

Cabinet

**Grand Jury Room, Town Hall
29 January 2014 at 6.00pm**

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

COLCHESTER BOROUGH COUNCIL CABINET

29 January 2014 at 6:00pm

Leader (& Chairman): Councillor Anne Turrell (Liberal Democrats)
Deputy Chairman: Councillor Martin Hunt (Liberal Democrats)
Councillor Nick Barlow (Liberal Democrats)
Councillor Tina Bourne (Labour)
Councillor Annie Feltham (Liberal Democrats)
Councillor Beverley Oxford (The Highwoods Group)
Councillor Paul Smith (Liberal Democrats)
Councillor Tim Young (Labour)

AGENDA - Part A

(open to the public including the media)

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1. Welcome and Announcements	1
<p>(a) The Chairman to welcome members of the public and Councillors and to remind all speakers of the requirement for microphones to be used at all times.</p> <p>(b) At the Chairman's discretion, to announce information on:</p> <ul style="list-style-type: none">• action in the event of an emergency;• mobile phones switched to silent;• the audio-recording of meetings;• location of toilets;• introduction of members of the meeting.	
2. Urgent Items	
<p>To announce any items not on the agenda which the Chairman has agreed to consider because they are urgent and to give reasons for the urgency.</p>	
3. Declarations of Interest	
<p>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:-</p> <ul style="list-style-type: none">• 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.

4. Have Your Say!

(a) The Chairman to invite members of the public to indicate if they wish to speak or present a petition at this meeting – either on an item on the agenda or on a general matter not on this agenda. You should indicate your wish to speak at this point if your name has not been noted by Council staff.

(b) The Chairman to invite contributions from members of the public who wish to Have Your Say! on a general matter not on this agenda.

5. Minutes

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To confirm as a correct record the minutes of the meeting held on 27 November 2013.

6. Call-in Procedure

To consider any items referred by the Strategic Overview and Scrutiny Panel under the Call-In Procedure. At the time of the publication of this Agenda there were none.

7. Strategy/Business and Resources

- i. 2014/15 General Fund Revenue Budget, Capital Programme and Medium Term Financial Forecast** **23 - 77**

See report by the Assistant Chief Executive

8. Housing

- i. Housing Revenue Account Estimates 2014/15** **78 - 99**

See report by the Head of Commercial Services

- ii. Housing Investment Programme 2014/15** **100 - 107**

See report by the Head of Commercial Services

- iii. Request for Delegated Authority for the Portfolio Holder for Housing to Approve the Award of a Construction Contract for the Development of New Council Homes** **108 - 110**

See report by the Head of Commercial Services

- iv. Commercial Review of Community Alarms Service - Business Plan** **111 - 113**

See report by the Head of Commercial Services.

9. Business and Resources

- i. Installation of Photovoltaic Systems Upon Non-Housing Council Owned Properties** **114 - 127**

See report by the Assistant Chief Executive

- ii. Officer Pay Policy** **128 - 142**

See report by the Assistant Chief Executive

- iii. Half Yearly Performance Report including Progress on Strategic Plan Action Plan** **143 - 174**

See report by the Assistant Chief Executive and the minute of the Scrutiny Panel meeting of 10 December 2013.

iv. Member Development Group Policy and Councillor Role Profiles **175 - 205**

See report by the Assistant Chief Executive

10. Street and Waste Services

i. Transportation Review **206 - 210**

See recommendations contained in minute 19 of the Policy Review and Development Panel meeting of 4 November 2013.

ii. Introduction of 20 mph Speed Limits in Colchester **211 - 212**

To note the contents of minute 20 of the meeting of the Policy Review and Development Panel of 4 November 2013.

11. General

i. Appointments to External Organisations **213 - 233**

See report by the Assistant Chief Executive

ii. Progress of Responses to the Public **234 - 235**

To note the contents of the Progress Sheet.

12. Exclusion of the Public

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

**COLCHESTER BOROUGH COUNCIL
CABINET**

29 January 2014 at 6:00pm

AGENDA - Part B

(not open to the public or the media)

Pages

13. Housing

**i. Commercial Review of Community Alarms Service –
Business Plan**

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.

See recommendations in minute 22 of the Trading Board meeting of 8 January 2014. The Business Case are included for information.

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CABINET

27 NOVEMBER 2013

Present :- Councillor Anne Turrell (the Leader of the Council)
(Chairman)
Councillors Nick Barlow, Tina Bourne, Annie Feltham,
Martin Hunt (Deputy Leader) , Beverley Oxford,
Paul Smith and Tim Young

Also in Attendance :- Councillor Mary Blandon
Councillor Elizabeth Blundell
Councillor Nick Cope
Councillor Marcus Harrington
Councillor Pauline Hazell
Councillor Sue Lissimore
Councillor Gerard Oxford
Councillor Will Quince
Councillor Dennis Willetts
Councillor Beverly Davies

46. Minutes

The minutes of the meeting held on 9 October 2013 were confirmed as a correct record.

47. Have Your Say!

Andy Hamilton addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2) about the Visual Arts Facility (VAF). He claimed that funding for the VAF was falling as funders realised the project had failed. It had generated negligible national interest. Visitor numbers were lower than claimed. Vandalism had been going on at the site for years and scarce police resources were being devoted to it. He asked why the Council wasted public resources on projects designed for the artistic elite such as the VAF and the cultural quarter. Businesses were not interested in the cultural quarter concept.

Councillor T. Young, Portfolio Holder for Planning, Community Safety and Culture, responded to state that the visitor numbers were accurate and that only a small and appropriate police resource had been used to deal with issues at the site. Council funding for firstsite was being reduced and firstsite was looking for other sources of funding. Inaccurate criticism of firstsite and Colchester was not helpful. Councillor Barlow, Portfolio Holder for Regeneration, stated that the item on the proposals for Roman House demonstrated that businesses were interested in the cultural quarter, contrary to Mr Hamilton's claims.

48. Allotment Charges and Review of Tenancy Agreements (COM-005-13)

Portfolio Holder decision COM-005-13 Allotment Charges and Review of Tenancy Agreements was referred to Cabinet to determine. A copy of the minute from the Scrutiny Panel meeting of 12 November 2013 had been circulated to each member, together with a copy of the original Portfolio Holder decision.

Councillor Davies, Chairman of the Scrutiny Panel, attended and, with the consent of the Chairman addressed the Cabinet. The Portfolio Holder decision had been referred back to the Portfolio Holder to consider further in the light of the comments by the Scrutiny Panel and she queried whether all the issues raised by the Panel had been properly investigated and considered. The Panel had identified many areas where savings could be made, in particular the Veolia contract. The issues around the letting of empty plots needed to be resolved. There was no evidence that other helpful suggestions, such as asking plot holders of boundary strips to take on the care and maintenance of those strips, had been considered. She was disappointed that the issue had been referred straight to Cabinet without any apparent further work on the suggestions made by the Scrutiny Panel and stressed her willingness to co-operate with further investigative work.

Councillor Lissimore attended and, with the consent of the Chairman, addressed the Cabinet. She stressed that the Colchester Allotment Association had been disappointed not to have been asked for their opinion on the issues in the Portfolio Holder report before it was considered by the Scrutiny Panel. She outlined the reasons for the call in. The action proposed was not proportionate to the desired outcome as the proposed rental for a plot, which was more than double the UK average, would deter people from renting allotments. This would lead to people missing out on the health and social benefits of allotments. There were other ways of increasing the income from allotments. There were 42 empty plots and a more efficient management of the service would increase income. The rule preventing only one allotment per household was unfair and should be removed. Whilst she agreed with the aim of making the service cost neutral, she queried why the costs were now being calculated in a different way from 2008, and asked for more information about the indirect costs that were being added to the service. The ending of the Veolia contract in 2014 would tie in with a five year plan to make the service cost neutral.

Councillor Willetts attended and, with consent of the Chairman, addressed the Cabinet to express his concern about how the scrutiny of this decision had been managed. The Scrutiny Panel had been provided with poor and limited information and their questions had not been properly answered. For example the information on comparative charges was not complete and did not analyse the reasons behind the wide range of charges. He expressed concern about the level of indirect managements costs incurred which he considered was indicative of the Council's inefficiency. The reason for this level of costs had still not been given. He was concerned that these issues had not been addressed in a report to Cabinet.

Councillor Harrington attended and, with the consent of the Chairman, addressed the Cabinet. He was surprised tht the decision had been referred direct to Cabinet as this implied that the Portfolio Holder disagreed with the Scrutiny Panel's conclusion. The Panel had given sensible, practical examples of how the service could be improved. The Panel had also looked at how management costs could be reduced. He believed

that the emphasis should be on reducing costs rather than increasing income. The expenditure breakdown provided to the Panel had been poor with duplication and a lack of detail.

Councillor Feltham, Portfolio Holder for Communities and Leisure Services, explained that she had looked at alternative ways of delivering the service, but had concluded there was no viable alternative to managing all the plots as a single package. Only a few sites were in parished areas, self management had not proved popular and Colchester Allotment Association did not represent all the plot holders. In terms of management costs, given the financial pressures facing the authority, these now had to be taken into consideration. The rise in charges was approximately £7 per annum which worked out at 14p per week, which she considered was not unreasonable. Even with the proposed rises the service would still be in deficit, so the approach was more generous than that provided to other some users of Council services. Over the next five years, she would seek to reduce management costs. She had responded positively to a number of the Allotment Association's proposals and she had asked officers to consider these further. On that basis she invited Cabinet to confirm Portfolio Holder decision COM-005-13.

Councillor Smith, Portfolio Holder for Business and Resources, stressed the need to account for both direct and indirect costs when assessing the viability of a service or business. It was hoped to reduce the deficit through efficiencies and through implementing the ideas of the Allotment Association. In the interim, a small increase in charges was being introduced. The subsidy for those on benefits would be maintained. Councillor Turrell highlighted the administration had inherited the Veolia contract and that the terms of the contract could not be changed at this point. She thanked Councillor Davies for the helpful suggestions that the Scrutiny Panel had made.

RESOLVED that Portfolio Holder decision COM-005-13 Allotment Charges and Review of Tenancy Agreements be confirmed

REASONS

As set out in the Portfolio Holder decision report.

ALTERNATIVE OPTIONS

It was open to Cabinet not to confirm the decision or to ask for further information to be obtained.

49. St Botolph's Quarter - Approval of Draft Heads of Terms for Roman House

The Head of Commercial Services submitted a report a copy of which had been circulated to each Member. Fiona Duhamel, Estates and Regeneration Manager, attended and presented the proposals to the Cabinet.

Peter Kay addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2) on behalf of the Bus Users Group. He outlined the history of the

Council's proposals for Queen Street. The Council's masterplan had led to 900 bus journeys a day travelling down Queen Street. Consequently the service was poor with frequent hold ups. The Council needed to improve the bus shelter on Queen Street. He hoped that there was no plan to move the shelter and expressed a fear that the shelter could be seen as incompatible with the proposed high class restaurant.

Nick Chilvers addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2). He believed there was more of a market for an out of town cinema, rather than a cinema in this location, which could be off-putting to some customers. He wondered whether this scheme was being put forward as a solution to the planning problems with this site, rather than as a result of customer demand and queried what research had been done on customer lifestyles. There were safety considerations arising from the fact it was near a bus stop and a pinch point in the road. He noted that the Council wished to see a mixed use development in the area but felt that housing would be unattractive given the proximity to a cinema and night clubs.

Councillor Quince attended and, with the consent of the Chairman, addressed the Cabinet to express his support for the proposal. He believed Curzon would be a good fit for the site.

Councillor Barlow, Portfolio Holder for Regeneration, stressed that it was to Colchester's credit that it had attracted Curzon. The proposal demonstrated that businesses were interested in investing in Colchester. There was no intention to move the bus stop and the Council would work with Essex County Council to improve the road network. In respect of an out of town cinema, the Council would consider any such proposals brought forward by developers or land owners. Councillor T. Young, Portfolio Holder for Planning, Community Safety and Culture, expressed his support for the proposal which would increase Colchester's cultural offer and would provide a wider range of films to residents and visitors.

RESOLVED that:-

- (a) The long leasehold disposal of Roman House to Corinthian Curzon following a marketing campaign for the wider St Botolph's site be agreed and the draft Heads of Terms for the long leasehold sale of Roman House to Corinthian Curzon, identified by the area marked in pink on the plan attached to the Head of Commercial services report, be approved
- (b) The draft Heads of Terms for a long leasehold sale including the financial offer proposed, be approved.
- (c) Delegated authority be given to the Strategic Director in consultation with the Portfolio Holder for Regeneration to conclude the Heads of Terms and legal agreements substantially in accordance with the approved draft.

REASONS

To bring about the total redevelopment of Roman House to create a three screen boutique cinema at the upper level together with ground floor café/restaurants.

To bring forward another stage of regeneration of the St Botolph's Quarter which will create 55 new jobs in the area.

To allow further conversations to be carried out with the three bidders for the wider site.

To provide a significant capital receipt to the Council.

The formal approval of the Heads of Terms signifies a really positive step in bringing forward a development following a period of time that has seen an adverse economic climate.

ALTERNATIVE OPTIONS

The Council could seek to accept one of the alternative offers for the whole site but taking into account the delivery of key non financial objectives for the St. Botolph's Quarter and the financial aspirations, the Curzon development meets all of these objectives but also allows the opportunity for further discussions to be ongoing with the remaining three bidders for the remainder of the site.

50. Breakers Yards The Hythe – Approval of Preferred Bidder Following a Marketing Process

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

Belinda Federl, addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2), on behalf of Hythe Forum. She expressed her disappointment that Hythe Forum had not been consulted on the proposals and had learnt of the scheme via the media. She stressed the need for better infrastructure in the Hythe. No information was provided about numbers or types of housing. The ending of the car breaker's lease seemed to be the key factor in the proposals rather than the needs of existing residents.

Councillor Quince attended and, with the consent of the Chairman, addressed the Cabinet to express his support. He appreciated the difficulty and expense in cleaning up contaminated sites. As well as remedying a contaminated land site, the proposal would also help meet Colchester's housing need. Many of the concerns expressed by Ms Federl would be addressed through the planning process.

Councillor Barlow, Portfolio Holder for Regeneration, explained that at this stage this was an in principle decision to proceed with Churchmanor. Detailed plans would then be brought forward and would go through the planning process. This would provide an opportunity for formal consultation with the local community. This was a good deal for Colchester which would lead to the development of a brownfield site.

Councillor Feltham, Portfolio Holder for Communities and Leisure Services, and ward councillor for New Town, stressed that ward councillors would work with the local community to ensure that the development helped provide the necessary community

facilities. Councillor Turrell, Portfolio Holder for Strategy, Councillor Hunt, Portfolio for Street and Waste Services and Councillor Bourne, also expressed their support for the proposals.

RESOLVED that:-

(a) The principle of a land disposal to Churchmanor Estates following the marketing of the Breakers Park site, be approved.

(b) Delegated authority be granted to the Strategic Director Ian Vipond, in consultation with the Portfolio Holder for Regeneration and the Portfolio Holder for Business and Resources to conclude the negotiation of Heads of Terms and legal documentation for the disposal of the Breakers Park site.

REASONS

The site in Haven Road is currently occupied by a number of car breakers and although it is located in a prominent part of the Hythe, it is run down and in need of regeneration.

Previous plans to develop the site for solely open space are not realistic in today's economic climate so a more commercial approach to redeveloping the site needs to be sought.

The Council is required to also manage the relocation of the two Breakers businesses currently on the site, simultaneously with the search for a viable development option. If the Council does not imminently create circumstances in which a planning application can be submitted for the proposed development, there is a real risk that the Breakers will acquire right to remain on the site for a further period of 5 years.

ALTERNATIVE OPTIONS

The Council could allow the current Breakers leases to be extended for 5 years. This would delay the regeneration of a site that now lies adjacent to the Maltings development where a £40m structure is currently being constructed. It would also fail to capitalise on the opportunity for development, which is the only defense that the Council has to resist the pressure for the lease renewal. A recent survey and costings for the decontamination on the site has been carried out by funding from Haven Gateway. A 5 year delay would mean this extensive survey would need to be carried out again at that time as the current survey information would no longer be valid after 5 years.

The Council could decide that the terms offered are not sufficiently desirable and decide to allow the existing tenants to remain on site with the associated future income stream. This will involve missing a major opportunity to make a clear statement to the residents and businesses within The Hythe that the Council is committed to backing up its earlier investment in the highly successful Hythe Forward Project, by bringing forward one of its own sites which is notoriously difficult to viably develop. Each successful initiative in The Hythe that the Council is currently orchestrating is helping to

change local mindsets to the future possibilities for the area. The early development of the Breakers Yards by the Council will be a hugely significant statement that it is at the forefront of the growing sense of momentum and belief in the area.

51. Fundamental Service Review of Corporate and Financial Management

The Executive Director Customer Operation and Partnerships of submitted a report a copy of which had been circulated to each Member together with minute 31 of the Scrutiny Panel meeting of 29 October 2013.

Councillor Smith, Portfolio Holder for Business and Resources, explained that the well established principles of the Fundamental Service Review process had been applied to the Council's Corporate and Financial Management Service. The proposals would improve efficiency and deliver £300,000 in budget savings each year.

RESOLVED that the business case resulting from the Fundamental Service Review of Corporate and Financial Management (CFM FSR) be approved, and the implementation stage of the review be authorised.

REASONS

To allow the implementation of the business case resulting from the CFM FSR, which will deliver improved customer service, greater service resilience and recurring revenue budget savings.

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.

52. Local Council Tax Support Scheme

The Head of Customer Services submitted a report a copy of which had been circulated to each Member together with minute 34 of the Scrutiny panel meeting of 12 November 2013.

Councillor Smith, Portfolio Holder for Business and Resources, explained that the Council was proposing the continuation of the existing Local Council Tax Support Scheme, despite a cut in government funding. The popular Back to Work Bonus would continue. He also noted that there had not been a significant impact on Council Tax collection rates.

RESOLVED that the continuation of the existing Local Council Tax Support scheme be

agreed, without fundamental amendment, into the second year 2014/15.

RECOMMENDED to COUNCIL that the Local Council Tax Support Scheme for 2014/15 be approved and adopted.

REASONS

Colchester Borough Council implemented a Local Council Tax Support scheme (effective from 1st April 2013) which was agreed by Full Council on the 6th December 2012.

Legislation requires that amendments to the scheme for 2014/15 need to be agreed by Full Council before 31st January 2014.

Agreement and recommendation is needed to limit the changes to the Local Council Tax Support scheme for 2014/15 to bring the scheme in line with national legislative amendments and to agree and recommend the scheme remain otherwise unaltered.

ALTERNATIVE OPTIONS

To alter the scheme for 2014/15 by increasing the minimum Council Tax contribution from 20% to 35% for working age claimants.

The alternative option of increasing the minimum contribution would not be recommended, taking account of the following considerations:

- There is no requirement to reduce further the level of Local Council Tax Support spend.
- Public consultation asked for specific comments on increasing the minimum Council Tax contribution from 20% to 35% for working age claimants. Responders to this question indicated they would be 'dissatisfied' (17%) or 'very dissatisfied' (67%) if such a change was introduced. Further information is detailed in section 7.
- By maintaining the current scheme this allows for a period of stability for customers, many of whom are affected by other Welfare Reforms.
- Maintaining the current scheme also allows us to consider effectively the impact Local Council Tax Support has on the Collection Fund. Based on data April 13 to 30th September 13 our collection rate is 57.4%, against 57.8% for the same period last year. Whilst acknowledging that this is a decrease, it is an improvement on predicted collection rates and within accepted tolerances.

53. Economic Development Strategy 2010-15

Minute 14 of the Policy Review and Development Panel meeting of 16 September 2013 was referred to the Cabinet.

RESOLVED that the following issues be borne in mind when considering the proposed refresh of the Council's Economic Development Strategy 2010 to 2015:

- (i) The potential lack of influence that Colchester will be able to exert over the funding priorities of the South East Local Enterprise Partnership, given its size and scope;
- (ii) Whether there are sufficient training solutions for older people needing to access digital services in the future;
- (iii) The need for the approach to the Town Centre to be focused;
- (iv) The need to learn from partners in Suffolk in relation to the Visit Anglia Strategy;
- (v) The continuing need for ways to stimulate more investment;
- (vi) Whether the targets for a Borough wide Broadband solution are too ambitious;
- (vii) The need for improvement in the feedback about apprenticeships from education providers to local businesses;
- (viii) To acknowledge the fact that generally investors require a return on their investment within five years;
- (ix) To welcome the news that Colchester has a thriving economy of £17.2billion;
- (x) For support to be given to the creation of a Creative Business Centre in Colchester but to acknowledge the need for more marketing of Colchester as a Creative and Digital Hub.

REASONS

Cabinet welcomed the recommendation from the Policy Review and Development Panel and considered that the identified issues would strengthen the Council's Economic Development Strategy. The recommendations were in line with the approach already being taken by the Cabinet.

ALTERNATIVE OPTIONS

It was open to the Cabinet not to agree the recommendation from the Policy Review and Development Panel or to agree with some of the issues put forward by the Panel.

54. 2014/15 Revenue Budget, Fees and Charges, Capital Programme and Financial Reserves

Councillors Smith (in respect of his membership of St Johns and Highwoods Community Centre) and Quince (as a Trustee of Grassroots) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member.

Robert Needham, Chair of Trustees at Age UK Colchester, addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2). He explained that Age UK was supported by two principle funders: Colchester Borough Council and Age UK nationally. The Council's funding was subject to a Service Level Agreement. Similarly, the funding from Age UK nationally was subject to an agreement to deliver certain services, in particular the benefits welfare advice service. If it did not provide such a service, it would lose its funding from Age UK nationally and would be forced to close. The report suggested that the Welfare Reform Act protected older people's

access to benefits. However, this ignored the vulnerability of older people and their lack of knowledge about how to access benefits. Last year Age UK Colchester received 474 enquiries from older people and a total of £1,697,634 was awarded in otherwise unclaimed benefits. This could not be matched by any other organisation in Colchester. He suggested that instead the Council should reduce all grants to all charities in Colchester by 12.5% which would allow Age UK Colchester to continue.

Councillor Blundell attended and, with the consent of the Chairman, addressed the Cabinet in her capacity as a Trustee of Age UK Colchester. She endorsed the comments of Robert Needham and stressed the value of their work in addressing issues such as loneliness and isolation amongst elderly people. She noted that elderly residents had already suffered through the closure of Abbots Activity Centre. The report provided no information about how other organisations, such as the Citizens Advice Bureau, could provide a benefits advisory service and she doubted whether they could provide as effective a service as Age UK. The Council had a duty of care to its elderly residents and should give Age UK the support it needed.

Councillor Bourne, Portfolio Holder for Housing, responded that it was important to separate Age UK's core funding from the funding given on a one off basis. The core funding was provided at a higher level than by other authorities. The Council was now proposing to freeze the core funding. The funding for the benefits advisory service had initially been provided on a one off basis under a separate service level agreement. This had had been successful and the arrangement had been renewed over the past three years. However, it was not part of the core funding and therefore its withdrawal should not threaten the future of Age UK Colchester. Other service providers including the Council's Welfare Rights team would be able to help provide benefits advice to the elderly.

Nick Chilvers addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2) to ask why the Council subsidised the Arts Centre, given that it had justified the closure of Abbots Activity Centre on the grounds of costs. He did not believe that the users of the Arts Centre were a vulnerable group. The Mercury Theatre and firstsite served the wider community but this did not apply to the Arts Centre.

Councillor Willetts attended and with the consent of the Chairman, addressed the Cabinet. He believed that the budget report was unduly pessimistic and had failed to account fully for increases in grants and income. He expressed concern about the shortfall in car parking income, which had not been properly explained and the reduction in funding for the arts organisations. This would lead to price increases which in turn would limit access to the arts. The reductions in funding to the voluntary sector were at odds with aims outlined in the Council's strategic documents to protect the vulnerable and particularly the elderly.

Councillor Hazell attended and, with the consent of the Chairman, addressed the Cabinet to express her concern about the proposed introduction of car parking charges at Gosbecks, which she believed would lead to parking being displaced on to the Roman Fields Estate. The Council should reconsider and look again at the costs of implementing and maintaining such a scheme.

Councillor Lissimore attended and, with the consent of the Chairman, addressed the Cabinet about the proposal to charge for parking at Gosbecks. When the decision to introduce parking charges at Highwoods had been called in, it had revealed that that only a very small profit could be made by such a scheme. Parking charges would displace parking to the Roman Fields estate and the entrance to Brick Wall Farm and should be ruled out now.

Councillor Quince attended and, with the consent of the Chairman, addressed the Cabinet to state that charging for parking at Gosbecks would cause serious problems on the Roman Fields estate. Congestion was also a serious problem in Colchester and the New Homes Bonus funding should be used on infrastructure to alleviate congestion.

Councillor Hunt, Portfolio Holder for Street and Waste Services, explained that he believed that it was right that those who used a car park should pay a larger proportion of costs for it than other Council Tax payers.

Councillor Smith, Portfolio Holder for Business and Resources, emphasised the reduction in Revenue Support Grant to the Council and the impact this had had. The administration had found £5 million in efficiencies but had protected frontline services. In respect of the arts organisations these received significant funding from the Arts Council. They also made a significant contribution to the economy of the town, particularly the Arts Centre. Park and Ride was progressing which would address the issues of congestion. He stressed that the Council was not cutting its funding to voluntary organisations at the level at which its own funding was being cut. Councillor T. Young, Portfolio Holder for Planning, Community Safety and Culture, emphasised the excellent outreach work done by the Arts Centre. The reductions in funding to the art organisations had been negotiated with them and would not lead to price increases or a decrease in the quality of their programmes. Councillor Bourne, Portfolio Holder for Housing, and Councillor Hunt, Portfolio Holder for Street and Waste Services, also indicated their support for the budget proposals. It was emphasised that 75% of savings had come from internal reviews. However, the programme of Fundamental Service Reviews was coming to a close and with further funding cuts to come, budget decisions would become increasingly difficult.

RESOLVED that:-

- (a) The current 2014/15 revenue budget forecast which at this stage shows a budget gap of £255k 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 2014/15 as set out in the Risk Analysis subject to consideration of outstanding issues as part of the final budget report in January 2014 (see Appendix F of the Assistant Chief Executive's report).
- (d) The current budget forecast for 2013/14 as set out at paragraph 12.11 of the Assistant Chief Executive's report be noted.

(e) It be noted that there are no changes are proposed to the Council Tax discounts set out in Appendix J of the Assistant Chief executive's report.

(f) The distribution of revenue grant to Parish, Town and Community Councils for 2014/15 as set out at Appendix C of the Assistant Chief Executive's report be approved.

(g) The funding for voluntary welfare organisations as set out in Appendix D of the Assistant Chief Executive's report be approved.

(h) Funding for the arts organisations set out at Appendix E of the Assistant Chief Executive's report be agreed.

(i) All fees and charges as set out in Appendix I of the Assistant Chief Executive's report be agreed.

(j) The release of resources £32k for Site Disposal Costs be agreed.

(k) The reallocation of funds already within the capital programme be agreed as follows:-

a. £71.2k underspend relating to North Colchester BIC to be reallocated to North Colchester Development Land.

b. £4.9k underspend relating to King Edward Quay to be reallocated to Transcoast.

c. Castle Walls, Town Walls and Walls to Closed Churchyards to be amalgamated into one scheme.

(l) *RECOMMENDED to COUNCIL* that the following new capital schemes are added to the Capital Programme, and the release of resources agreed:-

i) £856k for a new baler and shed at Shrub End Depot.

ii) £47.2k to relocate the Visitor Information Centre to Hollytrees

(m) It be noted that the Council will no longer be implementing a Local Authority Mortgage Scheme (LAMS) for the reasons set out in paragraph 15.2. of the Assistant Chief Executive's report.

REASONS

The Council is required to approve a budget strategy and timetable in respect of the year 2014/15.

This report relates to the budget update, a review of balances and the capital programme. This report also includes decisions in respect of fees and charges and certain specific budget changes to ensure that these can be reflected in the final budget.

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. The separate appendices showing specific decisions include alternative

options where relevant.

55. Colchester Housing Revenue Account Business Plan 2013-43

Councillor Tim Young (as Chairman of Colne Housing) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

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

Councillor Bourne, Portfolio Holder for Housing, indicated that the previous annual budgeting process had proved difficult for Colchester Borough Homes (CBH) as it created uncertainty about the level of resource they would receive. The new long term agreement with CBH and the 30 Year Business Plan would remove that uncertainty. It would allow the Council to commence a house building programme and planning permission had been granted on the first tranche of developments.

RESOLVED that:-

(a) Colchester's HRA Business Plan 2013/2014 to 2042/2043, be approved as set out at Appendix A of the Head of Commercial Services report.

(b) It be noted that the HRA Business Plan demonstrates:

- That there will be sufficient resources over the long-term to meet the Councils obligations to its stock, tenants and servicing of housing debt,
- That the availability of resources should be relatively resilient to changes in financial conditions,
- That there will be additional resources available in the medium to long-term that can be reinvested to meet more of the Council's priorities.

REASONS

An effective HRA Business Plan has become a key part of the Council's financial planning arrangements since Central Government announced the reform of the rules governing local authority housing finance and the introduction of the new self-financing system in 2012. Local authorities who still own their own housing stock are now able to plan with more certainty for the medium to long-term. The new system required a national redistribution of debt, meaning in Colchester's case a one-off take-on of debt of £73.694 million, in return for keeping all future revenue income. A proportion of Right to Buy receipts are still pooled and returned to central Government. It is essential that the HRA continues to be managed on sound business principles. The reforms also open up some exciting opportunities for Colchester.

ALTERNATIVE OPTIONS

No alternative options were present to Cabinet.

56. Capital Housing Investment Programme: Appointment of a Single Contractor to Provide Adaptations to Council Housing

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

RESOLVED that:-

(a) NPG Barron be appointed to deliver the Adaptations contract.

(b) The latest version Joint Contracts Tribunal (JCT) Measured Term Form of Contract be entered into with the successful contractor to deliver the works.

REASONS

As set out in the Head of Commercial Services report.

ALTERNATIVE OPTIONS

Not to accept the tender but this would impede the delivery of previous Cabinet decisions and may not deliver best value which the Council has a duty to seek.

Not to continue with the programme but again this would be at odds with the previous Cabinet decisions.

57. Capital Housing Investment Programme: Appointment of Two Contractors to Deliver Capital Internal Works (Including Kitchen Renewals, Bathroom Renewals, Central Heating Renewals and Rewires)

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

RESOLVED that:-

(a) Vinci Facilities be appointed to deliver Contract 1 (Internal Works).

(b) Axis Plc be appointed to deliver Contract 2 (Internal Works).

(c) The latest version Joint Contracts Tribunal (JCT) Measured Term Form of Contract be entered into with the successful individual contractors to deliver the works.

REASONS

As set out in the Head of Commercial Services report.

ALTERNATIVE OPTIONS

Not to accept the tenders of one or more of the proposed contractors. This would impede the delivery of previous Cabinet decisions and may not deliver best value which the Council has a duty to seek.

Not to continue with the programme but again this would be at odds with the previous Cabinet decisions.

58. Waste and Recycling Task and Finish Group

Minute 15 of the Policy Review and Development Panel meeting of 16 September 2013 was referred to the Cabinet.

Councillor Hunt thanked the members of the Waste and Recycling Task and Finish Group for the helpful advice it had provided and welcomed the proposal that it continue its work.

RESOLVED that the work of the Waste and Recycling Task and Finish Group be acknowledged and the Group be given authority to continue its work to assist the Portfolio Holder for Street and Waste in important issues for the delivery of the waste and recycling service in the future.

REASONS

The Waste and Recycling Task and Finish Group had provided valuable advice to the Portfolio Holder for Street and Waste Services and he would welcome its continuation.

ALTERNATIVE OPTIONS

It was open to the Cabinet not to agree with the recommendation from the Policy Review and Development Panel.

59. Award of Contract for ICT Systems Supporting the Universal Customer Contact Fundamental Service Review

The Chief Operating Officer Delivery and Performance submitted a report a copy of which had been circulated to each Member.

RESOLVED that the award of contracts to Northgate Information Systems UK and Goss Interactive, as approved by the Chief Operating Officer in consultation with the Portfolio Holder for Business and Resources, for the supply and support of the Customer Experience ICT solution as part of the Universal Customer Contact Fundamental Service Review (UCC FSR) be noted.

REASONS

An early priority of the UCC FSR IT theme is to provide application software (termed the Customer Experience Solution) to match the changing needs of the customer with those of the organisation, which is itself undergoing massive change

Following a procurement exercise, the evaluating group recommended the selection of Northgate Information Systems UK and Goss Interactive as the two suppliers who together offered the best solution for our needs. That is: a solution intended to support a high quality and consistent customer service, operating across all contact channels. This recommendation was based on a comprehensive analysis of tender responses and supplier presentations, taking into account: quality, functionality and cost.

The Chief Operating Officer reviewed this recommendation, consulted with the Portfolio Holder for Business and Resources and approved the contract award under delegated authority.

The necessary legal and procurement activities have now taken place including the necessary standstill challenge period. There have been no legal challenges to date and initial implementation activities are now in progress.

The award is now being reported back to Cabinet in line with the previous report, which required that a report be submitted to the next meeting of the Cabinet, advising of actions taken.

ALTERNATIVE OPTIONS

No alternative options were presented to the Cabinet.

60. Demand Management and Behaviour Change

Minute 13 of the Policy Review and Development Panel meeting of 16 September 2013 was referred to the Cabinet.

RESOLVED that the following issues be borne in mind when considering the Behaviour Change framework and future programme of work:

- (i) The benefits of expanding and building on the Behaviour Change work;
- (ii) The need to provide Behaviour Change training and support to staff and councillors in order to manage demands;
- (iii) The valuable assistance and support provided by the Cabinet Office Insights Team.

REASONS

The benefits of the work on Demand Management and Behaviour Change were set out in the minute from the Policy Review and development Panel.

ALTERNATIVE OPTIONS

It was open to the Cabinet not to agree with the recommendation from the Policy Review and Development Panel.

61. Abbots Activity Centre

Minute 31 of the Council meeting of 16 October 2013 was referred to the Cabinet.

Councillor Quince attended and with the consent of the Chairman, addressed the Cabinet. He was disappointed the motion had not been debated at Council. Whilst he was pleased that Abbot Activity Centre was now being used as a community centre he noted the agreement was only for one year. He also expressed his concern about the impact of the uncertainty about the future of Abbots had had on its members. Communication with the members had been poor.

Councillor Feltham, Portfolio Holder for Communities and Leisure contested the assertion that the closure had been badly handled. The process had been drawn out but the Council had been open with the members and had taken the time to listen and communicate with them. The Council had not known it would be possible for the Centre to open as a Community Centre at the time of closure. She commended officers across the Council for their work on Abbots.

Councillor Smith, Portfolio Holder for Business and Resources, Councillor Bourne, Portfolio Holder for Housing and Councillor Young, Portfolio Holder for Planning, Community Safety and Culture, spoke to express their concern at Councillor Quince's comments. The issue had become a political football and the stipulations that the opposition had put on the future use of Abbots would have prevented it being used a community centre and therefore the administration had not been able to explore that option. Tribute was paid to the work of Councillor Feltham on this issue.

Cabinet noted that the action requested in the motion had already taken place and therefore the Motion was no longer relevant.

RESOLVED that no further action be taken in relation to the Motion.

REASONS

The action requested by the Motion had already taken place and it was therefore no longer relevant.

ALTERNATIVE OPTIONS

None

62. Calendar of Meetings 2014-15

The Assistant Chief Executive submitted a report a copy of which had been circulated

to each Member.

RESOLVED that:-

(a) The draft Calendar of Meetings for the next municipal year from June 2014 to April 2015 be approved.

(b) Authority be delegated to the Chairman of the relevant Committee/Panel in conjunction with the Assistant Chief Executive to cancel meetings.

REASONS

The Calendar of Meetings needs to be determined so that decisions for the year can be timetabled into the respective work programmes and the Forward Plan.

Advance notice of the Calendar of Meetings needs to be made available to external organisations, parish councils and other bodies with which the Council works in partnership and to those members of the public who may wish to attend meetings of the council and make representations.

The meeting rooms also need to be reserved as soon as possible so that room bookings can be made for private functions by private individuals, external organisations and internal Council groups.

A formal arrangement needs to be in place for the cancellation of meetings that no longer need to be held.

ALTERNATIVE OPTIONS

This proposal has been largely devised based on the current meeting structure and frequency. It would be possible to devise alternative proposals using different criteria.

63. Guidance for Councillors and Officers on Outside Bodies

Minute 23 of the Governance Committee meeting of 15 October 2013 was referred to the Cabinet.

RESOLVED that it be noted that the revised Guidance includes advice to Councillors appointed as Board members regarding their Fiduciary Duty to the Company taking priority over the Councillor's responsibility to the Council when acting as a Board member.

REASONS

It was important that Councillors appointed as Board members were aware that their Fiduciary Duty to the Company took priority over the Councillor's responsibility to the Council when acting as a Board member.

ALTERNATIVE OPTIONS

It was open to the Cabinet not to agree with the recommendation from the Governance Committee.

64. Progress of Responses to the Public

The Assistant Chief Executive submitted a progress sheet a copy of which had been circulated to each Member.

RESOLVED that the contents of the Progress Sheet be noted.

REASONS

The progress sheet was a mechanism by which the Cabinet could ensure that public statements and questions were responded to appropriately and promptly.

ALTERNATIVE OPTIONS

No alternative options were presented to the Cabinet.

The Cabinet/Panel 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.

65. St Botolph's Quarter - Approval of Draft Heads of Terms for Roman House

The Head of Commercial Services submitted appendices to the report referred to in minute 49 a copy of which had been circulated to each Member.

RESOLVED that the appendices be noted.

The Cabinet/Panel 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.

66. Breakers Yards The Hythe - Approval of Preferred Bidder Following a Marketing Process

The Head of Commercial Services submitted appendices to the report referred to in minute 50 a copy of which had been circulated to each Member.

RESOLVED that the appendices be noted.

The Cabinet/Panel 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.

67. Capital Housing Investment Programme: Appointment of a Single Contractor to Provide Adaptations to Council Housing

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

RESOLVED that:-

(i) NPG Barron be appointed to deliver the Adaptations contract.

(ii) The latest version Joint Contracts Tribunal (JCT) Measured Term Form of Contract be entered into with the successful contractor to deliver the works.

REASONS

As set out in minute 56.

ALTERNATIVE OPTIONS

As set out in minute 56.

The Cabinet/Panel 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.

68. Capital Housing Investment Programme: Appointment of Two Contractors to Deliver Capital Internal Works (Including Kitchen Renewals, Bathroom Renewals, Central Heating Renewals and Rewires)

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

RESOLVED that:-

- (a) Vinci Facilities be appointed to deliver Contract 1 (Internal Works).
- (b) Axis Plc be appointed to deliver Contract 2 (Internal Works).
- (c) The latest version Joint Contracts Tribunal (JCT) Measured Term Form of Contract be entered into with the successful individual contractors to deliver the works.

REASONS

As set out in minute 57.

ALTERNATIVE OPTIONS

As set out in minute 57.



Cabinet

29 January 2014

Item
7(i)

Report of	Assistant Chief Executive	Author	Sean Plummer ☎ 282347
Title	2014/15 General Fund Revenue Budget, Capital Programme and Medium Term Financial Forecast		
Wards affected	n/a		

This report requests Cabinet to recommend to Council:

- **The 2014/15 General Fund Revenue Budget**
- **Colchester's element of the Council Tax for 2014/15**
- **The Medium Term Financial Forecast**
- **The Capital Programme**
- **The Prudential Indicators and Treasury Management Strategy and Annual Investment Strategy**

1. Decisions Required

- 1.1 To note that the outturn for the current financial year is forecast to be on budget (paragraph 3.4.).
- 1.2 To approve the cost pressures, growth items, savings and increased income options identified during the budget forecast process as set out at Appendices B, C and D.
- 1.3 To consider and recommend to Council the 2014/15 Revenue Budget requirement of £22,006k (paragraph 6.8) and the underlying detailed budgets set out in summary at Appendix E and Background Papers subject to the final proposal to be made in respect of Council Tax.
- 1.4 To agree that a proposal to Council on Colchester's element of the Council Tax for 2014/15 will be made in consultation with the Leader of the Council following the formal Finance Settlement announcement and confirmation of Council Tax referendum threshold. The formal resolution to Council will also include the Parish, Police, Fire and County Council elements. (paragraph 12.2).
- 1.5 To agree that Revenue Balances for the financial year 2014/15 be set at a minimum of £1,800k and that £74k of balances be applied to finance items in the 2014/15 revenue budget.
- 1.6 To note the provisional Finance Settlement figures set out in Section 7 including the figures for the business rates retention scheme and the arrangements for completion of the required return of estimated business rates income as set out at paragraph 7.11.

- 1.7 To agree the following releases (paragraph 10.7):-
- £100k from the Capital Expenditure Reserve in 2014/15 to meet costs including the community stadium.
 - £30k from the S106 monitoring reserve
- 1.8 To agree and recommend to Council that £100k of Revenue Balances be earmarked for potential unplanned expenditure within the guidelines set out at paragraph 11.3.
- 1.9 To note the Medium Term Financial Forecast for the financial years 2014/15 to 2017/18.
- 1.10 To note the position on the Capital Programme shown at section 14 and agree the release of £100k as set out.
- 1.11 To note the comments made on the robustness of budget estimates at section 15.
- 1.12. To approve and recommend to Council the 2014/15 Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy as set out in the background paper at Appendix H.

2. Background Information and Summary

- 2.1 The 2014/15 Revenue Budget and the Capital Programme have been prepared in accordance with a process and timetable agreed at Cabinet and endorsed by the Scrutiny Panel (Appendix A).
- 2.2. The Revenue Budget for 2014/15 has been prepared against a background of meeting the Council's Strategic Plan objectives whilst continuing to face significant financial pressures from the reductions in core Government funding and the ongoing difficult economic background. Every effort has been made to produce a balanced budget that includes a higher level of savings and investment in key services. This has been achieved through a budget strategy that has resulted in:-
- the delivery of savings through the fundamental service review process
 - making efficiencies through specific budget reviews and contract renewals
 - maximising new and existing income streams
 - recognising cost pressures and making decisions on budget changes where necessary
- 2.3. The budget includes savings or additional income of £2.7m. This compares to £1.8m included within the 13/14 budget. The majority of savings are based on proposals to work more efficiently and to maximise opportunities to increase income, however, budget reductions are also included.
- 2.4. Core Government funding for 2014/15 is being reduced by £1.3m. In total since 2011/12 this funding has now been reduced by £4.6m with a further provisional reduction of £1.3m announced for 2015/16.

- 2.5. The financial outlook set out within the Medium Term Financial Forecast (MTFF) shows that further reductions in core Government funding and cost pressures faced by the Council mean that the position will remain challenging. Having found a significant level of savings and additional income over recent years, and, with more forecast to be delivered through the Universal Customer Contact FSR (UCC FSR), the scope to find further savings to bridge remaining budget gaps without reductions in service levels continues to reduce.
- 2.6. Legislative changes such as the introduction of the Local Council Tax Support (LCTS) Scheme and the introduction of the business rates retention scheme have brought new financial risks for the Council to consider now and in future years. The budget includes consideration of these issues and recommends steps to manage the risks.
- 2.7. Further information on the budget is provided in the following paragraphs.
- 2.8. This report should be read and considered alongside the report in respect of the Housing Revenue Account and Housing Investment Programme to provide a full assessment of the Council's financial position and plans.

3. Current Year's Financial Position

- 3.1 In order to inform the 2014/15 budget process and forecast level of reserves it is useful to first review the current year's financial position. Revenue budgets are monitored on a monthly basis with regular reports to Senior Management Team and the Scrutiny Panel. A considerable amount of work has been undertaken to determine a reasonable forecast of the year-end position.
- 3.2 The current position is that the forecast outturn is expected to broadly on budget. The 2013/14 budget included c£1.8m of savings and increased income and it has been reported during the year that these have largely been achieved.
- 3.3. There remain some outstanding risks to the forecast and the position continues to be monitored and Scrutiny Panel will receive a report setting out a detailed position.

3.4 **Cabinet is asked to note that the forecast outturn position for the current year is anticipated to be on budget and that the position will continue to be monitored.**

4. 2014/15 Revenue Cost Pressures

- 4.1 Appendix B sets out revenue cost pressures of £1.6m, over the 2013/14 base, which have been identified during the budget process. This includes an inflation allowance, the impact of reduced income and some specific service cost pressures.
- 4.2 A number of the cost pressures have been considered by Cabinet. However there are a number of changes including those reflecting work carried out to review budget variances in 13/14 and to assess the extent to which this may continue into 14/15.

4.3 Whilst not shown within the list of specific cost pressures the budget includes proposals totalling £74k in respect of carry forward items. These represent temporary staff resources supporting the UCC FSR. This is reflected in the use of balances set out at paragraph 9.9.

4.4 **Cabinet is asked to approve inclusion within the 2014/15 Revenue Budget of the cost pressures set out at Appendix B.**

5. 2014/15 Growth Items

5.1. Appendix C sets out revenue growth items totalling £810k which are recommended for inclusion in the budget. This report now shows planned investment arising from the increase in the New Homes Bonus grant for 2014/15. This reflects the approach to minimise the risk of changes to levels of New Homes Bonus funding by allocating the increase to one off investment to support corporate priorities.

5.2. The budget includes growth in the food waste service to deliver the full year costs of the scheme which will be funded through the Weekly Collection Support Fund grant.

5.3 **Cabinet is asked to approve inclusion within the 2014/15 Revenue Budget of the growth items shown at Appendix C.**

6. 2013/14 Revenue Saving / Increased Income / Technical Items

6.1. Appendix D sets out savings / increased income totalling £2.7m.

6.2. This level of savings and increased income is more than identified for the 13/14 budget and represents a very significant sum. All proposals are set out within the appendix, the majority of which were reported and in some specific cases agreed at the last Cabinet meeting.

6.3. As with previous years there are likely to be one-off costs required to deliver some of the budget savings. A sum of £0.5m was allocated in the 2013/14 budget and no further allocations are proposed at this stage.

Technical Items / Adjustments

6.4. The Council's budget includes several technical items such as various budget provisions and the net impact of charges between the General Fund and the Housing Revenue Account (HRA). These budgets are compiled based on final budget proposals and in total there is a forecast net difference compared to the 2013/14 budget of £26k.

6.5 **Cabinet is asked to approve inclusion of the savings / increased income items set out at Appendix D within the 2014/15 Revenue Budget.**

6.6. Summary Total Expenditure Requirement

6.7 Should Cabinet approve the items detailed above, the total expenditure requirement for 2014/15 is as follows:

	£'000
2013/14 Budget (excl. New Homes Bonus)	22,986
Less: 2013/14 one-off items (note 1)	(777)
Cost Pressures (as per Appendix B)	1,625
Growth (as per Appendix C)	810
Savings/Increased Income (as per Appendix D)	(2,686)
Budget carry forward items	74
Other technical items (see para. 6.4)	(26)
Forecast Budget 14/15 (excl. New Homes Bonus)	22,006

Note 1. The one-off items has been updated to reflect a change in respect of the previously shown adjustment for net interest costs.

Note 2. Detailed service group expenditure is available. A summary of service group expenditure is attached at Appendix E.

6.8 **Cabinet is asked to agree and recommend to Council the net revenue expenditure requirement for 2014/15 and the underlying detailed budgets set out in Appendix E.**

7. Finance Settlement (Government Funding)

7.1. The provisional Local Government Finance Settlement was announced in Parliament on 18 December 2013. This is the second settlement that reflects the “financial relationship” between central and local government. The Settlement includes a number of funding arrangements, concepts and terminology introduced in 2013/14. This section of the budget report provides a summary of the key issues including:-

- Revenue Spending Power
- Settlement Funding Assessment (SFA)
- Baseline funding level and Revenue Support Grant (RSG)
- Business Rate Baseline and tariffs and top-ups
- Levies and safety net

Revenue Spending Power

7.2. The announced Settlement continues with the concept of “Revenue Spending Power” (the total of our Government grants and Council Tax Income) and now also includes an efficiency grant which is provided for those authorities whose change in revenue spending power fall below a set threshold to ensure that no authority receives a reduction in spending power of below a cut of 6.9%.

7.3. Colchester's revenue spending power has decreased by £389k (2%). As the table below shows the decrease is mainly as a result of the cut in the Council's SFA of £1.28m (13%) and that this is partially offset by the increase in New Homes Bonus.

	2013/14	2014/15	Change	
	£m	£m	£m	%
Council Tax	9.684	9.733	0.049	1%
Settlement Funding Assessment (SFA) (see para 7.4)	9.569	8.290	-1.279	-13%
New Homes Bonus (see para 7.22)	2.616	3.410	0.794	30%
Other Grants (benefit subsidy etc)	1.064	1.112	0.48	4%
<i>Total Spending Power</i>	<i>22.933</i>	<i>22.545</i>	<i>-0.388</i>	<i>-2%</i>

Settlement Funding Assessment (SFA)

7.4. The SFA is the total funding figure from Government which comprises both Revenue Support Grant (RSG) and retained business rates. In 2013/14 a number of grants were "rolled into" the SUFA such as the LCTS grant and homelessness funding. For 2014/15 the only change is to include the Council Tax freeze grant received in 2013/14.

7.5. Each local authority's start up funding has been split into two parts:-

- Funding provided through Revenue Support Grant
- Funding provided through business rates retention scheme (baseline funding level)

7.6. The business rates baseline level increases by inflation to reflect the level of increase in business rates. As such, where the SFA is being reduced by £1.3m (13%) this equates to an actual cut of 23% on our RSG.

	2013/14	2014/15	Cut	
	£'000	£'000	£'000	%
Revenue Support Grant	5,789	4,436	-1,353	-23%
Business Rates Baseline	3,780	3,854	74	2%
Total	9,569	8,290	-1,279	-13%

7.7. The split of the start up funding is important. The Revenue Support Grant element is an unringfenced fixed grant. The baseline funding level is used as part of the retention of business rates scheme as explained below.

Business Rate Baseline and tariffs and top-ups

7.8. The starting point of the business rates retention scheme in 2013/14 comprised an assessment by Government of the total local share of Business Rates for 2013/14 and then Colchester's proportionate share" was calculated based on our historic business rate collection as a percentage of the overall business rate yield.

7.9. The retention scheme includes a system of tariffs and top up adjustments. A local authority must pay a tariff if its individual authority business rate baseline is greater than its baseline funding level. Conversely, a local authority will receive a top-up if its baseline funding level is greater than its individual authority business rate

baseline. Tariffs and top-ups are fixed until the business rates retention system is reset and are updated by RPI each year to reflect the increase in NNDR.

- 7.10 The following table sets out a summary of the baseline position for Colchester for 2014/15 showing the required tariff payment of £19.6m.

	£'000
Billing Authority Baseline	29,291
Preceptor's share	80%
Individual Baseline	23,433
Baseline funding	3,854
Tariff	19,579

- 7.11. The arrangements for business rate retention require the Council to agree an estimate of business rates income for the coming year, 2014/15. This return (the NNDR 1) must be signed off by the Council's Section 151 Officer by 30 January. This return includes a number of key assumptions in respect of collections rates, growth in business rates and an allowance for the impact of revaluation appeals. It is recommended that given the uncertainty over the first year of the business rates scheme should there be any estimated increase in income above the baseline funding level then this will be held in a specific reserve for budgeting purposes. Based on initial projections it is not expected that the NNDR 1 will show a potential shortfall up to the value of the safety net, however, this will remain a significant risk and one which will be considered in the final paper for Full Council and within updates to the MTFF.

Levy and Safety net

- 7.12 The business rate retention scheme includes a degree of protection against reduction in business rates collected (the Safety Net) and a method for limiting the amount of any growth that an authority can keep (the Levy).

Safety net

- 7.13. The safety net is being set at 7.5%. This means that 92.5% of the NNDR revenue in year is guaranteed. The safety net provides a measure for the risk CBC will be exposed to in any one year. The safety net threshold for Colchester is £3.565m (92.5% of £3.854m). In other words, the risk to Colchester of NNDR income reductions is limited to £289k for 2014/15.

Levy rate

- 7.14. The levy rate is a calculation to determine the amount of any growth in business rate income that a council can keep. The levy is designed to ensure that authorities do not keep a *disproportionate* amount of any growth and in turn to provide funds for the safety net. The formula to calculate the levy includes a cap on the levy rate of 50% and based on Colchester's position this is our levy rate.
- 7.15. Put simply, this means that CBC can keep 50% of any growth above our baseline (subject to the required allocation of 20% to the major preceptors: ECC and Fire).

Business Rates Pooling

- 7.16 It was agreed by Cabinet in principle and later by the Portfolio Holder for Business and Resources that the Council should, along with a number of Essex authorities submit an application to setup an Essex Pool for business rates. Prior to the Finance Settlement we received notification that this had been agreed by Government and that authorities had until 14 January to confirm whether to formally setup the pool.
- 7.17. Since making the application to create a pool work has taken place to formalise a draft governance agreement and to assess more detailed forecasts of the financial implications of running the pool. This has included assessing the impact of changes announced in the Autumn Statement such as the methodology for dealing with Small Business Rate Relief and also the impact of rating appeals especially given the Government's statement to accelerate the processing of appeals.
- 7.18. A meeting took place recently to consider the impact of various changes and specifically what are considered to be the increased risks of continuing with a pool. The conclusion from this work is that there has been a greater shift in terms of risks and reward and at this stage there is a general view across prospective members that the pool should not be setup for 2014/15 and notification has been provided to Government accordingly. This does not preclude Colchester being involved in a pool in the future and the work carried out this year will provide a basis for considering any proposal to form a pool. The information set out in this report in respect of business rates therefore reflects the arrangements for business rate retention as an individual authority and not in a pool.

Summary of Start up Position

- 7.19. This section of the report seeks to explain the key funding mechanism within the settlement and key figures. It is acknowledged that the finance reforms bring a number of risks and the potential for rewards to the Council. These are considered as part of the balances assessment later in this report. Provisional figures have also been set out for 2015/16 and these are considered as part of the Medium Term Financial Forecast (MTFF).
- 7.20. The Settlement is provisional and subject to consultation which ends on 15 January 2014. Traditionally, there has been very little change between the provisional and actual Settlement. Any marginal change to the Council's entitlement will be reflected in the final budget recommendation to Council.
- 7.21. In addition to the start up funding figures other grants have been announced. The key grant for Colchester is the New Homes Bonus

New Homes Bonus

- 7.22. The 2014/15 grant includes elements reflecting growth in the taxbase during 2009/10 to 2012/13 and also the bonus payable in respect of delivering affordable homes for the last 3 years. The last budget update report considered by Cabinet included an estimate of the total grant. The final figure is a total grant for 2014/15 of £3.41m, an increase of £0.8m. An analysis is shown below:-

	Grant re taxbase growth	Affordable Homes Bonus	Total
	£'000	£'000	£'000
Payable annually until 16/17	724		724
Payable annually until 17/18	749	52	801
Payable annually until 18/19	986	105	1,091
<i>Total paid in 2013/14</i>	<i>2,459</i>	<i>157</i>	<i>2,616</i>
Payable annually until 19/20 – Increase for 2014/15	757	37	794
Total due in 2014/15	3,216	194	3,410

7.23. The methodology of the scheme means that we will receive *at least* this level of grant until 2016/17 with further increases until then.

7.24. It has been reported to previous Cabinet meetings that the Government was consulting on the mechanism for transferring nationally £400million from the New Homes Bonus to the Growth Fund from 2015/16. It has been confirmed by Government that this will now not be happening for areas outside London. This is an important announcement as the Council stood to lose a minimum of £0.7m and potentially over £1.2m.

7.25. It has been highlighted in previous Cabinet reports that specific funding allocated by the Government for the New Homes Bonus is insufficient to meet the total cost of the scheme, therefore any shortfall is met by the main formula grant funding allocation. As such it is important that the New Homes Bonus is considered alongside the formula grant funding and this issue is considered later in the report and as part of the Medium Term Financial Forecast (MTFF).

7.26. It should be noted that based on the proposal within this report there will be specific expenditure plans linked to the New Homes Bonus of £1.2m which equates to c35% of the current total New Homes Bonus. This shows that whilst the grant is being used to an extent to support the ongoing budget it is also being applied for one-off investment linked to the Council's priorities.

8. Council Tax, Collection Fund and Business Rates

Council Tax Rate

8.1. **At this stage no formal proposal for Colchester's element of the Council Tax is made.** Within the summary budget position an assumption of an increase in Council Tax of £3.42 (1.95%) is shown. There are two specific issues that should be considered alongside any proposal: the arrangements to hold a referendum and the Government offer of a Council Tax Freeze grant for 2014/15.

Council Tax referendum

8.2. The Localism Act introduced a power for the Secretary of State for Communities and Local Government to issue principles that define what should be considered as excessive Council Tax, including proposed limits. From 2013 onwards, any council that wishes to raise its Council Tax above the limits that apply to them will have to hold a referendum. The result of the referendum will be binding.

- 8.3. The Secretary of State has yet to propose the maximum increase a council can set without a referendum. The current rate is 2%, however, there is increasing speculation that this will reduce, possibly to 1.5%.
- 8.4. Currently, local precepting authorities (i.e. parish and town councils) are not included in the proposed principles. However, the Government has previously 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. Based on recent announcements this is not expected to apply for 2014/15.

Council Tax Freeze Grant 2014/15

- 8.5. The Government announced this year that there would be a grant available for authorities that do not increase Council Tax. The grant will be equivalent to a 1% increase in Council Tax. This is the fourth Council Tax freeze grant

	Grant £'000	Period paid / payable
<i>Grants Received:-</i>		
• Council Tax Freeze in 2011/12	267	2011/12 to 2015/16 (recently extended to cover 2015/16 and see para 8.6)
• Council Tax Freeze in 2012/13	269	2012/13 only
• Council Tax Freeze in 2013/14	109	2013/14 to 2015/16 (recently extended to cover 2015/16 and see para 8.6)
<i>Grant available :-</i>		
• Council Tax Freeze in 2014/15	107	2014/15 and 2015/16 (and see para 8.6)

- 8.6. It should be noted that the Government has announced that all Council Tax freeze grants we continue to receive, and the funding for the next 2 freeze years (14/15 and 15/16) will be built into the spending review baseline. Through this Government hope to give greater certainty for councils that the extra funding for freezing Council Tax will remain available, and there will not be a 'cliff edge' effect from the freeze grant disappearing in due course. This will of course be subject to future Government funding announcements.

Collection Fund

- 8.7. As part of the formal budget setting process, the Council is required to determine each year, as at 15 January, the estimated surplus or deficit arising from the Council Tax Collection Fund as at 31 March.
- 8.8. 2013/14 included a number of significant changes that affected Council Tax such as the introduction of the Local Council Tax Support (LCTS) Scheme and also change to discounts and exemptions for Council Tax such as those on second homes and empty properties. A prudent approach was taken when agreeing assumptions in respect of collection rates and the cost of LCTS and so far overall collection rates have proved to be better than anticipated. The combined impact of this and other assumptions means that there is a surplus of £142k to be included in the 2014/15 budget.

Business Rates

- 8.9. The new scheme for retention of business rates works in a similar way to Council Tax and the Collection Fund arrangements in that part of the budget setting process for 2014/15 includes an assessment of the forecast surplus / deficit position for the current year.
- 8.10. As was highlighted when the business rates retention scheme started the new arrangements have brought a number of new risks such as the impact of any growth or contraction in local businesses, the general economic environment and how this impacts on collection rates and bad debts and, perhaps most significantly, the impact arising from changes to the rateable value of properties following appeals.
- 8.11. Whilst there remains a considerable amount of uncertainty in respect of the forecast for this year the current position is that we expect to see a shortfall greater than our safety net level. The safety net does mean that the shortfall is limited to £283k and it is therefore considered prudent to include this in the budget for 2014/15.

9. Revenue Balances

- 9.1 The Local Government Act 2003 places a specific duty on the Chief Financial Officer to report on the adequacy of the proposed financial reserves of an Authority when the budget is being considered. This section and section 11 address this requirement.

Minimum level of balances

- 9.2. Cabinet, at its meeting on 27 November 2013, considered a report setting out the outcome of a risk analysis in respect of the Council's Revenue Balances. Cabinet agreed with the recommendation that Revenue Balances should be maintained at a minimum of £1.8m and that the situation would be reviewed based on the implications and details of items such as the grant settlement, budget savings and other variables.
- 9.3. In considering the level at which Revenue Balances should be set for 2014/15, Cabinet should note the financial position the Council is likely to face in the medium term through the levels of future Government funding and legislative system in place for business rates and LCTS scheme.
- 9.4. The analysis of the business rates retention scheme and specifically the operation of a safety net shows that there is a risk to the Council's budget of £289k (see para. 7.13). As has been highlighted within this report we are currently forecasting a deficit on business rates in this year and have forecast a pressure equivalent to the safety net. This highlights the potential risk from business rate income.
- 9.5. When Council approved the LCTS scheme for 2013/14 and 2014/15 it was acknowledged that there are a number of risk areas such as:-
- *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 previous benefit scheme there was no direct financial impact on the Council of changes in the amount of benefit paid. Under the LCTS

scheme the Government grant is fixed and therefore any increase will be borne by all of the major preceptors including Colchester.

9.6. Consideration has again been given to these issues in estimating the likely costs of LCTS and the necessary changes to the taxbase. 2014/15 will be the second year of the LCTS scheme and therefore we now have some practical experience and have amended some assumptions, however funding by a fixed grant means that the Council continues to face a risk exposure.

9.7. Based on the assumptions built into the budget it is proposed to maintain balances at a minimum of £1.8m. The ongoing impact of the various local government reforms will be assessed as part of the budget strategy for 2015/16 and the level of balances can be reviewed at that time. A specific allocation is held within balances against the risks associated with LCTS and NNDR.

Level and use of balances

9.8. The use of balances to support the budget can be considered where there is scope and it is prudent to do so. Our normal approach is to consider the use of balances to fund one-off items and none are proposed.

9.9. There are a number of proposals which total £74k where budgets will be carried forward to 2014/15. For budget purposes these are therefore regarded as a use of balances and as such are reflected in the budget report.

9.10. The forecast position in respect of Revenue Balances is set out at Appendix F and shows balances at £2,042k, £242k above the recommended minimum balance as set out in the agreed Risk Analysis. The level at which balances are held above the recommended minimum level is a matter for Cabinet and Council to consider. It should be noted that the Council faces significant budget gaps over the coming years and that it may be necessary to use balances to support future budgets especially to fund any one-off costs. With future budget gaps, increasing risk and uncertainty and a requirement to deliver already stretching savings targets maintaining balances at c£2m is considered appropriate.

9.11. Consideration has been given to a number of existing allocations held within balances and future calls on funds. These are reflected in the figures shown at Appendix F.

9.12. **Cabinet is recommended to approve Revenue Balances for the financial year 2014/15 be set at £1.8m and to approve the use of £74k to support the revenue budget.**

10. Reserves and Provisions

10.1. Cabinet at its meeting on 27 November 2013 considered the Council's earmarked reserves. As part of the budget process a review was undertaken into the level and appropriateness of earmarked reserves and provisions for 2014/15. The review concluded that the reserves and provisions detailed were broadly appropriate and at an adequate level, however, it was stated that a further review would be done as part of this final report. The proposed budget includes a number of releases from reserves which have all been previously reported.

Capital Expenditure Reserve (CER) – Community Stadium - £100k

- 10.2. The Council agreed that an approach to minimise the revenue pressure is to fund the annual MRP (Minimum Revenue Provision) cost by identifying new capital receipts in the period of the borrowing for the community stadium. This then allows a release of revenue funds within the capital expenditure reserve.
- 10.3. It is proposed that the use of the reserve be reduced to £100k for the following reasons:-
- MRP should normally be funded from the base revenue budget recognising that they are ongoing costs
 - The arrangement to use the CER reflected the assumption that the borrowing for the stadium would be temporary as capital receipts from future identified development would be used to repay debt. As this may now not be the case it is considered prudent to reduce the use of the capital expenditure reserve.
 - The CER is fully committed to the capital programme and as such to release the reserve requires new capital receipts to be identified each year.
 - The level of the CER means that using the reserve may not be sustainable in the medium term.
- 10.4. Reducing the use of the CER by £100k should be viewed as a step towards removing this from future budgets.

Renewals and Repairs (R&R) Fund / Building Mtce. Programme

- 10.5. The building maintenance programme has been based on in-depth condition surveys of all Council building assets. The programme will continue to be developed over the coming year. The 2014/15 budget includes the proposal to continue to add £150k to support the cost of future repairs. New releases are possible for next year and will be reported to Cabinet as required.

S106 Monitoring Reserve – release of £30k

- 10.6. This reserve was set up to provide funds to support the future monitoring of Section 106 agreements. It is proposed to use £30k to support the 2014/15 budget. Contributions to this reserve are made from S106 payments received in respect of monitoring.

- 10.7. **Cabinet is recommended to agree the:**
- **release of £100k from the Capital Expenditure Reserve**
 - **release of £30k from S106 monitoring reserve towards the costs of carrying out this function**

11. Contingency Provision

- 11.1. The Council's Constitution requires that any spending from Revenue Balances not specifically approved at the time the annual budget is set, must be considered and approved by full Council. This procedure could prove restrictive particularly if additional spending is urgent.
- 11.2. It is recommended that £100k of Revenue Balances be specifically earmarked for potential items of unplanned expenditure. It should be noted that based on current

estimates if this sum was used during the year it would not take revenue balances below the recommended level of £1,800k, although if this were to be the case the Council would need to consider steps to reinstate balances at a later date.

- 11.3 **Cabinet is asked to agree and recommend to Council that £100k of Revenue Balances be specifically earmarked for potential items of unplanned expenditure which are:**
- **The result of new statutory requirements or**
 - **An opportunity purchase which meets an objective of the Strategic Plan or**
 - **Is considered urgent, cannot await the next budget cycle and cannot be funded from existing budgets**
 - **Authorisation being delegated to the Leader of the Council.**

12. Summary of Position

12.1 Summary of the Revenue Budget position is as follows:

	£'000
Revenue expenditure requirement for 2014/15 (para 6.7).	22,006
New Homes Bonus (para 7.22)	(3,410)
Use of balances re carry forward (see para 9.9)	(74)
Release from Capital Expenditure Reserve (para 10.2)	(100)
Release of S106 monitoring reserve (para 10.6)	(30)
Budget Requirement	18,392
Funded by:	
Revenue Support Grant (para 7.6)	(4,436)
NNDR Baseline Funding (" ")	(3,854)
Collection Fund surplus (para 8.9)	(142)
NNDR deficit - at safety net level (para 8.11)	283
Council Tax Payers requirement (before Parish element) see below* and para 12.2	(10,243)
Total Funding	18,392
Council Tax*	
Council Tax Payers requirement (before Parish element)	10,243
Council Tax Base – Band D Properties	57,337.5
Council Tax at Band D	178.65

12.2. The above table has been produced based on an increase in Council Tax of 1.95%. The option of considering a freeze in Council Tax would impact on the budget as follows:-

	£'000
Reduction in Council Tax income (Based on a freeze / tax rate of £175.23)	196
Council Tax Freeze Grant receivable	(107)
Budget Gap	89

12.3. Given the uncertainty of the arrangements for referendums it is proposed that no recommendation to Council is made at this stage until confirmation is received in order to make an informed decision.

- 12.4 **Cabinet is asked to note that Colchester’s element of the Council Tax for 2014/15 will be considered within the report to Council which will be agreed with the Leader. This will include the formal resolutions to Council and Parish, Police, Fire and County Council precepts and any changes arising from the formal Finance Settlement announcement and final completion of the business rates NNDR 1.**

13. Medium Term Financial Forecast – 2014/15 to 2017/18

- 13.1. This Council, in common with most other local authorities, faces an ongoing difficult position in the medium term due to a range of pressures including providing statutory services, ongoing pressures caused by reduction in several sources of fees and charges and potential revenue implications of strategic priorities. However, the most significant factor that will impact on budget will be the level of Government funding support including changes which have arisen from the Local Government Resource Review and also implications of benefit reforms.
- 13.2. The Medium Term Financial Forecast (MTFF) is attached at Appendix G showing that the Council faces a continuing budget gap over the next three years from April 2015. The following table summarises the position showing a cumulative gap over the period from 2015/16 of c£5.9m and how the potential savings and income identified in Universal Customer Contact (UCC) FSR will reduce this to almost £4m

	2015/16	2016/17	2017/18	See para
	£'000	£'000	£'000	
Net Budget (excl UCC FSR)	22,887	24,244	25,610	
SFA (incl. Freeze grant)	(7,021)	(6,000)	(6,000)	13.4
New Homes Bonus	(3,410)	(3,410)	(3,410)	13.6
Council Tax	(10,243)	(10,243)	(10,243)	13.14
Reserves	(130)	(130)	(130)	
Cumulative Gap Before UCC	2,083	4,461	5,827	
UCC Savings (cumulative)	(990)	(1,880)	(1,880)	
Cumulative Gap (after UCC)	1,093	2,581	3,947	
Annual increase	1,093	1,488	1,366	

- 13.3. To formulate the MTFF it is necessary to make a number of assumptions. Generally, these do not represent decisions but are designed to show the impact of a set of options for planning purposes. The key assumptions and savings required are set out at the Appendix and summarised below:-

Government Funding

- 13.4. Alongside the 2014/15 Finance Settlement announcement the Government set out provisional figures for 15/16. The key figure for the Council’s financial planning is the comparable level of start-up funding which shows **a reduction in 15/16 of £1.3m (15%)**.

- 13.5. For years beyond 15/16 a reduction of c15% has been assumed for 2016/17 with no change for 17/18. This represents a planning assumption and this will be revised as more information becomes available.
- 13.6. As set out within this report the New Homes Bonus is now a key element of the Government's financial support for local authorities. The methodology of the scheme means that we have degree of certainty over at least a minimum level of funding in the short to medium term, however, as has been seen this year the possibility of changes to the scheme cannot be ruled out.
- 13.7. The MTFF provides a breakdown on how the New Homes Bonus may change over the next few years and at this stage a 'worst case' situation is shown within the figures. There is a clear likelihood that funding from the New Homes Bonus will be much higher than the figures shown. However, given the link with other Government funding and a prudent approach it is proposed at this stage. It is assumed that current spending proposals linked directly to the New Homes Bonus will continue, although this assumption will need to be reviewed as part of the 2015/16 budget process.
- 13.8. Further changes in Government funding over the course of the MTFF are likely with potential reductions in grants for benefit administration. These are not yet factored in to the MTFF and will be considered alongside other grant changes.

Pay, Inflation and costs

- 13.9. The 2014/15 budget includes an allowance for a pay award. For 2015/16 and beyond a sum is included for planning purposes to cover this and other inflationary pressures.
- 13.10. The 2014/15 budget includes the outcome of the pension fund actuarial review which means that there will be no further increases in the pension fund deficit funding costs in the following two years. An assumption of an increased cost of £250k is shown for 2017/18 to recognise the likelihood of an increase following the next actuarial review.

Forecast savings

- 13.11. The MTFF includes changes to forecast savings for 2015/6. These include further savings from the CFM FSR and additional savings from the UCC FSR. The MTFF also shows that the income from the sharing agreement with Essex County Council and Fire Authority may end in 2016/17 and therefore the increase shown for 2014/15 has been removed.

Economic Background – Fees and charges

- 13.12. It is evident that there has been a reduction in some income budgets over recent years. The budget proposals for this year and 2014/15 have built in a number of adjustments to key areas such as car parking, community alarms, land charges and cemetery and crematorium. On this basis the MTFF assumes a broadly neutral position over the next three years and this will need to be reviewed annually to ensure income targets are reasonable.

Specific Cost Pressures

- 13.13. There are certain specific cost pressures included within the MTFF. These include:-
- an allowance for a reduction in car park income arising from the impact of park and ride

- an allowance for an increase in interest costs which are currently being minimised through internal borrowing

Council Tax

13.14. The MTFF shows the position based on an increase in Council Tax of 1.95% in 2014/15 with an assumption of no increase in Council Tax thereafter. This is shown for planning purposes to represent a 'neutral' position in the MTFF position and does not represent a proposal.

Growth items

13.15. No allowance has been built in to the MTFF for further growth items in 2015/16. However, in 2016/17 and 2017/18 an allowance has been made for the impact of the end of the Food Waste grant.

Summary

13.16. A realistic approach has been taken to the MTFF and it is evident that it will be necessary to revise a number of the assumptions set out.

13.17. In the 2014/15 budget savings of £2.7m have been found which, when looked at alongside the £7.1m identified in the budgets for 11/12 to 13/14, represents a significant level of budget savings found over 4 years. The MTFF shows that whilst anticipated savings from the UCC FSR will make a significant contribution to reducing future budget gaps, further budget changes will be necessary. Whilst we will continue to look for other areas of savings and efficiencies it will be increasingly hard to balance budgets without considering variations to current services.

13.18. **Cabinet is asked to note the medium term financial position forecast for the Council.**

14. Capital Programme

14.1. Cabinet has considered the Capital Programme throughout this financial year and in some more detail at the meeting of 27 November 2013. The review of resources available to support the Capital Programme in the medium term has been carried out, and the following table provides a summary of the projected position for 2013/14. This shows a surplus that is available to support potential schemes in subsequent years.

Detail	£'000	Note
Balance of funds brought forward from 2012/13	(987.2)	Surplus
Cabinet 28 November 2012	2,464.5	UCC FSR; Castle Park Olympic Legacy
Cabinet 23 January 2013	1,176.0	Town & castle walls, temp accommodation review, closed churchyards, DFGs, site disposal, MRP, Lion Walk lift
Cabinet 27 November 2013	935.2	Shrub End baler & shed, Site disposal costs, Relocation of Visitor Information Centre
Capital receipts to date 2013/14	(2,570.0)	Angel Court (balance), Axial Way, Northern Gateway
Projected receipts for 2013/14	(1,314.0)	Receipts which are confirmed but not yet received
Balance available	(295.5)	
New releases proposed now	100.0	Funding to facilitate the release of Capital Expenditure Reserve money for Community Stadium MRP.(see para 10.2)
Total forecast balance carried forward	(195.5)	Surplus

14.2. Further capital receipts of approximately £3m are identified for potential delivery in 2014/15 and capital proposals alongside these will be made in due course.

15. Robustness of Estimates

15.1 The Local Government Act 2003 placed a specific duty on the Chief Financial Officer to report on the robustness of estimates in the budget proposals of an Authority when the budget is being considered. This section addresses this requirement.

15.2 As set out in this paper a rigorous process and timetable has been followed throughout the budget setting activity this year involving the Cabinet, Leadership Team, Scrutiny Panel, Senior Management Team, the Budget Group and budget holders. All key assumptions used have been reviewed and scrutinised as part of this process. The result of this process has been a budget which is, in my view, challenging but deliverable.

15.3. This latest review of the budget for this financial year, 2013/14, has shown that broadly speaking budgets have been achieved, however, there remain some pressures in certain areas. Steps have been taken to revise some expenditure and income budgets for 2014/15 including some of these current risk areas.

15.4. By taking appropriate action within the proposed 2014/15 budget, exposure to further downgrading of assumptions has been reduced and to that extent some of the risk has been mitigated.

- 15.5. The savings and new income proposed in the budget have all been risk assessed. It should be noted that some of the savings shown for 2014/15 are additional savings or income following budget decisions taken already (such as the Sport and Leisure FSR, ICT contract). Other savings such as not funding the Tour Series next year and removing the allocation for ward budgets do not pose an immediate financial risk to delivery.
- 15.6. Whilst I consider that reasonable assumptions have been made to account for the pressures being faced there remains a degree of risk with the key areas being:-
- Meeting ongoing, and in some cases increasing, income levels in particular in respect of sport and leisure, car parks and cemetery and crematorium.
 - Delivery of savings and income and the costings in respect of the UCC FSR
 - Delivery in the year of certain corporate savings such as procurement
 - Collection rates of Council Tax and changes in demand levels following the implementation of the LCTS scheme and other Council Tax changes
 - Collection rates and level of business rates (including the impact of appeals)
- 15.7. One of the main risks within the coming year is still likely to be the need to monitor the impact of the Local Government finance reforms (i.e. LCTS and NNDR) including the increased demand on services and the ability to support customers.
- 15.8. The budget risks will be managed during 2014/15 by regular targeted monitoring and review at Senior Management Team and Scrutiny Panel. The Revenue Balance Risk Analysis considered these areas in establishing a minimum level of required balance of £1.8m. In addition, specific allocations have been made against larger risks such as NNDR and LCTS and other identified areas.
- 15.9. The Council has faced a number of in year cost pressures from such items as reduced car park and sport and leisure income. As shown within this report our current forecast is that we will be on budget this year. This shows, and the experience of previous years, that the Council has a track record of dealing with issues that may arise during the year.
- 15.10 Delivery of the budget will continue to require financial discipline led by SMT in terms of a number of budget reviews and by budget holders, ensuring expenditure is not incurred without adequate available budget and that income targets are achieved. Budget managers will continue to be supported through training and advice to enable them to do this.
- 15.11. Regular updates on forecast expenditure will also be important to ensure the budget is managed within the expenditure constraints set out and the Council continues to develop systems to provide better financial information through greater use of our commitments system and focused monitoring of key risk areas.

15.12 **Cabinet is asked to note the comments on the robustness of budget estimates.**

16. Treasury Management and Prudential Code Indicators

- 16.1. The proposed Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy (TMSS) for 2014/15 is

included at Appendix H. The following paragraphs contain a summary of the strategy for 2014/15, which covers the following issues:

- the capital plans and the prudential and treasury indicators;
- the MRP strategy.
- the current treasury position;
- the economic background and prospects for interest rates;
- the borrowing strategy;
- the investment policy and strategy; and
- the policy on use of external service providers.

16.2. The Council's Prudential and Treasury Indicators for 2014/15 through to 2016/17 have been produced to support capital expenditure and treasury management decision making, and are designed to inform whether planned borrowing and the resultant revenue costs are affordable and within sustainable limits. The indicators take into account all the economic forecasts and proposed borrowing and investment activity detailed in the report.

16.3. The Minimum Revenue Provision (MRP) Policy Statement for 2014/15 states that the historic debt liability will continue to be charged at 4%, with the charge for more recent capital expenditure being based on the useful life of the asset and charged using the equal annual instalment method. This approach will be reviewed during the year and any proposed changes will be set out in future reports.

16.4. The UK Bank Rate has been unchanged from a historically low 0.5% since March 2009. The current view from the Council's treasury advisers is that the Bank Rate is expected to remain unchanged until quarter 2 of 2016. **Appendix A** to the TMSS draws together a number of current forecasts for short term and longer term interest rates.

16.5. The Council is currently maintaining an under-borrowed position. The borrowing strategy is to reduce the difference between gross and net debt by continuing to 'borrow internally', which is primarily due to investment rates on offer being lower than long term borrowing rates. This has the advantages of maximising short-term savings and reducing the Council's exposure to interest rate and credit risk. This approach is intended to be maintained during the year.

16.6. The investment policy reflects the Council's low appetite for risk, emphasising the priorities of security and liquidity over that of yield. The main features of the policy are as follows:

- The Council will only invest with institutions with the highest credit ratings, taking into account the views of all credit rating agencies and other market data when making investment decisions.
- The Council will use the creditworthiness service provided by Capita Asset Services, which combines data from credit rating agencies with credit default swaps and sovereign ratings. However, whereas this service uses ratings from all agencies in a weighted scoring system, the Council will continue to follow the approach suggested by CIPFA of using the lowest rating from all the agencies (i.e. the lowest common denominator).
- The Council will only use approved counterparties from countries with the highest credit rating of 'AAA', together with those from the UK.
- The Council will continue to avoid longer term deals while investment rates are at such low levels, unless attractive rates are available within the risk

parameters set by the Council. The suggested budgeted return on investments placed for periods up to 100 days during the year is 0.50%.

- 16.7. Investment instruments identified for use in 2014/15 are detailed in **Appendix B** off the TMSS. The investment limits for the highest rated banks and building societies, as well as that for UK nationalised and part nationalised banks have been increased to reflect the anticipated level of cash available for investment, and the limited number of high quality counterparties available. It should also be noted that whilst this table includes a wide range of investment instruments, it is likely that a number of these will not be used. However, their inclusion enables the required credit controls to be stated if their use is to be considered.

- 16.8 **Cabinet is asked to agree and recommend to Council the 2014/15 Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy as set out in the paper at Appendix H**

17. Strategic Plan References

- 17.1. The budget forecasting process has been underpinned by the Strategic Plan. The objectives of the Strategic Plan have informed all stages of the budget setting process.
- 17.2. Appendix I provides an assessment of the links between the Strategic Plan and budget strategy.

18. Financial Implications

- 18.1 As set out in the report.

19. Publicity Considerations

- 19.1 Arrangements will be made to publish the approved tax levels in the local press in accordance with the legal requirements.

20.1. Human Rights Implications

- 20.1 None

21. Equality and Diversity

- 21.1. Consideration has been given to equality and diversity issues in respect of budget changes proposed as part of the budget process. This has been done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

22. Community Safety Implications

- 22.1 None

23. Health and Safety Implications

23.1 There are possible implications with removal of resources and some of the proposed savings, but each case has been reviewed and dealt with individually to mitigate or ensure risk is minimised.

24. Risk Management Implications

24.1 Risk management has been used throughout the budget process and specific consideration has been given to the Council's current risk profile when allocating resources. This is reflected in the corporate risk register.

25. Consultation

25.1. The budget will be scrutinised by Finance and Audit Scrutiny Panel on 28 January 2014. The statutory consultation with NNDR ratepayers takes place in either January or early February 2014 and notes of the meeting will be provided in due course.

Background Papers

Budget reports to Cabinet – 27 November 2013

2014/15 Budget Timetable	
Budget Strategy March 13 – July 2013	
March – June (SMT and Budget Group)	Budget Group Meetings Agreed Update MTFF /Budget Strategy Review potential cost pressures, growth and risks Consider approach to budget Initial budget reviews started
Cabinet – 10 July 13	<ul style="list-style-type: none"> • Report on updated budget strategy / MTFF • Timetable approved
Scrutiny Panel – 23 July 13	Review Cabinet report
Detailed Budget preparation and Budget Setting Consultation	
Budget Group / Leadership Team regular sessions on progress / budget options now - December	Review budget tasks Consider delivery of existing and new Fundamental Service Reviews
Cabinet – 4 September 13 and /or 9 October 13	<ul style="list-style-type: none"> • Budget Update • Review of capital resources / programme • Consider any impact arising from in year budget monitoring.
Cabinet – 27 November 13	<ul style="list-style-type: none"> • Budget update • Reserves and balances • Government Finance settlement (if available)
Scrutiny Panel – 28 January 14	Review consultation / Budget position (Detailed proposals)
Cabinet – 29 January 14	Revenue and Capital budgets recommended to Council
Council – 19 February 14	Budget agreed / capital programme agreed / Council Tax set

2014/15 Revenue Cost pressures

Heads of Service / Portfolio Holders have been asked to contain cost pressures within existing budget allocations wherever possible. The following are specific areas where budget allocations have been increased. Changes since the report to Cabinet on 27 November 2013 are highlighted.

	Current allowance £'000	Updated allowance £'000	Comment
Inflationary pressure	440	440	Net inflation impact. This allowance includes adjustments to reflect assumptions in respect of pay and energy as well as other general changes.
Incremental pension contributions	100	22	The provisional results of the actuarial review of the pension fund have been received. These reflect an increase in basic employer contributions and changes to the pension deficit contribution. Discussions are taking place with Essex County Council about possible options to spread this cost pressure. Currently an additional cost for 2014/15 of £22k is now assumed.
Elections	85	95	Cost relating to Borough elections in 2014/15
Fleet	110	210	Planned additional costs of fleet in line with changes to vehicles in 2014/15
Housing Benefit Administration grant and benefit subsidy	90	190	The Government has recently announced reductions to the administration grant provided in respect of Housing Benefit and the LCTS scheme. There is also a forecast pressure of £100k arising from a drop in recovery levels from both the LA error incentive scheme and also benefit overpayment rates.
Existing net income streams	230	560	Within the current year there are some shortfalls in estimated income. These include general car parking income (£150k), community alarms (£230k), income from trade waste and depot (£100k), income within EMT and parking income at Leisure World. It is considered necessary to reduce these budgets to a more appropriate level.
Minimum Revenue Provision (MRP)		21	Increase in MRP to reflect previous borrowing decisions
Bank charges		12	Increase in costs based on volume of credit card transactions
Bus Station		25	Staffing costs associated with running bus station

	Current allowance £'000	Updated allowance £'000	Comment
Operational Services – Agency Costs		50	Increase cost for staffing cover arrangements
Risk allowance	150	nil	Pressures now separately identified
Total	1,205	1,625	

2014/15 Growth Items

The following are growth items included in budget proposals. Changes since the report to Cabinet on 27 November 2013 are highlighted.

	Current allowance £'000	Updated allowance £'000	Comment
A12 / A120 litter picking		16	Allocation of funding to allow the Zone teams to continue to undertake fortnightly litter picking of the A12 and A120 following Essex County Council (ECC) confirming that they would no longer be providing funding to Colchester Borough to continue the service.
Allowance for affordable housing		37	Growth achieved through New Homes Bonus element allocated to support affordable housing initiatives
Investment funded through New Homes Bonus		757	One off funding to be allocated to support <ul style="list-style-type: none"> • Projects that will deliver income/savings • Community projects
Total Growth Items	0	810	

Savings / Increased Income

Service	Opportunity	2014/15 £'000	Additional Comments e.g. impact on service / risk to delivery/ description of delivery
Efficiencies and Fundamental Service Review			
Cross Cutting	UCC FSR	965	Second year savings of agreed UCC FSR. Savings increased by a further £140k in respect of changes to management structure / support arrangements.
Operational Services	Sport & Leisure FSR	195	Final year savings / increased income of review.
Corporate & Financial Management	FSR	250	Based on proposal reported to Cabinet. Saving based on proposed implementation timetable.
Professional Services	Private Sector leasing	20	Full year savings in private sector leasing scheme due to implementation of new scheme arrangements.
Corporate & Financial Management	ICT contract savings	40	Additional third year savings of new ICT contract
Cross cutting	Procurement saving target	100	Increased target to achieve through improved procurement activity.
Community Services	Joint Museum Service	22	'Repayment' of additional funding provided in 2013/14 due to cost pressure arising from loss of income resulting from Castle closure.
Executive Management Team	Reduction in consultancy budget	22	
	Sub total	1,614 (60% of all savings)	

Service	Opportunity	2014/15 £'000	<i>Additional Comments e.g. impact on service / risk to delivery/ description of delivery</i>
Income			
Commercial Services and Professional Services	Cemetery and crematorium and land charges income	190	Forecast additional income.
Corporate & Financial Management	Increased income from staff and councillor car parking	30	Estimated additional revenue from increased parking charges.
	Sub total	220 (8%)	
Budget Reductions			
Community Services	Activity Centres	39	Based on Cabinet decision in respect of Abbots Activity Centre.
Corporate & Financial Management	Ward (locality) budgets	120	Scheme originally started in 2012/13 as a one-off but continued in 2013/14. Now proposed to stop for 2014/15.
Community Services	Grounds Maintenance	200	Return of highway verge maintenance responsibility to Essex County Council. Saving achieved by removing additional CBC budget to supplement the ECC contribution towards maintenance costs
Commercial	Tour Series	80	Remove funding for Tour Series event for 2014/15
Corporate & Financial Management	Parish Grants re: LCTS scheme	17	Reduction in grants as agreed
Community Services	Grants	50	Reduction in grants as agreed
	Sub total	506 (19%)	

Service	Opportunity	2014/15 £'000	Additional Comments e.g. impact on service / risk to delivery/ description of delivery
<i>Corporate / Technical Items</i>			
Corporate / Technical	Changes in charges to HIRA	50	Estimated changes in charges between General Fund and Housing Revenue Account.
Corporate / Technical	Net interest costs / earnings	85	Net reduction in budget based on projected borrowing costs and income projections.
Corporate / Technical	Income from sharing agreement with Essex County Council and Essex Fire Authority	211	Based on an agreement a proportion of the income which accrues to major preceptors from technical changes to Council Tax discounts (such as second homes) is paid to billing authorities. Based on the experience of the current year and adjustment made to the taxbase additional income of c£211k is expected.
Total Savings		346 (13%)	
		2,686	

Budget Analysis

	Adjusted Base Budget	One-off items	Cost Pressures	Growth Items	Technical Items	Total Savings	Detailed 14/15 Budgets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate & Democratic Core	257	-	12	-	-	21	290
Corporate & Financial Management	8,937	(15)	374	-	-	(185)	9,111
Executive Management Team	655	-	81	-	-	(120)	616
Community Services	6,085	(67)	173	16	-	(245)	5,962
Commercial Services	292	(15)	322	37	-	(185)	451
Customer Services	1,973	(50)	245	-	-	-	2,168
Operational Services (excl NEPP)	392	-	758	-	18	(159)	1,008
Professional Services	2,342	-	192	-	-	(185)	2,348
Total General Fund Services	20,932	(147)	2,156	53	18	(1,058)	21,954
<i>Corporate Items / sums to be allocated to services</i>							
Procurement savings	(50)	-	-	-	-	(100)	(150)
UCC FSR	300	-	(220)	-	-	(715)	(635)
Strategic Plan	100	(100)	-	-	-	-	-
Welfare Reform	30	(30)	-	-	-	-	-
Investment Allowance funded by New Homes Bonus	250	-	-	757	-	-	1,007
CFM FSR	-	-	-	-	-	(250)	(250)
Parish Council Grants (re LCTS)	135	-	-	-	-	(17)	118
Saving to be allocated to services	-	-	-	-	-	(30)	(30)
<i>Non-Service Budgets</i>							
CLIA (net interest)	685	-	-	-	-	(85)	600
R&R Contribution	150	-	-	-	-	-	150
Min Revenue Provision (MRP)	648	-	21	-	-	-	669
Pension Fund	2,384	-	(280)	-	-	-	2,104
One-off Costs	500	(500)	-	-	-	-	-
Technical C Tax changes - Sharing Agreement	(189)	-	-	-	-	(211)	(400)

	Adjusted Base Budget	One-off items	Cost Pressures	Growth Items	Technical Items	Total Savings	Detailed 14/15 Budgets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Natural History Museum	(20)	-	-	-	-	-	(20)
Heritage Reserve & Gosbecks Reserve	10	-	-	-	-	-	10
GF/HRA/NEPP adjustment	(2,878)	-	22	-	(44)	(221)	(3,120)
Total Below the Line	2,054	(630)	(457)	757	(44)	(1,629)	52
Total including Below the Line	22,986	(777)	1,699	810	(25)	(2,687)	22,006
Funded by:							
General Reserve	(683)	683	-	-	-	-	-
Use of balances: re carry forwards	(50)	50	(74)	-	-	-	(74)
Pensions Reserve	(102)	102	-	-	-	-	-
Capital Expenditure Reserve	(200)	-	100	-	-	-	(100)
Other Reserves - S106	(30)	-	-	-	-	-	(30)
Government Grant (RSG)	(5,682)	-	1,246	-	-	-	(4,436)
Government Grant (NNDR)	(3,780)	-	(74)	-	-	-	(3,854)
Council Tax Freeze Grant	(109)	109	-	-	-	-	-
Council Tax	(9,684)	-	-	-	(559)	-	(10,243)
Collection Fund Transfer	(18)	18	-	-	(142)	-	(142)
New Homes Grant Adjustment	(32)	32	-	-	-	-	-
New Homes Bonus	(2,616)	-	-	(794)	-	-	(3,410)
NNDR deficit	-	-	-	-	283	-	283
Total	(22,986)	994	1,198	(794)	(418)	-	(22,006)

**General Fund Balances
Current Position**

The following table sets out the current level of General Fund balances.

	£'000
Balance as at 31 March 2013 (As per Statement of Accounts)	(5,893)
Use of balances during 2013/14:	
• Financing carry forwards – Proposed carry forward of 13/14 budgets (note 1)	594
• Existing items carry forward in balances (see note 2)	901
• Existing allocations for 13/14 and future years budget (note 3)	1,185
• Supporting the 13/14 Budget (note 4)	867
• New releases agreed in 2013/14 (note 5)	304
• Budget carry forward (note 6)	(74)
Projected Balances as at 31 March 2014	(2,116)
Use of balances (note 6)	74
Potential Surplus Balances as at 31 March 2015 (note 7)	(2,042)
Proposed minimum balance	1,800
Potential Surplus Balances as at 31 March 2015 (note 7)	(242)

Notes:

1. This reflects items agreed as part of the 12/13 closure of accounts process as reported to Scrutiny Panel on 11 June 13.
2. This includes previous sums allocated from balances which have not yet been spent. For example it includes funding allocated for potential redundancy costs, funds allocated as part of the Jubilee Fund and provisions allocated in respect of certain key risks.
3. 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 and the risk factor which has been carried forward from the 12/13 budget as reported to Scrutiny Panel on 11 July 13. None of these are expected to be used in 2013/14
4. Agreed use of balances to support the revenue budget including the use of the pensions provision
5. Proposed releases from balances as agreed by Cabinet on 10 July 2013.
6. This reflects the carry forward and use of balances set out within this report.
7. The position shown assumes a neutral outturn position.

Medium Term Financial Forecast				
2014/15 to 2017/18				
	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000
Base Budget	22,986	22,006	21,897	22,364
13/14 One-off items	(777)	(74)		22
Cost Pressures (net of one off changes)	1,699	1,040	640	1,090
Growth Items (net of one off changes)	810	0	506	254
UCC FSR (yoy) change	(825)	(990)	(890)	
Savings	(1,887)	(85)	211	0
Technical Items				
Forecast Base Budget	22,006	21,897	22,364	23,730
<i>Funded By:</i>				
Revenue Support Grant	(4,436)	(3,061)		
Business Rates Baseline	(3,854)	(3,960)		
Settlement funding assessment (SFA)	(8,290)	(7,021)	(6,000)	(6,000)
New Homes Bonus	(3,410)	(3,410)	(3,410)	(3,410)
Total Gov't grants	(11,700)	(10,431)	(9,410)	(9,410)
Council Tax	(10,243)	(10,243)	(10,243)	(10,243)
Collection Fund Deficit / (Surplus)	(142)	0	0	0
Business Rates Deficit / (Surplus)	283	0	0	0
Use of Reserves	(204)	(130)	(130)	(130)
Total Funding	(22,006)	(20,804)	(19,783)	(19,783)
Budget (surplus) / gap before changes (cumulative)	0	1,093	2,581	3,947
Annual increase		1,093	1,488	1,366

Medium Term Financial Forecast
2014/15 to 2017/18

	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Cost Pressures				
General Inflation	440	640	640	640
Pensions	22	0	0	250
MRP (Minimum Revenue Provision)	21	0	0	0
Elections	95			
Fleet	210			
Benefit Admin grant & benefit subsidy	190			
Existing net income streams	560			
Agency Costs	50			
Bank Charges	12			
Bus Station	25			
Support to FSR (funded by c/f)	74			
Pensions - auto enrolment				200
Park and Ride - Impact		300		
Interest costs - allowance		100		
Total	1,699	1,040	640	1,090
Growth Items				
Food Waste (net impact)			506	254
Affordable homes	37			
Growth linked to New Homes Bonus	757			
A12 / A120 litter picking	16			
Total	810	0	506	254
Savings (incl. one off adjustments)				
ICT	(40)			
Sport & Leisure FSR	(195)			
Private sector leasing	(20)			
Procurement Target	(100)			
Interest earnings (mostly one-off)	(85)			
Sharing agreement (extra)	(211)		211	
Management capacity	(140)			
C&FM FSR	(250)	(50)		
Ward Budgets	(120)			
Housing Revenue Account (HRA) to General Fund (GF)	(50)			
Grounds Maintenance	(200)			
Activity Centres	(39)			
Museums	(22)			
Community Services Grants	(50)	(35)		
LCTS grant to parishes	(17)			
Tour Series	(80)			

Medium Term Financial Forecast
2014/15 to 2017/18

	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000
EMT	(22)			
Staff & Member car parking	(30)			
Land Charges	(100)			
Cemetery and crematorium income	(90)			
Technical items	(26)			
Total	(1,887)	(85)	211	0
New Homes Bonus				
Growth re 09/10	724	724	724	724
Growth re 10/11	749	749	749	749
Growth re 11/12	986	986	986	986
Growth re 12/13	757	757	757	757
Growth re 13/14		x	x	x
<i>Total basic NHB</i>	<i>3,216</i>	<i>3,216</i>	<i>3,216</i>	<i>3,216</i>
Affordable Housing element				
re 10/11 delivery	52	52	52	52
re 11/12 delivery	105	105	105	105
re 12/13 delivery	37	37	37	37
re 13/14 delivery		x	x	x
<i>Total affordable homes bonus</i>	<i>194</i>	<i>194</i>	<i>194</i>	<i>194</i>
Total New Homes Bonus	3,410	3,410	3,410	3,410
Use of Reserves				
Balances (General)				
Funding c/f	74			
S106 monitoring reserve	30	30	30	30
Capital Expenditure Reserve:- Community Stadium	100	100	100	100
Total	204	130	130	130

Addressing the Budget Gap

The MTFF shows a budget gap of circa £6m over the three years from 2015/16. Whilst cumulative additional net savings of c£2m through the UCC FSR have been identified this leaves a gap £4m. This should also be seen in the context of the risks and variables set out below and also in terms of reduced budgets and more efficient services resulting in savings that will be increasingly hard to deliver.

Risk Areas / Comments

The key risk areas to the forecast are:-

Ref	Risk / Area of uncertainty	
1	<i>Government Funding / Business Rate Retention Scheme</i>	<p>The MTFF includes the reduction in the 'SFA' for 2015/16 of 15% with further reductions thereafter.</p> <p>From 2013/14 a proportion of the Council's core income that used to be provided by Government grant is now funded by the Council keeping a share of business rates income. This poses a new risk as well as a potential reward.</p> <p>The level of risk is currently equivalent to the safety net in place of £289k.</p>
2	<i>Welfare Reform (including Local Council Tax Support - LCTS)</i>	<p>The budget paper sets out some of the key risks associated with the implication of the Council having approved the LCTS scheme. The combined impact of the Government's welfare reforms and demands on Council services will need to be considered during the period of the MTFF.</p>
3	<i>Government grants and partnership funding</i>	<p>The Council's budget has changed over recent years with a greater emphasis on funding from both partner organisations and Government bodies. These funding streams can rarely be guaranteed and can therefore add to our cost pressures.</p> <p>Provision has been made in the 2014/15 budget for the New Homes Bonus based on the notified grant and the MTFF takes a prudent view by forecasting no change to this grant in future years.</p> <p>Provision has been made for changes in other Government grants, such as housing benefit administration, in 2014/15, however, the impact of any further reductions in these will be considered as the MTFF is reviewed.</p>
4	<i>Pensions</i>	<p>An allowance has been built in for increases in pensions costs based on the results of the last actuarial review and which therefore are fixed until 2016/17. Thereafter an allowance has been assumed of £250k</p>
5	<i>Fees and charges and other income</i>	<p>As has been seen in the past few years we have experienced a number of pressures arising from changes in income levels. In the current year it has been reported that some targets such as car parks, sport and leisure and community alarms income are not meeting the budget. Looking ahead to 2014/15 and beyond it is difficult to estimate how income levels may continue to be affected. The 14/15 budget forecast assumes a decrease in revenue in certain areas such as car parks, community alarms and trade waste and future updates of the MTFF will consider any other changes to income.</p>

Ref	Risk / Area of uncertainty	
6	<i>Inflation</i>	An allowance for general inflation including pay has been built into the 14/15 forecast and MTFF. The current (December 2013) CPI is 2% and RPI is 2.7% The economic forecasts published by HM Treasury point to inflation figures for 2014 of 2.3% and 3% for CPI and RPI respectively. Not all the Council's costs are directly linked to RPI and therefore we will continue to monitor the impact of inflation on all Council costs
7	<i>Use of reserves</i>	The budget position for 2014/15 includes proposals to use certain reserves. The MTFF assumes the ongoing use of the capital expenditure reserve and S106 reserve. The 2014/15 budget includes no proposals to use general balances.
8	<i>Legislation</i>	There is likely to be several items of new legislation over the life of the MTFF for which any available funding may not cover costs or which may impact significantly on the Council e.g. universal credit.
9	<i>Impact of regeneration programme e.g. car park closure and staff resources</i>	As the regeneration programme progresses there will be an ongoing impact on income from car parks due to temporary and permanent closure of certain car parks and also the introduction of park and ride. An allowance has been built into the MTFF for reductions in car park income.
10	<i>Property review</i>	A review of our assets was carried out and a 5-year Building Repairs and Maintenance Plan produced. There will continue to be financial implications arising from this for both the revenue budget and capital programme and these will continue to be considered in detail and included in the ongoing updates of the MTFF. The 2014/15 budget forecast maintains the additional allocation of £150k in respect of planned repairs. This will continue to be reviewed to consider if it is sufficient to meet ongoing requirements.
11	<i>Impact of growth in the Borough and demand for services</i>	A number of Local Authority services are directly impacted by the increase of population in the Borough, such as waste services, planning, benefits etc. As part of the budget it will be necessary to consider whether there is a need for additional resources in these or other areas in order to maintain levels of service. The current financial assumption made is that the Council programme of FSRs will assist in identifying efficiencies to cope with changes in demand, however, this will be regularly reviewed.
12	<i>Delivery of budget savings</i>	The 2014/15 budget includes c£2.7m of savings or increased income. These items have been risk assessed and all are considered deliverable, however, the budget report considers the risk to delivering some of the income targets and if these cannot be achieved there is the risk in the MTFF of the ongoing impact.
13	<i>Net earnings Interest and investments</i>	The budget is influenced by a number of factors including interest rates and cashflow movements. The treasury management strategy for 2014/15 highlights the outlook for

Ref	Risk / Area of uncertainty
	<p>interest rates in the medium-term which points to continuation of unprecedented low levels into 2014/15. The budget forecast has been adjusted by £85k to reflect the ongoing benefit of the Council's strategy to 'internally borrow' to minimise our interest costs. The MTFF recognises that this is not an ongoing gain and a contingency allowance of £100k is included for 2015/16.</p>

All these issues will remain as risks to be managed over the course of the MTFF.

Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2014/15

1 Introduction

Background

- 1.1 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.3 CIPFA defines treasury management as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Reporting requirements

- 1.4 The Council is required to receive and approve three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are all required to be reviewed by the Council's Scrutiny Panel.
- 1.5 **Prudential and Treasury Indicators and Treasury Strategy** (This report) – The first, and most important report is recommended to Full Council. It covers:
 - the capital plans (including prudential indicators);
 - a Minimum Revenue Provision (MRP) Policy (how residual capital expenditure is charged to revenue over time);
 - the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
 - an investment strategy (the parameters on how investments are to be managed).
- 1.6 **Mid Year Treasury Management Report** – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting requirements or whether any policies require revision.

1.7 **Annual Treasury Report** – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

1.8 Members will also be kept informed of any other significant matters that may occur as part of the quarterly Capital Monitoring reports to Scrutiny Panel.

Training

1.9 The CIPFA Code requires the responsible officer to ensure that Members with responsibility for treasury management or scrutiny receive adequate training in treasury management. Training has previously been undertaken by members and further training will be arranged as required. The training needs of treasury management officers are periodically reviewed.

Treasury Management Strategy for 2014/15

1.10 The strategy for 2014/15 covers the following Capital and Treasury Management issues:

- the capital plans and the prudential and treasury indicators;
- the MRP strategy.
- the current treasury position;
- the economic background and prospects for interest rates;
- the borrowing strategy;
- the investment policy and strategy; and
- the policy on use of external service providers.

1.11 These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

Treasury management consultants

1.12 The Council uses Capita Asset Services as its external treasury management advisors. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

1.13 It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2 The Capital Prudential Indicators 2014/15 – 2016/17

2.1 The Council's capital expenditure plans are a key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans.

Capital Expenditure

- 2.2 This prudential Indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital Expenditure £'000	2012/13 Actual	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
Non-HRA	8,755	13,708	7,648	6,880	550
HRA	7,112	10,746	15,668	12,012	12,381
Total	15,867	24,454	23,316	18,892	12,931

- 2.3 The table below summarises how the above capital expenditure plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding need (borrowing).

Capital Expenditure £'000	2012/13 Actual	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
Total Expenditure	15,867	24,454	23,316	18,892	12,931
Financed by:					
Capital receipts	875	6,595	5,032	1,500	400
Capital grants	3,836	6,703	2,221	281	0
Capital reserves	5,452	6,331	6,043	5,672	5,814
Finance leases	2,359	246	0	0	0
Revenue	2,376	4,302	7,100	4,391	4,638
Net financing need	969	277	2,920	7,048	2,079

The Capital Financing Requirement

- 2.4 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.
- 2.5 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life.
- 2.6 The CFR includes any other long term liabilities (e.g. finance leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council had £2.7m of such schemes within the CFR as at 31 March 2013. Members are asked to approve the CFR projections below:

£'000	2012/13 Actual	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
Capital Financing Requirement					
CFR – non housing	26,693	26,143	26,183	30,021	28,918
CFR - housing	124,577	124,577	126,323	128,371	130,450
Total CFR	151,270	150,720	152,506	158,392	159,368
Movement in CFR	2,555	(550)	1,786	5,886	976
Movement in CFR represented by					
Net financing need	969	277	2,920	7,048	2,079
Assets aquired under finance leases	2,359	246	0	0	0
Less MRP	773	1,073	1,134	1,162	1,103
Movement in CFR	2,555	(550)	1,786	5,886	976

Minimum revenue provision (MRP) Policy Statement

- 2.7 The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments (VRP) if required.
- 2.8 CLG Regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:
- 2.9 For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will follow the existing practice outlined in former CLG regulations (option 1). This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.
- 2.10 From 1 April 2008 for all unsupported borrowing (including finance leases) the MRP policy will be the Asset Life Method (option 3) – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations. This provides for a reduction in the borrowing need over approximately the asset's life. Repayments included in finance leases are applied as MRP.
- 2.11 There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.
- 2.12 The Accountancy team will keep the Council's MRP Policy under review to ensure that it remains fit for purpose in relation to its borrowing requirements.

Affordability Prudential Indicators

- 2.13 The previous sections cover the overall capital, and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

- 2.14 **Actual and estimates of the ratio of financing costs to net revenue stream.** This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2012/13 Actual	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
Non-HRA	6.86%	8.43%	9.65%	10.06%	9.83%
HRA	19.82%	19.00%	18.58%	18.34%	18.13%

- 2.15 The estimates of financing costs include current commitments and the proposals in this report.

- 2.16 **Incremental impact of capital investment decisions on council tax.** This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

£	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
Council Tax - Band D	0	0	0

- 2.17 **Incremental impact of capital investment decisions on housing rent levels.** Similar to the council tax calculation, this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels. This indicator shows the revenue impact on any newly proposed changes, although any discrete impact will be constrained by rent controls.

£	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
Weekly housing rents	0	0	0

3 Treasury Management Strategy

- 3.1 The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.
- 3.2 The Council's treasury portfolio position at 31 March 2013, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£'000	2012/13 Actual	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
External Debt					
Borrowing	136,094	138,673	143,651	152,292	155,549
Other long-term liabilities	2,302	2,058	1,593	1,178	810
Gross debt at 31 March	138,396	140,731	145,244	153,470	156,359
CFR	151,270	150,720	152,506	158,392	159,368
Under / (over) borrowing	12,874	9,989	7,262	4,922	3,009
Investments at 31 Mar	21,600	21,323	18,403	11,355	9,276
Net Debt	116,796	119,408	126,841	142,115	147,083

3.3 Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2014/15 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

3.4 The Chief Finance Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this report.

Treasury Indicators: Limits to Borrowing Activity

3.5 The **Operational Boundary** is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational boundary £'000	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
Debt	138,673	143,651	152,292	155,549
Other long term liabilities	2,058	1,593	1,178	810
Total	140,731	145,244	153,470	156,359

3.6 The **Authorised Limit** for external debt represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

3.7 This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised. The Council is asked to approve the following Authorised Limit:

Authorised limit £'000	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
Debt	163,562	166,013	172,914	174,458
Other long term liabilities	2,058	1,593	1,178	810
Total	165,620	167,606	174,092	175,268

- 3.8 Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime. This limit is currently:

HRA Debt Limit £'000	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate
HRA debt cap	140,275	140,275	140,275	140,275
HRA CFR	124,577	126,323	128,371	130,450
HRA headroom	15,698	13,952	11,904	9,825

4 *Economic Outlook*

- 4.1 The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. **Appendix A** draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. The following table gives the Capita Asset Services central view.

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (incl. certainty rate adjustment)		
		5 year	25 year	50 year
Dec-13	0.50%	2.50%	4.40%	4.40%
Mar-14	0.50%	2.50%	4.40%	4.40%
Jun-14	0.50%	2.60%	4.50%	4.50%
Sep-14	0.50%	2.70%	4.50%	4.50%
Dec-14	0.50%	2.70%	4.60%	4.60%
Mar-15	0.50%	2.80%	4.60%	4.70%
Jun-15	0.50%	2.80%	4.70%	4.80%
Sep-15	0.50%	2.90%	4.80%	4.90%
Dec-15	0.50%	3.00%	4.90%	5.00%
Mar-16	0.50%	3.10%	5.00%	5.10%
Jun-16	0.75%	3.20%	5.10%	5.20%
Sep-16	1.00%	3.30%	5.10%	5.20%
Dec-16	1.00%	3.40%	5.10%	5.20%
Mar-17	1.25%	3.40%	5.10%	5.20%

- 4.2 Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth has rebounded during 2013 to surpass all expectations, propelled by recovery in consumer spending and the housing market. Forward surveys are also currently very positive in indicating that growth prospects are strong for 2014, not only in the UK economy as a whole, but in all three main sectors, services, manufacturing and construction. This is very encouraging as there does need to be a significant rebalancing of the economy away from consumer spending to construction, manufacturing, business investment and exporting in order for this start to recovery to become more firmly established. One drag on the economy is that wage inflation continues to remain significantly below CPI inflation so disposable income and living standards are under pressure, although income tax cuts have ameliorated this to some extent. This therefore means that labour productivity must improve significantly for this situation to be corrected by the warranting of increases in pay rates. The overall balance of risks to economic recovery in the UK is currently evenly weighted. However, only time will tell just how long this period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

- 4.3 The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:
- Although Eurozone concerns have subsided considerably in 2013, sovereign debt difficulties have not gone away and major concerns could return in respect of any countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise to levels that could result in a loss of investor confidence in the financial viability of such countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed. Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods;
 - Investment returns are likely to remain relatively low during 2014/15 and beyond;
 - Borrowing interest rates have risen significantly during 2013 and are on a rising trend. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring even higher borrowing costs, which are now looming ever closer, where authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt, in the near future;
 - There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

5 *Borrowing Strategy*

- 5.1 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high.
- 5.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2014/15 treasury operations. The Chief Financial Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- if it was felt that there was a significant risk of a sharp FALL in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
 - if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.

5.3 Any decisions will be reported to the Scrutiny Panel at the next available opportunity.

Treasury Management Limits on Activity

5.4 There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

5.5 The Council is asked to approve the following treasury indicators and limits:

Interest rate Exposures (£'000)	2014/15	2015/16	2016/17
Upper limit on fixed interest rates based on net debt	126,800	142,100	147,100
Upper limit on variable interest rates based on net debt	63,400	71,100	73,500

Maturity Structure of fixed interest rate borrowing	Lower	Upper
Under 12 months	0%	10%
12 months to 2 years	0%	50%
2 years to 5 years	0%	50%
5 years to 10 years	0%	70%
10 years and above	0%	100%

Policy on Borrowing in Advance of Need

5.6 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Debt Rescheduling

5.7 As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred). The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;

- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
- 5.8 Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.
- 5.9 Any rescheduling will be reported to the Scrutiny Panel at the earliest meeting following its action.

6 Annual Investment Strategy

Investment Policy

- 6.1 The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second and then return.
- 6.2 In accordance with the above, and in order to minimise the risk to investments, the Council has stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings and watches published by all three ratings agencies with a full understanding of what the ratings reflect in the eyes of each agency. Using the Capita Asset Services ratings service potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies advise of modifications.
- 6.3 Furthermore, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "Credit Default Swaps" and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors, Capita Asset Services in producing its colour coding which shows the varying degrees of suggested creditworthiness.
- 6.4 Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- 6.5 The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk in one counterparty or country. The intention of the strategy is to provide security of investment and minimisation of risk.

6.6 Investment instruments identified for use in the financial year are listed in **Appendix B**, which includes Counterparty, time and monetary limits. These will cover both 'Specified' and 'Non-Specified' Investments.

6.7 Specified Investments are sterling denominated investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. Non-Specified Investments are those that do not meet the specified investment criteria. A limit of £20m will be applied to the use of Non-Specified investments (this will partially be driven by the long term investment limits).

Creditworthiness policy

6.8 The Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

6.9 This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands that indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years (UK Government debt or equivalent)
- Dark Pink 5 years Enhanced money market funds (1.25 credit score)
- Light Pink 5 years Enhanced money market funds (1.5 credit score)
- Purple 2 years
- Blue 1 year (nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No Colour not to be used

6.10 The creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

6.11 This methodology does not apply the approach suggested by CIPFA of using the lowest rating from all three rating agencies to determine creditworthy counterparties. The Council will however continue to apply the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by two

agencies, and one meets the Council's criteria while the other does not, that institution will fall outside the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.

- 6.12 Typically the minimum credit ratings criteria the Council will use is a Short Term rating (Fitch or equivalents) of F1, Long Term rating A, Viability ratings of c, and a Support rating of 2.
- 6.13 The Council is alerted to changes to ratings of all three agencies through its use of the Sector creditworthiness service. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing.
- any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list.
 - if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
 - a negative rating watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.
 - in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.
- 6.14 Sole reliance will not be placed on the use of this external service. In addition the Council will also use market data and market information, information on government support for banks and the credit ratings of the supporting government.

Country limits

- 6.15 The Council will only use approved counterparties from countries with a minimum sovereign credit rating of AAA, based on the lowest available rating. However this policy excludes UK counterparties. The list of countries that qualify using this credit criteria as at the date of this report are shown below. This list will be amended by officers should ratings change in accordance with this policy.

Australia	Canada	Denmark	Finland	Germany
Luxembourg	Norway	Singapore	Sweden	Switzerland

Investment strategy

- 6.16 The Council will manage all of its investments in-house. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).
- 6.17 The Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 2 of 2016. Bank Rate forecasts for financial year ends (March) are:

- 2013/ 2014 0.50%
- 2014/ 2015 0.50%
- 2015/ 2016 0.50%
- 2016/ 2017 1.25%

6.18 There are upside risks to these forecasts if economic growth remains strong and unemployment falls faster than expected. However, should the pace of growth fall back, there could be downside risk, particularly if Bank of England forecasts for the rate of fall of unemployment were to prove to be too optimistic.

6.19 The Council will avoid locking into longer-term deals while investment rates are down at historically low levels unless attractive rates are available within the risk parameters set by the Council that make longer-term deals worthwhile. The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next four years are as follows:

- 2014/15 0.50%
- 2015/16 0.50%
- 2016/17 1.00%
- 2017/18 2.00%

6.20 For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest.

Icelandic Bank Investments

6.21 The Council invested a total of £4m in Icelandic banks in September 2008, which suffered a default following the collapse of the Icelandic banking system. The impairments recognised in the 2010/11 accounts reflected the guidance issued by CIPFA in May 2011. The level of the impairment was reduced in the 2012/13 accounts to reflect updated guidance from CIPFA, which takes into account the Council's preferred creditor status and the distributions received.

6.22 The Council has now received four distributions between February 2012 and September 2013, which amount to approximately 53% of the value of the claim. The current position on estimated future payouts is based on recovering 100p in the £. However, the administration of the insolvent estate of the bank is likely to continue for several years, which creates a level of uncertainty around the timing of recoveries through the administration process, and the precise amount may vary owing to foreign exchange fluctuations. The exchange rate risk will continue to be managed proactively with assets converted to sterling at the earliest opportunity.

End of year investment report

6.23 At the end of the financial year, the Council will report on its investment activity to the Scrutiny Panel as part of its Annual Treasury Report.

	Mar 2014	Jun 2014	Sep 2014	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015	Mar 2016	Jun 2016	Sep 2016	Dec 2016	Mar 2017
Capita Asset Services Interest Rate View													
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.00%	1.25%
3 month LIBID	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.60%	0.70%	0.90%	1.30%
6 month LIBID	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.70%	0.80%	1.00%	1.20%	1.40%
12 month LIBID	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	1.00%	1.20%	1.40%	1.60%	1.80%	2.00%	2.30%
5yr PWLB Rate	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.40%
10yr PWLB Rate	3.60%	3.70%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.20%	4.30%	4.30%	4.40%	4.50%
25yr PWLB Rate	4.40%	4.50%	4.50%	4.60%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.10%	5.10%	5.10%
50yr PWLB Rate	4.40%	4.50%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.20%	5.20%	5.20%
Bank Rate													
Capita Asset Services	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.00%	1.25%
UBS	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%					
Capital Economics	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%					
5yr PWLB Rate													
Capita Asset Services	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.40%
UBS													
Capital Economics													
10yr PWLB Rate													
Capita Asset Services	3.60%	3.70%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.20%	4.30%	4.30%	4.40%	4.50%
UBS	3.70%	3.80%	3.90%	4.05%	4.05%	4.30%	4.55%	4.55%					
Capital Economics	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	4.05%					
25yr PWLB Rate													
Capita Asset Services	4.40%	4.50%	4.50%	4.60%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.10%	5.10%	5.10%
UBS	4.55%	4.55%	4.80%	4.80%	5.05%	5.05%	5.30%	5.30%					
Capital Economics	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.45%					
50yr PWLB Rate													
Capita Asset Services	4.40%	4.50%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.20%	5.20%	5.20%
UBS	4.45%	4.45%	4.70%	4.70%	4.90%	4.90%	5.05%	5.05%					
Capital Economics	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.60%					

ORGANISATION	Colour Code	CRITERIA			Maximum limit per institution	MAX. PERIOD Support Rating		
		Short-Term	Long-Term	Viability		1	2	3
Deposits with Banks and Building Societies (including unconditionally guaranteed subsidiaries)	As per Section 6 of TMSS	Minimum F1+	AAA, AA+, AA,	Minimum a-	£7.5m	2 years	2 years	
		Minimum F1+	Minimum AA	Minimum bbb	£5m	1 year	1 year	
		Minimum F1	A+, A	Minimum a-	£2.5m	6 mths	6 mths	
				Minimum bbb	£2.5m	100 days	100 days	
UK nationalised / part nationalised banks	Blue	F1+		Minimum c	£7.5m	1 year		
CDs or corporate bonds with Banks and Building Societies *	As per Section 6 of TMSS				As above	As above		
UK Govt. Gilts			UK sovereign rating		£10m	1 year		
UK Govt. Treasury Bills			UK sovereign rating		£10m	1 year		
UK Local & Police Authorities					Unlimited	1 year		
Debt Management Agency Deposit Facility					Unlimited	6 mths		
Money Market Funds / Enhanced Money Market Funds			AAA		£10m	Liquid		
Bonds issued by Multilateral Development Banks			UK sovereign rating		£3m	6 mths		

Notes:

- Sovereign debt rating of AAA only + UK counterparties
- Country limit £10m
- Limit in all Building Societies £10m
- Limit of £20m in aggregate in non-specified investments
- Viability and Support ratings are only available from Fitch

* Covered by UK Government (explicit) guarantee

Impact of Budget Strategy 2014/15

Impact of Budget Strategy 2014/15

The budget for 2014/15 has been prepared in continuing difficult financial conditions. This is alongside the bedding in of changing local government financial arrangements. It is worth noting now only 20% of the proposed net budget of £22m is funded by core Government grant (RSG).

There continue to be reductions in the amount of money we receive with a cut in combined funding of 13%. In addition there continue to be a number of significant risks for local government not least the Local Council Tax Support scheme which will be in place for a second year.

Our programme of Fundamental Service Reviews (FSR) continues to provide a significant proportion of savings to meet budget gaps. For example, the budget includes £195k of savings in respect of the third year of the Sport and Leisure FSR and £250k in respect of the recently approved Corporate and Financial Management FSR.

Over the next two years the implementation of the Universal Customer Contact FSR will be crucial to delivering cost savings and additional income to support the budget. It must be recognised that implementation of the FSRs is resource intensive and the approach has been to look at a few significant areas for savings. This is a more strategic approach than asking services to deliver percentage reductions which inevitably impact on service delivery.

The proposed 2014 budget does include £0.5m of savings from budget reductions. This represents 19% of all proposed savings illustrating the majority of savings have been identified through efficiencies, income or technical budget changes. As such any negative impact on delivering against Strategic Plan priorities can be minimised.

Growth items

Despite the continuing pressures on budgets it has been possible to identify some funding to support actions that support the Strategic Plan priorities with the main items shown in the table below

Item	
Food Waste	Reduce, reuse, recycle: A government grant was awarded following a successful bid for funding. This has allowed for the implementation of the food waste collection across the Borough following the trial. The grant is dependent on retaining residual waste collections for 5 years and we will have to fund the additional cost at the end of the grant.
Affordable Homes	Providing more affordable homes: This is the amount of grant in the New Homes Bonus specifically paid for the delivery of affordable homes and in total the budget now contains £194k. This is allocated to enable additional affordable homes
A12 / A120 litter picking	Being cleaner and greener: Allocation of funding to allow the Zone teams to continue to undertake fortnightly litter picking of the A12 and A120 following Essex County Council (ECC) confirming that they would no longer be providing funding to

Item	
	Colchester Borough to continue the service.
Investment funded through New Homes Bonus	This may support a number of Strategic Plan priorities and is in addition to the ongoing annual contribution allocated from the New Homes Bonus of £250k to enable infrastructure projects to support the growth

Report of	Head of Commercial Services	Author	Darren Brown ☎ 282891
Title	Housing Revenue Account Estimates 2014/15		
Wards affected	All		

This report presents the Housing Revenue Account (HRA) estimates for 2014/15, the Medium Term Financial Forecast (MTFF) for 2014/15 to 2018/19, and the 30 Year HRA financial model

1. Decision Required

- 1.1 To approve the 2014/15 HRA revenue estimates as set out in Appendix A.
- 1.2 To approve dwelling rents as calculated in accordance with the rent restructuring formula (set out in paragraph 4.7).
- 1.3 To approve rents for garages (set out in paragraph 4.11).
- 1.4 To approve the HRA revenue funded element of £6,960,200 included within the total management fee for Colchester Borough Homes (CBH) (set out in paragraph 4.14).
- 1.5 To note a revenue contribution of £6,900,000 to the Housing Investment Programme is included in the budget (paragraph 4.29).
- 1.6 To note the HRA balances position in Appendix B.
- 1.7 To note the Medium Term Financial Forecast (MTFF) set out at Appendix C and the 30 Year HRA financial position set out at Appendix E.

2. Reasons for Decision

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

3. Supporting Information *Key Issues for 2014/15*

- 3.1 There are a number of key issues relating to the HRA budget for 2014/15, with further details being included within the main body of the report. However, in summary they are as follows. This is the first HRA budget to be set under the terms of the new management agreement with CBH. The management fee consequently contains a larger range of budgets, and the budget is set with an emphasis on the medium term, to provide more stability and meet the governance arrangements within the new management agreement. Secondly, this is the first HRA budget to be set in the context of the new 30 year HRA Business Plan, which was approved by Cabinet at its meeting on the 27th November 2013. The budget therefore reflects the strategic priorities identified within the HRA business plan. Finally, this is the third year of HRA Self-Financing. This has radically altered the funding of Council Housing, and the increase in investment in the housing stock and other projects is reflected in this report and the Housing Investment Programme report included elsewhere on the agenda.

- 3.2 As part of the process for setting the 2014/15 HRA budget, it is necessary to revisit the 2013/14 position to forecast the predicted level of HRA balances along with identifying any risk areas or cost pressures which could have an impact in future years.

2013/14 Revised Housing Revenue Account

- 3.3 Appendix A shows the Revised Housing Revenue Account (HRA) estimates for 2013/14. There have been some amendments to the original budget for 2013/14 during the course of the current financial year. A reconciliation is therefore provided in the following table between the Original and Revised budget for 2013/14:-

Reconciliation between Original and Revised 2013/14 HRA Budget

	Budget 13/14	Commentary
	£'000	
Original Budget Deficit	74	Agreed 23 rd January 2013
2012/13 Budgets c/fwd	168	Agreed by Assistant Chief Executive/Head of Commercial Services
Use of Earmarked Balances:		
Funding of 2013/14 Pay Award for CBH	67	Original budget assumed no pay-award for this financial year.
Money & Welfare Advice for Tenants/Moving Assistance	60	Funding of 2 year fixed-term post within CBH and related budgets agreed by Portfolio Holder.
Revised Budget Deficit	369	

2013/14 Forecast Outturn Position

- 3.4 When considering the financial position of the HRA, in addition to the adjustments to the 2013/14 original budget shown in the above table, it is important to note the 2013/14 forecast outturn position. It is currently predicted that the HRA will be underspent by £806k compared to the revised budget for 2013/14. The table below provides a breakdown of this forecast underspend. In addition, commentary is provided on the major variations;

	Outturn 13/14
	£'000
Rental & Service Charge Income	(97)
<i>One-off/Technical Items</i>	
Capital Financing costs - Depreciation	(1,392)
Revenue Contribution to Capital (RCCO)	683
Forecast 2013/14 Underspend	(806)

- It is forecast that we will receive more rental and service charge income of £97k. This reflects the impact of less rental & service charge income being lost from dwellings and garages than assumed within the budget, through a combination of voids and the timing of the garage site redevelopment project.
- The depreciation charge for 2013/14 is estimated to decrease by £1,392k. This is because during 2012/13 we changed the way we calculate our depreciation charge, which has resulted in a lower charge to the HRA than the methodology we used to set the 2013/14 budget. This has freed up resources which are therefore available to fund the Housing Capital Programme in 2013/14 via an RCCO, ensuring the agreed capital programme will still be funded. In effect, this is an accounting issue and represents a switch in revenue funding between depreciation and Revenue Contributions to Capital.
- As a result of the reduction in the depreciation charge being made to the HRA as stated above, there will be revenue resources available for an increased RCCO of £683k to fund the Housing Capital Programme in 2013/14. It should be noted that the increased RCCO is less than the reduction in the depreciation charge due to a smaller funding requirement in the capital programme in 2013/14, which is primarily because of the timing of expenditure on the redevelopment of garage sites and the timing of capital receipts from the review of sheltered accommodation. The balance of resources will be carried forward in the HRA balance and used to fund the re-profiled expenditure on garage sites when it occurs in 2014/15.

HRA Reform

- 3.5 Members will be aware of the implementation of the national reform of the Housing Revenue Account from April 2012. The 2014/15 budget therefore reflects the third year of the new financial regime for the HRA, with commentary included on the medium and long-term outlook in this report.
- 3.6 Appendix E summarises the 30 year financial modelling for Colchester's HRA. This is set out using the standard approach, which is to show each of the first 5 years individually, then group the remainder of the model in 5-year bands. Further information is provided at paragraph 6, including some of the underlying principles and assumptions that are included. Given the long time-span this modelling covers, it will clearly change as time progresses as both internal and external influences have an impact. However, what it does provide is an indication of the long-term viability of the Council's HRA, given the assumptions made and the plans the Council has already identified and committed to.

4. 2014/15 Housing Revenue Account Budget

- 4.1 Appendix A shows the Housing Revenue Account (HRA) estimates for 2014/15. This shows a predicted HRA deficit of £2,920k which will be funded by a planned use of uncommitted HRA balances.
- 4.2 It should be noted that the MTFE included within the 2013/14 HRA budget cycle and considered by Cabinet on 23rd January 2013 estimated a deficit for 2014/15 of £1,702k. However, given that the HRA balance is now higher than planned due to the favourable 2012/13 outturn position on both the revenue account and the capital programme, we are able to make a larger RCCO to the capital programme than originally planned. Although this shows as a higher deficit than envisaged this time last year, it simply reflects that there is more HRA balance available to fund the 2014/15 Housing Capital Programme, and therefore preserve the borrowing headroom for future years and other projects.

Balances

- 4.3 The prudent level of uncommitted balances for the HRA is currently £1,600k. This recognises the transfer of risk from Central to Local Government resulting from HRA Reform, as well as providing for any adverse effects of inflation, interest rates, or Right To Buy sales on the HRA. Provision is also made within the level of HRA balances for any potential additional revenue implications of our Sheltered Accommodation and Garage Site projects. Whilst there is now some certainty around interest rates given we have secured long-term fixed rates on our HRA Reform settlement debt, the risk surrounding welfare reform continues to be recognised in our assessment of HRA balances.
- 4.4 A risk assessment has been undertaken to review the minimum prudent level of HRA uncommitted balance the Council should maintain. The results of this review are set out at Appendix D and show that it would be reasonable to retain the uncommitted balance at £1,600k. This will continue to be reviewed annually. As we move through the early years of HRA Reform, we will have more certainty and resources will become greater, meaning we may revert to a lower minimum level of balances in the future.
- 4.5 The estimated balances for the HRA are set out in Appendix B. The anticipated level of the uncommitted HRA balance as at 31st March 2014 is £4,520k. The recommended prudent level of balance is £1,600k. Members will recall from previous year's HRA budget reports that it has always been the intention to use the proportion of HRA balance which is over and above the minimum prudent level to fund the 2014/15 budget. Prior to this, we have used our major repairs reserve and other resources to fund the capital programme. However, the 2014/15 Capital Programme includes a much higher level of investment compared to previous years, given the timing of expenditure on our projects relating to development on garage sites and the sheltered accommodation improvement programme. Therefore, we will be using a significant proportion of the uncommitted balance to meet the budget deficit for 2014/15 as mentioned in paragraph 4.1.
- 4.6 The budget at Appendix A shows the use of uncommitted balances in 2014/15 to make a Revenue Contribution to fund the Housing Investment Programme. This is because it is deemed to be a more economical use of resources, rather than fund the capital programme by undertaking additional borrowing, thus incurring additional borrowing costs and using available borrowing headroom. This fits with the prioritising of resources indicated in this report and in the Housing Investment Programme elsewhere on the agenda. From 2014/15 thereafter, the assumption is that where required, revenue contributions to the capital programme will be made up to the point that the minimum recommended level of balance is reached.

Income

Housing Rents

- 4.7 2014/15 is the thirteenth year of transitional rent reform arrangements. **Dwelling rents are set within Communities and Local Government (CLG) guidelines and so the annual increases in rents paid by tenants are set by reference to national Government policy.** The Government expects local authorities to apply rent restructuring to all their HRA properties, and is the assumption the Government made when establishing the amount of debt we would take on under HRA Reform. As a reminder, the aim is that social rents reflect the condition and location of properties, local earnings and property size. Each property has a target rent calculated using the Government's formula, and this increases annually by the September RPI figure + 0.5%. Actual rents are expected to "converge" with the target rent by 2015/16. As our actual rents are lower than our target rents, this means an increase over and above RPI + 0.5% to "close the gap" and converge. There are however caps and limits in place to protect tenants from very large increases. The most an actual rent can increase in any one year is RPI +0.5% +£2 a week. The average rent proposed for 2014/15 is £86.06 per week compared to a current average of £81.47, an increase of £4.59 (5.63%) per week. (It

should be noted that the September 2013 RPI figure was 3.2%). Given the potential for the rate of inflation to vary in the short to medium term, it is difficult to anticipate future rent increases. However, modelling within the MTFF and 30 year financial modelling has been undertaken using reasonable estimates of inflation rates.

- 4.8 The Government has recently published a consultation paper entitled “Rents for Social Housing from 2015-16”. It is proposing the abolition of the current rent convergence policy from 2015/16. The paper proposes moving away from using the current formula of RPI + 0.5% to calculate the annual increase in rent, and replace it with CPI + 1%. It also proposes to remove the additional £2 per week that is used to enable individual rents to converge with their target rent. Rents will be able to be moved to target rent when a property becomes empty, but this may take many years for a number of properties and will reduce the amount of future rental income we will receive compared to the Government’s existing rent policy. Whilst not an issue for the 2014/15 budget, this does have an adverse impact upon the medium term forecast and 30 year financial modelling included within this report. Whilst the results of the consultation have not been published at the time of preparing this report, to be prudent our financial modelling has been prepared on what we expect the likely outcomes to be.
- 4.9 Sales of council houses under the Right to Buy (RTB) scheme could reach 25 in 2013/14 (21 sold in 2012/13 and 16 sold in 2011/12), which is in line with the number expected in the 2013/14 HRA budget. The level of sales has remained at a relatively low level in the current financial year considering the Government’s changes to the RTB scheme (which primarily focused around increasing RTB discounts to tenants to stimulate the housing market). There has been an increase in applications compared to previous years, although these do not appear to be materialising into completions, presumably due to the issues of affordability and the availability of private finance. The 2014/15 budget has been set assuming the sale of 25 properties, being broadly in line with the current level. The MTFF and longer term modelling assume a reduction in the number of sales after 2014/15, given the Government’s re-invigoration of the RTB scheme currently only appears to be for a period of 3 years. However, these assumptions will be reviewed annually as part of our future budget setting.
- 4.10 The budget for 2014/15 has been set using the assumption that there will be a loss of rental income of 1.50% resulting from empty properties. This is consistent with the 2013/14 budget and is intended to provide for any additional void loss that may arise as a result of the various changes being undertaken within the housing stock.

Other Income

- 4.11 The rent proposed for garages for 2014/15 is £8.91 per week compared to £8.44 in 2013/14. Although these rents are outside of the rent reform arrangements this increase is in line with the proposed increase in dwelling rents, i.e. 5.63%. An assumption has been made for rental income that will be lost as a result of re-developing some of our garage sites for new affordable housing. Clearly the timing of these schemes and any knock-on impact on letting garages which are currently void will affect the level of income receivable in 2014/15.
- 4.12 There are a range of other fees and charges for services which are made to Tenants and Leaseholders, which are agreed by the Portfolio Holder for Housing. The budget for 2014/15 assumes that the demand for these services will remain the same as the current financial year, unless mentioned otherwise.
- 4.13 The de-pooling of services charges to individual tenants was implemented in 2008/09. There have not been any new service charges introduced for 2014/15, only an update of existing charges to reflect the actual cost of the services provided.

Expenditure

Colchester Borough Homes Management Fee

- 4.14 As part of the new management agreement which commenced in August 2013 between the Council and CBH, the management fee has been expanded to reflect the wider range of services CBH now provides on behalf of the Council. The fee also now incorporates the day to day repairs and maintenance budgets and associated overheads, along with the fee for managing the capital programme, as a result of the new housing arrangements. The management fee is now funded from several sources within the Council's accounts, namely the Housing Revenue Account, the Housing Investment Programme, as well as the Council's General Fund. The following table analyses the total CBH management fee, and provides details of where the funding is shown in the Council's overall budget:

Breakdown of 2014/15 CBH Management Fee

	Budget 14/15	Funding Source
	£	
CBH Management costs	3,339,700	CBH Ltd Management Fee at Appendix A
R&M Management Fee	541,300	Included in Repairs & Maintenance at Appendix A
R&M Works	3,079,200	Included in Repairs & Maintenance at Appendix A
Sub-Total: HRA	6,960,200	
Capital Fee	1,298,100	Included within the 2014/15 Housing Investment Programme
Sub-Total: HIP	1,298,100	
Anti-Social Behaviour Team	42,400	Included within the 2014/15 General Fund Budget
Professional Support Unit	111,900	Included within the 2014/15 General Fund Budget
Housing Options Team	575,500	Included within the 2014/15 General Fund Budget
Sub-Total: General Fund	729,800	
Total Management Fee	8,988,100	

- 4.15 The base management fee for 2014/15 includes an allowance for inflation as well as a provisional increase in pension costs relating to CBH employees following the tri-annual actuarial review of the scheme by Essex County Council. The 2014/15 fee has been reduced by £60k to reflect the savings target set by the Council. As a consequence of the new management agreement, the fee has also been adjusted to reflect the movement of teams between the Council and CBH, for example the Housing Options team and associated Professional Support Unit staff moving to CBH, and the Customer services team moving from CBH into the Council's Universal Customer Environment. Finally, to be consistent with the 2014/15 General Fund budget considered elsewhere on the agenda, provision has also been made within the fee for the review of the cost of services CBH buys-in from the Council.

- 4.16 Members will be aware that at its meeting on the 27th November 2013, Cabinet approved the Council's 30 year HRA Business Plan. The 2014/15 budget and management fee include a number of service enhancements, which reflect the strategic priorities identified by Cabinet and which are included within the business plan. The majority of these have been incorporated within the existing CBH Management Fee and Council budgets, however additional resources have been directed in particular to supporting tenants.
- 4.17 As part of the new housing arrangements and new management agreement, provision was made for the incorporation of some CBH delegated budgets into the base CBH Management Fee. However, the potential areas of budget and level of funding to be included requires further work, and following recent recruitment to the Council's commercial team this piece of work will commence shortly. The 2014/15 budget therefore has made no assumption on what the outcome of this may be, but potentially there is scope for the split of CBH Management Fee and Management costs shown at Appendix A to alter during the course of the next financial year, which members are asked to note.

Management Costs

- 4.18 The 2014/15 HRA budget includes £6,436,000 for management costs, an increase from 2013/14 (£5,717,900). Management costs form a substantial part of the HRA annual expenditure, and they consist of budgets managed directly by the Council, as well as those which are managed on behalf of the Council by CBH. Further information along with an explanation for any material changes from the 2013/14 budget is given in the following paragraphs.
- 4.19 The budget for Employee costs has decreased by £36,700 for 2014/15, which reflects the transfer of the EPC & Contract Standards officer post to Colchester Borough Homes under the new housing arrangements. The funding for this post now forms part of the Housing Investment Programme.
- 4.20 The budget for Premises costs has increased by £11,600 for 2014/15. This primarily relates to the Grounds Maintenance budget, where a provision has been made for an inflationary increase in accordance with the contract.
- 4.21 The budget for Supplies and Service costs has increased by £255,200. The main reasons for this increase are as follows: One-off funding of £30,000 has been included to upgrade existing telecare & telehealth systems, as well as £150,000 to meet the set-up costs of the second phase of the Photovoltaic Panels scheme which occur in the next financial year. Provision of £60,000 has been made within the budget for the 2nd year of the Money & Welfare Advice for Tenants/Moving Assistance agreed by the Portfolio Holder. Finally, £30,000 has been included to provide a caretaking service to remedy minor repairs which may compromise the health and safety of vulnerable tenants, although there is an opportunity to recover the cost of this through a service charge, the income for which is also included within the budget. For information, the first and last items fall under the category of supporting tenants referred to in paragraph 4.16.
- 4.22 The HRA receives a significant level of recharges from other Council services, along with a proportion of central support costs, such as Corporate and Democratic Core and Pension costs associated with the back-funding of the scheme. The total budget for 2014/15 has increased from 2013/14. This predominantly relates to the accounting treatment of the transfer of the Customer services team from CBH back to the Council as part of the new housing arrangements. As a result of the transfer, the management fee to CBH has been reduced as they no longer incur this cost as an organisation, but the Customer Service centre now recharge the cost of these staff to the HRA instead, given we are still providing a service to Council tenants. Furthermore, the re-organisation of the Council under the UCC FSR has resulted in changes to the proportion of central costs

incurred by new service areas, which has had a minor impact on the allocation of costs to the HRA.

Repairs and Maintenance

- 4.23 The 2014/15 Housing Investment Programme has been drafted and is included elsewhere on the agenda for approval. In respect of revenue works £5,037,300 has been included in the budget for repairs and maintenance (compared to £4,978,700 in 2013/14), of which £3,620,500 is specifically for works and associated overheads included within the CBH Management Fee. A provision of £1,103,500 is included in the budget for those works which are managed by CBH on behalf of CBC, such as external decorating and gas servicing, but where CBC still hold the contract. The balance of the budget is for works to sewage pumping stations, temporary accommodation and other CBH delegated areas. The revenue budget provides for repairs that are undertaken on a responsive basis, as well as works to void properties, and maintenance which is carried out under a planned programme such as external decorating and gas servicing.

Capital Financing Costs

- 4.24 The budget includes the statutory charges to the HRA for the interest costs of the Council's borrowing in respect of the housing stock. This represents a significant proportion of the Council's HRA expenditure each year. The 2014/15 budget for interest costs has increased compared to 2013/14, which reflects that we will be undertaking new borrowing to fund the overall Housing Investment Programme next year.
- 4.25 No provision has been made at this point in time for the repayment of any HRA debt, as there is no statutory duty to provide for it. However, the Council now has circa £125million of housing debt, and it would be prudent to start to consider providing for some repayment in the future. The Treasury Management Strategy Statement approved by Cabinet on 25th January 2012 stated "That the Council plans to make Voluntary Revenue Provisions (VRP) for the repayment of HRA debt to enable maturing debt to be repaid, whilst ensuring that this does not create an adverse impact on the business case".
- 4.26 The 30 year financial modelling undertaken as part of this years budget setting cycle currently indicates that surplus resources (over and above what is required to meet existing spending plans) would be generated from 2019/20 onwards (Year 6). Under the principle of HRA Reform these resources will increase year on year. However, it should be noted that the extent of this is based upon assumptions around inflation etc, which could increase/decrease the amount of resources available by the time this point is reached.
- 4.27 Given the need to undertake additional HRA borrowing to support the Housing Investment Programme over the next 5 years, it would currently seem impractical to set-aside revenue resources for debt redemption over this period of time, which as a result would leave a funding gap which would need to be met by further borrowing (and hence incur additional revenue interest costs). However, this should be considered each year as part of the Council's annual budget setting process and review of the 30 year HRA financial model. Given the medium term investment needs currently identified and priorities agreed by Cabinet, it is proposed that no voluntary provision for debt repayment is included in the 2014/15 budget or MTFP at this point in time.

Revenue Contributions to Capital Outlay (RCCO)

- 4.28 The Council has continuously made revenue contributions to capital spending recognising the significance of targeting resources to invest in our Housing Investment Programme. Given the new regime of HRA self-financing and the additional revenue resources subsequently generated, the Council is able to make significant revenue contributions to support the capital investment included within the Housing Investment Programme.

- 4.29 The revenue contribution included in the estimates is £6,900,000. This is substantially higher than previous years, as it includes the planned use of HRA balances down to the minimum prudent level as detailed in this report. The majority of this budget is to support the capital work programmes to the housing stock in 2014/15, which are included within the Housing Investment Programme report elsewhere on the agenda.
- 4.30 Within the total revenue contribution, a provision of £100,000 has been included to meet the Council's technical strategic asset management role within the repairs and maintenance arrangements with CBH, and £140,000 has also been provided for ICT, which is intended to support various projects. Finally, £140,000 has been included to fund the ongoing programme of works to Sewage Treatment Plants, which will result in their eventual adoption by Anglian Water leading to recurring revenue savings to the HRA.

Risk areas and budget review process

- 4.31 Some of the key variables that may impact during the year are shown in the table below:-

Area	Comment
Rental Income	The budget makes assumptions on the future level of Right To Buy sales and void levels. These are to a certain extent demand led and due to the significance of Rental Income within the HRA, can have a significant effect on the level of the HRA balance.
Government Welfare Reform	The budget includes an estimate of the impact of Welfare Reform. Aswell as providing for transaction costs etc, the budget also includes an estimate of the potential impact upon rent arrears and consequently the level of bad debts provision we would need to maintain.
Revenue Contributions to Capital (RCCO) / Prudential Borrowing	Capital Resources have been provisionally allocated for 2014/15 within the Housing Investment Programme report contained elsewhere on the agenda. If these resources prove insufficient, then options exist to either finance capital expenditure from revenue, or undertake HRA borrowing subject to the HRA debt cap. Clearly, if one of these options was pursued, then there will be a requirement to find additional resources from the HRA.
Repairs and Maintenance	Historically, this is an area where pressure has existed on budgets such as Responsive and Void repairs, given that they are demand-led. However, in recent years this has become less of a risk. These budgets now form part of the CBH Management Fee, and the terms of the new management agreement specify that CBH will be liable for any overspend up to a maximum of £200k per year, but also that they may retain any underspend up to £100k per year. Therefore, there could be a reduced impact on the HRA of variations in expenditure.
Utility costs	The budget makes assumptions on future prices for Gas and Electricity that are consumed within the Council's housing stock, such as Sheltered Schemes, Temporary Accommodation and Communal entrances in blocks of flats. Given the volatility of utility prices in recent years, there is a risk that prices could rise, the cost of which would have to be funded from existing resources or HRA balances.
2013/14 Outturn	An underspend of £806k is currently predicted for this year. Any variance on the forecast will either be a contribution to or from balances.

4.32 As shown in paragraph 4.31 above several key variables have been identified. It is therefore essential that a programme of formal reviews of the HRA be set out to provide an opportunity to make changes to resource allocations during the year. The following schedule therefore sets out a suggested framework for these reviews.

Review	Comment
March 2014	Updated outturn forecast.
July 2014	Provisional pre-audit outturn / current year issues etc.
September 2014/ October 2014	Mid year review.
December 2014 / January 2015	Outturn review / Budget 2015/16.

5. **Supporting Information - Medium Term Financial Forecast (MTFF)**

5.1 As part of the budget process for 2014/15 a MTFF has been produced for the HRA. This sets out the indicative budget position for the period 2014/15 to 2018/19. Although we are operating under the new HRA Finance regime, and more certainty is now in place, assumptions still have to be made around inflation rates, void levels, bad debts and increases in costs etc, which can of course change. To that extent, the MTFF should still be viewed as indicative.

5.2 Appendix C sets out the MTFF for the period analysed by the main areas of expenditure and income. This shows that the level of uncommitted HRA balance is able to be maintained at prudent levels throughout the MTFF. This is after meeting all the running costs of managing & maintaining the housing stock, along with servicing the borrowing costs on all HRA debt. It is also after substantial revenue contributions have been made to support the Housing Investment Programme. Planning to run the HRA balance at the minimum prudent level fits with the principle that it is more cost effective to minimise/reduce borrowing costs where possible, rather than hold a higher revenue balance than is prudently required, whilst also providing reassurance to tenants and residents that the Council is wisely managing its finances and its housing stock in difficult economic times. This approach fits with the principle referred to in paragraph 4.6 above. The recommended level of uncommitted balance on a risk based approach is £1,600k. There are several factors which can affect the forecast position, namely:-

➤ **Capital financing**

Given the treasury management strategy relating to our HRA Reform debt settlement was to borrow at fixed interest rates, this means we are able to plan with certainty into the long-term surrounding the financing costs of this debt. The MTFF includes assumptions on the interest rate we will have to pay on the further HRA borrowing that would need to be undertaken to support the Housing Investment Programme, included elsewhere on the agenda. Given that any future additional borrowing would be undertaken at the prevailing interest rates at the time, for the purposes of the MTFF a reasonable assumption has been made on what those rates might be. This will be reviewed as part of the annual budget setting process.

➤ **Rental income**

Rent forecasts have been updated for anticipated changes as the Council moves towards rent restructuring. A key component of this forecast is assumptions on future inflation levels but the CLG have not given any guidance on rates to assume when undertaking modelling of future rent increases. Rental income remains one of the areas of the MTFF in particular which is subject to change. The assumptions on the number of Right To Buy sales and the level of anticipated rent lost through void properties have

been updated to reflect recent activity (including the impact of the recent changes to the RTB scheme), but once again these are areas which can significantly alter the forecast of Rental Income and are to a certain extent demand led. As previously mentioned, the Government has recently published a consultation paper on social housing rents from 2015/16 onwards. Whilst the results of the consultation have not been published at the time of preparing this report, to be prudent the MTFF has been prepared on what we expect the likely outcomes to be.

➤ ***Welfare Reform***

Continued provision has been made within the MTFF for the estimated potential effect on levels of rent arrears and bad debts, resulting from the introduction of Welfare Reform by the Government. The contribution to the provision for bad debts has been broadly maintained at the level for 2013/14 going forwards, with the level of provision being reviewed annually as part of the budget setting process.

➤ ***Temporary Accommodation Unit Review***

Work is still ongoing with this project, with a joint CBC/CBH group looking at the options for the remainder of the units. No financial implications arising from this review have been included in the MTFF at this point in time.

➤ ***Sheltered Housing Accommodation Review***

At its meeting on the 12th October 2011, Cabinet considered a number of recommendations relating to making improvements to the Council's sheltered housing stock. The MTFF makes provision for the revenue impact of these decisions, whilst the Housing Investment Programme report elsewhere on the agenda reflects an estimated planned capital reinvestment of £10.541million in sheltered accommodation over the next 5 years. The revenue budget makes provision for home loss and disturbance payments plus the potential interest costs that would be incurred if additional borrowing is undertaken to fund capital works at future schemes due for improvement.

5.3 The MTFF therefore provides a baseline position against which to make decisions as to the allocation of HRA resources and to determine the budget strategy over the next 5 years. The MTFF will be updated on a regular basis.

6. Supporting Information – 30 Year Financial Modelling

6.1 The implementation of HRA Reform in 2012 brought the expectation that Councils will take a greater business planning role when managing their Housing Revenue Account. Cabinet approved the Council's 30 year HRA Business Plan at its meeting on 27th November 2013. This included a 30 year financial model which set out the long-term position of the Council's HRA, using 2013/14 as the base year. As part of the 2014/15 budget setting process, this model has been refreshed and updated. This is summarised at Appendix E. This is set out using a standard approach, which is to show each of the first 5 years individually, then group the remainder of the model in 5-year bands. It incorporates expenditure and income for both revenue and capital, along with the HRA balances and debt position.

6.2 The information provided by the model for future years should be viewed as indicative. This is because a number of assumptions have to be made when projecting into the future, and the following paragraphs give some further details on these. Given the potential for these to vary, the impact upon the modelling could result in an improvement or decline in the position shown, dependant on the size of change and the degree of impact upon the plan. However, prudent assumptions are made wherever possible to protect the Council's financial position and to ensure the ongoing viability of the HRA.

6.3 Officers have undertaken sensitivity analysis on the 30 year model to evaluate the impact any change or combination of changes in the assumptions could have. Further information on the work undertaken is provided at paragraph 6.24.

Income Assumptions

6.4 One of the key drivers within the financial model is inflation. This is the factor which determines future annual rent increases for tenants, and it is this income which we are able to retain in the future to meet the increased stock investment and additional borrowing costs resulting from our increased debt arising from HRA Reform.

6.5 It has been assumed that the Government will implement the proposals included in their recent consultation paper on future rent setting, which would see the abolition of the current rent restructuring policy from 2015/16 and lead to future rents being increased as described in paragraph 4.8. It is estimated that only around 83% of properties will be at target rent by April 2015. Whilst there is the potential for this number to increase as re-lets occur, it will still result in a shortfall in the income assumed within previous financial models and our HRA Business Plan. This has the effect of making less revenue resources available to fund the Housing Investment Programme through Revenue Contributions to Capital, and therefore we will need to use more of our borrowing headroom to fund our currently planned future capital programme.

6.6 Assumptions have been made within the model for loss of stock, not only through the various projects being undertaken, but more significantly from Right to Buy sales. These are consistent with those made in the budget and MTF. The Council has entered into agreement with DCLG to retain additional RTB receipts to deliver new affordable housing, with the intention being to use the balance of receipts retained to contribute to the cost of delivering our 34 units of new build accommodation on our garage sites. However, no allowance has currently been made within the budget or modelling for any further replacement units, additional capital resources generated or expenditure which might be incurred. This will be reviewed annually as part of the HRA budget setting process.

6.7 Assumptions have been made regarding rent lost from void properties and bad debts. An allowance has been made for ongoing operational voids, as well as an ongoing increase to the level of bad debts provision we may need to hold following the introduction of the Government's welfare reforms.

6.8 It has been assumed that income from garages will continue to increase in line with future dwelling rent increases. There is the potential for this to increase as a result of the joint CBC/CBH project group, which has reviewed the options relating to these assets and has led to a pilot scheme being commenced. The improvement to the financial model could be through reduced void levels as well as an increase in annual charges.

6.9 All other income budgets are assumed to increase in line with inflation.

Expenditure Assumptions

6.10 Similarly to income, inflation can have a significant impact upon expenditure levels within the 30 year financial model. It has been assumed that inflation on expenditure will be at the same rate as assumed for income.

6.11 Management costs have been assumed to remain at the current base level throughout the life of the 30 year model, subject to inflationary increases. The exception to this is where it is known they will alter, for example tri-annual reviews of the pension scheme by Essex County Council, or where one-off sums have been included within the base budget.

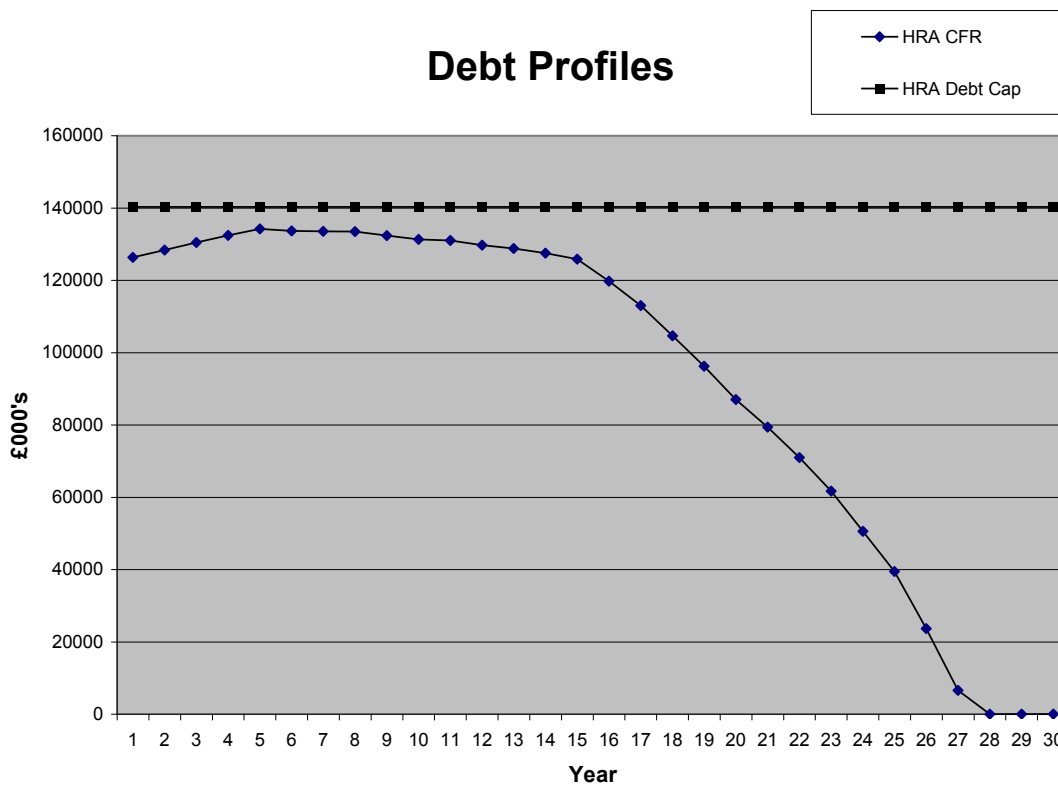
- 6.12 Maintenance costs have been extracted from the Council's 30 year Asset Management Strategy. Assumptions have been made around future increases in line with inflation, but these costs are also subject to changes to the BCIS (Building Cost Increases) and market conditions that impact as contracts are re-tendered.

Funding & Financing Assumptions

- 6.13 The Council's Asset Management Strategy includes the expenditure requirements of our housing stock over the next 30 years. This has been reflected in the 30 year financial model. The day to day repairs and maintenance costs are funded from the revenue account, whilst the capital expenditure requirements are funded from a variety of sources which is considered within the Housing Investment Programme (HIP) report elsewhere on the agenda
- 6.14 The priority of how resources are used to fund the HIP is contained within that report for 2014/15, which in summary is aimed at using specific grants and capital receipts first, then reserves, with the intention of preserving revenue resources as far as possible as they offer the greatest funding flexibility. Should there be no or insufficient revenue resources available, then additional borrowing utilising any available headroom would be the final approach. This is because borrowing carries a cost of doing so; therefore it is treated as the last option to gain the maximum use of revenue resources available.
- 6.15 Under HRA Reform, the primary source of funding the Housing Capital Programme, especially in the early years, is a charge to the HRA which reflects the cost of depreciation to the housing stock. This is calculated locally, with reference to our actual stock condition and asset management strategy.
- 6.16 We are able to plan with certainty for the borrowing costs relating to the HRA Reform debt settlement, given that we entered into a number of long-term fixed rate loans. We are currently assuming a rate of 4.5% on any future borrowing undertaken to support the Housing Capital Programme, which will be reviewed annually as part of the budget cycle. However, it should be noted that the impact of interest rates can be significant, given any 1% change in interest rates would result in an annual cost of £157k (based on the maximum amount of borrowing headroom currently unused).

Debt

- 6.17 The measure of an authority's debt under self-financing is the HRA Capital Financing Requirement (HRA CFR). Our opening HRA debt on 1st April 2014 is expected to be £124.577million. We have a debt cap of £140.275million, which is the limit the Government have imposed to control public sector borrowing under HRA Reform.
- 6.18 The following graph shows our current debt profile that is being generated by the 30 year financial model. This works on the principle that once all of the costs of managing and maintaining our housing stock have been met, and the interest costs of our HRA borrowing have been paid, any residual income can be used to repay debt. It is important to state that this is an indication of the ability to repay debt, as what actually dictates whether debt is reduced is where the Council actually repay loans as they mature.



6.19 The above debt curve is consistent with a business plan for which HRA self-financing works well. There is currently borrowing headroom in every year of the plan. The graph shows debt rising initially (due entirely to the additional investment in new build and the sheltered accommodation review in Years 1 to 5), but then peaking in Year 5 and starting to reduce in Year 6 as we are able to start repaying debt (or setting resources aside for repayment).

6.20 The difference between the HRA Debt Cap and the HRA CFR is known as the “borrowing headroom”, and represents the amount of additional resources the Council can generate through further borrowing. This is set to increase as time progresses, as the surplus resources generated within the model are used to repay debt (or set aside to repay debt if it is not able to be repaid at that point in time). The following table shows the predicted level of available headroom over the first 10 years of the current financial model, after taking into account the potential borrowing that may be undertaken to fund the Housing Investment Programme and any provision for the repayment of debt;

Year	Available Borrowing “Headroom” £000’s
2014/15	13,952
2015/16	11,903
2016/17	9,824
2017/18	7,890
2018/19	6,081
2019/20	6,615
2020/21	6,780
2021/22	6,807
2022/23	7,922
2023/24	8,946

Outlook Summary

- 6.21 To remind Members, the main test adopted when determining the viability of an HRA business plan is whether the debt is able to be repaid by year 30. This mirrors the process that private funders adopt when considering a stock transfer proposal, as they want to be comfortable that their borrowing is capable of eventually being repaid. However, given HRA Reform has put Councils firmly in control of their business plans, it is acknowledged that Councils may wish to retain debt, and in return use those resources which would otherwise have been used to repay debt to provide even greater investment locally, whether it be in relation to the existing housing stock, the provision of new affordable housing and/or improved services to tenants. Therefore, whilst the year by which all debt would be repaid is useful as a measure, it should be considered alongside the Council's overall position on repayment of HRA debt versus the desire to provide maximum investment locally.
- 6.22 The Council's current 30 year model shows that all HRA debt would be able to be repaid by year 28. This is taking into account the additional borrowing that is being undertaken to provide the 34 new units of affordable housing on garage sites, and the improvements to the sheltered housing accommodation. Were these projects not to go ahead, then all the debt would be able to be repaid approximately 2 years earlier.
- 6.23 Therefore, using the current set of assumptions and information available, alongside fully meeting the investment requirements of the Councils Asset Management Strategy, the 30 year financial model set out at Appendix E continues to show a viable long-term HRA for Colchester.

Sensitivity Analysis

- 6.24 A key part of business planning is understanding the factors that can influence the outputs, and their potential impact. Therefore, a number of sensitivities can be modelled, to see how they effect the base position. The following table sets out some examples of the sensitivity analysis undertaken and their resultant impact upon the 30 year HRA model, compared to the base position shown at Appendix E;

		Variation to Base Position			
		Scenario 1	Scenario 2	Scenario 3	Scenario 4
	Base Position	Reduction in Inflation of 1% over 30 Years	Increase in Inflation of 1% over 30 Years	Decrease in Inflation of 1%, Increase in RTB's by 10, Decrease in Mgt Costs by £200k in every Year	Increase in Inflation of 1%, Increase in RTB's by 10, Increase in Mgt Costs by £200k in every Year
Peak Debt Year	Year 5	Year 8	Year 5	Year 7	Year 8
Year Debt Repaid	Year 28	Year 31	Year 25	Year 34	Year 28
Capital Investment over 30 Years	£428.3million	£370.2million	£498.4million	£369.5million	£497.4million
Surplus HRA Balance at Year 30	£55.3million	£2.3million	£131.1million	£2.3million	£57.5million

- 6.25 The sensitivity analysis in Scenarios 1 & 2 above demonstrates the impact that inflation can have on the long-term HRA model. If inflation increases, rental income (following the Government's rent restructuring policy) increases at a higher rate than expenditure. Also, a large proportion of our costs are not affected by inflation, such as the fixed rate interest costs on our borrowing. Consequently, rising inflation results in a net gain to the HRA. Conversely though, lower inflation results in a net loss to the HRA, as we receive less rental income than we save in lower costs.
- 6.26 The sensitivity analysis also demonstrates how a combination of variables can influence the modelling, such as changes in inflation rates, numbers of Right To Buy sales and variations in costs for example. Depending on the scale of these changes, they could either bring a significant benefit to/put pressure on the viability of the current plan, or could actually be broadly neutral. Finally, the analysis above assumes any change would exist for each of the 30 years in the HRA, which is highly unlikely given the long time-scale involved, and also assumes no corrective action would be taken if there were a negative impact, which clearly would not be the case. However, it aims to give an understanding of how changes could impact upon the current base 30 year HRA model.

7. Strategic Plan References

- 7.1 The revenue estimates presented here link to the following areas of the Council's strategic plan:
- Regenerating our borough through buildings, employment, leisure and infrastructure
 - Promoting sustainability and reducing congestion
 - Providing more affordable homes across the borough
 - Supporting more vulnerable groups

8. Consultation and Publicity

- 8.1 With the potential consideration of service improvements that would lead to new service charges for tenants, it is anticipated that an appropriate amount of consultation will be undertaken during the course of the financial year. Furthermore, extensive consultation has been undertaken with tenants regarding future works programmes, including those within the Housing Investment Programme, which have a resultant impact upon this budget report.

9. Financial Implications

- 9.1 Are set out in this report.

10. Equality, Diversity and Human Rights Implications

- 10.1 This report has no specific human rights implications. Consideration has been given to equality and diversity issues in respect of any budget changes proposed as part of the budget process. This has been done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

11. Community Safety Implications

- 11.1 This report has no significant community safety implications

12. Health and Safety Implications

- 12.1 This report has no significant Health and Safety implications

13. Risk Management Implications

13.1 These have been taken into account in the body of the report.

Appendices

- Appendix A - Housing Revenue Account Estimates 2014/15
- Appendix B - HRA Balances Statement
- Appendix C - Medium Term Financial Forecast
- Appendix D - HRA Balances Risk Management Assessment
- Appendix E – 30 Year Financial Model

Background Papers

- None

COLCHESTER BOROUGH COUNCIL			
Revenue Estimates 2014/15			
Housing Revenue Account			
Summary			
2012/13		2013/14	2014/15
Actuals	Expenditure & Income Analysis	Revised	Original
£000's		Budget	Budget
		£000's	£000's
	INCOME		
(24,732)	Dwelling Rents (Gross)	(26,093)	(26,783)
(810)	Non-Dwelling Rents (Gross)	(732)	(722)
(2,294)	Charges for Services and Facilities	(2,259)	(2,272)
(256)	Contributions towards Expenditure	(215)	(208)
(28,092)	Total Income	(29,299)	(29,985)
	EXPENDITURE		
4,634	Repairs and Maintenance	4,998	5,037
3,330	CB Homes Ltd Management Fee	3,287	3,340
5,716	Management Costs	5,946	6,436
116	Rents, Rates and Other Charges	188	210
(40)	Payment of Subsidy to CLG	-	-
166	Increased provision for Bad or Doubtful Debts	250	250
5,567	Interest Payable	5,567	5,572
11,826	Depreciation and Impairments of Fixed Assets	6,500	5,108
124	Amortisation of Deferred Charges	150	150
98	Debt Management Costs	105	85
31,537	Gross Expenditure	26,991	26,188
3,445	Net Cost of Services	(2,308)	(3,797)
(6,419)	Net HRA Income from the Asset Management Account	(150)	(150)
212	Amortised Premiums and Discounts	38	-
(28)	HRA Investment Income (including mortgage interest and interest on Notional Cash Balances)	(23)	(33)
(2,790)	Net Operating Expenditure	(2,443)	(3,980)
1,540	Revenue Contribution to Capital Expenditure	2,812	6,900
(1,250)	Deficit/(Surplus) for the Year	369	2,920
(3,537)	Deficit/(Surplus) at the Beginning of the Year	(4,787)	(4,418)
(1,250)	Deficit/(Surplus) for the Year	369	2,920
(4,787)	Deficit/(Surplus) at the End of the Year	(4,418)	(1,498)

Housing Revenue Account - Estimated Balances

	£'000
Balance as at 1 April 2013	(4,787)
Committed - Capital Spending in 2013/14 and onwards	424
Less technical adjustment between HRA/GF in 2013/14	280
Less budgeted deficit/use of balances in 2013/14	369
Plus Forecast underspend in 2013/14	(806)
<i>Unallocated balance at 31st March 2014</i>	(4,520)
Less Proposed Use of balances in 14/15 Budget	2,920
Estimated uncommitted balance at 31st March 2015	(1,600)
Recommended level of Balances	(1,600)
Forecast balances above prudent level at 31st March 2015	-

Note:

This forecast is on the basis that there are no further calls on balances during the remainder of the year and that the 2013/14 budget underspends by £806k, as currently predicted at this stage. Any deviation from this forecast underspend would either increase or decrease our uncommitted balances.

Housing Revenue Account – Medium Term Financial Forecast

Area	Revised Budget 13/14	Budget 14/15	Budget 15/16	Budget 16/17	Budget 17/18	Budget 18/19
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Housing Rents	(26,093)	(26,783)	(27,529)	(28,317)	(29,045)	(29,829)
Other Income	(3,206)	(3,202)	(3,317)	(3,394)	(3,434)	(3,504)
	(29,299)	(29,985)	(30,846)	(31,711)	(32,479)	(33,333)
Expenditure						
Repairs & Maintenance	4,998	5,037	5,006	5,130	5,257	5,387
Running Costs	9,670	10,237	10,234	10,475	10,574	10,820
Interest Payable	5,567	5,572	5,657	5,749	5,838	5,921
Depreciation	6,500	5,108	5,672	5,814	5,960	6,440
Other Capital Financing	121	51	53	55	57	59
RCCO	2,812	6,900	4,224	4,488	4,792	4,706
Contribution to Balances	0	0	0	0	0	0
Other	0	0	0	0	0	0
	29,668	32,905	30,846	31,711	32,478	33,333
Budgeted (Surplus)/Deficit	369	2,920	0	0	(1)	0
Forecast 2013/14 underspend	(806)	0	0	0	0	0
Revised (Surplus)/Deficit	* (437)	2,920	0	0	(1)	0
Opening Balance	(4,787)	(4,520)	(1,600)	(1,600)	(1,600)	(1,601)
Committed Balance	704	-	-	-	-	-
(Surplus)/Deficit	(437)	2,920	0	0	(1)	0
Uncommitted Closing Balance	(4,520)	(1,600)	(1,600)	(1,600)	(1,601)	(1,601)

* It should be noted that it is currently forecast the HRA will be underspent by £806k in 2013/14, which will result in a contribution to balances. Clearly, if this level of underspend is not achieved, then there will be a resultant impact upon the level of HRA balances.

Review of Housing Revenue Account Balances 2014/15

Risk Management Assessment

Factor	Assessed Risk		
	High £'000	Medium £'000	Low £'000
Cash flow (1% of £58m)	580		
Interest Rate (2% on £16m)		320	
Inflation (Decrease of 1%)		150	
Emergencies		50	
Right To Buy Sales		250	
New Spending		100	
Litigation			50
Welfare Reform	250		
Sheltered Accommodation Project	200		
Garage Sites Project		200	
	1,030	1,070	50

	Minimum Provision £'000
High Risk – 100%	1,030
Medium – 50%	535
Low – 10%	5
Sub Total	1,570
Other - say	30
Recommended Prudent Level	1,600

Housing Revenue Account – 30 Year Financial Model

	<u>Year 1</u> <u>2014/15</u> <u>£000's</u>	<u>Year 2</u> <u>2015/16</u> <u>£000's</u>	<u>Year 3</u> <u>2016/17</u> <u>£000's</u>	<u>Year 4</u> <u>2017/18</u> <u>£000's</u>	<u>Year 5</u> <u>2018/19</u> <u>£000's</u>	<u>Year 1-5</u> <u>Total</u> <u>£000's</u>	<u>Year 6-10</u> <u>Total</u> <u>£000's</u>	<u>Year 11-15</u> <u>Total</u> <u>£000's</u>	<u>Year 16-20</u> <u>Total</u> <u>£000's</u>	<u>Year 21-25</u> <u>Total</u> <u>£000's</u>	<u>Year 26-30</u> <u>Total</u> <u>£000's</u>
Revenue Account											
Income	(29,985)	(30,846)	(31,711)	(32,479)	(33,333)		(181,757)	(208,647)	(239,533)	(274,996)	(315,709)
Expenditure	32,905	30,846	31,711	32,478	33,333		181,535	208,407	239,259	274,688	263,049
(Surplus)/Deficit	2,920	0	0	(1)	0		(222)	(240)	(274)	(308)	(52,660)
Opening HRA Balance (Surplus)	(4,520)	(1,600)	(1,600)	(1,600)	(1,601)		(1,601)	(1,823)	(2,063)	(2,337)	(2,645)
Closing HRA Balance (Surplus)	(1,600)	(1,600)	(1,600)	(1,601)	(1,601)		(1,823)	(2,063)	(2,337)	(2,645)	(55,305)
Capital Account											
Investment:											
Stock Investment Programme	9,980	9,484	10,315	10,568	11,033	51,380	61,196	74,672	63,768	85,161	77,852
Sheltered Accommodation Review	2,350	2,084	2,066	2,118	1,923	10,541	0	0	0	0	0
New Build	3,338	444	0	0	0	3,782	0	0	0	0	0
Total	15,668	12,012	12,381	12,686	12,956	65,703	61,196	74,672	63,768	85,161	77,852
Funded By (Resources):											
Depreciation	(5,108)	(5,672)	(5,814)	(5,960)	(6,440)	(28,994)	(34,695)	(41,273)	(48,980)	(58,001)	(68,546)
Revenue Contribution	(6,900)	(4,224)	(4,488)	(4,792)	(4,706)	(25,110)	(26,501)	(33,399)	(14,788)	(27,161)	(9,306)
Capital Receipts	(825)	0	0	0	0	(825)	0	0	0	0	0
Grant	(154)	(68)	0	0	0	(222)	0	0	0	0	0
HRA Reserves	(935)	0	0	0	0	(935)	0	0	0	0	0
New Borrowing	(1,746)	(2,048)	(2,079)	(1,934)	(1,810)	(9,617)	0	0	0	0	0
Total	(15,668)	(12,012)	(12,381)	(12,686)	(12,956)	(65,703)	(61,196)	(74,672)	(63,768)	(85,161)	(77,852)
Debt:											
HRA Debt at Year End	126,323	128,372	130,451	132,385	134,194		131,329	125,839	86,998	39,422	0
Debt Cap	140,275	140,275	140,275	140,275	140,275		140,275	140,275	140,275	140,275	140,275
Available Headroom	13,952	11,903	9,824	7,890	6,081		8,946	14,436	53,277	100,853	140,275



Cabinet

29th January 2014

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Report of	Head of Commercial Services	Authors	Darren Brown John Rock Tel: 282891
Title	Housing Investment Programme (HIP) 2014/15		
Wards affected	All		

This report concerns the Housing Investment Programme for 2014/15

1. Decision(s) Required

- 1.1 To approve the Housing Investment Programme for 2014/15.
- 1.2 To note the Capital Medium Term Financial Forecast (CMTFF) set out at Appendix A.

2. Reasons for Decision(s)

- 2.1 Each year as part of the process to agree the Council's revenue and capital estimates the Cabinet is required to agree the allocations to the Housing Stock Investment Programme. These allow for work to be undertaken to maintain, improve, and refurbish the housing stock and its environment.
- 2.2 Members will be aware that following the Cabinet meeting on the 30 November 2011 it was agreed in principle to accept a proposed 5 year Housing Investment Programme (HIP) as the framework for procuring housing related planned works, improvements, responsive and void works and cyclical maintenance, subject to overall budget decisions in January 2012 and annually thereafter.
- 2.3 It was also agreed that the proposed 5 year investment programme would be linked to the Asset Management Strategy and reviewed annually in the light of available resources and for each annual allocation to continue to be brought to Cabinet for approval as part of the overall HIP report.
- 2.4 The Colchester Borough Homes (CBH) Board has been apprised of the content of the Cabinet report submitted on the 30 November 2011 and is now seeking approval for the 2014/15 Capital programme being the third year of the HIP.
- 2.5 This report seeks the release of funds under grouped headings as described in the Asset Management Strategy and supported by the Management Agreement dated 9th August 2013, which governs the contractual relationship between Colchester Borough Council (CBC) and CBH.

3. Supporting Information

Key Issues for 2014/15

- 3.1 There are a number of key issues relating to the HIP budget for 2014/15, with further details being included within the main body of the report. However, in summary they are as follows. First, this is the third year of HRA Self-Financing and the continued increase in investment in the housing stock and other projects is reflected in this report. Secondly, provision has been made for the anticipated continuation of our own programme of house building on garage sites. Finally, construction works will continue at Worsnop House and be continued into the next scheme to be identified, signalling our ongoing commitment to undertake improvements to a number of sheltered housing schemes over the coming years.
- 3.2 This report is considered as part of agreeing the Housing Revenue Account (HRA) estimates as the funding for the Housing Investment Programme (HIP), which covers capital investment in the housing stock, is very much linked to the overall level of resources for housing.
- 3.3 In recognition of the need to define future trends and changes influencing the needs of the housing assets, a 30 year investment model was established to support the HRA business planning process. This was undertaken as part of the Council's response to the proposal from the Government to disband the Housing Subsidy system and to introduce self financing from April 2012.
- 3.4 It is now the third year of the opening five years of this programme which is being recommended as the framework for procuring housing related planned works and improvements.

4. Funding the Housing Investment Programme

- 4.1 2014/15 is the third year of the HRA self-financing regime. This has fundamentally changed the way in which Council Housing is financed, and as a consequence a financial model for the HRA has been developed, which forecasts the HRA and HIP for each of the next 30 years, using a range of assumptions on areas such as inflation, stock numbers, future expenditure and income levels etc. This is considered further in the 2014/15 HRA Estimates report elsewhere on the agenda. The source of resources, and the priority order in which it is assumed they will be used to fund capital expenditure in the 2014/15 HIP budget and financial forecasts are as follows;
 - Specific Areas of Finance (e.g. Grants),
 - Capital Receipts,
 - Major Repairs Reserve (Depreciation),
 - Revenue contributions to capital (RCCO),
 - New Additional Borrowing
- 4.2 The assumption made when prioritising resources to fund the HIP is that resources specifically designated to the programme will be used first, followed by capital receipts. This is so the receipts can be re-invested in affordable housing, and be retained locally and not be clawed back by Central Government under the capital receipts pooling arrangements. The next form of resource to be used is the Major Repairs Reserve, which is the reserve that is built up from the depreciation charge to the HRA. This is the resource that is set aside to maintain the housing stock in its current form and condition. If there are insufficient resources within the Major Repairs Reserve to fund all of the capital works in the year, then the next call on funding is revenue. The amount of this resource will depend on the level of balances within the HRA and the extent to which they are directed to the HIP, as opposed to other budget priorities.

- 4.3 Finally, should there be insufficient revenue resources to fund the overall programme the assumption is that the Council will undertake HRA borrowing to fully fund the HIP. This is assumed to be the lowest priority source of funding, to minimise the resultant additional interest costs that would be incurred by the HRA. Further borrowing will be subject to the debt cap which applies under the self-financing regime. Should this be breached, or should the Council decide it does not want to undertake additional HRA borrowing or use revenue resources etc, then the Council would need to re-consider the programme of works proposed and the corresponding budget provision. This could include foregoing works, or re-profiling the year in which they are undertaken.

5. 2014/15 Programme of Works

- 5.1 The requested budget allocation for the 2014/15 programme is £15.668million. This continues to represent a substantial increase in investment compared to the years spent operating under the now-abolished HRA Subsidy system, which members will recall was replaced on 1st April 2012 by the HRA Self-Financing regime. A further breakdown of the areas of work that are planned to be undertaken is shown at paragraph 8.
- 5.2 As part of the new management agreement which commenced in August 2013 between the Council and CBH, the management fee has been expanded to reflect the wider range of services CBH now provides on behalf of the Council, so it now incorporates the fee for managing the capital programme. Members are therefore asked to note that the requested budget allocation in paragraph 5.1, and the budget sums included in paragraph 8 and Appendix A all include the fee for managing the capital programme, which for 2014/15 totals £1,298,100. A further breakdown of the management fee is included in the HRA Revenue Estimates report elsewhere on the agenda.
- 5.3 Cabinet are also asked to note that provision has been made within the 2014/15 programme to provide third year funding for the Sheltered Housing review agreed by Cabinet on 12th October 2011. The fourth year of the programme (2015/16) will see the completion of Worsnop House coupled with a start on the second scheme where investment is scheduled to take place.

6. HRA Capital Medium Term Financial Forecast - 2014/15 to 2018/19

- 6.1 As previously stated, on the 30th November 2011 Cabinet agreed in principle to accept a proposed 5 year Housing Investment Programme subject to overall budget considerations. As a result, the expenditure proposals from that report have been included in the capital medium term financial forecast at Appendix A and updated to take account of the first year being completed and a new fifth year being introduced. As previously stated there is a significant increase in capital investment in the housing stock compared to previous years, reflecting the need to maintain decency, and to start to invest in other work programmes identified in the asset management strategy for which the resources had not been available under the previous HRA subsidy system. It should be noted that the figures for 2015/16 onwards are indicative at this stage, and will be subject to confirmation and agreement by Cabinet in their appropriate year's budget setting cycle. This is primarily because the main source of increased resources under HRA Self-Financing is the retention of 100% of tenant's rental income locally. Future rent increases are not known until the Government announce the inflation figures in November of each preceding year, so at this stage future rent increases are based on an estimate of inflation. It should be noted that the assumed level of resources available to fund the HIP is not only influenced by future inflation levels, but also by other income and expenditure requirements within the HRA.

- 6.2 At its meeting on the 12th October 2011, Cabinet considered a number of recommendations relating to making improvements to the Council's sheltered housing stock. It was agreed that any capital receipts relating to disposals would be ring-fenced to the HRA, and that the financial implications of the in-principle decisions taken are modelled and reflected in the overall budget setting process. It was also indicated in the report that additional borrowing would be likely to be required to fund the programme of works, which would be via the use of the available borrowing headroom arising under HRA Reform. It is worth reminding Members that the 30 year Asset Management Strategy already made provision for investment in the sheltered housing stock, therefore the borrowing required is as a result of bringing these works elements forward, rather than any shortfall in funding in the overall business plan. Therefore the 2014/15 budget, and the capital medium term financial forecast at Appendix A, show the indicative expenditure requirements and capital receipts relating to the review of sheltered accommodation, and have been taken into account when determining the sources of funding available and required.
- 6.3 Officers are currently undertaking work to progress the building of 34 new Council owned homes, and an estimated split between 2014/15 and 2015/16 of the anticipated expenditure figures is included within the capital programme in 2014/15, as shown at Appendix A. Finally, the May 2011 Cabinet report stated the intention was to use a part of the borrowing headroom arising under HRA Self-Financing to finance the Council's expenditure relating to this scheme, which still applies.
- 6.4 The estimated RCCO in 2014/15 is £6.900million. This is substantially higher than previous years, as it includes the planned use of HRA balances down to the minimum prudent level as highlighted in the 2014/15 HRA Revenue Estimates report elsewhere on the agenda. In recent years, the RCCO has been used to fund non-works programmes, such as Housing ICT and the capitalisation of costs associated with the Commercial team. However, as indicated in the Housing Investment Programme report agreed by Cabinet on 25th January 2012, RCCO's are required to support the works element of the capital programme for 2013/14 onwards. These increased contributions are affordable as under HRA Self-Financing the Council now retains all rental income. Furthermore, as these resources increase in line with inflation, we are able to substantially increase investment in the housing stock and meet the needs contained within the Council's Asset Management Strategy. Finally, provision has been made within the RCCO to fund the continued programme of works to Sewage Treatment Plants, which will lead to their adoption by Anglian Water.
- 6.5 Members will be aware that the Council entered into agreement with DCLG in 2012 to retain additional RTB receipts to deliver new affordable housing. The 2014/15 budget therefore includes an estimate of the level of resources that will be available from this source, which will contribute to the funding of our 34 units of new build accommodation on our garage sites. Furthermore, the budget also includes capital grant as an additional resource, which is EU funding we have received as a result of the improvement works being undertaken at Worsnop House.
- 6.6 The Medium Term financial forecast shows a requirement to undertake additional borrowing in the next 5 years. This is entirely related to the funding of the development of the 34 new units of accommodation on garage sites discussed at paragraph 6.3, and the proposed sheltered accommodation improvements discussed at paragraph 6.2. Were these projects not included in the spending plans for the next 5 years, then no additional borrowing would be required to fund the CMTFF shown at Appendix A. This confirms the approach that has been adopted, which is to ensure there is maximum

flexibility in the early years of the programme to deliver the needs of the housing stock as well as the other projects the Council has committed to.

7. Priorities for the Council

- 7.1 To use the new Colchester Housing Asset Management Strategy (AMS) as the basis for long term planning, provision and sustainability of Colchester Borough Council's housing assets following Cabinet acceptance of the Strategy on 1 December 2010.
- 7.2 To allocate appropriate funding to CBH within the resources that are available to enable stock investment to proceed, improving housing conditions for our tenants.
- 7.3 To ensure that having achieved delivery of the decent homes' targets in December 2011 that the overall level of decency is maintained at the end of any one financial year but ensure compliance on a five yearly basis.
- 7.4 To build upon current monitoring arrangements and ensure programme delivery and the effective targeting of resources particularly in respect of maintaining the value of the asset and providing Adaptations for our customers with disabilities.

8. Proposals

- 8.1 The report sets out below a summary of the proposed allocation of new resources for 2014/15 as defined by the Asset Management Strategy (AMS) with the following comments setting out the basis of the allocation.
- 8.2 **Capital Investment Programme - £4.040million** – This allocation supports the AMS and acknowledges the work required to allow the decency standard to be maintained, therefore this substantial proportion of the overall allocation is recommended.
- 8.3 **Aids & Adaptations - £0.560million** - This continues to support the budget at historic levels. The proposed allocation achieves the requirement to adapt Council dwellings to meet the special needs of our customers and also meet the high priority that Members place on this service.
- 8.4 **Emergency Failures (statutory obligation) and Voids - £0.790million** – This allocation supports the AMS and the experience gained through the management controls being exercised. It reflects the necessity to recognise capital works in the voids process along with emergency failures.
- 8.5 **Emergency failures structural works - £0.390million** – As with the previous allocation this reflects the AMS and the experience gained through the management controls being exercised. The work is generally associated with premature failure of structural elements.
- 8.6 **Roofing Programme - £0.450million** – This allocation supports the Asset Management Strategy in the continuation of a new roof replacement programme.
- 8.7 **Environmental Works - £1.800million** - This allocation supports the Asset Management Strategy by once again starting to address the improvements to the overall estate living environment. It will include door entry systems, boundary works and PVC installations to continue to reduce the revenue reliance on painting programmes.
- 8.8 **Asbestos, Legionella, Fire Safety and Overall Contingency - £0.900million** – This allocation recognises the need to continue to proactively manage our statutory

obligations in the defined areas and provides a general contingency to cover the whole of the programme together with survey work.

- 8.9 **Non-Works Programmes - £0.240million** – This is for the further development of the Capita Housing system, various other one off projects and also meeting the Council's technical strategic asset management role for repairs and maintenance capital projects.
- 8.10 **Sewage Treatment Works - £0.140million** – This is to provide funding for the continued programme of works, leading to the adoption of the sewage treatment plants by Anglian Water which will significantly improve customer satisfaction and generate ongoing savings within the Housing Revenue Account.
- 8.11 **Sheltered Accommodation Improvements - £2.350million** – This allocation supports the continuation of the overall refurbishment programme. Individual delivery contracts will be reported to Cabinet as tenders are returned.
- 8.12 **Garages - £0.560million** – This allocation supports investment in our garage stock to bring them back into use and is a recommendation by a sub-group of the Asset Management Group.
- 8.13 **Temporary Accommodation - £0.110million** – This allocation supports investment which has been identified to bring the units up to a minimum standard.

9. Strategic Plan References

- 9.1 The Housing Investment Programme links to the following areas of the Council's strategic plan:
- Regenerating our borough through buildings, employment, leisure and infrastructure
 - Promoting sustainability and reducing congestion
 - Providing more affordable homes across the borough
 - Supporting more vulnerable groups

10. Consultation

- 10.1 As a result of the Cabinet report submitted on the 30th November 2011 members will be aware of the extensive consultation process which has been undertaken to arrive at a position where it has been possible to recommend this report and budget allocation.
- 10.2 The consultation process has been inclusive of tenants and leaseholders and the Asset Management Group.
- 10.3 It should also be noted that thorough consultation will be carried out with tenants and leaseholders affected by any works to properties or areas as a result of the works programmes proposed within this report.

11. Publicity Considerations

- 11.1 Any housing investment has a significant impact on the quality of life for local people. As a consequence the targeting and effectiveness of the programme has huge interest for members and the public as a whole. It is recognised that ongoing publicity will need to be conducted particularly as existing programmes continue and new capital programmes are introduced. Updates will be publicised to the customers in the areas to receive work during the year.

12. Financial implications

12.1 As set out in the report.

13. Equality, Diversity and Human Rights implications

13.1 An impact assessment has been prepared and can be viewed through the following link

<http://www.colchester.gov.uk/article/4962/Strategic-Policy-and-Regeneration>

14. Community Safety Implications

14.1 These are taken into consideration in delivery of the HIP programme.

15. Health and Safety Implications

15.1 CBH will be responsible for implementing the delivery of this programme in a manner that reflects Health and Safety legislation, although the Council does retain the responsibility to ensure that all procedures are in place and being implemented.

16. Risk Management Implications

16.1 Risk management will be considered as the programme is developed, particularly the issues around the introduction of new programmes of work.

HRA Capital Medium Term Financial Forecast – 2014/15 to 2018/19

Appendix A

Expenditure	Notes	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Stock Investment Programme		9,040	8,659	9,473	9,705	10,148
Adaptations		560	579	590	605	620
Sheltered Accommodation Review		2,350	2,084	2,066	2,118	1,923
New Build		3,338	444	-	-	-
Stock Investment Sub - Total		15,288	11,766	12,129	12,428	12,691
ICT/SAMS		240	246	252	258	265
Sewage Treatment Works		140	-	-	-	-
Other Works Sub - Total		380	246	252	258	265
Total Programme		15,668	12,012	12,381	12,686	12,956

Resources	Notes	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Major Repairs Reserve		5,108	5,672	5,814	5,960	6,440
Revenue Contribution to Capital	14/15 includes use of HRA balance down to minimum prudent level	6,900	4,224	4,488	4,792	4,706
Capital Grant		154	68	-	-	-
Capital Receipts		825	-	-	-	-
Retained RTB Receipts Reserve		935	-	-	-	-
New Borrowing		1,746	2,048	2,079	1,934	1,810
Total Funding		15,668	12,012	12,381	12,686	12,956

29th January 2014

Report of	Head of Commercial Services	Author	Holly Brett
Title	Request for delegated authority for the Portfolio Holder for Housing to approve the award of a construction contract for the development of new Council homes.		
Wards affected	Not applicable		

This report concerns the procurement of contractors to carry out the design and build contract for the delivery of 34 new Council homes

1. Decision(s) Required

- 1.1 That Cabinet agree to delegate to the Portfolio Holder for Housing the authority to approve the award of the contract for the procurement of construction contractors to deliver 34 new Council homes across the borough.

2. Reasons for Decision(s)

- 2.1 To enable the Council to extend the tender period to ensure that the tenders received are best value. The contractors have requested more time as some have a greater volume of work than expected and require additional time to receive costings from sub contractors and suppliers.
- 2.2 Originally it was planned that the decision would be taken at the 5th March Cabinet, however the contractors who were invited to tender have requested an extension of 3 weeks to allow them to submit full and complete tenders. Our consultants advised that a five week period would be sufficient when the programme was written, however the market is telling us that this is insufficient time to be able to submit a tender.
- 2.3 Due to the timing of the 2014 elections there will not be another Cabinet meeting until the 25th June and this would mean that the appointment of contractors would be sufficiently delayed to impact on the timing of construction works. This would have a negative impact on the delivery of new affordable homes.
- 2.4 If we are unable to extend the tender period for contractors this may mean that no tenders are returned or tenders are returned that are outside of the budget allocated for the project. This would mean having to re-tender and thus significantly delaying the progress of the project.

3. Alternative Options

- 3.1 To progress the approval through the normal channels, and ask Cabinet to consider the contract award at its 25th June meeting. This would significantly delay the overall project.
- 3.2 To progress the approval through the normal channels, and ask Cabinet to consider the award of the contract at its 5th March meeting. This would mean a five week tender period and this could introduce higher risk in terms of not receiving tenders back and that

contractors may price increased risk into their tender figures, meaning that the cost for the project exceeds the budget allocated.

4. Supporting Information

- 4.1 In December 2009, through the report “Moving into New Affordable Housing Development”, Cabinet decided to pursue affordable housing development as a local authority, including development in its own right, subject to the financial resources being available to do so.
- 4.2 In February 2013 CBC entered into a contract with Norfolk Property Services (NPS) under the terms of the procurement framework to provide CBC with a consultancy service including project management, architectural services, building services engineering and structural engineering, building surveying and quantity surveying services and to procure and manage all relevant construction services on the Council’s behalf.
- 4.3 In February 2013 CBC employed CBH to act as client/agent on the project through item 11 under Maintenance Services of the current Management Agreement. In effect this provides CBC with an ‘in-house’ independent means of monitoring the performance of NPS. Also CBH could take on both the Construction Design Management (CDM) co-ordinator role (site health and safety) and site waste management co-ordination since it is best practice to separate both of these functions from the contractor role.
- 4.4 In November the planning applications were approved at planning committee and this meant that the procurement process could be progressed.
- 4.5 As part of the procurement process robust tender specifications were developed to ensure the Council receive best value on the evaluation criteria of price and quality. EU regulations are not required for this size of contract. The contract was advertised using the Braintree Procurement Hub. A two stage contractor selection process consisting of a Pre-Qualification Stage which is open to all interested parties, followed by a Tender Stage which is restricted to contractors selected by analysis of the first stage responses was followed. The Pre-Qualification stage invited interested contractors to submit information concerning their Financial Capability, Technical Capability, Relevant Experience and References. Information was requested in a Pre-Qualification Questionnaire form all interested contractors prior to tender.
- 4.6 The New Build of Council Homes contract generated the following response:
- 21 contractors responded to the advertisement and were sent the Pre-Qualification Questionnaire to complete and return. 8 submitted completed Pre-Qualifying Questionnaires (PQQ).
 - NPS and Colchester Borough Council procurement team carried out a robust analysis of the completed PQQ’s which resulted in 8 contractors being invited to tender.

5. Proposals

- 5.1 That we proceed with the procurement process to identify and recommend preferred contractors.
- 5.2 That the Portfolio Holder for Housing be delegated authority to review this recommendation and approve the award of contract.

6. Strategic Plan References

6.1 The provision of new affordable Council Housing will contribute to the following Council objective in its Strategic Plan

- *Providing more affordable home across the Borough.*

7. Consultation

7.1 There are no consultations associated with this paper.

8. Publicity Considerations

8.1 The specific decisions sought by means of this paper require no publicity as no individual or group will be affected. The housing development programme itself has a communications plan associated with it, through which the procurement of a contractor will be communicated.

9. Financial Implications

9.1 No additional finances are required, as the capital programme budget has already been identified to procure a contractor. Until the tender process has been completed however the actual cost cannot be accurately determined.

10. Equality, Diversity and Human Rights implications

10.1 Link to individual strategy provided
<http://www.colchester.gov.uk/article/4962/Strategic-Policy-and-Regeneration>
Title: The Annual Housing Investment Programme (HIP)

11. Community Safety Implications

11.1 There are no community safety considerations resulting from this paper.

12. Health and Safety Implications

12.1 There are no health and safety implications.

13. Risk Management Implications

13.1 The risk implications that this decision seeks to mitigate would be the risk of no tenders being returned and or tenders being returned significantly over the budget and not representing best value for the Council.

29 January 2014

Report of	Head of Commercial Services	Author	Gareth Mitchell
Title	Commercial Review of Community Alarms Service - Business Plan		
Wards affected	Not applicable		

This report concerns the Commercial Business Plan for the Community Alarms Service.

1. Decision(s) Required

- 1.1 Cabinet are asked to note the contents of this report and that it is invited to determine under Part B of the agenda the recommendations from the Trading Board to approve the Business Plan for the Community Alarms Service and to decide how the revenue investment required by this Business Plan will be funded.

2. Reasons for Decision(s)

- 2.1 The Council established a Trading Board at the beginning of this municipal year to review commercial opportunities and make recommendations to Cabinet. The Terms of Reference for the Trading Board includes the following:-
- a) Consider and review the activities performed by:
 - the commercial services arm of the Council
 - b) Identify and develop any new commercial agreements generating significant income for the Council for approval by Cabinet or Council.
- 2.2 The Trading Board has reviewed commercial proposals for the Community Alarms service and has recommended the Business Plan on Part B of the agenda to Cabinet for approval.
- 2.3 This report is for information purposes and to provide context to members of the public about the decisions to be taken under Part B of the Agenda.

3. Alternative Options

- 3.1 No alternatives are proposed.

4. Supporting Information

- 4.1 One of the key challenges set out in November 2012 in the Universal Customer Contact (UCC) Fundamental Service Review (FSR) business case was to secure long-term financial resilience for the Council so that it can continue to serve the needs of a growing and ever-changing population. The generation of commercial income and savings will be vital to the future resilience of the Council in delivering excellent frontline services during a time of reducing government grant. The opportunity for the Council is to build a sustainable commercial services arm for the Council which will create a focus for

commercial activities throughout the whole organisation that will grow over time to support the political aspirations of the administration expressed through the Strategic Plan.

- 4.2 As part of the organisational restructure supporting the UCC FSR, four services were moved into the Commercial Services group specifically to have their commercial opportunities reviewed. These services are Building Control; Cemetery and Crematorium; Monitoring Centre/CCTV and Community Alarms (Helpline) and; Engineering.
- 4.3 The commercial review process for the four service areas concerned has been structured as follows:-
- Situation Analysis – an assessment of the current status of the service including a high-level financial analysis with profit and loss summary, an overview of customer segments and need and a set of recommendations to be addressed later in the review process.
 - Options Paper – as a result of the Situation Analysis, a short summary of the potential commercial and delivery options for the service at both a strategic and operational level. This paper includes recommendations which, if approved, will guide the development of a business plan for the service.
 - Business Plan – a business plan for the service based on the approved recommendations from the Options Paper. This business plan includes a proposed profit and loss account for the service which aids monitoring of the implementation phase and provides additional confidence in the commercial potential of the chosen route to market.

The Business Plan on Part B of the agenda marks the completion of the review stage for the Community Alarms service.

5. Proposals

- 5.1 The positive impact of the Community Alarms service with its customers and in the wider community aligns well with the Council's strategic priority of "supporting more vulnerable groups" and in many senses is a natural service for the Council to invest in to deliver an efficient, dynamic, customer-focused business.
- 5.2 The purpose of the Community Alarms Business Plan is to define the commercial development path for the Community Alarms service by building on current strengths in terms of staff capabilities, service delivery performance and existing revenue streams to develop a truly customer-centric operation that is capable of providing access to top quality services.
- 5.3 The Community Alarms business will offer a range of services that reflect not only what it does currently, but also a range of new propositions that will produce more business from existing customers and introduce new customers to the business.

6. Strategic Plan References

- 6.1 The Commercial approach which the Trading Board oversees is critical to the achievement of all outcomes in the Strategic Plan. The Community Alarms service directly supports the Council's strategic priority of "supporting more vulnerable groups"

7. Financial Implications

- 7.1 The financial implications of this Business Plan for the Council are set out in the document on Part B of the agenda.

8. Equality, Diversity and Human Rights Implications

- 8.1 An Equality Impact Assessment has been carried out for the Council's Commercial Review process and is available by [clicking this link](#). (please ensure that www.colchester.gov.uk site is open) 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>Commercial Services>Commercial Review.

9. Risk Management

- 9.1 A Risk Register for the Business Plan is included in the document on Part B of the agenda.

10 Standard References

- 10.1 There are no particular publicity, consultation, community safety or health and safety implications.

29th January 2014

Report of	Assistant Chief Executive	Author	Lee Spalding ☎ 282118
Title	Installation of PV Systems upon Non-Housing Council Owned Properties		
Wards affected	All wards		

This report concerns the proposal to install photovoltaic systems upon ten of the Council's commercially sized, non- housing, owned properties.

1. Decisions Required

- 1.1 To agree to proceed with the installation of photovoltaic (PV) systems on ten of the Council's commercially sized, non-housing, owned properties.
- 1.2 To agree to increase the existing carbon management capital programme allocation by £0.8m and agree that this will provisionally be funded through borrowing.
- 1.3 To agree to enter into a contract with Peterborough City Council via its Blue Sky Peterborough (BSP) Framework for the design, supply and installation of the PV systems.
- 1.4 To agree to charge tenants within four of the shortlisted properties and Colchester and Ipswich Museums Service (CIMS) for use of the electricity generated by the PV systems.

2. Reasons for Decisions

- 2.1 Cabinet agreed an allocation in the budget to investigate the feasibility and cost of installing PV systems on a number of the Council's non-housing properties.
- 2.2 Following the completion of initial feasibility work, ten properties have been shortlisted as being suitable for the installation of PV systems and it is estimated that revenue savings can be made from this work
- 2.3 The BSP Framework established by Peterborough City Council for the supply and installation of PV systems has been proven by a process of "soft" market testing to be competitive and well resourced.
- 2.4 If PV systems are to be installed ahead of the predicted change in feed in tariff (FiT) due at the end of March 2014, then Cabinet needs to agree to enter into a contract with BSP by the end of January 2014.
- 2.5 Four of the shortlisted properties currently house tenants and one property is operated by CIMS. As the tenants and CIMS will benefit from the free electricity generated by the PV systems to be installed on their properties, it is proposed to charge them for the electricity generated and used by each property, thereby producing some additional income to the Council.

3. Alternative Options

- 3.1 Decide not to proceed with the proposed project. However, this would mean that the Council would miss the opportunity to generate a net potential annual saving after allowing for financing costs..
- 3.2 Decide not to proceed with the BSP Framework and thereby postpone the project pending a further tender exercise. However, the next review of the FiT at the end of March 2014 is likely to see the FiT value reduce again meaning that the potential income generated by the project will also be reduced if delivered post March 2014.
- 3.3 Decide not to charge the four tenants and CIMS for the use of the free electricity generated by the PV systems to be installed upon their properties.

4. Supporting Information

- 4.1 The feasibility and likely costs of installing PV systems on a number of the Council's non-housing, owned properties, a desktop exercise was initially undertaken by an external consultant highlighting properties where it would be practically feasible to install PV systems and where there would be a potential benefit to PV systems being installed.
- 4.2 This list of properties was then evaluated by a further specialist consultant so that Energy Performance Certificates (EPCs) could be produced for each. Under the rules that govern the allocation of the FiT, only properties that have EPCs graded D or better (i.e. C, B or A) can claim the full value of the FiT. Properties that were evaluated worse than a D would not be entitled to the full FiT and therefore the business case for installing PV systems upon these properties would be unlikely to be justified.
- 4.3 The processes described within item 4.1 and in particular 4.2 above are complex and unfortunately took several months to complete. However, at the end of the process the following shortlist of properties was established:
 - COLBEA, Colchester Business Centre;
 - Mile End Sports Pavilion;
 - North Colchester BIC;
 - Shrub End Depot Offices;
 - Colchester Leisure World;
 - Rowan House Offices;
 - Heckworth Close Museums Store;
 - Colchester Crematorium;
 - Gosbecks Road Offices; and
 - Community Stadium.
- 4.4 Details of the shortlisted properties including their location, orientation, roof layout and construction, and annual electricity usage were then supplied to BSP so that a high level business case could be produced based upon the BSP Framework contract.
- 4.5 This business case demonstrates that there is a clear financial benefit to installing PV systems on the shortlisted properties based upon the FiT at its current rate (see Financial Implications).

- 4.6 The BSP Framework was tendered by Peterborough City Council via the OJEU process in October 2011. As such, the Council is permitted under its Constitution and Procurement Rules to use the Framework without having to undertake a further tender exercise.
- 4.7 However, to test the competitiveness of the BSP Framework, it has been “soft” market tested against a private contractor and the Pro5 Local Authority Framework. In order to do this, both the private contractor and Pro5 were supplied with the property information described within item 4.4 above and asked to also produce a high level business case.
- 4.8 The result of this “soft” marketing testing was that the BSP was proven to be the most competitive.
- 4.9 Furthermore, the BSP has confirmed that it is sufficiently resourced to install the majority of, if not all PV systems upon the shortlisted properties by the end of March 2014 when the commercial FiT is expected to be reduced once again. Neither the private contractor nor Pro5 can achieve this.
- 4.10 Of the properties listed within item 4.3 above, four are tenanted (COLBEA, North Colchester BIC, Gosbecks Road and Community Stadium) and one is operated by CIMS (Heckworth Close).
- 4.11 Each tenant and CIMS will benefit from the free electricity generated by the PV systems proposed to be installed upon their properties and as such, it is proposed to charge the tenants and CIMS for the use of this electricity albeit at a reduced rate when compared to their current cost of buying grid electricity.

5. Proposals

- 5.1 To enter into a contract with BSP for the design, supply and installation of PV systems on the shortlisted properties.

6. Strategic Plan References

- 6.1 As well as generating income over a twenty year period, the project will deliver annual CO2 savings of c200 tonnes clearly demonstrating the Council’s ongoing objective to be “Cleaner and Greener”.

7. Consultation

- 7.1 Tenants within the four tenanted properties and Council Services operating the buildings included within the shortlist have all been consulted at various stages throughout the development of this project and all are generally supportive.

8. Publicity Considerations

- 8.1 A major installation of renewable energy systems upon a number of the Council’s properties is a good news story and is likely to attract press attention.
- 8.2 As such, the Council via the Communications Team will issue press releases at key stages throughout the project reiterating the drivers behind the project and in particular the benefits and savings to be delivered by the same.

9. Financial implications

- 9.1. The estimated capital cost of this project is £0.8m. Funding for this project is currently not within the capital programme and as previously highlighted resources to support the programme are limited.
- 9.2. The projected energy savings and FIT arrangements are greater than the costs attached to borrowing for this project (in terms of interest and an annual provision to repay the debt) which means that there is an expected annual net saving, initially of c£17k pa. As such the option of borrowing to support this project is proposed based on the principle of an “invest to save” scheme.
- 9.3. The capital programme already includes a scheme to deliver carbon management reduction and therefore it is proposed that this scheme be treated as an increase to this programme allocation.

10. Equality, Diversity and Human Rights implications

- 10.1 There are no equality, diversity and human rights impacts associated with this project.
- 10.2 A link to the Equality Impact assessment for the project is here: [Commercial PV EQIA.pdf](#)

11. Community Safety Implications

- 11.1 None directly arising from this report.

12. Health and Safety Implications

- 12.1 Due to the nature of the works to be delivered, the project falls within the jurisdiction of the Construction Design and Management (CDM) Regulations 2007 and as such, the Council as the “Employer” has appointed a CDM Coordinator and Competent Designer as it is required to do to properly fulfil its obligations under the Regulations.

13. Risk Management Implications

- 13.1 There are no major risks associated with this project. However, the project will have its own risk management plan which will be continually updated and reported to the Enterprise Programme Management Office on a monthly basis to ensure that potential risks are identified and mitigated wherever possible.

Attachment

- High level business case produced by Eco-Langley on behalf of BSP.

Proposal Document

Project: Revision C

Colchester Borough Council

Various Sites
Colchester
Essex

Client:

Bluesky Peterborough
c/o Mears Group PLC
7 Twistleton Court, West Hill
Dartford, Kent
DA1 2EN

Contact: Dean Wincott
Email: dean.wincott@mearsgroup.co.uk

Proposal written by:

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LANGLEY

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WORKING IN CONJUNCTION WITH



1.0 Outline Description

Colchester Borough Council, Various Sites, Colchester

This proposal is to show the combined benefits of installing Solar Photo Voltaic arrays.

The proposal is for various sites listed below, indicating the supply and fix costs, the funding possibilities, and the gross and net returns.

Our figures take no account for the carbon reduction, apart from advising what level reduction you will receive over the 20 years period, thus any fines or costs associated with these are a benefit to Colchester Borough Council.

Maintenance and monitoring contracts are optional and to be confirmed. Please note that all finance figures are to be confirmed by others.

The proposal is to generate electricity via the PV system using 250w panels and thereby produce substantial savings by using the electricity and also producing substantial income from the current Feed in Tariff, Export Bonus.

Therefore the proposal is designed to :-

- Reduce energy bills
- Generate income from Government FiT, Export
- Lower Carbon

Sites Covered by this Proposal

3045 - Colchester Business Centre, George Williams Way, Colchester, Essex. C01 2JS

3046 - Mile End Pavilion, Fords Lane, Colchester, Essex. C04 5HF

3047 - North Colchester BIC, 340 The Crescent, Colchester, Essex. C04 9AD

3048 - Shrub End Depot, Maldon Road, Colchester, Essex. C03 3UA

3067 - Colchester Leisure World, Cowdray Avenue, Colchester, Essex. C01 1YH

3068 - Rowan House, 33 Sheepen Road, Colchester, Essex. C03 3WG

3069 - Heckworth Close, Colchester, Essex. C04 9TB

3070 - Colchester Crematorium, Mersea Road, Colchester, Essex. C02 8RU

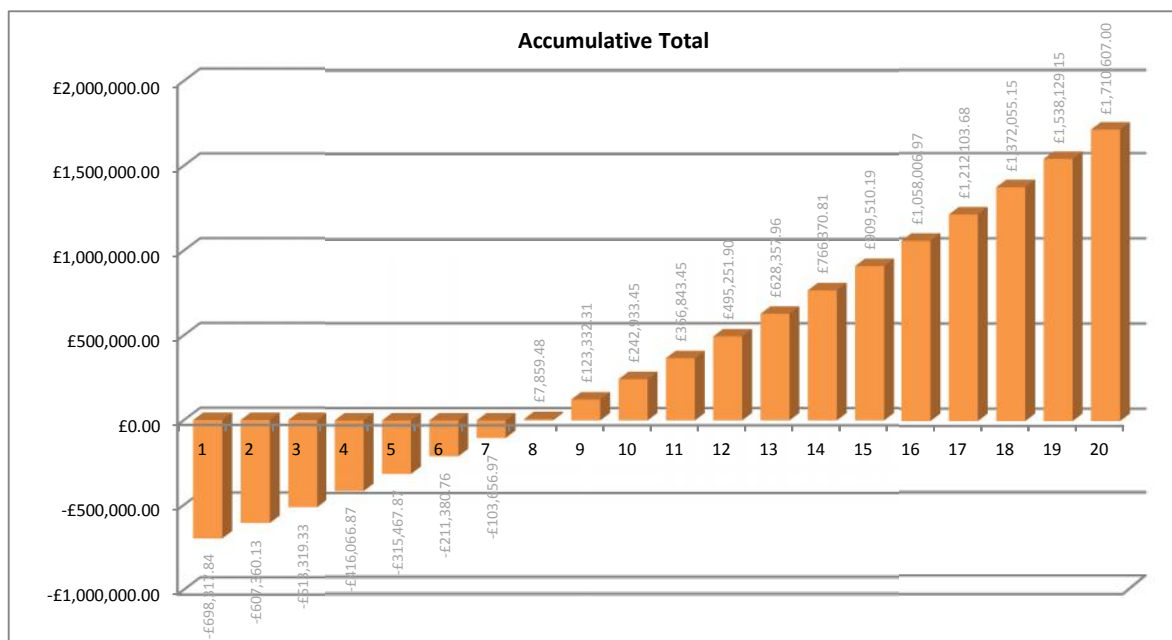
3071 - CBH Property Services HQ, 123 Gosbecks Road, Colchester, Essex. C02 9JT

3072 - Community Stadium, United Way, Colchester, Essex. C04 5UP

2.0 Proposed Solar PhotoVoltaic Arrays

Full Proposal figures showing totals for all 10 sites

Year	Capital Expenditure	Yield Kw/pq Inc. efficiency & seasonal adj.	FIT	Electricity Exported	Electricity Offset	FIT + Export	FIT + Export + Electricity	Annually Surplus / deficit (cumulative)
1	£786,315.00	474,030.32	£50,293.17	£11,280.20	£26,423.79	£61,573.38	£87,997.16	£-698,317.84
2		470,223.84	£51,385.99	£11,525.31	£28,046.41	£62,911.30	£90,957.71	£-607,360.13
3		466,417.35	£52,499.11	£11,774.97	£29,766.72	£64,274.08	£94,040.80	£-513,319.33
4		462,610.86	£53,632.77	£12,029.24	£31,590.45	£65,662.01	£97,252.45	£-416,066.87
5		458,804.37	£54,787.20	£12,288.17	£33,523.64	£67,075.37	£100,599.00	£-315,467.87
6		454,997.88	£55,962.63	£12,551.80	£35,572.68	£68,514.43	£104,087.11	£-211,380.76
7		451,191.40	£57,159.27	£12,820.20	£37,744.33	£69,979.47	£107,723.80	£-103,656.97
8	£786,315.00	447,384.91	£58,377.35	£13,093.40	£40,045.69	£71,470.75	£111,516.44	£7,859.48
9		443,578.42	£59,617.07	£13,371.45	£42,484.31	£72,988.52	£115,472.83	£123,332.31
10		439,771.93	£60,878.63	£13,654.41	£45,068.10	£74,533.04	£119,601.14	£242,933.45
11		435,965.44	£62,162.23	£13,942.30	£47,805.46	£76,104.54	£123,910.00	£366,843.45
12		432,158.96	£63,468.06	£14,235.19	£50,705.21	£77,703.25	£128,408.45	£495,251.90
13		428,352.47	£64,796.29	£14,533.09	£53,776.67	£79,329.38	£133,106.06	£628,357.96
14		424,545.98	£66,147.09	£14,836.06	£57,029.69	£80,983.16	£138,012.85	£766,370.81
15		420,739.49	£67,520.63	£15,144.13	£60,474.63	£82,664.76	£143,139.38	£909,510.19
16		416,933.00	£68,917.04	£15,457.33	£64,122.41	£84,374.37	£148,496.78	£1,058,006.97
17		413,126.52	£70,336.47	£15,775.70	£67,984.55	£86,112.16	£154,096.71	£1,212,103.68
18		409,320.03	£71,779.04	£16,099.25	£72,073.19	£87,878.29	£159,951.48	£1,372,055.15
19		405,513.54	£73,244.86	£16,428.02	£76,401.12	£89,672.87	£166,074.00	£1,538,129.15
20		401,707.05	£74,734.03	£16,762.02	£80,981.80	£91,496.05	£172,477.85	£1,710,607.00
Total	£786,315.00	8,757,373.78	£1,237,698.93	£277,602.24	£981,620.83	£1,515,301.17	£2,496,922.00	£1,710,607.00



Individual Site Breakdown

Project:	3045 - Colchester Business Centre. C01 2JS
Size of System	38 kWp
FIT Rate	£0.1131
Project:	3046 - Mile End Pavilion. C04 5HF
Size of System	23.5 kWp
Fit Rate	£0.1131
Project:	3047 – North Colchester BIC. C04 9AD
Size of System	68 kWp
FiT Rate	£0.0999
Project:	3048 - Shrub End Depot. Ref. C03 3UA
Size of System	18 kWp
FIT Rate	£0.1131
Project:	3067 - Colchester Leisureworld. C01 1YH
Size of System	150 kWp
FIT Rate	£0.0999
Project:	3068 - Rowan House Ref. C03 3WG
Size of System	15.3 kWp
FIT Rate	£0.1131
Project:	3069 - Heckworth Close. C04 9TB
Size of System	58 kWp
FiT Rate	£0.0999
Project:	3070 - Colchester Crematorium. C02 8RU
Size of System	24 kWp
FiT Rate	£0.1131
Project:	3071 - CBH Property Services HQ. C02 9JT
Size of System	12.5 kWp
FiT Rate	£0.1131
Project:	3072 - Community Stadium. C04 5UP
Size of System	100 kWp
FiT Rate	£0.0999

All figures shown are finance figures.

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Assumptions (all sites)

Export Tariff	£0.0464
RPI Inflation Rate	3%
Energy Cost Inflation Rate	7%
Cost	£0.1080
Energy Usage	50%
Export Tarriff	50%
Performance	80%

3.0 Benefits

Feed in Tariff Calculator

There are several Feed in Tariff calculators available from various sources including the Energy Savings Trust and alternative suppliers. The Langley Eco Returns and Finance Spreadsheet has been developed alongside our banks and has been tasked with providing Robust Assessments of the possible outcomes.

The spreadsheet has been established to ensure that the Client has the opportunity to adjust the relevant figures to suit his or her own requirements. This allows Langley eco to remain completely impartial whilst the Client achieves the most suitable option for their business model. Spreadsheet available on request

Installation Budget Assumptions

For the purposes of this initial report the following assumptions have been used within the calculator.

- a) In order to provide robust figures for you, we have reduced the potential 100 % and the production from the panel down to 90 %
- b) The Feed in Tariff has been established based on Retro-fit installations
- c) The commercial building output, 50% consumed on site and 50% exported back to the grid
- d) Current purchase price per unit of electricity is 7p to 13p. We have assumed 10.8p
- e) Estimated rate of RPI inflation per year is 3 %
- f) Estimated rate of Energy Cost Inflation is 7 %
- g) PV panel efficiency is based on 100 % (of 90 %) for 5 years then reducing gradually to 80 %, after 20 years and for the last 5 years
- h) Fully insured feed in tariff protection utilizing solar shield, attached

These assumptions should produce robust and achievable returns on behalf of you rather than 'Promising the Earth'.

Unique Supply Chain

Client Liaison

Each member of the 'Client Facing' installation team has been chosen due to extensive experience of working within this Market Sector and meeting the unique demands and requirements of working with Tenants and associated organisations.

High Quality Manufacture

All elements of the PV Installation are subject to National and International Standards and scrutiny. Ability to deliver above all quality but also quantity has been a pre-requisite to entry to the Supply Chain. All Systems are bankable, and benefit from a unique insurance backed guarantee, this makes the investment virtually risk free.

Performance Requirements and Specifications

Over 10 years of understanding and delivering the requirements of the Public and Private Sector.

Contractor Management

Historical, current and future commitment to, and delivery within, this market sector has been demonstrated time and time again by the members of the supply chain.

Sub-Contractor Installation

Proof of consistent and high quality delivery of proposed schemes, full list of partnered contractors on request.

After Sales Service

Protecting a 10 year reputation necessitates continued service and a 'no problem' response.

Warranties and Guarantees

Including a Market Leading Insurance Backed Warranty to cover both Installation, feed in tariff, Workmanship and Roof Finish.

4.0 Conclusions

You are ideally placed to maximise the benefits of the Feed in Tariffs. With our cost neutral funding offer, you can install on all sites immediately eliminating the need to spread budgets, and lose any further fit reductions.

Procurement can be via the LHC (not for profit framework) or tendered by our extensive list of approved installers (local where possible)

The Financial rewards are self-evident and you are able to determine your own level of commitment and reward.

There is a clear opportunity to show Carbon Reduction whilst benefiting now rather than being punished under future regulations.

You will be at the forefront of demonstrating Best Practice on behalf of the community. You will be able to maintain your high standards of Social Responsibility whilst ensuring Energy Security and a Positive Legacy by carrying out such a major Environmentally Friendly project.

Where practical and feasible it will be possible to offer the clients staff the opportunity to be educated in a sustainable future. This can be supported with display units etc.

- *Full design*
- *Calculation of Loadings*
- *Mechanical & electrical connection of PV array*
- *Installation of Inverter & DC ancillaries*
- *Installation of DC cabling between array and inverter*
- *Installation of AC radial circuit from a spare way on the consumer unit to location of inverter*
- *Installation of AC isolator at inverter & connection to Ac spur*
- *Supply & installation of 16A MCB*
- *Testing and commissioning*
- *Liaison with Distribution Network Operator*
- *Supply of Non Solar PV materials*
- *Supply of scaffolding*
- *Self-certification of Electrical & PV install through NIC EIC & NAPIT for registration to building control*
- *6 years Electrical Installation Warranty*
- *10 year guarantee on Inverters*
- *10 year guarantee on all Solar PV modules*
- *25 year performance guarantee on all PV panels as per Manufacturer's warranty*
- *£5million GBP public liability*
- *Insurance backed guarantee for the Fit making the proposal risk adverse.(see attached)*
- *G59 is subject to Dno.*
- *Planning application and drawings (if required) is available*
- *All PV and Non PV products to be fixed in accordance with manufacturer's instructions and to MCS accreditation.*
- *Liaison with tenants*
- *Full use of Solar Spec Installation management programme*
- *With the attached calculator we have also assumed a replacement inverter and cleaning the panels every 5 years, whilst the installation of Pv is considered fit and forget these figures are belt and braces.*

5.0 Introducing the Solar Shield Green Energy Warranty

Going Green

Green energy is here to stay. Property owners are investing in the installation of solar panels to provide themselves with renewable energy and earn Feed in Tariffs (FIT) as a long term investment. Property owners making these investments need to know that the equipment installed is guaranteed and, most importantly, that such a guarantee is backed by an insurer.

Long Term Protection

The Solar Shield Green Energy Warranty provides insurance cover for up to 12 years from the date the solar panels are installed, providing long term protection.

Wide and Flexible Insurance Cover

The cover provided automatically includes damage as a result of defective installation, materials and design, meaning that the damage is insured comprehensively.

Cover Extended to Include Existing Roofing

Where solar panels are fitted to existing buildings, the insurance can be extended to include damage to the existing roof as a consequence of a defect within the new installation.

Feed in Tariffs

Cover can be extended to include the loss of, or reduction in, feed in tariff as a result of an insured defect.

Quality Control

Each installation will be independently inspected by specialists appointed by Insurers. This provides reassurance that the installation will be right first time.

Partners

Working in partnership with key suppliers, manufacturers and installers, we are able to provide a 12 year Solar Shield Warranty and provide Feed in Tariff cover as an extension, where requested.

Contact Us

If you would like a quotation for cover, or have any queries, please contact James Russell on:

Building and Land Guarantees Ltd. Judith Ann House, 1 Cross Street, Wigston Magna, Leics LE18 2HE
Telephone: 0116 281 2201
Facsimile: 0845 652 0901
Email: james.russell@buildingandland.co.uk


This is intended only as a guide to the cover available. A copy of a Policy Wording is available upon request. Building and Land Guarantees Ltd is an appointed representative of Ten Insurance Services Ltd which is authorised and regulated by the Financial Services Authority.



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29 January 2014

Report of	Assistant Chief Executive	Author	Mike Thurston
Title	Officer Pay Policy		 282396
Wards affected	Not applicable		

This report concerns the Council's pay policy statement, and requirements introduced by the Localism Act 2011.

1. Decision(s) Required

1.1 To recommend the adoption of the Council's pay policy statement for 2014-15 by Full Council on 19 February 2014.

2. Reasons for Decision(s)

2.1 The Localism Act requires "relevant authorities (including Colchester Borough Council) to prepare, approve and publish pay policy statements articulating their policies towards a range of issues relating to the pay of its workforce." The Pay Policy for 2013/14 was approved by Full Council on 6 March 2013. These statements must be prepared and approved by Full Council for each financial year.

3. Alternative Options

3.1 The only alternative would be not to approve the pay policy statement, but that would be contrary to the requirements of the Localism Act.

4. Supporting Information

4.1 Local authorities must publish a pay policy statement for the financial year. A relevant authority's pay policy statement must be approved by a resolution of that authority before it comes into force.

4.2 The Localism Act specifies a number of elements that must be covered by the statement including; the level and elements of remuneration for each chief officer, remuneration of chief officers on recruitment, increases and additions to remuneration for each chief officer, the use of performance-related pay for chief officers, the use of bonuses for chief officers, the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and the publication of and access to information relating to remuneration of chief officers.

4.3 The Council's pay policy statement has been extended beyond the statutory requirements relating to chief officers as shown in 4.2 above to include all officers employed by the Council, in the interests of openness and transparency.

4.4 Please see Appendix 1 for the Officer Pay Policy. Appendix 2 contains the data which sits behind the policy, and definitions of terms such as chief officers. These two documents form the Council's pay policy statement.

- 4.5 The statement covers all pay and benefits for every employee of Colchester Borough Council. There are no financial allowances or bonuses other than those mentioned.
- 4.6 The requirements of the Localism Act have been taken as an opportunity to bring together all relevant Council policies and information into a pay policy which applies to every employee (Appendix 1), and a supporting document which shows the mostly numerical data which sits behind the specific financial year (Appendix 2).
- 4.7 Appendix 2 provides pay data on the annual salary scales. The data provided incorporates the increase in the 'National Living Wage'.

5. Proposals

- 5.1 To approve the 2014-15 pay policy statement as shown at Appendix 1 and 2, and to recommend its adoption by Full Council.

6. Strategic Plan References

- 6.1 The performance, remuneration and motivation of the Council's employees are key to delivering effective and efficient services to the public, in addition to the aspirations and priorities within the Strategic Plan.

7. Consultation

- 7.1 The Council's pay policy statement is compiled by factual data relating to the existing, agreed pay and conditions of its employees. There have been no new decisions as part of the compilation of the statement and data. The updated policy has been sent to the local branch of Unison for comment.

8. Publicity Considerations

- 8.1 The information contained with Appendix 1 and 2 will be publicly available on the Council's website, and in the Council's Statement of Accounts.

9. Financial implications

- 9.1 The pay policy statement provides transparency about the Council's approach to pay and benefits for its employees.

10. Equality, Diversity and Human Rights implications

- 10.1 The Equality Impact Assessment is available to view on the Colchester Borough Council website by following this pathway from the homepage: Council and Democracy>Policies, Strategies and Performance> Equality Impact Assessments>Corporate Management>Pay Policy or click on [the link here](#)

11. Other Implications

- 11.1 There are no specific community safety, health and safety or risk implications.

Background Papers

See Appendix 1 for the references and guidance used to compile the policy and data.

Colchester Borough Council
OFFICER PAY POLICY
February 2014

Introduction

The purpose of this policy is to provide an open and transparent framework that ensures clarity, fairness and consistency in the remuneration of officers.

The Council will comply with this policy which covers all officers. It ensures that employees are paid on a fair and equitable basis in accordance with equality legislation.

Colchester Borough Council recognises the importance of administering pay in a way that:

- attracts, motivates and retains appropriately talented people needed to maintain and improve the Council's performance and meet future challenges
- reflects the market for comparable jobs, with skills and competencies required to meet agreed delivery and performance outcomes
- allows for a proportion of remuneration to be at risk, depending upon the delivery of agreed outcomes and results
- delivers the required levels of competence within an overall workforce strategy within approved budget parameters
- is affordable and transparent.

1. Pay strategy and framework

- 1.1 The Council determines the level of annual salary for employees, including chief officers, using an established job evaluation scheme. Jobs are independently evaluated, using this scheme, by experienced Human Resources staff and all employees have the right of appeal against their pay grade.
- 1.2 The pay grades and salary spines are shown in Appendix 2. The Council implemented from April 2013, the "National Living Wage", which is independently assessed. . Each pay grade has a number of incremental points and employees normally progress up their pay grade by one increment on an annual basis, subject to satisfactory levels of performance (see also section 5 - rewarding performance).
- 1.3 The exception to this principle is where employees have transferred their employment to the Council and salary protection exists under the Transfer of Undertakings (Protection of Employment) legislation commonly referred to as TUPE.
- 1.4 The pay policy incorporates the Council's Equality and Diversity policy (website link [Equality and Diversity in employment - Colchester Borough Council](#)) and periodic equal pay audits will be conducted.

2. Pay review and annual increases

- 2.1 The Council supports the principle of collective bargaining and has a recognition agreement with the trade union 'Unison'. Negotiation and consultation is conducted at a local level in relation to levels of pay and benefits for all employees including Chief / Senior Officers (see definitions in Appendix 2). The Council therefore is not part of any national terms and conditions for local government employees.
- 2.2 Local negotiations around a pay review are conducted on an annual basis, and any increase is agreed taking into account inflationary factors, local salary levels and affordability. Any decision to increase salary levels for all employees has to be approved by the Portfolio Holder under delegated powers set in the Council's [Constitution](#).
- 2.3 The Council publishes its pay multiple (the ratio between the highest and lowest paid employees) and does not currently set a target for this.

3. Remuneration of Chief Officers

- 3.1 The remuneration of all officers is determined using the Council's job evaluation and performance management schemes.
- 3.2 The median average value of Chief Officers' pay is shown in Appendix 2 together with the relationship to the lowest paid staff and other staff (referred to in the legislation as "the pay multiple").
- 3.3 The remuneration of all Chief Officers and Senior Officers will be published in the Council's [Annual Statement of Accounts](#) which also includes a wide range of financial information.

4. Other items in addition to salary

The Council pays the following additions to annual salary:

- 4.1 Overtime:
This is paid to employees who are required to work in excess of their contracted weekly hours. All overtime is paid at plain-time rate derived from annual salary, and enhancements are not normally paid for working at weekends or public holidays. All employees on a pay grade of CMG5 or above are not entitled to receive overtime pay.
- 4.2 Unsocial hours working:
The Council pays an allowance to employees who work unsocial hours which cover 24-hour shift working. Allowances are also paid to employees who undertake standby and call out duties. A small payment can also be made to 'front-line' employees who are required to work over the Christmas/New Year period.

4.3 Maternity and paternity:
The Council has a policy that supports parents and provides some enhancement to the statutory maternity and paternity provisions. These enhancements are shown in Appendix 2.

4.4 Market forces supplement and mid-scale appointments:
Where the Council is faced with difficulties in recruitment to and retention of specific jobs, as a result of market pressures and skills shortages, the Chief Executive is able to sanction the use of a temporary 'market forces' supplement, reviewed on a regular basis.

Where an individual is being recruited and has significant experience or skills in the role for which they are being employed, Heads of Service and above have discretion to appoint at any scale point (within the grade) above the lowest level.

Where an employee is upgraded using the Council's job evaluation scheme, the employee will move to the lowest point of the new pay grade such that they receive at least one increment. Any proposal to move the employee to a higher point on the pay grade has to be authorised by the Chief Executive.

4.5 Increases in responsibility:
Temporary or permanent payments can be paid at the discretion of the Chief Executive to reflect operational needs and the level of additional responsibility.

4.6 Other:
The Council only reimburses reasonable business expenses actually incurred and in line with the Council's travel and subsistence policy. Professional membership fees are reimbursed to employees at the rate of 50% of fees incurred and only one membership per employee is reimbursed.

External training costs are paid where they form part of agreed learning and development, and in line with the post-entry training policy.

There are no expense allowances or bonuses other than those mentioned within this pay policy.

5. Rewarding performance

5.1 The Council uses a performance management scheme to appraise the performance of all employees, including Chief / Senior Officers. Issues of poor performance can result in any annual increment being withheld. Where employees are rated as outstanding under this performance management scheme, a non-contractual payment can be made to recognise individual performance. The value of this payment is reviewed each year and agreed by the Senior Management Team, subject to affordability. The current value is shown in Appendix 2.

- 5.2 The Council also recognises the need to incentivise specific jobs whose role involves a proportion of sales or income generation. In such cases a reward package will be developed, which needs approval by Senior Management Team. The annual salary and incentive payment will be determined outside of the job evaluation scheme and will be risk-assured in relation to equal pay.

6. Pension

- 6.1 In accordance with statutory provisions, employees are offered membership of the Local Government Pension Scheme. The Council has a published pension policy and this policy applies to all employees including Chief / Senior Officers. It sets out the Council's decisions relating to discretionary powers allowed within the scheme.
- 6.2 The Council also supports the principle of flexible retirement whereby employees are able to gain access to their pension whilst continuing in employment, subject to the restrictions laid down within the scheme and in the Council's Pension policy. This approach allows the Council to retain skilled employees and to assist individuals in managing the transition to retirement.

7. Other financial benefits

The Council currently offers the following financial benefits to employees:

- 7.1 **Travel Plan incentives/charges:**
In order to encourage employees to use 'greener' travel modes, which also help to reduce town centre congestion, the Council has developed a package of travel plan measures. These measures include a charge for car parking for employees based in the town centre, and discounts for the 'home to work' use of bus and rail travel. The current value of these charges and benefits are shown in Appendix 2.
- 7.2 **Salary sacrifice schemes:**
The Council has adopted approved government salary sacrifice schemes which enable employees to have deductions from pay to purchase childcare vouchers or cycles for travel to work. These schemes are tax efficient for the employee and are cost-neutral to the Council.
- 7.3 **Long Service Awards:**
The Council recognises the commitment of employees to public service and provides a gift to the maximum value of £250 for 25 years' service with the Council.
- 7.4 **Other allowances:**
An allowance is paid for employees who volunteer to be designated First Aiders in the workplace. An allowance is paid to employees as a

contribution towards broadband costs if they work at home on a regular basis using a PC. See Appendix 2 for the value of these allowances.

8. Recruitment

- 8.1 In accordance with the Council's [Constitution](#), appointments to Head of Paid Service (Chief Executive), Executive Directors, Heads of Service and the Chief Finance Officer, have to be approved by Cabinet.
- 8.2 All appointments are made in line with this pay policy.
- 8.3 The appointment of other Chief Officers and starting salaries within the grade must be approved by the Chief Executive.
- 8.4 The appointment of employees other than Chief Officers will be delegated to the appropriate management level, relevant to the vacant job. The starting salary within the pay grade range will be determined taking into account the skills and experience of the applicant and market pressures.
- 8.5 The Council does not restrict the re-employment of employees previously made redundant by either the Council or other Local Government. All applicants for vacancies are considered equally, based on their knowledge, skills and experience.
- 8.6 Full Council will be offered the opportunity to vote before large salary packages are offered in respect of new appointments. This level is set out in statutory guidance, and the current level is shown at Appendix 2.

9. Sick Pay

The Council applies the following sick pay scheme for all employees including Chief Officers.

Service (years)	Full Pay (months)	Half Pay (months)
During first year	1	*2
During second year	2	2
During third year	4	4
During fourth/fifth years	5	5
After five years	6	6

* After completing 4 months' service

10. Payments when employment status changes

- 10.1 The Council operates a redundancy payment scheme which applies to all employees including Chief / Senior Officers. The scheme is based on the number of weeks paid under the statutory scheme, with an enhancement of 50% subject to a maximum of 45 weeks' pay.
- 10.2 **Pay Protection**
The Council operates pay protection for a limited time period, within the terms of the redundancy policy. This applies when staff have their pay reduced as part of a process of re-deployment or job evaluation.
- 10.3 Where the Council is in dispute with an employee, the Council will make use of legally binding agreements to settle disputes in appropriate circumstances. The use of these agreements and the value of any settlement will be determined by a consideration of factors such as the potential costs of litigation, the degree of risk at employment tribunal adjudications and any reputational impact. The decision to agree a legally binding agreement will rest with the Chief Executive or in the case of the Chief Executive with Cabinet.

11. Election duties

- 11.1 The Council has determined that the Returning Officer is the Chief Executive, and the remuneration is separate from the Chief Executive's salary. The Council has set the remuneration levels of employees who assist with local government election duties on a secondary employment basis. These levels are set by Essex County Council for county elections, and by central government for national and European elections.
- 11.2 The amount paid for election duties will vary depending on the number and type of elections which take place. The amount paid to the Returning Officer in the previous year is shown in Appendix 2.

12. Temporary staff and interim arrangements

- 12.1 The Council occasionally uses temporary agency or interim staff where it meets specific business needs and delivers best value. Levels of reward are determined by market rates. However the Council will not use payment arrangements that could be perceived to be designed to deliberately avoid personal taxation.

13. Supporting Information

The following references have been used in producing this Pay Policy, along with the Council's existing Human Resource policies:

Legislation

- The Localism Act 2011 - [chapter 8 - pay accountability](#).
- The Equality Act 2010
- Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006
- Local Government Pension Scheme Regulations 2008
- Accounts and Audit (England) Regulations 2011.

Best practice guidance

Department for Communities and Local Government:

- [Openness and accountability in local pay: Guidance under section 40 of the Localism Act](#)
- [Code of recommended practice for local authorities on data transparency](#)

The Chartered Institute of Public Finance and Accountancy:

- [Code of Practice in Local Authority Accounting - paragraph 3.4.5](#)

Local Government Association

- [Pay Policy Statements - guidance](#).

Our website

www.colchester.gov.uk has a [section with more information about employment](#) at Colchester Borough Council.

Document Information

Title :	Officer Pay Policy
Status :	Approved
Version :	Version 1
Consultation :	Senior Management Team Leadership Team
Approved By :	Full Council
Approval Date :	
EQIA :	click here
Review Frequency :	Annual
Next Review :	March 2015

OFFICER PAY POLICY - Pay Data

1. Annual Salary scales

Salary spine

point	Annual salary (£.p)	point	Annual salary (£.p)
4*	14758.99	32	33,401.55
5*	14758.99	33	34,688.16
6*	14758.99	34	35,882.31
7*	14758.99	35	37,076.48
8*	14758.99	36	38,270.62
9*	14758.99	37	39,512.28
10	15,095.10	38	40,753.96
11	15,855.24	39	41,995.59
12	16,615.40	40	45,082.39
13	16,978.77	41	48,169.21
14	17,344.73	42	51,256.01
15	17,705.54	43	55,368.80
16	18,068.92	44	59,481.55
17	18,432.29	45	63,594.33
18	18,790.56	46	67,707.07
19	19,334.98	47	71,819.83
20	19,879.42	48	75,763.09
21	20,423.83	49	79,706.38
22	20,968.25	50	83,649.61
23	21,512.68	51	87,592.90
24	22,100.77	52	91,536.14
25	23,853.48	53	95,479.44
26	25,649.84	54	99,910.64
27	27,446.21	55	104,341.83
28	28,573.61	56	108,773.03
29	29,700.98	57	113,204.22
30	30,828.36	58	117,635.42
31	32,114.96	59	120,013.45

- Note these points are the national 'Living Wage'

The last pay increase applied was in April 2013

Pay Grade range

Pay Grade	Salary spine point range	Pay Grade	Salary spine point range
14	4 to 7	7	32 to 36
13	7 to 12	6	35 to 39
12	11 to 18	5	38 to 42
11	18 to 24	4	42 to 47
10	23 to 27	2	46 to 53
9	26 to 30	1	54 to 59
8	29 to 33		

Colchester Borough Council Human Resource Policies

Apprentices

The Council pays the national 'living wage', for any employee on an apprenticeship contract.

2. Pay relationship for Chief Officers

	Year 2013/14
Median average pay for Chief Officers	£71,819
Median average pay for staff other than Chief Officers	£22,100
Median average pay for lowest paid staff	£14,758
Pay multiple of Chief Officer (Chief Executive) pay to staff other than this Chief Officer	5.43 to 1
Pay multiple of Chief Officers' pay to staff other than Chief Officers	3.25 to 1
Pay multiple of Chief Officers' pay to lowest paid staff	4.87 to 1

Notes – please also see definitions of officers at section 7 below:

- Median average pay is based on full-time equivalent annual salary plus additional payments for Chief Officers. It excludes election fees.
- 'Lowest paid staff' is defined as those paid on National 'Living Wage' see chart of pay grades on page 1.
- Pay multiple - the ratio between the highest and lowest paid staff.

3. Additional payments for Chief Officers.

Returning Officer election fees paid to the Chief Executive:

Elections held	Amount paid	Year
Local Borough, Central Government referendum	£15,420.76	2011/12
Local Borough and Parish, and Police Commissioner	£11,832.00	2012/13
Local Borough and County	£6054	2013/14

4. Other pay additions and allowances – see Appendix 1, pages 4/5 for eligibility

Maternity and Paternity pay:

In addition to the statutory provisions, the Council pay 20 weeks at half pay for mothers who go on maternity leave and subsequently return to work. Up to two weeks' paid paternity leave is granted to fathers.

Payment for outstanding performance:

This is set at £750 for full-time staff for 2014/15 (performance year). See Appendix 1 for eligibility.

First Aid allowance - for employees designated as First Aiders in the workplace: £141.96 per annum.

Broadband allowance – to access Council computer systems if home working: £132.00 per annum.

Colchester Borough Council Human Resource Policies

5. Travel Plan benefits and charges

Car parking charge – this is paid by employees if they drive to work:
£2 per day.

Home to work travel, in line with Travel Plan policy:
Bus season ticket discount 50% / train season ticket or ‘bulk buy’ discount 35%.

6. Pension contribution rate

Employer rate is 13.7% for 2014/15. Employee rates for 2014/15 are:

Full time equivalent salary	Contribution rate per year
£0 - £13,500	5.5%
£13,501 - £21,000	5.8%
£21,001 - £34,000	6.5%
£34,001 - £43,000	6.8%
£43,001 - £60,000	8.5%
£60,001 - £85,000	9.9%
£85,001 - £100,000	10.5%
£100,001 - £150,000	11.4%
More than £150,000	12.5%

7. Definition of terms used in the Officer Pay Policy and Pay Data documents

- Chief Officers – posts that require appointment by elected councillors - designated as Chief Executive, Executive Directors and Heads of Service within the Council’s constitutional arrangements for appointment. It also includes the Section 151 and the Monitoring Officer where those roles are not performed by a Head of Service. These posts fulfil the criteria for Chief Officers as defined in [paragraph 43 Localism Act](#).
- Chief Officer – this is the Chief Executive.
- Senior Officers – any post with a salary of £58,200 and above, which is the Senior Civil Service minimum pay band ([paragraph 12 code of practice](#)).
- Senior Management Team – the Chief Executive, Executive Directors and Heads of Service.
- Large salary package – this is defined in statutory guidance and the current threshold is £100,000 ([paragraph 14 Localism Act guidance](#)).

Document Information

Title :	Officer Pay Policy Appendix 2 Pay Data
Status :	Approved
Version :	Version 1
Consultation :	Senior Management Team Leadership Team

Colchester Borough Council Human Resource Policies

Approved By :	Full Council
Approval Date :	
EQIA :	click here
Review Frequency :	Annual
Next Review :	March 2015



Cabinet

29 January 2014

Item
9(iii)

Report of	Assistant Chief Executive	Author	Matthew Sterling 📞 282577
Title	Half yearly Performance Report including progress on Strategic Plan Action Plan		
Wards affected	Not applicable		

Cabinet is invited to consider performance against the Council's key performance measures and the Strategic Plan Action Plan as at the end of September 2013.

1. Action required

The Cabinet is asked to consider and comment on the performance update for the Council's key performance measures for the period to the end of September 2013 (Appendix 1), and on the progress update of the Strategic Plan Action Plan to the end of September 2013 (Appendix 2).

The Scrutiny Panel reviewed the report on 10 December 2013, and Cabinet is also asked to consider any comments as shown in the minutes from that scrutiny.

2. Background information

The Council has agreed a number of key performance areas which it uses as part of its Performance Management Framework to help monitor progress and improvement. This report provides an update of our indicators along with a half-yearly review of progress against our Strategic Plan Action Plan (see Appendix 1 and 2 attached).

3. Performance Summary

- Progress towards achieving our overall set of organisational performance measures shows that 13 (65%) of our measures are on track to be achieved (or 'green'), 4 (20%) are not meeting expectations to date but with improvement likely ('amber'), and 3 (15%) are not meeting expectations and unlikely to do so by the year-end ('red').
- The actions within our Strategic Plan Action Plan show that there is a considerable amount of positive activity being undertaken across the Council and with our partners to achieve our Strategic Priorities.
- The Council has also received a number of awards and accreditations highlighted at the end of Appendix 1.

4. Strategic Plan references

This report provides an update of progress against the Strategic Plan Action Plan, developed to support the delivery of the Council's agreed Strategic Plan Priorities.

5. Consultation

The report's contents do not have any direct implications with regard to consultation. However, the Strategic Plan and priorities were agreed following public consultation.

6. Publicity considerations

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

7. Financial implications

The financial implications of the action plans to deliver the indicators form part of the budget setting process.

8. Equality, Diversity and Human Rights implications

Progress and improvement of these and many of the actions within the Strategic Plan Action Plan support our aims of improving both services and the lives of everyone in the borough. Where required, specific Equality Impact Assessments will exist for policies and activities rather than for individual performance indicators or actions. Progress on the Council's Equality Objectives are included within the Strategic Plan Action Plan Update.

9. Community Safety implications

There are performance measures and actions within the Strategic Plan Action Plan which aim to improve community safety and as such this report provides progress updates in this area.

10. Health and Safety implications

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

11. Risk Management implications

We aim to deliver against performance indicators and the Strategic Plan Action Plan Actions, as both form a key part of our performance framework and expectations around delivery of our priorities to the residents of Colchester borough.

Background Papers

Not applicable.

2013/14 Corporate Indicator				
Indicator	Target 2013/14	Q2 April - Sept 2013	RAG	Service Comments
				Appendix 1

Planning Key Indicators

KI P1 Processing of planning applications <i>Monitored quarterly</i>	Majors 65%	71.4%	G	Performance is now above target for Majors and Minors, but we have seen a slight dip in performance for Other applications. This may be due in part to the rise in workload when compared to previous years (852 decisions this year to date against 738 for the same period in 2012) but we expect to be on target by the end of the year.
	Minors 70%	70.6%		
	Others 85%	83.7%		
KI P2 Planning appeals allowed against our decision to refuse <i>Monitored quarterly</i>	30% maximum	10.7%	G	Despite increasing numbers of challenges being raised against the Council's planning decisions, appeal success continues (28 appeals for this period against 20 for the same period in 2012). This shows that our decision making is sound and robust. Early analysis of trends indicates that a significant proportion of appeals made are as a result of the introduction of the National Planning Policy Framework, although it should be noted that our high success rate and the specific comments made in some Inspectors' decisions provide support for CBC's current Policy Framework.

Benefits Key Indicators

KI B1 Time to process housing benefit new claims and changes <i>Monitored weekly</i>	14 days	17 days	A	Processing days are currently 3 days over the target. Factors contributing to this relate to staff resources in the service and some system issues. Both are being addressed to bring us back to the target by year end.
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2013/14 Corporate Indicator				
Indicator	Target 2013/14	Q2 April - Sept 2013	RAG	Service Comments

Housing Key Indicators

KI H1 Net additional homes provided <i>Monitored quarterly</i>	785	213 (Q1 only – Q2 tbc; see notes)	A	An updated figure of 213 units is to be recorded for the first quarter (previously recorded as 147 units) which now includes all information from CBC Building Control as well as the April, May and June return from NHBC which were previously not available. For the period April-September a total of 277 additional homes have been completed in the borough. For the second quarter, the Council is waiting on information from the NHBC for August and September so the figure for July-September is 64 units (recorded by CBC Building Control and the NHBC return for July). This is lower than to be expected but awaits the NHBC return for August and September.
KI H2 Affordable homes delivered (gross) <i>Monitored quarterly</i>	400 (three-year target for 2012-15)	25	G	By the end of September 2013, 25 new affordable homes were delivered (9 at Layer Road 2 at Severalls Hospital Site and 14 at Garrison). These 25 units are in line with expected delivery for this year, which is predicted to deliver the greatest number of units in quarter 3 and quarter 4. In 2012/13 a total of 133 homes were delivered. The 25 new homes in 2013/14 to date brings the total to 158 out of a three-year target of 400. This means that we have delivered 40% of the overall target, but with the additional homes to be delivered in the second half of the year, we are on track to deliver 400 homes.
KI H3 Homelessness cases prevented <i>Monitored quarterly</i>	350	278	G	137 households had their homelessness prevented in the past 3 months which, when added to the first quarter figure of 141 gives a total of 278 for the mid-year point. The Housing Options team continues to operate an increased appointment rota as demand for appointments is higher than normal for this time of year. This is creating workload pressures, but the quality of case work and people management within the team means we remain confident that we will exceed this year's prevention target.
KI H4 Rent Collected <i>Monitored monthly</i>	97%	97.2%	G	The Tenancy Management team continues to commit a high level of resource to rent collection. The level of activity includes an increasing number of visits to tenants to support them with money and welfare benefit advice. Rent collection is exceeding its target despite a general growth of tenants in arrears. The main reason for the increase in arrears is delays in the assessment of Housing Benefit due to the time needed to collect income evidence.

2013/14 Corporate Indicator				
Indicator	Target 2013/14	Q2 April - Sept 2013	RAG	Service Comments

Housing key indicator delivered through Colchester Borough Homes

KI H5 Average time to re-let council houses <i>Monitored monthly</i>	General Needs 20 days	17 days	G	Re-let times for general needs and temporary accommodation voids have improved and the average number of days to re-let is achieving target. The number of Sheltered housing voids is reducing as some of the more difficult to let schemes are removed from housing stock (Abbeygate House and bedsits within Worsnop House). Over the quarter 5 sheltered voids have been re-let. Vacancies of bedsit accommodation at Harrison Court and Heathfields House have taken 175 and 252 days to re-let, and have had a detrimental impact on the overall performance of re-letting sheltered voids. The Extra Care units at The Cannons also impact the performance and for the period from April to September the average re-let time was 127 days. See note above.
	All Sheltered 75 days	100 days	R	
	<i>Extra Care Sheltered</i>	127 days		
	Temporary 30 days	30 days	G	

2013/14 Corporate Indicator				
Indicator	Target 2013/14	Q2 April - Sept 2013	RAG	Service Comments

Waste and Recycling Key Indicators

KI W1 Residual household waste per household <i>Monitored quarterly.</i>	430kg	109kg	G	There is a 1kg increase on the first quarter however, the target should be achieved. With the introduction of food waste collections we will be monitoring the effect on residual waste closely as this should have a significant impact.																								
KI W2 Household waste reused, recycled and composted <i>Monitored quarterly.</i>	43%	46.9%	G	Current recycling performance is in line with projections to meet the Council's annual target. For information, the most recent national picture is as at June 2012. The Department for Environment Food and Rural Affairs (DEFRA) reported provisional figures for the first quarter of 2012/13 show that around six million tonnes (45.5%) of household waste was sent for recycling – 0.5 percentage points higher than the same period the year before (45%). When looked at in the context of the rolling year, to counteract any seasonal fluctuations, this means that 42.9% of household waste was recycled in the twelve months to June 2012 – virtually the same as was achieved in the 2011/12 financial year (42.8%).																								
KI W3 Number of weekly missed collections <i>Monitored weekly</i>	Blue week = 100 Green week = 80	see table	G	<table border="1"> <thead> <tr> <th>Month</th> <th>Green Weeks</th> <th>Blue Weeks</th> <th>Actual Missed Collections</th> <th>Target</th> <th>Difference – actual v target</th> </tr> </thead> <tbody> <tr> <td>July</td> <td>2</td> <td>2</td> <td>106</td> <td>360</td> <td>- 254</td> </tr> <tr> <td>August</td> <td>2</td> <td>3</td> <td>319</td> <td>460</td> <td>- 141</td> </tr> <tr> <td>September</td> <td>2</td> <td>2</td> <td>330</td> <td>360</td> <td>- 30</td> </tr> </tbody> </table> <p>Missed bin performance has continued to be better than target for both quarter 1 and 2</p>	Month	Green Weeks	Blue Weeks	Actual Missed Collections	Target	Difference – actual v target	July	2	2	106	360	- 254	August	2	3	319	460	- 141	September	2	2	330	360	- 30
Month	Green Weeks	Blue Weeks	Actual Missed Collections	Target	Difference – actual v target																							
July	2	2	106	360	- 254																							
August	2	3	319	460	- 141																							
September	2	2	330	360	- 30																							

2013/14 Corporate Indicator				
Indicator	Target 2013/14	Q2 April - Sept 2013	RAG	Service Comments

Resources and Organisational Key Indicators

KI R1 Council Tax collected <i>Monitored weekly</i>	97.5%	57.4%	G	Council Tax collection is currently on target to meet the 31 March collection target of 97.5%. Local Council Tax Support Scheme (LTCS) and new charges around discounts and exemptions will lower the collection, when comparing collection rates to this time last year. Some slight slippage on time taken to assess benefit claims could be also having a minor effect on collection to date, but this should be resolved over the next few months.
KI R2 % Business Rates (NDR) Collected <i>Monitored weekly</i>	97.5%	62.1%	G	NDR collection is currently on target to meet the 31 March collection target of 97.5%.
KI R3 Sickness rate in working days <i>Monitored monthly.</i>	7.5	9.05 days = 2.7 days short-term, and 6.7 days long-term.	R	<p>We are currently well above the target of 7.5 days per person and there is a risk that the target will not be met this year. There has been a slight decrease however from a high of August of 9.6 days but we are now entering the season where sickness tends to increase.</p> <p>There has been a marked increase in Mental Health cases compared to Q2 in 2012/13 from 24.4% to 32%. This is the second year that there has been an increase in mental health absence.</p> <p>Training is to be rolled out to staff to support them in managing their own personal resilience and also help managers to support staff who are showing early signs of anxiety, depression and stress. The aim of the training is to improve mental toughness during the UCC FSR and the change programme.</p> <p>In addition we have agreed to explore some joint working with UNISON and external agencies to raise awareness amongst managers of mental health issues, its impact and how to apply our policies and interventions such as occupational health, to effectively manage mental health absence.</p>

2013/14 Corporate Indicator

Indicator	Target 2013/14	Q2 April - Sept 2013	RAG	Service Comments
KI R4 Forecast variance at year end – overall revenue budget <i>Monitored monthly</i>	-2% to +1%	+1.9 %	A	The current forecast outturn reported to Scrutiny Panel shows a net overspend of just over £0.3m / +1.9%. Whilst there remain a number of risks and variables in the forecast, several of which are expected to reduce the outturn forecast and therefore we currently expect the year end position will be within the target range.
KI R5 Achieve Fundamental Service Review (FSR) savings/ income) <i>Monitored monthly</i>	£0.28m (net)	£167k (net short fall)	R	Previous FSR targets are embedded within existing budget allocations, so this 2013/14 target only includes the budgeted savings from the Sport and Leisure FSR of £0.62m and the £0.34m net cost figure from the UCC FSR business case (0.62m savings less £0.34m cost = £0.28m net). The UCC FSR budget figures are expected to be within the net cost allocation with a probable net improvement. Within Sport and Leisure the revenue budget projection shows a shortfall of income for the year. The FSR target is £0.62m, but we are forecasting a shortfall of income of £369k – however, this is offset by a forecast saving in expenditure of £202k. The net effect is £167k shortfall against £620k target.

Other Performance news - April to September 2013

- Awards and accreditations that were achieved by the Council in first six months of 2013/14:

The highlights are summarised here and are also shown on www.colchester.gov.uk in the [achievements](#) section

Geoplace Exemplar Awards	Runner-up in the Integration award for our waste management integration project using LLPG data. These national awards celebrate excellence in service delivery that was enabled through local government address and street information.
RHS Britain in Bloom	Silver-gilt award for Colchester in Bloom in 'small city' category. Judges said " <i>first time entrant to the national finals, but one to watch in the future.</i> "
Green Flag Awards	Castle Park has received its eleventh consecutive Green Flag, with High Woods receiving its tenth. Green Flags set a benchmark of standards for management and maintenance of publicly accessible urban and countryside parks, and promotes the community value of green spaces.
2013 Housing Design Awards	Hargood Close - a new supported housing development of 35 units for homeless people which opened earlier this year - won the Richard Feilden Award for best social housing scheme of the year. These national awards recognize excellence and sustainability in housing design.
Museum Association	'Outstanding achievement' accolade for the two-year Out in the Open project based at Hollytrees Museum, designed to actively engage with homeless people, community partners and the public.
Essex County Council's Travel Plan Awards.	Colchester Borough Council attained a gold award for the promotion and development of its travel plan. This award includes a £2,000 grant from ECC for additional travel plan measures.
Association of Town and City Management	Purple Flag awarded to Colchester's night time economy – 1 of only 7, in recognition of great hospitality and entertainment areas which offer a positive experience to night-time visitors and users.
LEXCEL	Achieved the Law Society's practice management standard for the fourteenth consecutive year.

- **Performance Framework**

The Council's [Performance Framework](#) brings together all of the various aspects of performance and improvements into one document which is published on its website. The content has been refreshed since April to reflect recent updates or changes such as the planned 2013/14 internal audit programme and the new Scrutiny Panel arrangements.

- **LG Inform**

LG Inform is a data service from the Local Government Association which provides access to a large amount of contextual and performance data relevant to councils and fire and rescue services. It was 'soft launched' to registered users, Chief Executives and

Leaders in September. Access to its [website](#) was restricted to local authorities until November, before then being made open for the public to access.

LG Inform has set up a 'headline report' on its website that compares each council to its peer group, using metrics from various published national datasets. There is the potential to use LG Inform as a tool to create our own headline and custom reports of performance information, from an agreed set of data across our range of services and incorporate other elements such as surveys as appropriate. Our next steps are to learn more about the data service as it develops, carry out an overall scan of available indicators and how current the data is, to consider how we might best use LG Inform.

- **Strategic Plan Action Plan (SPAP)**

Progress made against the SPAP is considered by the Cabinet and by Scrutiny Panel on a six-monthly basis. The report which covered performance for the 2012/13 year and the setting of targets for the 2013/14 year was agreed by the Cabinet in July 2013. This included performance and targets for the Council's corporate indicator set as well as for the SPAP. It is now also shown on the Council's [Strategic Plan 2012-15](#) webpage, for public/audit ease of reference to that information.

The six-monthly update on progress for April to September 2013 is being considered in Appendix 2 of this report.

- **Data Quality**

In line with our Data Quality Strategy, arrangements are made for Internal Audit to review some key indicators within this report each year. The audit's emphasis is on data quality – the processes, methodology, targets, and accuracy of measurement behind the indicator.

These reviews are carried out within the Council's internal audit programme. The 'key corporate indicator – homelessness' audit was completed in July as part of the 2013/14 planned work.

- **Draft Local Audit and Accountability Bill – proposals for a new local public audit framework for local government**

The draft Bill sets out the proposed new audit framework for local public bodies, the process for the appointment of auditors, and the regulatory framework for local public audit. It reached its Second Reading in the House of Commons in October, and is due to be signed into law in the New Year. The [LGA briefing](#) highlights how this Bill may impact local authority publicity and council tax referendums, and whether existing freedom of information rules will be extended to include documentation held by the auditor(s) charged with auditing a local authority.

Colchester Borough Council (CBC) has set out an overarching vision for the borough in The Strategic Plan 2012-2015:

Colchester, the place to live, learn, work and visit

Within this, there are a number of broad aims:

Colchester as a vibrant borough with a bright future wants to be known for:

- Leading for the future
- Creating opportunities for all its residents
- Inspiring and innovating
- Being cleaner and greener
- Listening and responding.

This Strategic Plan 2012-2015 also has a number of priority areas and outcomes to be achieved in two categories as below:

Leading our communities	Delivering high quality, accessible services
<ul style="list-style-type: none"> • Regenerating our borough through buildings, employment, leisure and infrastructure • Improving opportunities for local business to thrive including retail • Giving local people the chance to improve their skills • Promoting sustainability and reducing congestion • Showing tolerance and changing behaviours to create better local communities • Supporting tourism, heritage and the arts • Bringing investment to the borough • Working in partnerships to help tackle health and crime issues. 	<ul style="list-style-type: none"> • Delivering an efficient benefits service • Reducing, reusing and recycling our waste • Providing more affordable homes across the borough • Improving our streets and local environment • Tackling anti-social behaviour and using enforcement to support priorities • Enabling local communities to help themselves • Supporting more vulnerable groups • Providing sport and leisure for all, alongside good quality green spaces and play areas • Engaging with the voluntary sector.

Each of these has actions and outputs which are included in an annual Action Plan – see following pages for more information about the Action Plan for 2013-2014, and for an update on the progress being made to achieve these outcomes. These actions were agreed at the July 2013 meeting of CBC’s Cabinet.

Delivering high quality, accessible services

The priorities in this section of our action plan are about actual delivery of direct services either through our own Council resources or using others to provide services.

Delivery of an efficient benefits service

Key performance measures and actions include efficient benefit processing services and effective implementation of Universal Customer Contact FSR leading to improved customer journeys and increased online take up:

- **Continue to work to automate benefits processes internally -**

New automation has been completed for processing rent increases from Housing Associations which improves the performance of the benefits assessing team particularly in October and April (for example, around 900 changes for April are now automated).

Additional automation has been achieved through the DWP file transmissions (Atlas) for changes in customer circumstances including maternity, severe disablement, bereavement and for carers. More automation is also under development.

- **Streamline customer journeys -**

The above automation achieves streamlined customer journeys for changes in customer circumstances and rent increases.

Customer journeys for applying for housing benefit, Local Council Tax Support Scheme (LCTS) and Discretionary Housing Payments (DHP) have been reviewed, updated and streamlined.

The new Customer Support Team continues to join up services for customers by offering a 'one solution' service for welfare benefits, housing benefits, housing support and financial support.

- **Increase the uptake on online services for benefits -**

Application for benefits is now at an all-time high of 85% online. A new process for online DHP application has been implemented and more than 300 applications have been made online this financial year.

Students from the University of Essex can now apply for a student discount online without the need to provide a certificate to prove their student status. This is checked automatically using data provided by the University on a daily basis during registration, and then monthly throughout the rest of the year.

Reducing, reusing and recycling our waste

Key actions here include plans for our Shrub End Depot to provide improvement, income, efficiencies and partnership working opportunities for the future along with implementation of recycling educational activities, progress of Section 46 enforcement and the introduction of plastic recycling collections from flats.

- **Food waste for all homes and plastic collections service from flats introduced across the borough** – Food waste collection from more than 62,000 households in the borough commences on 22 October. Over a six-week period food waste collection kits will be distributed to households, with collections taking place the following week after kits are delivered. All households will be able to place food waste out for collection by 29 November on the same day as all other materials are collected.

Throughout the year-long food waste trial, residents asked the Council to explore ways in which caddy liners could be made more accessible and reasonably priced. The Council has been working with local businesses and organisations and has established a Retail Network to stock and sell compostable food waste liners. This will make the compostable food waste liners available to households across the borough at a competitive price in order to make the liners affordable, whilst supporting local businesses.

The introduction of food waste and plastics recycling for residents living in flats is planned for early 2014.

- **Proactive work with local residents to encourage reductions in household waste and increases in recycling** – Zones have completed 66 Recycling Educations at doorsteps at half-year, for people recycling incorrectly. Zones have further undertaken 492 Household Waste Educations which can involve anything to understanding where their boundary is, putting out excessive amounts of black bags to rubbish being left in front gardens and bulky collections.
- **Options appraisals produced on Depot improvement and future of Trade Waste service** - Approval has been given to replace the baling shed and baler at Shrub End Depot. To maximise the opportunities from this investment, discussions are taking place with Essex County Council (ECC) who are looking at the development of the Recycling Centre for Household Waste (RCHW) co-located on the site. The development of the depot and RCHW both handle similar materials and therefore it would be prudent to look to see whether any savings or income opportunities could arise from working together or optimising the combined site layouts.
- **Trade waste** – An options appraisal for the service will take place in conjunction with Commercial Services and the East of England Local Government Association.

Strategic Plan - Action Plan for 2013-2014 – update on progress against agreed actions April to September 2013

Providing more affordable homes across the borough

Key actions here include the use of our own land and assets to facilitate the building of new affordable housing. We also aim to ensure the Housing Trajectory demonstrates a 15-year supply of housing sites, including a 5-year supply of deliverable sites and we will undertake a range of measures to bring empty homes back into use.

- **400 new affordable homes to be built over three years** – 133 delivered in 2012/13 (total new homes ‘all tenures’ was 617); 2013/14 - 25 affordable homes delivered by end September which brings the total so far against the three-year target to 158 affordable homes. This is in line with expected delivery for this year which is predicted to deliver the greatest number of units in quarters 3 and 4.
- **Qualifying sites¹ achieve the percentage of affordable housing, as stated in Planning Policy unless a viability study for each site indicates another level is acceptable.** - At the half-year stage, five qualifying sites had legal agreements settled which specified the affordable housing contribution due on that site. The affordable housing contribution by site is set out below:

Total number of homes on the site	Number of homes due if 35% affordable policy applied	Number of affordable homes actually secured	Committed sum to provide affordable homes off-site in lieu of on-site
126	44	16 (13%)	£666,343
43	15	43 (100%)	0
128	45	25 (20%)	0
123	43	31 (25%)	0
32	11	0 (0%)	£294,262

- **Implementation and monitoring of progress of the Empty Homes action plan from April 2013 –**

- During the New Town Day of Action the addresses of 50 empty homes were supplied to the Zone Team. They checked these and 10 homes were occupied. Others had ‘For Sale’ boards/had been sold. 40% of the empty homes had been or were being returned to use.
- The [‘report an empty home’](#) button on the CBC website has been used four times. All of these properties were known to CBC.
- The 10% discount on council tax for second homes was removed, and the full council tax charge is now due on second homes.
- Homes which have been empty and unfurnished for two years or more now have to pay 150% of the council tax charge.
- “Empty Homes Rescue” leaflet produced publicising the availability of grants of up to £20,000 to bring empty homes back into use through the Colne Housing/HCA funded scheme. Leaflet added to CBC web-page and mailed to 200 owners of empty homes which have been empty for two years or more. Three owners of empty homes contacted the Council and work is progressing with them.
- A total of 20 empty homes were bought back into use as a result of intervention by the Council.
- **To update the housing trajectory and ensure an adequate supply of housing land –**
Annual update of housing trajectory has commenced, and will be completed by December 2013.

¹ Qualifying sites means sites of 10 units or more in Colchester, Stanway, Tiptree, Mersea and Wivenhoe or 3 units elsewhere.

Improving our streets and local environment

Improved street cleanliness and shifting resources to increase responsiveness to environmental and cleanliness issues is a key action here along with Enabling Community Ownership to facilitate communities taking an active role in keeping their local environment clean, tidy and loved. Developing and maintaining strategic partnerships (Essex County Council, [ECC], Bus and Rail operators) to help deliver improvements in air quality and sustainable transport infrastructure is an important action to improve our local environment.

Cleanliness and air quality actions:

- **In partnership with the Local Highways department (ECC), we will produce an interim Air Quality Action Plan. This plan will set out what the borough and the county intend to do to improve air quality within our Air Management Areas –** An interim Air Quality Action Plan has been submitted to DEFRA together with this year's Local Air Quality Management Progress report. Please note that this report cannot be made publicly available until it has been appraised and approved by DEFRA.
- **Continue with our behavioural change project – 'loveurcar' –** The project has held campaigns to encourage both walking as a mode of transport for shorter distances and car sharing, and discourages leaving car engines idling. In addition, 'loveurcar' branded car parking spaces are to be provided in Council car parks.
- **Commence work to produce a Low Emission Strategy for the borough. This piece of work will include a Low Emission Zone Feasibility Study (project to be completed 2014- 15) –** Air Quality specialists have been appointed to carry out a baseline emission study of the whole borough. This study will include all major road sources and industrial sources and will give an indication of pollution hotspots (including Air Quality Management Areas) for Nitrogen Dioxide and particulate matter of diameter less than or equal to 10 microns and 2.5 microns (PM10 and PM2.5). The findings of this baseline study will inform the development of a Low Emission Strategy to address the hotspots identified.

Improving our streets and local environment - continued

Enabling community ownership and active participation actions:

- **Deliver 3 Community Days of Action in various neighbourhoods** – Two Community Days of Action (CDoA) have been delivered so far for 2013-2014. One in St Andrew's Ward in April and more recently in New Town. In St Andrew's, the top three issues identified were litter/street cleanliness, dogs/dog fouling and anti-social behaviour (ASB); 14 agencies worked alongside local residents to increase community reassurance around crime and fear of crime. Amongst some of the highlights, 470 residents attended the 'Give and Take' event in the Community Centre, six new bollards installed in a car park in Stanley Wooster Way, a new bench installed in Magnolia Field and planters installed in Hawthorn Avenue as part of 'Glorious Greenstead' campaign. The new Police and Crime Commissioner also attended the event. In New Town, the top three issues identified were parking, dogs/dog fouling and litter/street cleanliness. 25 agencies worked alongside local residents and 10.5 tonnes of litter were removed, 67 vehicles stopped and 44 tickets issued, three arrests made and a variety of community engagement and enforcement activities took place throughout the day.
- **Engage with schools to raise awareness around environmental issues and increase the number of schools participating in litter picks and Junior Warden schemes** – A new Junior Warden Scheme is being set up at Tiptree Heath Primary School and is due to start from October onwards. We now have three Junior Warden Schemes running, the other two being in St Anne's and St Andrew's. The Junior Warden project has two main aims:
 - 1) To engage with young people at an age where we can influence their decisions and behaviours in the community
 - 2) Give them a greater understanding of their environment and to help encourage a sense of pride and responsibility.This is a long-term behaviour change programme, and it is when the young people start in secondary school that we will see if there is embedded change. We have 12 schools engaged in regular litter picking as well as other activities such as Eco Bugs, and we also help with walking buses which gives us the opportunity to talk with the children.
- **Introduce a pilot in the Town Centre to enforce reductions in littering during the evening / night time economy hours** - Two pilot exercises have taken place so far, on the Purple Flag Assessment evening and on the Night of Action. The results of this work will be reviewed in line with costs and outputs and possible options for the future will be considered.

Tackling anti-social behaviour and using enforcement to support priorities

Our key actions for this priority include the achievement of Purple Flag accreditation, thereby recognising excellence in the management of town centres in the evening and at night and to raise standards and improve the experience of Colchester town centre after dark. We also want to focus and continue working with partners to deal with anti-social behaviour (ASB) in its widest sense, including issues relating to noise, graffiti, litter and dog fouling as well as more traditional anti-social behaviour, with the emphasis on behaviour change rather than just enforcement. We aim to work with local communities to reduce anti-social behaviour and promote pride.

- **Develop and implement a Night Time Improvement Plan and retain Purple Flag Accreditation** – A draft Purple Flag Action Plan has been developed and will be presented to the reformed Purple Flag Working Group in November.
- **Deliver a Night of Action in the town centre** – This is being planned in Castle Ward/Town Centre for early December.
- **Initiate the Street Drinkers outreach project in partnership with the April Centre**. This project is now being delivered in partnership with Open Road who will be employing an outreach worker from November 2013 to work in with the police and the Colchester Borough Homes (CBH) ASB team. The project will focus on a small number of street drinkers in an intensive way with support and/or enforcement.
- **Continue Zone activities to reduce anti-social behaviour** – Zone wardens have intervened in a number of ASB incidents. These range from neighbour disputes to dog issues, cluttering communal housing areas, to noise. We continue to work proactively using each ASB incident as an opportunity to influence behaviour change. One of the biggest impacts we have had so far is working with CBH, Estuary and Colne Housing Associations. Following weekly empty properties' updates we visit them regularly during their unoccupied period, thereby reducing squatting instances, discouraging groups of drinkers and drug users. This leads to an improved environment around the properties which often became misused and targeted. Vandalism, cleanliness and noise issues have all been reduced significantly. We intervene, often with partner support, at the first instance of ASB being raised. We also target resources where necessary, such as a single street that generates significant ASB issues for its Housing Association. We make sure we visit regularly, are highly visible and act quickly. This again has had results as we slowly change people's behaviours.
- **Introduce a pilot in the Town Centre to enforce reductions in littering during the evening / night time economy hours** – XFor Pilot has been used twice and is currently in review to assess impact and decide on future approach.
- **Partnership working to enable Zones to utilise enforcement powers to tackle flyposting** - A new process has been implemented with Planning since 1 July, to allow our Wardens to advise Planning of all associated information / evidence of flyposting. The offender is given two days to remove the notice, if not the Planning Team take on the responsibility for prosecutions. 79 enforcement actions have taken place so far using this process, with the businesses being made aware of their responsibility to remove the posters. There have been no prosecutions so far as the remainder have no business details available. However, we will look at developing the process to see if resource can be allocated within Planning to research the origin of the business.

Enabling local communities to help themselves

Our key actions for this priority are to enable communities to improve or develop new facilities such as community centres, sport and recreational facilities and for Zone Teams to identify and engage with formal and informal community groups within the borough.

- **Continued use of S106 Funding for community developments** – A variety of community facility, open space, sport and recreational facilities and improvements are being delivered through funding from S106 agreements. Projects include working with Town and Parish Councils to deliver improvements in local halls, in response to increasing demands generated by increases in resident population. A total of £407,000 has been allocated to community projects so far during 2013-14. These range from Disability Discrimination Act (DDA) compliance building works in New Town to the creation of new community space in Stanway.
- **Development of a borough-wide sports facility strategy in conjunction with Sport England in order to plan for new sport and leisure facilities and activities in North Colchester and elsewhere in the borough and to get greater benefit from existing facilities** – CBC Officers have developed a draft contract and the evaluation criteria is being drawn up to send, along with the agreed brief, to the consultants on the Sport England Framework.
- **Community Services to work collectively to develop, support and enable community led activities and clubs and to encourage a supportive local environment for community activities** - Zone Wardens have enabled 732 community events in this period. This can range between events that encourage a sense of community and social engagement through to behaviour change. As an example the teams support neighbourhood coffee mornings or activity sessions for elderly people. These are aimed at keeping fit, as well as socialising and getting out of the house. These can sometimes be the only interactions available to many older people who live alone. We also support and work with members of the community to enable clubs for a range of age groups and interests. Two examples in St Anne's include a dance club and an allotment club. We are currently working with three youth groups to develop youth clubs in St Anne's, Tiptree and Mersea where the intention is to support the implementation, but then hand over the ongoing running of the clubs to the local community.

Supporting more vulnerable groups

The main actions identified to help support vulnerable groups include working with partners in the voluntary sector and sub-region to provide new specialist support services to prevent households becoming homeless, and to support and develop skills within vulnerable groups in respect of confidence and assertion to support independent living and safety. Another key action is to support and contribute to the Essex Families Pilot aimed at working with partners to support vulnerable families.

- **DCLG Street Homeless Project with April Centre to be continued and monitored** - The April Centre has commenced the two-year rough sleepers' outreach project. An action plan has been submitted which includes the recruitment of a Homeless Co-ordinator and two part-time workers by November 2013. The aim of the street outreach service is to engage with any rough sleepers to ensure they do not spend a second night out but in particular to work with entrenched rough sleepers, of whom there are known to be 16 within the area of Colchester and Tending.
- **Deliver 'Crucial Crew' programme to Year 6 pupils across the borough and a further 'Crucial Crew' for older people** - In 2013 Crucial Crew for young people delivered personal safety education to more than 1,500 Year 6 children from 53 schools across the borough. The safety scenarios included road, crime, anti-social behaviour, fire, internet, rail, drugs and alcohol. Plans for the 2014 event are underway with provisional dates of 2-13 June. The first 'Crucial Crew' for Older People took place in April 2013. It was opened by the Police and Crime Commissioner and included information on potential dangers related to crime, fire, trading standards and environmental health. It was attended by more than 110 older people and included a range of partners from the public and private sector. The feedback was very positive.
- **Launch a new 'Keep Safe' project in the town centre** – This new project was successfully launched in the town centre on 6 June, with plans to extend borough-wide. The scheme currently has signed up 22 venues including: Poundland, 99p Stores, HMV, the Police station, the Duchess, Riley's (Snooker Hall), One Housing Group, SOS Bus/Open Road, all Essex County Libraries throughout Colchester borough, CBC Fleet Vehicles, Best Level Café, Colchester Town Hall and our Customer Service Centre, with a further eight venues currently being approached. 102 members are currently signed up to the scheme.
- **Update CBC's Safeguarding training records and complete audits in line with Essex Safeguarding Children and Adults Board' requirements** – Safeguarding training records continue to be updated in line with the requirements of the Safeguarding Boards and statutory obligations. A new joint ESCB and ESAB Section 11 web-based audit is due on 25 October and work is being prepared for this. Updated figures on training, as well as various information in relation to a range of new 'standards', will be included in the Council's response.
- **Award of agreed Welfare Grant Programme funding to key Voluntary Sector Partners supporting the delivery of CBC's priorities** - £231,132 voluntary welfare funding has been awarded for 2013-2014 to support voluntary and community groups that assist the Council in meeting its strategic priorities - especially with regard to supporting vulnerable groups, engaging with the voluntary sector and enabling local communities to help themselves.

Providing sport and leisure for all, alongside good quality green spaces and play areas

Our key actions here are to develop a sport and leisure service that embraces new technology and responds to customers' needs in order to improve access to services so that sports participation is increased. We also want to enable communities and work with partners to deliver better open spaces and leisure and work with local sports clubs, leisure providers and other partners to deliver projects that build on the energy and excitement resulting from the 2012 Olympic and Paralympics.

- **Continue and increase participation in the Park Run event in Colchester as part of the national initiative** – The Inaugural Saturday Castle Parkrun was on 6 April and continues every Saturday, organised and managed by Core volunteer groups. Participation recorded for April to September - 22 events; 2,943 participants; 944 individuals; biggest attendance =158; average of 134 per run; average of 15 volunteers per week. CBC contributed £1,500 to start-up costs = 51p per participant to date.
- **Continue to work with Colchester School of Gymnastics to realise their extended facility following the upsurge of interest brought on by the London Olympics. This includes using CBC's S106 funding** – CBC has allocated £174,000 from Royal London S106 fund. CBC officers worked with CSOG directing them to other potential sources of funding and National Governing Bodies. CSOG has now received new 'value engineered' basic plans and support from an experienced local construction company providing advice and guidance. The next phase is to confirm the total fund available and cost of the project.
- **Chair the Active Colchester Network and ensure the agreed action plan is delivered** – CBC Officers chair the Active Colchester group and attend Essex Active Networks Chairs group. An Action Plan for 2013/14 was agreed and based on funding via Active Essex. £12,300 of this funding secured for projects such as the Tour Series community event (£3,800), Parkrun (£1,000), Urban Games (£2,000), leader-led cycle rides (£2,000) and free activities for older people (£500). An application for 'sportivate' funding for five sports project to be delivered by CUCST on behalf of Active Colchester was abandoned when CUCST ceased trading.
- **Increase participation and income in line with FSR objectives by improving the capacity for customers to book sport and leisure activities online, capacity for customers to self-serve at Leisure World Colchester and introducing 'MyLeisureWorld' card** - My Leisure Card was launched on 24 April in line with the 'go-live' date of the new Welcome Zone at Leisure World Colchester. At 31 August, 66.65% of adult customers are now Leisure Card holders. Self-service kiosks were introduced on 24 April - between May and August 51,093 tickets were transacted by 2,977 individual adult Leisure Card holders. Web bookings were launched on 1 May - between May and August 6,854 web bookings were made online by 750 individual adult Leisure Card holders. At 31 August 32.44% of Leisure Card holders are using either web bookings or kiosks to self-serve. Staff training on the Loyalty part of the Leisure Management system took place in September, and work is being carried out to launch loyalty rewards for Leisure Card holders from January 2014.
- **Gym in Castle Park and agreed use of Open Space S106 funding** – A variety of open space sport and recreational facilities and improvements being delivered through funding from S106 agreements. Tenders for the Olympic Legacy Project including the outdoor gym and toddlers sand play have been received and been the subject of public consultation to identify preferences. Work on site to commence late autumn 2013.

Engaging with the voluntary sector

Our key aims are to look for opportunities to transfer the management of assets and services to the voluntary sector where this can achieve improved services and efficiencies, and to work with the voluntary sector to address strategic issues, support communities and groups and further strengthen partnerships.

- **Award of agreed Welfare Grant Programme funding to key Voluntary Sector Partners supporting the delivery of CBC's priorities** - Approval and distribution of the £231,132 voluntary welfare grant funding has been completed. Full details of the awards recipients and activities and benefits that are expected in return for these grants were included in the portfolio holder report at the start of the year.
- **Transfer the management of assets and services to the voluntary sector where this can achieve improved services and efficiencies** – Unfortunately due to a fire at the Garrison Gym the transfer of this building to the community has been delayed. However, we have recently heard from the loss adjusters that the Council may be able to renovate the building to a shell and then renew negotiations with the Abbeygate Church to complete the transformation to a community centre.

Leading our communities

This section of the action plan is about influencing others in a range of functions where the Council does not have direct responsibility for delivery, but knows that these things are vital to the future of the borough and its residents.

Regenerating our borough through buildings, employment, leisure and infrastructure

This is arguably one of the most challenging but important priorities for the Council in the current climate. The main actions here are to support the delivery of the key regeneration sites, and bring back existing buildings into use including stalled sites to deliver new homes and jobs. We also aim to bring forward the regeneration of key areas in the borough to provide enhanced community facilities and infrastructure, including public spaces, by working in partnership with the public and private sectors.

- **Continue to support the delivery of Greyfriars Hotel and East Hill House conversion** – Greyfriars Hotel on site and due for completion and opening in February 2014. The East Hill House developer is engaged in conversations with Planning to bring forward development.
- **Development of the first Phase of the Severalls site** – Development underway on site and units selling to end users.
- **Progress the delivery of a Masterplan for the Cuckoo Farm South / Northern Gateway to deliver new leisure facilities and jobs including development of a hotel, health and fitness centre and associated retail** – draft Masterplan due December 2013, 2 sites in Phase 1 completed leading to 100 jobs created or retained in the borough.
- **Consider approval of a planning application for North Growth Area Urban Extension** – application considered by Planning Committee in September. Recommendation to approve, agreed by members, now referred to Secretary of State.
- **Progress the completion of Transcoast project delivering new pontoons and community benefits**- Pontoons in place and completed, Town to Port trail community event completed with more than 5,000 attendees.
- **Progress the creation of a new public park within the Maltings Development** – Public park secured through S106 and development on site.
- **Progress the creation of a Masterplan for the Coldoc / Fieldgates sites** – Work on hold pending completion of River walls structural survey, jointly funded through Transcoast EU monies and HCA.
- **Progress planning consent for Phase 2 of the St Botolph's Quarter, providing new homes and retail opportunities** – Expressions of interest from developers due by 23 October following marketing exercise.
- **Progress Town Station (Oyster) Square and Berryfield extension to transfer the outside play area back to St Thomas More school as per the legal agreement** - Both schemes on site in October and due for completion in December 2013.

Improving opportunities for local business to thrive including retail

Key actions for this priority include the implementation of key projects within the Better Town Centre Programme Plan, including delivery of the new Creative Business Centre providing flexible work space and network and business support facilities for a priority growth sector. Also to deliver the Colchester Digital Strategy and develop local networks and business support to enable Colchester businesses to start up and to grow.

- **Continue activities to securing a minimum of 6,000ft² of flexible workspace** – European Regional Development Fund bid submitted 25 October for part funding for the proposed Creative Incubator in Queen Street. Remaining project funding already secured.
- **Progress planning consent for Vineyard Gate Shopping centre** – Work is ongoing regarding viability of the Vineyard Gate scheme. Until this has been resolved conversations regarding planning consent are on hold.
- **Continue to seek external funding up to £300,000 to progress aspiration of a ‘Lanes-style’ retail offering** – External funding for ‘The Walls’ being sought in addition to business engagement activities.
- **Progress delivery of superfast broadband and 4G mobile connectivity by the end of 2014**
 - Roll-out of 4G-enabled Town Centre WiFi is scheduled for December, providing half an hour’s free internet and phone connectivity per day per user and 24/7 access to three websites – colchester.gov.uk, Visit Colchester and gov.uk - to support channel-shift.
 - Build-out of fixed wireless broadband across underserved areas of the borough continues and the Council is conceding a lease to support this in Q4 2013.
 - Active discussions continue with the Council’s fibre partner for open access fibre roll-out to key areas of the borough.
- **Increase the number of partnership links relating to business, employment and skills initiatives**

The Colchester Enterprise Hub commenced its first entrepreneurship programme on 17 October. The pilot programme will enable 16 local residents to transform their business plan into a trading company supported by local business investment and mentoring. The latter will be delivered by the Colchester business mentors, of whom 36 have been recruited so far from local businesses. The Hub has received significant tangible support from the business community, and is actively building partnerships with the University of Essex and Colchester Institute.
- **Work with ‘Colchester Works’ to increase the promotion and take up of employment and skills initiatives to local residents and businesses**

‘Colchester Works’ is an initiative facilitated by the Council which has increased its membership to more than 40 partners. The emphasis is currently on supporting partnering between providers and creating an effective ladder of opportunity for jobseekers. A particular success in the current year has been working with a major new care home provider to ensure that the 70 jobs plus apprenticeships and volunteering opportunities associated with the facility have targeted local residents.

Giving local people the chance to improve their skills

Our key actions here are to work with the Adult Community College and Job Centre Plus to increase the number of residents with skills for work by providing extra courses in community venues. We also want to help reduce the number of young people aged 18 to 24 in the borough who are not in employment, education or training (NEET) and increase the take-up of Apprenticeships in the borough.

- **Work with Colchester NEET Group (including ECC) to deliver work/training initiatives that will benefit the Colchester NEET group and help to reduce the cohort numbers –** A weekly work club is held at the offices of a youth apprenticeship organisation based in Crouch Street for people under 25. Engagement with this age range has been challenging; however, the numbers are now starting to build and recently 2 members have been offered interviews and 1 has secured an apprenticeship. The Council is represented in the Raising Participation Age/NEET group for Colchester and Tendring and supports the group's initiatives such as its annual Careers Convention attended by 1,600 Year 11 pupils. ECC's FreeFormers initiative provides access by the NEET Group to Information Technology jobs.
- **Work with Job Centre Plus and other partners to maintain work clubs and continue our customer support team initiative -** Six Work Clubs continue to run, with an average of four residents at each session. These clubs are now being facilitated by a team of experienced volunteers, who receive ongoing support from the CBC 'back to work' team. Since the start of the year, eight residents attending the clubs have found employment.
- **Work with the Adult Community College to increase the number of residents with skills for work by providing extra courses at community venues –** An employability course including job searches, CV writing and interview skills took place in the Army Welfare Centre in September. In addition, six lone parents attended a training and employability information session (this group are now required to look for work) in July. This included advice on benefits, courses and family learning, volunteering and work clubs. One attendee has become a volunteer with the Credit Union and all other participants have a written Careers Action Plan.
- **Deliver Job and Volunteers' Fairs -** This Fair took place in September in the Moot Hall with a record 13 employers participating including Sainsbury's, Barclays, Halifax and Essex County Council. In addition, 20 organisations offering training, apprenticeships, careers advice and volunteering opportunities also attended and 350 residents visited on the day.

Promoting sustainability and reducing congestion

Our key actions for this priority are to support the reduction of unnecessary traffic in the town centre. We also aim to use the public realm strategy to develop a package of measures to enhance the vitality and economic prosperity of the area. We want to develop, with ECC, the sustainable transport infrastructure for the North Colchester Connectivity corridor and deliver Travel Change Behaviour programmes with transport providers to help address congestion and air quality. We also aim to review Nottingham Declaration strategy and develop a new Environmental Sustainability Strategy.

- **To review proposal to reduce traffic in the High Street in the light of ECC's unilateral decision on 11 April to suspend the experimental orders without consultation with CBC** - ECC decided to reintroduce on 13 October only part of the original scheme – the bus lane up North Hill and the bus lane into Queen Street from High Street. Cameras have been installed to enforce the bus lanes. Access to High Street is still possible via Head Street. Phase 2 changes to be developed by ECC and delivered with Park and Ride.
- **Secure funding to move forward streetscape and public realm enhancements in the town centre** – CURE funding being used to deliver activities in St Botolph's public square such as Black History Month. Activities programme being developed for High Street.
- **Sustainable Transport -**
 - **Commence construction of 1,000-space Park and Ride facility at North Colchester**
 - **Approve a solution for bus priority in the North Station Area through to the town centre**
 - **Prepare for the delivery of the Northern Approach Road (NAR) 2 Rapid Transit Corridor**Work has started on construction of the NAR3 providing the link from the existing NAR to the A12 Junction 28. Working with ECC to enhance a submission to the Department for Transport for pinch point funding to allow construction of Park and Ride to start in 2014. Project is a priority for the South East Local Transport Board. Comments sent to ECC on potential options for the bus priority in the station area.
- **CBC to support the Colchester Travel Plan club (CTPC) to promote Travel Change Behaviour**
 - **Continue to work with existing partners, seek new partners**
 - **Promoting walking, cycling, public transport and car sharing to help address congestion, air quality and address personal health**

The DEFRA-funded air quality initiative, 'loveurcar' campaign has been rolled out including a programme of bill boards, a flash mob and social media updates. Flash mob video promoting walking for short trips has had more than 2,000 hits. The campaign is promoted through the existing Travel Plan Club members. Initial discussions have taken place with four businesses regarding membership of the travel plan club.

Strategic Plan - Action Plan for 2013-2014 – update on progress against agreed actions April to September 2013

Cycling has been promoted using bespoke projects for individual members and through campaigns such as the Bike Fashion Show in partnership with Culver Square, the launch of the Cycling Centurion Treasure Trail, and Cycle Colchester stalls at events throughout the summer. We have worked with the existing CTPC members to deliver their travel plan commitments and retain their Travel Plan accreditation.

- **Behaviour Change and Transport strategies –**
 - **Finalise the Stanway Travel Strategy with ECC and prepare and overarching Transportation Summary Document as evidence base to inform the review of the Local Plan –**
Comments on a draft version of the Stanway Travel Strategy have been supplied to ECC, and we are awaiting the final draft document from ECC.
Transportation Review to be presented to November Policy Review and Development Panel.
- **Further enhance the Cycle Delivery SPD to ensure funding is allocated through future developer contributions mechanisms – CIL and S106 -**
Work is being undertaken to cost out the measures in the strategy, but using the Cycle Delivery Supplementary Planning Document, cycle improvements have been secured as part of the following developments:-
 - Betts site – Ipswich Road
 - Stanway Railway sidings - Halstead Road
 - North Growth Area Urban Extension.

The Local Highway Panel has allocated funding for the design of :

- Comprehensive signage of all routes and realign suitable routes for main urban area
- Butt Road to Norman Way – improving access to schools, signs and lining
- Hospital Lane to Sheepen Road via Colchester Institute – improving access to schools, signs and lining.

- **Host a round of the Pearl Izumi Tour Series 2013 with supporting community event –**
Successfully hosted the Tour Series professional cycle racing on 30 May with more than 8,000 people attending.
- **Work with Greater Anglia and ECC on the Station Travel Plan and the Community Rail Partnership to promote sustainable travel to stations -**

Greater Anglia has invested and launched 'Bike and Go' cycle hire at the station. Using the Colchester Travel Plan Club to promote the hire scheme. Greater Anglia has prioritised Colchester for further investment and is working with partners on a new initiative 'Fixing the Link' to improve the link from the station to the town centre. A review of the draft North Station Masterplan has commenced.

Showing tolerance and changing behaviours to create better local communities

Our key action for this priority is to work with partners to successfully introduce a new integrated offender management programme to reduce repeat crime. We also want to develop and agree a service level agreement with the Probation Service to enable positive use of the Community Payback scheme. We have an overarching aim to promote tolerance and work with partners and communities to meet the diverse needs across the borough, and consider equality and diversity implications in our policies on those with protected characteristics (age, disability, gender, race, religion, belief, pregnancy, maternity, marriage, civil partnership, sexual orientation, gender reassignment).

- **Work with Probation Service to enable Community Payback scheme to continue** – The partnership with the Probation Service continues to be a valuable and growing one. Individual placements work very well for both the Council and the individual. Group work has increased this year, with Probation being able to respond to one-off events as well.
- **Continue (with partners) the offender management programme** - The Integrated Offender Management report from April to July showed that Colchester and Tendring having the lowest re-offending rates in the county and performs well nationally. The team has continued to focus on ensuring they are engaging the right offenders. They have had a number of success stories including the recall of a known burglar in Colchester within hours of intelligence coming to light, and setting up a previously prolific shoplifter with the tools to start his own business. They have had a number of offenders make it through a year without re-offending, and the relationship within the IOM team is strong. They have used funding to purchase items like work boots and CSCS cards to enable individuals to get back into stable employment and stay away from offending behaviour.
- **Consider Equality and Diversity and promote tolerance and the diverse needs of our residents, reporting annually to the Policy and Review Development Panel on progress** – The Council continues to have a robust and embedded approach to equality and diversity with Equality Impact Assessments being undertaken on all policies, a dedicated resource in place, support and participation in groups and a number of activities and improvements being undertaken in services. The annual review of the Council's approach and evidence of its activities and achievements in this area will be scrutinised and reported to Policy Review and Development Panel in November.
- **Continue to operate Zone working principles with a focus on local needs** - The main principle of being able to respond to the needs of a smaller community is now embedded and works well. The model has provided a more efficient and responsive way of working, however managing demand and expectations is challenging and budget cuts in some of the traditionally County-led functions have increased workloads. A formal review of the approach will take place over 2013-14 now that the new Community Services is in place, and has seen Parks and Recreation move into the Zones management structure for the first time.

Supporting tourism, heritage and the arts

Our key actions are to work with partners and local industry businesses to increase the economic impact of tourism in the borough. We also want to work in partnership with Colchester Arts Centre, Firstsite, the Mercury Theatre and the Museum Service to provide leadership and support to deliver the Creative Colchester strategy and increase skills, jobs, community development and forge new links between cultural, creative, tourism and hospitality sectors. We have our exciting Castle re-development project and the associated interpretation of the wider heritage in the borough and our aim to deliver increased visitor numbers, and encouraging day visitors to overnight/weekend stay visitors.

- **To increase trips to the borough and spending while here** – 2012 data will be available in December.
- **To increase the number of people employed in tourism from 3,910 to 4,100 ('full-time equivalent' by 31 March 2014) - 2012** data will be available in December.
- **Creative Colchester strategy / Deliver identified priorities within the Action Plan** – Creative Colchester refresh and revised action plan being drafted for approval by Investors Board in February 2014.
- **Develop and maintain delivery mechanisms for improvement and maintenance of our heritage assets across the borough** Heritage panels at Duncan's Gate and Balkeine Gate, produced in partnership with the Friends of Colchester's Roman Wall, were unveiled on 12 June and 2 September respectively. Interpretation of Colchester's wider heritage will be augmented by the creation of an App trail next year. In addition small exhibitions were installed in Hollytrees Museum in early June and in the Garden Room at the Minorities on 28 August. They feature the work of the volunteer team in conserving objects for the new displays in the Castle. Hollytrees was used as the venue for public information sessions about the Castle redevelopment project as part of Heritage Open Days on 14/15 September. The new HLF Unlocked project will showcase a new way of experiencing the museum collections of Colchester and Ipswich Borough Councils and this is well into development.
- **Deliver the Castle redevelopment project** – The Castle redevelopment project is progressing well and is still on target to open in the late Spring 2014. Hutton Construction, who are carrying out the main building works at Colchester Castle, have insulated the roof and are now installing the under-floor heating. Beck Interiors were appointed as the main fit-out contractors and Spiral Productions were awarded the AV and multimedia contract at the end of May. The use of light projection onto the internal spine wall of the Castle has been investigated and proved to be technically possible. The light projection will consist of short films highlighting the dramatic events in the Castle's history and will be shown at intervals during the day. When the films are not playing the wall will be fully visible. The use of such large-scale light projection as a regular interpretive element in this way will be innovative.

Bringing investment to the borough

Our key actions are to work with Invest Essex to promote the Colchester offer and attract inward investment into the borough. Work with the Integrated County Strategy and Haven Gateway Partnerships to secure the infrastructure investment identified in Colchester's Local Investment Plan and target 20 companies in key growth sectors to secure additional investment in the borough in excess of £1m. We aim to secure funding from Growing Places Fund, Integrated County Strategy investment fund, Europe, private sector partners and other sources for key projects.

- **Secure new inward investment into the borough in excess of £2m** - Target exceeded combining new inward investment from Marel (suppliers of meat processing equipment), Proinor (Freight Forwarders) and Arqiva (Telecommunications infrastructure).
- **Secure funding from Growing Places Fund, Integrated County Strategy investment fund, EU funding programmes, private sector partners and other sources for key projects** – Work ongoing to ensure Colchester offer and “ask” is highlighted within refreshed Essex Growth Strategy, South East Local Enterprise Partnership Plan and new European Union Prospectus. Visibility in these documents for Colchester key projects will lead to opportunities for future funding bids.

Working in partnerships to help tackle health and crime issues

Our key actions include working with our partners on the Safer Colchester Partnership to agree a plan to reduce crime and support the Neighbourhood Action Panels we also aim to develop our partnership with Essex Probation Service. We want to work with Public Health at ECC to coordinate and integrate our public health work with the wider agenda and the Public Health Outcomes framework, and to develop partnerships with other local health organisations, including North East Essex Clinical Commissioning Group (CCG).

- **CBC will continue to review its approach to supporting the Health Agenda given the new Local Authority responsibilities. We will develop agreed partnership priorities and targets, where applicable, and seek funding opportunities to support a more preventative health agenda** – The new Public Health Responsibility deal has been endorsed by the Portfolio Holder for Communities. This initiative is about organisations making commitments to promote/facilitate healthy lifestyles and staff wellbeing. It's an opportunity for the Local Authority to develop its role in promoting healthy lifestyles and choices for example through its statutory duties for food safety and alcohol licensing and through its contacts with other businesses.
- **Work with our partners on the Safer Colchester Partnership to agree a partnership plan to reduce crime** - This plan has been written, agreed and is currently being monitored. It has four priorities: reducing domestic violence, reducing re-offending, reducing harm caused through alcohol, and reducing crime and the fear of crime.
- **Encourage representation on the Safer Colchester Partnership from the new Clinical Commissioning Group** – the Chair of the Safer Colchester Partnership has spoken with the representative from the Clinical Commissioning Group and she has agreed to attend the partnership meetings.
- **Support the work of the Neighbourhood Action Panels** – The Safer Colchester Partnership agreed to reduce the Neighbourhood Action Panels (NAPs) from 12 to 7 in line with CBC Zones. This decision was taken in order to maintain Police and CBC commitment to the NAPs at a time of reduced resources. Most NAPs have now successfully merged and have met at least twice since the merge. Zone 3 NAP is experiencing some difficulties around the size of the new NAP, however this is being monitored and solutions sought.
- **Seek ongoing support for the SOS Bus from both the Safer Colchester Partnership and the North East Essex CCG to ensure the service is maintained and clinical cover provides access to treatment** – Both the Safer Colchester Partnership and Essex County have funded the SOS Bus for 2013-14. However, the funding for 2014-15 is not secure and the partnership continues to work with Open Road in order to secure ongoing revenue funding.

**EXTRACT FROM THE MINUTES OF THE MEETING OF THE
SCRUTINY PANEL HELD ON 10 DECEMBER 2013**

42. Half-yearly Performance Report including progress on Strategic Plan Action Plan

Councillor Harris (in respect of his membership of Colchester in Bloom) declared his non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

A report was submitted by the Assistant Chief Executive inviting the Panel to consider the performance report for the period up to the end of September 2013, including progress on performance measures and an update on progress of the Strategic Plan Action Plan.

Councillor Paul Smith, Portfolio Holder for Business and Resources, together with Matthew Sterling, Assistant Chief Executive, attended the meeting and explained that the Council had agreed a number of key performance areas which were used as part of its Performance Management Framework to help monitor progress and improvement. An update of indicators and a half-yearly review of progress against our Strategic Plan Action Plan was provided as follows:

- Progress towards achieving the overall set of organisational performance measures showed that 13 (65%) of measures were on track to be achieved (or 'green'), four (20%) were not meeting expectations to date but with improvement likely ('amber'), and three (15%) were not meeting expectations and unlikely to do so by the year-end ('red');
- The actions within the Strategic Plan Action Plan showed that there was a considerable amount of positive activity being undertaken across the Council and with partners to achieve the Strategic Priorities;
- The Council had also received a number of awards and accreditations which were highlighted in the Appendix to the report.

The following issues were raised by Panel members:

- Councillor P Higgins – the reasons behind the marked increase in mental health sickness absence and the reasons behind the shortfall in savings from the Sport and Leisure Fundamental Service Review (FSR);
- Councillor Hogg – the reasons behind the time taken to re-let sheltered housing vacancies and the valuable work undertaken by the zone wardens in enabling numerous community events across the Borough;
- Councillor Harris – whether the days quoted for the re-letting of vacancies at Harrison Court and Heathfields House were days respective to each sheltered scheme or was a figure between the two quoted, whether the target for the amount of waste being recycled would be increased in the light of the success of the food waste collection service, the reference to the Colchester in Bloom award needing to be amended and the need for further research to be undertaken into the trends behind the incidents of missed waste collections;
- Councillor Cope - the valuable work done in partnership with the April Centre to initiate the street drinkers outreach project and the importance of educating young people about alcohol mis-use;

- Councillor Harrington – the continuing low number of planning appeals allowed against the Council’s decision to refuse and the potential for the Planning Committee to be encouraged by this statistic;
- Councillor Davies – whether the processing time for housing benefit claims and changes had been negatively impacted by the Universal Customer Contact FSR and whether costs benefit analyses were standard practice for all current council projects;
- Councillor Hayes – whether the waste recycling rate was considered to be a high achieving one compared to other Local Authorities and whether it was expected that food waste and recycling from flats would deliver a significant difference in the overall recycling rate

In response to issues raised, the following information was provided by Matthew Sterling and Councillor Smith:

- The sickness performance indicator had improved since the report had been written. The mental health cases tended to be in pockets across the organisation and was in relation to a relatively small number of people;
- The re-letting time for sheltered housing voids was partly due to the poor quality and hard to let nature of the accommodation but also the recent need to hold places in order to successfully reallocate residents from schemes which were subject to closure;
- Further clarification of the period of time for the re-letting of vacancies at Harrison Court and Heathfield House would be sent to Councillors;
- The shortfall in savings from the Sport and Leisure FSR was partly due to the very ambitious income targets but there had been significant improvements over the previous year and it was anticipated that the targets would be achieved but over a slightly longer timeframe;
- The processing time for housing benefit claims had been effected by a recent issue with the upgrade of the Council’s document management system which had required resources to be directed from the processing of claims to account management responsibilities;
- All new projects across the Council tended to adopt accepted project management arrangements, including cost benefit analyses;
- The period covered by the report included all of the summer months and as such the recycling rate benefitted from the increased garden waste proportion at this time of year. It was also reported that the composition of the recycling was beginning to change in terms of the amount of card coming into the system which was thought to be a reflection of changes in packaging materials;
- The introduction of the food waste collection would contribute positively to the recycling rate. However it would not deliver the recycling rates achievable by those Authorities which used a wheelie bin collection service.

RESOLVED that the contents of the performance report for the period up to the end of September 2013, including progress on performance measures and an update on progress of the Strategic Plan Action Plan be noted.

29 January 2014

Report of	Assistant Chief Executive	Author	Richard Clifford
Title	Review of Member Development Policy and Councillor Role Profiles		
Wards affected	Not applicable		

This report invites the Group to review a number of key member development documents and processes

1. Decision(s) Required

- 1.1 To review and approve the Member Development Policy and Member Role Profiles.
- 1.2 To refer the revised Member Development Policy and Role Profiles to Council for adoption

2. Reasons for Decision(s)

2.1 The Member Development Policy and Member Role Profiles were approved in February 2010. In view of the time that has elapsed it is good practice to look again at the policy and see if it is still fit for purpose, particularly in view of the forthcoming reassessment for Charter Status. Since the Member Role Profiles were approved, the structure of Council has changed and new responsibilities have emerged. Therefore this is an opportune point to review the profiles and check that they accurately reflect members' roles and responsibilities.

3. Alternative Options

- 3.1 No alternative options are proposed.

4. Member Development Policy

4.1 The Council's Member Development Policy was approved in February 2010. This was the first time that the Council had had a policy covering member development. It was intended to articulate the Council's commitment to member development and to establish a clearer, consistent and more structured approach to member development. In view of the time that has elapsed and the forthcoming reassessment for Charter Status, this is a good opportunity to review the policy and check that it is still relevant and fit for purpose.

4.2 The Policy has been reviewed by the Member Development Group and whilst it is largely still relevant, it has been updated to reflect current practice. The substantive amendments to the policy are to:-

- Include a more detailed reference to the membership of the Member Development Group to make it clear that is to be chaired by the relevant Portfolio Holder and that it make recommendations to Cabinet. This is a reflection of the changes in practice following the recommendations of the Charter Assessment in April 2011;
- Include a reference to the Personal Development Plan process;

- Include a reference in the evaluation section to the requirement to report to Cabinet on an annual basis. Again this is a reflection of our current practice.

4.3 The revised policy is attached at Appendix 1. Cabinet is invited to review the policy and if content, to recommend it to Council for adoption.

5. Member Role Profiles

5.1 Member role profiles set out the roles and responsibilities of the various positions held by Councillors and seek to identify the skills and knowledge needed for the role. They are intended as a guide rather than being prescriptive. They were intended to be used in helping Councillors assess their learning and development needs and could be used as a starting point for discussion in the PDP process. They also have a wider use, such as in the recruitment of potential candidates for election.

5.2 The roles were approved in January 2010 and therefore it is appropriate that they are reviewed to take account of changes in the role of Councillor and the Leader. The new Council structure has also created some new roles and changed the scope of others. The profiles have been reviewed by the Member Development Group. New profiles have been created for the Chairman of the Scrutiny Panel, Governance Committee, Trading Board and Local Plan Committee and other roles have been updated. The revised profiles are attached at Appendix 2.

5.3 Cabinet is invited to review the roles profiles and if content, to recommend the profiles to Council for adoption.

6. Strategic Plan References

6.1 There are no direct references to the Strategic Plan but the provision of high quality member development would indirectly help support all the priorities in the Strategic Plan.

7. Financial Implications

7.1 There are no direct financial implications.

8. Equality and Diversity Implications

8.1 An EQIA for the member development policy has been completed and can be found on the Council's website via the pathway Colchester Borough Council / Policies, Strategy and Performance/ Equality and Diversity/ Equality Impact Assessment/ Corporate Management. It can be accessed via the link below:-

[Councillor Development Policy EQIA](#)

9. Standard References

10.1 There are no particular references to human rights, publicity or consultation considerations; or community safety; health and safety or risk management implications.

Councillor Development Policy

Introduction

Colchester Borough Council is committed to supporting local councillors in carrying out their roles as democratically elected representatives of the community and community leaders, and recognises the need to provide appropriate training, learning and development opportunities to help councillors undertake these roles.

Scope and Purpose

1.1 This policy applies to all Councillors.

1.2 The purpose of this Policy is to set out the Council's commitment to provide appropriate learning and development opportunities for all councillors, to enable them to acquire the knowledge and skills they require to be effective across all their roles and to provide a structured and planned approach to learning and development activities.

1.3 The Council recognises that continuing investment and commitment to Councillor's learning and development is integral to achieving the Council's strategic objectives and the delivery of high quality services.

Key Principles

Equality of Access and Opportunities

2.1 All Councillors will have equal access to and participation in learning and development opportunities, subject to their personal needs, taking into account those with work or family commitments.

2.2 Councillors will have the opportunity to benefit from training and development opportunities, regardless of disability, race, national ethnic or social origin, sexuality, age or religion.

Councillor-led Approach

2.3 The Council's approach to learning and development will be Councillor-led with representatives from all political groups invited to participate in the planning, delivery and evaluation of Councillor development activities. Councillors are encouraged to identify their own development needs and participate fully in learning and development events.

2.4 The Portfolio Holder with responsibility for member development shall chair an all party Member Development Group. The Group will advise on the planning, delivery and evaluation of Councillor development activities and where appropriate report and make recommendations to Cabinet on member development issues. In addition to the Portfolio Holder, each political group is entitled to nominate a representative to the Group.

Resources

2.5 The Council will allocate a budget for Councillor learning and development. The Member Development Group will regularly monitor the Councillor learning and development budget.

2.6 Councillor entitlements to travel and subsistence for attendance at learning and development events is stated in the Members' Allowances Scheme.

Identifying Learning and Development Needs

3.1 To support the Council strategic priorities there will be a process for identifying learning and development needs at all levels:-

- Individual
- Political Groups
- Corporate/Constitutional

3.2 To identify training and development needs at an individual level. every Councillor will be offered the opportunity to complete personal development plan and identify their learning and development needs.

3.3 Identification of learning and development needs at political group level will be through the political group representatives on the member development group.

3.4 Identification of learning and development needs at a corporate or constitutional level will be thorough the Council's business planning processes, including the Leadership Team.

3.5 The Council will prepare a Plan to meet the learning and development needs identified. This shall be a rolling programme which will bring together different levels of needs – individual, group and corporate. The Member Development Group will have responsibility for the preparation and review of the Learning and Development Plan.

Delivery of Activities

4.1 The Council will seek to use a wide range of methods to provide Councillors with the opportunities to meet identified learning and development needs.

4.2 Information about learning and development events will be published well in advance and appropriately publicised.

Evaluation

5.1 The Council will ensure that learning and development is evaluated in benefits and impacts, including value for money. This will include both immediate review of individual learning and development activity and high level evaluation of how learning and development has contributed to the achievement of the Council's strategic objectives.

5.2 As part of this process of evaluation, an annual report on member development activities will be made to Cabinet.

Roles and Responsibilities

6.1 Individual Members are responsible for identifying their learning and development needs and for seeking opportunities to improve their effectiveness and increase their potential. They are responsible for sharing knowledge and skills amongst other members.

6.2 The Member Development Group will be responsible for helping Councillors identify and find opportunities to meet their learning and development needs, and for the preparation of the Learning and Development Plan. The Group will also monitor the core councillor training budget, overseeing the evaluation of learning and development and monitoring the application of this policy.

6.3 The day to day management of councillor learning and development will be the responsibility of Democratic Services and a named officer will be identified with responsibility for councillor learning and development. The current officer with responsibility for councillor learning and development is Richard Clifford, Democratic Services Officer.

Leadership Academy

7.1 The Council is committed to the development of the leadership of the Council and all members of the Cabinet and Group Leaders are encouraged to attend the IDEA's Leadership Academy. The Council will fund one place, at Leadership Academy each year from the core councillor training budget. The place will be allocated by the Leader of the Council.

WARD COUNCILLOR

Role and Responsibilities

Leadership within the Community

- To undertake case work for constituents and act as an advocate in resolving concerns or grievances;
- To communicate with local people and answer enquiries:
 - about decisions that affect them,
 - about opportunities in the community,
 - regarding the rights of constituents within Colchester,
 - as to why decisions are made;
- To lead and champion the interests of the local community and effectively represent the interests of the Ward and its constituents;
- To meet and liaise regularly with local interested parties and involve and consult them on key Council decisions;
- To support and promote citizenship locally and encourage the community to participate in the governance of the area;

Representation

- To inform the debate at Full Council meetings and contribute to the effectiveness of the Council meeting;
- To contribute to the formation and scrutiny of the Authority's policies, budget, strategies and service delivery;
- To contribute to the scrutiny of decision making and review of the policies and services of the council;
- To represent the authority to the community and the community to the council;
- To develop and maintain a knowledge of the Council and develop working relationships with its officers;
- To participate in the activities of any political group of which the councillor is a member;
- To represent the council on outside bodies and to participate effectively in the appointed role and, where appropriate, to represent those bodies within Colchester and elsewhere.

Other

- To fulfil the legal and local requirements placed on an elected member, in accordance with the Council Code of Conduct for Councillors;
- To be responsible for personal development and undergo appropriate development and continuous improvement for any role undertaken.
- To promote the Council's approach on channel shift to residents and to encourage residents to access Council services online.

Skills

Leadership

- Ability to lead and champion the interests of the local community.

Chairing

- Ability to chair meetings and facilitate discussions.

Organisational Skills

- Manage casework;
- Basic administration skills.

Other skills

- Ability to use information technology to communicate through Council systems e.g. e-mails, accessing agenda, minutes, reports, intranet, internet etc.;
- Community engagement skills;
- Influencing and persuading;
- Managing conflict and mediation skills

Team Working and Relationship Building

- Ability to develop relationships with key officers and partner agencies;
- Ability to build effective relationships with all sections of the community so as to be able to represent their needs to the Council.

Communication

- Ability to deal with the media, whilst being able to identify when additional support from the Communications Team is required, to ensure the Council is positively represented;
- Ability to communicate with a range of audiences;
- Active listening and questioning skills;
- Presentation skills;
- Public speaking.

Knowledge

- Understanding of how the Council works;
- Knowledge of the Council structure, key contact officers and services procedures;
- Knowledge of the political decision making structures;
- Understanding of the Code of Conduct for Councillors, ethics and standards;
- Understanding of national policies and their impact on the Council;
- Knowledge of the strategic objectives and key policies of the Council;
- Understanding of legislation and Council policies to which Members must adhere (e.g. Safeguarding, Freedom of Information, Data Protection, Equality and Diversity);
- Basic understanding of local government finances and audit processes;
- Knowledge of the Council's complaints procedure;
- For Members who sit on quasi-judicial panels, knowledge of legislation and policy relating to planning, licensing, and appeals is required and an understanding of the principles and importance of making rational decisions

LEADER OF THE COUNCIL

This role profile is to be read in conjunction with the role profile for Cabinet Member. It identifies the responsibilities, skills and knowledge required of the Leader of the Council, that are in addition to those set out for a Cabinet Member.

Role and Responsibilities

- To provide leadership to the Council;
- To undertake the role of community leader, building a vision for the area and leading the Council and its partners towards that vision;
- To represent the Council and provide leadership in key local partnerships;
- To chair the Cabinet and take responsibility for its performance;
- To represent the authority, and be accountable for, discussions and negotiations with the community and with regional, national and international organisations;
- To undertake political executive responsibility for proposing and directing the overall strategy, budget, policy arrangements and service reviews;
- To act as spokesperson for the authority (in consultation with the Leader of other political groups and the Chief Executive as appropriate);
- To facilitate good communication so that people within and outside the authority are able to contribute constructively to the decision making processes of the Council;
- To maintain effective liaison with the Chairman of the Scrutiny Panel.

Skills

Leadership

- Advanced Leadership Skills;
- Ability to develop a vision for Colchester and drive the Council and its partners towards achieving that vision;
- Advanced ambassadorial skills to be able to represent the Council both within and outside the Council, particularly at the sub-regional, regional and national level;
- Ability to lead the Council towards continuous improvement;

Team Working and Relationship Building

- Tact and diplomacy to be able to work across the full range of Council services, partners and political groups, to the benefit of the Borough as a whole;
- Ability to delegate effectively to other members of Cabinet;
- Ability to build effective relationships with other parts of the political management structure e.g. full Council, Overview and Scrutiny and other political groups;
- Political sensitivity to be able to address difficult issues across all groups.

Chairing

- Advanced chairing skills

Organisational Skills

- Ability to plan and prioritise the business of Council, Cabinet and its committees having regard to the terms of reference and the key challenges facing the Council.

Communication

- Ability to facilitate effective communication within and across the council to ensure the community are able to engage in the Council's decision making processes;
- Advanced skills in working with the media whilst being able to identify when additional support from the Communications Team is required, to ensure the Council is positively represented;
- Advanced listening and questioning skills;
- Advanced presentation skills;
- Advanced public speaking.

Knowledge

- A detailed understanding of the strategic role of the Leader of the Council;
- Detailed understanding of the legally defined role of the Chief Executive and other senior officers;
- Detailed knowledge of the work of national, regional and sub regional bodies and the role of the Leader and Council within them;
- Detailed understanding of the national policy framework and its impact on local policy development;
- Detailed knowledge of the role of local partners and the services they deliver;
- Detailed understanding of the Council's constitution, code of conduct, budget and audit processes and key internal policies;
- Understanding of the relationship between national politics and local political leadership;
- Understanding of the wider, national issues facing elected Members and the practical implications for Colchester councillors.

DEPUTY LEADER OF THE COUNCIL

This role profile is to be read in conjunction with both the role profile for Cabinet Member and Leader of the Council. It identifies responsibilities specific to the role of Deputy Leader in addition to those of a Cabinet Member.

Role and Responsibilities

- To assist the Leader of the Council in the formal processes and matters of leadership of the authority specifically set out in the profile for the Leader of the Council;
- To work with the Leader of the Council on the budget and policy development;
- To ensure that appropriate developmental steps are taken to equip the Deputy with the knowledge and skills to carry out the role of the Leader when called upon;
- To deputise for the Leader in his or her absence and undertake the above mentioned duties set out in the role profile for the Leader of the Council.

Skills

As it is expected that the Deputy Leader is able to deputise for the Leader, the additional skills and Knowledge set out for the Leader are copied here as they are also required of the Deputy Leader.

Leadership

- Advanced Leadership Skills;
- Ability to develop a vision for Colchester and drive the Council and its partners towards achieving that vision;
- Advanced Ambassadorial skills to be able to represent the Council both within and outside the Council, particularly at the sub-regional, regional and national level;
- Ability to lead the Council towards continuous improvement;

Chairing

- Advanced chairing skills

Organisational Skills

- Ability to plan and prioritise the business of Council, Cabinet and its committees having regard to the terms of reference and the key challenges facing the Council.

Team Working and Relationship Building

- Tact and diplomacy to be able to work across the full range of Council services, partners and political groups, to the benefit of the Borough as a whole;
- Ability to build effective relationships with other parts of the political management structure e.g. full Council, Overview and Scrutiny and other political groups;
- Political sensitivity to be able to address difficult issues across all groups.

Communication

- Ability to facilitate effective communication within and across the council to ensure the community are able to engage in the Council's decision making processes;
- Advanced skills in working with the media whilst being able to identify when additional support from the Communications Team is required, to ensure the Council is positively represented;
- Advanced listening and questioning skills;
- Advanced presentation skills;
- Advanced public speaking.

Knowledge

- A detailed understanding of the strategic role of the Leader of the Council;
- Detailed understanding of the legally defined role of the Chief Executive and other senior officers;
- Detailed knowledge of the work of national, regional and sub regional bodies and the role of the Council within them;
- Detailed understanding of the national policy framework and its impact on local policy development;
- Detailed knowledge of the role of local partners and the services they deliver;
- Detailed understanding of the Council's constitution, code of conduct, budget and audit processes and key internal policies;
- Understanding of the relationship between national politics and local political leadership;
- Understanding of the wider, national issues facing elected Members and the practical implications for Colchester councillors.

CABINET MEMBER

Role and Responsibilities

- To take decisions on those matters within the terms of reference of their Portfolio, as set out in the Scheme of Delegation, seeking advice from Heads of Service as appropriate;
- To take personal responsibility, and to be held accountable, for any decisions taken, and to share with the appropriate Service Managers responsibility for the performance of services within their portfolio;
- To respond to or deal with any issues arising at Council meetings relating to their portfolio;
- To act as spokesperson within and outside the authority on those services and functions within their portfolio;
- To share the collective responsibility for decisions taken by the Cabinet;
- To act as an advocate for the Council within the Authority and outside;
- To provide regular reports on progress and to undertake consultation on decisions as required;
- To attend Scrutiny and Policy Panels to discuss decisions taken or support the policy formulation process;
- To attend relevant informal Cabinet meetings and meetings of the Leadership Team;
- To represent the Council on outside bodies;
- To represent the Council and contribute the Colchester perspective on national, regional and sub regional bodies;
- To consult interested parties, ward councillors and citizens as part of the development and review of policy;
- As part of the Cabinet to be involved in:
 - providing support to all councillors to help them develop constructive roles as Ward Members,
 - the consultation on, and drawing up of, the revenue and capital budgets,
 - leading the search for continuous improvement,
 - taking decisions on resources and priorities to deliver the strategies and budget approved by full council,
 - promoting and participating in Member development.

Skills

Leadership

- Advanced leadership skills for areas of individual responsibility and the ability to work with the Leader of the Council and Deputy Leader as an executive team;
- High level decision making;
- Ability to challenge the status quo and deal with complex strategic issues and problems;

- Ambassadorial skills to be able to represent the Council both within and outside the Council.

Chairing

- Intermediate chairing skills to be able to chair meetings relating to their portfolio.

Organisational Skills

- Manage a busy and complex work load, often to tight timescales and deadlines;

Other Skills

- Research skills and policy development;
- Assimilating and analysing complex information.

Team Working and Relationship Building

- Relationship building – with other Cabinet colleagues, Executive Management Team/senior officers, Overview and Scrutiny, Partners etc.;
- Ability to work as part of an executive team to drive forward the continuous improvement of the Council.

Communication

- Advanced communication skills to be able to work constructively with officers, Members and partners;
- Advanced listening and questioning skills;
- Advanced presentation skills;
- Advanced public speaking skills;
- Ability to work with the media and to identify when additional support from the Communications Team is required, to ensure the Council is positively represented.

Knowledge

- Knowledge of the key areas relating to their Cabinet portfolio, particularly in relation to service performance issues, targets, and benchmarks etc.;
- A detailed understanding of the strategic role of Cabinet within the Council;
- Understanding of the role of a portfolio holder as part of an executive team;
- Detailed understanding of Council strategy, policies and operations;
- Understanding of the legally defined role of certain senior officers;
- Detailed knowledge of the challenges facing local government;
- Understanding of the national policy framework and its impact on local policy development;
- Knowledge of the work of national, regional and sub regional bodies and the role of the Council within them;
- Knowledge of community needs and their priorities for action;
- Knowledge of the role of local partners and the services they deliver;
- Understanding of the Council's constitution, code of conduct, budget and audit processes and key internal policies;
- Understanding of the principles and importance of making rational decisions.

LEADER OF AN OPPOSITION GROUP

Role and Responsibilities

- To lead an Opposition Group within the Council;
- To manage the work of Members within that Group;
- To manage the overall co-ordination of opposition spokespersons and the business of the Group;
- To shadow and scrutinise the Leader of the Council and the Cabinet in their duties;
- To represent the Council on key local partnerships;
- To act as the principal spokesperson for an Opposition Group of which he/she is leader and as a representative of the authority to external bodies and organisations as appropriate;
- To comment, challenge and review the Council's administration performance in the co-ordination and implementation of its policies and procedures;
- To establish and represent the views of the Group on issues of policy and priority;
- To develop opposition Group policies that are credible and could be implemented by the Council;
- To champion member development and manage the Group Secretary and/or Whip to ensure the smooth running of the Group and the personal development of its Members;
- To advise the Leader of the Council of the Group's position on issues relating to external relationships;
- To represent the Group on relevant formal and informal working groups;
- To maintain effective liaison with the Chairman of the Scrutiny Panel;
- Where appropriate act as ambassador for the Council;
- To participate in the development of corporate strategies and policies.

Skills

Leadership

- Ability to provide political leadership of their Group and manage the tensions between the political demands and expectations of the Group, and the needs of the Council;
- Ability to hold the Executive to account;
- Ambassadorial skills to be able to represent the Council both within and outside the Council including at regional and national level;
- Ability to, when necessary, discipline Members of their political Group;
- Political sensitivity to be able to address difficult issues with other Groups.

Chairing

- Intermediate chairing skills.

Organisational Skills

- Ability to plan and prioritise the business of the Group.

Other Skills

- Assimilating and analysing complex information;
- Research skills and policy development.

Team Working and Relationship Building

- Tact and diplomacy to be able to work across the full range of Council services, partners and political groups, to the benefit of the Colchester community;
- Ability to build effective relationships with other parts of the political management structure e.g. full Council, Scrutiny and other political groups;
- Political sensitivity to be able to address difficult issues across all groups.

Communication

- Ability to facilitate effective communication within and across the Council, and ensure the community are given the opportunity to engage in policy development of the opposition group;
- Advanced skills in working with the media whilst being able to identify when additional support from the Communications Team is required, to ensure the Council is positively represented;
- Advanced listening and questioning skills;
- Advanced presentation skills;
- Advanced public speaking.

Knowledge

- Understanding of the roles of Leader of the Council, Cabinet Members and the Leader of an Opposition Group within the Council;
- Understanding of the legally defined role of certain senior officers;
- Detailed knowledge of the work of national, regional and sub regional bodies and the role of the Council within them;
- Detailed understanding of the national policy framework and its impact on local policy development;
- Detailed knowledge of the challenges facing local government;
- Understanding of Council strategy, policies and operations;
- Knowledge of the role of local partners and the services they deliver and their relationship with the Council;
- Detailed understanding of the Council's constitution, code of conduct, budget and audit processes and key internal policies;
- Detailed knowledge of community needs and their priorities for action;
- Understanding of the relationship between national politics and local political leadership;
- Understanding of the wider, national issues facing elected Members and the practical implications for the Members in their group

SHADOW CABINET MEMBER

Role and Responsibilities

- To shadow the work of the relevant Cabinet member in their duties;
- To contribute towards the effective scrutiny of the relevant Cabinet member;
- To act as the principal spokesperson for the Opposition Group on issues within the portfolio they are shadowing;
- In conjunction with the Leader of the Opposition Group to develop Opposition Group policies that are credible and could be implemented by the Council;
- To represent the Opposition Group on relevant formal and informal working groups;

Skills

Leadership

- Leadership skills for areas of individual responsibility and the ability to work with the Leader of the Opposition Group and other Shadow Cabinet members as a Shadow Executive team.
- Ability to challenge the status quo and deal with complex strategic issues and problems;
- Ambassadorial skills to be able to represent the Opposition Group both within and outside the Council.

Chairing

- Intermediate chairing skills to be able to chair meetings relating to their shadow portfolio.

Other Skills

- Research skills and policy development;
- Assimilating and analysing complex information.

Team Working and Relationship Building

- Relationship building – with other Shadow Cabinet colleagues, Executive Management Team/senior officers, Scrutiny, Partners etc.;
- Ability to work as part of a Shadow Cabinet to provide an effective opposition

Communication

- Advanced communication skills to be able to work constructively with officers, Members and partners;
- Advanced listening and questioning skills;
- Advanced presentation skills;
- Advanced public speaking skills;
- Ability to work with the media.

Knowledge

- Knowledge of the key areas relating to their Shadow Cabinet portfolio, particularly in relation to service performance issues, targets, and benchmarks etc.;
- A detailed understanding of the strategic role of Cabinet within the Council;
- Understanding of the role of a portfolio holder as part of an executive team;
- Detailed understanding of Council strategy, policies and operations;
- Understanding of the legally defined role of certain senior officers;
- Detailed knowledge of the challenges facing local government;
- Understanding of the national policy framework and its impact on local policy development;
- Knowledge of the work of national, regional and sub regional bodies and the role of the Council within them;
- Knowledge of community needs and their priorities for action;
- Knowledge of the role of local partners and the services they deliver;
- Understanding of the Council's constitution, code of conduct, budget and audit processes and key internal policies;
- Understanding of the principles and importance of making rational decisions.

CHAIRMAN OF SCRUTINY PANEL

Role and Responsibilities

The Chairman of the Scrutiny Panel is responsible for effective scrutiny in Colchester by:

Leading and Promoting the Overview and Scrutiny Function

- To maintain effective liaison with the Leader of the Council and the Chief Executive to ensure that scrutiny contributes to effective decision-making in Colchester;
- To represent overview and scrutiny in Council and be accountable to Council for the actions of scrutiny;
- To ensure that scrutiny is publicised and communicated to build understanding of its role both within and outside the Council;
- To represent Colchester at regional and national forums concerned with overview and scrutiny;
- To be responsible for the constitutional arrangements relating to portfolio holder decisions which are “urgent” and / or not on the forward plan.

Managing and Coordinating the Scrutiny Function

- To Chair meetings of the Scrutiny Panel;
- To ensure that scrutiny work is properly coordinated;
- To maintain an overview of the work of all the panels in order to ensure effective co-ordination and progress of all work;
- To monitor progress of all scrutiny reviews and ensure that they are completed in reasonable time.

Development of Scrutiny

- To maintain an overview of scrutiny in Colchester and to learn from practice elsewhere;
- To ensure the continuing development of scrutiny in Colchester through improving both how it is organised as well as the practice;
- To encourage the involvement of all interested parties and stakeholders, individuals, voluntary and community groups in overview and scrutiny matters.

Skills

Leadership

- Leadership of the scrutiny function within, and outside the Council;
- Leadership of the Scrutiny Panel as a team;
- Ambassadorial skills through the representation and championing of the scrutiny function inside and outside the authority;
- Objective setting and progressing those objectives on behalf of the scrutiny function

Chairing

- Advanced chairing skills

Organisational Skills

- Assimilating and analysing complex information;
- Overseeing and prioritising scrutiny work, taking account of available resources;
- Planning and coordinating the work of the Scrutiny Panel and its' agenda;
- Coordinating the work of standing and ad-hoc scrutiny panels.

Team Working and Relationship Building

- Relationship building– with Scrutiny Panel colleagues, Executive Management Team/senior officers, Panel Lead Members, the Executive, Partners etc.;
- Building effective relationships with other parts of the political management structure e.g. the executive, full council etc.;
- Ensuring effective contributions from each member of the Scrutiny Panel.

Communication

- Advanced listening skills and questioning skills;
- High standard of communication with officers, Members, partners, external bodies and members of the public;
- Advanced presentation skills;
- Advanced public speaking skills

Other Skills

- Dealing with complex strategic issues and problems on behalf of the Scrutiny Panel and the scrutiny function as a whole;
- Obtaining and weighing up evidence and making decisions and recommendations based on that evidence.

Knowledge

- Detailed awareness of the strategic importance of the scrutiny function within the Council;
- Detailed awareness of the constitutional arrangements relating to the scrutiny function and particularly those of the Chairman;
- Detailed awareness of Colchester's approach to overview and scrutiny and its relationship with the other parts of the Council's decision making structures;
- Detailed knowledge of the challenges facing the scrutiny function and the role of the Chairman in addressing these;
- Awareness of changes facing local government and an understanding of how these might impact on the Council's scrutiny function;
- Awareness of basic project management principles.

CHAIRMAN OF GOVERNANCE COMMITTEE

Role and Responsibilities

Managing and Co-ordinating the Governance Committee

- To Chair meetings of the Governance Committee in accordance with its terms of reference;
- To foster and maintain a disciplined approach by the Members involved having regard to high standards of behaviour and ethics;
- To represent the Council in all dealings with the public, media and other bodies in respect of the work of the Governance Committee;
- To have responsibility for the co-ordination of the management of the Governance Committee;
- To review and amend the content of the Governance Committee's work programme

Skills

Leadership

- Leadership of the Governance Committee within and outside the Council;
- Ambassadorial skills through the representation and championing of the Governance Committee across the political groups and the Council as a whole.

Chairing

- Advanced chairing skills

Team Working and Relationship Building

- Tact, diplomacy and the ability to mediate and broker agreement across the political groups within the context of the work of the Governance Committee
- Relationship building – with Governance Committee colleagues, Executive Management Team, senior officers, Panel Lead members, partners etc;
- Building effective relationships with other parts of the political management structure, principally the Executive, full council, scrutiny and Executive Management Team etc.;
- Ensuring the maximum contribution from each member of the Governance Committee.

Organisational Skills

- Assimilating and analysing complex information.
- Ability to plan and prioritise the business of the Governance Committee having regard to its terms of reference and key challenges facing the Council;
- Prioritisation and managing the overall Governance Committee's work programme including the deployment of available resources.

Communication

- Advanced listening and questioning skills;

- Communication skills – particularly with Panel Members and communicating the work and outcomes to all Councillors.

Other Skills

- Dealing with complex strategic issues and problems on behalf of the Governance Committee.
- Obtaining and weighing up evidence and making decisions and recommendations based on that evidence.

Knowledge

- Detailed awareness of the strategic importance of the Governance Committee and its relationship with Council;
- Detailed awareness of the constitutional arrangements relating to the Governance Committee and particularly those of the Chairman;
- Detailed knowledge of local government finance and the Council's budgeting, accounting and auditing processes;
- Detailed knowledge of the Code of Conduct and of standards and ethical issues facing Councillors and the Council's arrangements for the handling and determination of complaints against elected members;
- Detailed awareness of Colchester's approach to Panel/Council meetings and its relationship with the other parts of the Council's decision making structures.

CHAIRMAN OF PLANNING COMMITTEE

Role and Responsibilities

- To chair the Planning Committee in accordance with the Procedure Rules;
- To foster and maintain a disciplined approach by the Members involved having regard to high standards of behaviour and ethics including the protocol relating to planning procedures;
- To ensure that contributions by the public to meetings are facilitated and controlled in accordance with the agreed procedures;
- To represent the Council in all dealings with the public, media and other bodies in respect of the work of the Planning Committee.

Skills

Leadership

- Ability to represent the Planning Committee to the community and the media.

Chairing

- Advanced chairing skills.

Organisational Skills

- Ability to plan and prioritise the business of the Planning Committee having regard to its terms of reference and key challenges facing the Planning function.

Team Working and Relationship Building

- Relationship building particularly with senior officers involved in the planning function, Leaders of the Council, Portfolio Holder with responsibility for Planning, Chairman of the Local Plan Committee and other Councillors.

Communication

- Advanced listening and questioning skills;
- Communication skills – particularly with Members and Officers involved with the Planning Committee;
- Intermediate presentations skills;
- Intermediate public speaking;
- Ability to work with the media and to identify when additional support from the Communications Team is required, to ensure the Council and the planning function is positively represented.

Knowledge

- In-depth understanding of planning issues and protocol relating to planning procedures and the Planning Committee;
- Understanding of the role of Ward Councillors in the Planning process and how to handle conflicts of interest between being a Ward Member and a member of the Planning Committee;
- Understanding of the role of Planning Officers.

CHAIRMAN OF LICENSING COMMITTEE

Role and Responsibilities

- To chair the Licensing Committee in accordance with the Procedure Rules;
- To foster and maintain a disciplined approach by the Members involved having regard to high standards of behaviour and ethics;
- To represent the Council in all dealings with the public, media and other bodies in respect of the work of the Committee;
- To represent the Committee's decisions in appeals to the Magistrates and higher Courts;
- To be aware of legislation and ongoing local and national developments on licensing matters and their implications.

Skills

Leadership

- Ability to represent the Licensing Committee to the community and the media.

Chairing

- Advanced chairing skills, including the ability to manage conflict.

Organisational Skills

- Ability to plan and prioritise the business of the Licensing Committee having regard to its terms of reference and key challenges facing the licensing function.

Team Working and Relationship Building

- Relationship building particularly with senior officers involved in the licensing function, Leaders, Councillors.

Communication

- Advanced listening and questioning skills;
- Communication skills – particularly with Members and Officers involved with the licensing function and Licensing Committee;
- Intermediate presentations skills;
- Intermediate public speaking;
- Ability to work with the media and to identify when additional support from the Communications Team is required, to ensure the Council and the licensing function is positively represented.

Knowledge

- In-depth knowledge of the standards, ethics and Code of Conduct for Councillors;
- Knowledge and understanding of relevant legislation and local/national developments on licensing matters – and their implications.

CHAIRMAN OF LOCAL PLAN COMMITTEE

Role and Responsibilities

Managing and Co-ordinating the Local Plan Committee

- To Chair meetings of the Local Plan Committee in accordance with its terms of reference;
- To foster and maintain a disciplined approach by the Members involved having regard to high standards of behaviour and ethics;
- To represent the Council in all dealings with the public, media and other bodies in respect of the work of the Local Plan Committee;
- To have responsibility for the co-ordination of the management of the Local Plan Committee;
- To review and amend the content of the Local Plan Committee's work programme

Skills

Leadership

- Leadership of the Local Plan Committee within and outside the Council;
- Ambassadorial skills through the representation and championing of the Local Plan Committee across the political groups and the Council as a whole.

Chairing

- Advanced chairing skills

Team Working and Relationship Building

- Tact, diplomacy and the ability to mediate and broker agreement across the political groups within the context of the work of the Local Plan Committee
- Relationship building – with Local Plan Committee colleagues, Leader of the Council, Portfolio Holder with responsibility for planning, Chairman of Planning Committee, Executive Management Team, senior officers, Panel Lead members, partners etc;
- Building effective relationships with other parts of the political management structure, principally the Executive, full Council, Executive Management Team etc.;
- Ensuring the maximum contribution from each member of the Local Plan Committee.

Organisational Skills

- Assimilating and analysing complex information.
- Ability to plan and prioritise the business of the Local Plan Committee having regard to statutory timescales surrounding the preparation and publication of the Local Plan and key challenges facing the Council;
- Prioritisation and managing the overall Local Plan Committee's work programme including the deployment of available resources.

Communication

- Advanced listening and questioning skills;
- Communication skills – particularly with Committee Members and communicating the work and outcomes to all Councillors.

Other Skills

- Dealing with complex strategic issues and problems on behalf of the Local Plan Committee.
- Obtaining and weighing up evidence and making decisions and recommendations based on that evidence.

Knowledge

- Detailed awareness of the strategic importance of the Local Plan Committee and its relationship with Council;
- Detailed awareness of the constitutional arrangements relating to the Local Plan Committee and particularly those of the Chairman;
- Detailed knowledge of the process for the preparation and publication of the Local Plan;
- Detailed knowledge of planning policy issues nationally and regionally and how these impact on the Borough of Colchester;
- Awareness of the national policy framework and how policy developments may impact on the Borough;
- Knowledge of national, regional and sub-regional bodies with a role in planning policy;
- Detailed awareness of Colchester's approach to Panel/Council meetings and its relationship with the other parts of the Council's decision making structures.

CHAIRMAN OF POLICY REVIEW AND DEVELOPMENT PANEL

Role and Responsibilities

- To Chair meetings of the Policy Review and Development Panel in accordance with its terms of reference;
- To foster and maintain a disciplined approach by the Members involved having regard to high standards of behaviour and ethics;
- To represent the Council in all dealings with the public, media and other bodies in respect of the work of the Policy Review and Development Panel;
- To have responsibility for the co-ordination of the management of the Policy Review and Development Panel;
- To review and amend the content of the Policy Review and Development Panel's work programme.

Skills

Leadership

- Leadership of Policy Review and Development Panel within and outside the Council;
- Ambassadorial skills through the representation and championing of the Policy Review and Development Panel across the political groups and the Council as a whole.

Chairing

- Advanced chairing skills

Team Working and Relationship Building

- Tact, diplomacy and the ability to mediate and broker agreement across the political groups within the context of Policy Review and Development Panel;
- Relationship building – with Councillors and senior officers;
- Building effective relationships with other parts of the political management structure, principally Chairmen of Task and Finish Groups, the Executive, full Council, scrutiny and Executive Management Team etc;
- Ensuring the maximum contribution from each member of Policy Review and Development Panel.

Organisational Skills

- Ability to plan and prioritise the business of the Policy Review and Development Panel having regard to its terms of reference and key challenges facing the Council;
- Ability to delegate work to Task and Finish Groups and to effectively monitor the progress of Task and Finish Groups;
- Prioritisation and managing the Policy Review and Development Panel's work programme including the deployment of available resources.

Communication

- Advanced listening and questioning skills;
- Reporting and presentational skills;
- Communication skills – particularly with Policy Review and Development Panel Members and communicating the work and outcomes to all Councillors.

Other Skills

- Dealing with complex strategic issues and problems on behalf of the Policy Review and Development Panel.

Knowledge

- Awareness of main issues facing local government in general and Colchester Borough Council in particular in order to identify issues that may require review and improvement;
- Detailed awareness of the constitutional arrangements relating to the work of the Policy Review and Development Policy function and its relationship with the Executive and the scrutiny function.

CHAIRMAN OF TRADING BOARD

Role and Responsibilities

- To chair meetings of the Trading Board in accordance with its terms of reference;
- To foster and maintain a disciplined approach by the Members involved having regard to high standards of behaviour and ethics;
- To represent the Council in all dealings with the public, media and other bodies in respect of the work of the Trading Board;
- To have responsibility for the co-ordination of the management of the Trading Board;
- To review and amend the content of the Trading Board's work programme

Skills

Leadership

- Leadership of the Board within and outside the Council;
- Ambassadorial skills through the representation and championing of the Trading Board across the political groups and the Council as a whole.

Chairing

- Advanced chairing skills

Team Working and Relationship Building

- Tact, diplomacy and the ability to mediate and broker agreement across the political groups within the context of the Trading Board's work;
- Relationship building – with Councillors and senior officers;
- Building effective relationships with other parts of the political management structure, in particular the Cabinet, full council, scrutiny and Executive Management Team etc.;
- Ensuring the maximum contribution from each member of the Trading Board.

Organisational Skills

- Ability to plan and prioritise the business of the Trading Board and Council having regard to its terms of reference and key challenges facing the Council;
- Prioritisation and managing the overall Trading Board's work programme including the deployment of available resources.

Communication

- Advanced listening and questioning skills;
- Communication skills – particularly with other Board Members and communicating the work and outcomes to all Councillors, but particularly in communicating the recommendations of the Trading Board to Cabinet.

Other Skills

- Dealing with complex strategic issues and problems on behalf of the Trading Board.

Knowledge

- An understanding of commercial practices and how businesses operate in the private sector;
- An understanding of local government finance and the Council's budgeting process;
- Up to date knowledge of developments in local government and how these might open commercial opportunities for the Council.

Knowledge

- Detailed awareness of the strategic importance of the Panel and its relationship with Council;
- Detailed awareness of the constitutional arrangements relating to the Panel's functions and particularly those of the Chairman;
- Detailed awareness of Colchester's approach to Panel/Council meetings and its relationship with the other parts of the Council's decision making structures.

**EXTRACT FROM THE MINUTES OF THE MEETING OF THE
POLICY REVIEW AND DEVELOPMENT PANEL
HELD ON 4 NOVEMBER 2013**

19. Transportation Review

The Panel considered a report by the Head of Commercial Services inviting the Panel to consider various transportation related issues and to make relevant recommendations to Cabinet.

Paul Wilkinson, Transportation Policy Manager, explained that there were a number of statements on transport, including, the Local Plan Core Strategy 2008, the Local Investment Plan, the Integrated County Strategy, and the Essex Local Transport Plan 2011. Also various Panels and Committees had considered specific transport issues over the last few years e.g. public transport, park and ride, cycling strategy and town centre traffic reduction and this review presented an opportunity to consider the subject as a whole and in more detail.

There were strategic transport related issues that needed to be addressed, such as the impact on health, economy, the built and rural environment and social inclusion. Funding came through the Integrated County Strategy and the South East Local Enterprise Partnership for larger scale projects and through the Local Highway Panel for smaller scale initiatives. Funding had been sought for infrastructure and initiatives, including the new A12 junction, construction of the Northern Approaches Road phase 3, relocation of the bus station, support for new bus services, Cycle Town, investment in the railway stations, a commitment to the Colchester Travel Plan Club, traffic reduction in the town centre, promotion of car sharing, support for the Essex and South Suffolk Community Rail Partnership and the forthcoming Park and Ride scheme which was the subject of a submission to the Department of Transport (DfT).

Paul provided a presentation which gave details of research based around data published in the National Travel Survey, the Census, Essex County Council and its Travel Diary and DfT traffic counts. The data indicated a number of issues including the following:

- Nationally, over the last decade, the growth of car traffic had slowed, due largely to the reduction in company car use
- Rail movements had increased significantly since 1995
- European research suggested car traffic would continue to dominate movement patterns even if it fell by 20%, back to the 1990 level
- Total time spent travelling had remained constant but the length of journey had increased, with a reduction in walking trips
- Driving licence holding was increasing only slowly, despite the purchase cost of cars decreasing, due to increasing running costs, including higher insurance and the static level of disposable income in the younger age groups
- Over 45% of journeys by car were for distances of one mile or less
- Around 60% of journeys by car were for distances of less than two miles

- Traffic in urban areas had not grown despite development and population growth
- Traffic in the inter-urban network was growing but with wide fluctuations suggesting networks were at capacity at certain times
- Working at home seemed to have increased, but was not reflected in changes to travel patterns
- Ways of shopping were changing with increased use of the internet
- Peak spreading had not occurred reflecting limited flexibility to change working patterns and school times
- Obesity was increasing due to more sedentary life styles and reduction in active travel patterns

The Chairman invited each of the guests in turn to address the Panel on the issues from their perspective.

Noel James explained that the Historic Towns Forum had been working for 26 years in the historic built environment field, having started life as a Local Authority umbrella body. The Forum was now made up of a Corporation of practitioners, ranging from Unitary to Parish levels. The Forum puts on events and lobbied Government on the basis that everything needed to be integrated in terms of transport, tourism, public transport, street clutter and he was of the view that conservation should not be frozen in time. Transport was an integral part of infrastructure and planning. Noel believed that Colchester had both advantages and disadvantages. The old, narrow streets, making up the historic core of the town, were not built for the optimum flow of traffic and the town had to be able to adapt over time, especially given the need to manage parking, tourism, regeneration etc. The town needed to be able to accommodate growth which meant incentives for people not to use cars needed to be explored such as more effective cycle schemes, together with disincentives not to use facilities such as park and ride. Effective cycle schemes tended to include things such as cycle doctors to encourage better health, secure and easy to follow cycle routes without pot holes which would encourage more people to take up cycling. Park and ride schemes needed to be easily accessible, cheaper with easy to find parking provision.

Kris Radley explained that Sustrans worked to influence policy and practices to make local environments safer and more attractive for walking and cycling, whilst supporting and encouraging people to make sustainable travel choices. The reasoning behind the organisation was to improve health and quality of life, to reduce environmental impacts and energy use associated with transport. Also to improve access to jobs and services locally so that public places were enjoyable for local people.

Kris highlighted a number of statistics for the Panel to consider, including:

- Up to £279 a year per driver could be saved in fuel costs, car maintenance and parking, if four out of five short journeys were made by foot, bike or public transport. This totalled £8.5 bn for all British drivers;
- Each car user made 464 short journeys covering a distance of over 1,200 miles a year;
- 11% of short car journeys are under 1 mile, 29% were from 1-2 miles, and 60% were from 2-5 miles;
- The cost of short journeys to society including factors such as road accidents, infrastructure, traffic jams and air quality was £750 per car user or £23 bn for Britain;

- 15,000 lives could be saved through increased physical activity if more short journeys were made on foot or by bike, equivalent to £20 bn;
- Over 33% of the commuting trips made by car were short journeys costing British drivers £2bn a year, with the cost to society being nearly £3.5bn a year;
- 35 million people in the UK were at some risk of 'transport poverty', of which 1.5 million people were at high risk.

Kris also referred to the 'Locked Out' Report and its key recommendations, which were:

- Encourage People to Change their travel behaviour
- Create safe, attractive walking and cycling conditions
- Increase public transport usage by improving and integrating services and reducing fares
- Ensure that planning policy and practice reduce the need to travel
- Increase spending on Sustainable Transport

Nick Shuttleworth explained that the Rural Community Council for Essex was an independent charity working County-wide championing living and working in rural Essex since 1923. The organisation helped people and communities to build a sustainable future and acted as an advocate for individuals and communities in rural areas. Nick reported that the population in villages was aging but social facilities in rural areas were lacking. 20% of households in rural areas did not own a car and there was a greater proportion of people living more than 40 minutes from a town centre than elsewhere in the East of England. A number of Parish Plans, including those in Dedham, Winstred Hundred and Eight Ash Green had identified public transport as a priority to prevent people becoming less isolated. It was also important to bring services, such as doctors' surgeries and local shops back to communities. Whilst the encouragement of walking and cycling was welcomed, this was not helpful for the older population for who more flexible transport solutions were required. A Demand Responsive Scheme had been successfully set up in the Maldon District in 2011 with the help of public funding. It provided a fixed service from Maldon to Chelmsford and the Broomfield Hospital and was operated by a local taxi company. Nick was also aware of a 'Wheels to Work' moped hire scheme, run by a charitable organisation in Uttlesford, which had been set up to help young people access education and employment.

Particular discussion from the Panel members was in relation to:

- The reasons why more had not been achieved with the £4m funding from the Cycling Town Status award for Colchester and what could be done to deliver something along the lines of continental cycling towns;
- Whether other historic towns with similar characteristics to Colchester had achieved more in terms of sustainable transport alternatives;
- The problem of cycle thefts and the need for cyclists to feel safe and secure when they travel;
- The need for people to be encouraged to not use their cars for the short, less than one mile journeys;
- Previous transport studies over many years had identified the need for improvements to the East – West Corridor in Colchester;
- The problems of misleading signage for motorists which could contribute to congestion problems rather than assisting it;
- The potential positive impact of home working on traffic congestion problems

- and the measures available to encourage local employers of these benefits;
- The possibility of negotiating with local taxi companies to take a lead in providing a demand led service from the outlying areas of the borough for shopping or for medical services and particularly by utilizing vehicles outside of the school start and finish times;
- The need for the creation of cycle paths to be addressed through the provision of sustainable development by means of the Planning System;
- Whether it would be possible to utilise the funding for local buses which were often being run with very few or no passengers towards the provision of a demand management system which may prove to be far better value for money.

In response to questions raised, the following information was provided:

- Cycle Town funding had contributed to infrastructure projects in Highwoods and Greenstead as well as signage, improved cycle parking facilities at the railway station and in the town centre and a promotional campaign;
- Sixteen schools had signed up to the 'Bike It' programme;
- The priority given to cycling in Holland had begun in 1973 and had now achieved high levels of cycling within the population, although it was also true to say that now there were higher levels of car ownership in Holland than in the UK;
- Towns such as York, Bristol and Bath were well known for making very good use of their disused railway networks which were being used as dedicated, attractive and secure cycle and walking routes. In addition Leicester and Nottingham had segregated cycle routes which ran alongside the road systems. The successful schemes tended to be well thought out, better connected, safe and attractive to use;
- Southend had recently transformed the seafront area by creating a shared use space on City Beach;
- It ought to be possible to replicate the Maldon transport scheme on the basis that it was one which was intended to concentrate on one need which had been identified after extensive consultation a year before it had been introduced. The need was for good access to the hospital whilst the operator was a local taxi company who were determined to demonstrate how a demand led scheme could succeed;
- A number of options had been identified to improve the 'Central' Corridor, meanwhile Essex County Council had chosen to concentrate resources on traffic reduction in the town centre and on a park and ride facility which was now due to be delivered in 2014. £4.4m had been identified for improvements to the Colne Bank roundabout and regular meetings were held with Essex County Council to develop a strategy to address the problems associated with the A133;
- The rules around the allocation of Section 106 funding were now much tighter and it was now necessary to precisely identify what the funds were to be used for.

Councillor Nick Barlow, the Portfolio Holder for Regeneration, attended the meeting and, with the consent of the Chairman addressed the Panel. He was encouraged by ideas and suggestions that had been raised by the guests and the discussions that had taken place by the Panel members. He hoped to be able to develop these in relation to a transport policy for the benefit of the town.

RESOLVED that Noel James, Kris Radley and Nick Shuttleworth be thanked for the ideas and suggestions they provided and their valuable contributions to the meeting.

RECOMMENDED to Cabinet that the following issues be borne in mind when considering the council's future transportation policy:

- (i) The need for the Local Development Framework to consider how to attract funding for developers to create sustainable developments;
- (ii) To investigate further the high percentage of car usage for journeys of one mile or less and the possible measures to reduce these short journeys;
- (iii) To consider ways in which Essex County Council and the local rail operators could work more closely to provide a more integrated transport solution;
- (iv) To look into the ways in which freight is moved around with a view to reducing the number of van movements around the Borough for a more sustainable solution;
- (v) To investigate the possibility of utilising the Council's Licensing role in order to encourage the development of a demand led transport solution, similar to that being delivered in Maldon District;
- (vi) The need for the signage system in the Borough to be reviewed to ensure that it appropriately directs motorists through the town centre without exacerbating congestion problems;
- (vii) To initiate a public transport summit with a view to identifying a more sustainable, collaborative future provision;
- (viii) The need for local employers to be encouraged to provide home working solutions for their employees as a means to assist in the peak rush hour congestion problems;
- (ix) Bearing in mind transport poverty issues, the investigation of a moped hire type scheme for young people to access education and employment opportunities.

**EXTRACT FROM THE MINUTES OF THE MEETING OF THE
POLICY REVIEW AND DEVELOPMENT PANEL
HELD ON 4 NOVEMBER 2013**

20. Introduction of 20 mph speed limits in Colchester // Update

The Panel considered a report by the Head of Commercial Services recommending that a local request based approach, via the Local Highway Panel, is pursued to introduce 20 mph limits in Colchester.

Paul Wilkinson, Transportation Policy Manager, explained that the Council was keen to work with Essex County Council (ECC) and Essex Police on the implementation of area wide 20mph speed limits in Colchester, with the aim of creating a consistent approach to 20mph speed limits across the Colchester borough, especially in residential areas and areas where there are high levels of people movement.

The ECC Colchester Local Highway Panel (LHP) had discussed the implementation and funding of 20mph schemes and the Borough Council 20mph Task and Finish Group had been reconvened 'To implement 20mph speed limits in local communities which desire such limits, with benefits for road safety, social cohesion, promoting walking and cycling and community health.' In June 2013 the Network Management Manager from ECC had attended the Task and Finish Group to outline guidance on the introduction of 20mph speed limits. It was explained that areas wishing to introduce a 20mph speed limit should evidence a current average speed of no more than 24mph. The group was also advised that ECC would consider cases with a higher average speed of between 24mph and 29mph if there was strong support of local residents and the County Councillor and financial backing from the LHP. Speed surveys would be required before detailed plans could be developed. These would either be funded through the LHP or local sources if available. Advice would be taken from ECC on the location of surveys.

Three options had been considered for the delivery of 20mph speed limits in Colchester, namely a strategic approach covering all residential areas over Colchester and the larger villages, an area-wide approach based on established sub areas when funding was available and a local approach driven by local requests for 20mph with proposals securing funds from the LHP and other sources for speed surveys, and from the LHP for delivery.

Based on the ECC Policies and LHP Guide, and that Members' were keen to move forward with delivery of 20mph speed limits, it was recommended that the local approach be pursued in order to deliver 20mph speed limits in Colchester at the earliest opportunity. Schemes would require a strong level of local support. Consultation would therefore take place with local bodies (e.g. Parish Councils, Residents Associations, Neighbourhood Action Panels and Borough and County Councillors) to put forward schemes and gain support for the proposed speed limit.

Councillor Gerard Oxford, Chairman of the 20 mph speed limit Task and Finish Group attended the meeting and, with the consent of the Chairman, addressed the Panel.

RESOLVED that a local request based approach to introduce 20 mph limits in Colchester be pursued, via the Local Highways Panel and, as its work is now complete, the 20 mph speed limit Task and Finish Group be concluded.

29 January 2014

Report of	Assistant Chief Executive	Author	Richard Clifford
Title	Appointments to External Organisations		507832
Wards affected	'Not applicable'		

This report concerns reports from those appointed as Council representatives on external organisations of strategic importance

1. Decision(s) Required

- 1.1 To note the contents of the reports from those Councillors appointed to external organisations which are of strategic importance.

2. Reasons for Decision(s)

- 2.1 The Council makes a number of appointments to external organisations and Council Groups. These are normally made at the first Cabinet meeting of the municipal year. As a matter of good governance, those who are appointed to external organisations are invited to report on the work of the organisation to the Cabinet. This enables Cabinet to see the value of the appointments it makes and the contribution that those appointed to external organisations make.
- 2.2 A number of appointments are made to organisations of strategic importance to the Borough. In view of their importance, it is appropriate that appointees to these organisations report on a six monthly basis.

3. Alternative Options

- 3.1 No alternative options are proposed.

4. Supporting Information

- 4.1 Reports from the Council's appointments to following organisations covering the period May 2013 – early January 2014 are attached at Appendix 1:-

Haven Gateway Partnership
 IAA Member Working Group
 North Essex Parking Partnership Joint Committee
 Colchester Borough Homes
 North East Essex Children's Commissioning and Delivery Board
 Colchester Hospitals University NHS Foundation Trust
 Joint Museums Committee
 Police and Crime Panel
 Safer Colchester Partnership Responsible Authorities Group

4.2 Cabinet is invited to note these reports. Further reports will be submitted to Cabinet in May 2014 when the appointments are formally reviewed.

5. Strategic Plan References

5.1 The appointments which are the subject of this report are to organisation of strategic importance which make an important contribution towards objectives of the Council's Strategic Plan.

6. Standard References

6.1 There are no particular publicity or consultation considerations; or financial; equality, diversity and human rights; community safety; health and safety or risk management implications. These considerations are explored in more detail when the appointments are formally approved early in the municipal year.

Outside Body	Haven Gateway Partnership	
Representative/s	Cllr Turrell Cllr Barlow (substitute member)	Officer: Ian Vipond
No. of meetings	Held in 2013/14 year to date: 3	Attended: 3
Comments	<p>To address issues such as: Purpose of the Group.</p> <p>Through advocacy and project work to:</p> <ul style="list-style-type: none"> • deliver a thriving economy in a high quality environment for the sub-regions residents and visitors, by capitalising on its location as a key gateway, • bring partners together on a collaborative basis to secure appropriate recognition of the sub region's potential for growth and need for investment • seek improvements to the key rail, road and technical infrastructure, and to represent the sub-region on the SE Local Enterprise Partnership, • support a range of business opportunities around ports and logistics, small and medium sized enterprises (SME's) innovation and technology. <p>Work in 2013/14</p> <ul style="list-style-type: none"> • The A120 Campaign – As a key strategic route across North Essex linking Stansted Airport to Harwich International Port it requires significant improvement, including a fully duelled route, to prevent it from being a constraint on a corridor of high growth. The campaign is collecting economic and traffic evidence as well as producing campaign literature. • Low Carbon Freight Dividend Project – Delivering a European funded project (£3m) to encourage SME's to switch containerised cargos from the road to rail so reducing heavy road goods traffic and their carbon footprint. • Energising Harwich – A Business initiative led by Colchester Institute and AJ Woods to provide support to SME's in the whole sub-region to capitalise in the offshore renewable energy sector. <p>Other members</p>	

	<p>The Haven Gateway Partnership Board is a public/private partnership currently comprising the following subscribing members:</p> <ul style="list-style-type: none"> Essex County Council Braintree District Council Colchester Borough Council Tendring District Council Maldon District Council Mid Suffolk District Council Babergh District Council BT Hutchison Ports UK Harwich Haven Authority University of Essex Essex Chambers of Commerce
Issues arising or Action required	<p>There are a range of issues connected to the Partnership's objectives and to current work which requires on going contributions and input. Currently the key matters are the input into the SE LEP and particularly the LEP's bid to government for Single Growth Pot funding for the next 6 years and to the future EU funding. Linked to that is the standing of Colchester projects within the SE LEP Strategic Economic Plan (SEP) and Essex Economic Growth Strategy.</p> <p>The second key issue is the growing A120 campaign to get Government support to see major improvements on the road between Braintree and Colchester and then also on the route around the A12 then to Harwich. Substantial work is being done to collect the evidence to support the campaign which also includes co-ordinating various groups, business and political representatives to lobby for improvements.</p>

Outside Body	IAA Member Working Group	
Representative/s	Cllr Hunt Cllr Turrell (substitute member)	Officer:
No. of meetings	Held in 2013-14 to date:	Attended: 1
Comments	<p>To address issues such as:</p> <p>Purpose of the Group</p> <p>The purpose of the IAA Member Working Group is to assist and provide guidance to the IAA Officer Working Group in relation to the ongoing implementation of the Inter Authority Agreements in order for the Essex Waste Partnership to deliver against the Joint Municipal Waste Management Strategy.</p> <p>Work in 2013/14</p> <p>Other members</p> <p>Basildon District Council; Braintree District Council; Brentwood Borough Council; Castle Point Borough Council; Chelmsford Borough Council; Epping Forest District Council; Essex County Council; Harlow District Council; Maldon District Council; Rochford District Council; Southend-on-Sea Borough Council; Tendring District Council; and Uttlesford District Council.</p>	
Issues arising or Action required	Colchester Borough Council attend these meetings in an observer capacity only. There is also an officer level meeting where much of the information presented and discussed at this Group is collected by the Colchester officer representative so there is an element of duplication. Some recent meetings have been cancelled.	

Outside Body	North Essex Parking Partnership: Joint Committee	
Representative/s	Cllr Hunt	Officer:
No. of meetings	Held in 2013-14 to date: 20 June 2013, 8 August 2014, 31 October 2013, 8 January 2014	Attended: 4
Comments	<p>Purpose of the Group</p> <p>The strategic vision and aim of the Parking Partnership is to provide a single, flexible enterprise providing full parking services for the Partner authorities.</p> <p>The Partnership provides on street parking enforcement and operation for all the partner authorities. They can also choose to have off street parking services managed by the Partnership. Essex County Council has also delegated powers to the Partnership to make Parking Traffic Regulation Orders.</p> <p>All the Partner Authorities are represented on the Joint Parking Committee, which governs the work of the Committee. The Committee meets six times a year.</p> <p>Work in 2013/14</p> <p>Some of the main elements of work undertaken by the Joint Committee so far this municipal year include:-</p> <ul style="list-style-type: none"> • Approval of a revised policy for the consideration and approval of Traffic Regulation Orders; • Approval of a number of Traffic Regulation Orders; • Approval of revised on-street permit prices for 2014-15 municipal year; • Working towards the introduction of a CCTV car with the aim of improving enforcement of parking restrictions in the vicinity of schools. <p>Other members</p> <p>Essex County Council, Braintree District Council, Epping Forest District Council, Harlow District Council, Tendring District Council, Uttlesford District Council</p>	
Issues arising or Action required	<p>Going forward; the major issues for the Partnership will be</p> <ul style="list-style-type: none"> • Working towards the elimination of the inherited budget deficit; • The inequality of funding from ECC in comparison with the 	

	<p>South Essex Parking Partnership;</p> <ul style="list-style-type: none">• Introduction of the CCTV vehicle• Scrutiny of the Partnership by Essex County Council, Colchester Borough Council and other partner authorities.
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Outside Body	Colchester Borough Homes	
Representative/s	Cllrs Chapman, Gamble, Kimberley, Lilley, Offen and L. Sykes	Officer: Gareth Mitchell
No. of meetings	Held in 2013-14 to date: 6	Attended: 90%
Comments	<p>The board of directors provides strategic direction for the company, determines its policies, approves its expenditure and monitors its performance in delivering services. It also ensures compliance with the management agreement between the Company and the Council and ensures the Company complies with its legal responsibilities. Board members are also members of one or more committees (Finance & Audit, Governance & Remuneration and Operations), which allows for greater scrutiny of specific items.</p> <p>Some of the key achievements of the Board in 2013 were: agreeing the new 10-year Management Agreement with CBC and the revised Memorandum & Articles of Association, recruiting a new Chair of the Board, agreeing the Annual Delivery Plan, the Budget and the Housing Investment Programme for 2013-14, , overseeing the transfer of services from CBC, approving the new Trading Strategy, approving a new Code of Conduct for Board Members, updating the terms of reference for Board committees and taking on a new communal cleaning contractor.</p> <p>During the year, the Board also carried out a full review of its governance arrangements to ensure they were fit for purpose.</p> <p>Cllrs Offen and Kimberley resigned from the Board in August 2013 in line with the reduction in Council membership from six to four. The Board also includes four tenant members and four independent members.</p>	
Issues arising or Action required	<p>There are no specific issues arising or actions required.</p> <p>It is considered by the Colchester Borough Homes (CBH) Chief Executive and Board Assurance Officer that the Council members make a valuable contribution and provide appropriate challenge to the executive of CBH.</p> <p>The guidance to Councillors represented on outside bodies (recently issued by Colchester Borough Council) is welcomed.</p>	

Outside Body	North East Essex Children's Commissioning and Delivery Board	
Representative/s	Cllr Feltham	Officer: Lucie Breadman
No. of meetings	Held in 2013-14 to date: Four	Attended: Three (Lucie / Annie or a rep from CBC)
Comments	<p>To address issues such as:</p> <p>Purpose of the Group</p> <p>The North Essex Local Children's Partnership Board (LCPB) brings together partners at a local level and is underpinned by the Children's Act 2004 duty to co-operate (as amended by the Apprenticeships, Skills, Children and Learning Bill 2009). The purpose of the LCPB is for partners to work together to determine local needs, identify priorities and develop action plans to secure better outcomes for children and young people in the Colchester Borough and Tendring District through multi-agency collaborative working.</p> <p>The primary aim of the LCPB is to improve the outcomes for children and young people in the area by:</p> <ul style="list-style-type: none"> • strengthening the services and processes that keep children and young people safe from neglect and abuse; • developing an action plan within its overarching priorities which enables children and young people to aspire, learn, achieve highly and realise their potential; • improving the life chances of Looked After Children, young carers and all other children and families at risk of poor outcomes; • reducing the impact of poverty and the recession on the lives of children, young people and their families providing children, young people and families with opportunities to contribute meaningfully and be involved in the development and delivery of services in their local communities. <p>Work in 2013/14</p> <p>Due to changes in the structure of partnerships at County Level the Northern partnership has re-established itself in 2013.</p> <p>A number of key areas of work have been completed including establishing a new joint partnership board, bringing together the delivery and strategic boards to reduce duplication and streamline activities.</p> <p>The Board has agreed on four priorities which Map onto the Essex Partnership Board ones but are local and specific to the North of the</p>	

	<p>County. These are:</p> <ul style="list-style-type: none"> • Staying Safe • Starting Well • Early Help • Developing Well <p>The priorities have clear outcomes and a delivery plan with key indicators and actions to help make things happen and monitor progress over the next few years.</p> <p>Achievements thus far -</p> <ul style="list-style-type: none"> • Used the local needs assessment, and local intelligence to agree specific local priorities within the context of Essex Children and Young People’s Plan and the Health and Well-Being Strategy • Developed a joint action plan to achieve delivery of agreed outcomes through the priorities of the LCPB • Developed a performance management approach for the local action plan, priorities and deliverable outcomes to ensure improved outcomes are achieved, challenging and supporting where necessary <p>Other members – as per TOR</p>		
	Service/agency	Role	Name
	NHS	GP consortium – children’s lead Children’s Commissioner Provider of health services Hospital Trust	Doug Tanner Helen Kershaw Denise Peggs Sarah Bailey/Rosilynde Mchearne Dymphna Sexton-Bradshaw & Karen Hull
	District/Borough Council	Lead Member Lead Officer	Cllr Annie Feltham Cllr Linda McWilliams Lucie Breadman Paul Price
	Police	District Commander representation	TBC
	Job Centre Plus	Area Representative	?
	Voluntary – community sector	CVS Colchester CVS Tendring ECVYS Barnardos	Tracey Rudling Sharon Alexander TBC Adam Wilson
	Essex School Governors	Area representative	Rod Lane

	Association		
	Education	Early Years Area Representative School Facilitator Special Schools	Diane Macefield Nick Pavitt (Chair) Andy Jones Gary Smith
	Essex County Council	Elected Member Lead for Partnership Delivery Public Health Commissioning Director of Local Delivery Head of Commissioning for Vulnerable People YOS Area Manager	Cllr Mick Page Lee Bailey Alison Woolnough Alastair Gibbons TBC Jackie Horlock
Issues arising or Action required	<p>As said above the group has taken some time to re-establish itself this year but now has a stable foundation to move forward, along with dedicated support to help co-ordinate and keep the group focussed and structured.</p> <p>As with all partnerships the group has formed through volunteers and those who generally want to see improvements for children and young people. However needs differ and resources are scarce so time has been spent on common goals and objectives that the group can try to focus on to enable it to move forward.</p> <p>Throughout 2013 it has been a good networking group and has kept all members aware of updates in projects and activities, sharing ideas and support.</p>		

Outside Body	Colchester Hospital University NHS Foundation Trust	
Representative/s	Cllr Feltham	Officer:
No. of meetings	Held in 2013-14 to date: From September 13 - 3	Attended: 3
Comments	<p>Cllr Feltham is the CBC Stakeholder Governor on the Council of Governors. The Council works closely with the Board of Directors to influence decision-making and strategic planning across Colchester Hospital University NHS Foundation Trust. The Council comprises 26 governors of whom 6 are stakeholder governors.</p> <p>Cllr Feltham was appointed as the CBC Stakeholder Governor in late summer. Shortly afterwards concerns about the data management of the records of cancer pathways and the resulting responses from the central NHS institutions were put into the public domain by whistleblowers. (This note identifies the headline issues only. More information is available on the hospital website.)</p> <p>In August the Care Quality Commission began their investigations, producing a report in November. A possible 30 patients were identified as having been affected by delays because of problems with record keeping. This group of patients or their representatives have all been contacted.</p> <p>NHS England produced a report before Christmas with recommendations for the cancer services including a Cancer Action Plan.</p> <p>The hospital is now under special measures.</p> <p>Eastern Region Monitor (The regulator) is also actively involved including the appointment of an Improvement Director.</p> <p>There have been significant changes at senior staffing levels. Both the Chief Executive and the Finance Director have resigned and the Chief Operating Officer will be leaving at the end of her notice period. An Interim CE is in place, and a new Finance Director will be joining next month. There is a new Director of Nursing, a new Director of HR, a Programme Director for Cancer and other interim appointments. Collectively these appointments are expected to strengthen the senior staffing complement.</p> <p>The police investigation is ongoing.</p> <p>This is a period of turbulence for the hospital. Staff at all levels are under pressure. The involvement of outside bodies is complex and some of the processes (Special Measures for instance) are relatively new.</p>	

	<p>Simultaneously as we would expect there is an active focus on ensuring that the hospital functions as safe institution providing efficient care and effective. NE Essex Clinical Commissioning Group as the commissioners play an important role in this respect.</p>
<p>Issues arising or Action required</p>	<p>This is a complex and fast-moving situation which is taking place against the larger and much-discussed background of reorganisation across the NHS.</p> <p>It is still too early to be clear about how and according to what timetable the issues at CHUFT will be resolved.</p> <p>The role of the Council of Governors as a whole may change. As the Stakeholder Governor for CBC it remains important to reflect the cross-cutting interests of the Borough as a whole.</p>

Outside Body	Colchester and Ipswich Joint Museums Committee	
Representative/s	Cllr T. Young and Cllr Smith	Officer: Bill Seaman, Lucie Breadman, Ann Hedges
No. of meetings	Held in 2013/14 year to date:	Attended: 2
Comments	<p>To address issues such as:</p> <p>Purpose of the Group Colchester Borough Council and Ipswich Borough Councils have formed a joint committee to agree and monitor the strategy and policy framework of Colchester and Ipswich Museums Service.</p> <p>Work in 2013/14 Since May 2013 The Joint Museums Committee has met twice. 25th June 2013 in Colchester and 5th November in Ipswich. The JMC has received and approved performance and progress reports.</p> <p>Other members IBC members are Cllr Bryony Rudkin and Cllr Carole Jones</p>	
Issues arising or Action required	Approval of progress and performance reports. Setting of 2014/15 annual joint budget for Colchester and Ipswich Museums Service.	

Outside Body	Police and Crime Panel	
Representative/s	Cllr T. Young	Officer:
No. of meetings so far in municipal year	Held in year: Seven: five already held; two still to be held	Attended: All five that have taken place already
Comments	<p>To address issues such as:</p> <p>Purpose of the Group</p> <p>The Panel comprises representatives of the 15 local authorities in wider Essex, a co-opted member and two independent members. It meets at least four times a year to scrutinise the work of the Police and Crime Commissioner, exercising the function as a critical friend, in support of the Commissioner.</p> <p>Work in 2013/14</p> <p>During the year the Panel has confirmed the appointment of the Deputy Police and Crime Commissioner and the Executive Director of the Commissioner's Office. It has commented on the format and content of the Commissioner's first Annual Report. The Panel has contributed to the Commissioner's proposals for establishing effective Performance Management. It has monitored progress on the Commissioner's allocation of Community Safety Grants and scrutinised performance against the Police and Crime Plan and the budget.</p> <p>In January it will consider the Commissioner's proposals for his Precept for 2014/15 and in February will consider the draft refresh of the Police and Crime Plan.</p> <p>Other members</p>	
Issues arising or Action required		

Outside Body	Safer Colchester Partnership: Responsible Authorities Group	
Representative/s	Cllr Tim Young	Officer: Pam Donnelly
No. of meetings	Held in 2013-14 to date: 6 March 2013 19 June 2013 17 September 2013 11 December 2013	Attended: Ian Vipond (Chair) Cllr Tim Young Cllr Anne Turrell (Essex Fire) Pam Donnelly (Chair) Cllr Tim Young Pam Donnelly Cllr Tim Young
Comments	<p>To address issues such as: Purpose of the Group To work in partnership to address issues of community safety across the Borough.</p> <p>Work in 2013/14 Please see attached partnership plan.</p> <p>Other members Karen Loweman (CBH) Tracy Rudling (CCVS) Richard Phillibrown (Essex Police) Major Adrian Grinonneau (Colchester Garrison) Sam Hepplewhite (CCG) Cllr Julie Young (Essex Fire) Carl Pullen (Essex Fire) Alison Woolnough (ECC Public Health) Jane Gardner (ECC) Henry Griffiths (Essex Probation)</p>	
Issues arising or Action required	None.	

Safer Colchester Partnership ANNUAL PARTNERSHIP PLAN 2013-14

KEY PRIORITY 1 – To address domestic abuse						
Objective	Performance Outcome	Target Area	Outputs	Funding	Lead Agency or Person	By When
Support the work of the Women's Safety Worker within the Integrated Domestic Abuse Programme	Women living with perpetrators of domestic abuse are supported	All wards	The WSO will contact women post sentence of their current or ex partner to the Integrated Domestic Abuse Programme and work with them to access support.	Essex Probation & bid to Safer Essex. £5,000 agreed from Colchester CSP	Essex Probation	Mar 2014
Raise awareness and support victims of Domestic Abuse	Awareness raising formally headed up by CDAF (action plan) CSP to monitor the Domestic Abuse Action Plan 2011-14 to ensure that victims feel supported and know who to contact to report incidents	All wards	<p>Actions include:</p> <ul style="list-style-type: none"> • Deliver an awareness raising event • Continue to operate a Sanctuary Scheme for Colchester • Initiate a pilot project to raise awareness of teenage relationship abuse. Team will work with local secondary schools to provide a workbook / training session • Initiate a pilot project to tackle the obstacles that prevent victims leaving an abusive relationship. The team will be working in partnership with the RSPCA throughout 13-14 to ensure the delivery of a 'pet fostering' scheme. 	<ul style="list-style-type: none"> • Former CDAF monies + officer time • SCP + CBC budget already allocated • £2k allocated from PCC fund 13/14 + officer time • £2,500 from Jubilee Fund (Community Safety) + officer time 	<ul style="list-style-type: none"> • CBC • CBC • CBC / Refuge • CBC / RSPCA 	<p>Sept 2013</p> <p>Ongoing</p> <p>Mar 2014</p> <p>Mar 2014</p>

Increase awareness of Domestic Abuse reporting mechanisms amongst those living in CBH homes.	CBH tenants are aware of how to report domestic abuse and what support CBH can provide.	Wards with CBH homes	<ul style="list-style-type: none"> • Launch leaflet campaign • Put details on CBH website • Promote on Community Days of Action • Promote on the SOS Bus • Promote in Housing News 	CBH Officer time	CBH	Appendix Mar 2014
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KEY PRIORITY 2 – To reduce re-offending through integrated offender management

Objective	Performance Outcome	Target Area	Outputs	Funding	Lead Agency or Person	By When
Reduce adult re-offending rates by working more effectively in partnership.	Monitor the progress of the Integrated Offender Management programme. Make amendments to structure or process when necessary.	All wards	The IOM Steering Group monitors the progress of this initiative	Essex Probation Colchester CSP funded £2.5K 12/13 for operational expenses; carried forward to 13/14.	IOM Steering Group	Mar 2014

KEY PRIORITY 3 – To address alcohol misuse

Objective	Performance Outcome	Target Area	Outputs	Funding	Lead Agency or Person	By When
Reduce crime & offending caused by alcohol misuse	Crime and offending caused by alcohol misuse is reduced	Town Centre	<ul style="list-style-type: none"> • Set up of a Pub Watch to be encouraged • Police to enforce the DPPO for Colchester • Sustainable funding source to be identified to revenue fund the SOS Bus; funding working group to discuss £30k shortfall • Continuation of the street drinkers project from April to September and its work monitored and evaluated 	<ul style="list-style-type: none"> • Officer time • Officer time • £35k required. £5k allocated from CSP budget 13/14 • Officer time 	Pub Watch / CBC Essex Police CBC, Police, Open Road Police, CBC & partners	Mar 2014 Mar 2014 Mar 2014 Ongoing

			<ul style="list-style-type: none"> Street Drinkers Operational Group to be set up from June 13 and meet on a monthly basis to identify top 3 Street Drinkers Initiate Pop Campaign to replace glasses in pubs & clubs with polycarbonate vessels Partners continue to work together to address issues relating to Night Time Economy (see to priority 4) Work on getting a 'Section 222' which will provide an injunction area around the town centre (not including Castle Park), where opened alcoholic drink vessels will not be permitted Initiate "Reduce the Strength" to target retailers and ask they reduce the strength of alcohol 	<ul style="list-style-type: none"> Officer time Officer time Officer time CBH Officer time Officer time 	Police, CBC & Appendix partners CSP partners CSP partners CBH & Essex Police CBH & partners Essex Police & CBC	Ongoing Ongoing Ongoing Mar 2014 Mar 2014
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KEY PRIORITY 4 – To reduce crime and the fear of crime

Objective	Performance Outcome	Target Area	Outputs	Funding	Lead Agency or Person	By When
Reduce all crime in Colchester	This is a target to work in partnership with other agencies to reduce crime across Colchester Borough	All wards	<ul style="list-style-type: none"> Operation Homeguard to deploy in affected areas to target burglary Initiate Secure Planting scheme in New Town to educate residents on how to make their property less attractive to burglars (i.e. planting of bushes etc) Burglary working group to be set 	<ul style="list-style-type: none"> Officer time CSP funding to be sought + officer time Officer time 	Police CBC / partners Police, CBC &	Mar 2014 Mar 2014 Mar 2014

			up	<ul style="list-style-type: none"> Re-launch and maintain a Neighbourhood Watch scheme in Colchester Launch Operation indent in August to target ASB, nuisance, treats and harassment CSP continues to provide support to all 7 NAPs 	<ul style="list-style-type: none"> Officer time Officer time 	<p>partners</p> <p>Essex Police & CBC</p> <p>Essex Police</p> <p>Essex Police & CBC</p>	<p>Appendix 1</p> <p>Mar 2014</p> <p>Mar 2014</p>
Local residents in the Borough have the opportunity to report concerns to their Neighbourhood Action Panels.	Residents feel they have local group to which they can report their concerns and identify their safety priorities.	All wards	<ul style="list-style-type: none"> Partners work together to deliver a day that tackles issues of community safety Partners work together to maintain a presence in the area for 3 months 	<ul style="list-style-type: none"> £1,000 allocated from CSP13/14 budget to support venue hire & minor projects + officer time 	Essex Police & CBC	Mar 2014	
Engage local residents & agencies in 3 Community Days of Action and Safer Colchester projects	Residents feel they have been involved in concentrated day of action and a presence maintained for a period of 3 months	3 wards	<ul style="list-style-type: none"> Partners work together to deliver a Night of Action in the town centre Provide 'Operation Argus' for town centre (Counter Terrorism Initiative) 	<ul style="list-style-type: none"> Officer time £3k allocated to CDoA from PCC grant 13/14 (£1k per event) £6k allocated to SC Project from PCC grant 13/14 (£2k per event) 	CBC & partners	Mar 2014	
Delivery of 'Night of Action' in the Town Centre	Partners continue to work together to address issues relating to Night Time Economy	Castle / Town centre	<ul style="list-style-type: none"> Partners work together to deliver a Night of Action in the town centre Provide 'Operation Argus' for town centre (Counter Terrorism Initiative) 	<ul style="list-style-type: none"> Funding via CDoA budget Officer time 	Essex Police/ CBC / CBH	Mar 2014	
Engage with Young People on issues of community safety	Provide information and preventative activities for young people.	All wards	Deliver Crucial Crew event involving 6-8 crime reduction scenarios to 1500 + year 6 school children.	£3,000 plus officer time	Essex Police	Aug 2013	
					CBC & partners	June 14	

Engage and work with young people (13 -18yrs) to minimise ASB	Work with partners to provide a Army Fun Day to help combat school exclusion, truancy and social isolation	All wards	<ul style="list-style-type: none"> Work with young people who has not engage in ASB in last 3 month through rewarding for good behaviour, develop working as a team and and a sense of belonging to a community. Career development - enable young people to get a taste of the Army. 	<ul style="list-style-type: none"> Officer times Funding from CBH Community grant 	CBH, Colchester Garrison and CBC Zone Wardens	Appendix 1 August 2013
Engage with older people on issues of community safety	Provide information and preventative activities for older people.	All wards	Deliver Crucial Crew event involving information on community safety issues	TBC plus staff time	CBC & partners	June 14
Engage with families with chaotic lifestyles	Work with partners on remodel & maintain the Essex Families project. Employ a FIP worker to work with CBH and Colne tenants.	All wards	<ul style="list-style-type: none"> Deliver on 'Essex Families' project for Colchester FIP worker employed and working with identified families. 	<ul style="list-style-type: none"> £170K + officer time. CBH & Colne = £29K + CSP - £5K 	CBC, ECC NEENHS Catch 22, CBH + Colne	Mar 2014 Mar 2014
Provide places of safety for vulnerable people in Colchester	Launch and maintain Keep Safe scheme	All wards	<ul style="list-style-type: none"> Project launched in Town Centre in May 2013 Build membership of the scheme Monitor and evaluate scheme 	<ul style="list-style-type: none"> Officer time Initial funding from Jubilee Fund (Community Safety) Additional funding from CSP required 13/14 	CBC	March 14

PETITIONS, PUBLIC STATEMENTS, QUESTIONS

(i) Have Your Say speakers

Date of Meeting	Details of Members of the Public	Subject Matter	Form of Response	Date Completed
Cabinet, 27 November 2013	Andy Hamilton	Visual Arts Facility	Verbal response provided at the meeting by Councillor T. Young, Portfolio Holder for Planning, Community Safety and Culture, and Councillor Barlow, Portfolio Holder for Regeneration	27 November 2013
Cabinet, 27 November 2013	Peter Kay, Bus Users Group	The impact of the redevelopment of Roman House on bus services on Queen Street	Verbal response provided at the meeting by Councillor Barlow, Portfolio Holder for Regeneration	27 November 2013
Cabinet, 27 November 2013	Nick Chilvers	Redevelopment of Roman House and the funding of the Arts Centre	Verbal response provided at the meeting by Councillor Barlow, Portfolio Holder for Regeneration, in respect of comments on Roman House, and Councillor T. Young, Portfolio Holder for Planning, Community Safety and Culture, in respect of comments on the Arts Centre	27 November 2013
Cabinet, 27 November 2013	Belinda Federl, Hythe Forum	Redevelopment of the Breakers Yard, the Hythe	Verbal response provided at the meeting by Councillor Barlow, Portfolio Holder for Regeneration and Councillor Feltham, Portfolio Holder for Communities and Leisure Services	27 November 2013

Cabinet 27 November 2013	Robert Needham, Chair of Trustees, Age UK Colchester	The impact of budget proposals on Age UK Colchester	Verbal response provided at the meeting by Councillor Bourne, Portfolio Holder for Housing	27 November 2013
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(ii) Petitions

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

