working together to achieve a common purpose with clearly defined functions and roles*
- *Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour*
- *Taking informed and transparent decisions which are subject to effective scrutiny and managing risk*
- *Developing the capacity and capability of members and officers to be effective*
- *Engaging with local people and other stakeholders to ensure robust public accountability.*

This Code of Governance has been prepared in accordance with the Guidance and will be reviewed by the Standards Committee on an annual basis.

Additionally authorities are required to prepare and publish an Annual Governance Statement in accordance with this framework under Regulation 4(2) of the Accounts and Audit (Amendment) (England) Regulations 2006. The Annual Governance Statement is a key corporate document. The Chief Executive and the Leader of the Council have joint responsibility as signatories for its accuracy and completeness.

COLCHESTER BOROUGH COUNCIL: CODE OF CORPORATE GOVERNANCE

Core Principle 1 – Focusing on the purpose of the Council and outcomes for the community and creating and implementing a vision for the local area		
Our aims in relation to focusing on the purpose of the Council and outcomes for the community and creating and implementing a vision for the local area are to:		
In order to achieve our aims we have/will:	Source documents/Processes	Further work ongoing
<p>1.1 Exercise strategic leadership by developing and clearly communicating the authority’s purpose, vision and its intended outcome for citizens and service users</p> <p>1.2 Ensure users receive a high quality service whether directly, or in partnership, or by commissioning</p> <p>1.3 Ensure that the authority makes best use of resources and that tax payers and service users receive excellent value for money</p>	<p>Strategic Plan Service Plans Sustainable Community Strategy Communications Strategy Consultation – “Consultations, Research and Statistics” Policy Framework Council website – www.colchester.gov.uk Research and Engagement team project work</p>	<p>Strategic Plan 2012-15 Strategic Plan Action Plan – progress is reported to Cabinet on a half yearly basis and published on the Council’s website Review of Council’s Communications and Marketing Customer Insight group</p>
<p>1.1.2 Review on a regular basis the Council’s vision for the local area and its impact on the authority’s governance arrangements</p>	<p>Strategic Plan Medium Term Financial Strategy and Capital Programme Sustainable Community Strategy Local Code of Corporate Governance Annual Governance Statement and Assurance Framework Risk Register</p>	<p>Local Code of Corporate Governance updated as required by CIPFA Guidance</p>

In order to achieve our aims we have/will:	Source documents/Processes	Further work ongoing
<p>1.1.3 Ensure that partnerships are underpinned by a common vision of their work that is understood and agreed by all parties</p> <p>1.1.4 Publish an annual report on a timely basis to communicate the authority's activities and achievements, its financial position and performance</p>	<p>Strategic Plan Sustainable Community Strategy Partnership Strategy Partnership Register</p> <p>Statement of Accounts Council's website www.colchester.gov.uk "Council Awards and Accreditations" and "Performance and Improvement" – sections on the Council's website</p>	<p>Research is currently being undertaken into establishing the Council's partners key values and vision</p> <p>Strategic Plan actions and monitoring of delivery</p>

<p>1.2.1 Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available</p>	<p>Performance Reporting to Senior Management and Scrutiny Panel. Customer Excellence programme Customer Excellence Standard Consultation – “Consultations, Research and Statistics” section on website Mosaic and Touchstone customer research tools Annual Monitoring Report Audit Commission annual audit letter and recommendations Policy Review and Development Panel</p>	<p>Govmetric Fundamental Service Reviews Projects carried out by the Council's Research and Engagement team</p>
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In order to achieve our aims we have/will:	Source documents/processes	Further work ongoing
1.2.2 Put in place effective arrangements to identify and deal with failure in service delivery	<p>Performance Reporting and performance indicators</p> <p>Complaints Procedure</p> <p>Internal Audit Process</p> <p>Finance and Audit Scrutiny Panel</p> <p>Executive Director for People and Performance</p> <p>Performance Management Board</p> <p>Customer Service Centre responsible for web site management</p> <p>Audit Commission annual audit letter and recommendations</p>	<p>Group monitoring of summary service plan delivery.</p> <p>Fundamental Service Reviews</p>
1.3.1 Decide how value for money is to be measured and make sure that the authority or partnership has the information needed to review value for money and performance effectively. Measure the environmental impact of policies, plans and decisions.	<p>Performance Reporting</p> <p>Local Authority Carbon Management</p> <p>Nottingham Declaration Strategy and Action Plan</p> <p>Audit Commission annual audit letter and recommendations</p>	<p>Value for money methodology as described in Value for Money section of Use of Resources Carbon Management programme</p> <p>Sustainability assessments for Local Development Framework</p>

Core Principle 2 – Members and Officers working together to achieve a common purpose with clearly defined functions and roles		
Our aims in relation to Members and Officers working together to achieve a common purpose with clearly defined functions and roles are to:		
2.1	Ensure effective leadership throughout the authority and being clear about executive and non-executive functions and of the roles and responsibilities of the scrutiny function	
2.2	Ensure that a constructive working relationship exists between authority members and officers and the responsibilities of members and officers are carried out to a high standard	
2.3	Ensure relationships between the authority, its partners and the public are clear so that each knows what to expect of the other	
In order to achieve our aims we have/will:	Source documents/Processes	Further work ongoing
2.1.1 Set out a clear statement of the respective roles and responsibilities of the executive and of the executive's members individually and the authority's approach towards putting this into practice	Constitution (Cabinet terms of reference) Record of decisions and supporting materials Member/Officer Protocol Member Training and Development Senior officer training Council website – Council and Democracy Section	The Constitution will continue to be reviewed on a rolling basis.
2.1.2 Set out a clear statement of the respective roles and responsibilities of other authority members, members generally and of senior officers	Constitution (Statutory Officer positions, Terms of Reference for Committees, Member roles) Protocols on planning, the representational role of Members, Chairmen, Officer/Members Schemes of Delegation Conditions of Employment Council website – Council and Democracy Section	Development of a protocol to cover the working arrangements between Portfolio Holders and senior Officers.
2.2.2 Make the chief executive or equivalent responsible and accountable to the authority for all aspects of operational management	Chief Executive designated Head of Paid Service Constitution (Head of Paid Service responsibilities) Conditions of Employment Schemes of Delegation	The Constitution will continue to be reviewed on a rolling basis. Support for this from Executive Director People and Performance

	Job Accountability Statement / Person Specification Signature on Annual Governance Statement	
<p>In order to achieve our aims we have/will:</p> <p>2.2.3 Develop protocols to ensure that the leader and chief executive (or equivalent) negotiate their respective roles early in the relationship and that a shared understanding of roles and objectives is maintained</p> <p>2.2.4 Make a senior officer (usually the section 151 officer) responsible to the authority for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control</p> <p>2.2.5 Make a senior officer (other than the responsible financial officer) responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations are compiled with (usually the Monitoring Officer)</p> <p>2.3.1 Develop protocols to ensure effective communication between members and officers in their respective roles</p> <p>2.3.2 Set out the terms and conditions for remuneration of members and officers and an effective structure for managing the</p> <p>Approved by Council 2012- DRAFT</p>	<p>Source documents/Processes</p> <p>Constitution Member/Officer Protocol Regular 1:2:1's</p> <p>Head of Resource Management has been appointed as the Council's Chief Financial Officer (S151 Officer). Constitution Job Accountability Statement / Person Specification S151 Officer Protocol Report template includes financial implications before report considered by Members</p> <p>Legal Services Manager has been appointed as the Council's Monitoring Officer Monitoring Officer Protocol Report template requires that Legal Services are consulted before a report considered by Members</p> <p>Member / Officer Protocol Planning Procedures Code of Practice Outside Bodies advice given to Members Member and Officer Codes of Conduct</p> <p>Pay and conditions policies and practices Independent Remuneration Panel Terms of Reference and Reports</p>	<p>Further work ongoing</p> <p>The Constitution will continue to be reviewed on a rolling basis.</p> <p>Annual Review of Officer Pay Policy by Full Council</p> <p>Annual Review of Officer Pay Policy by Full Council</p>

<p>process including an effective remuneration panel (if applicable)</p>	<p>Regular liaison meeting with Unison</p>	
<p>In order to achieve our aims we have/will:</p> <p>2.3.3 Ensure that effective mechanisms exist to monitor service delivery</p>	<p>Source documents/Processes</p> <p>Performance Reporting and performance indicators Executive Director for People and Performance Complaints Procedure Heads of Service monitoring Service Plans Performance Management Board Performance system Scrutiny Panels</p>	<p>Further work ongoing</p> <p>Customer insight work</p>
<p>2.3.4 Ensure that the organisation's vision, strategic plans, priorities and targets are developed through robust mechanisms, and in consultation with the local community and other key stakeholders, and that they are clearly articulated and disseminated</p>	<p>Strategic Plan underpinned by a review of all existing consultation work. Specific consultation with hard to reach groups. Medium Term Financial Strategy Performance reporting and performance indicators Council Website Communications Strategy Courier Customer insight groups</p>	<p>Strategic Plan 2012-15 Strategic Plan Action Plan – progress is reported to Cabinet on a half yearly basis and published on the Council's web site. Fundamental Service Reviews</p>
<p>2.3.5 When working in partnership ensure that members are clear about their roles and responsibilities both individually and collectively in relation to the partnership and to the authority</p>	<p>Constitution Individual Partnership Agreements Service Level Agreements Advice given to members in relation to outside bodies Partnership Strategy Partnership Register</p>	<p>Research is currently being undertaken into establishing the Council's partners key values and vision</p>

In order to achieve our aims we have/will:	Source documents/Processes	Further work ongoing
<p>2.3.6 When working in partnership:</p> <ul style="list-style-type: none"> • ensure that there is clarity about the legal status of the partnership • ensure that representatives or organisations both understand and make clear to all other partners the extent of their authority to bind their organisation to partner decisions. 	<p>Constitution Individual Partnership Agreements Service Level Agreements Advice given to Members in relation to outside bodies Partnership Strategy Partnership Register</p>	<p>Research is currently being undertaken into establishing the Council's partners key values and vision</p>

Core Principle 3 – Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Our aims in relation to promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour are to:

- 3.1 Ensuring authority members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and effective governance
- 3.2 Ensuring that organisational values are put into practice and are effective

In order to achieve our aims we have/will:	Source documents/Processes	Further work ongoing
<p>3.1.1 Ensure that the authority’s leadership sets a tone for the organisation by creating a climate of openness, support and respect</p>	<p>Constitution Chief Executive’s and Leader’s blog on the Council’s intranet Performance reporting Leadership days Standards Committee has an overall view of conduct issues established by their terms of reference Member and Officer Codes of Conduct Increased numbers of Independent Members appointed to Standards Committee Member/Officer Protocol Whistleblowing Policy Anti Fraud and Corruption Policy Freedom of Information Policy statement and publication scheme Monitoring Officer and S151 Officer Protocols Planning Procedures Code of Practice Officer Register of Gifts and Hospitality Officer voluntary register of interests Member’s Register of Interests Website and intranet</p>	<p>Best Councils’ survey work</p> <p>Quarterly briefing for staff</p> <p>New standards arrangements brought in force on 1 July 2012 in line with the Localism Act 2011</p> <p>Annual review of Whistleblowing Policy and Gifts and Hospitality</p> <p>Annual review of Anti- Fraud and Corruption Policy</p> <p>New “Corporate Governance” section set up on the Council’s website to bring all relevant information together under one heading</p> <p>Flexible working and Way We Work Programme</p>

In order to achieve our aims we have/will:	Source documents/Processes	Further work ongoing
<p>3.1.2 Ensure that standards of conduct and personal behaviour expected of members and staff, of work between members and staff and between the authority, its partners and the community are defined and communicated through codes of conduct and protocols</p>	<p>Corporate Roadshows by Chief Executive for staff Executive Management Team shadowing Hub and Spokes Officers focus group Portfolio Holders monthly sessions with senior officers</p> <p>Member and Officer Codes of Conduct Performance System Complaints procedures Anti-fraud and Corruption Policy Member/Officer Protocols Member Development Programme Officer training on Member/ officer relationship Whistleblowing Policy Information and Communication Technology (ICT) Security Policy Safeguarding Children's Policy Safeguarding Vulnerable Adults Policy Hub (intranet)</p>	<p>New standards arrangements brought in force on 1 July 2012 in line with the Localism Act 2011</p> <p>Annual review of Whistleblowing Policy</p> <p>Annual review of Anti Fraud and Corruption Policy</p> <p>Charter Status for Elected Member Development which was <u>achieved in April 2011</u></p>
<p>3.1.3 Put in place arrangements to ensure that members and employees of the authority are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and put in place appropriate processes to ensure that they continue to operate in practice</p>	<p>Member and Officer Codes of Conduct Equality and Diversity training for Members and Officers Financial Procedure Rules, Contract Procedure Rules Anti-Fraud and Corruption Policy Whistleblowing Policy Registers of Interests (Officers and Members) Services and processes are underpinned by Equality Impact Assessments</p>	<p>New standards arrangements brought in force on 1 July 2012 in line with the Localism Act 2011</p> <p>Annual review of Whistleblowing Policy</p> <p>Annual review of Anti Fraud and Corruption Policy</p>

	Equality Objectives Officer induction and training	
In order to achieve our aims we have/will:	Source documents/Processes	Further work ongoing
3.2.1 Develop and maintain shared values including leadership values both for the organisation and staff reflecting public expectations and communicate these with members, staff, the community and partners	Member and Officer Codes of Conduct Strategic Plan, Administration's vision, objectives and priorities in place and being shared Way We Work Programme - organisational values for People, Customer Excellence, Leadership of Place Shaping and Transformation Performance reporting Customer Excellence	Strategic Plan Action Plan – progress is reported to scrutiny on a half yearly basis People Strategy actions Fundamental Service Review of Customer Contact
3.2.2 Put in place arrangements to ensure that procedures and operations are designed in conformity with appropriate ethical standards, and monitor their continuing effectiveness in practice	Contract Procedure Rules Anti-Fraud and Corruption Policy Whistle Blowing Policy Member and Officer Codes of Conduct Monitoring of the above takes place by the Standards Committee ICT Security Policy	Reporting through to Standards Committee on a regular basis New standards arrangements brought in force on 1 July 2012 in line with the Localism Act 2011 Charter Status for Elected Member Development which was <u>achieved in April 2011</u>
3.2.3 Develop and maintain an effective Standards Committee	Agenda and Minutes Terms of Reference Regular meetings Work programme	New standards arrangements brought in force on 1 July 2012 in line with the Localism Act 2011 Annual review of the Localism Act Arrangements by the Standards Committee.

In order to achieve our aims we have/will:	Source documents/Processes	Further work ongoing
<p>3.2.4 Use the organisation's shared values to act as a guide for decision making and as a basis for developing positive and trusting relationships within the authority</p>	<p>Member and Officer Codes of Conduct Strategic Plan, Administration's vision, objectives and priorities in place and being shared Way We Work Programme Performance Appraisals Customer Excellence Leadership days Portfolio Holder sessions with Senior Managers Policy Framework</p>	<p>New standards arrangements brought in force on 1 July 2012 in line with the Localism Act 2011</p>
<p>3.2.5 In pursuing the vision of a partnership, agree a set of values against which decision making and actions can be judged. Such values must be demonstrated by partners' behaviour both individually and collectively</p>	<p>Values agreed with each partner Partnership Register Partnership Strategy</p>	

Core Principle 4 – Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

Our aims in relation to taking informed and transparent decisions which are subject to effective scrutiny and managing risk are to:

- 4.1 Being rigorous and transparent about how decisions are taken and listening and acting on the outcomes of constructive scrutiny
- 4.2 Having good quality information, advice and support to ensure that services are delivered effectively and are what the community wants/needs
- 4.3 Ensuring that an effective risk management system is in place
- 4.4 Using their legal powers to the full benefit of the citizens and communities in their areas

In order to achieve our aims we have/will:	Source documents/Processes	Further work ongoing
<p>4.1.1. Develop and maintain an effective scrutiny function which encourages constructive challenge and enhances the organisation's performance overall and of any organisation for which it is responsible</p>	<p>Scrutiny is supported by robust evidence and data analysis Agenda and Minutes Work programme Successful outcome of reviews Training on developing meaningful work programme Training for scrutiny chairman Scrutiny of partners and joint projects</p>	<p>Individual skills for successful scrutiny training in for members in conjunction with Ipswich and Tendring District Councils</p>
<p>4.1.2. Develop and maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based</p>	<p>Constitution Decision making protocols Record of decisions and supporting materials Report template Decision list published Meetings Factory on Council's website</p>	
<p>4.1.3. Put in place arrangements to safeguard members and employees against conflicts of interest and put in place appropriate processes to ensure that they continue to operate in practice</p>	<p>Member and Officer Codes of Conduct Member and Officer Registers of Interests Declaration of Interests at meetings Code of Conduct guidance and training provided to Members and Officers</p>	<p>New standards arrangements brought in force on 1 July 2012 in line with the Localism Act 2011</p>

In order to achieve our aims we have/will:	Source documents/Processes	Further work ongoing
	<p>Planning procedures Code of Practice Standards Committee have responsibility for these issues Monitoring Officer reports on these issues Politically restricted posts Anti-Fraud and Corruption Policy</p>	<p>Annual review of Anti- Fraud and Corruption Policy</p>
<p>4.1.4 Develop and maintain an effective Audit Committee (or equivalent) which is independent or make other appropriate arrangements for the discharge of the functions of such a committee</p>	<p>Finance and Audit Scrutiny Panel Terms of Reference Accounts and Regulatory Committee Audit awareness training Agenda and Minutes</p>	
<p>4.1.5 Put in place effective transparent and accessible arrangements for dealing with complaints</p>	<p>Complaints procedure "Help us get it right"</p>	<p>Customer insight work New standards arrangements brought in force on 1 July 2012 in line with the Localism Act 2011</p>
<p>4.2.1 Ensure that those making decisions whether for the authority or partnership are provided with information that is fit for the purpose – relevant, timely and gives clear explanations of technical issues and their implications</p>	<p>Council's Website Report templates dealing with key aspects Report by Head of Service with necessary technical expertise included Training and professional development Equality Impact Assessments</p>	<p>Projects carried out by the Council's Research and Engagement Team Customer insight work</p>
<p>4.2.2 Ensure that professional advice on matters that have legal or financial implications is available and recorded well in advance of decision making and used appropriately</p>	<p>Report template requires that consultation is undertaken with Monitoring Officer and S151 Officer before report considered by Members Record of decision making and supporting materials S151 and Monitoring Officer Protocols Equality Impact Assessments</p>	<p>Localism Act access to information regulations introduced September 2012</p>

In order to achieve our aims we have/will:	Source documents/Processes	Further work ongoing
<p>4.3.1 Ensure that risk management is embedded into the culture of the organisation, with members and managers at all levels recognising that risk management is part of their job</p>	<p>Risk Management Strategy part of the Policy Framework Corporate Risk Manager Corporate/service planning Cabinet Member with accountability for risk management Finance and Audit Scrutiny Panel monthly monitoring role of top 5 risks and regular review of whole risk register Performance Management Board quarterly risk review Risk Registers- Strategic, Operational and Project Risk and Control self assessment completed by all managers Training for Members and Officers</p>	<p>Currently developing Members training session. Officer training as and when required through Group Management Teams Fundamental Service reviews look at different ways of delivering services, with risk taken into account</p>
<p>4.3.2 Ensure that arrangements are in place for Whistleblowing to which staff and all those contracting with the authority have access</p>	<p>Whistleblowing Policy Information for contractors Monitoring Officer Constitution</p>	<p>Annual review of Whistleblowing Policy</p>
<p>4.4.1 Actively recognise the limits of lawful activity placed on them by, for example the ultra vires doctrine but also strive to utilise powers to the full benefit of their communities</p>	<p>Constitution Monitoring Officer Report templates Equality Impact Assessments Equality Objectives</p>	

In order to achieve our aims we have/will:	Source documents/Processes	Further work ongoing
<p>4.4.2 Recognise the limits of lawful action and observe both the specific requirements of legislation and the general responsibilities placed on local authorities by public law</p>	<p>Availability of professional legal advice Monitoring Officer Protocol S151 Officer Protocol Report templates Constitution Equality Impact Assessments Equality Objectives</p>	
<p>4.4.3 Observe all specific legislative requirements placed upon them, as well as the requirements of general law, and in particular to integrate the key principles of good administrative law – rationality, legality and natural justice into their procedures and decision making processes</p>	<p>Monitoring Officer Protocol S151 Officer Protocol Procedure Rules Report template Constitution Format for quasi judicial committees “Have Your Say” leaflet Planning Procedure Code of Practice Equality Impact Assessments Equality Objectives</p>	<p>Data Transparency - Code of Recommended Practice for Local Authorities –section on website to coordinate these requirements. DCLG is currently consulting on additional items to be added to the Code in 2013</p>

Core Principle 5 – Developing the capacity and capability of Members and Officers to be effective

Our aims in relation to developing the capacity and capability of Members and Officers to be effective are:

- 5.1 Making sure that Members and Officers have the skills, knowledge, experience and resources they need to perform well in their roles
- 5.2 Developing the capability of people with governance responsibilities and evaluating their performance as an individual and as a group
- 5.3 Encouraging new talent for membership of the authority so that best use can be made of individuals' skills and resources in balancing continuity and renewal

In order to achieve our aims we have/will:	Source documents/Processes	Further work ongoing
<p>5.1.1 Provide induction programmes tailored to individual needs and opportunities for Members and Officers to update their knowledge on a regular basis</p>	<p>Member training and development Member and Officer Induction programmes Refresher courses Briefings Officer Development Plan (individual and corporate) Appraisals for officers People Strategy Personal Development Plans Learning and Development Strategy/Annual Plan</p>	<p>Member skills development Charter Status for Elected Member Development which was <u>achieved in April 2011</u></p>
<p>5.1.2 Ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the organisation</p>	<p>Appraisals Training Induction Monitoring Officer and S151 Officer Protocols Employee Policies Learning and Development Strategy/Annual Learning and Development Plan</p>	

In order to achieve our aims we have/will:	Source documents/Processes	Further work ongoing
5.2.1 Assess the skills required by Members and Officers and make a commitment to develop those skills to enable roles to be carried out effectively	Appraisals for officers SMART objectives Personal Development Plans for officers Member training and development People Strategy Learning and Development Strategy/Annual Learning and Development Plan	Member skills development Charter Status for Elected Member Development which was <u>achieved in April 2011</u>
5.2.2 Develop skills on a continuing basis to improve performance including the ability to scrutinise and challenge and to recognise when outside expert advice is needed	Appraisals for officers Personal Development Plans for officers Member training and development Member scrutiny training People Strategy Colchester Learning Managers and Customer Excellence awards	Member skills development Charter Status for Elected Member Development which was <u>achieved in April 2011</u> Fundamental Service Reviews
5.2.3 Ensure that effective arrangements are in place for reviewing the performance of the authority as a whole and of individual members and agreeing an action plan which might for example aim to address any training or development needs	Performance reporting and performance indicators Performance and Improvement Framework Performance management and appraisals for officers SMART objectives People Strategy Investors in People Assessment Annual Audit Letter Organisational Assessment	

In order to achieve our aims we have/will:	Source documents/Processes	Further work ongoing
<p>5.3.1 Ensure that effective arrangements designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the authority</p>	<p>Equality Impact Assessments on services and policies Consultations, Research and Statistics on website Voluntary Sector Compact Mosaic and Touchstone Public meetings Equality Objectives Strategic Plan Consultation Local Development Framework consultation Life opportunities and Community development work Neighbourhood Action Panels Consultations (eg waste survey carried out using a range of communication methods to encourage participation) Customer insight work Research and Engagement Team projects</p>	<p>Review of Council communications and marketing</p>
<p>5.3.2 Ensure that career structures are in place for Members and Officers to encourage participation and development</p>	<p>People Strategy Internal Recruitment Process Internal Secondments Personal Development Plans for officers</p>	<p>Human Resource Plans Member skills development Fundamental Service Reviews</p>

Core Principle 6 – Engaging with local people and other stakeholders to ensure robust public accountability

Our aims in relation to engaging with local people and other stakeholders to ensure robust public accountability are to:

- 6.1 Exercise leadership through a robust scrutiny function which engages effectively with local people and all local institutional stakeholders, including partnerships, and develops constructive accountability relationships
- 6.2 Take an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service delivery whether directly, in partnership or by commissioning
- 6.3 Make best use of human resources by taking an active and planned approach to meet responsibility to staff

In order to achieve our aims we have/will:	Source documents/Processes	Further work ongoing
6.1.1 Make clear to themselves, all staff and the community, to whom they are accountable and for what	Constitution Community Strategy Stakeholder identification Targets and Performance Monitoring Website and intranet Consultation Strategy Communications Strategy Satisfaction surveys	
6.1.2 Consider those institutional stakeholders to whom they are accountable and assess the effectiveness of the relationships and any changes required	Stakeholder identification Statutory provisions Stakeholder surveys Consultation Strategy Communications Strategy Partnership Strategy Partnership Register	
6.1.3 Produce an annual report on scrutiny function activity	Annual Report	

In order to achieve our aims we have/will:	Source documents/Processes	Further work ongoing
6.2.1 Ensure that clear channels of communication are in place with all sections of the community and other stakeholders including monitoring arrangements to ensure that they operate effectively	Communications Strategy Websites Equality Impact Assessments Courier Safeguarding Children Policy Safeguarding Vulnerable Adults Policy	Review of Council communication and marketing
6.2.2 Hold meetings in public unless there are good reasons for confidentiality	Constitution Access to Information Rules	Key Decisions and Private Meetings section of website Localism Act access to information regulations introduced September 2012
6.2.3 Ensure arrangements are in place to enable the authority to engage with all sections of the community effectively. These arrangements should recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands	Strategic Plan Website - "Consultations, Research and Statistics" section Consultation strategy Communications strategy Equality Objectives and Equality Impact Assessments Corporate business plan Service Plans Budget Consultation Meeting	Fundamental Service Reviews
6.2.4 Establish a clear policy on the types of issues they will meaningfully consult on or engage with the public and service users including a feedback mechanism for those consultees to demonstrate what has changed as a result	Statement of Community Involvement Customer Excellence Customer insight project team Partnership framework Communication strategy Consultation Strategy Budget Consultation meeting Strategic Plan consultation Mosaic and Touchstone	Govmetric Customer insight work Website - "Consultations, Research and Statistics" section

In order to achieve our aims we have/will:	Source documents/Processes	Further work ongoing
<p>6.2.5 On an annual basis, publish a performance plan giving information on the authority's vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period</p>	<p>Statement of Accounts Strategic Plan Website www.colchester.gov.uk</p> <p>Performance Reporting and Performance Indicators</p> <p>Council website has "Performance and Improvement" "Council Awards and Achievements" and "Council and Democracy" sections</p> <p>Archived agendas and minutes now published as well as the current ones on the website</p>	<p>Strategic Plan Action Plan – progress is reported to scrutiny on a half yearly basis</p>
<p>6.2.6 Ensure that the authority as a whole is open and accessible to the community, service users and its staff and ensure that it has made a commitment to openness and transparency in all its dealings, including partnerships subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so</p>	<p>Constitution</p> <p>Customer service standards</p> <p>Voluntary Sector Compact</p> <p>"Have Your Say" at meetings</p> <p>Freedom of Information Act Publication Scheme</p> <p>Member and Officer Codes of Conduct</p> <p>Way We Work Programme</p> <p>Whistle Blowing Policy</p> <p>Anti-Fraud and Corruption Policy</p> <p>Monitoring Officer Protocol</p> <p>Communications Policy</p> <p>Data Protections Policy</p> <p>ICT Security Policy</p> <p>Council website</p>	<p>Annual review of Whistleblowing Policy</p> <p>Annual review of Anti-Fraud and Corruption Policy</p> <p>New standards arrangements brought in force on 1 July 2012 in line with the Localism Act 2011</p> <p>Localism Act access to information regulations introduced September 2012</p> <p>Data Transparency - Code of Recommended Practice for Local Authorities –section on website to coordinate these requirements. DCLG is currently consulting on additional items to be added to the Code in 2013</p>

<p>6.3.1 Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making</p>	<p>Investors in People Facilities and Recognition Agreement with UNISON</p>	<p>Communications Strategy</p>
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