

FINANCE AND AUDIT SCRUTINY PANEL

17 AUGUST 2010

Present :- Councillor Dennis Willetts (Chairman)
Councillors Nick Cope, Scott Greenhill, Sue Lissimore,
Jon Manning, Colin Mudie, Kim Naish, Gerard Oxford
and Colin Sykes

Also in Attendance :- Councillor Paul Smith
Councillor Tim Young

14. Apologies

Councillor Arnold gave his apology for not attending the meeting.

15. Minutes

The minutes of the meeting held on the 27 July 2010 was confirmed as a correct record subject to the following amendments.

Added, was Councillor Naish's apology for not attending the meeting.

A final paragraph to item 11. 2009-10 Risk Management Summary was added, to read; "Councillor Sykes commented on the clarity of the colour coded slide illustrating the quarterly one risk matrix, saying it provided clear identification to those with colour blindness. Councillor Sykes thanked officers for producing the colour slide".

Councillor Colin Mudie and Councillor Kim Naish (in respect of being a member of the Board of Colchester Borough Homes) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

Councillor Colin Sykes (in respect of his spouse being a member of the Board of Colchester Borough Homes) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

Councillor Gerard Oxford (in respect of his spouse being the former Portfolio Holder for Neighbourhoods) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

16. Progress report on the Capital Improvement Programme (Decent Homes)

Councillor Tim Young, Portfolio Holder for Housing and Community Safety and Mr. John Rock, Contracts Risk and Service Manager attended the meeting for this item.

Mr. Rock gave a comprehensive presentation of the Progress report on the Capital Improvement Programme (Decent Homes Programme), explaining in detail the process that had led to this item being reviewed by the panel, the work involved in the validation of the declared numbers of Decent Homes by Inspace, the levels of work to be carried out against the Decent Homes Standard, the Assessment of cost, the procurement route taken and finally, the robust controls and monitoring arrangements put in place for all future works.

In response to Councillor Willetts, and later to Councillor Sykes, Mr. Rock said he was confident the current three partners of the Capital Improvement Programme, Colchester Borough Council, Colchester Borough Homes (The Contract Administrator) and the contractors fully understand the details of the new contracts and their roles, and that there would not be a repeat of what had transpired before. Councillor Young said the new arrangement was that of a more traditional contract, a standard format within the industry, more fully understood by all three partners, with more robust and clearly defined contractual arrangements, and he along with Councillors Beverley Oxford and Paul Smith is confident it will work.

With a signed contracts now in place, together with controls and monitoring arrangements, Mr. Rock confirmed to Councillor Willetts that he would provide members with the year one work programme (to March 2011) itemising by ward and the number of installations by type.

Councillor Gerard Oxford believed lessons had been learnt from the previous contract arrangements and what was now in place was a great improvement and would hopefully deliver the Decent Homes Programme within the prescribed timescale. In response to Councillor G. Oxford, Mr. Rock confirmed that in regard to “a reasonable degree of thermal comfort”, a property with single glazing doesn’t necessarily mean it will fail the Decent Homes Standard. Mr Rock further explained that there is a long term Asset Management Strategy being developed in conjunction with Colchester Borough Homes part of which will be to improve thermal efficiency which will for some properties mean amongst other things, installing double glazing.

Councillor G. Oxford congratulated the contractors for currently exceeding the customer satisfaction performance indicator targets set at 95%.

Mr. Rock and Councillor Young responded to Councillor Lissimore in regards to properties brought up to a decent standard and then vandalised or damaged by tenants. Councillor Young explained that any repairs are financed through the housing repairs funds, separate to the Decent Homes Programme, and the Housing Management Team in Colchester Borough Homes deal with the tenancy issues in regards to the damaged property, e.g. reimbursement of repair costs.

Mr. Rock confirmed to Councillor Willetts that the Asset Management Database now ensures there is no duplication of works to properties.

Mr. Rock explained to Councillor Greenhill that the estimated total cost of £12.825 million was a statement of the position at March 2010 to deliver decency by December 2012.

RESOLVED that the panel;

- i) Noted with satisfaction the progress on the Capital Improvement Programme (Decent Homes).
- ii) Requested a copy of the year one work programme (to March 2011) itemising by ward the number of installations by type.
- iii) Requested a briefing note from the Head of Strategic Policy and Regeneration on energy efficiency, more specifically thermal comfort in homes and the longer term commitment to the energy efficiency of the stock.

Councillor Colin Mudie and Councillor Kim Naish (in respect of being a member of the Board of Colchester Borough Homes) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

17. 2010-11 Capital Monitor

Councillor Paul Smith, Portfolio Holder for Resources and Diversity and Mr. Steve Heath, Finance Manager attended the meeting for this item. Mr. Heath presented the Capital Expenditure Monitor report.

In response to Councillor Willetts, Mr. Heath confirmed that a report to Cabinet on the review of capital expenditure will be drafted in late September to be reviewed by the Cabinet thereafter.

Councillor Smith responded to Councillor Willetts, explaining there would be no additional capital commitment by Colchester Borough Council to the overall £6.6 million internal fit-out of the Visual Arts Facility (funded by Arts Council East, Essex County Council and Colchester Borough Council), though it was envisaged that part of the 'compensation bond' money would be released to be used towards the fitting-out. It was confirmed that at present, no contracts for this work had been signed.

Councillor Smith confirmed to Councillor Oxford that the Mandatory Disabled Facilities Grants are all committed to be spent, and whilst there was no degree of certainty on the demand for this work, he would be happy to provide members with a profile of outstanding works and associated costs.

Councillor Oxford said whilst he was appreciative of the Disability Discrimination Act (DDA) works undertaken at the Town Hall, there still remained a problem with the Council Chamber loop system, confirmed by Councillor Willetts, and wheel chair access to the Chamber. Councillor Oxford believed the Council should be mindful that the Town Hall is not completely DDA compliant.

Councillor Smith confirmed to Councillor Lissimore that although the £48,000 funding for the Castle Park Play builder programme for play provision for 8 – 13 year olds had been withdrawn, the Council had now reverted to the original plan to fund this with

Section 106 money, with a mix of borough and ward commitment.

Councillor Smith said he would arrange to provide members with an update on how the £21,000 has or will be spent on the improvement of pathways in Monkwick.

RESOLVED that the Panel;

- i) Noted the level of capital spending during 2010 -11 and forecasts for future years.
- ii) Requested a briefing note from the Portfolio Holder for Resources and Diversity providing members with a) a profile of outstanding works and associated costs in respect of Mandatory Disabled Facilities, and b) an update on how the £21,000 has or will be spent on the improvement of pathways in Monkwick.

18. 2010-11 Financial Monitor April - June

Councillor Paul Smith, Portfolio Holder for Resources and Diversity and Mr. Sean Plummer, Finance Manager attended the meeting for this item. Mr. Plummer presented the Financial Monitoring Report for April to June 2010, pointing out that all service budget forecasting was being reviewed for both the current year and 2011-12, trying to identify savings that would be reported at the half year report stage.

Councillor Smith, in response to Councillor Willetts said as the year progresses more accurate budget assessments can be made. There had been a difficulty with e.g. withdrawal of grants such as the Housing and Planning Delivery Grant (a year early, with no clarification yet on the replacement new scheme), the loss of the LABGI (Local Authority Business Growth Incentive Scheme) grant and the withdrawal of LAA (Local Area Agreements) project funding, all causing funding shortfalls, though every effort will be made to bring service budgets in on budget.

In response to Councillor Cope, Mr. Plummer said officers are looking at Cemetery and Crematorium costs with a view to reduction, aware that the trend in income is downward. Councillor Smith said this was primarily due to the rise in life expectancy and competition from other crematoriums.

RESOLVED that the panel noted the financial performance of General Fund Services and the Housing Revenue Account in the first three months of 2010/11.

19. Work Programme

RESOLVED that members noted the current 2010/11 Work Programme.