

# Scrutiny Panel Meeting

**Grand Jury Room, Town Hall, High Street,  
Colchester, CO1 1PJ  
Tuesday, 23 January 2024 at 18:00**

**The Scrutiny Panel** examines the policies and strategies from a borough-wide perspective and ensure the actions of the Cabinet accord with the Council's policies and budget. The Panel reviews corporate strategies that form the Council's Strategic Plan, Council partnerships and the Council's budgetary guidelines, and scrutinises Cabinet or Portfolio Holder decisions which have been called in.

# Information for Members of the Public

## Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda (the list of items to be discussed at a meeting), which is usually published five working days before the meeting, and minutes once they are published.

Dates of the meetings are available here:

<https://colchester.cmis.uk.com/colchester/MeetingCalendar.aspx>.

Most meetings take place in public. This only changes when certain issues, for instance, commercially sensitive information or details concerning an individual are considered. At this point you will be told whether there are any issues to be discussed in private, if so, you will be asked to leave the meeting.

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## Access

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## Facilities

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## Scrutiny Panel – Terms of Reference

1. To fulfil all the functions of an overview and scrutiny committee under section 9F of the Local Government Act 2000 (as amended by the Localism Act 2011) and in particular (but not limited to):

- (a) To review corporate strategies;
- (b) To ensure that actions of the Cabinet accord with the policies and budget of the Council;
- (c) To monitor and scrutinise the financial performance of the Council, performance reporting and to make recommendations to the Cabinet particularly in relation to annual revenue and capital guidelines, bids and submissions;
- (d) To review the Council's spending proposals to the policy priorities and review progress towards achieving those priorities against the Strategic and Implementation Plans;
- (e) To review the financial performance of the Council and to make recommendations to the Cabinet in relation to financial outturns, revenue and capital expenditure monitors;
- (f) To review or scrutinise executive decisions made by Cabinet, the North Essex Parking Partnership Joint Committee (in relation to decisions relating to off-street matters only) and the Colchester and Ipswich Joint Museums Committee which have been made but not implemented referred to the Panel pursuant to the Call-In Procedure;
- (g) To review or scrutinise executive decisions made by Portfolio Holders and officers taking key decisions which have been made but not implemented referred to the Panel pursuant to the Call-In Procedure;
- (h) To monitor the effectiveness and application of the Call-In Procedure, to report on the number and reasons for Call-In and to make recommendations to the Council on any changes required to ensure the efficient and effective operation of the process;
- (i) To review or scrutinise decisions made, or other action taken, in connection with the discharge of functions which are not the responsibility of the Cabinet;
- (j) At the request of the Cabinet, to make decisions about the priority of referrals made in the event of the volume of reports to the Cabinet or creating difficulty for the management of Cabinet business or jeopardising the efficient running of Council business;

2. To fulfil all the functions of the Council's designated Crime and Disorder Committee ("the Committee") under the Police and Justice Act 2006 and in particular (but not limited to):

- (a) To review and scrutinise decisions made, or other action taken, in connection with the discharge by the responsible authorities of their crime and disorder functions;
- (b) To make reports and recommendations to the Council or the Cabinet with respect to the discharge of those functions.

**COLCHESTER CITY COUNCIL**  
**Scrutiny Panel**  
**Tuesday, 23 January 2024 at 18:00**

**The Scrutiny Panel Members are:**

Councillor Darius Laws [Chairman]  
Councillor Dennis Willetts [Deputy Chairman]  
Councillor Tracy Arnold  
Councillor Sam McCarthy  
Councillor Sam McLean  
Councillor Thomas Rowe  
Councillor Fay Smalls

**The Scrutiny Panel Substitute Members are:**

All members of the Council who are not Cabinet members or members of this Panel.

**AGENDA**  
**THE LIST OF ITEMS TO BE DISCUSSED AT THE MEETING**  
**(Part A - open to the public)**

**1 Welcome and Announcements**

The Chairman will welcome members of the public and Councillors and remind everyone to use microphones at all times when they are speaking. The Chairman will also explain action in the event of an emergency, mobile phones switched to silent, audio-recording of the meeting. Councillors who are members of the committee will introduce themselves.

**2 Substitutions**

Councillors will be asked to say if they are attending on behalf of a Committee member who is absent.

**3 Urgent Items**

The Chairman will announce if there is any item not on the published agenda which will be considered because it is urgent and will explain the reason for the urgency.

**4 Declarations of Interest**

Councillors will be asked to say if there are any items on the agenda about which they have a disclosable pecuniary interest which would prevent them from participating in any discussion of the item or participating in any vote upon the item, or any other registerable interest or non-registerable interest.

5 **Minutes of Previous Meeting**

The Councillors will be invited to confirm that the minutes of the meetings held on 14 November 2023 and 12 December 2023 are a correct record.

**Scrutiny Panel Minutes 14 November 2023**

7 - 18

**Scrutiny Panel Minutes 12 December 2023**

19 - 24

6 **Have Your Say!**

The Chairman will invite members of the public to indicate if they wish to speak or present a petition on any item included on the agenda or any other matter relating to the terms of reference of the meeting. Please indicate your wish to speak at this point if your name has not been noted by Council staff.

7 **Decisions taken under special urgency provisions**

The Councillors will consider any decisions by the Cabinet or a Portfolio Holder which have been taken under Special Urgency provisions.

8 **Cabinet or Portfolio Holder Decisions called in for Review**

The Councillors will consider any Cabinet or Portfolio Holder decisions called in for review.

9 **Items requested by members of the Panel and other Members**

(a) To evaluate requests by members of the Panel for an item relevant to the Panel's functions to be considered.

(b) To evaluate requests by other members of the Council for an item relevant to the Panel's functions to be considered.

***Members of the panel may use agenda item 'a' (all other members will use agenda item 'b') as the appropriate route for referring a 'local government matter' in the context of the Councillor Call for Action to the panel. Please refer to the panel's terms of reference for further procedural arrangements.***

10 **Portfolio Holder Briefing [Resources]**

A briefing from the Portfolio Holder for Resources, on work within his portfolio.

11 **Business case for charging for the kerbside collection of garden waste**

25 - 32

This item will be considered at the same time as the following item, on the 2024-25 Revenue Budget. As such, relevant content will be contained within that report.

- 12 **2024-25 Revenue Budget, Capital Programme, Medium Term Financial Forecast, Treasury Management Investment Strategy, Housing Revenue Accounts Estimate and Housing Investment Programme** 33 - 82
- 13 **Work Programme 2023-24** 83 - 100  
This report sets out the current Work Programme 2023-2024 for the Scrutiny Panel. This provides details of the reports that are scheduled for each meeting during the municipal year.
- 14 **Exclusion of the Public (Scrutiny)**  
In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

**Part B**  
**(not open to the public including the press)**

- 15 **Item 12 Appendix D: Salary Savings**  
This is a confidential appendix. Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (financial/business affairs of a particular person, including the authority holding the information).

# SCRUTINY PANEL

## 14 November 2023

*Present: -* Councillor Arnold, Councillor Laws (Chair),  
Councillor McCarthy, Councillor McLean,  
Councillor Rowe, Councillor Smalls, Councillor  
Willetts

*Substitutions: -* None

*Also present: -* Councillor Dundas, Councillor Jay, Councillor King,  
Councillor Sunnucks

### **426. Minutes of Previous Meeting**

*RESOLVED* that the minutes of the meeting held on 3 October 2023 be approved as a correct record.

### **427. Have Your Say**

Ms. Wendy Smith addressed the Panel, pursuant to the provisions of Meetings General Procedure Rule 5(1), to complain that the Council should seek more opinions from the public on the subjects it considers. Ms. Smith asked when a meeting would be held for people to discuss the Climate Change Emergency.

Mr. Terry Charles addressed the Panel, pursuant to the provisions of Meetings General Procedure Rule 5(1), to request a public meeting to discuss climate change, and complain that he had not seen the Council respond to questions asked by the public. Mr Charles argued that a public vote should be held at Full Council to show who did not wish to hold a public meeting.

The Chairman explained that a public meeting was not something which could be facilitated by the Scrutiny Panel, but suggested that it was best to raise this with the Environment and Sustainability Panel or the Leader of the Council.

Councillor King, Leader of the Council, explained that there was a formal process in place covering all matters for which the Council had responsibility. Intense discussions on environmental matters had been held in Full Council and the Council's committees. Other ways to engage with the public had also been sought. The Leader described the challenge of framing the discussion in a balanced way, and to provide relevant expert opinions.

Mr Lance Peatling addressed the Panel, pursuant to the provisions of Meetings General Procedure Rule 5(1), to complain of the security searches in operation around meetings of Council and its committees, and alleging that a criminal offence had been committed. Mr Peatling claimed that no response had been given by the Council and supposed that there must be a legal opinion given on the search procedure, which he believed should be made publicly available. Mr Peatling acknowledged that there had been disruptive actions by members of the public in the past, but claimed that this was not happening now.

The Chairman gave assurance that he would ask the Leader of the Council to expedite any responses. The Chairman asked members of the public to treat officers of the Council with respect, as they were simply carrying out their duties, and noted that some of the filming of officers had been unfair.

#### **428. Items requested by members of the Panel and other Members**

Councillor Willetts presented his request for the Panel to consider an item on 'Scrutiny of the business case for charging for the kerbside collection of garden waste'. This followed on from the Panel's previous scrutiny of the charging plan for garden waste. An income expectation was stated, but little information given on the effect on scheme costs of uptake levels differing from expectation to different degrees. Councillor Willetts argued that the answer given seemed to be that the cost of the scheme would be £1.8m, for any level of uptake. Councillor Willetts asked for financial modelling to show how costs would vary; this had not been provided previously and a formal request for the business case was now being made.

*RESOLVED* that an item, 'Scrutiny of the business case for charging for the kerbside collection of garden waste', be added to the Panel's Work Programme.

#### **429. Assessment of Colchester's Ability to Develop the Skills the Economy Needs for the Future**

Karen Turnbull, Economic Strategy Specialist, introduced the report and the guests attending to present and answer questions. The World was changing, as were local skills needs and environment. Multi-million pound digital infrastructure investment could attract businesses in the tech sector, and digital skills would be needed to match. The report defined the skills of importance for the labour market and individuals. A rich amount of skills development was being provided by a range of organisations. This prepared Colchester for the future and helped businesses and individuals alike.

Alison Andreas, Chief Executive of the Colchester Institute, explained the size, scope and student numbers at the Institute, on a wide range of courses. These included apprenticeships and degree-level courses. Different levels of professional and technical training were offered, whilst A level courses were provided by the Sixth Form College. Many employers were involved in the training, feeding in to what was taught and providing apprenticeships. Green jobs were noted to be of particular importance and the importance of environmental considerations are being woven across the whole curriculum at the Institute. Courses on carbon dioxide reduction, electric vehicles and green construction were already offered, with the Institute



working with the Local Skills Improvement Fund. The challenge was to provide green skills training at sufficient volume. Two out of five students now studying at the Institute were on courses which would support green jobs in the future, with employers giving their views on future skills needed. A 'Net Zero' Centre was to open in 2024, including a green energy skills centre and a training centre for sustainable construction.

Oliver Brown, General Manager of the Wivenhoe House Hotel, explained the work experience they offered to many students. The Hotel did this in a unique fashion in the UK, providing training on all aspects of hotel operation alongside studying for a degree. The Hotel had a 70% occupancy rate over the year and hosted parties, conferences, and business functions. Any surplus income helped to fund the University of Essex's operations. The Edge Foundation opened the hotel school in 2012.

There was a £500m turnover in the hospitality sector across the East of England region. The sector was in the top five employers of every region of the UK. Problems existed in retention of staff, even with improvements having been made in hours and pay rates. Caution was given that, without business rate support, many hospitality employers would reduce investment. Another measure given as important was to have chef roles added to the UK's list of protected professions. Falling numbers of chefs had led to a reduction in menus on offer. Training kitchens were a vital resource for producing new chefs. Mr Brown advised that the Council should look at the number of over-fifties not working and see how they could be supported into new careers. Alongside this, better information for parents and teachers about careers in hospitality would help the sector.

Sam Good, Chief Executive of the Colchester Business Improvement District [BID], explained the BID and its representing of roughly 500 businesses within the City's centre. The past decade had seen changes in Colchester, such as a 26% increase in employment in the night-time economy. There had been a 40% increase in leisure employment. Despite the increase in jobs and opportunities, leisure and hospitality, and related skills training, did not feature in Government priorities.

Challenges had been identified in a 2022 report on post-Covid barriers, and issues caused by Brexit and the levels of long-term sickness continued to affect businesses. The BID had commissioned research on how to address the issues, which were affecting all business types. The report showed possible short-term wins, such as reducing barriers to training, increasing apprenticeships, and upskilling to assist career progression. Making the City Centre attractive as an employment centre was also important. The BID had talked with Essex County Council [ECC] over the potential for a skills brokerage scheme, and how to support business to employ more. Work with partners was carried out with partners to develop and improve the situation. Much further work and investment was needed into local skills and progression to address a variety of sector skill shortages. The BID considered that Colchester still needed to retain more people, rather than train them and lose them when they left the area.

Simon Mead, Chief Executive of Colbea, described Colbea's work and premises, with the shared workspace model being operated in two locations. The North office

was at capacity, with a waiting list, whilst the City office was at 80% capacity, with both sites working well. Around 700 business advice appointments had been carried out in the past calendar year, with many coming from Colchester and many being enterprise pre-start appointments. There was an appetite for digital skills assistance and pre-start advice and courses, working to identify if ideas are feasible and sustainable. The growth hub was explained, with much signposting carried out and some funding for advice and support. Colchester was at the heart of business support and growth in Essex. Much had been necessary to set up the hub, and there was strong desire to retain it. Many referrals were received via the Department of Work and Pensions, for people who wanted to set up businesses and who needed help to assess viability and ensure that necessary skills were available.

Dr Rob Singh, Director of the Research & Enterprise Office, University of Essex, gave the background of the University and how it provided support. In addition to the Colchester campus, there were also sites at Loughton and Southend. Around 5,000 staff were employed, contributing around £600m to the local economy. Equal weight was placed on teaching and research. The University scored highly in Government tables on research and was in the top 30 of the Guardian's guide on good universities, with an increase in research employment, with staffing rising from 350 full-time equivalent employed in 2014, to 700 full-time equivalent employed in 2021.

Support was provided for students and educators, including in finding employment after graduation. Examples were given, such as sports therapy courses where 25% of hours were spent in gaining real experience and training, including appointments with real students. The Essex Law Clinic provided free legal advice, whilst giving students a chance to work alongside lawyers. The University also taught entrepreneurial skills to those seeking to start businesses or join existing ones.

The Knowledge Gateway was a cluster of businesses creating high-value employment, and the investment network attracted over £30m of investment into business startups. There was a high demand for computer science graduates and an increase in demand for those completing post-graduate degrees in the subject. The University was currently looking at how to support the necessary skills in demand for work at the Freeport East project.

Kathryn White, Innovation Director, The Innovation Centre, explained that there were 31 innovation centres across the country, with two in Essex. These assisted in supporting the economy and had a focus on hybrid businesses, often in the tech sector. The Centre was a 'pass through' learning space and worked to identify key areas where skills development was needed. The Centre concentrated on requirements of current and start-up small and medium enterprises [SMEs], areas where training was most needed and how to grow the talent pool for the area.

The Panel was told that the Centre helped ascertain how to get support to entrepreneurs in the early stages of their business development, in employing, training and developing new staff. There was a large demand for apprenticeship positions. An accelerated programme was now in place to help train and show entrepreneurs how to start up and develop. The Centre tapped into support from the University of Essex and worked with cutting edge technology to develop businesses.

Digital and AI skills were highlighted as being key. Businesses needed to spend time with students to show them what opportunities were available.

The Centre prioritised the ensuring of diversity and inclusion. There was increased interest in STEM [Science, Technology, Engineering, and Mathematics] careers across people from different demographics. Retraining and upskilling efforts included for older workers and the retraining of veterans and ex-offenders.

The Panel highlighted the importance of retaining skills in the local area, and a member noted that whilst many people left the area after completing school, many graduates of the University remained to live in the area after completing their studies. The guests were asked whether the Council could do more to help with retention. The BID Chief Executive stated that the main barriers to retention are national ones, but local issues included the additional costs face by people working in the City centre, which were double the costs of those working in the outskirts. Education of employers was a key issue. Much had to be done to simplify training and apprenticeships and to make them easier to provide. A Panel member argued that the Council must do what it could to improve the public realm and local cultural offerings. The Chief Executive agreed that this was important, albeit a secondary factor, which was why Parklets had been installed on the High Street to improve the 'dwell time' of visitors to the City centre. Work was carried out to reduce youth disengagement with the City centre and investments made to make it a place people wanted to be.

The Director of the Research & Enterprise Office, University of Essex, explained that students had good experiences at the University and would stay if job opportunities were present. Whilst there was good data on graduate destinations regarding types of jobs/careers, there was no data compiled regarding geographical destinations. The Innovation Director, The Innovation Centre, explained the support provided for student entrepreneurship, with businesses starting to provide this. Students were able to get free office space for up to five years after graduation.

A Panel member noted the retention problems in the hospitality sector, and the possible factors behind this such as work conditions, pay and the need for flexibility. The General Manager of the Wivenhoe House Hotel admitted that there was still a stigma attached to the sector. It was important to show people that hospitality employment was better than in the past, and far fairer. People entering the sector were described as being less resilient than in previous times and some employers still did not look after their staff. Good work was being done locally in training around food provision, especially by the Colchester Institute. The 14-16 age group was key for education and training, alongside Wivenhoe House, which hosted an older cohort. Owners of hospitality SMEs were described as facing serious challenges, with many closing down. Help and support was needed to help them pay living wages and support their staff. The BID Chief Executive noted that the pandemic had reduced the number of people wanting to work in hospitality, but informed the Panel that the National Accreditation scheme was starting to accredit local businesses meeting employment standards.

The Chief Executive of the Colchester Institute explained the work done to balance a realistic view of hospitality work, including practical experience in high-pressure

situations, with training in resilience and not accepting poor treatment or conditions. Where necessary, employers were educated and concerns highlighted. There was currently no promotion of trades unions to students, but union membership was promoted to staff.

A Panel member asked whether housing tended to be a serious issue for those working in hospitality. The BID Chief Executive emphasised the struggles of local businesses, but explained that the need to have an ambition to move to a living wage when possible was understood. Work to support employees included work with charities and organisations through One Colchester, including Open Road and Emmaus.

A Panel member explained that this agenda item had stemmed from a presentation of the Council's Strategic Plan, which included work to move to a high skill, high wage city. It was acknowledged that many issues were outside of the Council's control, and that it was hard to know how the Council could best support the raising of the local skills base. A request was made for models showing how skills provision worked, in order to better understand it. The partner representatives were asked what was being done to maximise skills development and how the skills pool was assessed.

A Panel member compared the percentage of locally employed residents with an education level of NVQ4 or better [37%] with the national percentage [43.6%], contrasted with the overall higher skill level of local residents, with many working in London. The member asked how skills training for those in Colchester employment could be ensured, and how improvements in skill levels could be shown, arguing that local figures and data were necessary in order to ensure that the goals of the Strategic Plan were achieved. The Panel member wanted specific data, not anecdotes, and ways to track progress towards Strategic Plan goals.

The Economic Strategy Specialist explained that a digital skills hub had been opened at the Wilson Marriage Centre, helping to improve local skills. More than £50m infrastructure investment in digital connectivity improvements was being made in ultrafast broadband and 5G, helping to attract new businesses. More employees were working from home and setting up new businesses. Work was also ongoing with surrounding areas, including in Suffolk, to facilitate the mobility of labour to commute into Colchester. Unemployment in the local area was very low.

The Chief Executive of the Colchester Institute described the Essex Local Skills Improvement Plan, and the annual accountability statement, which was available on the Institute website. The Chief Executive also explained that there were other measures of skills provision than just looking at NVQ level four, as this was not the benchmark in many areas, including construction, trade skills and engineering skills. The area needed many people, trained at different levels, to succeed.

The Director of the Research & Enterprise Office, University of Essex, underlined the objectives for a highly skilled, high-income workforce. Raising skills and incomes were important aims, and an outline was given of work conducted increase the number of jobs in highly skilled roles in research, development, and tech companies. New startups were helped to navigate and access funding and grow their operations.

Investment networks were in place to bring in private capital, which could be leveraged. Investment could be made to improve training and employment opportunities for people in those communities identified as being more deprived.

The Panel discussed whether 'low skill' jobs should be described in a different way, given that many such jobs were essential. The Economic Strategy Specialist agreed that there was a difference between low-paid and low value jobs, with many jobs requiring more skills than previously, but still only paying at a low level.

A Panel member noted a Council objective to increase the number of highly skilled jobs in the area and argued that this needed to be driven by the Council's Administration. Data was requested on current performance, to evidence how the Council was seeking better performance, and the Panel asked what partners wanted from the Council, and what the Council could do. The Leader accepted this challenge and pledged to examine what could be done to provide data. The Leader ventured that the Council's role was as a partner to help create an environment within which other partners could flourish collaboratively. The Innovation Director, The Innovation Centre, ventured that the best thing Government could do was to remove obstacles and stay out of the way, to allow maximum opportunities and business growth.

Simon Mead, Chief Executive of Colbea, emphasised that not everyone needed high levels of support. Some wanted informal guidance and support, rather than a restrictive course of employment or prescriptive business growth plan.

The partner representatives were asked if enough was being done to attract people to study courses in craftwork and technical skills. The Chief Executive of the Colchester Institute explained that the courses they ran were at capacity and no additional students could be fitted in to their construction and trades courses. More could be done if more space was available, and there was an issue with the level of salary required to obtain trained teaching staff. Answering questions, the Chief Executive agreed that the Institute did have a relationship with Colchester Borough Homes [CBH], but more could be done to provide training and jobs with CBH. Some apprenticeships had been carried out in maintenance works. Training with local employers included site visits and work experience placements.

The Panel and guests discussed the requests that had been made for the collection and publication of data relating to skills provision in the local area. The Director of the Research & Enterprise Office, University of Essex, argued that if partner organisations, such as the University, were to contribute to quality assurance of data produced, then they would need to be involved in the design process for the collection of that data.

*RECOMMENDED* to CABINET that the Council seek to collect and publish annual data on skills provision within the Colchester area, involving the relevant local partners (organisations which provide skills and training) in designing the process for collecting data and providing quality assurance

**430. Portfolio Holder Briefing from Cllr David King  
[Leader of the Council and Portfolio Holder for Strategy]**

Councillor David King, Leader of the Council, briefed the Panel on the work underway to transform the Council to meet the financial pressures it faced, paying tribute to the staff and management. The Leader's role was explained, including managing the health of the Council, its capacity and ambitions in dealing a wide range of statutory and non-statutory services. Difficulties included financial pressure, increased staff turnover, the impact of reorganisation, and the unresolved pay dispute. There would be a few years of adjustment, but the Leader claimed that shared service provisions would help capacity.

The challenges facing the Amphora companies and Colchester Borough Homes [CBH] were noted. Great events and services were being delivered by Amphora, but supply chain issues were sizeable. Changes included the hibernation of two of the companies. Challenges facing CBH were mainly structural, stemming from the wider situation, such as the national rent cap imposed on social housing, and the management of how to improve housing standards. Increased pressure was on CBH and its homelessness prevention services. There was concern about the need to manage the effect of shrinking finances whilst helping those in need.

Work on drafting the 2024-25 Budget would be challenging, but the Leader committed to a transparent and accessible approach to this.

The Strategic Plan was described, and highlights given. The Town Deal projects were making good progress, with work carried out on the Heart of Greenstead project. Officers were managing project risks with partners. The St Nicholas Square project was proceeding slowly, due to challenges posed by the historic built environment.

The Tendring Borders Garden Community project held challenges such as ensuring infrastructure, such as the link road, and the balancing of competing demands, and the concerns of local communities. An Inspector had been appointed and the process for the statement of points of agreement was underway.

Team Colchester was chaired by the Leader, with the Leader of Essex County Council [ECC] also being a member, helping build partnership with ECC and delivering results. The Team took advantage of joint funding and teamwork.

The Leader spoke of external relationships with other partners, and spoke in favour of devolution in local government, to gain more say in local actions and spending. There were opportunities to build consensus and influence with other local authorities via shared service working. The Leader believed that this would raise standards through cooperation, alongside other measures to improve efficiency. Other external relationships were with the Key Cities Network, the District Council Network, and with the Local Government Association. The Council was considered to be a trusted partner, consulted for advice on a range of subjects and working with local partners such as the Civic Society, Colchester Business Improvement District, Garrison and University.

The scorecard for the Council was given, with the Leader rating the Council as 'Green' for external relations, 'Red' for the financial situation, and 'Amber' for all

other subjects. The importance of resolving the financial situation was underlined, needing discipline on risk/return calculations. Phase One of savings and income improvement was halfway complete. A more commercial approach to managing income, risk and costs was needed. The Corporate Governance Manager had been asked to change the approach to risk and focus more on commercial operations and risk vs return considerations. The Leader estimated that three or four years would be required to work through the transformational changes and financial complications.

The Leader was asked for his view of the long-term for the Council. The Leader explained that the Council was structured to look forward, experienced at balancing its duties and every-day functioning, with planning for the future. Team work was needed now to move forward.

Tribute was paid to the Leader for improving relationships with external partners. Concern was raised regarding officer pay and the current dispute, and with the levels of sickness. The Leader was asked what the situation was for other councils, and for details as to how resolution was being sought. The Leader stressed the need to understand sickness rates, with many officers affected by life, the pandemic and other factors. The Leader emphasised the effect on staff health caused by choices regarding how waste was collected. The Council was moving in the right direction, with sickness rates reducing. Regarding pay levels, there was a difference between the Council's offer, and the national pay award negotiated, described as being a small difference by the Leader. The result of the UNISON ballot on strike action was awaited. The Leader gave assurance that any settlement would immediately move to address the challenge but would likely necessitate a reduction in staff and services.

The Panel discussed the pay offer, with a Panel member asking if the offer was for all pay grades, and noting that the Council's offer was below that set by the national pay negotiation, being only half the amount set in the national scheme pay rise. This would result in other councils in Essex increasing staff pay by £1,925 for each officer, whilst the Council offered an increase on £1,000 with a one-off, unconsolidated payment of £500. Another Panel member raised fears of the stigma and effect on staff, noting the difficulty of the decision to strike, with lost earnings and worry about job security and relationships with managers. The Leader was asked what could be done to protect staff if they did vote for strike action. The Leader explained that his approach had been to seek agreement with a pay offer that benefited those on lower pay grades, stating that the Council had a good relationship with its staff and had explained the offer it had made.

Pam Donnelly, Chief Executive of the Council, explained that the strike ballot was still ongoing, which meant that compromising discussions would need to be avoided. This was a serious position to be in, both for the workforce's wellbeing and in regard to the Council's resources. The Council was engaged with its staff, and conversations with UNISON had been frank and collaborative. The situation was why the Council needed to transform in order to operate within its means. Consensus was that officers liked the flexible working, pension scheme and personal development at the Council.

The Leader was asked if higher staff turnover led to higher costs, such as for recruitment and training, and was asked for information on wider risks and

challenges, such as the estimated cost of repairing the Moot Hall. The Leader was asked how many high-income tenants the Council had, and whether their rents could be raised to market rate at a lower level of income, with tenants only currently charged rent as market rate once they earned over £100k per year. The Leader was also asked to give access to the Council's waste service accounts to show how spending was structured.

The Leader informed the Panel that there was no official quote for the work needed on the Moot Hall. The initial survey showed much work was needed, and new information would be shared with elected members when it was available. The Council's accounts were reviewed regularly, and details shared with elected members. The waste service was undergoing transformation and needed to be simplified before the Council could look at cost cutting options. Government-imposed rent controls caused challenges to those running social housing systems. Regarding high-income tenants, the Leader stated that 'Right to Buy' provisions were destructive to housing stock, with many constraints on how receipts could be spent. The Leader spoke in favour of a tail-off exit from Right to Buy, with a recognition of the importance of preserving social housing stock. Regarding levels of rent and whether to charge market rent from those on high incomes, the Leader gave his view that the current charging model was appropriate. There was a balance to be struck on rent caps, between minimising impact on tenants and ensuring necessary income for the Council to carry out service provision.

The Leader was asked whether more consultation with residents should be carried out, looking at levels of rent and council tax. The Leader acknowledged the importance of consultation, but also the need to avoid paying for consultation where we would know the response. Scope had to be left for the Executive to have freedom of movement, with the ballot box as being the ultimate form of consultation. The last increase in council tax was only at quarter the rate of inflation, and looked now to still only be half the rate of inflation.

The Leader was asked if any action had been taken to reduce the deprivation in Colchester, especially in the area of deprivation referenced at the most recent briefing from the Leader. The Leader and Chief Executive highlighted the work carried out with partners, including in tackling deprivation and improving health services. There was a shared agenda to reduce deprivation and partners agreed that a highly targeted approach was needed to invest finite resources. Rory Doyle had been appointed to a joint role with the NHS, with focus targeted on deprived wards. A Panel member asked if there was an overall plan to pull people out of deprivation, and a way for improvement to be measured, to show how effective funding and investment of resources had been. The Chief Executive outlined the North East Essex Strategic Alliance plan. Benefits would be seen at a local level, with updates for elected members, including briefings on outcomes from the Neighbourhood Plan. The Leader agreed that a sense of how progress would be measured was necessary.

The Chairman thanked the Leader for his briefing.

#### **431. Work Programme 2023-24**



*RESOLVED* that the SCRUTINY PANEL's Work Programme be approved for 2023-24.



# SCRUTINY PANEL

## 12 December 2023

*Present: -* Councillor Arnold, Councillor Laws (Chair),  
Councillor McCarthy, Councillor McLean,  
Councillor Rowe, Councillor Smalls, Councillor  
Willetts

*Substitutions: -* None

*Also present: -* Councillor Jay, Councillor King

### **432. Minutes of Previous Meeting**

*RESOLVED* that the minutes of the meeting held on 14 November 2023 be approved as a correct record.

### **433. Have Your Say**

Mr Lance Peatling addressed the Panel, pursuant to the provisions of Meetings General Procedure Rule 5(1), to complain of the curtailment of a statement by a member of the public, delivered to the most recent meeting of Full Council. Mr Peatling asked what constitutional power allowed the Deputy Mayor to stop the speech of a member of the public to Council, and who provided advice to her on this matter.

Mr Bryan addressed the Panel, pursuant to the provisions of Meetings General Procedure Rule 5(1), to ask what powers a member of the Council had to prevent members of the public from addressing meetings of the Council.

The Chairman confirmed that the Mayor [or Deputy Mayor, in this case] was in charge of meetings of Full Council, and that he would write to ask the Chief Executive to explain the constitutional rules, how they are interpreted, and any relevant Local Government Association guidance.

Ms. Carinna Cooper addressed the Panel, pursuant to the provisions of Meetings General Procedure Rule 5(1), to complain about the security measures in place for meetings of the Council, and to state that she had not received justification of their lawfulness and claim that complaints had not received responses.

The Chairman noted that he would follow up on this when he wrote to the Chief Executive. Councillor King, Leader of the Council, apologised if a response had not been received.

#### **434. Items requested by members of the Panel and other Members**

Councillor Laws raised an item request which had been made by a number of members of the Panel, regarding the situation at Middle Mill, where part of the brickwork at the weir had recently collapsed, necessitating the closure of a major pedestrian/cycle thoroughfare. A request was made for an update from the Leader of the Council.

Councillor King, Leader of the Council, stated the Council's pride in the iconic location. The brickwork had started to fail in the previous week, with water passing through the brickwork and bypassing the weir. A drop in the water levels then caused the brickwork to collapse. Engineers attended to assess the situation, and the Council was working with specialists, with another assessment due in the next day. A risk of collapse had been identified, and the remaining structures were also at risk. Talks were being held with Essex County Council [ECC] and contractors as to how to proceed. There had been little warning of the issue, which was being addressed swiftly. The next steps would be identified and addressed swiftly, as this was seen as a serious reputational issue.

The Leader outlined his talks with ECC's Portfolio Holder for Highways, and Council officers work with ECC officers. Issues included fiberoptic cables and ducting going across the bridge.

The Panel asked about potential effects on wildlife. Richard Block, Chief Operating Officer, explained that the initial concern was for the health of local fish stock, and possible damage from changes in water level. The Environment Agency had explained that it was satisfied that there was no such danger, but it was important to consider the long-term effects on ecology.

The Leader was asked as to when the most recent checks and maintenance had been carried out, and confirmed that checks and repairs had been made regularly. The Chief Operating Officer explained that repairs had been made 12 months ago, but that deterioration had subsequently occurred. This site was included in the 'Fit for the future' programme for overseeing assets.

The Leader went on to raise the wider issue as to the maintenance of historic assets for which the Council had responsibility. Rigorous care was needed, and this had been a cross-party issue over recent years.

The Panel asked whether the site was insured. The Chief Operating Officer explained that the insurance information was being checked.

A Panel member argued that the site should be rebuilt so as to maintain the area's look and feel. Other members argued that opportunities to improve the site when rebuilding should be explored, with the High Steward and Civic Society. Wider issues as to risk, ecology, human access, were noted, and the potential for underwater checks and maintenance improvement were discussed. The issue of potential flooding upriver, caused by the operation of a weir, was raised and the views of the Environment Agency and Essex Highways requested.

*RESOLVED* that an item be added to the Scrutiny Panel work programme to provide an update on the situation regarding the Middle Mill Weir, and to include information on the progress of repair works, opportunities to improve the site, ecological effects, potential flooding effects upriver, and future monitoring and maintenance of the fabric of the site.

#### **435. Portfolio Holder Briefing [Economy, Transformation and Performance]**

Councillor Jay, Portfolio Holder for Economy, Transformation and Performance, emphasised the wide range of her portfolio, which was managed by regular briefings and check-ins with officers. A £532k fund had been awarded to the Council as part of the Rural Prosperity Fund. This was for rural community and business applications. Applications had been made, and a second application process would be held early in 2024, to allocate any unused funding. A wide range of different types of applications had so far been received.

The Council worked with Colbea and Colchester Institute, looking at measuring and tracking the effect of skills provision.

A recent problem with incorrect financial data published on the Council's website was explained. Finance officers had given assurance that this had been due to data being extracted from mis-merged data, rather than a problem with the underlying data.

The Portfolio Holder was meeting with the contact centre to seek ways that operations could be improved, and was assessing the quality of the ICT infrastructure. This was ahead of many local authorities. The new Shared-service Director of ICT and Transformation had settled in, with online contacts taking pressure off the call centre. The Portfolio Holder asked members to send to her via email any questions they would like her to ask the contact centre.

The Portfolio Holder was asked of what she was most proud, answering that she was most proud of the improvement in Key Performance Indicators [KPIs] and better benchmarking, understanding and presentation. A Panel member noted the benchmarking against similar authorities and argued that the Council should compare itself to 'the best' local authorities, rather than similar councils. Stretch targets should be set and best practices sought. The Portfolio Holder explained that this was hampered by the lack of comparable data, with the available comparable data being from similar local authorities, but agreed to ask officers to seek comparable data from other authorities, especially where operations were carried out differently. The Leader of the Council cautioned that, with a huge financial pressure on all councils, the cost implications of improving performance should also be looked at.

Benchmarking on the available data showed the Council being slightly underperforming on collection of residual waste, as compared to several nearby local authorities. The cause of this was being examined. The Portfolio Holder explained that research had shown that a 65% recycling rate was aspirational, as no local

authority currently achieved this. Residents and businesses could be encouraged to recycle, but this was a wider issue, and the Council needed to be KPI-driven.

The Panel discussed the Council's customer service performance, and the Portfolio Holder's duty to 'champion customers'. A Panel member urged consultation of customers, accusing the Council of being bad at consulting on tax increases and not heeding customer views enough. The Portfolio Holder agreed that the Council needed to listen to customers, but cautioned that there was not the time to do a full formal consultation. The Portfolio Holder fielded questions as to what she was doing to champion customers and whether she could report back on this. The Portfolio Holder agreed to work with officers to report back on what was being done.

The Leader emphasised Cabinet's responsibility to ensure consultation in the financial cycle, including the public and businesses when setting Council tax and how tax is collected from businesses. The Council was amongst the best for mechanisms to help those in financial trouble.

#### **436. Half Year April – September 2023 Performance Report Key Performance Indicators (KPI), Other Performance News, and Strategic Plan Delivery Plan Monitoring Report**

A Panel member noted that only performance from the current year was given, and asked if performance data from previous years, up to a decade back, could also be provided, to show the direction of travel. Councillor Jay, Portfolio Holder for Economy, Transformation and Performance, agreed to look at how to provide and present data from past years with future reports.

It was noted that the rent collection rate was 95.78, compared to a target of 98%. Panel members asked for an explanation as to why rent from Universal Credit always came in late. The Portfolio Holder gave assurance that she had asked about this, and that Universal Credit was assessed monthly, with changes leading to delays in payment of rent. The Portfolio Holder promised to provide a briefing note to explain the processes involved in Universal Credit payments of rent.

The Portfolio Holder was asked if the Council had a duty to house households evicted from Council properties for significant rent arrears. The Leader laid out the support available to help tenants avoid this, including discretionary housing payments. The Council and Colchester Borough Homes looked at the situations of those in trouble, including ensuring that they were claiming all to which they were entitled. There was, however, a limit as to what could be done.

The income from bereavement services was discussed. The Portfolio Holder noted that the rolling 12-month figure was now slightly below the past figure, as there had been more deaths in the past few years. The Portfolio Holder suggested that it might be necessary to reduce the budget for the service back to a level closer to that set between 2015 and 2019, pre-pandemic. A Panel member suggested that, to avoid setting inappropriate targets, there should be a process to identify where targets should be reassessed.

The target for recycling had not been met, with the Portfolio Holder arguing that the cost of living crisis had seen a reduction in household recycling, leading to the target being missed by a small amount. A Panel member suggested that other local authorities be asked about how they might seek to reduce waste-creating supply chains. The Portfolio Holder described research done into this which had shown the difficulty of the task. Co-mingling recycling improved rates, but nowhere managed to reach 65%. The Council was seeking ways to reduce business waste.

A Panel member opined that looking at recycling rates was pointless, if there was no plan to improve them, and requested a 'deep dive' on how the Council could improve its collection rates. The Council needed a list of suggestions that could garner cross-party support and the Panel member requested data on tonnage for waste and recycling. The Portfolio Holder explained that the tonnage for residual waste had decreased, due to the cost of living pressures. Tonnage figures had been requested. The Panel was informed that the new system for collecting garden waste had received more subscriptions than expected.

A member of the Panel suggested that it was not necessarily bad if recycling levels fell, as long as residual waste amounts did not increase. This could reflect retailers reducing non-recyclable packaging. The Portfolio Holder agreed and argued that the tonnage figures would show this better than the percentages given.

Richard Block, Chief Operating Officer, emphasised the importance of councillors considering options to improve recycling rates, as part of the Waste Strategy Review. Ways were being sought to hold national producers responsible for dealing with the waste they create, and to incentivise the reduction in packaging.

The Panel considered the KPIs from Colchester Borough Homes [CBH] It was suggested that the national performance, CBH performance and the target for time taken to re-let empty properties all appeared to be too high [long]. The Portfolio Holder was asked why re-let times were so long, and whether inspections could be done prior to the ends of tenancies. The Portfolio Holder drew attention to the number of properties where major works were needed to bring them back up to standard. Problems had also been encountered where parts needed for repairs could not be sourced. An increase in ends of tenancies had also led to more work in total being needed. The Panel asked whether outsourcing could be used, and pushed for explanations to be given where CBH contractors did not meet targets.

The Leader emphasised the housing crisis in the UK, affecting all of CBH. Forward planning and anticipation of work was needed, but the question was whether to prioritise getting people housed quickly over bringing properties up to decent standard. The Chairman asked the Leader to notify the Panel as to what progress was made.

A Panel member urged the first duty to be the housing of those in need, in proper accommodation, and expressed doubt that there was a correlation between the numbers in temporary accommodation with the overall number of households in Colchester, arguing that performance was not related to household numbers. It was suggested that building more homes could reduce the numbers in temporary accommodation. The Portfolio Holder was asked if there were better ways to express

the KPI on temporary accommodation than in 'per 1,000 household' format. The Portfolio Holder argued that there was correlation between temporary accommodation and household numbers, with private landlords leaving the rental market. The Chief Operating Officer explained that proportionality was needed for benchmarking, comparing to local authorities of different sizes.

The Panel discussed the potential for modular housing units to address the housing waiting list, and reduce use of bed and breakfast [B&B] accommodation, especially outside the area. It was asked whether the current system for buying extra properties was the best use of funds, how long it would take to clear the backlog, and why temporary accommodation was allowed to be overcrowded. The Leader agreed that action needed to be informed by data, and noted that the Portfolio Holder for Housing had already covered what Cabinet thought should be done. Nothing in construction or planning was quick, with work on a housing strategy going well in Colchester, with partners. Major effects were caused by people moving out from London Boroughs into Essex, including those needing social housing. Pressure continued to rise and only a flexible approach would work, including ways to shorten the temporary accommodation process where possible.

The Portfolio Holder explained that some households were in temporary accommodation for longer, whilst others used it for a matter of days. Stays were often longer for larger families, as they needed the scarcer larger homes. The Portfolio Holder agreed to provide information on lengths of stay.

The Panel considered other performance news, including successes, awards and accreditations.

*RESOLVED* that the SCRUTINY PANEL receive briefing notes on:

- a) Operational issues relating to rent collection from Universal Credit
- b) Void [empty] property re-let times and how the shortfall against the KPI target would be addressed

#### **437. Work Programme 2023-24**

*RESOLVED* that the SCRUTINY PANEL's Work Programme be approved for 2023-24, with the addition of an item on the Middle Mill Weir.



23 January 2024

<b>Report of</b>	<b>Head of Neighbourhood Services</b>	<b>Author</b>	<b>Rosa Tanfield</b> ☎ 0330 053 8047
<b>Title</b>	<b>Business Case for the Garden Waste Charging Scheme</b>		
<b>Wards affected</b>	All wards		

**1. Executive Summary**

1.1 In response to an unprecedented budget gap, limited Government support, and £10 million in extra costs, Full Council approved budget-saving measures in February 2023. One key initiative included the introduction of a new paid-for Garden Waste Collection Service. Approval from the Cabinet in June 2023 paved the way for the launch of the opt-in paid-for Garden Waste service, set to replace the existing service from January 2024. The Portfolio Holder for Neighbourhoods and Waste was delegated authority to make adjustments, considering early take-up, experience, and the introduction of discounts and promotions. The Cabinet agreement allowed for discretionary adjustments, resulting in amendments to the pricing scheme and the introduction of a discount scheme. The launch has exceeded performance targets:

Performance metrics, as of 10 January 2024

- Subscribers: 22% of residents (Target: 11%)
- Number of subscribers: 15,928 (Target: 7,758)
- Income 2023/24: £741,594 (Target: £600,000)

1.2 This report sets out the latest financial position of the new chargeable garden waste service. Due to higher-than-expected uptake, the Council has received £1.474m income of which £741,594 is accounted in the financial year 2023/24 budget. The budget for 2024/25 estimates a net revenue impact of £1.3m, which includes a net decrease in the fleet portfolio.

1.3 The report sets out measures being taken to minimise costs and to ensure sustainable service delivery. This includes strategic staffing adjustments and redeployment, as well as vehicle and fuel cost optimisation through deployment strategies.

**2. Action Required**

2.1 Report is for noting.

**3. Reason for Scrutiny**

3.1 At it's meeting on 9 August 2023, at the request of Cabinet, the Panel scrutinised certain options for the proposed chargeable garden waste scheme. Panel Members indicated that they would like to examine the full business case for this new service and in particular any improved revenue position arising from the assumed associated savings in operating costs because the service was expected to be taken initially by only a small percentage of those currently receiving the free service.

## 4. Background Information

- 4.1 At Full Council in February 2023, important budget savings and income generating schemes to be implemented in this financial year were approved to meet an unprecedented budget gap, limited Government support and £10m of extra costs. One such approved scheme was the introduction of a new paid for Garden Waste Collection Service.
- 4.2 At Cabinet in June 2023, approval was given to make arrangements for the opt-in paid for Garden Waste service which would replace the existing service from January 2024, along with the capital funding and procurement of replacement vehicles and to delegate authority to the Portfolio Holder for Neighbourhoods and Waste to adjust the scheme as may be needed, taking account of early take up and experience, to include discounts and promotions.
- 4.3 The report set out that the operational costs for the service would be met by the approved revenue budget and presented variations to budgets considering the change in service and the net revenue impact on the overall revenue budget, with the assurance that income could be generated to offset the full costs in delivering the full service.
- 4.4 The Cabinet agreement allowed for adjustments at the discretion of the Portfolio Holder. His decision as published:

### 4.3.1 Amended the pricing scheme as follows:

Joining up fee	£35 per bin
Annual service charge for 2023/24 and 2024/25	£55 per bin

- 4.3.2 Introduced a discount scheme in 2023/24 to enable any residents, in receipt of Local Council Tax Support (LCTS) at the time of application, to be offered a free joining up fee when they opt-in to the new service for the first wheeled bin. With residents also directed to the Employment and Financial Support Team (EFST) website for help and support, regardless of whether in receipt of LCTS.

- 4.3.3 For subscription payments to be taken annually, online, using the Council's existing systems.

- 4.3.4 Introduced a community swap event whereby residents can pass unwanted bins to the Council who will jetwash and enable residents to collect the cleaned bins if they wish to have them.

### Performance

- 4.5 The following sets out the performance of the service since the public launch. In summary, performance has exceeded targets at the time of writing this report (as of 10 January 2024):

Description	Target	Actual
%age of residents subscribed	11%	22%
Number of subscribers	7,758	15,928
Income 2023/24	£600,000	£741,594

- 4.6 In total, the Council has received £1,474,005 income. Due to accounting rules, the Council is required to show the income in the financial year which matches the year of

delivery of the service. Therefore, for those customers subscribing in 2023/24 it is shown in the table above that officers are accounting for the joining fee at 100% (£35 per bin), and 20% of the annual fee (£55 per bin), making £741,594 of income in that year. £733,656 (i.e. 80% of the annual fee taken in 2023/24) will be accounted in 2024/25.

- 4.7 654 residents in receipt of Local Council Tax Support have signed up to the scheme as of 10 January 2024, benefiting from a discount on the joining fee.

## 5. Financial implications

- 5.1 Full Council agreed in February 2023 to introduce and increase the garden waste income from £200,000 to £600,000 for 2023/24, being a net revenue improved position.
- 5.2 In August 2023 Cabinet were then presented with the new Garden Waste Collection service proposals, setting out a net revenue impact for 2023/24 of £15,000 and £1.321m in 2024/25. This change in net improved position reflected the application of accounting rules on the treatment of income as set out in 4.6 above.
- 5.3 Further effects on the proposed revenue impact reported in August 2023 include the change to the fees and introduction of a discount scheme, as set out in 4.4 above, and a higher than expected take up of the service by residents.

### Revenue impact 2023/24

- 5.4 The table below sets out the account for the garden waste service in 2023/24 as forecasted at Period 9:

<b>2023/24</b>	
<b>Forecasted full operational costs at Period 9</b>	
	<b>£000s</b>
<b>Expenditure</b>	
Employee Costs <i>(costs and budget transferred from central waste budget)</i>	73
Financial reconciliation and stage payment processing	14
Operational costs <i>(costs and budget transferred from central waste budget)</i>	14
Community grant offer	2
Print, media, and comms	62
Saving on garden sacks <i>(costs and budget transferred from central waste budget)</i>	(45)
Borrowing costs – Interest	25
<b>Total</b>	<b>145</b>
<b>One off expenditure (for launch only)</b>	
Employee Costs	120
Vehicle hire and costs	25
Consultancy and IT integration costs	6
<b>Total</b>	<b>151</b>
<b>Total expenditure</b>	<b>271</b>

<b>Income</b>	
Income Season 1	(742)
Recycling credit income <i>(costs and budget transferred from central waste budget)</i>	(25)
<b>Total income</b>	<b>(767)</b>
<b>Overall total</b>	<b>(471)</b>

- 5.5 It should be noted that introducing a discount for recipients of the LCTS has had a financial impact of £22,890 deducted from the income reported, and this may increase as more residents in receipt of LCTS benefit from the discount.

Revenue impact 2024/25 onwards

- 5.6 The 2024-25 Revenue budget report to be presented at this meeting, sets out a proposal for additional (gross) income of £1.246m from the new Garden Waste scheme. This additional customer and client receipt income is calculated on the basis of £1.896m, as set out in the budget table below, less £650k (of which £50k is attributed to a reduction in credit claim income under Grants and Reimbursements) and which was agreed by Full Council in February 2023 as part of budget setting for 2023/24 and 2024/25.
- 5.7 The following is the budget account estimated for the garden waste service for 2024/25.

<b>2024/25 Budget</b>	
	<b>£000s</b>
<b>Expenditure</b>	
Employee Costs	408
Financial reconciliation, ICT and stage payment processing	14
Operational costs	86
Seasonal vehicle hire	30
Community grant offer	5
Print, media, and comms	28
Borrowing costs - MRP	83
Borrowing costs - Interest	45
<b>Total expenditure</b>	<b>699</b>
<b>Income</b>	
Income	(1,896)
Recycling credit income	(104)
<b>Total income</b>	<b>(2,000)</b>
<b>Overall total</b>	<b>(1,301)</b>

- 5.8 As set out further in this report, there is a net decrease in the fleet portfolio of one Refuse Collection Vehicle. The total estimated saving for this is £31,000 per annum. These savings have been accounted for within the fleet budget for 2024/25, but are not set out in the table above.

## Can further operational savings be made?

- 5.9 In regard to whether any improved revenue position arising from the assumed associated savings in operating costs because the service is expected to be taken initially by only a small percentage of those currently receiving the free service, the following sets out how higher levels of operational savings cannot be achieved, but how the Council is minimising costs in other ways.

### *Staffing*

- 5.10 The Council currently operates a full kerbside garden waste collection service using 5.25 vehicles and crews (i.e. 5 vehicles and crews that are dedicated to the garden waste collection routes on all operational days, and one vehicle and crew that operate one day per operational week on garden waste collection routes (it will service other materials on other days of the operational week)).
- 5.11 Officers have assumed that the new chargeable garden waste collection service will start with three crews, who will drive four routes until more capacity is needed. The operation will expand to four crews once capacity (both number of homes and distance driven) requires, with seasonal resilience if needed.
- 5.12 0.25 of the remaining vehicles and crews will be deployed to support the growth in flats which is currently an operational pressure point for the service and in doing so, reduces the need for the Council to invest additional capital and revenue for a period, whilst improving performance for these residents.
- 5.13 The remaining two crews (then one when increased capacity is required for the garden waste service) will be redeployed back into the operational team to either displace agency staff or fill vacant roles.
- 5.14 Note that due to the Council's current recruitment freeze policy, there are seven Senior Operatives and five Team Leader vacancies. The redeployed staff could, and will, be slotted into these roles without the need to consider redundancies. It should be considered that the number of staff being redeployed, (i.e. two Team Leaders and four Operatives (reducing to one Team Leader and two Operatives when customer numbers increase, and an additional garden waste crew is deployed to meet service need) will have a relatively small impact as the overall waste and recycling workforce contains 49 Team Leaders and 92 Operatives with a measured level of turnover.
- 5.15 Whilst the redeployed staff could displace agency staff, no savings on agency budget are proposed. The reason being that the agency budget for the whole waste and recycling collection service was reduced several years ago to £20,000 per year. This budget has historically been exceeded to ensure operational delivery of this statutory service, and the overspend has been balanced with vacancies and turnover of staff (i.e. managing within the total staff and agency budget). The agency budget has been increased to better reflect the true spend for 2024/25. In addition, the operational management team have been reducing the reliance and costs associated with agency spend, reviewing working practices, proactively managing sickness absences and reasonable adjustments, along with the introduction of a new agreement/contract with Essex County Council, set to be presented at the next Cabinet meeting.

### *Vehicles and fuel*

- 5.16 Including the full fuel costs in the base budget, currently allows for costs of visiting all roads across the City, conscious that the service will need to visit all properties that are part of the scheme, and, in some cases, some households may be in isolation to other properties. The budget forecasts will be updated to reflect the routes as they are developed, but until officers are clear on the distribution of properties signed up to the scheme, this is difficult to predict at this stage.
- 5.17 To service the existing kerbside garden waste collections, the Council currently run a fleet of one twin lift RCV (serving households who already have wheeled bins), four open back RCV's (cannot service wheeled bins) and additionally, to address capacity needs, on a Friday, a second twin lift RCV is used; this makes a total of 5.25, as referenced above.
- 5.18 It is proposed that the service will launch with three twin lift vehicles (one current and two new), with a further new vehicle when capacity is needed.
- 5.19 It is proposed that two of the existing open back garden waste RCV's (with 2 years serviceable life, against a 7-year life expectancy) will be redeployed to replace a resilience vehicle which is eleven years old, and a spot hired vehicle which is currently on hire covering a further resilience vehicle that was decommissioned in the early part of 2023 due to high repair costs. This reduces the need for capital investment on their replacements. This approach to vehicle replacement and capital spend has been accounted for already in the capital programme agreed by Cabinet this financial year. The spot hire resilience vehicle costs approximately £5.5k per month. Decommissioning this vehicle will not be a saving as it is currently unbudgeted but is required to maintain service delivery. However, its removal from the fleet will reduce an ongoing budget pressure.
- 5.20 The other two RCV's will be sold. As the two vehicles will be sold within their life expectancy, there will be borrowing costs still to be paid, which will be deducted from the value received from the sale of the vehicles. Should there be any surplus from the sale, after costs, this income will be accounted for.
- 5.21 Overall, there will be a net decrease in the fleet portfolio of one RCV.
- 5.22 The information above is summarised in the below table:

<b>Vehicle</b>	<b>Type</b>	<b>Age</b>	<b>Plan for Vehicle</b>	<b>Plan for new Garden Service</b>
1	Bin-lift Existing	5 Years	Retain for Garden Waste Service	Retain for Garden Waste Service
2	Open-back Sacks	5 Years	Replace spot hire vehicle 1	Replaced by New Bin-lift 1
3	Open-back Sacks	5 Years	Replace Resilience Vehicle 2	Replaced by New Bin-lift 2
4	Open-back Sacks	5 Years	Sell	Additional vehicle for Garden Waste Growth
5	Open-back Sacks	5 Years	Sell	Reduction in fleet
0.25	70/30 Bin-lift	4 Years	Return to flats for growth	n/a

## **6. Equality, Diversity and Human Rights implications**

- 6.1 An Equality Impact Assessment was completed at the time of the Cabinet proposal and can be found online: [www.colchester.gov.uk/chargeable-garden-waste-service/](http://www.colchester.gov.uk/chargeable-garden-waste-service/). It was considered that the proposals do not breach human rights as a service will continue to be offered.

## **7. Strategic Plan References**

- 7.1 The proposal directly links to the vision, themes and objectives of the [Strategic Plan 2023-26](#) – A City Fit for the Future: Respond to the climate emergency – Continuing to be a leader in waste and recycling collections through the review of waste and recycling services and collection arrangements simplified and revised to support the government recycling collection targets of 70%.

## **8. Consultation**

- 8.1 The Cabinet report of June 2023 sets out the consultation undertaken to inform the proposal, in addition to the previous Scrutiny Panel meeting in August 2023.

## **9. Publicity Considerations**

- 9.1 A comprehensive publicity campaign is already underway.

## **10. Health, Wellbeing and Community Safety Implications**

- 10.1 The Cabinet report of June 2023 sets out that scheme does not have any potential impacts to health and wellbeing outcomes for the public.
- 10.2 It is not considered that community safety or crime and disorder will be impacted.

## **11. Health and Safety Implications**

- 11.1 Details of the potential improvements to health and safety within the operations of the Recycling and Waste Services, and improved outcomes for the workforce are set out in the Cabinet report of June 2023.

## **12. Risk Management Implications**

- 12.1 The risks of delivering the new chargeable garden waste collection service are set out in the Cabinet report of June 2023.

## **13. Environmental and Sustainability Implications**

- 13.1 Detailed considerations of the environmental and sustainability implications are set out in the Cabinet report of June 2023.





**Cabinet**

Item

24th January 2024

<b>Report of</b>	<b>The Section 151 Officer</b>	<b>Author</b>	<b>Andrew Small</b> ( <a href="mailto:Andrew.Small@Colchester.gov.uk">Andrew.Small@Colchester.gov.uk</a> ) <b>Chris Hartgrove</b> ( <a href="mailto:Chris.Hartgrove@Colchester.gov.uk">Chris.Hartgrove@Colchester.gov.uk</a> ) <b>Darren Brown</b> ( <a href="mailto:Darren.Brown@Colchester.gov.uk">Darren.Brown@Colchester.gov.uk</a> )
<b>Title</b>	<b>Draft Budget Proposals 2024/25 (including General Fund &amp; HRA Revenue &amp; Capital, and an updated Medium-Term Financial Forecast)</b>		
<b>Wards affected</b>	Not Applicable		

**1. Executive Summary**

- 1.1 This report contains the final budget proposals for 2024/25 for consideration by Cabinet.
- 1.2 The **Revenue** elements of the draft budget for 2024/25 can be found at ***Appendix A (including CONFIDENTIAL Appendix D)***.
- The General Fund final draft budget proposal for 2024/25 comprises Net Expenditure of £24.959 million, which includes a contribution of £0.153 million to the General Fund Reserve.
  - The provisional Local Government Finance Settlement 2024/25 was as expected at “Core Spending Power +3.0%”.
  - A Council Tax increase of 2.99% in accordance with the Government’s Referendum Limit is proposed (which would raise Band D Council Tax from £211.59 to £217.92 if adopted).
  - The HRA final draft budget proposal for 2024/25 anticipates a balanced budget with projected Net Operating Income of £2.459 million.
  - A Housing Rent increase of 7.7% is proposed (in accordance with the Legal Rent Standard); and
  - A total Management Fee of £13,424,200 payable to Colchester Borough Homes is recommended.
- 1.2 The **Capital** elements of the draft budget for 2024/25 can be found at ***Appendix B***.
- The General Fund Capital Programme comprises total expenditure of £57.672 million over the five-year period 2024/25 to 2028/29, including £39.258 million in 2024/25; and
  - The HRA Capital Programme comprises total expenditure of £205.365 million over the five-year period 2024/25 to 2028/29, including £43.655 million in 2024/25.

- 1.3 Looking further ahead, an updated Medium-Term Financial Forecast (MTFF) is included at **Appendix C** covering both the General Fund and the HRA; the numbers reflect the final draft budget proposals for 2024/25. The overall financial profile has weakened slightly in 2025/26 (with a forecast deficit of £1.991 million) compared to the forecast in the Indicative MTFF prepared in October 2023, due to some late budget pressures identified as part of detailed budget preparations. However, the forecast is significantly brighter in 2026/27 (with a forecast surplus of £1.310), reflecting the impact of savings anticipated as part of the emerging three-year "Fit for the Future" Programme.
- 1.3 The Section 151 Officer confirms that the Council has sufficient available to reserves to smooth the transition between the two financial years (2025/26 and 2026/27), which will be a key consideration as part of a forthcoming detailed review of the Council's reserves as part of preparing the 2023/24 financial statements.
- 1.4 In conclusion, the budget sets out a vision to make Colchester City Council 'Fit for the Future', economically, structurally, and culturally. Led by the Council's Administration, much cross-party consultation and work with the former Leaders Alumni group has enabled scrutiny of a demanding transformation programme. This budget addresses the short-term pressures, medium-term challenges, and long-term fundamental organisation change.
- 1.5 The approach has been open and inclusive of both officer expertise and Council-member involvement. With all-member briefings, surveys, and cross-party workshops, helping to shape this most challenging of budget cycles. The aim of the Administration is to deliver the objectives of Colchester's Strategic Vision, with the most efficient and focused Council structure.
- 1.6 Laser focused on utilising Council assets, resources, committed staff, and partners across our town and country, to invest in Colchester's community infrastructure. The budget includes investment to enable economic growth; internally, encouraging income and increased commerciality, and externally, supporting business growth, and community investment, alongside partners in the public and voluntary sectors. All enabling a greener, cleaner, and more equitable and prosperous place for all to live, work and visit.

## 2. Recommended Decision

- 2.1 To consider the final revenue and capital budget proposals for 2024/25 as presented in **Appendices A to D** of this report, together with the comments received from the Scrutiny Committee (23rd January 2024)
- 2.2 Make any amendments that Cabinet considers necessary; and
- 2.3 Recommend to Council:
  - 2.3.1 The budget for 2024/25 (including Revenue and Capital in **Appendices A, B and CONFIDENTIAL Appendix D**)
  - 2.3.2 The updated Medium-Term Financial Forecast (MTFF) 2024/25 to 2028/29 (covering General Fund and HRA in **Appendix C**)
  - 2.3.3 The level of Council Tax increase for 2024/25 (Paragraph 2.6, **Appendix A**)
  - 2.3.4 The level of Housing Rent increase for 2024/25 (Paragraph 3.3, **Appendix A**); and
  - 2.3.5 The Management Fee payable to Colchester Borough Homes (CBH) in 2024/25 (Paragraph 3.4, **Appendix A**).

### **3. Reason for Recommended Decision**

- 3.1 To enable Cabinet to recommend a final budget for 2024/25 to the Council in February 2024.

### **4. Alternative Options**

- 4.1 The proposals in this report represent Cabinet's recommended position on the 2024/25 General Fund and Housing Revenue Account budgets (both Revenue and Capital).

### **5. Equality, Diversity and Human Rights implications**

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

### **6. Standard References**

- 6.1 There are no direct Publicity, Human Rights, Community Safety or Health and Safety implications because of this report.

### **7. Strategic Plan References**

- 7.1 The Budget proposals set out here have been developed within the framework of the Council's Strategic Plan ambitions, as set out within the agreed Strategic Plan. These are balanced against the Statutory requirement of presenting a balanced budget and delivering core Statutory Services. The Budget presented here is the considered optimum combination of these factors.

### **8. Consultation**

- 8.1 The proposals contained within this report have been developed through engagement with all members of the Council. If adopted, the savings proposals set out in elements of this paper are likely to impact directly on the Council's workforce, in terms of a reduction in the numbers of posts employed by the Council. This will require Statutory consultation, which has not yet commenced pending the consideration of these proposals.

### **9. Publicity Considerations**

- 9.1 Decisions on Taxation and on the level of services provided, as set out within these Budget proposals, are likely to have direct impact on the majority of the Council's residents. As part of Budget engagement, the Council will use all standard publicity media to ensure that the impact of the agreed Budget is widely communicated and the reasons for the proposals are understood.

### **10. Financial implications**

- 10.1 As set out in the report.
- 10.2 No changes are necessary to the 2020 Financial Regulations.

## **11. Health, Wellbeing and Community Safety Implications**

11.1 Health, Wellbeing and Community Safety consideration have been explored and considered in respect of each key component part of the Budget presented here.

## **12. Health and Safety Implications**

12.1 None.

## **13. Risk Management Implications**

13.1 The consideration of risk formed an integral part of the development of the proposals in this report. In particular, the Budget (and updated MTFF) is based on a series of estimates and assumptions that are informed by a range of intelligence sources (some certain, some uncertain); that process, including any residual risk in the decision-making process, is clearly indicated where appropriate.

## **14. Environmental and Sustainability Implications**

14.1 All budget measures are assessed for their environmental impact, reflecting the Council's commitment to be 'carbon neutral' by 2030. Environment and Climate Change is an essential cross-cutting theme in the Council's recovery planning and a core theme of the new Strategic Plan.

## **Appendices**

- ***Appendix A - Draft Budget Proposals 2024/25 GENERAL FUND & HRA REVENUE***
- ***Appendix B - Draft Budget Proposals 2024/25 GENERAL FUND & HRA CAPITAL***
- ***Appendix C – Medium-Term Financial Forecast (MTFF) 2024/25 to 2028/29***
- ***Appendix D – Staff Savings Proposals (CONFIDENTIAL)***

## **Background Papers**

None.

## Draft Budget Proposals 2024/25

### GENERAL FUND & HRA REVENUE

#### 1. Background and Introduction

- 1.1 The Council adopted a General Fund Medium-Term Financial Forecast (MTFF) covering the five-year period 2023/24 through to 2027/28 on 22nd February 2023. In setting the 2023/24 General Fund revenue budget, the MTFF met the balanced budget requirement for the year ahead, whilst projecting a deficit (a 'budget gap') of £0.193 million for 2024/25.
- 1.2 The adopted General Fund MTFF followed on from the approval of a five-year MTFF for 2023/24 through to 2027/28 by Cabinet on 25th January 2023; a balanced position was presented for the duration of the Forecast, including 2024/25.
- 1.3 As previously reported to Members, the delivery of the 2023/24 General Fund revenue budget is proving challenging. As with 2022/23, the economic background has created multiple, unforeseen, budget pressures with the peak in inflation and higher interest rates persisting for longer than predicted by the Treasury at the time the budget was set. This is resulting in higher costs, but also lower income from some services as disposable incomes are reduced and residents adjust their spending patterns. Additionally, the squeeze on incomes and higher housing costs are resulting in higher demands for some Council services, such as Homelessness. The delivery of some savings targets, including staffing costs (in respect of assumed vacancies) especially, has also proved very difficult.
- 1.4 The pressures noted above were reflected in a forecast net overspend of £1.447 million on the General Fund revenue budget for 2023/24 at the Quarter 2 (30th September 2023) stage, which was reported to the Governance & Audit Committee on 28th November 2023.
- 1.5 It is against this backdrop that the adopted General Fund MTFF was revisited and reviewed (and effectively reset) during October 2023. The opportunity was taken to reassess previous savings assumptions embedded within the projections for 2024/25 (especially) and 2025/26. The MTFF was also reviewed in the light of other intelligence including updated inflationary assumptions, interest rates and, most notably, emerging indications from the Government as to the potential Local Government Finance Settlement for 2024/25.
- 1.6 An initial (indicative) MTFF covering the five-year period 2024/25 through to 2028/29 was completed based on factors known as of 31st October 2023. The indicative outcome for 2024/25 was a revised deficit projection (a 'budget gap') of £1.466 million for 2024/25.

1.7 In arriving at the indicative projections in the MTFF, there were some significant alterations made to previous assumptions, most notably including:

- **Savings** - the opportunity was taken to *temporarily* remove previous savings assumptions, thus allowing Cabinet and senior officers to review and reflect on updated intelligence and changing priorities.
- **Capital Financing Costs** – building on the progress of the 2023 Capital Review, the opportunity was also taken to further improve the alignment between revenue and capital spending by exploring the potential impact on revenue costs of extending the Capital Programme to five years to be co-terminus with the MTFF. This allowed the introduction of initial ‘rolling investment programmes’ in key areas such as IT and Major Property Repairs; and
- **Local Government Finance Settlement** – along with many councils nationally, the Council had taken a cautious approach as to future financial settlements from Government, which was embedded in the February 2023 iteration of the MTFF. However, by August 2023, there was gathering sector intelligence to suggest that the Government was committed to providing at least some inflationary increase in the Settlement for 2024/25 (as opposed to the cut previously assumed). Funding projections were therefore uplifted accordingly.

1.8 The indicative MTFF also included the following key assumptions for 2024/25:

- **Pay Award 3.0%** - although – based on blanket annual awards of £1,925 to all staff in 2022/23 and 2023/24 – pay increases have recently exceeded this level, pay increase expectations for 2024/25 were lowered in the context of declining inflation in the economy.
- **Core Inflation 3.5%** - based on declining CPI forecasts as of Autumn 2023 covering the 2024/25 financial year.
- **Interest Rates** – ‘blended’ interest rate assumptions are now utilised as part of early Section 151 (Finance) shared services arrangements with Epping Forest District Council (taking the average forecast of two separate professional Treasury Management advisors). An average interest rate assumption of 4.8% has been included for 2024/25.
- **Council Tax increase 3.0%** - assumed to be the maximum allowable in accordance with the anticipated Referendum Limit.
- **Finance Settlement “Core Spending Power + 3.0%”** – based on emerging sector intelligence; and
- **Fees & Charges increase 6.7%** - reflecting September 2023 CPI.

- 1.9 Further net budget pressure of £0.923 million was identified by Finance officers during November 2023 as the detailed work on the 2024/25 budget progressed. The additional budget pressure increased the forecast General Fund revenue net budget deficit to £2.369 million for 2024/25 (£1.446 million + £0.923 million); this is the deficit that required eliminating in full if the Council were to fulfil its legal obligation to set a balanced budget for the forthcoming financial year.
- 1.10 Acting on the strategic direction provided by Cabinet, the draft Budget has been developed collaboratively over many months, with officers working through their respective Portfolio Holders to develop a set of proposals which address the Budget gap for both the forthcoming and future years. Engagement has included regular liaison with, and the views sought, of each of the main political groups. The objective has been to enable a shared understanding of the financial challenges facing this, and other councils, and the joint design and formulation of an approach to balancing the Budget, without resorting to annual incremental budget cuts.
- 1.11 This report allows Cabinet to consider the final budget proposals for 2024/25 – for both the General Fund and HRA – as presented, whilst taking into consideration the comments of the Scrutiny Panel.

## **2. Proposed General Fund Revenue Budget 2024/25**

### **SUBJECTIVE ANALYSIS**

- 2.1 The proposed General Fund revenue budget for 2024/25 comprises Net Expenditure of £24.959 million and is summarised by subjective heading – including subsequent changes to the October 2023 *Indicative* MTF – in the table below.

<b>2024/25 General Fund Draft Revenue Budget: subjective analysis</b>				
<b>Description</b>	<b>Indicative MTFP (Oct 2023)</b>	<b>Additional Budget Pressures (Nov 2023)</b>	<b>Addressing the Budget Gap (Dec 2023/ Jan 2024)</b>	<b>Draft Budget (Jan 2024)</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b><i>EXPENDITURE</i></b>				
Employees	30,311	1,404	(253)	31,462
Premises	10,753	(800)	1,492	11,445
Transport	2,124	(80)	73	2,117
Supplies & Services	8,928	193	345	9,466
Third Party Payments	6,199	180	1,002	7,381
Transfer Payments (inc. HB)	32,966	0	7,035	40,001
Financing Costs	10,229	0	2,948	13,177
<b>Gross Expenditure</b>	<b>101,510</b>	<b>897</b>	<b>12,642</b>	<b>115,049</b>
<b><i>INCOME</i></b>				
Government Grants	(32,375)	67	(4,146)	(36,454)
Other Grants & Contributions	(4,824)	0	220	(4,604)
Customer & Client Receipts	(27,669)	(41)	(8,222)	(35,932)
Income-Interest	(6,943)	0	(3,013)	(9,956)
Inter-Account Transfers	300	0	250	550
HRA/NEPP Recharges	(3,679)	0	(15)	(3,694)
<b>Net Expenditure</b>	<b>26,320</b>	<b>923</b>	<b>(2,284)</b>	<b>24,959</b>
<b><i>FUNDING</i></b>				
Council Tax	(14,597)	0	186	(14,411)
Business Rates	(6,675)	0	(300)	(6,975)
Collection Fund Adjustments	0	0	(584)	(584)
Council Tax Sharing Agreement (CTSA)	(570)	0	(350)	(350)
Revenue Support Grant (RSG)	(211)	0	(7)	(218)
New Homes Bonus	(600)	0	(34)	(634)
Funding Guarantee Allocation	(2,100)	0	160	(1,940)
Contribution to/(from) Reserves	(121)	0	274	153
<b>Total Funding</b>	<b>(24,874)</b>	<b>0</b>	<b>(85)</b>	<b>24,959</b>
<b>(Surplus)/Deficit</b>	<b>1,446</b>	<b>923</b>	<b>(2,369)</b>	<b>0</b>
<b>2024/25 Cumulative Position</b>	<b>1,446</b>	<b>2,369</b>	<b>(2,369)</b>	<b>0</b>



**NOTE: TRANSITIONAL PRESENTATION**

- 2.2 Members are requested to note that this is the first year that the proposed General Fund budget has been presented based on subjective headings (as opposed to service headings). The new approach has been implemented on the basis of Member feedback received from previous years' budget reports and enhances transparency and simplicity.
- 2.3 However, at the time of preparing this report, the Council's underlying management accounting processes (including Ledger coding etc.) remain configured to support the previous reporting approach. This results in some transitional challenges in terms of *presentation*, which are reflected in some large variances in the table above, with some gross figures representing internal transactions in complex areas such as Housing Benefit Subsidy. This is a priority development area, which will be addressed in readiness for the first iteration of the MTF in 2025/26 budget cycle. It should be emphasised that there is no net impact on the budget as demonstrated in the table below, which summarises the impact of three major adjustments.

<b>Material Budget adjustments (excluding Savings)</b>		
<b>Subjective Category</b>	<b>Description</b>	<b>Impact £000's</b>
<b><i>Homelessness Adjustment</i></b>		
Premises	Payments to Landlords	1,805
Third Party Payments	Payments to Third Sector Homelessness Providers	438
Transfer Payments	Housing Benefit Subsidy Loss	2,025
Transfer Payments	Rent Allowances	5,010
Government Grants	Homelessness Prevention Grant	(1,286)
Government Grants	DWP Housing Benefit Subsidy	(2,839)
Customer & Client Receipts	Housing Benefit Subsidy Loss	(2,025)
Customer & Client Receipts	Housing Subsidy (Gross)	(3,062)
<b>Net Impact on General Fund Budget</b>		<b>66</b>
<b><i>HRA Interest Adjustment</i></b>		
Financing Costs	Increased Interest Payable on HRA Debt	2,694
Income - Interest	Additional Interest Receivable from HRA	(2,694)
<b>Net Impact on General Fund Budget</b>		<b>(0)</b>
<b><i>Turnstone Adjustment</i></b>		
Third Party Payments	Lease Payments for Turnstone	1,002
Customer & Client Receipts	Income from Commercial Tenants	(1,319)
<b>Net Impact on General Fund Budget</b>		<b>(317)</b>

**EXPENDITURE**

2.4 The *Expenditure* highlights included in the table above are as follows:

- **Employee Costs (£31.462 million)** – the core inflationary assumption with regard to a 2024/25 Pay Award of 3.0% remains unchanged compared to the Indicative MTFF prepared in October 2023. However, a back-dated pay settlement for 2023/24 has now been adopted following agreement with the unions; it was a fixed sum increase of £1,925 for all employees, equating to an average pay increase in excess of 5.0%. This has a knock-on impact with the 2024/25 budget for Employee Costs as the base budget for 2023/24 (from which the 2024/25 budget is extrapolated) was originally assumed at 4.0% in the Indicative MTFF. This increases the required budget provision for 2024/25 by circa £600,000, although the full impact has been mitigated through the removal of some posts (impact £479,000). In addition, Employee Costs have also risen as a consequence of bringing all functions relating to maintaining and managing assets back into the back into the Council from Amphora and Colchester Borough Homes (impact £410,000).
- **Premises (£11.445 million)** – there has been a significant increase (£692,000) in the required budget provision for Premises in 2024/25. Most notably, anticipated savings of £800,000 in energy costs were identified in November, with a further £150,000 (making £950,000 in total) added during the more detailed stages of budget preparation. However, these budget reductions were outweighed by an adjustment of £1.805 million required in respect of additional Temporary Accommodation costs (presented above in Paragraph 2.3)
- **Supplies & Services (£9.466 million)** – a core inflation rate of 3.5% was initially applied to Supplies & Services in preparing the Indicative October 2023 MTFF, based on declining CPI forecasts as of late Summer/Autumn 2023. Subsequent events tend to support that assumption with the CPI rate declining to 3.9% in November 2023; at the time of reporting, there is a broad consensus amongst commentators, including the Bank of England, that a further decline in CPI can be expected in the calendar year 2024. A number of small miscellaneous required changes to Supplies and Service budgets have been subsequently identified since November 2023, including further increases in Insurance, ICT and Telephony budgets.
- **Third Party Payments (£7.381 million)** – an increased contractual payment of £1.002 million to Canada Life as part of the Northern Gateway “Turnstone” development has been included within the budget for Third Party Payments, which adds to a pressure of £438,000 on Temporary Homelessness Accommodation payments to Third Sector providers (presented above in Paragraph 2.3). There has also been a partially offsetting reduction in the anticipated Management Fee paid to Amphora (down by £205,000, from £1.749 million to £1.544 million).
- **Transfer Payments (£40.001 million)** – a net increase of £7.035 million is expected in Housing Benefit costs (mainly met by Government grant) in 2024/25, which reflects adjustments in respect of additional Homelessness costs as presented above in Paragraph 2.3 (£5.010 million Rent Allowances, £2.025 million Housing Subsidy Loss).

- **Financing Costs (£13.177 million)** – an increase of £2.948 million in Financing costs since the Indicative October 2023 MTFF was produced, primarily relates to a £2.694 million increase in Interest Payable relating to new HRA borrowing (presented above in Paragraph 2.3). It should be re-emphasised that the cost is fully met by the HRA, rather than the General Fund.

## **INCOME**

2.5 The **Income** highlights included in the table above are as follows:

- **Government Grants (£36.454 million)** – the majority of Government Contributions relate to Housing Benefit Subsidy payments. These have increased by £2.839 million since the Indicative October 2023 MTFF was produced due to the increasing cost of Homelessness (presented above in Paragraph 2.3). The Flexible Homelessness Prevention Grant, which local authorities have been receiving for a number of years now towards the increased cost of Temporary Accommodation has also been built into the base budget for 2024/25; this includes the 2024/25 allocation already announced by DLUHC, plus provision for a further award based on intelligence received from Ministerial Briefings (total impact £1.286 million as presented above in Paragraph 2.3)
- **Customer & Client Receipts (£35.932 million)** – an assumed average increase of 6.7% (September 2023 CPI) was assumed in Fees and Charges for 2024/25 (adopted by Cabinet in December 2023), which was largely achieved. The large increase since the Indicative October 2023 MTFF was produced is mainly due to the combined impact of total adjustments of £5.087 million in respect of Homelessness costs (presented above and Paragraph 2.3), additional income in respect of the “Turnstone” lease of £1.320 million (also covered above in Paragraph 2.3). Additional (gross) income of £1.246 million is also anticipated from the new Garden Waste scheme (presented below in Paragraph 2.12); and
- **Income - Interest (£9.956 million)** – an increase of £3.013 million since the Indicative October 2023 MTFF was prepared primarily reflects an increase in anticipated income of £2.694 million from the HRA (refer to discussion on Financing Costs above).

## **FUNDING**

2.6 The **Funding** highlights included in the table above are as follows:

- **Council Tax (£14.411 million)** – the Indicative MTFF prepared in October 2023 included an overall Council Tax yield (the Colchester City Council share) of £14.597 million, reflecting an assumed Council Tax increase of 3.0%. The *Provisional* Local Government Finance Settlement (announced 18th December 2023) included a 3.0% Referendum Limit (allowing a maximum increase of 2.99% without the need for a Referendum).

A final tax base of 66,132.0 for 2024/25 has now been calculated and the Parish Councils notified accordingly. Although Council Tax collection rates are marginally down at the Quarter 3 stage in 2023/24 compared to the same stage in 2022/23, (consistent with previous years) an eventual collection rate of 99.0% has still been assumed.

These draft budget proposals assume a 2.99% increase which, if accepted, would raise the current Band D charge from £211.59 to £217.92. The additional funding raised from the proposed increase would be £418,616 (compared to a Council Tax freeze). Members of course retain the opportunity to vary this proposal.

It should be noted that the Levelling up and Regeneration Act received royal ascent on 26th October 2023 following significant delays in the progress of the Bill through Parliament. This means that the introduction of (100%) Council Tax premium on Second Homes is no-longer an option for the Council until 2025/26. It had been previously assumed that the Council would benefit from this additional funding source with effect from 2024/25; this is the reason for the small reduction in the assumed Council Tax yield compared to the Indicative MTFP produced in October 2023.

- **Business Rates (£6.975 million)** – the introduction of the Business Rates Retention (BRR) system in April 2013 was designed to incentivise local councils to grow the Business Rates base in their local area through being allowed to retain (subject to a Government levy) a share of the additional income raised above a pre-determined Business Rates Baseline (BRB). Councils were also allowed to reduce the size of the levy payable through forming local Business Rates Pools.

Although the picture has varied nationally, Colchester City Council have benefited significantly from a sustained period of growth in its Business Rates base since BRR was introduced, with the additional funding received further boosted through membership of the Essex Business Rates Pool.

The BRR system is highly complex, and the Council has – for many years – protected itself from volatility in the system through the operation of a Business Rates Reserve, which allows the prudent release of consistent (steadily growing) funding levels from the system to support the annual budget. It is in that context that a technical assessment of the current position and prospects for the Council's funding from the BRR system has been completed in preparing these draft budget proposals. The outcome of that review concludes that there is an opportunity to release some funding from the Reserve to support the Council's wider MTFP and Corporate Plan objectives. It is also possible to assume a further £300,000 to support the base budget for 2024/25 (thus increasing the overall BRR yield assumption from £6.675 million included in the Indicative MTFP in October 2023, to £6.975 million).

Members should note that the Government has indicated from the outset of the BRR system that they intend to periodically reset BRBs (which would remove the growth element from overall BRR yield). It is estimated that, ceteris paribus, and in the absence of any form of transitional support, the total BRR yield for Colchester would reduce to circa £5.7 million (i.e., a fall approaching £1.3 million compared to the 2024/25 budget proposals). It is therefore prudent at this stage not to excessively increase the budget assumption for Business Rates to avoid a sharp reduction in future funding. However, there is currently no indication as to the Government's precise intentions regarding any future reset; the earliest that it could happen would be 2025/26 and, even if it happened without any transitional support (the 'worst case scenario'), the Council has sufficient funds within the Business Rates Reserve to ensure a smooth transition to a new (lower) baseline.

- **Collection Fund Adjustments (£0.584 million)** – forecasting the size of Collection Fund adjustments can be a complex exercise. A (relatively cautious) 'neutral' assumption for 2024/25 was therefore made in preparing the Indicative MTF in October 2023. Since then, Finance officers have completed detailed assessments for both the Council Tax and Business Rates elements of the Collection Fund. Both the Council Tax and the Business Rates elements of the Collection Fund are now expected to be in surplus by 31st March 2024, which releases additional funding for distribution from the Collection Fund in 2024/25 of £583,815 in 2024/25 (comprising Council Tax of £14,545 and Business Rates £569,270). Members should note the encouraging news on the Business Rates element of the Collection Fund, which has shown a particularly strong recovery following the pandemic.
- **Council Tax Sharing Agreement (CTSA) (£0.350 million)** – the Council has benefited from the Essex Council Tax Sharing Agreement (CTSA) for several years now. The CTSA scheme incentivises and rewards billing authorities for increasing Council Tax collection rates (from which all major precepting authorities benefit); this takes the form of an adjustment (a reduction) to the precepts paid to the major preceptors (County, Police and Fire) based on collection rate performance, with the proceeds available to support the Colchester budget. The size of the adjustment is calculated in accordance with a 'graduated percentage rate' (higher performance attracts a higher percentage "share back"). In 2023/24, based on forecasts prior to the start of the financial year, Colchester City Council were expected to receive £731,581 from CTSA driven by a 9% share back rate. However, Council Tax collection rates to date are slightly lower in 2023/24 compared to the same stage in 2022/23; the Quarter 3 (31st December 2023) forecast is now predicting that the Council will receive £312,835 driven by a (reduced) share back rate of 6%. On that basis, it is prudent to reduce the funding expectation for 2024/25 to £350,000. If collection rates improve in 2024/25 (as part of an economic recovery possibly), an in-year funding surplus could emerge, and the opportunity could also be taken to raise budget expectations for 2025/26.

- **Revenue Support Grant (RSG) (£0.218 million)** – the *Provisional* Local Government Settlement for 2024/25 (announced 18th December 2023) included an RSG allocation of £217,978 (compared to £204,437). This was very close to an assumed RSG allocation of £211,000 included in the Indicative MTFP produced in October 2023.
- **New Homes Bonus (NHB) (£0.634 million)** – the Council received an NHB allocation of £575,621 in 2023/24. Based on emerging intelligence received in August 2023, an allocation of £600,000 was assumed within the October 2023 Indicative MTFP for 2024/25. The *Provisional* Local Government Settlement for 2024/25 (announced 18th December 2023) included an allocation of £634,031, thus marginally exceeding expectations.
- **Funding Guarantee Allocation (FGA) (£1.940 million)** – the *Provisional* Local Government Settlement for 2024/25 (announced 18th December 2023) included an FGA allocation of £1,940,455, representing an increase of £255,422 compared to the Council’s allocation of £1,685,033 in 2023/24. Despite the increase, this was slightly lower (by £159,545) than the assumption of £2,100,000 included in the Indicative MTFP in October 2023. However, the FGA is in substance the ‘balancing figure’ (in the wider Settlement) so is subject to fluctuation if other elements of the Settlement change. Most notably in this instance, a September 2023 CPI (6.7%) award within the Business Rates Retention (BRR) system, thus offsetting any reduction in FGA.
- **Contribution to/(from) Reserves (£0.153 million)** – a planned net contribution of £153,000 to Reserves also forms part of these General Fund budget proposals as presented in the table below.

<b>Draft Planned Contributions (from)/to General Fund Reserves 2024/25</b>	
<b>Description</b>	<b>Value (£000's)</b>
General Fund Reserve	335
NEPP Reserve	18
Flexible Homelessness Prevention Grant	(200)
<b>Net Contribution to/(from) Reserves</b>	<b>153</b>

**EMBEDDED SAVINGS PROPOSALS**

- 2.7 As described in Paragraph 1.9 and presented in the table in Paragraph 2.1 above, as of the end of November 2023, a budget gap of £2.369 million had to be eliminated in order to balance the budget for 2024/25. In completing that task, the final stages of the draft budget development process undertaken by Finance officers identified a wide range of miscellaneous – mainly small – adjustments (both positive and negative), which were supplemented by two major blocks of Savings Proposals; the “Fit for the Future” Programme and additional Staff Savings proposals. The achievement of the full budget gap is summarised in the table below.

Savings/Budget Adjustments (Description)	Impact on 2024/25 Budget
	£000's
Transformation Programme “Fit for the Future”	(1,844)
Staff Savings	(479)
Other Net Expenditure Adjustments	39
Funding Adjustments	(85)
<b>Total</b>	<b>(2,369)</b>

- 2.8 Other Net Expenditure and Funding Adjustments are described in Paragraphs 2.4 to 2.6 above.

**Transformation Savings (“Fit for the Future”) (2024/25 to 2026/27)**

- 2.9 The financial challenge facing local government has grown since the Covid Pandemic, with multiple financial shocks hitting the sector, including a recent steep rise in inflation, and borrowing costs. This has pushed several councils towards the point of issuing “Section 114” notices (an inability to balance the budget). Colchester City Council is not in this position, having prudently managed its finances over many years, but nevertheless, it has still found itself needing to identify substantial savings over the past two years in order to balance the books.
- 2.10 Annual exercises of identifying additional income, efficiencies and, if all else fails, budget cuts, are unsustainable and lead to reactionary as opposed to strategic decision making. Facing further financial challenges, as laid out in the MTF, the Council is embarking on a strategic programme of review, entitled “Fit for the Future” with the objective of delivering a council with a net operating cost of only three-quarters of what it would have been without this action.
- 2.11 The aim of this programme is to deliver a leaner, fitter organisation, offering improved services to residents, but which operates sensibly within the projected financial resources available to it, avoiding the need for repeated annual cuts exercises.

2.12 The projected financial benefits from the “Fit for the Future” Programme are included in the draft 2024/25 Budget and MTFP proposals (*in Appendix C*), but a more expansive explanation of the Programme will be presented to Cabinet in March 2024. The overall Programme is expected to deliver total savings of £4.772 million over three years (2024/25 to 2026/27). The 2024/25 elements of the Programme total £1.844 million and are summarised in the table below.

<b>“Fit for the Future” Savings Programme (2024/25)</b>		
<b>Service Area</b>	<b>Description</b>	<b>Budget Impact (2024/25)</b>
		<b>£000’s</b>
Waste Services	Garden Waste Chargeable Service	955
Waste Service	Business Waste Service Expansion	100
Greening & Street Care	Service Options Appraisal	100
Culture & Heritage	Museums Delivery Model Review	120
Culture & Heritage	Hollytree Admission Charging	100
Active & Wellbeing	Gladstone	20
Active & Wellbeing	Digi Ticket	6
Assets	Corporate Landlord Model	300
Corporate	Channel Experience with Contact Centre (Digital Customer)	100
Corporate	Building Control (Shared Services)	43
<b>Total</b>		<b>1,844</b>

**Salary Savings (2024/25)**

- 2.13 The Council had extended pay negotiations during 2023/24 as the pay offer made by the Council, in accordance with the budgetary provision included in the 2023/24 Budget, was rejected by UNISON. The provision made in the Budget for 2023/24 was consistent with the Government’s projection for falling inflation, but inflation proved stubborn and stayed higher than forecast. Ultimately, agreement was reached at level which mirrored the National Joint Council (NJC) pay offer of a flat £1,925 per employee.
- 2.14 The agreed offer exceeded the provision made for pay in the 2023/24 budget by £600,000 and therefore resulted in an overspend in the current year and represents a continuing financial strain in every subsequent budget year.
- 2.15 Recognising that funding is finite and therefore the cost of the higher settlement must be accommodated within the overall pay envelope contained within the Budget, options have been developed to reduce the overall pay bill of the Council. Ultimately, this means a reduction in the number of posts employed by the Council, with fewer staff being paid more to balance the equation.



- 2.16 The list of savings proposed as part of this Budget package are included in the ***Confidential Appendix D***, recognising the sensitive nature of the proposals and the need to properly consult before the savings are implemented. It should also be noted these will be in addition to salary savings that arise from the Fit for the Future Programme.

**SUBJECTIVE ANALYSIS**

- 2.17 A summary of the draft General Fund budget analysed by Subjective Heading (and Service Heading) can be found at **Annex 1**.

**COST CENTRE SUMMARY**

- 2.18 A detailed summary of the draft General Fund budget analysed by Cost Centre can be found at **Annex 2**.

### 3. Proposed Housing Revenue Account (HRA) Budget 2024/25

- 3.1 The proposed HRA revenue budget for 2024/25 – including a comparison with the Original Budget for 2023/24 – is summarised in the table below. A balanced budget is proposed after adjustments for Contributions to Capital of £2.459 million.

<b>2024/25 HRA Draft Revenue Budget: subjective analysis</b>			
<b>Description</b>	<b>Final Budget 2023/24</b>	<b>Movement</b>	<b>Draft Budget 2024/25</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b><i>INCOME</i></b>			
Dwelling Rents (Gross)	(30,131)	(2,449)	(32,580)
Non-Dwelling Rents (Gross)	(1,189)	(36)	(1,225)
Charges for Services and Facilities	(3,283)	23	(3,260)
Other Contributions	(65)	(5)	(70)
<b>Total Income</b>	<b>(34,668)</b>	<b>(2,467)</b>	<b>(37,135)</b>
<b><i>EXPENDITURE</i></b>			
Repairs and Maintenance	6,521	1,402	7,923
CBH Management Fee	4,872	149	5,021
Supervision and Management	7,691	(104)	7,587
Rents, Rates and Other Charges	190	7	197
Provision for Bad Debts	250	0	250
Interest Payable	6,045	2,288	8,333
Depreciation and Impairments	6,000	0	6,000
Debt Management Costs	58	6	64
<b>Total Expenditure</b>	<b>31,627</b>	<b>3,748</b>	<b>35,375</b>
<b>Net Cost of Service</b>	<b>(3,041)</b>	<b>1,281</b>	<b>(1,760)</b>
HRA Investment Income	(263)	(436)	(699)
<b>Net Operating Income</b>	<b>(3,304)</b>	<b>845</b>	<b>(2,459)</b>
<b><i>Appropriations:</i></b>			
Contributions to Capital	3,304	(845)	2,459
<b>Total Appropriations</b>	<b>3,304</b>	<b>(845)</b>	<b>2,459</b>
<b>In Year (Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 3.2 The HRA budget for 2024/25 has been prepared using – where appropriate – a set of assumptions that are consistent with those applied to the General Fund, including an assumed Pay Award of 3.0%. Bespoke assumptions include an interest rate of 4.6% on new HRA borrowing (reflecting the discounted PWLB rates available to the HRA) and inflationary increases on building costs as stipulated in individual repairs and maintenance contracts.
- 3.3 The overall revenue position shows an anticipated reduction in Net Operating Income from £3.304 million in 2023/24 to £2.459 million in 2024/25 (down £0.845 million). The most notable factors behind the reduction are as follows:
- **Total Income - £37.135 million (up £2.467 million)** – an increased income assumption for 2024/25 is primarily driven by a proposed Rent Increase of 7.7% (September 2023 CPI of 6.7% + 1.0%) in accordance with the extant Legal Rent Standard (April 2020); combined with movements in the Housing Stock, it is anticipated that the Gross Rent yield will rise by £2.449 million to £32.580 million. Members of course have the option of choosing a lower rent increase. Non-Dwelling rents are increased in line with agreed increases in Fees and Charges (with the budget adjusted for voids), whereas Tenant and Leaseholder Service Charges are determined on a full cost recovery basis.
  - **Total Expenditure - £35.375 million (up £3.748 million)** – the anticipated increase in income in 2024/25 is expected to be outweighed by a substantial increase in expenditure. There are two dominant items as follows:
    - **Repairs & Maintenance - £7.923 million (up £1.402 million)** – an increase is expected in Repairs & Maintenance costs (up 21.5%) in 2024/25. Most notably there is an anticipated increase of £0.491 million on Responsive Repairs (driven by inflation, and increased health and safety related requirements such as works to alleviate damp and mould), Decorating £0.385 million, Servicing Contracts (including Gas) £0.245 million, and Fencing £0.171 million; and
    - **Interest Payable - £8.333 million (up £2.288 million)** – a major increase in Interest Payable (up 37.8%) is expected, reflecting the new borrowing required to fund the 2024/25 HRA Capital Programme (including anticipated rolled-forward schemes from 2023/24). Interest rate assumptions are also substantially higher than they were in developing the 2023/24 budget.
  - **HRA Investment Income – £0.699 million (up £0.436 million)** – increased income from Investments (up 165.8%) is also expected, reflecting the additional interest earned on HRA Reserves and Balances due to much higher interest rates.

**COLCHESTER BOROUGH HOMES MANAGEMENT FEE**

- 3.4 Members attention is drawn to an assumed overall Management Fee payable to Colchester Borough Homes (CBH) of £13.424 million in 2024/25. This includes £10,427,700 payable through the HRA above (£5,406,800 in Repairs and Maintenance, including Management Fees + the general CBH Management Fee of £5,020,900). The table below summarises the overall Management Fee proposed by CBH and is recommended for Cabinet approval.

<b>Colchester Borough Homes (CBH) draft Management Fee 2024/25</b>	
<b>Description</b>	<b>Value</b>
	<b>£'s</b>
<b><i>Housing Revenue Account (HRA) - Revenue</i></b>	
CBH Management costs	5,020,900
R&M Management Fee	736,000
R&M Works	4,670,800
<b>Sub-Total</b>	<b>10,427,700</b>
<b><i>Housing Revenue Account (HRA) – Capital</i></b>	
Capital Fee	1,990,000
<b>Sub-Total</b>	<b>1,990,000</b>
<b><i>General Fund</i></b>	
Professional Support Unit	137,000
Housing Options Team	763,500
Housing Systems Team	106,000
<b>Sub-Total</b>	<b>1,006,500</b>
<b>Total CBH Management Fee 2024/25 (Draft)</b>	<b>13,424,200</b>

**HRA COST CENTRE SUMMARY**

- 3.5 A detailed summary of the draft HRA budget for 2024/25 – analysed by cost centre – can be found at **Annex 3**.

## Draft General Fund Budget 2024/25: Subjective Analysis

Income & Expenditure Analysis 2024-25 (@ January 2024)											
Subjective Description	C&DC	Modern City Services	Corporate Services	Enjoy Colchester	Place & Prosperity	Senior Leadership Board	Transformation & Business Improvement	Housing & Wellbeing	Other	HRA Recharges	General Fund Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Employees	0	10,612	6,481	5,832	3,172	1,918	2,038	1,043	366		31,462
Premises	0	157	1,686	2,437	2,707	0	0	4,458	0		11,445
Transport	0	2,016	23	11	57	4	3	3	0		2,117
Supplies & Services	550	890	3,299	1,562	422	286	1,552	277	628		9,466
Third Party Payments	0	1,211	4,216	112	155	0	127	1,560	0		7,381
Transfer Payments	0	0	37,501	0	0	0	0	2,500	0		40,001
Capital Financing Costs	0	0	111	0	0	0	0	0	13,066		13,177
											0
<b>Total Expenditure</b>	<b>550</b>	<b>14,886</b>	<b>53,317</b>	<b>9,954</b>	<b>6,513</b>	<b>2,208</b>	<b>3,720</b>	<b>9,841</b>	<b>14,060</b>	<b>0</b>	<b>115,049</b>
Government Grant	0	(7)	(35,161)	0	0	0	0	(1,286)	0		(36,454)
Other Grants & Contributions	0	(1,774)	(1,520)	(1,116)	(191)	0	0	(3)	0		(4,604)
Customer & Client Receipts	0	(5,447)	(9,344)	(7,986)	(5,780)	(330)	(670)	(6,375)	0		(35,932)
Income-Interest	0	0	(258)	(15)	0	0	0	0	(9,683)		(9,956)
Inter-Account Transfers	0	0	0	0	0	0	0	0	550		550
HRA/NEPP Recharges										(3,694)	(3,694)
<b>Total Income</b>	<b>0</b>	<b>(7,228)</b>	<b>(46,283)</b>	<b>(9,117)</b>	<b>(5,971)</b>	<b>(330)</b>	<b>(670)</b>	<b>(7,664)</b>	<b>(9,133)</b>	<b>(3,694)</b>	<b>(90,090)</b>
<b>Net Cost Of Services</b>	<b>550</b>	<b>7,658</b>	<b>7,034</b>	<b>837</b>	<b>542</b>	<b>1,878</b>	<b>3,050</b>	<b>2,177</b>	<b>4,927</b>	<b>(3,694)</b>	<b>24,959</b>

Annex 2**Draft General Fund Budget 2024/25: Cost Centre Summary**

<i>Service: Corporate &amp; Democratic Core</i>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Draft)
		£'s	£'s
3544	C D C-DEMOCRATIC REP & MANGMNT	24,500	28,400
3545	C D C-CORPORATE MANAGEMENT	-57,300	521,400
		<b>-32,800</b>	<b>549,800</b>

<i>Service: Modern City Services</i>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Draft)
		£'s	£'s
2660	LICENSING	-293,100	-315,000
2671	Waste Collections	3,327,600	4,510,100
2672	Trade Collections	-317,100	-421,300
2677	Void Clearance	-41,500	65,200
2680	BRING - GLASS & CANS	-9,900	-2,200
2694	Garden Waste	0	-1,429,000
2719	North and South Zones	1,211,900	1,217,900
2728	Sweepers	236,300	193,500
2732	Town Centre Zone	724,200	835,900
2740	Neighbourhood Services Mngmt	-71,700	-3,800
2747	Business Improvement Team	469,900	504,700
2870	Safety & Protection Mgr (exEH)	13,600	95,200
2871	Environmental Control Team	311,500	321,700
2872	Anti-Social Behaviour Team	7,500	0
2874	PSH Enforcement	308,000	331,100
2876	Food & Safety Team	255,300	260,000
2877	Healthy Homes	68,300	73,200
3503	COMMUNITY SAFETY	66,300	93,000
3504	Community Safety Partnership	3,300	3,300
3510	Safer Streets (ex DARG)	0	-5,000
3535	Safeguarding	30,100	24,600
4650	Animal Control	15,400	22,000
4690	Market & Street Trading	-1,600	500
4820	Building Control	-99,700	-14,700
5565	Bus Interchange Facility	7,500	9,100
5852	FLEET MANAGEMENT	1,024,200	1,098,400
5882	DEPOT	213,900	190,100
		<b>7,460,200</b>	<b>7,658,500</b>

## Appendix A

<i>Service: Corporate Services</i>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Draft)
		£'s	£'s
2533	Street Lighting	48,800	40,300
2534	Engineering Services	62,600	115,300
2665	Watercourses / Drainage	3,000	3,000
2799	Travel Plan	-36,800	-37,800
2886	Purchasing & Control	264,200	296,300
2889	HR Service Centre PSU	284,600	331,100
3530	EMERGENCY PLANNING	30,400	39,700
3546	Health and Safety Officer	69,900	73,400
3603	Central Training	6,000	24,900
3606	Strategic People& Perfmnce Mgr	68,400	128,000
3607	UNISON REPRESENTATIVE	11,500	11,800
3609	Human Resources	190,300	204,400
3610	ELECTIONS	330,100	240,000
3611	ELECTORAL REGISTRATION	64,600	55,100
3620	CIVIC FUND	92,900	107,700
3622	Members Allowances	645,500	654,800
3642	Vending	1,300	0
3700	Director of Finance ( s151)	0	122,800
3701	Financial Management	942,500	925,900
3714	Group Manager (Bens & Support)	-3,200	0
3716	Contact & Support	1,030,700	1,040,800
3719	Group Manager Accounts & Debt	19,000	49,900
3758	Technical Services	256,300	283,400
3769	ECC Compliance Contribution	-78,200	-78,200
3770	Council Tax inc LCTS	25,800	-23,800
3771	N N D R	-82,600	-61,200
3775	Income & Corporate Debt	221,900	252,200
3778	Benefits Processing	170,600	238,800
3790	Benefits - Administration	-581,000	-421,300
3791	Benefits - Private Sector	-273,100	-481,000
3793	Benefits - Non HRA Rebate	85,600	45,100
3794	Benefits - Rent Rebates	-111,500	137,200
3800	Members & Staff Car Parks	7,100	26,600
3805	Other Civic Offices	-36,200	13,900
3809	Town Hall	329,800	301,600
3811	Rowan House	306,700	254,500
3814	Corp. Repairs & Maintenance	751,400	834,500
3820	Cleaning Contract	0	210,000
3830	Estates Management Holding a/c	0	419,900
3840	COMML LETTS AGRIC ESTATES	-16,100	-13,900
3841	COMML LETTS IND. ESTATES	-834,400	-851,000
3842	COMML LETTS OTHER PROPERTIES	-1,403,500	-1,147,100
3843	FINANCE LEASE INCOME (COMML)	-258,300	-258,300
3844	Northern G'way Leisure Park	0	-457,100
3851	SERVICE LETTS IND. ESTATES	-3,200	-2,800
3852	SERVICE LETTS OTHER PROPERTIES	-92,200	-249,900
3860	SURPLUS/REDEV. AGRIC. ESTATES	-23,200	-25,900
3862	SURPLUS/REDEV. OTHER PROPERTIES	-360,200	-393,400
3870	Digital Broadband	-100,000	-50,000
3949	Corporate Governance	81,200	82,900
3950	INSURANCE MANAGEMENT	1,052,500	1,348,800
3951	DEBT MANAGEMENT	10,500	11,300
3954	Internal Audit	98,700	102,500
5820	Cleaning	318,500	0
6612	Central Stationery	3,000	3,000
6620	MESSENGER & POST ROOM	34,800	43,200
6622	Hallkeepers	87,900	170,800
6640	ELECTORAL SERVICES	164,100	179,600
6700	COMMITTEE SERVICES	261,700	277,700
6705	Strategic Governance Manager	64,200	80,900
6706	Procurement	124,000	143,600
6720	LEGAL SERVICES	198,200	228,400
6790	RIF Revenue	0	1,200
7071	Corporate Facilities	119,800	126,500
7421	Commercial Client	1,447,100	1,303,000
		<b>6,094,000</b>	<b>7,033,600</b>

## Appendix A

<i>Service: Enjoy Colchester</i>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Draft)
		£'s	£'s
1561	HERITAGE & CONSERVATION	58,200	57,600
1566	Firstsite (ex CADVAT)	112,000	112,000
1568	MERCURY THEATRE	170,900	170,900
1571	COLCHESTER ARTS CENTRE	48,200	48,200
1573	VISITOR INFORMATION CENTRE	177,500	192,800
2821	Tour of Britain/Tour Series	27,000	27,000
4710	Administration (Ex Holding)	-934,500	-1,017,100
4712	Colchester Museums Income	-560,500	-803,600
4724	Heckworth Close (Storage)	86,800	99,100
4728	MARKETING	65,100	65,100
4729	Museum Activities - Colchester	-25,500	-24,500
4732	CASTLE MUSEUM	130,500	156,000
4733	HOLLYTREES MUSEUM	35,000	24,100
4734	NATURAL HISTORY MUSEUM	8,900	5,300
4737	Colchester Front of House	463,300	502,800
4739	Museum Activites - Ipswich	-1,900	-400
4742	BM Portable Antiquities	15,700	20,000
4765	Exhibitions (ex-Display)	97,700	142,000
4774	Ipswich Front of House	498,300	562,100
4787	Ipswich Collections Storage	10,000	10,000
4900	CIMS Manager	90,700	103,100
4901	Colchester Museums Mangt	60,300	62,400
4902	Ipswich Museums Mangt	55,300	59,300
4908	COL Collect & Lrning Curation	187,100	205,200
4909	IP Collect & Learning Curation	250,700	251,500
4910	Commercial & Business Manager	31,500	33,100
4911	Retail	-23,400	-22,100
4959	Fundraising	0	6,500
5712	Tiptree Sports Centre	55,700	-9,200
5713	Highwoods Sports Centre	34,300	3,400
5725	CLEANING	265,700	291,800
5726	FITNESS CENTRE	18,300	0
5727	WET SIDE COURSES	-390,100	-452,600
5729	BUILDING & PLANT MAINTENANCE	1,914,900	1,438,400
5730	CATERING	-18,200	0
5731	DRY SIDE ACTIVITIES	-176,800	-179,500
5732	AQUA SPRINGS	-359,600	-389,800
5733	Pools	-747,800	-915,900
5739	Welcome Zone (ex Admin)	288,800	291,800
5740	CLW Management	560,700	560,100
5742	Lifestyles	-1,655,200	-1,290,500
5743	LEAP	24,100	33,200
5745	AEROBICS	97,500	97,200
5747	BEAUTY THERAPY	-70,600	-31,300
5750	West End Tennis Centre	-69,500	-21,600
5752	Leisure World Car Park	-115,800	-125,900
5753	CLW Business Development	24,200	29,700
5760	LWN - Operations	640,800	510,200
5761	LWN - Indoor Sports	22,600	31,000
5762	LWN - Outdoor Sports	-121,700	-116,100
5763	LWN - Coffee Shop	52,800	34,700
		<b>1,410,000</b>	<b>837,500</b>



## Appendix A

<b>Service: Place &amp; Prosperity</b>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Draft)
		£'s	£'s
1511	Greening Management	359,700	410,900
1515	ALLOTMENTS	-14,200	-13,100
1521	COUNTRYSIDE MANAGEMENT	215,200	244,100
1522	High Woods Country Park	17,800	1,300
1525	CLOSED CHURCHYARDS	11,700	11,500
1530	CASTLE PARK	468,000	460,800
1531	COMMUNITY LANDSCAPES	522,400	443,400
1534	Tree Maintenance	150,600	160,300
1535	PLAYGROUNDS	137,800	141,000
1540	SPORTS & PLAYING FIELDS	357,600	434,600
1545	MERSEA ISLAND	-131,700	-134,700
1546	RIVER COLNE	132,700	167,600
2521	Energy Manager	54,100	56,200
2525	Head of Sustainability	0	68,100
2541	Transportation Policy	194,800	99,200
2553	Sustainability&Climate Change	0	124,900
2807	Planning,Housing&EcoGrowth Mgr	-7,100	59,500
2810	Planning Policy (was Spatial)	426,200	445,100
2866	Planning	-117,300	-152,700
3522	Colchester2020 Travel Plan	9,000	11,200
3559	Head of Economic Growth	0	80,600
3560	ECONOMIC DEVELOPMENT	239,100	186,400
5550	CBC Off-Street Car Parks	-2,609,700	-2,764,400
7461	Client and Business Manager	96,700	0
		<b>513,400</b>	<b>541,800</b>

<b>Service: Senior Leadership Board</b>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Draft)
		£'s	£'s
3507	Communications	-128,000	-88,500
3520	E M T	834,400	0
3548	Communications Team	561,200	588,300
3551	Senior Leadership Board	0	1,290,000
3718	Research and Behaviour Change	104,900	88,300
7410	Assistant Director Customers	169,100	0
7430	Assistant Director Enviroment	167,900	0
7440	Assistant Director Communities	174,400	0
7450	Asst. Director Corp&Improvement	24,500	0
7460	Asst. Director Place&Client	163,300	0
		<b>2,071,700</b>	<b>1,878,100</b>

## Appendix A

<b>Service: Transformation &amp; Business Improvement</b>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Draft)
2881	Civica and Northgate support	174,000	158,400
3509	Strategic Change Team	60,800	175,500
3709	Strategic ICT Mgr	36,500	45,300
3711	Corporate I C T	1,330,200	1,487,200
3953	Computer Holding Account	996,800	1,185,300
3960	TELEPHONES HOLDING ACCOUNT	36,600	101,300
6632	Printers and Scanners	16,900	19,800
6710	LAND CHARGES	-151,900	-122,400
		<b>2,499,900</b>	<b>3,050,400</b>

<b>Service: Housing &amp; Wellbeing</b>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Draft)
		<b>£'s</b>	<b>£'s</b>
1550	Cemetery	-27,300	24,700
1551	Crematorium	-861,600	-681,100
1552	Assisted Funerals	24,000	21,000
1719	Head of Strategic Housing	0	-114,500
1727	Housing Strategy	202,600	215,900
1781	Community Initiatives	214,400	241,200
1783	Community Locality Grants	102,000	102,000
1786	Wellbeing & Prevention Mgr	28,300	78,100
2873	Public Health	600	600
3536	Equality & Diversity	5,600	6,200
3768	The Community Hub	315,800	288,500
4538	G.FUND TEMP ACCOMM PROPERTIES	-86,000	-86,000
4543	Homelessness Initiatives	533,500	1,258,300
4547	Hsg System Business Imprvmts	99,000	106,000
4548	Housing Options PSU (CBH)	133,200	137,000
4549	Housing Options Team (GF)	663,200	578,900
		<b>1,347,300</b>	<b>2,176,800</b>

<b>Service: Other (Technical &amp; Corporate Items)</b>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Draft)
		<b>£'s</b>	<b>£'s</b>
3570	Non Distributed Costs	1,201,900	365,500
3920	C.L.I.A.	1,126,300	497,300
3921	M.R.P.	2,753,100	2,885,100
3923	Corporate Items	1,419,200	628,200
3923	Contribution to Building Mtce Plan	300,000	300,000
3930	Contribution to RIF Reserve	250,000	250,000
		<b>7,050,500</b>	<b>4,926,100</b>

Annex 3**Draft Housing Revenue Account (HRA) Budget 2024/25: Cost Centre Summary**

<i>Housing Revenue Account</i>			
Cost Centre Ref.	Description	Budgeted Net Expenditure	
		2023/24 (Final)	2024/25 (Draft)
		£'s	£'s
1904	H.R.A. (DELEG) PLAN/CYC MAINT.	298,600	403,800
1905	H.R.A PLANNED REPAIRS	118,400	134,900
1906	H.R.A. PLANNED/CYCLICAL MAINT.	1,359,400	1,899,300
1915	Housing Options Team (HRA)	25,400	29,900
1920	H.R.A GENERAL MANAGEMENT	8,246,900	8,457,500
1922	H.R.A GREENSTEAD CENTRE	27,500	27,200
1929	H.R.A I C T	632,700	813,200
1930	H.R.A SPECIAL MANGEMENT	397,900	437,300
1942	Contracts & Standards	287,400	293,500
1950	H.R.A-Income	-33,819,800	-36,279,900
1960	H.R.A-CAPITAL FINANCING	15,144,000	16,157,300
1980	H.R.A Leasehold Charges	-428,800	-428,800
4552	H.R.A HOMELESS PERSONS UNITS	42,100	55,400
5609	Community Initiatives	46,100	46,200
5610	H.R.A Delgt- Special Managt	322,800	323,400
5611	H.R.A Delgt - General Managt	69,500	81,800
5616	H.R.A PUMPING STATIONS	138,900	149,000
5617	H.R.A Delgt- Grounds Mtce	780,500	679,600
5641	H.R.A RESPONSE REPAIRS	4,645,100	5,417,500
5940	H.R.A SHELTERED GENERAL	1,541,400	1,125,600
5960	H.R.A SHELTERED - GROUNDS MTCE	124,000	176,300
		-	-



## Draft Budget Proposals 2024/25

### GENERAL FUND & HRA CAPITAL 2024/25 to 2028/29

#### 1. Background and Introduction

- 1.1 The Capital Programme plays a vital part in the delivery of the Council's Corporate Plan since long-term investment is required to deliver many of the objectives in the Plan.
- 1.2 In approving additions of £6.198 million on 18th October 2023, the Council's updated General Fund Capital Programme, comprised total capital investment of £118.922 million over the four-year period 2023/24 to 2026/27.
- 1.3 The five-year Housing Revenue Account (HRA) Capital Programme for 2023/24 to 2027/28 was approved by Cabinet on 25th January 2023, comprising total capital investment of £191.403 million. The delivery of the HRA Programme is shared with Colchester Borough Homes (CBH) under hybrid arrangements covering "Decent Homes", and the acquisition and building of Council homes.
- 1.4 Acting on the strategic direction provided by Cabinet, officers have subsequently refined existing capital commitments (both General Fund and HRA), ensuring that they remain focused around the Council's Strategic Plan objectives, are sufficient and aligned with the Council's wider financial strategy, and at the same time, maintain an appropriate balance with affordability given the difficult revenue budget position (the long-term financial sustainability of the Council being an overriding consideration throughout).
- 1.5 As with the development of the Revenue budget (**Appendix A** above), engagement has been a key priority in developing the Council's Capital proposals, with the Scrutiny Panel tasked with scrutinising the draft Capital budgets on 23rd January 2024.
- 1.6 Now that the detailed budget development work has been completed, this report allows Cabinet to consider final capital investment proposals for 2024/25 to 2028/29 – for both the General Fund and HRA – as set out in the report, whilst taking into consideration the comments of the Scrutiny Panel held on 23rd January 2024.

## 2. General Fund Capital Investment 2024/25 to 2028/29

2.1 Despite a challenging financial landscape, the continued delivery of the Council's strategic objectives is contingent on carefully targeted capital investment, especially in major schemes such as the Colchester Northern Gateway. It is also prudent for the Council to maintain sufficient and consistent investment in its asset base. The five-year Capital Investment proposals therefore include targeted growth of £28.950 million over the period 2024/25 to 2028/29 on both 'One-Off' Schemes and Rolling Investment.

### **'One-Off' Capital Investment (£13.142 million)**

2.2 The capital investment proposals for one-off capital schemes are summarised in the table below.

<b>General Fund: New Capital Investment 2024/25 to 2028/29 (DRAFT) One-Off Schemes</b>						
<b>Description</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>Totals</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
CNG Enabling Infrastructure	7,700	0	0	0	0	<b>7,700</b>
Kingswood Community Centre*	207	1,000	0	0	0	<b>1,207</b>
Fieldgate Quay Phase 2	1,500	0	0	0	0	<b>1,500</b>
Car Parks	425	160	0	0	0	<b>585</b>
Moot Hall	1,000	0	0	0	0	<b>1,000</b>
Castle	400	0	0	0	0	<b>400</b>
Natural History Museum (match funding)	200	300	0	0	0	<b>500</b>
"The Big Switch Off" (ICT)	250	0	0	0	0	<b>250</b>
<b>Totals</b>	<b>11,682</b>	<b>1,460</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,142</b>

\*Kingswood Community Centre – 100% Section 106 funded

2.3 The one-off capital investment proposals in the table above can be summarised as follows:

- **CNG Enabling Infrastructure (£7.700 million)** – the capital investment is required to deliver improvements to the A12 junction as required by the planning permission on the wider Colchester Northern Gateway (CNG) site. The completed works will unlock the further development of CNG, which is a key gateway site to the City of Colchester and will deliver on some of the Council's key priorities in the Strategic Plan. It is also a key employment site in the Local Plan.

- **Kingswood Community Centre (£1.207 million)** – the Kingswood scheme is to be funded from Section 106 money. It will deliver a community facility (on the old “Severalls” site), which will serve the growing local community.
- **Fieldgate Quay (Phase 2) (£1.500 million)** – Phase 2 of this project in the Hythe area of the City, links to Phase 1; this entailed the repair of a 15-metre-long section of failed Sheet Piling, which has created a Health & Safety hazard and led to the closure of the public footpath.

The Sheet Piling for the remainder of the Quay is also failing and in danger of collapse within the next 12 months. As a former industrial site, it is also the Council’s ambition to re-naturalise as much of the area as possible, create a more environmentally friendly site, and improve the public footpath. Therefore, the proposal is to remove the failing Sheet Piles, grade the Bank back to a more natural slope and route the footpath along the top to create a pleasing section of the riverbank.

- **Car Parks (£0.585 million)** – the proposed capital investment in Car Parks is required to undertake the first phase of structural works at the St Marys and St Johns multi-storey car parks. This supports the Colchester City Centre Masterplan and the emerging Car Park Strategy for the next 10 years. Waterproofing works is the priority.
- **Moot Hall (£1.000 million)** – it is proposed to earmark capital investment for remedial works required to the Moot Hall, which is an important part of the Town Hall. The Hall is currently closed for health and safety reasons, pending suitable repairs to the ceiling (especially). When fully operational, the Hall generates a significant income stream (in the region of £200,000 annually) for the Council from public rentals (e.g., Weddings and other Social Events).
- **Castle (£0.400 million)** – the Castle allocation relates to emergency works required to ensure public safety following issues with water ingress in the North-West Tower; the Museum service will fundraise for the long-term works required to stabilise and conserve the building to minimise the cost to the Council.
- **Natural History Museum (match funding) (£0.500 million)** – the Museums service is planning to apply for round one support from the National Lottery Heritage Fund (NLHF) in May 2024. It is an NLHF requirement that successful applicants will have significant match funding in place ahead of that process; and
- **“The Big Switch Off” (ICT) (£0.250 million)** – the UK telephony network is shifting from analogue to digital, which requires councils to review and upgrade analogue connections and devices in use within their organisations and communities (e.g., telecare systems, lift alarms, monitoring devices, etc.) to ensure they will continue to function following the switchover.

**Rolling Capital Investment (£15.808 million)**

- 2.4 Maintaining effective Council operations and the successful delivery of corporate priorities is dependent on ongoing/rolling capital investment in key areas such as ICT and Property. It is therefore proposed to strengthen the alignment between the Council's MTFF (Revenue) and the General Fund Capital Programme in providing significant and stable (or 'rolling') investment in selected areas as summarised in the table below.

<b>General Fund: New Capital Investment 2024/25 to 2028/29 (DRAFT) Rolling Investment</b>						
<b>Description</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>Totals</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
ICT Strategy	1,000	1,000	1,000	1,000	1,000	<b>5,000</b>
Asset Management Strategy	1,000	1,000	1,000	1,000	1,000	<b>5,000</b>
Disabled Facilities Grants*	0	1,452	1,452	1,452	1,452	<b>5,808</b>
<b>Totals</b>	<b>2,000</b>	<b>3,452</b>	<b>3,452</b>	<b>3,452</b>	<b>3,452</b>	<b>15,808</b>

\*Disabled Facilities Grants – 100% Government Grant funded

- 2.5 The rolling capital investment proposals in the table above can be summarised as follows:

- **ICT Strategy (£5.000 million)** – an annual capital investment commitment of £1.0 million is proposed to support the Council's emerging ICT Strategy. This will enable ongoing targeted investment in digital, data and technology to enable the Council to adapt quickly to technological advancements, which will enhance efficiency, foster innovation, and meet customer needs and expectations in a 'digital age.'
- **Asset Management Strategy (£5.000 million)** – an annual capital investment commitment of £1.0 million is proposed to support the Council's emerging Asset Management Strategy. This will enable ongoing targeted investment in existing property assets that support service delivery and our staff, contribute to new projects that enhance income generation opportunities and reduce risk in relation to health and safety and legislative compliance; and
- **Disabled Facilities Grants (£7.260 million)** – the Council has – for many years – delivered the Disabled Facilities Grant (DFG) Programme. DFGs, which are 100% funded by a General Fund capital grant paid by the Government, contribute to the cost of home adaptations for eligible disabled people (regardless of age or housing tenure) to assist them to continue living safely and independently. The additional capital investment included now extends to the full five years of the General Fund Capital Programme.



### 3. Capital Schemes Removed

- 3.1 Following the 2023 Capital Review, endorsed by the Audit & Governance Committee and Peer Review, and in the light of the change in economic climate and unprecedented challenges to local authority finances, a comprehensive review of the cost and deliverability of the General Fund Capital Programme has been undertaken. Consequently, some schemes are no longer deemed either deliverable in the short term, affordable, or viable so are being proposed for removal. Some may be revisited in the future following a new business case to ensure that the costs and benefits are fully understood.

<b>General Fund Capital Programme: Schemes Removed (DRAFT)</b>				
<b>Description</b>	<b>Scheme Commenced</b>	<b>Approved Budget</b>	<b>Spend to Date (31/12/23)</b>	<b>Remaining Budget</b>
		<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Loans to Council Housing Company	2022/23	26,700	0	26,700
CCHL Equity Investment	2022/23	5,800	0	5,800
CAEL Loan Facility	2022/23	1,020	0	1,020
CNG Heat Network	2019/20	6,786	436	6,350
CNG Micro Grid/Solar Farm	2023/24	5,700	2	5,698
CNG St Marks/Mill Road Rugby Club	2019/20	1,966	195	1,771
Smart Locks	2023/24	44	0	44
<b>Totals</b>		<b>48,016</b>	<b>633</b>	<b>47,383</b>

- 3.2 A review of the Colchester Northern Gateway (CNG) Programme is ongoing, brought about due to change in economic climate, cost, deliverability, and consumer needs. Whilst some new capital investment requirements have been identified, existing projects are now in question and require updated feasibility and business planning resulting in a redefined programme and approach which will continue to evolve over the next 12 to 18 months. The Heat Network, Micro Grid / Solar Farm projects included here are therefore paused, as are the delivery vehicles of CHL and CAEL, in the short term. They are therefore recommended for removal from the Capital Programme until full business cases have been agreed. Once current costs are better understood, an updated report identifying revised capital investment requirements will be brought back to Cabinet.

- 3.3 The St Marks/Mill Road scheme is within the CNG area and is also currently under review. The cost of this project has escalated and as such it has been paused for some time. Links to additional community centre provision to go alongside the development of housing on CNG, means that there is unlikely to be any progress within the MTFP period. It is therefore recommended that this scheme be removed from the current Programme.
- 3.4 However, community provision in the area will be revisited as CNG plans mature, and depending on demand, wider provision, the ability to self-sustain and developer contribution. In the meantime, it is proposed to refresh, and life extend, existing facilities in the area in addition to S106 facilities coming on stream at Kingswood and Severalls. Funding options for improvements to the existing Highwoods Community Centre are also being considered.
- 3.5 With regard to Smart Locks, a change to the financial situation of the Council has led to a review of this project. No obvious net financial saving is deliverable therefore it is proposed that this project should not proceed at this time.

**4. Proposed General Fund Capital Programme 2024/25 to 2028/29**

- The proposed General Fund Capital Programme (following adjustment for the items presented in Sections 2 and 3 above) totals £57.672 million over the five-year period 2024/25 to 2028/29 and is summarised by **service** area in the table below.

Draft General Fund Capital Programme 2024/25 to 2028/29: Service Analysis						
Service	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Economic Growth	28,736	2,035	0	0	0	30,772
Health Partnerships and Wellbeing	259	1,000	0	0	0	1,259
Museums, Culture and Tourism	1,872	300	0	0	0	2,172
Neighbourhood Services	2,083	995	115	0	0	3,194
Sustainability	2,605	160	0	0	0	2,765
ICT Transformation	1,250	1,000	1,000	1,000	1,000	5,250
Strategic Housing - General Fund	1,452	1,452	1,452	1,452	1,452	7,261
Building Maintenance	1,000	1,000	1,000	1,000	1,000	5,000
<b>Total Expenditure</b>	<b>39,258</b>	<b>7,943</b>	<b>3,567</b>	<b>3,452</b>	<b>3,452</b>	<b>57,672</b>
<b>Capital Financing:</b>						
Grants	19,842	3,357	1,452	1,452	1,452	27,555
Section 106 Contributions	3,163	1,130	0	0	0	4,293
Capital Receipts	0	0	0	0	0	0
Revenue	100	0	0	0	0	100
Borrowing	16,153	3,455	2,115	2,000	2,000	25,724
<b>Total Financing</b>	<b>39,258</b>	<b>7,943</b>	<b>3,567</b>	<b>3,452</b>	<b>3,452</b>	<b>57,672</b>

**EXPENDITURE**

- The key features of the draft General Fund Capital Programme above are as follows:
  - **Economic Growth (£30.772 million)** – this section of the Programme is all about our future City, enabling a thriving economy, a City Centre that is accessible, vibrant and enhances heritage through Town Deal projects and Levelling Up Funding. It also includes the enabling infrastructure for future improvements of the Northern Gateway area of the city.
  - **Health Partnerships and Wellbeing (£1.259 million)** – the 2024/25 Programme will focus here on two important community venues, including extensive repair of the important and much-loved Anglican Chapel in the grounds of the Cemetery and the development of a new developer funded (through S106) Community facility at Kingswood.
  - **Museums, Culture and Tourism (£2.172 million)** – as custodians to thousands of years of history, looking after our heritage buildings owned by the City Council is critically important. This element of the Programme will focus on essential repairs to Hollytrees, Natural History and the Castle Museum roof along with The Moot Hall, which is within the City's Town Hall.
  - **Neighbourhood Services (£3.194 million)** – Waste and Recycling services delivered to all 192,000 residents of the City include an array of infrastructure and vehicles that regularly need replacing or updating. This year capital investment in the fleet will include a range of vehicles including new Garden Waste vehicle, a new roadside sweeper, and a recycling HGV.
  - **Sustainability (£2.765 million)** – the Sustainability service looks after Colchester's public open spaces and recreation areas, which includes parks, countryside, woodland and car parks and quaysides. In 2024/25, there is a need to invest in repairs at Fieldgate Quay at the Hythe to reopen the footpath and ensure the safety of the Quay wall, along with essential repairs to St Marys Car Park in the City Centre and improvements and repair to the much-loved and used play area within Castle Park.
  - **ICT Transformation (£5.250 million)** – the £5.250 million ICT Transformation draft allocation primarily reflects the needs of the emerging ICT Strategy (as described above in Paragraph 2.5).
  - **General Fund Strategic Housing (7.261 million)** – this investment relates to Disabled Facilities Grants, which contribute to the cost of home adaptations for eligible disabled people to assist them to continue living safely and independently (as described above in Paragraph 2.5); and
  - **Building Maintenance (£5.000 million)** – the £5.0 million Building Maintenance draft allocation reflects the needs of the emerging Asset Management Strategy (as described above in Paragraph 2.5).

## **FINANCING**

- The assumed Capital Financing profile for the proposed General Fund Capital Programme 2024/25 to 2028/29 represents an amalgam of Grants, S106 Contributions, Revenue Contributions and Borrowing. Thus:
    - **Grants (£27.555 million)** – the assumed Grant funding in the Programme is dominated by three major areas; firstly the Levelling Up Fund (£16.025 million) supporting projects including Britannia Yard (£6.743 million) and St Botolph’s Roundabout (£7.186 million); secondly Town Deal Fund (£4.270 million) supporting numerous projects with the largest proportion relating to the Town Centre to Greenstead and University Cycle Path (£2.557 million); and finally Disabled Facilities Grants (£7.260 million).
    - **Revenue Contributions (£0.100 million)** – there is just one scheme funded from Revenue Contributions namely the Castle Park Area Replacement project. This scheme has a total budget of £0.680 million and is funded through a mixture of Revenue contributions (£0.100 million), Section 106 contributions (£0.309 million) and Borrowing (£0.271 million).
    - **Section 106 Contributions (£4.293 million)** – the two dominant projects supported by Section 106 contributions relate to St Botolph’s Roundabout (£2.524 million) and Kingswood Community Centre (£1.207 million); and
    - **Borrowing (£25.724 million)** – there are numerous schemes funded through borrowing within the Capital Programme; the most significant schemes include CNG Enabling Infrastructure (£7.70 million); the ICT strategy (£5.0 million) and finally, the Building Maintenance Programme (£5.0 million).
- 4.4 A more detailed summary of the draft Capital Programme – analysed at an individual **scheme** level (including a “Scheme History”) is included in **Annex 1**.
- 5. Proposed HRA Capital Programme 2024/25 to 2028/29**
- 5.1 The development of the draft HRA Capital Programme has been guided by the overarching principles in the Council’s adopted HRA Asset Management Strategy and, in the case of the Stock Investment Programme, the outputs from the Asset Management System, maintained and operated by Colchester Borough Homes (CBH) on behalf of the Council. Specific work programmes are accordingly recommended by CBH Board and embedded within the Programme presented below. In addition, other work streams, including the Sheltered Accommodation Review, and the New Build and Acquisitions programmes, are based upon the direct decisions of the Council.

## Appendix B

5.2 The proposed HRA Capital Programme totals £205.365 million over the five-year period 2024/25 to 2028/29 and is summarised by nature in the table below.

<b>Draft HRA Capital Programme 2024/25 to 2028/29</b>						
<b>Description</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b><i>HOUSING INVESTMENT</i></b>						
Stock Investment Programme	19,582	20,004	19,935	21,040	19,773	<b>100,334</b>
Sheltered Accommodation Review	553	2,272	3,021	1,169	5,892	<b>12,907</b>
Adaptations	830	839	855	876	884	<b>4,284</b>
<b><i>Sub-Total</i></b>	<b>20,965</b>	<b>23,115</b>	<b>23,811</b>	<b>23,085</b>	<b>26,549</b>	<b>117,525</b>
<b><i>OTHER WORKS</i></b>						
New Build	11,830	18,207	14,150	0	0	<b>44,187</b>
Acquisitions	10,800	11,016	11,236	5,094	5,196	<b>43,342</b>
ICT	60	61	62	64	64	<b>311</b>
<b><i>Sub-Total</i></b>	<b>22,690</b>	<b>29,284</b>	<b>25,448</b>	<b>5,158</b>	<b>5,260</b>	<b>87,840</b>
<b>Total Expenditure</b>	<b>43,655</b>	<b>52,399</b>	<b>49,259</b>	<b>28,243</b>	<b>31,809</b>	<b>205,365</b>
<b><i>FINANCING</i></b>						
Major Repairs Reserve	(6,000)	(6,190)	(6,447)	(6,684)	(6,818)	<b>(32,139)</b>
Revenue Contributions	(2,459)	(3,405)	(2,887)	(3,286)	(3,635)	<b>(15,672)</b>
Grants	0	(3,060)	(3,120)	0	0	<b>(6,180)</b>
RTB Receipts	(5,894)	(3,658)	(1,998)	(2,038)	(2,078)	<b>(15,666)</b>
Borrowing	(29,302)	(36,086)	(34,807)	(16,235)	(19,278)	<b>(135,708)</b>
<b>Total Financing</b>	<b>(43,655)</b>	<b>(52,399)</b>	<b>(49,259)</b>	<b>(28,243)</b>	<b>(31,809)</b>	<b>(205,365)</b>

**EXPENDITURE**

5.3 The HRA Programme presented above comprises the following:

- **Housing Investment Programme (HIP) (£117.525 million)** – capital investment in the HIP over the period 2024/25 to 2028/29 is focused in three areas as follows:
  - **Stock Investment Programme (£100.334 million)** – this includes capital investment in works to maintain, improve, and refurbish the Housing Stock and its environment. The single largest element relates to works on maintaining the ‘Decency Homes Standard the Housing Stock. Provision is also included for works on areas such as Building Safety, Structural works, Environmental and Estate Works, Asbestos, Legionella and Fire Safety.
  - **Sheltered Accommodation Review (£12.907 million)** – the Cabinet has previously agreed a Refurbishment Programme for the Council’s stock of Sheltered Housing. Completed refurbishments to include Worsnop House, Enoch House and Elfreda House. The capital allocation represents the continuation of that programme of works; and
  - **Adaptations (£4.284 million)** – the proposed allocation maintains the Adaptations budget at historic levels. Funds are utilised to adapt Dwellings to meet the special needs of Councils tenants.
- **Other Works (87.840 million)** – other capital investment priorities over the next five-years is primarily focused in two areas as follows:
  - **New Build (£44.187 million)** – the allocation reflects the funds required to deliver planned new Council housing units across the City over the next three years (with further sites yet to be confirmed in years four and five at this stage). The largest individual scheme relates to the planned delivery of 136 accommodation units as part of the “Heart of Greenstead” project. Other schemes include Military Road and Phase 3 Garage Sites; and
  - **Acquisitions (£43.342 million)** – provision has been made to acquire 100 properties at Social Rent over the five-year span of the Capital Programme; the Council is able to utilise retained ‘1-4-1 Right to Buy (RTB) receipts’ to partly fund such acquisitions at Social Rent. Provision is also included to acquire a further 60 properties at Affordable Rent.

## **FINANCING**

5.4 The assumed capital financing profile for the proposed HRA Capital Programme 2024/25 to 2028/29 represents an amalgam of Major Repairs Reserve Contributions, Revenue Contributions, Grants, “Right to Buy” (RTB) Receipts, and Borrowing. Thus:

- **Major Repairs Reserve (MRR) (£32.139 million)** – the MRR is a mandatory reserve that contains funds set aside to maintain the Housing Stock in its current form and condition. The annual contribution *into* the reserve mirrors the HRA Depreciation charge. Allocations out of the MRR are determined in accordance with the HRA Business Plan.
- **Revenue Contributions (£15.672 million)** – the Council is set to continue with substantial revenue contributions to capital; this has been a major source of financing for the HRA Capital Programme for many years and is predominantly driven by the availability of annual Net Operating Surpluses, within the framework of the HRA Business Plan (which balances long-term affordability and sustainability, including the strategy to maintain a minimum balance of £1.6 million within the HRA Reserve).
- **Grants (£6.180 million)** – the assumed Grant funding in the Capital Programme relates exclusively to funding from Homes England to support the Heart of Greenstead project.
- **“Right to Buy” (RTB) Receipts (£15.666 million)** – the HRA Business Plan assumes RTB sales of 30 properties per annum over the next five years. The proportion of RTB receipts retained by the Council (for funding replacement properties and debt redemption) is determined by formulae included in the RTB Retention Agreement between local authorities and Government, and there are strict rules regarding how the retained share can be used to fund new housing; and
- **Borrowing (£135.708 million)** – as with the General Fund, further long-term HRA borrowing is anticipated. Likewise, precise details on lenders and other details will be determined in consultation with our Treasury Management advisors (Link) nearer the time.

5.5 Members should note that the proposed five-year HRA Capital Programme presented above reflects current assumptions in the Council’s 30-Year HRA Business Plan. However, a detailed review of the Housing Revenue Account, including the assumptions contained within the 30-Year Business Plan, is scheduled for the spring/summer of 2024. Specific emphasis will be placed on the long-term deliverability and financial sustainability of the Business Plan, in the light of changing circumstances and updated intelligence on key variables such as changing housing needs, rents and interest rates. The outcome of the review, including its potential impact on the HRA Capital Programme, will be reported to Members during 2024/25; this will allow sufficient time to develop, and scrutinise, updated five-year HRA capital investment proposals for 2025/26 to 2029/30.

Annex 1

## Draft General Fund Capital Programme 2024/25 to 2028/29 Summary of Schemes

GENERAL FUND CAPITAL PROGRAMME 2024/25 to 2028/29 (DRAFT)							Scheme History		
Scheme	2024/25 Updated	2025/26 Updated	2026/27 Updated	2027/28 Proposed	2028/29 Proposed	Total MTFF 24/25 to 28/29	Total Approved Budget	Spend to Date (31 December 2023)	Remaining Budget
	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
<b>ECONOMIC GROWTH</b>									
<b>LEVELLING UP</b>									
Britannia Yard	6,742,635	0	0	0	0	6,742,635	7,692,635	0	7,692,635
Vineyard Street	1,846,115	0	0	0	0	1,846,115	2,284,397	0	2,284,397
St Botolph's Roundabout	9,700,000	0	0	0	0	9,700,000	11,800,000	0	11,800,000
Kerbless and Green Streets (combination with Town Deal Funding)	250,000	0	0	0	0	250,000	1,107,295	28,615	1,078,680
	18,538,750	0	0	0	0	18,538,750			
<b>TOWN DEAL</b>									
Jumbo	445,000	445,000	0	0	0	890,000	1,059,000	120,532	938,468
5G	198,200	35,000	0	0	0	233,200	977,414	73,014	904,400
Development work and Fees - Town Deal	205,537	205,537	0	0	0	411,074	411,074	0	411,074
Town Centre to Greenstead and University Cycle Path	1,505,787	1,314,649	0	0	0	2,820,436	3,146,369	325,933	2,820,436
Multi use community centre - Greenstead	143,223	35,000	0	0	0	178,223	6,007,704	50,398	5,957,306
	2,497,747	2,035,186	0	0	0	4,532,933			
CNG Enabling Infrastructure	7,700,000	0	0	0	0	7,700,000	(24/25 Growth)	(24/25 Growth)	(24/25 Growth)
<b>Sub Totals</b>	<b>28,736,497</b>	<b>2,035,186</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,771,683</b>			
<b>HEALTH PARTNERSHIPS AND WELLBEING</b>									
Anglian Chapel Repairs	52,000	0	0	0	0	52,000	270,000	135,722	134,278
Kingswood CC	206,781	1,000,000	0	0	0	1,206,781	(24/25 Growth)	(24/25 Growth)	(24/25 Growth)
<b>Sub Totals</b>	<b>258,781</b>	<b>1,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,258,781</b>			
<b>MUSEUMS, CULTURE AND TOURISM</b>									
Hollytrees essential repairs	272,000	0	0	0	0	272,000	500,000	0	500,000
Natural History Museum	200,000	300,000	0	0	0	500,000	(24/25 Growth)	(24/25 Growth)	(24/25 Growth)
Moot Hall	1,000,000	0	0	0	0	1,000,000	(24/25 Growth)	(24/25 Growth)	(24/25 Growth)
Colchester Castle	400,000	0	0	0	0	400,000	(24/25 Growth)	(24/25 Growth)	(24/25 Growth)
<b>Sub Totals</b>	<b>1,872,000</b>	<b>300,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,172,000</b>			
<b>NEIGHBOURHOOD SERVICES</b>									
To launch a paid for garden service (3 vehicles)	556,800	515,000	0	0	0	1,071,800	1,654,600	22,308	1,632,292
New sweeper	320,000	0	0	0	0	320,000	320,000	0	320,000
2 x 50:50 split RCVs	460,000	0	0	0	0	460,000	460,000	0	460,000
Hard 2 Reach	200,000	0	0	0	0	200,000	200,000	0	200,000
HGV split triple lift - recycling	230,000	0	0	0	0	230,000	230,000	0	230,000
Bin Lift	316,400	480,400	115,200	0	0	912,000	912,000	0	912,000
<b>Sub-Totals</b>	<b>2,083,200</b>	<b>995,400</b>	<b>115,200</b>	<b>0</b>	<b>0</b>	<b>3,193,800</b>			
<b>SUSTAINABILITY</b>									
Castle Park Area replacement	680,000	0	0	0	0	680,000	700,000	0	700,000
Fieldgate Quay (Phase 2)	1,500,000	0	0	0	0	1,500,000	(24/25 Growth)	(24/25 Growth)	(24/25 Growth)
Car Parks	425,000	160,000	0	0	0	585,000	(24/25 Growth)	(24/25 Growth)	(24/25 Growth)
<b>Sub-Totals</b>	<b>2,605,000</b>	<b>160,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,765,000</b>			
<b>ICT TRANSFORMATION</b>									
The Big Switch Off (ICT)	250,000	0	0	0	0	250,000	(24/25 Growth)	(24/25 Growth)	(24/25 Growth)
ICT Strategy	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000	(24/25 Growth)	(24/25 Growth)	(24/25 Growth)
<b>Sub-Totals</b>	<b>1,250,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>5,250,000</b>			
<b>STRATEGIC HOUSING - GENERAL FUND</b>									
Disabled Facilities Grant	1,452,105	1,452,105	1,452,105	1,452,105	1,452,105	7,260,525	(24/25 Growth)	(24/25 Growth)	(24/25 Growth)
<b>Sub-Totals</b>	<b>1,452,105</b>	<b>1,452,105</b>	<b>1,452,105</b>	<b>1,452,105</b>	<b>1,452,105</b>	<b>7,260,525</b>			
<b>BUILDING MAINTENANCE</b>									
Building Maintenance Programme (Capital)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000	(24/25 Growth)	(24/25 Growth)	(24/25 Growth)
<b>Sub-Totals</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>5,000,000</b>			
<b>TOTAL EXPENDITURE</b>	<b>39,257,583</b>	<b>7,942,691</b>	<b>3,567,305</b>	<b>3,452,105</b>	<b>3,452,105</b>	<b>57,671,789</b>			
<b>CAPITAL FINANCING</b>									
Grants	19,841,633	3,357,291	1,452,105	1,452,105	1,452,105	27,555,239			
Section 106 Contributions	3,162,991	1,130,000	0	0	0	4,292,991			
Capital Receipts	0	0	0	0	0	0			
Revenue	100,000	0	0	0	0	100,000			
Borrowing	16,152,959	3,455,400	2,115,200	2,000,000	2,000,000	25,723,559			
<b>TOTAL CAPITAL FINANCING</b>	<b>39,257,583</b>	<b>7,942,691</b>	<b>3,567,305</b>	<b>3,452,105</b>	<b>3,452,105</b>	<b>57,671,789</b>			



## Medium-Term Financial Forecast (MTFF) 2024/25 to 2028/29

*Updated January 2024*

### 1. Background

- 1.1 The preparation of a Medium-Term Financial Forecast (MTFF) provides the cornerstone on which the Council can build and deliver services in accordance with the aims and objectives outlined in the Corporate Plan 2023-2026 (“A City fit for the Future”), which is focussed on six priority themes:
- Respond to the climate emergency
  - Deliver modern services for a modern city
  - Improve health, wellbeing, and happiness
  - Deliver homes for those most in need
  - Grow our economy so everyone benefits; and
  - Celebrate our city, heritage, and culture.
- 1.2 Through ‘horizon scanning’ and anticipating necessary change at the earliest opportunity, providing resilience, and the ability to react to and withstand ‘major shocks’ is achieved.

### 2. Introduction

- 2.1 The MTFF is a forward-looking document that provides a tentative look at the Council’s General Fund and HRA financial picture over the next five years (2024/25 through to 2028/29) and re-evaluates the position in the light of the development and completion of the draft 2024/25 budgets.
- 2.2 This is the second iteration of the General Fund element of MTFF within the 2024/25 budget cycle following the *Indicative* version prepared in October 2023, which effectively reset the MTFF to reflect changed circumstances, especially in the light of progress against savings assumptions included in the 2023/24 budget and in response to feedback on the presentation of previous iterations.
- 2.3 The HRA element of the MTFF presented here updates the previous iteration adopted by the Cabinet in January 2023.

### 3. Updated General Fund MTFF 2024/25 to 2028/29

- 3.1 The *Indicative* October 2023 MTFF revealed a projected General Fund deficit of £1.446 million for 2024/25, which reflected a range of inflationary pressures, the inclusion of emerging intelligence on the Local Government Finance Settlement, the removal of previously assumed savings targets and updated longer-term capital financing assumptions. Estimated net expenditure was £26.320 million, compared to funding of just £24.874 million.

- 3.2 Members should note that, although the *Indicative* October 2023 General Fund MTFF provided an essential building block in the development of the 2024/25 budget, it was prepared prior to the announcement of the *provisional* 2024/25 Local Government Finance Settlement, before the 2023/24 Pay Settlement had been agreed, and during the early stages of the detailed budget preparation process. The October 2023 MTFF projections can be summarised as follows:

<b>General Fund Indicative MTFF (@ October 2023)</b>		
<b>Financial Year</b>	<b>(Surplus)/Deficit</b>	<b>Comment</b>
	<b>£000's</b>	
2024/25	1,446	Assumed Local Government Finance Settlement of "Core Spending Power +3.0%", 2023/24 Pay Settlement of 4.0%, Net Contributions <i>from</i> Reserves of £0.121 million. No Savings assumed. General Fund Capital Programme extended to five-years (to align with MTFF) with indicative revenue consequences of likely 'rolling capital investment' requirements added.
2025/26	2,327	Stepped increase in Deficit – to a large extent – reflecting likely increase in Capital Financing Costs (up £2.311 million in 2025/26).
2026/27	1,566	
2027/28	1,271	
2028/29	897	

- 3.3 A Pay Settlement for 2023/24 (a fixed sum of £1,925 for all pay grades) has now been reached and the provisional Local Government Finance Settlement for 2024/25 was announced by the Government in December 2023 and further – more detailed – work has been completed by Finance officers on a range of issues (discussed in detail in **Appendix A**). The budget development process has been further aided by extensive engagement across the Council's political spectrum. A balanced budget is therefore presented for consideration by Cabinet at this meeting.

3.4 The updated MTFF (2024/25 through to 2028/29), reflecting the final draft General Fund budget for 2024/25, is illustrated in the table below.

2024/25 Budget: GENERAL FUND (Base Budget only)						
	Opening Budget (2023/24)	Estimated Budget Requirement 2024/25	Estimated Budget Requirement 2025/26	Estimated Budget Requirement 2026/27	Estimated Budget Requirement 2027/28	Estimated Budget Requirement 2028/29
	£000's	£000's	£000's	£000's	£000's	£000's
Employees	29,505	31,462	32,298	32,897	34,065	35,256
Premises	9,493	11,445	11,113	10,026	10,577	10,788
Transport	2,064	2,117	2,006	2,046	2,087	2,129
Supplies & Services	9,594	9,466	9,427	9,719	9,913	10,112
Third Party Payments	5,909	7,381	7,529	7,679	7,833	7,989
Transfer Payments	32,966	40,001	40,001	40,001	40,001	40,001
Capital Financing Costs	10,659	13,177	15,488	16,083	16,025	16,134
<b>Gross Expenditure</b>	<b>100,190</b>	<b>115,049</b>	<b>117,862</b>	<b>118,452</b>	<b>120,501</b>	<b>122,410</b>
Government Grant	(32,375)	(36,454)	(36,454)	(36,454)	(36,454)	(36,454)
Other Grants & Contributions	(5,896)	(4,604)	(4,804)	(5,004)	(5,004)	(5,004)
Customer & Client Receipts	(27,112)	(35,932)	(36,445)	(37,397)	(37,640)	(37,885)
Income-Interest	(6,943)	(9,956)	(9,956)	(9,956)	(9,956)	(9,956)
Inter-Account Transfers	550	550	550	550	550	550
HRA/NEPP Recharges	(3,679)	(3,694)	(3,694)	(3,694)	(3,694)	(3,694)
<b>Net Expenditure</b>	<b>24,735</b>	<b>24,959</b>	<b>27,059</b>	<b>26,497</b>	<b>28,303</b>	<b>29,967</b>
<b>Funding:</b>						
Council Tax	(13,936)	(14,411)	(15,249)	(15,859)	(16,494)	(17,154)
Business Rates	(6,456)	(6,975)	(7,111)	(7,249)	(7,390)	(7,534)
Collection Fund Adjustments	323	(584)	0	0	0	0
Council Tax Sharing Agreement (CTSA)	0	(350)	(350)	(350)	(350)	(350)
<i>Non-Specific Grants:</i>	0	0	0	0	0	0
New Homes Bonus	(576)	(634)	0	0	0	0
Funding Guarantee Allocation	(1,685)	(1,940)	(1,940)	(1,940)	(1,940)	(1,940)
2023-24 Services Grant	(175)	0	0	0	0	0
Revenue Support Grant (RSG)	0	(218)	(218)	(218)	(218)	(218)
Contribution to/(from) Reserves	(2,230)	153	(200)	(200)	0	0
<b>Total Funding</b>	<b>(24,735)</b>	<b>(24,959)</b>	<b>(25,068)</b>	<b>(25,816)</b>	<b>(26,392)</b>	<b>(27,196)</b>
<b>In-Year (Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>1,991</b>	<b>(1,310)</b>	<b>1,230</b>	<b>859</b>
<b>Cumulative (Surplus)/Deficit</b>	<b>0</b>	<b>0</b>	<b>1,991</b>	<b>681</b>	<b>1,912</b>	<b>2,771</b>

3.5 As presented in **Appendix A**, the initially identified deficit for 2024/25 in the *Indicative* MTFF in October 2023 (as well as subsequent budget pressures identified in November 2023) has now been addressed and the budget balanced. It is a very complex exercise to draw detailed comparisons between the different iterations of the MTFF; there are multiple variables that ‘roll up’ cumulatively as the years progress. However, it is possible to highlight the key influences in Years 2 (2025/26) and 3 (2026/27) as follows:

- **2025/26 (£1.991 million deficit)** – this is a reduced deficit compared to the Indicative October 2023 MTFF (which was a deficit of £2.327 million) as can be expected. However, given the elimination of the of the originally anticipated deficit (£1.446 million) from the base budget in 2024/25, this would normally be expected to reduce to around £900,000. However, as explained in **Appendix A** (Paragraphs 1.9 and 2.1), further budget pressures of £923,000 were identified in November 2023, which exerted immediate budget pressure on the 2024/25 budget, so is therefore included in the base budget (from which the forecast for 2025/26 is extrapolated). This pushes the forecast deficit back up again and closer to £2.0 million; and
- **2026/27 (£1.310 million surplus)** – in contrast, this represents an improved position compared to the Indicative October 2023 MTFF (which was a deficit of £1.566 million) i.e. there has been a positive swing of £2.876 million, which primarily reflects the inclusion of £2.675 million in assumed in new savings as part of the “Fit for the Future” Programme (covered in detail below in Section 4).

3.6 The key assumptions included in the Indicative October MTFF 2023 remain virtually unaltered. Thus:

- **Pay Award** - although – based on blanket annual awards of £1,925 to all staff in 2022/23 and 2023/24 – pay increases have recently exceeded the budgetary provision, pay increase expectations for 2024/25 have been lowered in the context of forecast declining inflation in the economy. Therefore 3.0% has been assumed for 2024/25, with 2.0% thereafter.
- **Core Inflation** based on declining CPI forecasts as of Autumn 2023, 3.5% has been assumed for 2024/25, with 2.0% thereafter.
- **Interest Rates** – ‘blended’ interest rate assumptions are now utilised as part of early Section 151 (Finance) shared services arrangements with Epping Forest District Council (taking the average forecast of two separate professional Treasury Management advisors). An average interest rate assumption of 4.8% has been included for 2024/25, 3.4% for 2025/26, 2.8% for 2026/27, 2.8% for 2027/28, 2.8% for 2028/29.
- **Council Tax increase** – 2.99% recommended for 2024/25 followed by 3.0% thereafter.

- **Settlement** - “Core Spending Power + 3.0%” in 2024/25, and frozen thereafter.
- **New Homes Bonus** – discontinued from 2025/26; and
- **Fees & Charges** – increased 6.7% 2024/25 and 2% thereafter.

**4. Transformation Savings (“Fit for the Future”) (2024/25 to 2026/27)**

- 4.1 As explained in **Appendix A** (Paragraphs 1.9 to 2.1), the Council is embarking on a strategic programme of review, entitled “Fit for the Future” with the objective of delivering a council with a net operating cost of only three-quarters of what it would have been without this action.
- 4.2 The aim of this programme is to deliver a leaner, fitter organisation, offering improved services to residents, but which operates sensibly within the projected financial resources available to it, avoiding the need for repeated annual cuts exercises.

- 4.3 The projected financial benefits from the “Fit for the Future” Programme are expected to deliver total savings of £4.772 million over three years (2024/25 to 2026/27). These are now embedded in the updated MTFP presented above in Paragraph 3.4 and are summarised in the table below.

<b>“Fit for the Future” Savings Programme (2024/25)</b>				
<b>Service Area</b>	<b>Description</b>	<b>Budget Impact</b>		
		<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
		<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Waste Services	Garden Waste Chargeable Service	955	103	0
Waste Service	Waste Strategy	0	0	1,000
Waste Service	Business Waste Service Expansion	100	0	0
Greening & Street Care	Service Options Appraisal	100	150	750
Culture & Heritage	Museums Delivery Model Review	120	0	0
Culture & Heritage	Hollytree Admission Charging	100	0	0
Active & Wellbeing	Interim Transition	0	0	725
Active & Wellbeing	Gladstone	20	0	0
Active & Wellbeing	Digi Ticket	6	0	0
Assets	Corporate Landlord Model	300	0	0
Housing	Homelessness Prevention	0	0	200
Corporate	Channel Experience with Contact Centre (Digital Customer)	100	0	0
Corporate	Building Control (Shared Services)	43	0	0
<b>Total</b>		<b>1,844</b>	<b>253</b>	<b>2,675</b>

4.4 The table below provides further details on the individual elements of the “Fit for the Future” Programme.

<b>Description of Saving</b>	<b>Details of how the saving will be achieved</b>	<b>Budget Impact 2024/2025 £000's</b>
Garden Waste Chargeable Service	High levels of uptake of the new garden waste scheme have been experienced, and this is the revised forecast income from the scheme for 24/25	<b>955</b>
Business Waste Expansion	A revised 3-year business plan for the business waste collection service has been produced underpinned by customer surveys. This will result in net income growth in 24/25.	<b>100</b>
Greening and Street Care Programme	This will involve reviewing the model of delivery of both Street Care Services and Grounds Maintenance to secure efficiencies across both services. As a first stage all tasks are being reviewed to identify opportunities to reduce cost with the least impact resulting in a budget saving for 24/25.	<b>100</b>
Museums Delivery Model Review	New delivery models are being considered that can result in a more entrepreneurial Museums Service. This includes new service offers and income opportunities such as a partnership with Suffolk University to deliver university courses and a review of the VAT on income associated with the service.	<b>120</b>
Holytrees Admission Charging	By introducing a charge for entry an additional income stream can be developed to support the continued operation of the museum.	<b>100</b>
Gladstone	Efficiencies can be delivered against the contract for the main Sport and Leisure management system.	<b>20</b>
Digi Ticket	Efficiencies can be delivered as a result of the main online booking system for Sport and Leisure.	<b>6</b>
Corporate Landlord Model	By developing a new approach and the new corporate landlord approach a more efficient staffing structure can be created. This will then allow the new assets strategy to be delivered to ensure property is maintained effectively and commercial and income generation opportunities are maximised.	<b>300</b>
Channel Experience with Contact Centre	A review of the customer contact centre was initiated in 22/23 to maximise channel shift requiring less staff resource which creates further budget savings in 24/25.	<b>100</b>
Building Control	A review of the service and revised staffing structure creates a budget saving in 24/25	<b>43</b>

4.5 Further details on the “Fit for the Future” Programme will be presented to Cabinet in March 2024, explaining in more detail how the targets committed to here will be delivered.

## 5. Updated Housing Revenue Account (HRA) MTFF 2024/25 to 2028/29

- 5.1 The January 2023 MTFF revealed a projected HRA breakeven position over the five-year period, including the (now forthcoming) 2024/25 financial year. However, in terms of presentation, the HRA does not have a such a strict (annual) balanced budget requirement and budgeted surpluses and deficits are allowed within the controlled framework of its (30-Year) Business Plan. For example, the Council's HRA Business Plan assumes the maintenance of a minimum reserve level of £1.6 million as a contingency against *unplanned* overspends.
- 5.2 The Council's established MTFF approach to balance the HRA after adjustment is made for Revenue Contributions to Capital (with the size of such contributions mirroring forecast Net Operating Income). Revenue Contributions to Capital are therefore subject to fluctuations as presented in the table below.

Housing Revenue Account MTFF (@ February 2023)				
Financial Year	Revenue Contributions to Capital	Increase/ (Decrease) in Net Operating Income	(Surplus)/ Deficit	Comment
	£000's	%	£000's	
2023/24	3,304	N/A	0	
2024/25	3,603	9.0%	0	
2025/26	4,450	23.5%	0	53 Week Rent Year
2026/27	3,915	(12.0%)	0	
2027/28	4,449	13.6%	0	
2028/29	N/A	N/A	N/A	N/A



5.3 The updated MTFP (2024/25 through to 2028/29), reflecting the final draft HRA budget for 2024/25, is illustrated in the table below.

<b>COLCHESTER BOROUGH COUNCIL</b>						
<b>Housing Revenue Account - Medium Term Financial Forecast Summary</b>						
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Income & Expenditure Analysis	Original	Original	Original	Original	Original	Original
	Budget	Budget	Budget	Budget	Budget	Budget
	£000's	£000's	£000's	£000's	£000's	£000's
<b>INCOME</b>						
Dwelling Rents (Gross)	(30,131)	(32,580)	(34,425)	(35,320)	(36,682)	(37,663)
Non-Dwelling Rents (Gross)	(1,189)	(1,225)	(1,249)	(1,274)	(1,300)	(1,326)
Charges for Services and Facilities	(3,283)	(3,260)	(3,273)	(3,336)	(3,400)	(3,466)
Contributions towards Expenditure	(65)	(70)	(71)	(73)	(74)	(76)
<b>Total Income</b>	<b>(34,668)</b>	<b>(37,135)</b>	<b>(39,018)</b>	<b>(40,003)</b>	<b>(41,456)</b>	<b>(42,531)</b>
<b>EXPENDITURE</b>						
Repairs and Maintenance	6,521	7,923	7,993	8,292	8,942	8,721
CB Homes Ltd Management Fee	4,872	5,021	5,121	5,224	5,328	5,435
Supervision and Management	7,691	7,587	7,740	7,947	8,110	8,275
Rents, Rates and Other Charges	190	197	201	205	209	213
Negative Subsidy - payment to Secretary of State	0	0	0	0	0	0
Increased provision for Bad or Doubtful Debts	250	250	263	268	281	302
Interest Payable	6,045	8,333	8,515	9,077	8,967	9,491
Cost of Capital Charge	0	0	0	0	0	0
Depreciation and Impairments of Fixed Assets	6,000	6,000	6,190	6,447	6,684	6,818
Amortisation of Deferred Charges	0	0	0	0	0	0
Debt Management Costs	58	64	66	67	68	70
<b>Gross Expenditure</b>	<b>31,627</b>	<b>35,375</b>	<b>36,089</b>	<b>37,527</b>	<b>38,589</b>	<b>39,325</b>
<b>Net Cost of Services</b>	<b>(3,041)</b>	<b>(1,760)</b>	<b>(2,929)</b>	<b>(2,476)</b>	<b>(2,867)</b>	<b>(3,206)</b>
Net HRA Income from the Asset Management Account	0	0	0	0	0	0
Amortised Premiums and Discounts	0	0	0	0	0	0
Disposal of Fixed Assets	0	0	0	0	0	0
HRA Investment Income (including mortgage interest and interest on Notional Cash Balances)	(263)	(699)	(475)	(411)	(419)	(427)
<b>Net Operating Expenditure</b>	<b>(3,304)</b>	<b>(2,459)</b>	<b>(3,404)</b>	<b>(2,887)</b>	<b>(3,286)</b>	<b>(3,633)</b>
Revenue Contributions to Capital Expenditure	3,304	2,459	3,404	2,887	3,286	3,633
Transfer from Capital Financing Reserve	0	0	0	0	0	0
Transfer to/(from) Major Repairs Reserve	0	0	0	0	0	0
<b>(Surplus) / Deficit for the Year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

5.4 The overall revenue position for 2024/25 shows anticipated Net Operating Income of £2.459 million (as presented in **Appendix A**, Paragraph 3.1 and explained in Paragraph 3.3). As explained in **Appendix A**, in keeping with the established strategy, a balanced budget is achieved through the adjustment of Contributions to Capital thereby protecting the £1.6 million contingency Balance in accordance with the 30-Year HRA Business Plan. The 53-week rent year peak in 2025/26 still occurs in 2025/26 as identified in January 2023 and presented above in Paragraph 4.2.





## Scrutiny Panel

Item  
**13**

23 January 2024

Report of	Chief Operating Officer	Author	Owen Howell ☎ 282518
Title	Work Programme 2023-24		
Wards affected	Not applicable		

### 1. Executive Summary

- 1.1 This report sets out the current Work Programme 2023-2024 for the Scrutiny Panel. This provides details of the reports that are scheduled for each meeting during the municipal year.

### 2. Action Required

- 2.1 The Panel is asked to consider and approve the contents of the Work Programme for 2023-2024, or request amendments, additions and/or deletions.
- 2.2 The Panel is asked to identify any additional specific issues, matters or areas of Council operations which it wishes to scrutinise during the 2023-24 municipal year, and to provisionally schedule these items, subject to feedback from relevant officers on any issues which may affect reporting timescales.

### 3. Background Information

- 3.1 The Panel's work programme evolves as the Municipal Year progresses and items of business are commenced and concluded. At each meeting the opportunity is taken for the work programme to be reviewed and, if necessary, amended according to current circumstances. The draft work programme for 2023-24 is appended to this report. This contains the items which are reviewed each year by the Panel.
- 3.2 The Forward Plan of Key Decisions is included as part of the work programme for the Scrutiny Panel, and this is included an **Appendix A**.

### 4. Standard References

- 4.1 There are no particular references to publicity or consultation considerations, or financial, equality, diversity, human rights, community safety, health and safety, environmental and sustainability or risk management implications.

## **5. Strategic Plan References**

5.1 Scrutiny and challenge is integral to the delivery of the Strategic Plan 2023-2026 priorities and direction for the area as set out under the strategic themes of:

- Respond to the climate emergency;
- Deliver modern services for a modern city;
- Improve health, wellbeing and happiness;
- Deliver homes for those most in need;
- Grow our economy so everyone benefits;
- Celebrate our City, heritage and culture.

5.2 The Council recognises that effective local government relies on establishing and maintaining the public's confidence, and that setting high standards of self-governance provides a clear and demonstrable lead. Effective governance underpins the implementation and application of all aspects of the Council's work.

### **Appendices**

Appendix A – Scrutiny Panel Work Programme, 2023-24

Appendix B – Forward Plan of Key Decisions 1 February 2024 - 31 May 2024

## Work Programme for 2023/24

<b>Scrutiny Panel meeting – 6 June 2023</b>
<b>Scrutiny Panel Chairman’s briefing – 1 June 2023</b>
<ol style="list-style-type: none"> <li>1. Corporate Key Performance Indicator Targets for 2023-24</li> <li>2. Work Programme 2023-24</li> </ol>
<b>Scrutiny Panel meeting – 4 July 2023</b>
<b>Scrutiny Panel Chairman’s briefing – 29 June 2023</b>
<ol style="list-style-type: none"> <li>1. Year End 2022/23 Performance Report and Strategic Plan Action Plan</li> <li>2. Capita data breach</li> <li>3. Work Programme 2023-24</li> </ol>
<b>Scrutiny Panel (Crime and Disorder Committee) - 19 September 2023</b>
<b>Scrutiny Panel Chairman’s briefing – 14 September 2023</b>
<ol style="list-style-type: none"> <li>1. Safer Colchester Partnership (Crime and Disorder Committee)</li> </ol>
<b>Scrutiny Panel – 3 October 2023</b>
<b>Scrutiny Panel Chairman’s Briefing – 28 September 2023</b>
<ol style="list-style-type: none"> <li>1. Portfolio Holder Briefing [Neighbourhood Services and Waste]</li> <li>2. Portfolio Holder Briefing [Housing]</li> <li>3. Work Programme 2023-24</li> </ol>
<b>Scrutiny Panel meeting - 14 November 2023</b>
<b>Scrutiny Panel Chairman’s briefing – 9 November 2023</b>
<ol style="list-style-type: none"> <li>1. Portfolio Holder Briefing [Leader of the Council/Strategy]</li> <li>2. Budget Strategy for 2024-25</li> <li>3. Skills: How Able is Colchester to Develop the Skills Needed for the Future?</li> <li>4. Work Programme 2023-24</li> </ol>
<b>Scrutiny Panel meeting - 12 December 2023</b>
<b>Scrutiny Panel Chairman’s briefing – 6 December 2023</b>
<ol style="list-style-type: none"> <li>1. Portfolio Holder Briefing [Economy, Transformation and Performance]</li> <li>2. Half Year 2023-24 Performance Report</li> <li>3. Key Performance Indicators Benchmarking Report</li> <li>4. Strategic Plan Action Plan progress</li> <li>5. Work Programme 2023-24</li> </ol>

<b>Scrutiny Panel meeting - 23 January 2024</b>
<b>Scrutiny Panel Chairman's briefing – 18 January 2024</b>
<ol style="list-style-type: none"> <li>1. Portfolio Holder Briefing [Resources]</li> <li>2. 2024-25 Revenue Budget, Capital Programme, Medium Term Financial Forecast, Treasury Management Investment Strategy, Housing Revenue Accounts Estimate and Housing Investment Programme</li> <li>3. Business case for charging for the kerbside collection of garden waste</li> <li>4. Work Programme 2023-24</li> </ol>
<b>Scrutiny Panel - 13 February 2024</b>
<b>Scrutiny Panel Chairman's briefing – 8 February 2024</b>
<ol style="list-style-type: none"> <li>1. Portfolio Holder Briefing [Leisure, Culture and Heritage]</li> <li>2. Corporate Key Performance Indicator Targets for 2024-25.</li> <li>3. Arts Organisations receiving Council funding</li> <li>4. Middle Mill Weir: repair and future [Interim report]</li> <li>5. 'Fit for the Future' programme</li> <li>6. <del>Council's approach and policy towards the use of owned community assets and whether to charge for use</del> – To be incorporated into a wider item on Asset Management Strategy, when ready for scheduling</li> <li>7. Work Programme 2023-24</li> </ol>
<b>Scrutiny Panel meeting– 12 March 2024</b>
<b>Scrutiny Panel Chairman's briefing – 7 March 2024</b>
<ol style="list-style-type: none"> <li>1. Portfolio Holder Briefing [Communities]</li> <li>2. Portfolio Holder Briefing [Planning, Environment and Sustainability]</li> <li>3. Local Highways Panel</li> <li>4. Middle Mill Weir: repair and future</li> <li>5. Town Deal projects progress report</li> <li>6. Impact Evaluation of City Status</li> <li>7. Scrutiny Panel Annual Report</li> <li>8. Work Programme 2023-24</li> </ol>
<b>Scrutiny Panel (Crime and Disorder Committee) – 18 March 2024</b>
<b>Scrutiny Panel Chairman's briefing – 14 March 2024</b>
<ol style="list-style-type: none"> <li>1. Safer Colchester Partnership (Crime and Disorder Committee)</li> </ol>

**Items still to schedule, when possible:**

- Previous Council negotiations with Alumno [Monitoring Officer advice is that this will only be able to be scrutinised in open session once the current ongoing legal situation is resolved regarding the Queen Street site]
- Planning trial of local prioritisation for property purchasing [relating to a recent planning application] [Officer advice is that this is likely to need to wait until it is ready for meaningful scrutiny of scheme and outcomes, expected at some point in 2023-24]

# COLCHESTER CITY COUNCIL

## FORWARD PLAN OF KEY DECISIONS 1 February 2024 – 31 May 2024

During the period from 1 February 2024 – 31 May 2024\* Colchester City Council intends to take 'Key Decisions' on the issues set out in the following pages. Key Decisions relate to those executive decisions which are likely to either:

- result in the Council spending or saving money in excess of £500,000; or
- have a significant impact on communities living or working in an area comprising two or more wards within the City of Colchester.

This Forward Plan should be seen as an outline of the proposed decisions and it will be updated on a monthly basis. Any questions on specific issues included on the Plan should be addressed to the contact name specified in the Plan. General queries about the Plan itself should be made to Democratic Services (01206) 507832 or email [democratic.services@colchester.gov.uk](mailto:democratic.services@colchester.gov.uk)

The Council invites members of the public to attend any of the meetings at which these decisions will be discussed and the documents listed on the Plan and any other documents relevant to each decision which may be submitted to the decision taker can be viewed free of charge although there will be a postage and photocopying charge for any copies made. *All decisions will be available for inspection on the Council's website, [www.colchester.gov.uk](http://www.colchester.gov.uk)*

If you wish to request details of documents regarding the 'Key Decisions' outlined in this Plan please contact the individual officer identified.

If you wish to make comments or representations regarding the 'Key Decisions' outlined in this Plan please submit them, in writing, to the Contact Officer highlighted two working days before the date of the decision (as indicated in the brackets in the date of decision column). This will enable your views to be considered by the decision taker. Details of the decision makers are correct at the time of publication.

Contact details for the Council's various service departments are incorporated at the end of this plan.

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If you need help with reading or understanding this document please telephone (01206) 282222 or textphone users dial 18001 followed by the full number that you wish to call and we will try to provide a reading service, translation or other formats you may need.

\*The Forward Plan also shows decisions which fall before the period covered by the Plan but which have not been taken at the time of the publication of the Plan.

KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD DECISION TO BE TAKEN	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers) – details of decision makers correct at time of publication	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
<b>Award of Contract for the communal area cleaning of 2 and 3 storey blocks</b>	No	January 2024	<p>Portfolio Holder for Housing, Councillor Paul Smith</p> <p>Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk</p>	Portfolio Holder report	<p>Martin Norgett Strategic Client for Asset Management <a href="mailto:martin.norgett@colchester.gov.uk">martin.norgett@colchester.gov.uk</a> 07816 204488</p>
<b>Award of contract for the upgrade of thermal elements and deck areas to flats at Trinity Square</b>	No	January 2024	<p>Portfolio Holder for Housing, Councillor Paul Smith</p> <p>Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk</p>	Portfolio Holder report	<p>Martin Norgett Strategic Client for Asset Management <a href="mailto:martin.norgett@colchester.gov.uk">martin.norgett@colchester.gov.uk</a> 07816 204488</p>



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<b>Award of contract for retrofit installation to combat fuel poverty</b>	No	January 2024	<p>Portfolio Holder for Housing, Councillor Paul Smith</p> <p>Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk</p>	Portfolio Holder report	<p>Martin Norgett Strategic Client for Asset Management <a href="mailto:martin.norgett@colchester.gov.uk">martin.norgett@colchester.gov.uk</a> 07816 204488</p>
<b>Award of Contract for Gas Servicing</b>	No	January 2024	<p>Portfolio Holder for Housing, Councillor Paul Smith</p> <p>Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk</p>	Portfolio Holder report	<p>Martin Norgett Strategic Client for Asset Management <a href="mailto:martin.norgett@colchester.gov.uk">martin.norgett@colchester.gov.uk</a> 07816 204488</p>

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<b>Authority to award Contract for Delivery of Energy Improvements for the Social Housing Decarbonisation Fund Project – Package 2</b>	No	January 2024	<p>Portfolio Holder for Housing, Councillor Paul Smith</p> <p>Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk</p>	Portfolio Holder report	<p>Martin Norgett Strategic Client for Asset Management <a href="mailto:martin.norgett@colchester.gov.uk">martin.norgett@colchester.gov.uk</a> 07816 204488</p>
<b>Award of Design and Build construction contract for “Phase 3 Garage Site” of the “New Council Housing Programme” at Wheeler Close</b>	Yes	January 2024	<p>Portfolio Holder for Housing, Councillor Paul Smith</p> <p>Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk</p>	Portfolio Holder report	<p>Terri Hamilton Client for Affordable Housebuilding <a href="mailto:Terri.hamilton@colchester.gov.uk">Terri.hamilton@colchester.gov.uk</a> 07870 542949</p>

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<b>Award of Contract for Construction Consultancy Services</b>	No	January 2024	<p>Portfolio Holder for Housing, Councillor Paul Smith</p> <p>Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk</p>	Portfolio Holder report	<p>Martin Norgett Strategic Client for Asset Management <a href="mailto:martin.norgett@colchester.gov.uk">martin.norgett@colchester.gov.uk</a> 07816 204488</p>

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<b>Officer Pay Policy Statement 2024-25</b>	No	24 January 2024	<p>Cabinet (Cllrs King, Burrows, Cory, Goss, Jay, Luxford Vaughan, Smith, Sommers)</p> <p>Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk</p>	Cabinet report Draft Officer Pay Policy Statement 2024-25	<p>Jess Douglas Head of People <a href="mailto:Jessica.douglas@colchester.gov.uk">Jessica.douglas@colchester.gov.uk</a> 01206 282239</p>

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<b>Enabling Works for Colchester Northern Gateway</b>	Yes	24 January 2024	<p>Cabinet (Cllrs King, Burrows, Cory, Goss, Jay, Luxford Vaughan, Smith, Sommers)</p> <p>Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk</p>	Cabinet report	<p>Lindsay Barker Deputy Chief Executive and Executive Director, Place <a href="mailto:lindsay.barker@colchester.gov.uk">lindsay.barker@colchester.gov.uk</a> (01206) 507435</p>

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<b>2024-25 Budget, Council Tax and Medium Term Financial Forecast, Housing Revenue Account 2024-25 Estimates and Housing Investment Programme 2024-25</b>	No	24 January 2024	Cabinet (Cllrs King, Burrows, Cory, Goss, Jay, Luxford Vaughan, Smith, Sommers)  Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Andrew Small Section 151 Officer <a href="mailto:Andrew.small@colchester.gov.uk">Andrew.small@colchester.gov.uk</a>
<b>Award of Contract for Temporary Staff</b>	No	24 January 2024	Cabinet (Cllrs King, Burrows, Cory, Goss, Jay, Luxford Vaughan, Smith, Sommers)  Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Jess Douglas Head of People <a href="mailto:Jessica.douglas@colchester.gov.uk">Jessica.douglas@colchester.gov.uk</a> 01206 282239

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<b>Chelmsford City Council to join the Gateway to Homechoice Partnership</b>	No	January 2024	<p>Portfolio Holder for Housing, Councillor Paul Smith</p> <p>Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk</p>	<p>Portfolio Holder report r</p> <p>Background papers Gateway to Homechoice Allocations Policy – Gateway to Homechoice website <a href="#">Allocations Policy - July 2022 - HomeChoice (gatewaytohomechoice.org.uk)</a></p>	<p>Karen Paton Housing Strategy Co-ordinator <a href="mailto:karen.paton@colchester.gov.uk">karen.paton@colchester.gov.uk</a> 01206 282275</p>
<b>Award of Contract for the Installation of Communal Doors in the HRA portfolio</b>	No	February 2024	<p>Portfolio Holder for Housing, Councillor Paul Smith</p> <p>Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk</p>	Portfolio Holder report	<p>Martin Norgett Strategic Client for Asset Management <a href="mailto:martin.norgett@colchester.gov.uk">martin.norgett@colchester.gov.uk</a> 07816 204488</p>

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<b>Award of Contract for the Installation of Loft and Cavity Wall Insulation in the HRA portfolio</b>	No	February 2024	<p>Portfolio Holder for Housing, Councillor Paul Smith</p> <p>Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk</p>	Portfolio Holder report	<p>Martin Norgett Strategic Client for Asset Management <a href="mailto:martin.norgett@colchester.gov.uk">martin.norgett@colchester.gov.uk</a> 07816 204488</p>
<b>Award of Contract for the Installation of Disabled Adaptations in the Housing Revenue Account portfolio</b>	No	February 2024	<p>Portfolio Holder for Housing, Councillor Paul Smith</p> <p>Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk</p>	Portfolio Holder report	<p>Martin Norgett Strategic Client for Asset Management <a href="mailto:martin.norgett@colchester.gov.uk">martin.norgett@colchester.gov.uk</a> 07816 204488</p>



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<b>Fit for the Future Transformation Plan</b>	No	13 March 2024	Cabinet (Cllrs King, Burrows, Cory, Goss, Jay, Luxford Vaughan, Smith, Sommers)  Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Melissa Kemp-Salt Director of ICT & Transformation, Epping Forest District and Colchester City Councils <a href="mailto:melissa.kemp-salt@colchester.gov.uk">melissa.kemp-salt@colchester.gov.uk</a> 07971 340551
<b>Hibernation of Colchester Amphora Housing Limited</b>	No	13 March 2024	Cabinet (Cllrs King, Burrows, Cory, Goss, Jay, Luxford Vaughan, Smith, Sommers)  Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Richard Carr Managing Director Interim Colchester Commercial Holdings Ltd <a href="mailto:Richard.carr@colchesteramphora.com">Richard.carr@colchesteramphora.com</a> 01206 282241

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<b>Request for delegated authority for the award of Housing Revenue Account contracts for the 2024/25 Housing Investment Programme financial year.</b>	No	13 March 2024	Cabinet (Cllrs King, Burrows, Cory, Goss, Jay, Luxford Vaughan, Smith, Sommers)  Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Martin Norgett Strategic Client for Asset Management <a href="mailto:martin.norgett@colchester.gov.uk">martin.norgett@colchester.gov.uk</a> 07816 204488
<b>Award of Contract for the Installation of Domestic Heating in the HRA portfolio</b>	No	April 2024	Portfolio Holder for Housing, Councillor Paul Smith  Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Portfolio Holder report	Martin Norgett Strategic Client for Asset Management <a href="mailto:martin.norgett@colchester.gov.uk">martin.norgett@colchester.gov.uk</a> 07816 204488

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