

## **FINANCE & AUDIT SCRUTINY PANEL**

### **24 FEBRUARY 2009**

*Present :-* Councillor Sue Lissimore (Chairman)  
Councillors John Bouckley, Martin Goss, Dave Harris,  
Jackie Maclean, Jon Manning, Nigel Offen,  
Gerard Oxford and Laura Sykes

*Substitute Members :-* Councillor Christopher Arnold  
for Councillor Kevin Bentley  
Councillor Andrew Ellis for Councillor Dennis Willetts

#### **55. Minutes**

The minute from meeting held on 20 January 2009 was confirmed as a correct record.

The minute from meeting held on 27 January 2009 was confirmed as a correct record.

The minute from meeting held on 29 January 2009 was confirmed as a correct record, subject to the following amendment;

Minute 54 Review of the Responsive Repairs and Decent Homes Contract, paragraph commencing "In response to Councillor Manning, Mr. Falvey said the decent homes contract was jointly managed by the three partners" to read "In response to Councillor Maclean, Mr. Falvey said the decent homes contract was jointly managed by the three partners".

In response to Councillor Goss, and in reference to the item on the Decent Homes Contract discussed at the meeting on the 29 January 2009, and where Councillor Lissimore had agreed to meet the present Chairman of Colchester Borough Homes, Ms. Alison Inman outside the meeting to discuss issues that had been raised, Councillor Lissimore confirmed that she had met with Ms. Inman, that the meeting was amicable and that Ms. Inman had taken a number of issues raised back to Colchester Borough Homes to discuss with the Chief Executive, Mr. Greg Falvey. Councillor Lissimore said her meeting and any outcomes would not have any future impact on the work of the panel.

#### **56. Have Your Say!**

Mr. Andy Hamilton addressed the panel, saying how regretful it was that due to a procedural error by the Council, that Colchester's Planning Committee would not have the opportunity to decide on an application, and therefore a developer would be able to proceed with the installation of a mobile telephone mast at the junction of Norman Way and Lexden Road. Mr. Hamilton said Councillors are responsible for directing staff to ensure this type of high profile planning application would be dealt with within the 56 day limit given to the Council to determine the application. Mr. Hamilton also said local ward Councillors had spent a lot of time and effort into preparing a case not to proceed with the application, and this was now to no avail.

Mr. Hamilton concluded by suggesting the Council appeals to the developer, O2, to change their stance, and that should they continue with the application this would be a hollow victory once the protests start, and that there was a case for going to the Ombudsman for maladministration and future compensation.

In response to Mr. Hamilton, Councillor Arnold addressed the meeting to clarify that ward councillors have no responsibility for directing the work of Council officers.

## **57. Work Programme**

*RESOLVED* that the panel noted the amendments to the 2008-09 Work Programme.

## **58. Sale of Recyclable Materials**

Mr. Matthew Young, Head of Street Services and Mr. Dave McManus, Street Care and Recycling Manager attended the meeting for this item.

### **Have Your Say**

Mrs. Paula Whitney addressed the panel to explain that having made enquiries with current contractors for the collection of recyclable materials, that glass was collected by the contractors from 'bring sites' and kept separate, and this type of separation was needed as soon as possible at kerbside collection and for all recycling collections. Mrs. Whitney also confirmed that the contractor Premier did separate paper and card from 'bring sites', and that they had confirmed that without this separation they would lose money on their sell on prices.

Mrs. Whitney did not think that the rate of income received by the Council for various recyclable materials was competitive, and was born out by the fact that the revenue from recyclable materials received by Chelmsford Borough Council, a similar sized authority to Colchester, was much greater than that received by Colchester.

Mrs. Whitney spoke of the success of the past Mersea trials on recycling and concluded by passing to members of the panel leaflets on recycling e.g. Campaign for Real Recycling'.

### **Sale of Recyclable Materials**

Mr. McManus presented the report on the Sale of Recyclable Materials.

In response to Mrs. Whitney, Mr. McManus said he would check and confirm the collection and separation process for glass, card and paper at 'bring sites'. It was confirmed after the meeting that;

- The vehicles from Berryman's do collect and transport the glass in separate colours from the bring sites;

- Card is not collected at bring sites by Premier, although it is taken at the County Council's main domestic recycling site at Shrub End;
- The sorting and destination of the various recyclable materials collected will be included as part of the waste options review;

During the presentation Mr. McManus pointed out that any comparisons with Colchester and Chelmsford in terms of revenue from recyclable materials had to be taken in context with the overall budget of each of the Councils, and that whilst Chelmsford's recycling revenue was higher than Colchester's, Chelmsford's net budget total for waste services was £1.6 million more than Colchester, even though Colchester's recycling rates currently exceeded those of Chelmsford.

Following the presentation of the report Councillor Offen commented that the panel should propose to the Cabinet, that new contracts are negotiated and completed with Berryman's Ltd and James Heys and Sons as a matter of urgency, and a proper appraisal of how Colchester deals with recyclable materials is carried out, to determine an overall strategy that is linked with the strategic review of waste recycling options to be undertaken by the Strategic Overview and Scrutiny Panel on 17 March 2009.

Mr. M Young confirmed to Councillor Offen that the new recyclable material collection contracts are being addressed and that a full options appraisal of recycling for Colchester would be considered by the Policy Review and Development Panel and the Strategic Overview and Scrutiny Panel in March prior to proposals going to Cabinet on 18 March 2009.

In response to Councillor Lissimore, Mr. McManus said tetra paks are currently collected at six major supermarket locations and the collections are dealt with externally, although the options appraisal review will address how this facility can be extended in Colchester.

In response to Councillor Ellis, Mr. McManus said all methods and journeys of transporting recyclable waste will be considered within the options appraisal review to ensure travel time is kept to a minimal.

In response to Councillor Arnold, Mr. McManus said that whilst Colchester did not have contingency plans should a collection contractor immediately stop collections, he confirmed that officers are in constant contact with all the contractors and he was confident an alternative contractor could be found at short notice.

Ms. Ann Wain, Executive Director, in response to Councillor Arnold said the Audit Commission's family of councils does still exist and could provide data with similar councils, although they may not have the same collection methods. Mr. M Young confirmed that the options appraisal report would focus on comparable data to ensure best practice.

In response to Councillor G Oxford, Mr. McManus confirmed that due to a reduction in world oil prices, the cost of the provision of 3.6 million clear plastic sacks would lower in 2009-10.

Councillor Harris commented that it was in Colchester's best interests to recycle as much waste material as was possible, and agreed with Councillor Offen and his desire to have contracts in place, and the panel should support and advocate this message.

Mr. McManus confirmed to Councillor Arnold that the expenditure on clear plastic sacks had, due to the increase in recyclable materials collected as a result of their introduction and various educational campaigns, been partly offset by increased recycling credits from Essex County Council.

Councillor Arnold said it would be helpful to have information on recycling credits available to members of the Strategic Overview and Scrutiny Panel for the 17 March 2009 review.

Mr. M Young confirmed to Councillor Bouckley that officers would respond to the comments made by Mrs. Whitney, and this information would be provided to members of both scrutiny panels.

*RESOLVED* that the Panel;

- i) Noted the report Sale of Recyclable Materials
- ii) Requested the Head of Street Services to provide quantitative and financial information on recycling credits to members of the Strategic Overview and Scrutiny Panel for the 17 March 2009 review of waste recycling options.
- iii) Requested that the comments made by Mrs. Whitney would be responded to, and the response would be copied to members of both scrutiny panels for information.

## **59. Financial Monitoring Report - April to December 2008**

Mr. Sean Plummer, Finance Manager attended the meeting for this item and presented the report on the Financial Monitoring Report – April to December 2008. He commented that at this stage there was a comparatively small overspend forecast on both the General Fund and Housing Revenue Account. However, he added that there remained risks to the forecasts which were being monitored regularly by the Senior Management Team.

Given the current economic downturn, Councillor Offen commented that to get to a point of having a projected outturn for the General Fund currently at the level of a small overspend of £39,000 was a remarkable achievement and he complimented officers on this good work.

In response to Councillor Bouckley, Mr. Plummer said he believed a payments profile had been agreed with the debtor in reference to Coastal Initiatives, and they have agreed to pay the outstanding figure of £27,000 by the end of 2008-09.

Mr. Plummer confirmed to Councillor Arnold that he would provide him with the status of the allocation of the Government Grant for the museums Hub.

Mr. Plummer, in response to Councillor Arnold's question on whether the current budget for Bed and Breakfast reflects the current rise in the levels of homelessness due to the economic downturn, said the 2009-10 budget is based on an estimate of Bed and Breakfast for the forthcoming year, but has been identified as a risk area, and as such will be closely monitored. Mr. Plummer said he would provide members of the panel with the 2009-10 budget provision for Bed and Breakfast.

Councillor Smith, Portfolio Holder for Resources and Business addressed the panel to confirm the Administration's commitment to homeless people, reflected by the additional money spent in relation to the repairs and maintenance to the Council's Homeless Persons Units.

*RESOLVED* that the Panel;

- i) Noted the financial performance of General Fund Services and the Housing Revenue Account in the first nine months of 2008-09.
- ii) The Head of Resource Management would provide members of the panel with the status of the allocation of the Government Grant for the museums Hub.
- iii) The Head of Resource Management would provide members of the panel with the 2009-10 budget provision for Bed and Breakfast

## **60. 3rd Quarter Risk Management Progress Report**

Ms. Hayley McGrath, Risk and Resilience Manager attended the meeting for this item and presented the report on the 3<sup>rd</sup> Quarter Risk Management Progress.

Councillor Offen thanked officers for producing a Strategic Risk Register Impact Table that now included five risk impacts ranging from very low to very high, a change that he welcomed.

Ms. Wain explained to the panel that the specific risk "failure to adequately redirect the strategic vision and move the resources required to support it" was identified as a top five item because of the recent change in Administration, with a new vision that created a greater than normal shift in resources.

Ms. Wain also explained that the specific risk "failure or inappropriate performance management of one or more strategic partnerships or key contracts" was identified as a top five item in light of recent experiences and the need to reconsider partnerships and performance management arrangements.

*RESOLVED* that the Panel;

- i) Noted and commented upon the latest risk management issue, the performance relating to implementing the 2008-09 risk management action plan, and the Strategic Risk Register.

- ii) Requested that the Head of Resource Management ensures the Strategic Risk Register included details of the timings of each risk, by the fourth quarter report, and onwards.

## **61. Capital Expenditure Monitor 2008-09**

Mr. Steve Heath, Finance Manager, attended the meeting for this item and presented the report on the Capital Expenditure Monitor 2008-09.

In response to Councillor G Oxford comment that in reference to the Town Hall capital project on access work to the Old Library, this project should not have commenced without all the required permissions granted and in place, a view supported by Councillor Bouckley, Mr. Heath said he would arrange for the financial costs to the revised drawings to be reported to the panel.

In response to Councillor Ellis, Mr. Heath said he would arrange a response to members of the panel in regards to why Firstsite are not included in a series of meetings to review the scope of the internal fit-out works to complete Firstsite:Newsite.

*RESOLVED* that the Panel;

- i) Noted the level of capital spending during 2008-09 and forecasts for future years.
- ii) Requested the Head of Corporate Management to provide the financial costs associated with the revised drawings for the access work to the Old Library.
- iii) Requested the Executive Director, Place Shaping to provide the reasoning for not including Firstsite in a series of meetings to review the scope of the internal fit-out works to complete Firstsite:Newsite