

## FINANCE AND AUDIT SCRUTINY PANEL 15 DECEMBER 2010

- Present :-* Councillor Dennis Willetts (Chairman)  
Councillors Nick Cope, Scott Greenhill, Sue Lissimore,  
Colin Mudie and Colin Sykes
- Substitute Members :-* Councillor Nigel Chapman  
for Councillor Christopher Arnold  
Councillor Bill Frame for Councillor Jon Manning  
Councillor Michael Lilley for Councillor Kim Naish  
Councillor Philip Oxford for Councillor Gerard Oxford
- Also in Attendance :-* Councillor Tina Dopson  
Councillor Paul Smith  
Councillor Henry Spyvee

#### **44. Minutes**

The minutes of the meetings held on the 23 November 2010 was confirmed as a correct record subject to the following amendments.

Councillor Colin Sykes was added to the list of attending Councillors, as was his declaration of a personal interest to minute 43, Referred items under the Call in procedure - Revenue Grants to Town and Parish Councils 2011/12, in respect of his membership to Stanway Parish Council and the Colchester Association of Local Councils.

The minutes of the meeting held on the 25 November 2010 were confirmed as a correct record.

#### **45. Mayoralty Budget**

Councillor Nigel Chapman, Chairman of the Mayoralty Task and Finish Group (MTAFG) presented the Mayoralty Budget report.

Councillor Chapman said the final report was on the back of an intensive amount of work carried out over seven weeks during October and November. The final report is both full and comprehensive, unanimously endorsed by the members of the task and finish group.

Councillor Chapman explained the major aspects of the report, a split in the Civic Fund Budget to provide two separate budgets, a Civic Budget to primarily pay for all costs associated with mandatory civic events and a Mayoral Budget to meet the discretionary costs associated with hospitality. The revised budget would contribute to the desired outcome of hosting the Oyster Feast and Opening of the Oyster Fishery on a cost neutral basis, a Mayoral lunch paid for by those who attend and reasonable funds to undertake the other requisite duties. The report reinforced the role of the Borough

Mayor, how it encouraged the strategic aims of the Council, the importance of the Mayor to local people and the appreciation given by local people.

Councillor Chapman concluded by saying the report proposed the provision of flowers for major events through 'Colchester in Bloom', as has been done in the past, and was a positive gesture towards enhancing community engagement and involvement, and mentioned the point scoring scheme described in paragraph 6.3 of the report, saying this was an idea flagged up through the work of the MTAFG and was included within the report as a good idea / suggestion.

Former Mayor, Councillor Henry Spyvee addressed the Panel saying during his year as Mayor in 2009, the Mayoralty under spent on the annual budget by £5,000, and whilst this was in the main due to some events or hospitality not undertaken, it showed that costs could be reduced.

Councillor Spyvee welcomed the report, saying the splitting of the Civic Fund Budget into a Civic Budget and Mayoral Budget was a excellent suggestion. Given the Mayor's role in supporting the wellbeing of the Borough, the Town's heritage and local business enterprise, a Mayoral budget of £20,000 represented a good deal.

Councillor Spyvee requested that for Remembrance Day, both the ceremonial and reception costs should be met from the Civic Budget (members later agreed to this amendment), and believed it would be helpful and make financial sense to try and arrange the Alderman Ceremony Reception(s) on the day of Full Council meetings (It was later agreed that this would be the intention).

Councillor Spyvee concluded by saying the Points Scoring Scheme was not really necessary, with double bookings for Mayoral events being very rare, and in those cases the second event was invariably picked up by the Deputy Mayor.

Councillor Willetts, as a member of the MTAFG said the main purpose of the review was to ensure greater transparency in the funding of Mayoral civic events, but once the work commenced other issues or initiatives came up, some of which e.g. the Points Scoring Scheme, are mentioned as useful suggestions, and not intended to tie down the Mayor. Councillor Willetts said in regards to the funding to the Twinning Society, the report made it clear that any grant application would be considered and prioritised along with all other grants by the Portfolio Holder for Resources and Diversity.

Councillor Frame, a member of the MTAFG congratulated Councillor Chapman on his Chairmanship of the group who accomplished a lot of work in a short amount of time. Councillor Frame was disappointed that the press were not present at the meeting, highlighting one of the proposals within the report that recommended the reduction in free invitations to the Oyster Feast by fourteen. Councillor Frame said he hoped the Portfolio Holder would consider and agree the proposals set out in the report.

Councillor Smith, Portfolio Holder for Resources and Diversity addressed the Panel and thanked the MTAFG for producing such a comprehensive report so quickly, highlighting that it was possible when determined, to produce good work in a timely fashion.

Councillor Smith said Former Mayor and Councillor, Christopher Hall was likely to receive the honour of Alderman probably in March 2011, and this would be done in line with the proposals on Alderman as mentioned in paragraph 6.1 of the report.

Councillor Smith appreciated the work done on the budget figures and welcomed the aforementioned split in the original Civic Fund Budget. At this point in time Councillor Smith welcomed the budget proposals within the report, but said the figures could be further affected by the recently published Government Grant Supplement.

Councillor Smith concluded by thanking the MTAFG for the final report.

*RESOLVED* that the panel;

- i) Considered and endorsed the proposals of the Mayoralty Task and Finish Group.
- ii) Agreed that for Remembrance Day, both the ceremonial and reception costs should be met from the Civic Budget
- iii) Agreed for the proposals to be taken forward to the Cabinet for consideration, and inclusion in the 2011-12 budget review.
- iv) Agreed that the Mayoralty Budget should be reviewed annually by the Finance and Audit Scrutiny Panel.

#### **46. Highway Verge Maintenance**

Councillor Tina Dopson, Portfolio Holder for Communities addressed the Panel, saying this report provided a rationale for how the Council will better manage their resources and finances when maintaining highway verges on behalf of Essex County Council (ECC).

Councillor Dopson said ECC contribute £54,600 towards highway verge maintenance, though the overall cost to the Council was £203,900. The new criteria to be used for determining the level of maintenance to highway verges and borders was anticipated to provide modest savings of £5,000, but more importantly, the criteria would enable officers to reduce maintenance costs at significant or less significant sites, enabling gateways and prestigious sites to be maintained at the current standard.

Mr. Bob Penny, Parks and Recreation Manager presented the report on Highway Verge Maintenance, saying the maintenance work was provided over an area of 8 hectares, including 28,000 square metres of planting, the equivalent of between 4 to 5 football pitches, but spread over in excess of 200 different locations.

Mr. Penny said the intention was to retain the current level of maintenance to gateway and prestigious sites. Mr Penny explained the reduction in summer maintenance visits to other less significant sites that are not regularly visited or where there is less visual impact. This will produce budget capacity to enable the gateway and prestigious sites

to be refurbished and replanted to continue to deliver a good visual appearance. All sites will be monitored individually against the set criteria to determine the significance of landscape features, and where landscape features are not deemed to be providing a visual amenity due to their sparse nature, they would be considered for grassing over, to create some capacity within the budget to carry out refurbishment work on gateway and prestigious sites

Councillor Willetts said whilst he was supportive of the introduction of an effective and clear policy for the maintenance of highway verges, he was concerned that the report remained abstract, providing no information on the classification of each site, an important factor in giving the report greater context.

Councillor Lissimore asked whether residents will be consulted on their views where it is determined to grass over a local site. Councillor Lissimore said that some planted areas had been created to address problems of ASB and therefore returning areas to grass could reintroduce a previous problem.. Councillor Lissimore asked that the Portfolio Holder consider anti-social behaviour as an additional criterion for determining the classification of each site.

Councillor Dopson said anti-social behaviour could be added to the list of criteria for determining the classification of each site. Councillor Dopson understood that Colchester Borough Homes have provided rose borders to some grassed areas as a deterrent, in an attempt to combat anti-social behaviour. Mr Penny confirmed that local residents are able to maintain local shrub and rose borders, but ECC would need to give their consent, and there remained significant insurance issues. That said, he would consider any initiative that opened up the opportunity for residents to undertake this maintenance.

Councillor Lissimore said some sites on estates or minor roads are very visible to pedestrians, in some cases more so than to road users. Mr. Penny acknowledged that in regards to traffic flow, the effect to pedestrian traffic on estates and minor roads was equally important as that of road traffic, and would build this into the classification process.

Mr. Penny confirmed to Councillor Frame that the overall cost of maintaining the programme of works was £219,600 and the difference between this figure and the £203,900 the Council contributes to responsive maintenance was for the additional ad-hoc, non-planting work carried out by the workforce.

Councillor Chapman said an inventory of all the 200 plus sites and the potential changes as a result of the classification exercise would be very useful to all Ward Councillors, a point later endorsed by Councillor Lissimore. Councillor Dopson said members could be given a list of gateway and prestigious sites, for example, major roads and roundabouts and key road junctions, and the classification list of all other sites once this piece of work has been completed.

Councillor Mudie asked the Portfolio Holder for Communities, if as part of the verge cutting programme, she would consider the removal of obstructions such as those in Berechurch Hall Road to be moved to enable a higher standard of maintenance at a

lower cost to the Council.

In response to Councillor Sykes and the fear that those sites classified less significant and with a reduced level of maintenance will deteriorate, condemned to being grassed over at a very early stage, Councillor Dopson said those sites deemed less significant will still get a level of maintenance that will enable the site to retain its appeal. Mr. Penny said officers did not believe the reduced level of maintenance to these sites would make them noticeably decline or lead to their accelerated deterioration.

*RESOLVED* that the Panel, on the agreement that a classified list of sites is provided to members once completed;

i) Noted the policy of introducing a criterion based hierarchy of highway verge maintenance to deliver the maximum aesthetic impact with the resources available.

ii) Requested the Portfolio Holder for Communities to consider 'the possibility of anti-social behaviour' as an additional criterion for determining the classification of each site.

#### **47. Treasury Management report 2010/11**

Mr. Steve Heath, Finance Manager presented the 2010-11 Treasury Management report. Mr. Heath confirmed that there had not been any deviation from the Council's strategy on Treasury Management during 2010-11.

Mr. Heath said there had been no new external borrowing undertaken, and provided an update on the Icelandic Investments, with the estimated repayment to Landsbanki's preferential claimants being 95%.

In response to Councillor Willetts who noticed the list of investments as noted in appendix B of the report had reduced considerably, Mr. Heath said this was due to the running down of external investments. With the average rate of interest earned on all investments for the year being 0.72%, this compared favourably with the current external investment rates.

Mr. Heath confirmed to Councillor P. Oxford that all investments have been returned on the scheduled dates.

*RESOLVED* that the Panel noted the 2010-11 Treasury Management report.

#### **48. Capital Monitor 2010/11**

Mr. Steve Heath, Finance Manager presented the 2010-11 Capital Monitor, confirming that in the first 6 months of the year capital spending totalled £5.4 million, representing 26.9% of the total spend for 2010-11. Whilst this appears a low percentage, some

very large schemes such as the St Botolphs Regeneration Site, the Visual Arts Facility and Business Incubator Units did have planned expenditure for the second half of the year.

Mr. Heath acknowledged that the spend of £12,600 on a capital spend of £100,000 for 2010-11 for the provision of delivering projects to parishes was low, but believed the third quarter results will give a clearer indication of the likely spend for the year.

Councillor Smith, Portfolio Holder for Resources and Diversity responded to Councillor Lissimore by explaining that the capital costs associated with the Moler Works Site was for the provision of three commercial shop units, provided to the Council as part of the development deal. The units will provide rental income and employment opportunities.

Whilst Councillor Sykes was pleased that funding was provided for the vast majority of capital schemes, he was concerned that further funding was still required for the Heritage Fund (including the Roman Walls) and the redevelopment of the Castle Museum. Councillor Smith said that with regards to the Heritage Fund, the Cabinet, along with officers, are working hard to find a way of matching the funding of English Heritage, who agreed to award a grant of £79,088 dependant on the Council providing the match funding. The redevelopment of the Castle Museum is at stage 2 of the bidding process. Whilst there remained a shortfall in funding of £100,000 on a total scheme cost of £944,300, he remained hopeful that the Council would be able to contribute further monies.

Councillor Smith confirmed to Councillor Willetts that Firstsite had funding in place for the final phase of works. The interior work was slightly behind schedule. Councillor Smith confirmed that phase 2 of the works was likely to be completed slightly under budget. Councillor Smith said the opening date of Firstsite would be announced in January 2011, and there are promising signs that the site is starting to attract external business already. In regards to the Roman Circus scheme, Councillor Smith said the funding for this scheme is in place, but as this scheme is now linked to the larger Castle redevelopment project which will include an interpretation of the Roman Circus, progress on this scheme is progressing slower than was originally anticipated.

*RESOLVED* that the panel noted the 2010-11 Capital Monitor.

#### **49. Work Programme**

*RESOLVED* that the Panel noted the Work Programme.