

The Council Meeting

Council Chamber, Town Hall
10 December 2009 at 6.00pm

Information for Members of the Public

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Have Your Say!

The Council values contributions from members of the public. Under the Council's Have Your Say! policy you can ask questions or express a view to meetings, with the exception of Standards Committee meetings. If you wish to speak at a meeting or wish to find out more, please pick up the leaflet called "Have Your Say" at Council offices and at www.colchester.gov.uk.

Private Sessions

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COLCHESTER BOROUGH COUNCIL

TO ALL MEMBERS OF THE COUNCIL 23 December 2009

You are hereby summoned to attend a meeting of the Council to be held at the Council Chamber, Town Hall on **10 December 2009 at 6:00pm** for the transaction of the business stated below.



Chief Executive

AGENDA

Pages

1. Welcome and Announcements

(a) The Mayor to welcome members of the public and Councillors and to invite the Chaplain to address the meeting. The Mayor to remind all speakers of the requirement for microphones to be used at all times.

(b) At the Mayor's discretion, to announce information on:

- action in the event of an emergency;
- mobile phones switched to off or to silent;
- location of toilets;
- introduction of members of the meeting.

2. Have Your Say!

(a) The Mayor to ask members of the public to indicate if they wish to ask a question, make a statement or present a petition on any matter relating to the business of the Council – either on an item on the agenda for this meeting or on a general matter not on this agenda (Council Procedure Rule 6(2)).

(b) The Mayor to invite contributions from members of the public who wish to address the Council on a general matter not on this agenda.

(Note: A period of up to 15 minutes is available for general statements and questions under 'Have Your Say!').

3. Minutes **1 - 15**

A... Motion that the Minutes of the meeting held on 14 October 2009 be confirmed as a correct record.

4. Mayor's Announcements

Mayor's Announcements (if any) and matters arising pursuant to Council Procedure Rule 8(3).

5. Personal Interests of Members

Disclosures by Members under Council Procedure Rule 9(3) to 9(9) (if any).

6. Prejudicial Interests of Members

Disclosures by Members under Council Procedure Rules 9(10) and 9(11) (if any).

(Note: Members should only declare personal and/or prejudicial interests on items that are to be considered at the meeting).

7. Items (if any) referred under the Call-in Procedure

To consider any items referred by the Strategic Overview and Scrutiny Panel or the Finance and Audit Scrutiny Panel under the Call-In Procedure because they are considered to be contrary to the policy framework of the Council or contrary to, or not wholly in accordance with the budget.

8. Recommendations of the Cabinet, Panels and Committees

- i. East of England Plan Review to 2031 Consultation - Colchester Borough Council Response **16 - 17**

B... Motion that the recommendation contained in minute 16 of the Local Development Framework Committee meeting of 12 November 2009 be approved and adopted.

- ii. Approval of Statement of Gambling Policy **18**

C... Motion that the recommendation contained in minute 17 of the Licensing Committee meeting of 25 November 2009 be approved and adopted.

- iii. Revised Anti-Fraud and Corruption Policy **19**

D... Motion that the recommendation contained in minute 17 of the Standards Committee meeting of 27 November 2009 be approved and adopted.

- iv. 2010/2011 Revenue Budget, Financial Reserves and Capital Programme **20 - 22**

E... Motion that the recommendation contained in minute 45 of the Cabinet meeting of 2 December 2009 be approved and adopted.

- v. Appointment of Deputy Mayor 2010/2011 **23**

F... Motion that the recommendation contained in minute 51 of the Cabinet meeting of 2 December 2009 be approved and adopted.

9. City Status 24 - 29

The Leader of the Council to introduce a debate on city status: see report by the Monitoring Officer.

(Note: a period of one hour is available for the debate and individual Members may only speak for three minutes).

10. Questions to Cabinet Members and Chairmen pursuant to Council Procedure Rule 10

To receive and answer pre-notified questions in accordance with Council Procedure Rule 10(1) followed by any oral questions (ie not submitted in advance) in accordance with Council Procedure Rule 10 (3).

(Note: A period of up to 90 minutes is available for pre-notified questions and oral questions by Members of the Council to Cabinet Members and Chairmen (or in their absence, Deputy Chairmen)).

None received.

11. Notices of Motion pursuant to Council Procedure Rule 11

None received.

12. Schedules of Decisions taken by Portfolio Holders 30 - 37

To note schedules covering the period 3 October 2009 - 27 November 2009.

13. Reports Referred to in Recommendations 38 - 86

The reports specified below are submitted for information and are

referred to in the recommendations specified in item on the agenda:

14. Urgent items

To consider any business not specified in this summons which by reason of special circumstances the Mayor determines should be considered at the meeting as a matter of urgency.

15. Exclusion of the Public

In accordance with Section 100A(4) of the Local Government Act 1972 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).

COUNCIL
14 OCTOBER 2009

Present :- Councillor Henry Spyvee (the Mayor) (Chairman)
Councillor Sonia Lewis (Deputy Mayor)
Councillors Christopher Arnold, Nick Barlow,
Lyn Barton, Kevin Bentley, Mary Blandon,
Elizabeth Blundell, John Bouckley, Nigel Chapman,
Peter Chillingworth, Helen Chuah, Barrie Cook,
Nick Cope, Mark Cory, Robert Davidson,
Beverly Davies, Tina Dopson, Andrew Ellis,
Margaret Fairley-Crowe, Stephen Ford,
Wyn Foster, Ray Gamble, Christopher Garnett,
Martin Goss, Chris Hall, Mike Hardy, Dave Harris,
Pauline Hazell, Peter Higgins, Theresa Higgins,
Mike Hogg, Martin Hunt, John Jowers,
Margaret Kimberley, Justin Knight, Michael Lilley,
Sue Lissimore, Jackie Maclean, Jon Manning,
Richard Martin, Kim Naish, Nigel Offen,
Beverley Oxford, Gerard Oxford, Philip Oxford,
Gaye Pyman, Ann Quarrie, Lesley Scott-Boutell,
Paul Smith, Terry Sutton, Laura Sykes,
Nick Taylor, Jill Tod, Anne Turrell, Dennis Willetts,
Julie Young and Tim Young

The meeting was opened with prayers by the Mayor's Chaplain, The Reverend David Harper.

19. Minutes

The minutes of the meeting on 8 July 2009 were confirmed as a correct record subject to an amendment to minute 14 to reflect the fact that Council had agreed that copies of responses sent to Have Your Say! speakers at the meeting on 8 July 2009 and at future Council meetings would be circulated to all councillors.

20. Have Your Say!

Andy Hamilton addressed the Council pursuant to the provisions of Council Procedure Rule 6(2). He clarified comments made in an article in the Essex County Standard on 9 October 2009 about the circumstances of a previous complaint he had made. He believed there had been a serious breach of public duty by the Council in the sale of 15 Queen Street. This was an

example of how the administration promoted its personal interests at the expense of the community. There had been deliberate obstruction and a disregard for the truth. His request that the sale be suspended to allow further offers with community gain to be considered had been ignored. He had lodged complaints against the Estates Officer and two Councillors and unless a public apology was received by 25 October 2009 he would refer the matter to the Ombudsman.

Councillor Smith, Portfolio Holder for Culture and Diversity responded and stressed that the administration had acted properly in respect of 15 Queen Street. It would have been improper for him to take into account his own preferences as to whom the building should be sold to. He had urged Mr Hamilton to take legal advice before attempting to purchase the property.

21. Mayor's Announcements

The Mayor announced that the Museums Service had won Museum Event of the Year in the Essex Tourist Awards 2009 for the Guardians of the King exhibition. The Mayor offered his congratulations to the museum staff.

The Mayor thanked Birkett Long for their help in the Run for Fun event and also thanked senior officers and their sponsors for the funds raised in the sponsored abseil down the Town Hall.

Details of forthcoming events had been circulated to all Councillors. The Mayor drew particular attention to the Oyster Feast and the Remembrance Day service and urged Councillors to support the Remembrance Say service in particular.

22. Risk Management Strategy

RESOLVED that the recommendation contained in minute 29 of the Cabinet meeting of 9 September 2009 be approved and adopted.

23. Provision of New Cremators for Colchester Crematorium

RESOLVED that the recommendation contained in minute 32 of the Cabinet meeting of 9 September 2009 be approved and adopted.

24. Office of High Steward

RESOLVED that the recommendation contained in minute 14 of the Accounts and Regulatory Committee meeting of 22 September 2009 be approved and adopted.

25. Future Electoral Arrangements

Councillor Turrell introduced a debate on future electoral arrangements, in particular the issue of whether the borough should move to a system of four yearly whole Council elections, rather than elections in thirds. If Council was minded to move to whole Council elections, a resolution approving this would need to be passed by Council by two thirds of those present and voting at the meeting by 31 December 2010. This would introduce whole council elections in May 2011.

At the end of the debate a straw poll would be held on the question of whether the Council should move to a system of four yearly whole council elections. It was stressed that this was not a formal vote and was not binding in any way, but was a device to allow an assessment of the Council's view on the question.

In the debate, the following arguments were made in favour of moving to whole council elections:-

- Whole council elections would give an administration the chance to deliver the manifesto on which it was elected. The current system of election by thirds encouraged an administration to take a short term view as there was nearly always an election approaching. This encouraged a tendency to focus on day to day issues. Removing this pressure would give an administration the time to take a longer term view and to implement policies that may be unpopular in the short term or require a long lead in time. Whole council elections would also give an administration to develop and learn. There was a sharp learning curve for a new administration and, under election by thirds, as soon as the learning curve was mastered, the administration faced elections again. If the administration changed, the learning curve began again.
- Election by thirds was inefficient. It meant that for at least one month a year (except in the one year in four when there were no elections), Councillors were not fully focused on running the Council. This led to officers working at less than full capacity. This was not in the best interests of the borough.
- Whole council elections would also give the opposition the opportunity and motivation to become an effective opposition. It would remove the

temptation to simply hope for a change in administration at the next elections. It would give the opportunity for opposition councillors to develop their skills and role as opposition members, particularly their role in scrutiny which would become more effective. It would give more time to develop alternative policies.

- By encouraging both the administration and opposition to move away from concentrating on short term day to day issues the quality of political debate should improve as should relations between the political groups.
- Whole council elections would be compatible with the new political structures being advocated by the government.
- Whole council elections would lessen electoral fatigue and therefore may increase turn out at borough elections. Under election by thirds, electors were bombarded with political literature, which led to disenchantment.
- There were savings associated with whole council elections, which were approximately three-fifths of the cost of elections by thirds.
- Councillors would continue to engage with their constituents without the incentive of elections. The removal of the pressure of elections would give more time to deal with constituents. There were single member wards in the borough who were effectively on a four yearly cycle.

The following arguments were made against moving to whole council elections:-

- Elections by thirds provided excellent motivation for Councillors to continually engage with their constituents. There was a danger that under whole council elections that councillors would work hard in years one and four, but would “coast” in the middle two years. There was a danger that if councillors failed to engage with their constituents or political debate declined as a result of moving to whole council elections, that support for extremist parties could grow.
- Elections by thirds provided a regular influx of new blood to the Council which brought new ideas and fresh approaches. It also provided opportunities for high quality councillors who lost their seats to seek re-election quickly. Under whole council elections the Council would lose their expertise and knowledge for a minimum of four years, which was not in the best interests of the borough.
- Whole council elections would disenfranchise newcomers to a ward who would have to wait considerably longer to elect a representative than they would under elections by thirds.
- Whole council elections could lead to a party assuming control of the council for an extended period which was only temporarily popular at the time of the elections
- Whole council elections could lead to dramatic swings in results, rather than the more incremental changes delivered under elections by thirds.

Also elections by thirds gave an opportunity for extreme swings caused by national events to be rectified locally more quickly.

- Under the current electoral system only a very small swing was required for a party to gain control of the Council. Such a small swing was not sufficient mandate to gain control for a period as long as four years. Therefore, whole council elections could only be supported in conjunction with electoral reform.
- Political parties may have difficulty finding sufficient candidates to contest each seat.
- The savings delivered by whole council elections were noted, but this was too important an issue to be resolved on the basis of cost.

In addition, the following points were also made:-

- A referendum should be held to allow the people of the borough to decide whether to move to whole council elections. This could be conducted alongside the borough elections in 2010.
- Support for a referendum was not universal. There were concerns in particular about the legitimacy of the result if there was a low turnout.
- Whether there was any merit in compulsory voting, if the Council moved to a system of whole council elections.

A summary of the comments made by individual members is at Appendix A.

A informal vote and non-binding vote was taken on whether the Council should move to four yearly whole council elections, the result of which was FORTY voted FOR, SIXTEEN voted AGAINST, TWO ABSTAINED from voting.

A further informal and non-binding vote was taken on whether a referendum should be held on the issue of whether the Council should move to whole council elections the results of which were THIRTY FOUR voted FOR, ONE voted AGAINST and TWENTY THREE ABSTAINED from voting.

26. Suspension of Council Procedure Rules

RESOLVED that Council Procedure Rule 11(2) be suspended to permit the following motion to be discussed and debated at this meeting.

Councillor Tina Dopson (in respect of her employment by Essex County Council) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

Councillor Dave Harris (in respect of his past membership of the governing body of Thomas Lord Audley school) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

Councillor Lyn Barton, Councillor Kevin Bentley, Councillor Theresa Higgins, Councillor John Jowers, Councillor Anne Turrell and Councillor Julie Young (in respect of their membership of Essex County Council) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

Councillor Peter Higgins and Councillor Tim Young (in respect of their spouses' membership of Essex County Council) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)

Councillor Gaye Pyman (in respect of her spouse's membership of the governing body of Philip Morant School) declared a personal interest in the following item which is also a prejudicial interest pursuant to the provisions of Meetings General Procedure Rule 7(10) and left the meeting during its consideration and determination.

Councillor Nick Cope (in respect of his long standing campaigning against the extension of Norman Way and the loss of open space that would result from such an extension) declared a personal interest in the following item which is also a prejudicial interest pursuant to the provisions of Meetings General Procedure Rule 7(10) Councillor Cope made representations in accordance with paragraph 12(2) of the Code of Conduct for Members and then left the meeting during the Council's consideration and determination of the item.

Councillor Martin Hunt (in respect of his long standing campaigning against the extension of Norman Way and the loss of open space that would result from such an extension) declared a personal interest in the following item which is also a prejudicial interest pursuant to the provisions of Meetings General Procedure Rule 7(10) Councillor Hunt made representations in accordance with paragraph 12(2) of the Code of Conduct for Members and then left the meeting during the Council's consideration and determination of the item.

27. Notices of Motion pursuant to Council Procedure Rule 11// Resolution informing Cabinet of the view of Council on the Schools Investment Programme

Essex County Councillor Jeremy Lucas addressed the Council pursuant to the provisions of Council Procedure Rule 6(2). He argued that for the sake of current infant and junior school pupils in Colchester, nothing should be done to compromise the promised funding. He was working behind the scenes to try and secure secondary education provision in South Colchester and it was likely that a vocational college would be established in South Colchester. He did not understand why such a major project should be so dependent on a local issue. The proposed road would not solve the problems of traffic and parking during the school day and the open land in question did add to the quality of life in the area. However, after considerable thought he had concluded that the road should be allowed as the remaining green space would be donated to Fields in Trust; the road verges would be planted with semi-mature trees which would give it an “avenue feel” and because recently an ambulance had had difficulty accessing the Philip Morant site which highlighted the need for a better road access.

Mr Loxley addressed the Council pursuant to the provisions of Council Procedure Rule 6(2). He presented the results of a survey undertaken by the Liberal Democrats in Prettygate which had shown that those who were in favour of the new road access, only supported it because of the proposed expansion of the school, which the majority opposed in any case. 96% of the responses to Essex County Council’s consultation had opposed the expansion and the County Council should be invited to reconsider its decision. The Council should not tie itself to any decision which would result in the loss of valuable green space. There was no justification for a new access road on the basis of access for emergency vehicles. This was an issue about obstruction of existing roads which could be resolved in other ways.

Mr Quince addressed the Council pursuant to the provisions of Council Procedure Rule 6(2) and stated that the £130 million investment in schools in Colchester must be welcomed. It would play a huge part in rebuilding schools and ensure the best opportunities for the children of Colchester. He was shocked that anything might be done to hinder this investment. The decision to close Thomas Lord Audley and Alderman Blaxill schools had been taken and it was misleading to suggest that they would not close if the road did not go ahead.

Mr Kennedy, Chair of the Irvine Road Area Residents Association addressed the Council pursuant to the provisions of Council Procedure Rule 6(2). This was a non-political organisation who were working to improve the environmental amenity of the area. The road would be built on part of a designated open space which was part of a safe access route to three schools. It was a valuable amenity area for local residents and was particularly heavily used by dog walkers. It also provided safe routes for local

wildlife. The provision of the road was not pivotal to the success of the schools reorganisation. It was being used to deflect other arguments against the reorganisation. Philip Morant had been able to expand and develop in the past without such a road and the solution was to reduce traffic to the school.

Councillor Cope addressed the Council in accordance with Paragraph 12(2) of the Code of Conduct for Members. He expressed his frustration that campaigning for local residents had compromised his ability to represent those views in Council. He explained that the new road access to Philip Morant was opposed by residents in Irvine Road. It was also opposed by the Poets Corner Residents Association and he had also received a petition from residents in Audley Road against the road. If proceeded with, the new access would lead to a loss of open space, increased pollution and traffic congestion on local roads and the loss of safe routes to local schools.

Councillor Hunt addressed the Council in accordance with Paragraph 12(2) of the Code of Conduct for Members. He was pleased to note that Philip Morant had now applied to the Council to have the land transferred to them as this meant this was no longer an abstract debate. He questioned whether the road was needed and whilst he noted that it was now claimed that the school reorganisation was dependent on the road, it was not mentioned in the consultation paper and this was contrary to comments made by Lord Hanningfield in public meetings. The motion that Council was being invited to approve was being introduced at the bidding of Lord Hanningfield.

It was PROPOSED by Councillor Bentley that:-

“Council welcomes and supports the £130 million Government investment into education in Colchester, which will benefit all school children throughout the Borough. The “Building Schools for the Future” funding will enable an extensive refurbishment and rebuild programme in order to provide a modern learning environment for our young people.

Council believes that nothing should be done, or left undone, which would impede or hinder this investment and that Colchester Borough Council should fully cooperate with Essex County Council to help secure this multi million pound investment.

Council supports the need of Philip Morant School to improve the road access to its premises as part of the investment into that school, for which planning permission has already been granted by this Council. These improvements should be expedited by means of the Cabinet cooperating fully with the appropriate authorities to enable the land to be made available for the building of the access road.

This to be agreed by Cabinet at its next meeting on 21 October 2009 and be carried out as expeditiously as possible.”

A MAIN AMENDMENT was moved by Councillor Barton, subject to an alteration, as follows:-

“The Motion concerning the view of Council on the schools investment programme be approved and adopted subject to the following amendments:-

(i) In paragraph 1:-

- In the first sentence the deletion of the words “£130 million” and their replacement with the words “possible substantial”; the deletion of the word “will” and its replacement with the word “should”; the deletion of the word “all” and its replacement with the word “most” and the following additional words to be inserted at the end of sentence:

“and in order for this benefit to be felt fully urges Essex County Council’s Cabinet, even at this late stage, to change its decision to close Thomas Lord Audley and Alderman Blaxill schools, both of which are on an improving curve.”

- In the second sentence the insertion of the words “ This Council recognises that” at the start of the sentence; the insertion of the words “to take place at schools who choose to be included” between the words “refurbishment programme” and the words “in order to provide” and the following additional words to be inserted at the end of the sentence:-

“such as the facilities which will be offered at the newly built school on the Charles Lucas site which council fully supports.”

(ii) In paragraph 2:-

- The insertion of the words “subject to legal, administrative and financial requirements” between the words “believes that” and the words “nothing should be done” and the insertion of the words “on matters over which Essex County Council has control” between the words “Essex County Council” and “to help secure”.

(iii) The deletion of the wording at paragraph 3 and its replacement with the following wording:-

“Having received a formal request for a lease or purchase of Colchester Borough Council open space, the council will in the normal way of conducting council business, assess whether there is a need for Philip Morant School to improve the road access to its premises by enacting the planning permission which has rested with the governing board of that school for the last 10 years;

will discuss and reach financial terms with the school governors for a possible lease to be offered; and will carry out the public consultation required by law when disposing of public open space should such disposal be contemplated. “

(iv) The deletion of the word “agreed” and its replacement with the word “discussed” and the deletion of the words after the word “Cabinet” and the insertion of the following words “next Wednesday” “

The MAIN AMENDMENT was LOST (TWENTY ONE voted FOR, TWENTY EIGHT voted AGAINST and SIX ABSTAINED from voting).

A named vote having been requested pursuant to the provisions of Council Procedure Rule 15(2), the voting was as follows:-

Those who voted FOR were:-

Councillors Barlow, Barton, Blandon, Chuah, Cook, Cory, Gamble, Goss, Hall, Harris, P. Higgins, T. Higgins, Hogg, Knight, Manning, Naish, Offen, Scott-Boutell, Smith, Sykes and Turrell.

Those who voted AGAINST were

Councillors Arnold, Bentley, Blundell, Bouckley, Chapman, Chillingworth, Davidson, Davies, Ellis, Fairley-Crowe, Foster, Garnett, Hardy, Hazell, Jowers, Kimberley, Lissimore, Maclean, Martin, B. Oxford, G. Oxford, P. Oxford, Quarrie, Sutton, Taylor. Tod, Willetts and the Deputy Mayor (Councillor Lewis).

Those who ABSTAINED from voting were:-

The Mayor (Councillor Spyvee), Councillors Dopson, Ford, Lilley, J. Young and T. Young.

Councillor Scott-Boutell left the meeting at this point.

The MOTION was thereupon put and CARRIED (THIRTY TWO voted FOR and TWENTY-TWO ABSTAINED from voting).

A named vote having been requested pursuant to the provisions of Council Procedure Rule 15(2), the voting was as follows:-

Those who voted FOR were:-

Councillors Arnold, Bentley, Blundell, Bouckley, Chapman, Chillingworth, Davidson, Davies, Dopson, Ellis, Fairley-Crowe, Ford, Foster, Garnett, Hardy, Hazell, Jowers, Kimberley, Lilley, Lissimore, Maclean, Martin, B. Oxford, G. Oxford, P. Oxford, Quarrie, Sutton, Taylor, Tod, Willetts, J. Young and T.

Young.

Those who ABSTAINED from voting were:-

The Mayor (Councillor Spyvee), The Deputy Mayor (Councillor Lewis), Councillors Barlow, Barton, Blandon, Chuah, Cook, Cory, Gamble, Goss, Hall, Harris, P. Higgins, T. Higgins, Hogg, Knight, Manning, Naish, Offen, Smith, Sykes and Turrell.

28. Questions to Cabinet Members and Chairmen pursuant to Council Procedure Rule 10

In view of the late hour it was *RESOLVED* that the questions to Portfolio Holders and Chairman be cancelled and written responses be sent to the pre-notified questions.

29. Schedules of Decisions taken by Portfolio Holders

It was *RESOLVED* that the schedules of Portfolio Holder decisions for the period 25 June 2009 – 2 October 2009 be noted.

30. Appendix A

Councillor Bentley supported the principle of whole council elections as they would give an administration the opportunity to fulfil the programme it was elected on. Under the present system, a new administration inherits the outgoing administration's budget, and then only has approximately eight months to govern before it has to start preparing for elections again. This lessens the time an administration has to put its ideas into practice. It would also give the opposition more time to prepare well thought out and consistent policies. Overall whole council elections would bring far greater stability to local politics in Colchester.

Councillor Jowers noted that if the Council did move to whole council elections then a number of Councillors would need to go through two elections in two years. Overall, though, there were massive benefits from whole council elections. Elections by thirds promoted short term solutions, as an administration would only have eight months in power before it began to concentrate on elections again. He had experience of both systems and felt four yearly elections enabled an administration to take a longer term view and get more done. It also enabled a better relationship with the opposition to

develop and gave the public a break from constant campaigning.

Councillor Hunt indicated that whilst he understood the compelling arguments in favour of whole council elections he was concerned that it may lead to councillors becoming lazy and only seeking to engage residents in pre-and post election years.

Councillor Willetts explained that he had experience of whole council elections both as a County Councillor and a Braintree District councillor. He did not believe that whole council elections led to Councillors failing to communicate and engage with their constituents. He was concerned about the amount of political literature distributed to the electorate as a consequence of the current system. The people of Colchester should be allowed to decide the borough should move to a system of whole council elections.

Councillor Barlow expressed concern that given the current electoral system, only a very small swing was required for a party to gain control of the Council. A party could gain control with a share of the vote as small as 30% and he did not believe that this was a sufficient mandate to gain control of the Council for a four year period.

Councillor Foster argued that the system of election by thirds did not give a new administration time to plan and deliver its policies. There was little point in an administration holding power for just one year. There was a steep learning curve when taking power and as soon as this was mastered, the administration faced elections again which could lead to it being voted out. It was in Colchester's best interests to move to whole council elections.

Councillor T. Young expressed sympathy with the views expressed by Councillor Barlow and argued that there was need for fairer system of electing councillors. He supported the idea of whole council elections subject to the caveat that it was incumbent on Councillors to ensure that active political debate continued. It was where there was no active political debate amongst mainstream parties that extremist group could gain a foothold.

Councillor Arnold believed that whole council elections would give the opposition the opportunity and the motivation to become an effective opposition. Under the present system there was a temptation for the opposition just to hope that it may regain power within a year, which could be a disincentive to organised and effective opposition. Linked to this, it would give scrutiny a better opportunity to flourish. Whole council elections would also help an administration an opportunity develop and carry through policies that make take more than one year to implement. Whole council elections would also be cheaper and might address issues of low turnout at elections by reducing electoral fatigue.

Councillor Naish expressed concern that under whole council elections the “flavour of the month” may gain control of the Council and then would be able to retain it for a long period. He noted the suggestion that a referendum be held to determine whether the Council should move to whole council elections, but was concerned about the legitimacy of the result if there was a low turnout. If the Council did move to whole council elections, he wondered if there was any merit in some form of compulsory voting.

Councillor G. Oxford argued that whole council elections would allow an administration to work on medium term strategies. If an administration was only in power for one or two years, it was not able to see policies through. He did not believe that Councillors would cease to engage with their constituents if elected for four years, and if they did they would lose their seats.

Councillor Blundell noted that if the Council moved to whole council elections there would be a considerable saving to the Council, as the cost of whole council elections was approximately three-fifths of the cost of elections by thirds. The position of the electoral services staff also needed to be taken into account.

Councillor Hogg supported the current system of elections by thirds. He believed this helped keep councillors “on their toes”. He believed there was a real fear that under whole council elections councillors would work hard in years one and four, but would coast in the middle two years. Four yearly elections would disenfranchise newcomers to a ward as they may have to wait considerably longer to elect a representative than they would currently. This was particularly true in wards such as St Johns which had a fairly mobile population. He noted the savings that could be made by moving to whole council elections but this was too important an issue to be decided on the issue of cost.

Councillor Kimberley believed that the arguments for and against whole council elections were finely balanced. There were advantages to the Council in receiving a fresh intake of councillors annually. She did not support compulsory voting. She agreed that the people of Colchester should be allowed to decide whether the Council should move to whole council elections and the issue should be addressed in the Courier.

Councillor Offen argued that voting by thirds meant that Councillors effectively stopped work for one month per year and led to officers working at less than full capacity for that month. This was inefficient and would not be allowed in any other major public body. Whole council elections would allow proper programmes to be delivered and would allow the administration the time and mandate to get on with implementing a programme rather than being deflected by day to day issues. The level of debate would improve and would be less partisan.

Councillor Chapman supported maintaining elections by thirds and endorsed Councillor Hogg's comments. He felt that whole council elections would be of particular benefit for members of the executive, but could be frustrating for backbenchers. Four yearly elections could also lead to dramatic swings in results, rather than the more incremental changes delivered under the current system. Also he believed that political parties may have difficulty finding sufficient candidates to contest each seat.

Councillor Sutton believed that the new political structures with a leader in post for four years was leading the way to whole council elections. The new system would be incompatible with elections by thirds. As a business, the Council should be looking for stability, which four yearly elections would give. Whilst he would miss the annual "dogfight" of elections, the debate over the budget would still provide a forum for this. Whole council elections would allow an effective opposition to develop. Whole council elections would benefit the whole of Colchester and therefore should be supported by Council.

Councillor Hazell supported the principle of whole council elections, which would benefit both residents and council officers. They would give councillors more time to engage with residents, without the pressure of elections looming. The idea of a referendum on the issue was supported. However she did not support the idea of compulsory voting

Councillor Gamble supported the comments of Councillor Hogg and drew attention to the borough elections in 1990 when the national conservative government was very unpopular and a number of good conservative councillors lost their seats. With whole council elections, such councillors would be out of office for four years. Elections by thirds gave an opportunity for such extreme swings caused by national events to be rectified locally more quickly.

Councillor T. Higgins drew attention to the fact that wards within the borough had different numbers of Councillors. Single member wards effectively had four yearly elections already. She explained that in Australia, voting was only compulsory for those that had registered to vote and registering was not compulsory. She agreed that a referendum was a sensible way forward and suggested that this could be held along with the borough elections in 2010.

Councillor Chillingworth supported whole council elections on the ground that it would lead to more efficient ways of working for the Council, as Councillor Offen had explained, and because it would lessen the demands on the electorate, who were called out to vote too often.

Councillor Dopson noted that central government used four to five year terms which allowed it to set out policies and deliver them. Whole council elections

for the borough would lead to a stronger administration with the opportunity to deliver a proper programme. It would also deliver a stronger opposition with more effective scrutiny. Decision taking would improve as it would not be so dependent on immediate factors. She was not convinced about the need for a referendum on whole council elections.

Councillor P. Higgins gave further details of the voting system in Australia.

Councillor Turrell explained that from her experience at Essex County Council that whole council elections gave an opposition the time to build more effective arguments against the administration. She did not believe that whole council elections would lead to a failure engage with the electorate: there would also be parish and European elections which would give an opportunity to campaign. She also agreed with the points made about the need for electoral reform. Four yearly elections would give time for an administration to get its policies through and not be governed by short term factors. Under the present system, an administration often had to spend the first six months following the previous administration's policies for the first six months. No sooner had it begun to implement its own policies when it faced election again.

**Extract from the minutes of the
Local Development Framework Committee's meeting
held on 12 November 2009**

Councillors Fisher (in respect of her membership of Essex County Council) and Jowers (in respect of his memberships of Essex County Council for which he is also the Cabinet member with responsibility for planning; the East of England Regional Planning Panel; the National Urban Design Commission; and the Essex Rural Communities Commission) each declared their individual personal interests in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3).

16. East of England Plan Review to 2031 Consultation // Colchester Borough Council Response

The Committee considered a report by the Head of Strategic Policy and Regeneration on the East of England Plan Review to 2031 Consultation together with a draft response from Colchester Borough Council appended to the report. Also circulated was the Essex Local Authorities' Joint Policy Response and reference was made to a response currently being drafted by the Haven Gateway Partnership.

James Firth, Planning Policy Officer; attended to assist the Committee in its deliberations. He explained that there were four Scenarios in the consultation document. Scenario 1 rolls forward the existing plan; Scenario 2 is based on the Regional Scale Settlement Study; Scenario 3 is the same as Scenario 1 but the distribution among authorities is based on the economic capacity to create jobs; and Scenario 4 is a Government projection of households and need based on demographics and migration trends. The increase for Colchester under Scenario 4 is significantly greater than any other borough in the Haven Gateway area, and although Colchester has been exceeding its targets in the current plan it was very unlikely that this would continue let alone increase. He commented that there was very little information provided in respect of job growth. A draft Colchester Borough Council response was appended to the report and the timetable for responding to the consultation was set out in paragraph 1.1.

Ian Vipond, Executive Director, attended to assist the Committee in its deliberations. He gave a brief interpretation of each of the Scenarios. Scenario 1 being a projection of the existing rate and is the highest rate of growth proposed in the last regional plan. Although this was a high rate to achieve, Colchester was over-achieving its current commitment prior to the recession; over a 20 year period there will be periods of higher and lower growth. To provide some guidance on the scale of development required, he explained that the roll forward figure of Scenarios 1 and 3 were approximately equivalent to building a town the size of Witham. Scenario 2 was equivalent to a town the size of Braintree, and Scenario 4 equivalent to a town the combined size of Braintree and Witham. He also requested that the Committee give authorisation to the Head of Strategic Policy and Regeneration to comment on and agree to the Joint Essex Districts response and a joint Haven Gateway response. This would be a useful signal that the authorities are working together to deal with the significant issues raised by the Regional Spatial Strategy.

Mrs White addressed the Committee pursuant to the provisions of Meetings General Procedure Rule 5(3) in support of a proper strategy to provide the appropriate level of new

housing for Colchester. She stressed the importance of having options which include a quality of life for residents.

Members of the Committee discussed a number of issues including:-

- the Office of National Statistics (ONS) being the originator of the data used to develop the scenarios which had been undertaken by the National Housing Policy Advisory Unit (NHPAU), a non-mandated Quango responsible for the review of strategic housing;
- that Colchester has been recognised as a Key Centre for Development and Change (KCD), and more funding will go to areas with that status;
- that it was considered likely that Essex district authorities and Essex County Council would accept Scenario 1, even though it is a high rate of growth;
- that it was unlikely that a regional scale settlement as in Scenario 2 would be located in Colchester so that scenario may not be so much of a risk to accept;
- that the current population of Colchester would increase by more than 30,000 simply by the increase in births and the decrease in deaths, without taking account of any migration out of London which is another contributory factor for Colchester. This in itself would require a new housing increase of the level of Scenario 4;
- that it would be unwise to accept Scenario 4 without a reassurance that the provision of adequate road and other infrastructure should come with build;
- other issues and concerns mentioned were that new jobs should include those of a high level, there was a need for more affordable housing. Developments should be resident friendly, carbon neutral and there should be adequate water resources. In connection with water resources, a water cycle study for Haven Gateway had indicated that it was not the supply of water which was problematic but how to deal with the waste water;
- it was recognised that much of the infrastructure tended to go in late and the issue of how to build in the timely delivery of infrastructure may continue to be problematic in the future.

The Committee was mindful of the need to support one of the scenarios because if the Council accepted none of the scenarios, one would be imposed. Scenario 1 was supported on the basis that it was the minimum level of growth, taking into account the fact that Colchester has grown by 1,000 new dwellings per annum, faster than Chelmsford or Ipswich, and job numbers have also increased. Also by accepting a scenario the Council would ensure that Colchester would be included when the bids for funding were being made.

RECOMMENDED TO COUNCIL (MAJORITY voted FOR) that the consultation response to the East of England Plan Review to 2031 be approved.

RESOLVED (MAJORITY voted FOR) that –

(a) The consultation response to the East of England Plan Review to 2031 be reported to the Strategic Overview and Scrutiny Panel for discussion.

(b) The consultation response be provisionally submitted to the East of England Regional Assembly by the consultation deadline on 24 November 2009.

(c) The Head of Strategic Policy and Regeneration be authorised comment on and agree to the Essex Local Authorities' Joint Policy Response and the Haven Gateway Final Response.

Please note that a copy of the proposed consultation response is at pages 27-37 of this Council Summons

LICENSING COMMITTEE
25 November 2009

Present: - Councillor Cook (Chairman)
Councillors Bouckley, Chuah, Foster, Garnett, Hogg,
Kimberley, Lilley, P.Oxford, Quarrie and Sykes

17. Statement of Policy of the Licensing of Gambling// Results of Consultation

The Committee considered a report by the Head of Environmental and Protective Services on the outcome of the consultation exercise on the Council's draft Gambling Policy Statement.

The Committee at its meeting on 7 October 2009 approved the draft gambling policy for the purposes of public consultation. The consultation period ran from 16 October to 13 November 2009 and during this period copies of the policy were sent out to specified consultees and those premises which already held a licence. In addition, licensed premises and other interested parties were advised that the policy was now available and how to obtain a copy and comment on it. A full list of the consultees was appended to the report. Only one response to the consultation was received from Councillor Spyvee and this was appended to the report. At the end of the consultation period the policy was referred to Counsel who has suggested a number of relatively minor amendments. The amendments to the policy recommended by Counsel together with the recommendations for amendments resulting from the response received were shown in the final policy document circulated with the agenda. The policy when finally approved would be reviewed periodically and published every three years.

RESOLVED that the Statement of Gambling Policy, as amended, be approved for recommendation to Council.

RECOMMENDED to Council that in exercise of its licensing function pursuant to Section 349 of the Gambling Act 2005, the Council adopts the Statement of Gambling Policy.

Agenda item 8(iii)

Extract from the draft minutes of the Standards Committee meeting on 27 November 2009

17. Revised Anti-Fraud and Corruption Policy

The Committee considered a report from the Head of Resource Management presenting a revised anti-fraud and corruption policy and recommending it be referred to Council for inclusion in the Council's Policy Framework. Hayley McGrath, Risk and Resilience Manager, attended to assist the Committee.

The most significant change in the update of the policy was the incorporation of the Benefits Sanction Policy, which was previously reported separately. The Committee noted that there would continue to be a separate process for investigating benefit fraud. The new policy also set out the Council's culture and values and demonstrated that fraudulent and corrupt actions would not be tolerated. It also gave guidance on how an issue would be investigated to ensure that there was a consistent approach to managing fraud and corruption.

RESOLVED that the revised Anti-Fraud and Corruption Policy be agreed.

RECOMMENDED to Council that the revised Anti-Fraud and Corruption Policy be included in the Council's Policy Framework.

Extract from the minutes of the Cabinet meeting on 2 December 2009

45. 2010/11 Revenue Budget, Financial Reserves and Capital Programme

The Head of Resource Management submitted a report a copy of which had been circulated to each Member and a copy of which appears as Appendix B to these minutes in the Minute Book.

Elizabeth Hall, Chair of the Mercury Theatre Board, addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2). She thanked Colchester Borough Council for the significant investment made in the arts in Colchester, in partnership with the Arts Council and Essex County Council. A consequence of the proposed cut in the Borough Council funding would be that other partners may then consider cutting their funding also. If this were to happen, it would have serious consequences for the ongoing viability of the Mercury Theatre. She requested that the cut in funding be reviewed after the forthcoming partnership meeting.

Nigel Hildreth, Chair of the Arts Centre Board, addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2). The Arts Centre worked in partnership with other arts providers to provide valuable outreach work. These services would be at risk if there was a cut in funding. A cut in funding from Colchester Borough Council could put other funding at risk. No final decision on funding should be made until after the forthcoming partnership meeting. He was happy to meet with the Council to discuss funding at any time.

Anthony Roberts addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2). Arts organisations were fragile and precarious and the support of the Borough Council was the bedrock of the Arts Centre. The funding from the Council enabled the Arts Centre to secure £291,000 of other public funding. Much work was done to measure the benefits this produced but it was very difficult to effectively quantify the value the arts provided.

In response, Councillor Smith, Portfolio Holder for Culture and Diversity, stressed that the Council would take account of the work of the Arts Centre and Mercury Theatre towards the objectives in the Strategic Plan. Whilst cuts in funding were regretted, the Council was receiving no support from the Arts Council or Essex County Council in respect of the legal costs for the Visual Arts Facility. Councillor T. Young responded that given the economic circumstances, the Council needed to concentrate on its resources on key frontline services. He was concerned that outreach work might be the first victim of cuts by arts organisations as this was among the most valuable work they did. The Council may need to look at the Service Level Agreements with the arts organisations to address this issue.

Councillor Willetts attended in his capacity as Deputy Leader of the Conservative Group and addressed the Cabinet to express his concern about the budget gap identified in the Head of Resource Management's report. He hoped the generous Housing and Planning Delivery Grant would mean that the cuts in arts funding would not be necessary. He expressed concern about the way investments, interest earnings and corporate targets had been managed Conservative Party policy was to seek a 0% rise in Council tax. No reference was made to the Haven Gateway funding in the capital programme parts of the report.

Councillor Arnold attended and addressed the Cabinet in his capacity as the Chairman of Strategic Overview and Scrutiny Panel. He drew attention to the decision of the Strategic Overview and Scrutiny Panel on 3 November 2009 to support the inclusion of a growth item in the 2010/11 budget for a "clean all" policy in relation to graffiti, which was not referred to in the report.

Councillor Smith, Portfolio Holder for Culture and Diversity, explained that the Council was taking positive action to address the difficult budget position. The announcement of a more generous than expected Housing and Planning Delivery Grant was welcomed.

RESOLVED that:-

- (a) The current 2010/11 revenue budget forecast which at this stage showed a budget gap of £1,793,000 and the forecast variables and risks be noted.
- (b) The action being taken to close the budget gap including the ongoing development of savings delivery plans and proposed consideration of use of reserves and balances be noted.
- (c) The recommended level of revenue balances be set at £1.5m for 2010/11 as set out in the Risk Analysis subject to consideration of outstanding issues as part of the final budget report in January 2010.
- (d) The current budget forecast for 2009/10 be noted as set out at paragraph 11.7 of the Head of Resource Management's report.
- (e) The release of funds for capital schemes set out at section 13 of the Head of Resource management's report be agreed and in addition the release of £95,000 provided to the Council in the form of Housing Capital Grant to fund Private Sector Housing renewal commitments be agreed.
- (f) In respect of second homes the Council Tax discount applied be retained at 10% as set out at paragraph 14.5 of the Head of Resource Management's report.
- (g) In respect of long term empty properties the discount be retained at nil as set out at paragraph 14.5 of the Head of Resource Management's report.

RECOMMENDED to Council that: £250,000 be released from balances to fund additional legal costs in respect of the Visual Arts Facility (VAF) as set out paragraph 7.9 of the Head of Resource Management's report.

REASONS

The reasons for the decisions were set out in detail in the Head of Resource Management's report

ALTERNATIVE OPTIONS

No alternative options were presented to the Cabinet.

Extract from the minutes of the Cabinet on 2 December 2009

51. Appointment of Deputy Mayor 2010-2011

Consideration was given to the appointment of the Deputy Mayor for the Municipal Year 2010-11.

Councillor Hunt nominated Councillor Chuah as Deputy Mayor for the 2010-11 Municipal Year. Councillor T. Young endorsed the nomination of Councillor Chuah.

RECOMMENDED to Council that Councillor Chuah be nominated for appointment as Deputy Mayor for the Borough of Colchester 2010-11 Municipal Year.



Council

Item
9

10 December 2009

Report of	Monitoring Officer	Author	Andrew Weavers ☎ 282213
Title	Council Debate - City Status		
Wards affected	All		

**This report provides background information for
the Council debate on City status**

1. Decision Required

- 1.1 To indicate whether Council has the aspiration to apply for City status for the Borough at the next available opportunity.

2. Background

- 2.1 City Status is a honour granted to a Town by the Queen under the Royal Prerogative, acting on the advice of her Ministers. The last grant of City Status in England was to Preston as part of the commemorations of the Queen's Golden Jubilee. Previously a competition was held for the consideration of the grant of City status to commemorate the Millennium. Brighton & Hove, Inverness and Wolverhampton were successful. Colchester Borough Council submitted bids for both competitions but unfortunately we were not successful.
- 2.3 The decision on when a competition for city status should be held is for the Queen to decide. Competitions are usually held on occasions such as important Royal anniversaries. The grant of city status is purely honorific, it confers no additional powers or functions on the town. City status is not, and never has been, a right which can be claimed by a town fulfilling certain conditions. All applications for city status are considered on their individual merits.
- 2.4 Following the Golden Jubilee city status competition, there are now 66 cities in the UK; 50 in England, 5 in Wales, 6 in Scotland and 5 in Northern Ireland. The nearest cities to Colchester are, Cambridge, Peterborough and Norwich.
- 2.5 Towns that were interested in applying for city status to mark the Golden Jubilee were informed that Ministers would take in account the following main factors:
- Notable features, including significance regionally; significance within England, Wales, Scotland or Northern Ireland, and/or significance within the United Kingdom as a whole;
 - Historical (including Royal) considerations; and
 - A forward thinking attitude

Although no new competition for city status have been mooted the main factors listed above from the last competition give a broad indication of what might be considered in the future. Colchester's entry in the last competition which was held in

2001 addressed these factors however Colchester's rapid development and improvement journeys has meant that the Borough has moved on since the application was submitted.

- 2.6 It is not necessary for a city to have unitary status. Of our neighbouring cities only Peterborough is a unitary authority.

3.0 What makes Colchester a potential city?

- 3.1 The Borough's current population is 181,000. We are the largest district in Essex and its population amounts to 13% of the total Essex population. Discounting existing unitary authorities, London Borough's, metropolitan districts and counties, Colchester is the 2nd largest district in England.

- 3.2 The following table highlights the population growth of Colchester compared to our neighbouring cities:

	2001 Mid year estimate (000)	2008 Mid year estimate (000)
Cambridge	109.9	122.8
Colchester	156.0	181.0
Peterborough	157.4	164.0
Norwich	122.4	135.8

3.3 Future population trends

The population of Colchester is expected to grow to 223,500 people in 2021. This is an increase of 52,700 people over a 15 year period. This is the largest population growth of any town in Essex County.

3.4 Economic growth

High-tech engineering is an important anchor for the economy of Colchester. The local economy also features a high percentage of modern R&D-led practices working in ventilation systems, advanced water screening solutions and refrigeration and air conditioning, alongside the embryonic but dynamic creative industry and environmental technology sectors.

Strength in the ports sector is reflected in the presence of multinational producer Man B&W Paxman Diesels which has a 75% global market share. Also the advantages of being right next door to the largest container port complex in the UK at Harwich and Felixstowe as well as Stansted Airport makes Colchester an ideal base for a large number of businesses.

In 2006, Colchester had the third highest number of jobs (69,893) in Essex County according to the Annual Business Inquiry (ABI). Our target for job growth for 2008 was 73,339 and Colchester exceeded this with 80,100. This means that we are well on target for meeting our 2021 target of 82,877.

3.5 Already a Member of Regional Cities East

Regional Cities East (RCE) is an alliance of six 'cities' in the East of England, Colchester, Peterborough, Norwich, Ipswich, Luton and Southend-on-Sea. The cities of RCE have several shared and collective strengths on which they are able to capitalise. Principally these are: capacity for and commitment to sustainable growth; international transport gateways; the knowledge based economy; higher

education and research institutions; environmental expertise and national and cultural centres of excellence with a proximity to London.

RCE was developed as the region's Urban voice and has made quick, high profile progress, that has awoken Government, in particular, to the fact that the East has key urban centres that help drive the national economy. The RCE cities have been pivotal in driving the growth and economic success of the region and in making it one of the most economically productive regions in the UK.

3.6 **A Changing Colchester**

With an overall regeneration programme of over £3 billion, many things are happening in Colchester.

In addition to being Britain's oldest recorded town with an array of national and international tourist attractions, this ambitious and exciting renaissance programme is already transforming Colchester into one of the regions most vibrant and dynamic centres.

Four areas; the town centre, North and East Colchester and the Garrison have been identified as key areas for growth and regeneration where new communities are being created offering new employment sites, homes, shops, transport links, improved public realm, community facilities and landmark buildings.

The Weston Homes Community Stadium, the new home for Colchester United Football Club, opened in August 2008 and has been the catalyst for the development of the North Colchester regeneration area.

The 10,000 seater community stadium has provided an early focus for community activity offering state-of-the-art facilities for events, sport, education development and a premier conference and wedding venue for up to 400 people.

Sites within the area have been earmarked for the development of 4,000 new homes including 1,500 on the Severalls Hospital site and approximately 40 acres of employment land including business, retail and leisure units as well as a hotel. These developments will be enabled by the delivery of the A12 junction and supporting road infrastructure which will be funded by the Department for Communities and Local Government' through it's Community Infrastructure fund and funding from the Homes and Communities Agency. Work is starting on site with a completion in 2012.

Also underway is the delivery of a 28 unit business incubator unit to provide support and networking opportunities to small and medium enterprises. This facility which is due to start on site early next year, is expected to deliver 134 new jobs and 85 new businesses in the first three years.

In East Colchester an exciting new waterside community is starting to emerge on the site of the town's former port alongside the expanding University of Essex. As well as new homes, jobs and community facilities, the area will be improved with public realm works, new public open spaces and improved public transport links.

The knowledge-based assets and opportunities provided by the University of Essex will be harnessed by the University's Knowledge Gateway development which will include a 30,000sq ft International Centre. Work on Phase 1 of the Gateway will include 700 new student homes and supporting infrastructure will commence next year.

The regeneration of Colchester town centre seeks to enhance its economic performance as a sub-regional shopping centre, business centre and historic / cultural centre.

A co-ordinated programme of development within the town centre is expected to deliver over 700 new jobs and 2,000 new homes, and attract an additional 500,000 visitors per year.

The transformation of the St. Botolph's area is already underway with construction of the iconic visual arts facility. Other key developments planned for the area include a new mixed use cultural quarter, magistrate's court, residential development and Vineyard Gate, a 500,000 sq ft retail scheme.

External funding has also been secured which will see improvement works carried out across the town centre to develop good quality public realm that provides attractive and sustainable links between key cultural and heritage assets and these new developments. In addition a sustainable traffic management solution will be delivered which also incorporates public transport improvements.

Colchester has been a garrison town for many hundreds of years and the £1.5 billion development of a new 21st Century Garrison in the town has shown a further 35 years commitment to Colchester by the MoD helping to retain 5,000 jobs in the borough.

As well as creating greatly improved accommodation and facilities for service personnel, land released by the MoD is being developed into an urban village around a large open green space. The site close to the town centre will include 2,600 homes, some of which will be created using historic buildings previously occupied by the MoD.

3.7 **Heritage**

Colchester is widely recognised as being 'Britain's oldest recorded town'. The earliest historical reference to the town is on a coin of Tasciovanus, an Iron Age chieftain, around 20 BC. Later in AD 49 the Roman emperor Claudius granted the town city status. The earliest written record of the town's existence is a reference by the Roman writer, Pliny the Elder in AD77. A reference to Camulodunum being the pre-Roman name for Colchester. This is the first known reference to any named settlement in this country. After the Roman period Colchester declined and it was not until the reign of Edward the Elder in 917 that the town was re-established. By the time William the Conqueror came to the throne in 1066 Colchester was regarded as a very ancient and important settlement which is one of the reasons why William chose to build a royal castle here in the 1070s. Colchester was granted its first royal charter by Richard the Lionheart in 1189.

Colchester contains a significant number of listed buildings and a wealth of historical assets. Only recently the remains of a Roman Chariot Circus was 'discovered' within the town.

3.8 **Culture**

Colchester is an attractive place with rich and diverse landscapes and streetscapes, highly valued and well used community spaces, a variety of built and natural features, a wide range of parks and green spaces (including Britain's 'best' park in Castle Park), important countryside areas and a unique history and heritage. Colchester is energetically pursuing its ambition to be a preferred destination for

visitors, businesses and investment, included in the extensive and challenging £3bn regeneration programme.

In doing so the Council also recognises that creating and maintaining a high quality environment and encouraging sustainable lifestyles is fundamental to achieving these ambitions. The importance that the quality of the public realm has on the perceptions of the area, its distinctiveness, image and attraction and its impact on the reputation of the Council itself and this is integral to the planned improvements to Colchester, especially in the town centre.

3.9 **Some Colchester Facts**

It was the capital of Roman Britain when London was just a trading post.

It has the largest surviving Roman gateway in Britain.

It has 1½ miles (2½ km) of Roman wall, the oldest town wall in Britain.

It has a large number of ancient mosaic floorings, one of the largest concentrations for a town of its size. Some remain untouched in the ground under modern day buildings in and around the town. Others are now the responsibility of Colchester Museums and are either in storage or on display in Colchester Castle Museum, such as the Middleborough Mosaic unearthed in 1979.

Colchester Castle is the largest surviving Norman keep in Europe.

Colchester Castle pre-dates the Tower of London and was in fact the blueprint for it.

Colchester Castle was the first Royal Castle outside of London.

Colchester Castle is built on the massive foundations of the Roman Temple of Claudius.

Colchester was under siege for 11 weeks during the English Civil War in 1648.

The town's skyline is dominated by two Victorian masterpieces - the Town Hall and 'Jumbo' a water tower built in 1882-3. It became known as Jumbo after the famous elephant in London Zoo which had then just been sold, amid national protests, to the American circus showman, P. T. Barnum.

Colchester was the location for a major British earthquake in 1884.

Colchester Borough is also known for its cultural attractions. It has 14 museums, galleries and art cafes and 5 theatres.

The University of Essex is one of the UK's leading academic institutions. Founded in 1964 when it opened its doors to a cohort of just 122 students at Wivenhoe Park in Colchester, the University has grown in both reputation and size, developing a worldwide reputation for top quality teaching and research.

There are now more than 9,000 students, studying at three campuses across Essex. Academic departments span the humanities, social sciences, science and engineering, and law and management. Essex is the UK's most internationally diverse campus university, with students drawn from 130 countries.

3.10 **A Regional Retail Centre**

2009 figures reveal that Colchester ranks 44th in the country for retail and is designated a major centre, ahead of Ipswich which ranks at 46th and Chelmsford at 48th.

- 3.11 There are many other things that can be said of Colchester which may well support a claim for city status. The question is do we aspire to such a status?

4. Strategic Plan References

- 4.1 The key aim of the strategic plan is to make Colchester a place where people want to live, learn, work and visit.

5. Financial Considerations

- 5.1 There are no direct financial implications of being a city. A campaign to gain such status may require some co-ordination of resources.

6. Equality, Diversity and Human Rights Implications

- 6.1 The Council has a commitment to achieve fair access, removing where possible physical, financial, administrative and communication barriers to ensure that everyone, regardless of age, gender, disability, race, wealth and social status, has the opportunity to use our services. Where it is impossible to remove a barrier, then the aim is to reduce it or find alternative methods of access.

- 6.2 This also relates to intellectual access, communicating information so that it is understandable to the widest possible audience. In practice this means providing information at a number of levels using a variety and combination of techniques (text, image, spoken, etc) to enable people to understand, appreciate and respect Colchester as a place in which to live, work, visit, study and do business.

7. Publicity and Consultation Considerations

- 7.1 Following the debate by Council it may be necessary to consider the publicity and consultation considerations further.

8. Community Safety, Health & Safety and Risk Management Implications

- 8.1 No direct implications.

**Record of Decisions taken under Scheme of Delegation to Cabinet Members
3 October 2009 - 27 November 2009**

Portfolio – Communication, Customers and Leisure					
Date	Number	Report Title	Author	Decision	Result
12/11/09	COM-003-09	The Provision of Swimming related Goods at Colchester Leisure World	Simon Grady	To agree provision of a retail outlet at Leisure World for the sale of swimming related goods	Agreed 25/11/09

**Record of Decisions taken under Scheme of Delegation to Cabinet Members
3 October 2009 - 27 November 2009**

Portfolio – Culture and Diversity					
Date	Number	Report Title	Author	Decision	Result
14/10/09	CUL-004-09	Response to the Department Communities of Local Government (DCLG) “Reform of Council Housing Finance” Consultation Paper.	Darren Brown	To comment on consultative document prepared by DCLG	Agreed 27/10/09
21/10/09	CUL-005-09/ NEI-003-09	Appeal against covenant removal decision	Suzanne Norton/ Tina Hinson	The appeal against the decision not to remove a covenant on land at 2 Luard Way, Birch	Agreed 17/11/09

**Record of Decisions taken under Scheme of Delegation to Cabinet Members
3 October 2009 - 27 November 2009**

Portfolio - Neighbourhoods					
Date	Number	Report Title	Author	Decision	Result
12/10/09	NEI-002-09	Analogue/Digital Conversion	Lindsay Barker Mike Scarlett Darren Brown John Rock	To appoint Campbell & Kennedy Ltd to carry out the upgrade/renewal programme for digital conversion applicable to CBC's housing stock currently receiving services via communal aerials	Agreed 4/11/09
21/10/09	CUL-005-09/ NEI-003-09	Appeal against covenant removal decision	Suzanne Norton/ Tina Hinson	The appeal against the decision not to remove a covenant on land at 2 Luard Way, Birch	Agreed 17/11/09

**Record of Decisions taken under Scheme of Delegation to Cabinet Members
3 October 2009 - 27 November 2009**

Portfolio - Performance and Partnerships					
Date	Number	Report Title	Author	Decision	Result
30/09/09	PER-001-09	Allocation of investment in voluntary welfare organisations 2009-10	Fay Mathers	Details of the Council's investment in "not-for-profit", voluntary and community organisations through the revenue and project and development Voluntary Welfare Grants programmes for 2009-10 and Life Opportunities Capital Fund	Agreed 15/10/09

**Record of Decisions taken under Scheme of Delegation to Cabinet Members
3 October 2009 - 27 November 2009**

Portfolio – Planning, Sustainability and Environmental					
Date	Number	Report Title	Author	Decision	Result

**Record of Decisions taken under Scheme of Delegation to Cabinet Members
3 October 2009 - 27 November 2009**

Portfolio – Resources and Business					
Date	Number	Report Title	Author	Decision	Result
22/9/09	RES-011-09	Sale of HRA Land adjacent to 39 Harvey Crescent	Suzanne Norton/ Tina Hinson	To approve the sale of HRA Land adjacent to 39 Harvey Crescent	Agreed 18/11/09

**Record of Decisions taken under Scheme of Delegation to Cabinet Members
3 October 2009 - 27 November 2009**

Portfolio - Strategy					
Date	Number	Report Title	Author	Decision	Result

**Record of Decisions taken under Scheme of Delegation to Cabinet Members
3 October 2009 - 27 November 2009**

Portfolio - Street and Waste Services					
Date	Number	Report Title	Author	Decision	Result
21/9/09	STS-006-09	Change to Colchester Charter Market Rules and Regulations and Street Trading Rules and Regulations	Matthew Young	To agree to the additions of a rule to not let stalls or trading space to any political party on the Colchester Charter Market and Street Trading	Agreed 5/10/09



Local Development Framework Committee

Item

6

12 November 2009

Report of	Head of Strategic Policy and Regeneration	Author	James Firth 01206 508639
Title	East of England Plan Review to 2031 Consultation – Colchester Borough Council Response		
Wards affected	All		

The Local Development Framework Committee is asked to agree a consultation response to the East of England Plan Review to 2031

1. Decision(s) Required

- 1.1 To agree that the attached consultation response be provisionally submitted to the East of England Regional Assembly by the consultation deadline on 24 November 2009. The consultation response will then be reported to Strategic Overview and Scrutiny Panel on the 9 December and Full Council on the 10 December. The provisional response will then be confirmed.

2. Reasons for Decision(s)

- 2.1 The East of England Plan Review to 2031 (scenarios for housing and economic growth) will have significant implications for future growth in the Borough and for Colchester's Local Development Framework.

3. Alternative Options

- 3.1 The Council could decide not to submit a response to the consultation. The views of the Council would therefore not be taken into account in the preparation of the revised East of England plan and the Council would risk being required to provide for an unsustainable and undeliverable level of growth. If the Council wishes to make representations at the future examination of the East of England plan it is important that it can be demonstrated that the issues were raised at the earliest possible stage in the plan's preparation.

4. Supporting Information

- 4.1 The East of England Regional Assembly (EERA) has published a consultation on scenarios for housing and economic growth in the East of England up to 2031. These scenarios will be the basis for the revision of the policies within the East of England plan and cover the period 2011-2031, replacing the current 2001 - 2021 plan.
- 4.2 The consultation commenced on the 2 September 2009 and will run for 12 weeks until 24 November 2009.

4.3 The full EERA consultation document “East of England Plan > 2031, Scenarios for housing and economic growth, Consultation September 2009”, a Haven Gateway sub-regional commentary, and an integrated sustainability appraisal are all available on the EERA website www.eera.gov.uk

4.4 A consultation response has now been prepared and is attached.

4.5 Consultation responses will also be submitted on behalf of the Haven Gateway Partnership, Regional Cities East, and Essex County Council, all of which will comment to some degree on Colchester’s future.

5. Proposals

5.1 The consultation response proposes that the appropriate level of growth that Colchester Borough Council can support is that set out by Scenario 1. This Scenario is based on a continuation of the rates of growth required by the current East of England Plan and would require Colchester to provide 16,800 new homes between 2011 and 2031 (840 per year). The response makes clear that investment in infrastructure will be essential if the current rates of growth are to be rolled forward.

6. Strategic Plan References

6.1 Although the current consultation focuses upon scenarios for housing and economic growth, the review of the East of England Plan will cover a number of regional planning policies. The review will therefore affect all aspects of the Strategic Plan. The scenarios for housing and economic growth will have particular impact on the delivery of the Council’s Homes for All and Enabling Job Creation priorities. Ensuring that the level of growth that the Council is required to deliver is sustainable and deliverable will also be important to facilitate the delivery of the other priorities.

7. Consultation

7.1 The timings and methods of the East of England Plan consultation have been determined by EERA. The consultation period will run for 12 weeks from the 2 September until the 24 November 2009.

7.2 EERA will be holding a series of public consultation events around the region as part of the consultation. An additional public consultation event was held in Colchester on the 2 November 2009.

7.3 Any responses received will be used by the regional assembly, along with other policy work, to develop a revised draft regional planning policy by March 2010. There will be a further public consultation on the draft plan before an examination in public in summer 2010. It is anticipated that the Secretary of State for Communities and Local Government will finalise the revised East of England Plan in 2011.

8. Publicity Considerations

8.1 The review of the East of England Plan will have significant implications for the future growth of Colchester. Colchester’s response to the consultation may therefore generate some local publicity.

9. Financial Implications

- 9.1 The award of funding such as Housing and Planning Delivery Grant may be dependent on the ability to meet growth targets set in the East of England Plan.
- 9.2 Growth Area Funding and other such funding streams are likely to be directed to the areas of the region where infrastructure needs have been identified in order to deliver growth.
- 9.3 Ensuring that funding for necessary infrastructure remains available if growth is to be deliverable and sustainable is an important issue which is raised in the proposed consultation response.

10. Equality, Diversity and Human Rights Implications

- 10.1 The EERA consultation included a number of consultation events and sought to include all members of the community.
- 10.2 Submitting a response to the consultation will give the Council an opportunity to contribute to the preparation of the revised East of England Plan. The review of the East of England Plan will have significant implications for Colchester's Local Development Framework. A link to the Equality Impact Assessment for the Local Development Framework is provided on the LDF Committee webpage.

11. Community Safety Implications

- 11.1 None

12. Health and Safety Implications

- 12.1 None

13. Risk Management Implications

- 13.1 Submitting a response to this consultation will ensure the Council's views are considered as part of the East of England Plan review.
- 13.2 A decision not to submit a response to the consultation would mean the Council's views are not taken into account in the East of England Plan review. This risks Colchester being required to deliver a level of growth that is inappropriate, unsustainable or undeliverable.
- 13.3 The proposed consultation response attempts to identify the key challenges and barriers to delivering growth in the Borough and the importance of investment in infrastructure to support this growth. Submitting a response raising these issues should help minimise the risk of the Council being required to provide growth without the necessary supporting infrastructure.

Background Papers

Consultation documents and supporting evidence as set out in the report.

**East of England Plan Review to 2031
Consultation on possible growth scenarios for the East of England
region**

Colchester Borough Council Response

Summary

Subject to important caveats, particularly around the provision of infrastructure, Colchester Borough Council can support Scenario 1 (Roll forward of the existing plan). In recent years Colchester has been successful in achieving a rate of home building above that required by the existing East of England Plan policy. This rate of building, however, will not be achievable through times of economic recession or may not be achieved in the longer term given that many available sites, particularly those on brownfield land, have already come forward for development. The maximum rate of growth that is likely to be achievable and sustainable over the 20 year plan period is therefore estimated to be similar to Scenario 1 (840 new homes per year).

It is essential that both housing and job targets are set at a level that is achievable to avoid a significant imbalance between homes and employment.

There is a major concern over future delivery of infrastructure. There is a clear absence of certainty over infrastructure provision. It should be noted that even for a roll forward of the existing plan rates (Scenario 1) to be achievable and sustainable there will be a need for significant investment in infrastructure to support this growth.

The growth scenarios

The growth scenarios focus on housing and the consultation document itself lacks information on many other key considerations such as the economy and jobs, impacts on transport networks, infrastructure capacity to support growth, and environmental impacts. Scenarios 2 (based on national housing advice) and specifically Scenario 4 (based on household projections) are not realistic, appropriate, deliverable, or sustainable in either Colchester or in the region more widely. Existing infrastructure deficits, the supply of available and deliverable sites, the likely level of future job growth, and the impacts of severe economic recession, all indicate that these high levels of growth will be unacceptable and undeliverable.

Scenario 1: Roll forward of the existing plan

The rate of delivery of new homes that could be achievable for Colchester over the plan period is considered to be that set out under this scenario (840 per annum).

Colchester's completions in recent years have met or exceeded the level of growth required by this scenario. These levels of completions, however, are not expected to be sustainable through economic recession and are unlikely as an average rate over any long period. In the immediate future constraints

on the market are expected to impact on delivery and lower the annual rate of growth. In line with Colchester's adopted Core Strategy, much of the recent growth in the Borough has also been focused on the existing urban area and particularly on brownfield land in identified regeneration areas. There is, however, clearly a limited supply of developable sites in such areas. It is expected that in seeking to meet any further growth required by the revised East of England plan there will be a lack of available and developable brownfield sites. Growth will therefore need to occur on more problematic brownfield sites where delivery is likely to be challenging and much slower, or on greenfield sites. More complex brownfield sites will also have higher costs associated with development such as contamination and site assembly problems. The resulting lack of viability will impact on the amount of planning obligation that can be secured from such sites and could lead to necessary infrastructure and mitigation measures not being provided.

Investment in improvements to infrastructure will be essential if this level of growth is to be deliverable. The rates of building set out in the current East of England Plan are ambitious and if this growth is to be rolled forward into the future this is likely to result in a significant cumulative need for new infrastructure. Infrastructure will be required on a regional, sub-regional, and local scale. In areas such as Colchester where there has already been significant growth, funding for infrastructure may be required before further development can occur given that existing infrastructure deficits can present barriers to delivery. If this scenario is to be deliverable and sustainable, regional infrastructure will need to be identified and funded to support the overall level of growth, and investment commitments will need to be made to support sub-regional and local infrastructure provision.

Colchester Borough Council is only able to support scenario 1 subject to significant investment in the infrastructure that is required to support this level of growth. It is not enough to rely on the Community Infrastructure Levy or Section 106 contributions, particularly at times when market influences mean that site viability is already low and, in any case, these contributions only present a small percentage of the mitigating costs of new housing. Additionally it is essential that any funding allocated for infrastructure provision in the region is not withdrawn and remains available throughout the plan period. Regional partners have indicated that the level of public funding currently allocated to the region is insufficient to deliver the targets set out in the current East of England Plan. Increased funding is therefore vital if the plan is to be deliverable even at the current rates.

It is accepted in the EERA supporting documentation that forecasts, visions and reality should feed into the final job target figures. The East of England Forecasting Model (EEFM) sets out that scenario 1 (RSS Continuation) would result in a job growth of 15,246 jobs in Colchester between 2011 and 2031 (*please see Appendix 1*). Currently, Colchester is on course to deliver at least 21,000 net additional employee jobs for the period 2001-2021 (*see Appendix 2 for details*) against an RSS target of 14,200. Consequently, it is highly likely that with continued housing growth at scenario 1 level for 2011-2031, a higher

job figure than dwelling unit figure will result; in other words, the EEFM estimate of 15,246 jobs appears achievable.

The Haven Gateway Sub-Region aims to capitalise on the key location of the Gateway, realising its potential for significant sustainable growth and addressing specific needs for economic regeneration. Employment growth in the Haven Gateway does therefore have the potential to provide additional jobs. In the absence of certainty over the provision of additional jobs over the longer term (the period 2021-2031), it is essential that both housing and jobs targets are set at a level to ensure that housing growth balances what is achievable in terms of employment. Consequently, a total housing growth figure of 8,400 dwellings for the period 2021 to 2031 allows for levels of in-commuting to Colchester, policy interventions to reduce worklessness in the local population and, the Borough becoming increasingly a 'central place' within Greater Essex and the Region, potentially attracting further investment (private and public) to facilitate sustainable growth.

Scenario 2: National housing advice and regional new settlements

The level of growth required by Scenario 2 (National housing advice and regional new settlements) is higher than that under Scenario 1 and is considered to be unlikely to be deliverable in Colchester. Although growth under this option is mainly focused around potential new settlements identified in the Regional Scale Settlement Study, the scenario also directs an increased level of growth to the Haven Gateway district's of Colchester and Tendring. The required annual target of 1,050 homes is considered to be unachievable over the 20 year plan period. As with Scenario 1, market influences, site supply, and a lack of certainty over infrastructure provision all mean that sustaining growth at this level is unachievable. A distribution of growth based on the findings of the Regional Scale Settlement Study is also inappropriate as the study does not provide an adequate evidence base, technical analysis, or policy justification to support its proposals for growth.

As with all of the scenarios any distribution of growth based on the findings of the Regional Scale Settlement Study will need to be supported by significant investment in infrastructure. This infrastructure will be required not only to address local need but must also include improvements to strategic infrastructure to provide links between Colchester and other areas of growth. Whilst it is expected that large scale investment in sustainable transport infrastructure will need to be the norm, investment in key parts of the strategic road network will also be necessary to support growth. This will also be important if any form of new settlement is proposed in the Colchester/Braintree area where significant improvements to the A120 trunk road and the A12 would be needed to improve links between this area, Colchester and the rest of the region.

The East of England Forecasting Model (EEFM) sets out that scenario 2 would result in a growth of 18,547 jobs in Colchester between 2011 and 2031. This level of employment growth would be difficult to achieve and would require prior Government commitment to enable transport blockages to be addressed through significant investments. The level of housing growth

proposed by scenario 2 is considered excessive and could result in significant levels of out-commuting or long term unemployment.

Colchester Borough Council does not support Scenario 2 on the basis of existing evidence and likely levels of infrastructure provision.

Scenario 3: National housing advice and regional economic forecasts

The number of homes required for Colchester under this scenario would be the same as Scenario 1 (840 per annum). The number of jobs as forecast by the East of England Forecasting Model (EEFM) would also remain approximately the same (15,323). This is the level of growth that is considered to be sustainable or deliverable for the reasons set out under Scenario 1 above.

Although Scenario 3 does not increase the number of homes required for Colchester above that in Scenario 1, it does result in an increased requirement for Tendring district. This may have impacts on the Colchester and Essex Haven Gateway region. This is particularly likely if constraints within Tendring mean that growth needs to be accommodated in the west of the district / east of Colchester. For this reason Colchester Borough Council does not support Scenario 3.

Scenario 4: National household projections

The EERA consultation indicated that a scenario based on national household projections was included to show the level of growth that would be required based on demographic and migration trends, and to assist in comparisons of options in the plan making process. This scenario results in a very high requirement for new homes, particularly in Colchester where 34,000 new homes would be required over the plan period (1,700 per annum).

As the migration projections on which this scenario is based are influenced by past trends the recent growth and development in Colchester may have had significant influence on these figures. The high requirement for Colchester may therefore not accurately represent the true longer term migration trends.

Regardless of the accuracy of these projections, the level of new homes required for Colchester is far in excess of what could be considered deliverable or sustainable. Such a level of growth would be completely unacceptable having regard to job growth, infrastructure capacity and delivery, transport considerations, and environmental constraints. Providing employment opportunities in particular would be unachievable due to the very high rate of economic growth which would be required. The investment in infrastructure required alongside such growth would also be extremely high and major improvement schemes may face deliverability issues due to physical or environmental constraints.

Colchester Borough Council strongly objects to this scenario. The scenario requirement is also undeliverable at a regional level and the consultation document would have been better to present another more realistic alternative with a lower level of overall growth. A scenario based on the long-term

capacity of the region's transport, community and other infrastructure to accommodate growth, for example, would have been much more appropriate.

Impacts of the growth scenarios

A key impact of the growth scenarios is the need for additional regional, sub-regional and local infrastructure.

The additional demand for strategic infrastructure in the region as a result of continued growth should be tackled at the regional level and solutions identified in the East of England plan to ensure the plan is deliverable and the most appropriate for the circumstances. The cumulative impact of growth across the region will result in the additional need for this infrastructure and this is therefore an issue best addressed at the regional level. The importance of addressing the need for regional infrastructure is set out in the Essex Chief Executives Association's Economic and Housing 'Essex Issues Paper' (August 2009) which makes clear that unless these issues are addressed effectively, delivery of housing and economic growth to 2021 will in itself represent a major challenge rendering projections beyond 2021 as potentially unachievable and unsustainable.

In addition to the regional scale strategic infrastructure that is crucial if growth is to be deliverable or sustainable, investment in sub-regional infrastructure is also essential for Colchester to continue to meet future (RSS Continuation) delivery ambitions. In this respect, recognition achieved by the Haven Gateway Partnership over recent years within central Government of the need for key infrastructure funding augurs well for support of the "Growth Area" in which the Borough is located.

No less important is the provision of local infrastructure. This will be vital if Colchester is to continue to deliver growth at a similar level to that currently required by the existing East of England Plan. A particular priority in supporting both housing and economic growth should be the provision of improved transport infrastructure. The 2007 Colchester Business Survey identified that congestion was a major issue affecting local businesses and that improvements to transport infrastructure should be a priority. In accordance with Colchester's adopted Core Strategy, the Council is seeking to bring forward a number of schemes such as the Eastern Rapid Transport Corridor but in order to continue to deliver growth, further investment in both road transport infrastructure and sustainable alternatives will be essential. Improvements to strategic infrastructure such as the A12, A120, and key rail and public transport links in and around Colchester will also be essential not only for the region but also in allowing Colchester to deliver growth locally.

Sustainable alternatives already achieving attention at the local level are the many initiatives to achieve modal shift within the Borough, continuing activity to achieve 'next generation' wireless broadband across the rural and urban areas and progressive approaches towards delivering sustainable rural economic development. These initiatives and approaches should help to manage traffic congestion within the urban area.

Minimising the effect of growth on Climate change and seeking to ensure new development is as resilient as possible to its impacts should be a key priority. The impact of Climate change is likely to become even more significant towards the later part of the plan period. The uncertainty related to this issue means that it is difficult to assess the scenarios with any reasonable degree of confidence. The challenges associated with climate change are, however, likely to be significant as they will require investment which is largely not currently levied. Significant funding will need to be allocated to help address many issues including flooding and flood risk, energy efficiency and zero carbon development (both residential and non-residential), and green infrastructure. The Integrated Sustainability Appraisal indicates that there will be particular need to focus on flood risk as part of climate change adaptation measures. It also indicates that scenarios 2 and 3 would have high potential for commuting and that scenario 4 would result in an increase in car dependency, traffic and CO2 emissions from transport. The summary states that scenarios 2 and 3 are not ideal from a climate change mitigation perspective and scenario 4 performs the worst as this would result in a dispersed pattern of growth.

The Integrated Sustainability Appraisal acknowledges that biodiversity implications will be greatest in Colchester under scenario 2 and that under scenario 4 there would be biodiversity implications as a result of increased recreational pressure, water quality and water resources.

Water resources and quality are likely to be key issues over the plan period. Information on water utilities can be difficult to obtain with any certainty and existing studies such as the Haven Gateway Water Cycle Study only consider the need for water infrastructure up to 2021. Close working between utility providers and sub regions / local authorities will be important if future growth is to be delivered. Water resources and sustainable waste management are likely to be less achievable under higher levels of growth as acknowledged by the Integrated Sustainability Appraisal.

A focused review of the plan

Carrying forward the overall vision and objectives of the current East of England plan is supported, as is the recognition of the regional importance of the Haven Gateway and Colchester. To ensure the vision and objectives remain appropriate, investment in supporting regional infrastructure will be essential.

The consultation document indicates that Policy H3 (Provision for Gypsies and Travellers) will not be reviewed. Although this policy was only recently published, new evidence on need from Gypsy and Traveller Accommodation Assessments (GTAA) is rapidly emerging. The Essex GTAA in particular is nearing completion and indicates the need for pitches in Colchester is very low. A timely review of the Gypsy and Traveller policies to take account of this additional evidence would be beneficial. In accordance with paragraph 5.20 of 'Accommodation for Gypsies and Travellers and Travelling Showpeople in the

East of England; A Revision to the Regional Spatial Strategy for the East of England' (July 2009) a review of Policies H3 and H4 should be carried out in, or as soon as possible, after 2011. If Policies H3 and H4 are not to form part of the current RSS review, the review document should make clear how they will be reviewed in accordance with these timescales.

Supporting Information

Haven Gateway Sub-Area Profile

The provision of a Haven Gateway Sub-Area Profile is supported. It is intended that a consultation response will also be submitted on behalf of the Haven Gateway Partnership which recommends some revisions to the existing chapter.

The use of collated targets for employment and housing in the Southern Haven Gateway, such as is the case for jobs targets in the current East of England plan, would be useful to assist with joint-working and cross-boundary issues. In fact it is difficult to see how the levels of growth (even in Scenario 1) can be accommodated within Colchester Borough alone without significantly restricting the options for site allocation. It is recommended that a joint North Essex housing 'target' is identified at the regional level.

Integrated Sustainability Appraisal

The Integrated Sustainability Appraisal incorporates the Habitat Regulations Assessment (Chapter 9). It is essential that the Habitats Regulations Assessment adequately considers water resources and water infrastructure issues in identifying housing figures. It is stated that a high level of housing growth should only be allowed in Colchester if it can be established that there is sufficient available land to deliver this without an adverse coastal squeeze or recreational disturbance impact. In addition to these issues it is also important that it is established at the regional level whether water can be provided and wastewater managed to deliver further growth. This is an important strategic issue that should be tackled at the regional level.

The Integrated Sustainability Appraisal also states that Colchester has a large amount of previously development land. Whilst recent growth may have been directed to brownfield land, many available sites have now been developed and future delivery is likely to involve problematic brownfield, or greenfield, sites as set out in the comments on scenario 1 above.

Appendix 1 **Colchester East of England Forecasting Model (EEFM) Forecasts**

Total employment (jobs) for Colchester

East of England Forecasting Model (EEFM) Spring 2009 Economic Forecasts			
	2011	2031	2011-2031
Baseline forecast	86,187	97,908	11,721
Severe recession forecast	85,222	97,383	12,161
Faster recovery forecast	86,467	97,977	11,510
East of England Forecasting Model (EEFM) Spring 2009 RSS scenarios			
	2011	2031	2011-2031
RSS Continuation	86,418	101,664	15,246
Regional Scale Settlement Study Moderated	86,629	105,176	18,547
Economic Growth Moderated	86,458	101,781	15,323
GVA Unconstrained	86,567	99,503	12,936
GVA Housing Constrained to RSS Continuation	86,751	102,723	15,972

Source: *Insight East*

Spring 2009 Economic Forecasts <http://insighteast.org.uk/viewArticle.aspx?id=17086>
 Spring 2009 RSS scenarios <http://insighteast.org.uk/viewArticle.aspx?id=17087>

Further detail on the assumptions behind the employment forecasts for Colchester is available from these websites.

Appendix 2 Meeting the RSS jobs target for Colchester: 2001 - 2021

LDF Core Strategy figures

Using employment density data adjusted to net area and making considered estimates, from the major employment floorspace allocations identified in the LDF headline targets alone we can quantify the total of resulting jobs as being: .

- 67,400 sqm of net internal retail floorspace (2006-2021)
Translates to around 3,370 FTE jobs
- 106,000sqm of gross office floorspace (2004-2021)
Translates to around 4,620 FTE jobs
- 45,000sqm of other gross business floorspace (2004-2021)
Translates to around 1,282 FTE jobs
- 270-390 hotel bed spaces (2006-2015)
Translates to around 135-195 FTE jobs

Direct jobs total = **9,480**

Regeneration and Growth Area figures

However, more detailed analysis of full build-out and occupancy from current and pipeline developments by the major regeneration and growth areas produces a larger jobs total of **15,936** covering the period 2007-2021: see below.

Location	Total floor area m2 GIA	FTE jobs
East Colchester	av of 10,075	544
University Research Park	36,000	2,250
St Botolph's/Vineyard Gate/VAF	62,000+	2,924
Garrison	13,099	660
North Colchester	93,765	5,286
Stane Park and Tollgate	46,196	2,272
North Station Regeneration Area	40,000+	2,000
Total	301,135	15,936

Source: English Partnerships, *Employment Density Guide* (Arup and Partners), July 2001

The above jobs total alone exceeds the employee jobs target set for Colchester of 14,200 between 2001-2021.

Private and public sector jobs

In addition, as all these jobs are in the private sector, we will have accompanying growth in the public sector (local government, education, health jobs) which will maintain at least the national parity of 20% public jobs: 80% private jobs. In

Colchester we estimate public sector employment to account for around 25% of all jobs, hence we can anticipate a growth in the public sector of between 20-25% to accompany the above estimates.

This will produce a further 3,984 – 5,312 employee jobs: we may assume a mid-point figure of the order of **4,648** public sector jobs

Applying the above to the job total figure provides
15,936 private jobs + 4,648 public jobs = **20,584**

Jobs target

Colchester has already seen job growth from 2001-2007 of at least 3,476 jobs (ABI data) or perhaps as much as 5,200 (APS), Hence, from the above estimate, only either 9,000 or 10,724 jobs are required to arrive at the 2021 job target! More accurate data from the next census will create a robust benchmark. In the meantime, we must also factor in further additional jobs which will come from principally:

- Intermediate employment (construction) for which each £100,000 of capital investment creates 1 FTE annual job. The likely investment programme of a further £1.0 billion over the period 2001-2021 will generate 10,000 construction job-years which, converting to FTE by dividing by 10 years, will see an increase in the construction workforce of **1,000** people.
- Minor employment land developments and other *sui generis* (eg private health and social care, a significant source of future employment growth, perhaps as much as 5% of all jobs - another **1,050** jobs), etc.

Gross direct employee jobs total

From the above, we therefore arrive at a total of **22,634** gross direct employee jobs.

This figure is likely to be minimum since we can anticipate further gross direct jobs to accrue, secondarily, from two phenomena:

- Intensification of employment on existing sites and home-based working
- The increased derived demand for labour from policy and project activities to increase the business start-up and survival rate through Colchester's ambitious incubator and grow-on strategy.

Multiplier effect (indirect and induced jobs)

- Direct gross jobs also produce, after allowing for two processes – leakage and displacement – a certain number of indirect and induced jobs. These are typically located in the service sector outside the major retail developments (tourism-related, taxi-driving, etc). We can confidently assume a lower end wider multiplier effect of, say, 1.1 to the direct total, producing a further 2,263 jobs.

Net employee jobs

Of course, the above figures are gross jobs, not net jobs. To arrive at net jobs we must apply other assumptions. Taking the under-estimated figure of 22,634 jobs, we

can move towards net additional employee jobs by applying standard factors for key impacts.

A	Gross direct jobs (fte)	Minimum of 22,634
$B = A \times 15\%$	Estimated leakage in jobs from Borough	3,395
$C = A - B$	Gross local direct effect	19,239
$D = C \times 15\%$	Displacement	2,886
$E = C - D$	Net local direct effect	16,353
$F = E \times (1.1 - 1)$	Combined multiplier effect (1.1)	1,636
$G = E + F$	Total net local direct employee jobs	17,988

Source: English Partnerships, *Additionality Guide* (3rd edition, October 2008)

Conclusion

We therefore arrive at a total of around 18,000 net additional employee jobs. Allowing for the under-enumerated positive impacts of smaller infill development, re-use of vacant premises and the growth of home working plus an increase in the business start-up and retention rates, we should exceed the above figure.

Consequently, if one of the major projects does not fully deliver – or two projects only partly deliver, we are still likely to attain our overall jobs target by 2021.

In conclusion, it appears that Colchester is on track to surpass easily its jobs target set by the RSS of 14,200.

Jim Leask
Senior Enterprise Officer, CBC
Oct 2009



Licensing Committee

Item

25 November 2009

Report of	Head of Environmental & Protective Services	Author	Simon Harvey
Title	Approval of the Councils draft Statement of Gambling Policy following a public consultation and also a Legal opinion having been sought on the robustness of the Policy from Counsel.		
Wards affected	All		

This report details the outcome of the consultation exercise carried out for the Council's draft Statement of Gambling Policy and seeks the Licensing Committees approval for the adoption of the proposed final Statement of Gambling Policy by full Council.

1. Decision Required

- 1.1 Members are asked to consider the outcome of the public consultation exercise and also the legal opinion that has been sought from Counsel in relation to the draft Statement of Gambling Policy, endorse the proposed amendments that have been made to it and recommend the proposed draft for the final approval of the full Council on 10 December 2009.

2. Reasons for Decision

- 2.1 The Council must re-adopt its licensing policy every three years as a requirement of the Gambling Act 2005. The policy can also be known as a Statement of Licensing Principles.
- 2.2 A final version of the policy must be approved by the Licensing Committee at its meeting of the 25 November and by full Council on the 10 December 2009. It must be in place and published by no later than the 31 January 2010.
- 2.3 The timetable for the preparation, consultation, approval and publication of this policy is extremely tight and is prescribed by the Department of Culture, Media and Sport (DCMS) and the Gambling Commission.

3. Alternative Options

- 3.1 The Gambling Act 2005 requires this policy to be in place as a legal requirement of that Act and also so that the Council can lawfully accept applications submitted to it under the Gambling Act after the 31 January 2010. Consequently there is no alternative.

4. Supporting Information

- 4.1 Members will recall that at the Licensing Committee meeting held on 7 October 2009, their approval was given for the commencement of the public consultation period for the proposed draft of the Council's Statement of Gambling Policy and also to seek Counsel's opinion on the draft policy to ensure that it is legally sound and compliant with the

Gambling Act 2005 and also the guidance issued by the Gambling Commission that accompanies the Act.

- 4.2 The consultation period ran from 16 October to 13 November 2009 although relevant responses were still accepted after the closing date.
- 4.3 A full list of all of the businesses, organisations, interested parties, responsible authorities, Councillors, voluntary groups and Parish and Town Councils who were invited to participate in the consultation is attached to this report. (See appendix 1).
- 4.4 The consultation was separated into two components with existing businesses holding a premises licence under the Gambling Act, responsible authorities and Members of the Licensing Committee being provided with a hard copy of the draft revision to the Statement of Gambling Policy and all other interested parties being advised that the revised draft was available to view or download via the licensing pages of the Councils web site. Copies of the consultation letters are attached to this report. (See appendix 2).
- 4.5 A disappointing total of just 1 response was received to the consultation exercise which was received from Castle Ward Councillor Henry Spyvee and was accepted beyond the closing date. Councillor Spyvee's response is attached to this report. (See appendix 3).
- 4.6 The licensing manager believes that Councillor Spyvee has made some perfectly valid points and will address his comments in relation to paragraph 4.6, 'key facts and figures', by amending the policy where the statistical information is available to do so.
- 4.7 However it is a little more difficult to make the amendments sought by Councillor Spyvee in regards to paragraph 16.7 'licensing objectives', because the policy will run for a period of three years and crime statistics may vary considerably for different areas within that time period. As a result, this aspect of the policy might require constant checking and amendment.
- 4.8 It would therefore be expected that the Police as the relevant responsible authority for matters concerning 'crime and disorder', would make comment on an application received as to the question of whether or not the area the premises was located in experienced high levels of crime and disorder and whether or not the application should be granted as a result. If a representation is received from the Police on these grounds which objected to an application submitted, the level of crime and disorder is a factor that the Licensing Sub Committee panel might wish to consider at a hearing.
- 4.9 The final revision of the draft Statement of Gambling Policy is attached to this report. The Licensing Committee will see from this that the amendments made by the licensing manager to the original policy document are shown in italics and are also highlighted in bold text. (See attached as appendix 4)¹.
- 4.10 Counsel has considered the draft revision to the policy and has made a number of relatively minor amendments to it. These amendments are also shown in the draft and are highlighted in bold text and currently have a 'tracking' format identification marked against the changes.

5. Proposals

¹ In view of its size the draft Statement of Gambling Policy has not been included in this Council Summons. However a copy is available for members to view in the Members Room. Members of the public can view the draft Statement of Gambling Policy at the Council's offices at Angel Court.

5.1 It is proposed that Members agree to these amendments to the original draft policy document and agree to incorporate them into the final policy to be taken to full Council on the 10 December 2009.

6. Strategic Plan References

6.1 The Council's overall strategic vision for Colchester is for it to develop as a prestigious regional centre. The Statement of Gambling Policy seeks to positively support that strategic vision. In addition, the proposed draft revision of the Statement of Gambling Policy also links into the strategic plan in relation to the following criteria:

- Community Safety

6.2 The Council's Statement of Gambling Policy recognises the need for commercial enterprises involved in gambling to be able to go about their lawful business without being hindered by unnecessary restrictions. However, at the same time it also recognises the scope for negative effects that gambling can have on both society and individuals, and endeavours to ensure that the approach adopted by the Licensing Authority will be proportionate, reasonable, accountable, consistent, transparent and targeted and in accordance with the principles of Better Regulation.

7. Consultation

7.1 The revised draft policy has been comprehensively consulted on in accordance with the Guidance issued by the Gambling Commission under paragraphs 6.13, 6.14 and 6.15 of the Commission's third edition of Guidance to Licensing Authorities issued in May 2009 and primarily through the use of the Council's web site, the Licensing Authority will continue to publicise the implications of this policy and the legislation covered under the Gambling Act 2005 and also assist licence and permit holders as widely as it possibly and practically can.

8. Publicity Considerations

8.1 Those businesses, persons, responsible authorities, voluntary groups and other interested parties who may be affected by this policy or have an interest in it, have been invited to submit comments via the consultation process which was the most direct way of publicising the policy to those that needed to know about it.

9. Financial Implications

9.1 The Council's Statement of Gambling Policy could be judicially reviewed by an aggrieved party and decisions made by the Licensing Authority to grant or refuse applications submitted under the Gambling Act 2005 can be appealed at Court. The costs of any successful review or appeal brought could be awarded against the Council.

10. Equality, Diversity and Human Rights Implications

10.1 The policy has been drafted in accordance with all relevant legislation – including the Human Rights Act 1998, Disability Discrimination Act 1995, Crime and Disorder Act 1998 and Race Relations Act 1976.

10.2 A licence is to be regarded as the property of the holder and their right to the use of that property must be balanced against any other public interest.

11. Community Safety Implications

- 11.1 The Council's Statement of Gambling Policy reasonably and proportionately seeks to offer safeguards against gambling activities in Colchester from becoming a source of crime and disorder, being associated with crime or being used to support crime and protects children and other vulnerable persons from being harmed or exploited by gambling wholly in line with the expectations of the Gambling Act 2005 and the guidance issued by the Gambling Commission that accompanies the Act.
- 11.2 The policy also takes account of the Council's own responsibilities under Section 17 of the Crime and Disorder Act 1998 and its commitment to reducing crime through the Crime and Disorder Reduction Partnership.

12. Health and Safety Implications

- 12.1 There are no direct health and safety issues arising from the policy.

13. Risk Management Implications

- 13.1 A robust Statement of Gambling Policy provides the Council with a sound basis on which to undertake its responsibilities under the Gambling Act 2005.

27 November 2009

Report of	Head of Resource Management	Author	Hayley McGrath ☎ 508902
Title	Revised Anti-Fraud and Corruption Policy		
Wards affected	Not applicable		

**This report recommends that the Committee approves a revised
Anti-fraud and Corruption Policy**

1. Decision(s) Required

- 1.1 To agree the revised Anti-Fraud and Corruption Policy and to refer it to Council for inclusion in the Council's Policy Framework.

2. Background

- 2.1 The Council currently has an Anti-Fraud and Corruption Policy which has been in place since 2005. Since then anti-fraud and corruption policies have become part of annual corporate review processes such as the Use of Resources and the Annual Governance Statement. These look to ensure that local authorities are managing the risk of fraud and corruption appropriately.
- 2.2 The Audit Commission and CIPFA have both recently issued national guidance relating to how local authorities should manage the issue of anti-fraud and corruption. The recommendations from these guides have been incorporated into the revised policy.
- 2.3 Other than Benefit fraud, there have been no recorded instances of fraud or corruption since the policy was introduced since 2005.

3. Changes introduced in the new Policy

- 3.1 The most significant change in the updating of the Policy is the incorporation of the Benefits Sanction Policy, which was previously reported separately. These have been incorporated to demonstrate that the Council is committed to having a robust framework that covers all areas of activity.
- 3.2 The new Policy also;
 - Clearly sets the Council's culture and values and demonstrates that fraudulent or corrupt actions will not be tolerated.
 - Defines the role of interested parties.
 - Gives guidance on how an issue will be investigated to ensure that there is a consistent approach to managing fraud and corruption.

4. Strategic Plan References

- 4.1 The standards regime forms parts of the Council's commitment to customer excellence which underpins the Council's Strategic Plan vision.

5. Financial Considerations

- 5.1 None.

6. Equality, Diversity and Human Rights Implications

- 6.1 An Equality Impact Assessment has been undertaken of the Benefit fraud policy and this is attached at appendix 1. This indicates that the policy does not unjustifiably or adversely treat any group.

7. Publicity Considerations

- 7.1 The Anti-fraud and Corruption Policy forms part of the Council's Policy Framework and will be placed on the Council's website.

8. Consultation Implications

- 8.1 None.

9. Community Safety Implications

- 9.1 None

10. Health and Safety Implications

- 10.1 None

11. Risk Management Implications

- 11.1 A clear Anti-fraud and Corruption Policy is a key element in being able to mitigate against the risk of fraud or corruption being perpetrated against the Council.

2 December 2009

Report of	Head of Resource Management	Author	Sean Plummer ☎ 282347
Title	2010/11 Revenue Budget, Financial Reserves and Capital Programme		
Wards affected	Not applicable		

This report provides an update on the 2010/11 Revenue Budget, Financial Reserves and Capital Programme

1. Decisions Required

1.1. Cabinet is requested to:

- i) Note the current 2010/11 revenue budget forecast which at this stage shows a budget gap of £1,793k and the forecast variables and risks.
- ii) Recommend to Council that £250k is released from balances to fund additional legal costs in respect of the Visual Arts Facility (VAF) as set out paragraph 7.9.
- iii) Note the action being taken to close the budget gap including the ongoing development of savings delivery plans and proposed consideration of use of reserves and balances.
- iv) Agree that the recommended level of revenue balances be set at £1.5m for 2010/11 as set out in the Risk Analysis subject to consideration of outstanding issues as part of the final budget report in January (Appendix E).
- v) Note the current budget forecast for 2009/10 as set out at paragraph 11.7.
- vi) Agree the release of funds for capital schemes set out at section 13.
- vii) Agree that in respect of second homes the Council Tax discount applied shall be retained at 10% as set out at paragraph 14.5.
- viii) Agree that in respect of long term empty properties the discount be retained at nil as set out at paragraph 14.5.

2. Background

- 2.1. A timetable for the 2010/11 budget process (see Appendix A) was agreed at Cabinet on 13 July 2009 and endorsed by the Strategic Overview and Scrutiny Panel on 14 July 2009.
- 2.2. An initial 2010/11 budget forecast was presented and agreed at the Cabinet meeting on 9 September 2009. This showed a budget gap of £391k.

3. Comprehensive Spending Review 2007 (CSR 2007) and Local Government Finance Settlement

- 3.1. The Government announced details of the grant settlement including funding in respect of concessionary fares at the end of 2007. This included forecasts for 2010/11.
- 3.2. Minor changes to the already notified figure are possible and if details are received before the Cabinet meeting these will be reported verbally on the night.

4. Summary of 2010/11 Budget Forecast

- 4.1 The revised 2010/11 revenue budget forecast shows a budget gap of £1.8m:-

	£'000	Note / Paragraph
Budget Gap reported to Cabinet 10 Sep 2008	391	
Less: Updated one off items	(20)	Update assessment of one-off costs.
Add: increase in recurring cost pressures:-		
Interest earnings	750	In total a pressure of £900k is now included in the forecast (See paragraph 5.3)
Forecast shortfall in corporate targets	260	See paragraph 5.5.
Amended inflations assumptions	(207)	See paragraph 5.6.
Add: change to Growth	(42)	See paragraph 5.7.
Less: Savings:-		
Sport and Leisure	(45)	See Appendix D
Museum Service	(45)	
Facilities Management	(43)	
Arts grants	(30)	
Invest to Save	(15)	
Review of Revenues and Benefits	(25)	
Council Tax	No change	Current assumption remains @ 2.76% and 1% increase in taxbase
Government Grants	No change	
Changes re use of reserves:-	No change	
Updated Recurring Gap	929	
Impairment of Icelandic Investments	614	See paragraph 7.5.
Legal Costs for VAF project	250	In total an increase £0.5m is required split between 09/10 and 10/11 (See paragraph 7.6.)
Total Budget Gap	1,793	

- 4.2 Cabinet is asked to note the above 2010/11 revenue budget forecast and the assumptions set out in this report concerning cost pressures, growth items and risks.

5. Changes in 2010/11 Budget Forecast

Recurring Cost Pressures

- 5.1. Appendix B sets out an update of cost pressures. Currently, the most significant areas impacting on the budget forecast relates to net interest earnings and achievement of corporate targets.

Net Interest earnings

- 5.2. Finance and Audit Scrutiny Panel (FASP) considered a report on 17 November 2009 which outlined some of the issues affecting the Council's budgets this year. One of the key pressures this year is the impact of historic low interest rates on the Council's net interest budget. In the current year a shortfall of £300k is currently included in the budget forecast, although it is acknowledged that there is a significant risk that this position will deteriorate further.
- 5.3. At this stage in the budget it is recommended that a pressure of £900k be included in the budget for 2010/11. Whilst this represents a significant cost pressure it should be seen in the context of the current economic climate and the impact this has had on investment returns and also on changes made to the Council's treasury management strategy. It is also worth noting that in the past 5 years net investment interest has contributed £2.5m above budget targets which has helped support Council services and to offset other budget pressures.

Corporate targets

- 5.4. The budget includes three corporate targets. The table below explains these targets and shows the current position for 09/10:-

<i>Targets</i>	<i>Purpose</i>	<i>09/10 target £'000</i>	<i>Current position</i>
Salaries	This is based on savings that arise through staff turnover such as gaps between staff leaving and new staff starting and any changes in salary levels	515	£130k identified to the end of September with further savings expected. However, due to lower levels of staff turnover this target is unlikely to be achieved. This year turnover has fallen to 3.1% compared to over 9% in each of the last two years.
Procurement	This is a target to be achieved through procurement activity co-ordinated through a cross-service procurement group.	93	£93k delivered.
Income	This is based on new income and in the past has been achieved in part through advertising revenue	70	£10k delivered to date.

- 5.5. The table shows that the two key risk areas are salaries and income. It is therefore suggested that a reduction in these targets of £60k in respect of income is included in the budget forecast and that the salary target be reduced by £200k.

- 5.6. The remaining change to the level of forecast costs pressures is in respect of energy costs. The procurement of energy is carried out through an arrangement with the OGC (Office for Government Commerce). Prices are normally fixed during October for the following 12 months and whilst there remain some outstanding estimates it is clear that reduced prices obtained for energy will delivery a General Fund saving of £0.3m. This has helped to deliver the procurement target and also meant that we can reduce our estimates for inflationary pressures for next year by £0.2m.

Growth Items

- 5.7. The only growth item included within the budget forecast had been £42k in respect of ongoing costs of the service review within Environmental and Protective Services. Following consideration of the ongoing implementation and efficiencies made to processes there is no longer a requirement to incur this expenditure (see Appendix C).

6 Savings/Increased Income

Further budget savings

- 6.1. The previously reported budget forecast already included savings identified of £215k. As part of the budget process the Budget Group comprising officers and members has considered a number of further potential savings or income options. Savings totalling £418K have now been identified in addition to steps taken to reduce potential cost pressures such as the reduction in energy costs shown at paragraph 5.6.
- 6.2. When the budget strategy was agreed by Cabinet in July the aim was set out to provide more detailed information on budget proposals prior to the final budget report in January. Appendix D therefore sets out all current proposals for budget savings or increased income.
- 6.3. Further areas are still under review by the Budget Group and these include assessing the level of savings that might be included in the 2010/11 budget in respect of the housing review which is the subject of a separate report on this agenda and also a review of income projections for next year specifically in respect of planning.

7. One-off Cost pressures

- 7.1. There are two significant one-off cost pressures which now need to be recognised in the budget forecast:-
- Icelandic Investment
 - Legal costs in respect of the visual arts facility

Icelandic Investment

- 7.2. As part of the budget setting process for 2009/10 and closure of accounts for 08/09 and 09/10 we have been required to show the potential loss in respect of our £4m invested in Landsbanki, however, there was special dispensation to ensure that this had no impact on budgets by allowing the loss to be 'reversed out'.
- 7.3. The Government had been expected to issue guidance on the potential to capitalise any losses arising from Icelandic investments. The Local Government Association (LGA) has been (and continues to) campaigning for the Government to allow authorities to spread any losses over a 15 year period.
- 7.4. The latest guidance recently received on capitalisation does not really shift the position in any way. There is no suggestion of a 15 year period being allowed and the rules on capitalisation have not been amended or made any easier.

7.5. It is therefore now clear that we have to budget in 2010/11 for any loss. In our case, based upon the latest guidance of an 83% recovery, this will amount to £614k. This assumes “preferred creditor status” is achieved.

VAF legal costs

7.6. The Council has authorised a budget to deal with legal claims in connection with the VAF project based on the external advice that the Council has good prospects for the recovery of substantial sums. BHL (Banner Holdings Limited) has now ‘issued proceedings’ in respect of its claim against the Council for the alleged wrongful termination of the contract. Accordingly, the Council’s legal advisors have advised that it is likely that the revenue budget will need to be initially increased by a further sum of £500k to progress claims, £250k being required this financial year. The Council will be seeking to recover its costs and other substantial sums.

7.7. There is a risk that if the Council is unsuccessful in bringing and/or defending any proceedings it would be responsible for its own costs as well as the other sides’ costs. Whilst the increased revenue budget will allow matters to move forward there is a risk that the budget will need to be further increased during the next financial year especially if matters become fully contested bringing with it the risk of increased costs.

7.8. The alternative to not increasing the revenue budget would be not to defend or pursue the claims which would mean that the Council would be liable to pay significant sums and/or to lose the potential of recovering significant sums which could be viewed negatively in view of the strong legal advice that there are good prospects for the recovery of substantial sums.

7.9. It is proposed that Cabinet recommend to Council the release of £250k from balances in respect of legal costs for the VAF and to note the further budget request for next year and ongoing associated risks.

8. Closing The Budget Gap

8.1. As stated at paragraph 6.3 a number of budgets are still under review and further recurring savings will be reported as part of the final budget report. In addition, all services are finalising budgets and, as is usual at this stage, they are seeking to identify potential further savings and these will also be reported to Cabinet.

8.2. However, it is clear that further steps will be necessary to deal with the level of budget pressures, some of which are one off issues for next year. The following three areas have been identified:-

Use of capital expenditure reserve

8.3. This paper sets out a review of all reserves and provisions including the capital expenditure reserve which may be used to support revenue costs. As shown this reserve is fully committed to support capital expenditure, however, it is possible to use the reserve if new capital resources can be secured or the existing programme changed to enable funds to be released. A full review of the capital programme will be reported as part of the final budget proposals.

Use of balances

8.4. A review of General Fund balances, including the recommended level to be held, is set out within section 11. This indicates that balances are forecast to be at £1.5m meaning that any use of balances to support the budget would result in balances falling below the proposed recommended level. Given, the budget pressures it may be necessary to consider the use of balances on a temporary basis to assist in closing the budget gap.

Any such proposals will need to be viewed alongside the need for the financial discipline to ensure that balances are reinstated at the recommended level.

Use of Housing and Planning Delivery Grant (HPDG)

- 8.5. CLG carried out a consultation in the summer on the year 2 (09/10) and year 3 (10/11) allocation methodology for HPDG. This showed that CLG were “taking the opportunity to review the position and make some hard choices about priorities” and as such the total funding allocated for each year was also being reduced from original proposals, however, in total the pot was still increasing as shown in the following table:-

	08/09	09/10	10/11
Total pot (£m)	100	135	200
CBC allocation (£m)	0.9 (actual)	0.25 (budget)	0.475 (budget)

- 8.6. For 2009/10 we have assumed HPDG of £250k and for 2010/11 £475k. The increase for 2010/11 was made on the basis of funding the one off cost of £150k for the Local Development Framework (LDF) examination and £75k in respect of 2 planning policy officers. Therefore any grant received above the current budget forecasts would be available to support other budget pressures.
- 8.7. An announcement of HPDG for 2009/10 was expected in August, however, to date no figures have been confirmed. A letter dated 23 October was sent to the Department for Communities and Local Government to express concern at the delay in announcing this year’s grant and seeking details of when an announcement will be made, however, to date no response has been received.

9. Council Tax

- 9.1. The budget forecast for the increase in Council Tax income included an allowance for an increase in the Council Tax base (the equivalent number of Band D properties used for tax setting) of 1%. The tax base will be calculated and agreed in December and any changes to this forecast will be assessed within the final budget report.
- 9.2. The current assumed increase in Council tax income is based on an increase in Council Tax of 2.76%. Final proposals will be set out in the report to Cabinet in January.

10. Summary and Risk and variables

- 10.1. As is common at this stage there remain a number of key budget risks which include areas where information has not yet been released. The table below sets out the key issues and the current assumption used.

Item	Risk Assumption	Comment / Timing
Government Grant	Increase assumed in line with 3 year CSR	Announcement expected end of November.
Announcement of Housing and Planning Delivery Grant (HPDG)	Assumed grant for 2009/10 of £250k and for 2010/11 of £475k.	The 2009/10 grant has not yet been announced and no timetable for this is known. Consultation on the methodology for distributing HPDG was carried out in the summer and this set out proposals for the overall ‘pot’ for distribution to be increased this year and next year.

Item	Risk Assumption	Comment / Timing
Complete budget reviews to Budget Group	The budget forecast includes savings arising from budget review work. Further areas are under consideration.	On-going meetings taking place in November and December reporting to Cabinet in January.
Completion of detailed budgets / HRA recharges	Assumed all delivered as per budget allocation. No adverse impact on the charge to HRA.	Detailed budgets to be finalised and recharges calculated in December.
Interest Budget	Now assuming a shortfall of £900k.	Complete detailed budget, assumptions and risks and assessment of any impact of treasury management strategy. Completed by end of December,
Links to capital programme	Budget proposals based on current programme.	Assess revenue impact of any proposed changes to capital programme.
Taxbase calculated	Assumed increase of 1%.	Taxbase determined in December
Tax rate agreed	Assumed 2.76%	1% change = circa £100k
Forecast balances position at 31 March 10	This note forecasts general balances of between circa £1.2m - £1.5m	Continue monitoring of current year budget. Review position in December.

10.2. The above highlights the key risks and variables that may affect the budget forecast. Senior Management Team (SMT) and Leadership Team will continue to review these areas to minimise any potential impact and identify remedial action.

10.3. In summary, there is a forecast significant current budget gap of c£1.8m which includes over £0.86m of one off cost pressures. SMT and Leadership Team are continuing to work through the outstanding areas of work and consideration of options to deliver a balanced budget will be detailed in the final budget report in January. These proposals will include an update of the Medium Term Financial Forecast (MTFF) which will reflect any impact in future years arising from proposals to balance the 2010/11 budget.

11. Revenue Balances

11.1 The Local Government Act 2003 places a specific duty on the Chief Financial Officer (Head of Resource Management) to report on the adequacy of the proposed financial reserves when the budget is being considered. This section on Revenue Balances and the following section on Earmarked Reserves and Provisions, together with the attached appendices, address this requirement.

11.2 The Council is required to maintain a prudent level of revenue balances in order to ensure sufficient funding is available to meet cash flow requirements and urgent or emergency issues that may arise during a financial year.

11.3 The minimum level of revenue balances is determined through a Risk Management Analysis based on criteria recommended by the Chartered Institute of Public Finance and Accountancy and endorsed by the Audit Commission. The approach taken last year was reviewed and updated.

11.4 Attached at Appendix E is a schedule detailing the risk analysis for the financial year 2010/11. The analysis concludes that the minimum revenue balances to be maintained

could be reduced from £1.7m to £1.5m. This in part is because key risk areas are being addressed in the current budget proposals. As this report shows there remain a number of potential risks and variables that need to be considered as part of the final budget report. The proposal on the recommended level of balances will be reviewed in the final budget report when the implications and details of items such as the grant settlement, budget savings and other variables will have been more fully assessed.

- 11.5. Appendix F details the forecast revenue balances position. This includes assumptions regarding the use of balances and the current forecast outturn position against the 09/10 budget as explained below.
- 11.6. As set out at paragraph 7.6 it is requested that £250k from balances is released this financial year to fund forecast legal costs in respect of the VAF project.
- 11.7. The report to FASP on 17 November 2009 sets out a number of forecast variances on the 2009/10 budget. In total, a forecast budget deficit of £288k is currently identified. A number of variables remain that could affect this position, both favourably and adversely. This position is under review with an aim to minimise any potential shortfall. As part of the final budget report in January the current year position will be reviewed. The impact on balances is shown at Appendix E based on delivering this year's outturn on budget and the position reported to FASP.
- 11.8. At this stage no proposals to use balances to support the 2010/11 budget are made. One-off costs may be necessary to deliver budget savings currently being assessed or to fund cost pressures. As shown at paragraph 8.4. it may be necessary to consider proposals to use balances to support the budget and this will be considered as part of the final budget report.

12. Earmarked Reserves and Provisions

- 12.1 The Council maintains a number of earmarked reserves and provisions, which allows it to prudently plan for future expenditure requirements. As at 31 March 2009 earmarked reserves totalled £7.85m and provisions £0.35m.
- 12.2. As part of the budget process a review has been undertaken into the level and appropriateness of earmarked reserves and provisions. The review concludes that the reserves and provisions detailed in Appendix G remain appropriate and at a broadly adequate level. However, further detailed work is on-going to confirm this assumption and the position will be considered as part of the final budget report.
- 12.3. It is currently assumed that:-
 - £166k will be used from the Regeneration Reserve in relation to Renaissance Team staff costs in 10/11
 - we continue to use the S106 reserve to support costs of staff involved in monitoring S106 agreements.
 - The Capital Expenditure Reserve is used to meet the costs of the Minimum Revenue Provision in respect of the Community Stadium

13 Capital Programme

- 13.1. As reported to the Cabinet meeting in September the capital programme is being reviewed to ensure that it reflects Strategic Plan priorities. This review is nearing conclusion and will be reported to Cabinet alongside proposals for the revenue budget.

13.2. However, there are three projects where the release of funding is requested now for which funding is available. Details of these are as follows:-

Service / Scheme	Amount £'000	Reason for Release
Cemetery Extension	125	Land for the burial of citizens who subscribe to The Church of England is due to run out in 2011/2012, and the Jewish community have currently no burial facility in Colchester. Land for an extension has been identified; negotiations with the land owners and the planning department are ongoing. The capital funding would be required to undertake works to the land, including landscaping, fencing and access roads.
Improving Life Chances	10	The St. Andrews NAP agreed that to reduce incidents of anti-social behaviour taking place in and around Ghost Wood the land needed to be brought back into community use. To date some clearance has taken place as part of the general management of the woodland. In order for more community activity to take place it is proposed to construct a network of paths and clearance of the site around the paths to increase physical access and to lessen the fear of entering overgrown woodland.
Mandatory Disabled Facilities Grants	500	This relates to funding that has been identified within the Capital programme for the 2010/11 DFG programme (assuming a £350k grant from CLG). This is because all of this year's DFG has been committed and the release of these funds is required now to release the pressure on DFG's to meet current demand and keep within statutory time limits.

14 Council Tax Discounts

- 14.1 The Local Government Act 2003 gives local billing authorities the ability to vary the discounts on second and empty homes.
- 14.2 In respect of second homes the discount can be set within the range of 10%-50% (currently set at 10%). In respect of long term empty properties the discount can be set in the range of 0%-50% (currently set at nil%).
- 14.3 The financial implications for second homes are that the revenue will be shared between Colchester Borough Council (CBC), Essex County Council (ECC), Essex Police Authority (EPA) and Essex Fire Authority (EFA). The actual monies raised will depend on the tax rates set by each body. An agreement has been reached with ECC for 60% of additional income due to the reduction in discount on second homes to be returned to CBC. Essex Police Authority has agreed to make their additional funds raised available to the Colchester Crime and Disorder Reduction Partnership.
- 14.4 In the case of empty properties, there is no financial gain to CBC as any change will be offset by a reduction in government grant. Any additional costs of administration will fall on the Council as the billing authority. However, the ability for the Council to set the level of discount can be used as an incentive to bring properties into occupancy sooner. It is worth noting that where a property becomes empty and unfurnished there is exemption from charge for up to a maximum of 6 months.
- 14.5 It is recommended that from 1 April 2010 the Council Tax discount for second homes be retained at 10% and the discount for long term empty properties be retained at nil, both as set last year.

15. Strategic Plan References

- 15.1 The Council has agreed three Corporate Objectives including the aim to “shift resources to deliver priorities”. The 2010/11 budget and the Medium Term Financial Forecast is underpinned by the Strategic Plan priorities and will seek to preserve and shift resources where needed to these priorities.

16. Consultation

- 16.1 The budget strategy report to Cabinet in July has been considered by the Strategic Overview and Scrutiny Panel on 14 July 2009. That Panel will also review this update of the budget later this month.
- 16.2. Consultation took place to inform the Strategic Plan which remains the main driver of the budget.
- 16.3. The final budget report will be considered by Finance and Audit Scrutiny Panel in January.
- 16.4. Statutory consultation is due to take place with business ratepayers in December / January.

17. Financial implications

- 17.1 As set out in the report.

18. Risk Management Implications

- 18.1 The strategic risks of the authority are being considered in developing the 2010/11 budget and all forecast savings/new income options are being risk assessed as part of the budget process.

19. Other Standard References

- 19.1 Having considered publicity, equality, diversity and human rights, community safety and health and safety implications, there are none that are significant to the matters in this report.

Background Papers

Report to Cabinet 9 September 2009 – 2010/11 Revenue Budget Update
2010/11 Budget Progress Report – Review of Revenue Balances 2010/11

2010/11 Budget Timetable	
Budget Strategy March 09 – July 2009	
March – June (SMT)	Budget Group established Update MTF / Budget Strategy Review cost pressures, growth and risks Consider approach to budget Externally facilitated Budget Workshop held
Cabinet – 13 July 09	<ul style="list-style-type: none"> • Report on updated budget strategy / MTF • Timetable approved
SOSP – 14 July 09	Review Cabinet report
Budget Group / Leadership Team - July	Consider review of capital programme Consider approach to consultation
Detailed Budget preparation and Budget Setting Consultation	
Budget Group / Leadership Team regular sessions on progress / budget options July - September	Review budget tasks Consider Fundamental Service Reviews
Cabinet – 9 September 09	<ul style="list-style-type: none"> • Budget Update • Proposals for consultation • Review of capital resources / programme
Cabinet – 21 October 09	Budget Update (if required)
Cabinet – 2 December 09	<ul style="list-style-type: none"> • Budget update • Reserves and balances • Grant settlement • Consultation results (provisional date)
FASP – 26 January 10	Review consultation / Budget position
Cabinet – 27 January 10	Revenue and Capital budgets recommended to Council
Council – 17 February 10	Budget agreed / capital programme agreed / Council Tax set

Updated Cost Pressures

	Previous estimate	Updated estimate	
	£'000	£'000	Comment
Inflationary pressure	140	(67)	Net inflation impact, including the allowance for the agreed pay award and assumed increase in prices and an increase in fees and charges. This allowance has been reviewed with the main change being the inclusion of savings in energy prices which have taken effect from October.
Incremental pension contributions	154	154	The triennial review of the pension fund has shown a significant deficit due to market conditions and increased life expectancy. This financial pressure is one being felt by all local authorities and other organisations. The impact of next triennial review will need to be considered as part of the 2011/12 budget.
Minimum Revenue Provision (Commutation adjustment)	13	13	Increase in calculated figure based on statutory criteria.
Place Survey – Statutory requirement (one off for 10/11)	15	15	The cost of the statutory place survey is needed every 2 years.
Local Development Framework (LDF) Examinations. (One off)	150	150	Later this year two LDF documents will be submitted to the Secretary of State. The process of examination then starts in 2010, including 2 in public. The estimated cost includes the fee for the inspector, legal and consultant fees and a temporary programme officer.
Net Interest earnings	150	900	The net interest budget for this year is currently forecast to have a shortfall due to the low level of interest rates available. The outlook for interest rates remains uncertain, however, it is evident that there will continue to be a considerable cost pressure next year. The increased allowance to £900k reflects this.
Impact of foregone Layer Road receipt	60	60	At the July Cabinet it was agreed in principle to disposal of land at Layer Road at nil value for an extra-care housing scheme. As reported this will result in a revenue budget impact due to the ongoing costs of borrowing in respect of the community stadium.
Corporate Safeguarding Co-ordinator	10	10	We have statutory responsibilities under section 11 of the Children Act 2004 regarding safeguarding the welfare of children – our task

	Previous estimate	Updated estimate	
	£'000	£'000	Comment
			this financial year is to complete a self-assessment against these responsibilities, and we then need to use the results of this self-assessment to develop an action plan in the next financial year to ensure we are fully compliant, and this staff resource will drive this process and support services with tasks they need to complete. We then need to report our progress back to the Essex Safeguarding Children Board late in 2010.
2 Planning Officers (Strategic Policy and Regeneration)	75	75	These are permanent posts in the establishment but have to date been funded through an annual approval process of using HPDG (Housing Planning and Delivery Grant). It is proposed that the cost of these posts be included in the base budget with an assumed increase in the level of HPDG as agreed by Cabinet.
Revised Corporate targets		260	The report sets out that it is necessary to review the level of salary targets due to the economic climate and the resulting impact on staff turnover. In addition, the income target has also been reviewed.
Total	767	1,570	

Growth items

Area	Amount in previous Forecast £'000	New Items / Change in Forecast £'000	Comment
Environmental and Protective Services - Review	42	0	Previously reported ongoing additional costs relating to service review no longer required due to efficiencies made within group.
	42	0	

Work Area: Resource Management					
Who: Charles Warboys					
Saving (£): £25,000					
<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>	
Indicative target for Fundamental Service Review of revenues and benefits. (£25k)	Review started and due to report early in new year.	Review fails to identify further efficiencies. One-off costs are prohibitive. Economic situation increases workload resulting in limited scope to deliver net savings.	The FSR process has been shown to be effective at identifying opportunities for making changes and delivering efficiencies. Ensure consultation and scrutiny throughout process.	Final report to be submitted in New Year and monitoring of action plan.	

Work Area: Corporate Management					
Who: Lucie Breadman					
Saving (£): £183k					
<i>Outline of work</i>	<i>Specific Timetable</i>	<i>Tasks and</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>
Rowan House Service Charge (£30k)	Reduced Service Charge already agreed		Should not be any risk	n/a	Ongoing monitoring of service charge
Town Hall – Lettings income (£13k)	New business plan active from 1.4.10		Ongoing works to Town Hall, economic climate	Limit Disturbance and marketing plan	Ongoing monitoring of BP against income
Angel Court – Savings in respect of disposal of Angel Court (£140k)	Should be effective from 1.4.10		No foreseeable risk	n/a	Ongoing monitoring against predicted cost

Work Area: Life Opportunities					
Who: Gareth Mitchell					
Saving (£): £60k					
<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>	
Sport and Leisure – Additional net income in respect of:- Bar and catering (£10k)	<ul style="list-style-type: none"> manage vending contracts in-house rather than through contractors Review prices of stock against other comparable local outlets Enter agreement with Zoggs to supply swimming equipment Build retail outlet off the reception area at Leisure World 	The recession results in decreased sales	Change prices, change stock, promotional campaigns	Regular financial monitoring	
Retails sales of swimming equipment (£6k)	<ul style="list-style-type: none"> Enter agreement with Zoggs to supply swimming equipment Build retail outlet off the reception area at Leisure World 	The recession results in decreased sales A delay in building retail outlet leads to lower sales	Appropriate promotion Start process as soon as possible	Regular financial monitoring and liaison with supplier	
Tiptree Sports Centre income (£5k)	<ul style="list-style-type: none"> Provide additional grass pitch at Tiptree Sports Centre in conjunction with Thurstable school 	The recession results in decreased pitch use	Pricing and promotional campaigns, identify customer demands	Regular financial monitoring	
Charter Hall Events (£6k)	<ul style="list-style-type: none"> Consider financial risk on an event by event basis Pursue private hire 	The recession results in decreased ticket sales Cost of hiring Charter Hall leads to hirers	Monitor competitors Improve quality of customer experience and value for money	Regular financial monitoring	

Work Area: Life Opportunities					
Who: Gareth Mitchell					
Saving (£): £60k					
<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>	
Aqua Springs (£3k)	<ul style="list-style-type: none"> bookings Ensure all staff aware of importance 	<ul style="list-style-type: none"> using other venues The recession results in decreased sales Competitive market 	<ul style="list-style-type: none"> Pricing and promotional campaigns, identify customer demands 	Regular financial monitoring	
Lifestyles memberships (£15k)		<ul style="list-style-type: none"> The recession results in decreased sales in a competitive market 	<ul style="list-style-type: none"> Ensure Lifestyle passes are priced and promoted appropriately 	Regular financial monitoring and capturing customer feedback	
Invest to Save project. Savings accruing from Invest to Save projects carried out in 2009. (£15k)	Projects agreed and implemented.	Savings being delivered now therefore minimal risk.	n/a/	Regular budget monitoring.	

Work Area: Environmental and Protective Services

Who: Beverly Jones

Saving (£): £60k

<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>
Environmental and Protective Services – Forecast increase in income (£15k) Museums. Saving on administration / IT (£15k). Target for savings from review of service (£30k)	Review income projections for 2010/11. Agree budget for year. Savings on Administration/IT are secured by renegotiation of IT charge and by decision to cut staff post. Review due to start March/April 2010 and due to report August/September.	Based on current levels this increased income is achievable and further savings are also likely. No risk to delivery	 The FSR process has been shown to be effective at identifying opportunities for making changes and delivering efficiencies. Ensure consultation and scrutiny throughout process.	Monthly monitoring of income and caseloads
		Review fails to identify efficiencies or changes to service levels that are acceptable. One-off costs are prohibitive.		Final report to be submitted in New Year and monitoring of action plan.

Work Area: Strategic Policy and Regeneration

Who: Lindsay Barker

Saving (£): £30k

<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>
Reduction in arts grants budget: Mercury Theatre (£25k) Colchester Arts Centre (£5k)	Mercury grant reduced by £25,000 and Colchester Arts Centre by £5,000.	Organisations will need to reduce their overheads, including employees and programme. As there are joint funding arrangements in place the Arts Council and ECC might reduce their core grants accordingly.	Early meetings with Executive staff and Chair so that the organisations can reforecast their financial plans. Consultation with funding partners.	Cultural Services Manager

Work Area: CSC				
Who: Leonie Rathbone / Pam Donnelly				
Saving (£): £60,000				
<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>
Income from partners in support of infopoint@colchester (£60k)	Commitment now agreed from partners totalling £60k p.a.	Contributions change or are not ongoing.	Ongoing communication with partners and consideration of ongoing commitment.	Regular review of arrangements with partners.

REVIEW OF REVENUE BALANCES 2010/11

RISK MANAGEMENT ASSESSMENT

Introduction

A risk assessment has been undertaken to determine the prudent level of general fund balances as part of the 2010/11 budget process.

Background

Historically we have maintained a strong level of balances and these have been used to:-

- Support the annual budget - particularly to fund one off items.
- Fund new initiatives identified during the year.
- Provide cover for cashflow and emergency situations.
- Provide flexibility and a resource for change management.

Over recent years general fund balances have been reduced in a managed and prudent manner: -

	£'000	
31 March 2005	2,193	
31 March 2006	1,997	
31 March 2007	2,708	(includes £902k to support 2007/08 budget)
31 March 2008	3,347	(includes £1,232k to support 2008/09 budget)
31 March 2009	2,891	(includes £1.17k to support 2009/10 budget)
31 March 2010 (estimated)	1,472	Based on being 'on budget' in 09/10

A thorough review of the balances position was reported to Cabinet as part of the 2009/10 budget exercise. This included a risk assessment to establish the minimum level, which was agreed at £1.7 million.

Risk Assessment

The risk assessment has been kept under review and has now been updated. The results of the assessment are summarised in schedule 1 with further details being provided in a background paper. This shows the minimum level of balances could be reduced to £1.5 million. It is then a matter of judgement whether it would be desirable to hold any further level of balances beyond this, or to seek to rebuild balances above this level in the future to provide for future flexibility.

The main issues to mention concerning the assessment are: -

- While the possible requirement to meet capital spending from revenue resources is still recognised as a potential risk the assessment is "nil" because of the current level of funds held in the capital expenditure reserve and the introduction of the Prudential Code.

- This year's assessment has reviewed the approach of separately identify the risks connected with "trading activities" and "income" and instead these have been combined and assessed as a medium risk. This specific change will be reviewed alongside final budget proposals.
- In view of current low levels of inflation and the fact that the pay award for 2010/11 has already been agreed the allowance in respect of inflation has been reduced.
- Investment income has been identified as a risk area. In last year's risk assessment this was changed to be classified as a "high risk" and due to the continuing uncertainty in the world economy this has been maintained for next year.
- The assessment includes the risk that the VAT exemption limit will be exceeded with a consequent loss of recoverable VAT. Regular monitoring and active management of new schemes minimises this risk.
- The concern over the funding of the pension fund is recognised in the assessment. However "risk" is assessed as "low" and has been reduced for 2010/11 because the anticipated increased contributions from the 2007 valuation required have been built into the budget.
- On the basis of earlier years' outturns and current year monitoring particular areas have been identified as potential risk areas for variances: cash flow, benefits, emergencies, new spending, litigation, partnerships, Renaissance programme and the budgeting process. These are being regularly reported on as part of the current year monitoring. All of these areas have been reviewed with some changes proposed with are addressed in the risk assessment.

Implications

The risk assessment will be carried out at least annually as part of the budget process. While the current assessment indicates a minimum level it is important to recognise that there are implications of operating at this level. As noted above we have traditionally had a level of balances that have provided flexibility and enabled new initiatives to be considered outside the annual budget process. Operating at the minimum level requires an approach and a discipline to: -

- Ensure all spending aspirations for the coming year are assessed as part of the annual budget process. The continued development of the Medium Term Financial Forecast will assist in this.
- Recognise that it will not be possible to draw on balances to fund new discretionary initiatives identified in the year, however desirable they may be; an alternative source of funding would need to be identified.
- Realise future assessments could identify a need to rebuild balances
- Accept that the potential for interest earnings on balances will change depending on the level of balances held. (This will be reflected in the budget accordingly.)
- Acknowledge that any balances desired for future flexibility/change management will need to be built up over and above the prudent level identified.

In addition it is acknowledged that it may be necessary for balances to fall below the recommended level. Balances are provided to mitigate unbudgeted cost pressures and as such at times they may be used to provide temporary support to the Council 's budget.

REVIEW OF REVENUE BALANCES 2010/11

RISK MANAGEMENT ASSESSMENT

Factor	Assessed Risk		
	High £'000	Medium £'000	Low £'000
Cash Flow	950		
Capital (nil given reserves and receipts)			0
Inflation		100	
Investment Income	150		
Trading Activities and fees and charges		200	
Emergencies		50	
Benefits			100
New Spending – legal commitments			100
Litigation		150	
Partnerships			100
VAT Exemption Limit			350
Budget Process		100	
Revenue impact of capital schemes			150
Renaissance programme			0
Concessionary fares			50
Pension Contribution			50
	1,100	600	900

	Minimum Provision
High Risk – 100%	1,100
Medium Risk – 50%	300
Low Risk – 10%	90
Sub Total	1,490
Unforeseen factors,	10
Recommended level	1,500

**General Fund Balances
Current Position**

	£'000	£'000
Balance as at 31 March 2009 (As per Statement of Accounts)		2,891
Movement on balances during 2009/10:		
• Financing carry forwards		(222)
• Funds released in previous years to carry forward to 09/10 (includes invest to save projects)		(178)
• Supporting 2009/10 budget:-		
Items included in 2009/10 budget	(484)	
Emerging pressures agreed	(285)	
Further pressures identified (see note 2)	(250)	
		(1,019)
Projected Balances as at 31 March 2010		1,472
Less anticipated support to 2010/11 budget		0
		1,472
Proposed minimum balance		1,500
Potential deficit balance as at 31 March 2010 (assuming the current year outturn is "on budget")		28
Potential deficit as at 31 March 2010 (if 09/10 outturn is in line with position reported to FASP)		316

Note:

1. This forecast is on the basis that there are no further calls on balances during the remainder of the year and that the current year's budget is delivered in line with the current position reported to FASP, with the position also shown if the outturn is delivered on budget.
2. Forecast includes proposal to release £250k this year to fund additional legal costs in respect of the VAF.

Earmarked Reserves and Provisions

A. Earmarked Reserves

Reserve	Amount 31/03/09 £'000	Estimate 31/03/10 £'000	Comment
Renewals and Repairs (including Building Maintenance Programme)	2,888	2,600	Maintained for the replacement of plant and equipment and the maintenance of premises. Annual contributions are based upon the estimated renewal or repair cost, spread over the life of the asset.
Insurance	594	725	To cover the self-insurance of selected properties. The balance held in reserve is considered to be at an appropriate level. The balance of the fund is split with a proportion specifically identified as a provision against the cost of claims (see section B).
Capital Expenditure	3,062	2,500	Revenue provision to fund the capital programme. The reserve is fully committed to funding the current capital programme. However actual use of balance is dependent not only on progress of spending on approved capital schemes but also level of other resources, mainly capital receipts, received. £205k per annum is being transferred to revenue in respect of accommodation but this stops for 10/11. The transfer in respect of the Community Stadium will also continue in 09/10 and 10/11.
Regeneration Reserve	437	216	Maintained to finance non-recurring expenditure incurred during the development of the Council's four regeneration areas. Spending of £221k included in budget for 2009/10 and £166k planned for 2010/11.
Asset Replacement Reserve	9	0	A reserve for the future replacement of vehicles and plant. The vehicle replacement policy has been reviewed. Revenue contributions to this reserve have now ceased and the funding for the majority of repairs is now sourced from the Council's Capital Programme.
Gosbecks	423	400	Maintained to provide for the

Reserve	Amount 31/03/09 £'000	Estimate 31/03/10 £'000	Comment
Mercury Theatre	184	209	development of the Archaeological Park. The main source of funding was a 'dowry' agreed on the transfer of land. Provision for the building's long term structural upkeep.
Hollies Bequest	12	12	Provision for the upkeep of open space.
Section 106 monitoring	209	164	Required for future monitoring of Section 106 agreements. From 2009/10 onwards it has been agreed to use £60k from this reserve on an annual basis to support the budget.
Community Stadium - loan	35	35	To cover set up costs and working capital. No repayments are expected within 2009/10. The loan is repayable to the Council within 7 years from the agreement date of 29 January 2008.
	7,853	6,861	

B. Provisions

Reserve	Amount 31/03/08 £'000	Estimate 31/03/09 £'000	Comment
Insurance	323	160	This element of the fund is specifically set aside as a provision to meet the cost of claims, notably subsidence. Some work on properties in respect of subsidence planned to be completed in 2009/10.
	323	160	

