

SCRUTINY PANEL 12 NOVEMBER 2013

Present :- Councillor Beverly Davies (Chairman)
Councillors Kevin Bentley, Nick Cope, Marcus Harrington, Dave Harris, Jo Hayes, Peter Higgins, Mike Hogg and Gerard Oxford

Also in Attendance :- Councillor Annie Feltham
Councillor Will Quince
Councillor Paul Smith
Councillor Dennis Willetts

32. Decisions taken under special urgency provisions

A report was submitted by the Assistant Chief Executive explaining that a portfolio holder decision had been taken which had been deemed to be sufficiently urgent that the call-in procedure would not apply. The decision was to approve the Council's joining of the Essex Business Rates Pool and, in accordance with the statutory requirements, the Monitoring Officer and Chairman of the Scrutiny Panel had certified the immediate implementation of the decision and that the call-in procedure would not apply.

RESOLVED that the contents of the report be noted.

33. Referred items under the Call in Procedure // Allotment Charges and Review of Tenancy Agreements

Councillor Harris (in respect of his acquaintance with members of the public in attendance at the meeting and his involvement in 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 to the Panel explaining that the decision taken by Councillor Feltham, Portfolio Holder for Communities and Leisure, relating to allotment charges and the review of Allotment Tenancy Agreements had been called in for review by the Panel.

The reasons for the call-in by Councillor Lissimore, supported by four other Councillors, together with the notice of decision and the report were attached to the report.

Councillor Lissimore was invited by the Chairman to present the case, expanding on the reasons for the call-in. She referred to the historical basis of the size of allotments which were intended to provide for the self sufficiency of working families. She had been an allotment holder for ten years and had personal experience of the benefits of the activity in terms of healthy eating, educating young people about food, social interaction and physical activity which mirrored many of the priorities identified in the

Council's Strategic Plan. She had undertaken research into allotment costs across the country and had determined that the average cost for a half size plot was £22.60, with many local authorities also offering significant reductions for concessions. According to her research, the proposal to increase the cost of half size plots to £47.50 per year was therefore more than double the national average cost. She considered there were other options available to increase income for the Council, particularly in relation to the number of vacant plots which currently totalled 42 whilst there remained a large number of people on the waiting list for a plot. 40% of allotment holders had indicated their dissatisfaction with the way the Council managed the reallocation of plots. She was also concerned at the proposal to restrict allotment holders to one plot per household as she considered there were many people who would be disadvantaged by this restriction. Councillor Lissimore accepted the principle of the allotment service being cost neutral which had been identified as a priority in 2008. She was of the view that the reduction in size of plots had significantly contributed to the achievement of this target, without the need to consider additional increases in costs for the allotment holders. She pointed out that the original cost neutral target had been based on only the direct costs associated with the allotment service whilst the latest review had also included indirect costs which meant that the service currently had a shortfall in costs of £36,100. She questioned why the most recent costs had been calculated on a different basis, why they had been applied to the review and on what basis they had been calculated.

The following members of the public addressed the Panel pursuant to the provisions of Meetings General Procedure Rule 5(2):

Melva Lingard, Committee member from the Colchester Allotment Association, spoke of her concern that allotment holders would be forced to relinquish their plots as they would find the activity unaffordable. She referred to the number of plots that were not being actively cultivated which she considered should be subject to closer monitoring by the allotment inspectors. She was also concerned about the number of plots that were vacant but had yet to be re allocated. She was of the view that there were people sharing households who were unrelated and it would not be fair to prevent more than one person in each from holding an allotment. In her view this was preferable to having large numbers of long standing vacancies. She felt there needed to be closer co-operation between allotment holders and the inspection officers as this would lead to increased rental income. She was aware of allotment holders who were in danger of having to give up their plots on the basis of affordability and she felt this should be avoided.

Sally Young, Secretary of the Colchester Allotment Association, stated her concern that the Allotment Association had not been consulted about the proposed increase in charges. She felt the charges had increased very rapidly over recent years but little improvements had been made in the turn-around of vacant plots. She also mentioned the many benefits of allotment holding, in particular the social interaction and sharing of information between allotment holders, many of whom did not have access to other areas of open space. She was particularly concerned that those who benefitted most from the activity would be the least able to afford the proposed increased charges.

Tom Hall, an allotment holder, had calculated that, since 2009 the costs of allotment holding had increased by 83% and was of the view that this was grossly out of line with

the economic trends and the charges in other parts of the country. He was of the view that a proportion of the costs were attributable to the way the council administered the service. In particular, he referred to the inspections of the sites which were undertaken two or three times a year which were intended to identify which sites were not being actively cultivated. He felt that this regime was easy to circumvent and that the inspections were not delivering the required outcomes.

Jackie Briggs, a Committee member from Colchester Allotment Association, recognised the need for the allotments service to be a cost neutral one but she felt that the Council needed to listen to the allotment holders views. Allotments had originally been created for working families but more recently this demographic had changed. She expanded on the benefits of allotment holding previously referred to in terms of the assistance given in schools by allotment holders, the educational benefits for young people, the competitions that the allotment holders participated in, the sharing of knowledge about plants and insects and the fund raising activities which had supported local organisations such as St Helena Hospice. She urged the Council to think again on the charging proposals.

Michael Ellis acknowledged that the service should not be subsidised but he felt it was too easy to simply increase the costs. He considered that measures should be taken first to maximise occupancy of plots and to address the problem of plots being left uncultivated. He had calculated that a significant proportion of the total allotment holding was allocated for access and he considered that an improvement in the allotment layouts to reduce access routes would lead to a significant increase in revenue. He did not consider it necessary for the Council to invest resources in computer software in order to manage the waiting list and he was of the view that postal costs could be reduced by means of correspondence being sent to allotment holders by email.

Councillor Quince attended and, with the consent of the Chairman, addressed the Panel.

He acknowledged that the numbers of people attending the meeting indicated that this was considered to be an important issue for these people. He referred to the 223 people currently on the allotment waiting list and the 41 vacant plots in the context of his knowledge of people being waiting for plots to be allocated for a number of years. He repeated the acknowledged benefits, in terms of cheap food, education and companionship but felt that the important issue was one of management. He considered that allotments were administered elsewhere by single individuals at little cost and that the current management arrangement at the Council was providing poor value for money. He was particularly concerned about the slow turnover of vacant plots and was of the view that, if this could be undertaken more quickly, the income for the service would be greater.

Councillor Willetts attended and, with the consent of the Chairman, addressed the Panel. He congratulated Councillor Lissimore in calling in the decision as he considered that the issue was one of significant mismanagement of the service. He was of the view that the prices were escalating ahead of inflation rates, whilst the Council's actions in relation to plot turnover were ensuring that the supply was being curtailed. He stated his concerns about the Human Rights implications of the proposals

as he considered that the restriction on one allotment holder per household was not treating people equally and would lead to accusations of discrimination against the Council. He was further concerned that the decision had not been based on sound financial information. He did not feel that the proposed price increase had been fully justified, particularly in view of the levels of allotment charges elsewhere in the country and in particular in relation to the charges associated with Parish Council managed allotment sites. He quoted costs associated with the allotment service which he had obtained from the Council's website, including those for water (£3,600), printing (£1,180), tree surgery (£2,000), Conservation Volunteers and Veolia, grounds maintenance contractors (£23,460). He sought an explanation regarding the basis and purpose of these costs.

Councillor Feltham, Portfolio Holder for Communities and Leisure, was invited by the Chairman to respond to the points raised. She thanked the members of Colchester Allotment Association and other allotment holders for attending the meeting and for their comments and she confirmed her commitment to the wellbeing of the people of the Borough, including those who held one of the Council's 1,100 allotments across 19 sites in the Borough. She acknowledged the information that allotments in other parts of the country were cheaper than in Colchester but she was aware of the costs involved in the service and she was committed to reducing the subsidy provided by the Council. She was sympathetic to the many benefits of allotment holding and she reminded the Panel that the proposed increase in cost equated to 15p per week for a full sized plot. She did not accept the view that the restriction on household access to allotments was an infringement of Human Rights as she was not of the view that allotment holding was considered to be a basic human right. She was of the view that the issue was one of fairness and she did not consider it to be fair for the Council to continue to subsidise the allotment service. She considered that the costs associated with the service were genuine ones, she acknowledged that there were occasions when it did take time to reallocate plots when they became vacant but she believed that the inspecting officers were working to identify inactivity on plots and to ensure that delays in reallocation were reduced to a minimum.

The Panel members were invited to confer with Councillors Feltham and Lissimore and the following issues were raised:

- Councillor Harris – the nature of any consultation with the allotment holders and, if this has not been the case, the possibility of a dialogue being set up as soon as possible in order to build on previous positive relationships and the need for Performance Indicators to be agreed which would assist the site stewards with their responsibilities and potentially contribute to reductions in management costs;
- Councillor Bentley – a breakdown of the Parks and Recreation Management fee of £34,900 and the measures identified to reduce this cost, the potential to make better use of the site stewards in providing up to date information about plots to the Area officers, whether consideration had been given to placing the management of the allotments with a Trust or the possibility of utilising the management model successfully adopted by Parish Councils and whether it was considered likely that the Community Right to Challenge would have any implications for the service in the future;
- Councillor Harrington – a suggestion to reduce the time taken to reallocate plots by

- the imposition of a time limit for acceptance, the reason for applying both direct and indirect costs to the charging review and whether there were any concerns about the continued affordability of plots for some allotment holders;
- Councillor Oxford – whether any investigation had been undertaken in relation to the levels of subsidy in other Local Authorities and suggesting the reallocation process be speeded up by inviting the top five on the waiting list to jointly attend a pre-determined site visit;
 - Councillor Higgins – to reduce the period of time for reallocation of vacant plots all on the waiting list could be invited to ‘bid’ for a vacant plot with the highest placed bidder being successful;
 - Councillor Hayes – the potential to reduce grounds maintenance costs by utilising the services of smaller and local contractors or operatives.

In response to issues raised, the following information was provided by Councillor Feltham, supported by Bob Penny, Community Development Manager:

- No specific consultation had been undertaken with Colchester Allotment Association, it was understood that the members had been notified of the proposed charges along with other allotment holders;
- The Parks and Recreation Management fee was made up of the proportion of the cost of four Area Parks and Recreation Officers who each had responsibility for the management and inspection of allotments in their area;
- The continued requirement for officers to attend allotment sites to determine potential cultivation disputes and to liaise with the grounds maintenance contractor;
- The current system for reallocation of vacant plots was for individual contact to be made with the person at the top of the waiting list and for that person to be given a period of time to visit the site and to decide whether they wished to accept the offer. If the offer was declined contact was then made with the next person on the list. It was acknowledged that this process could take some weeks before the plot was successfully reallocated;
- Measures to reduce the management costs included a number of online self-help initiatives, including waiting list details and allotment plot maps to identify vacancies;
- A meeting was due to held within the next two weeks with all site stewards with the principle aim of identifying measures to reduce reallocation times;
- It was considered important to be clear about the real costs of the service to the Borough and, as such, it was therefore considered necessary to apply both direct and indirect costs to cost neutral calculations;
- Results of surveys of allotment holders in 2009 and 2011 had indicated that 95.8% and 92% respectively had considered that allotments were good value for money. It was not known at what point this perception might change, should costs continue to increase incrementally. However, the subsidy of the service was reducing in line with the objectives of a cost neutral service;
- The levels of subsidy for the allotments service at other Local Authorities was not known;
- The Community Right to Challenge had been considered but it was not thought to have a potential implication given the ownership of the allotments was with the Council;

The Chairman invited Councillors Lissimore and Feltham to sum up their cases.

Councillor Lissimore highlighted the costs associated with the grounds maintenance contractor and the potential to reduce them by utilising other options. She acknowledged the problem of the service being subsidised by the Council but she remained puzzled regarding the imposition of the indirect costs and she considered the process for the reallocation of plots needed to be significantly improved to reduce the number of vacancies. She was also of the view that the relationship between the Council and Colchester Allotment Association needed to be built on and used in a more positive way.

Councillor Feltham explained that the true cost of the service needed to be identified clearly and openly. She confirmed that the service was costing the Council over £30,000 per year and was of the view that charges needed to be increased in order to reduce this subsidy. She welcomed the suggestions to improve the reallocation of plots and hoped that it would be possible to utilise one or more of these to improve efficiency in this area.

RESOLVED (SIX voted FOR, TWO voted AGAINST and ONE ABSTAINED) that the decision on the allotment charges and the review of the tenancy agreements be referred back to the Portfolio Holder for Communities and Leisure for reconsideration and she be requested to have regard to the various options and suggestions identified by the Panel regarding alternative service delivery, potential savings and reduction in management costs.

34. Local Council Tax Support 2014/15

The Panel considered a report by the Head of Customer Services proposing the continuation of the existing Local Council Tax Support Scheme without fundamental amendment into the second year 2014/15.

Councillor Paul Smith, Portfolio Holder for Business and Resources, together with Leonie Rathbone, Head of Customer Services and Sara Wilcock, Project Manager, attended the meeting and explained that the scheme had first been implemented in April 2013 and any amendments to the scheme for 2014/15 would need to be agreed by the Council before 31 January 2014. It was proposed to limit the amendments to the scheme only to bring it in line with national legislative amendments and otherwise for it remain unaltered.

It was explained that Local Council Tax Support currently helped 12,000 residents reduce their outgoings with the value of the support granted totaling £9.3 million. All working age recipients of support had to pay a minimum of 20% towards their bill. However, regulations still required local schemes to protect pensionable age residents from any reduction to their level of support as a result of the localisation of the scheme.

The Key elements of the Local Scheme were summarized as:

- Back to Work Bonus – additional 4 weeks support for those who find work

- Award based on 80% of Council Tax liability
- £6000 capital /savings limit
- Second adult rebate claims ended on 1 April 13
- Flat rate £10 non-dependent deduction
- Include child maintenance as income (child & spousal)
- Include Child Benefit as income
- £25 flat rate earnings disregard

A range of initiatives had been undertaken across Colchester to promote and consult on the changes to the scheme, including writing to 7000 current working age recipients of support, press releases and information highlighted on the council website. The responses received were detailed in the report.

The single parent charity Gingerbread had requested the reconsideration of the inclusion of Child Maintenance as an income in respect of single parents and it was proposed to consult specifically on this issue next year.

RECOMMENDED to Cabinet that it be recommended to Council that the Local Council Tax Support Scheme, as set out within the report by the Head of Customer Services and detailed within the Policy document, be agreed for 2014/15.

35. Capital Expenditure Monitor 2013/14 – Quarter 2

Councillors Bentley and Harris (in respect of their being members of Essex County Council) declared their non-pecuniary interests 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 review the progress against all capital schemes in the first six months of 2013/14.

Councillor Paul Smith, Portfolio Holder for Business and Resources, together with Steve Heath, Finance Manager, Financial Accounting, attended the meeting and explained that the report set out details of spending on all schemes along with existing expenditure forecasts provided by budget managers to provide an indication of progress against schemes in monetary terms. Accrued capital spending in the first six months of the year totalled £6.8 million, representing 27% of the projected spend for 2013/14. The Capital Programme had increased by £0.3m since the previous report. New funding has been added, including £254k from Section 106 and external contributions and £53k from revenue. The Capital Programme now stood at £29.3 million.

A RAG (Red, Amber, Green) status had been added to the monitoring report to provide a clear indicator of overall project performance and although there were no 'Red' schemes, a total of 11 schemes had been classed as 'Amber' by the budget manager.

The following issues were raised by Panel members:

- Councillor Higgins – the delay with the flat recycling extension and whether income

- had increased as a result of the food waste collection service;
- Councillor Harrington – whether there were plans to improve the toilet facilities for the disabled at Lion Walk, the detail of the completed schemes at Colchester Leisure World and Firstsite;
 - Councillor Harris – whether the flat recycling extension related to the three storey blocks only and the difficulties associated with achieving this and the level of funding being directed to the Garrison Gymnasium;
 - Councillor Cope – whether the carbon management programme 2 included the solar panel initiative and the high level of investment being allocated to the ICT Review and whether these costs were included in the calculations of online and face to face transactions;
 - Councillor Harris – whether the current CCTV arrangements included coverage of the Licensed Taxi rank;
 - Councillor Higgins – the amber status of the Castle Museum project and whether there were any concerns regarding the planned re-opening of the Museum;
 - Councillor Hayes – the nature of the revised funding bid for the Creative Business Hub and the new issues relating to the Pumping Main at Distillery Lane/Haven Road.

In response to issues raised, the following information was provided:

- No direct income was received for the food waste collection but the Council did make savings as a consequence of less waste going to landfill;
- The Firstsite scheme was in relation to the final finishes to the project rather than any ongoing subsidy;
- The amber status of the flat recycling extension was due to the delays with bin redesign work required due to the addition of a food waste caddy;
- The Garrison Gymnasium work had been delayed due to a fire at the site and funds would now not be released until a viable scheme was in place;
- The ICT investment was connected with the Universal Customer Contact Fundamental Service Review and the Customer Experience Software which would improve the Council's website and make it easier for customers to transact online. The investment would deliver savings through increased online self service which cost considerably less than transactions undertaken face to face;
- The carbon management programme had delivered a 26% reduction in the Council's CO2 emissions, the project was now improving the lighting in the multi storey car parks;
- The amber status of the Castle Museum project was due to the profiling of the expenditure and the complex nature of the contract rather than any significant delay in the timescales for the completion of work;
- The Creative Business Hub project involved a number of partners with differing requirements and some additional requests from Essex County Council had needed to be taken into account;
- The Pumping Main at Distillery Lane/Haven Road was subject to an engineering report being reviewed.

RESOLVED that the level of capital spending during 2013/14, and forecasts for future years be noted.

36. Financial Monitoring Report – April to September 2013

Councillors Bentley and Harris (in respect of their being members of Essex County Council) declared their non-pecuniary interests 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 review the financial performance of all General Fund services and the Housing Revenue Account (HRA) for the first six months of 2013/14.

Councillor Paul Smith, Portfolio Holder for Business and Resources, together with Sean Plummer, Finance Manager, attended the meeting and explained that the projected outturn for the General Fund was currently a net overspend of £338k, with the HRA forecast outturn position being an underspend of £100k. The net position showed a variance against profiled budget for General Fund Services (excluding benefits) of £512k, comprising total expenditure being £926k lower than expected and less income than expected, totalling £414k. The forecast outturn for all service areas showed a net overspend of £588k, primarily due to less income being received than budgeted for, mainly within Operational Services partially offset by cost savings in other service areas.

It was explained that at the end of June other risks, both positive and negative to the outturn position, were not shown at that time. A number of these had now been reflected in the outturn forecast allowing a more realistic view of current pressures to be shown. The budget included a number of corporate and technical budget areas such as net interest earnings, the provision to repay debt, pension costs and some non-service specific grants. The forecast remained that there would still be an underspend of £150k in respect of net interest budget. A further saving of around £100k was also predicted for ICT costs in respect of the Universal Customer Contact Fundamental Service Review.

The Cabinet budget report set out the arrangements, issues and risks associated with the introduction of the local retention of business rates. The budget proposals were based on the initial baseline funding level for 2013/14. These estimated figures compared to the most recent forecast for this year showed additional income to the Council of £110k. However at this stage, this needed to be treated with caution as final figures would not be known until after the year end when Government returns were required. In addition, the report on the Local Council Tax Support scheme showed the current cost of the scheme was within budget estimates and overall collection rates were better than had been assumed.

The forecast outturn therefore showed a potential net overspend of £338k, but with an expectation that further favourable budget changes (including Council Tax income and retained business rates) would result in an outturn position that would be close to a broadly neutral position. It was also reported that balances were currently £242k above the recommended level.

The HRA was showing a net underspend of £333k compared to the budget for the same period which was primarily due to lower expenditure on Premises costs (£173k) and Supplies & Services costs (£73k) with £86k more income than anticipated. The current projected outturn for the HRA was that it would be underspent by £100k, taking into account the additional rent and service charge income received to date.

The following issues were raised by Panel members:

- Councillor Oxford – the current income position in relation to car parking and Colchester Leisure World and whether the underspend on Bed and Breakfast and Homelessness costs was as a result of particular initiative by the service;
- Councillor Harris – whether the reduction in rental income from garage sites had been taken into account and the reasons behind the additional rent and service charge income to the HRA;
- Councillor Harrington – whether the underspend on HRA repairs and maintenance was a problem related to the delivery of the service.

In response to issues raised, the following information was provided:

- Income from car parks was 95% of the level in 2012/13 at this time of year which was attributed to people making good use of the special offer rates;
- Income at Colchester Leisure World had been negatively impacted as a result of the warm weather in the summer months which had resulted in fewer customers using the pool;
- The reduced income from garages had been taken into account although there were high numbers of void garages in any event;
- The additional rent income to the HRA was due to Colchester Borough Homes void housing rates having declined, combined with an increase in the number of tenants paying their rent on time and fewer Right to Buy applications being received;
- The underspend on HRA repairs and maintenance was mainly a problem of timing of expenditure against the profile rather than an issue of service delivery;
- The underspend on Bed and Breakfast and Homelessness costs had been due to specific actions taken to prevent homelessness as well as new units and family homes becoming available for occupation.

RESOLVED that the financial performance of General Fund Services and the Housing Revenue Account in the first six months of 2013/14 be noted.

37. Work Programme

The Panel considered a report by the Assistant Chief Executive setting out the current Work Programme for the Panel for 2013-14.

The report on the Homelessness Strategy had been moved to the meeting on 11 February 2014 and the request for a review of IT which had been approved at the meeting on 29 October 2013 would be reflected in the next work programme report. It was explained that potential re-scheduling of other items on the work programme was

not feasible at this stage.

RESOLVED that the contents of the Work Programme be noted.