

**FINANCE AND AUDIT SCRUTINY PANEL  
22 SEPTEMBER 2009**

*Present :-* Councillor Dennis Willetts (Chairman)  
Councillors Christopher Arnold, Wyn Foster,  
Martin Goss, Dave Harris, Jackie Maclean,  
Jon Manning, Gerard Oxford, Lesley Scott-Boutell  
and Nick Taylor

*Substitute Member :-* Councillor Peter Higgins  
for Councillor Theresa Higgins

## **18. Minutes**

The minute of the meeting held on 18 August 2009 was confirmed as a correct record, subject to the following amendment. The last paragraph to minute number 15 to read "Councillor Foster said car parks should clearly identify special parking rates for customers, especially for those visitors not aware of concessions and discounts. Councillor Foster said Britannia Car Park did not show clearly the special rate of £2.00 for parking between 10.00 a.m. and 3.00 p.m. Members agreed that this was something that could also be considered at the review stage".

## **19. Have Your Say!**

Mr. Andy Hamilton addressed the panel, saying that whilst it was the Council's decision how to dispose of 15, Queen Street, he would expect them to get the best return both in financial terms and what its future use would be.

Mr. Hamilton said he was saddened to see how blatant he believed the Council had been in insisting that Firstsite should be given the lease to 15, Queen Street without any other charitable bodies being considered. Mr. Hamilton said he had been told no one else had made an offer and Firstsite had done all the required paperwork.

Mr. Hamilton said he was interested to see that the Hospice building was used for other charitable purposes and would have a lease would allow restricted activities at Firstsite for such organisations as mobility scooters and a local credit union.

Mr. Hamilton concluded by saying Council officers had refused to divulge any such information or a Firstsite inspection visit, and even worse, a Councillor had instructed officers to continue doing this. Mr. Hamilton said he would be requesting further information about 15, Queen Street and access to inspect the building.

## 20. Credit Union Funding

**Councillor Harris (in respect of being a member of the Colchester Credit Union) declared a personal interest in the following item.**

### **Have Your Say**

Mr. Hamilton addressed the panel, saying he had followed the progress of the Credit union movement for years, still made up of a large number of small clubs that work independently, with each credit union having its own head office and back room accounts, working essentially still like the banks in the 1900s.

Mr. Hamilton, whilst admiring the work of the Credit Unions, it was clear that only a few unions are getting the critical mass to flourish. For example, the Ipswich credit union and the closely connected Suffolk County Council credit union have 1534 members that compared favorably with Basildon, 424 members, and Colchester, 283 members, figures that Mr. Hamilton later confirmed he had got from the Association of British Credit Unions Limited (ABCUL) website.

Mr. Hamilton said that the Ipswich Credit Union regularly gets spots on local radio and features in the local papers, and gets frequent high profile mentions on the supervisory organisation ABCUL. Mr. Hamilton believed the smaller credit unions need to link up to the larger unions to be able to share the administration costs and increase their public profile.

Mr. Hamilton concluded by saying he could see the logic of Essex County Council giving Essex Savers, a county wide based credit union £170,000 over three years, but asked the following questions:

- i) What help had Essex County Council offered to the Colchester Credit Union?
- ii) Was this help taken up?
- iii) Should members of Essex Savers be subsidised at £87 per member, per year?
- iv) Why is Essex Savers not a registered member of ABCUL the supervisory organisation?
- v) The Church of England strongly supports Essex Savers and the Credit Union office is based in church property. Should Essex Savers marketing literature be publicly showing it is dependant on a particular church

and would a Muslim feel welcome?

Mr. Richard Cording addressed the panel. In response to the letter from Lord Hanningfield (within the agenda papers), Mr. Cording said that prior to Lord Hanningfield's announcement that he had approved a £170,000 grant, over three years, to the Essex Savers Credit Union, he was led to believe that a decision had not been taken and that Essex County Council officers were to undertake further investigations. Mr. Cording said officers did not contact the Colchester Credit Union.

Mr. Cording said that Dr Probert and Ms. O'Leary from Essex County Council had visited Colchester during 2009 but were told the only help that would be offered would be in respect of advertising, printing and website development. Mr. Cording believed the net effect of introducing Essex Savers Credit Union branches would be one branch competing against another.

In response to Councillor Willetts, Mr. Cording said he has tried to meet with Lord Hanningfield and officers at Essex County Council, but to no avail. Mr. Cording said there was to be a meeting between the credit unions in Essex, but this had been cancelled.

Councillor Paul Smith addressed the panel to say he was pleased that Lord Hanningfield had responded, but questioned whether the money being spent to set up more competing credit union branches was value for money.

Councillor Smith was disappointed that the modest requests for support from the Colchester branch had fallen on deaf ears, especially given the current economic downturn.

### **Credit Union Funding**

Councillor Manning said the response from Lord Hanningfield and the contributions from the speakers have led him to believe the best way forward would be to invite the County Portfolio Holder and Officers to a future meeting to provide an opportunity to discuss this issue in greater detail.

Councillor Foster said her understanding was that the investment to the Essex Savers Credit Union was for them to be able to increase access to residents in areas which lack provision, and would not encroach in Colchester, which would remain the only union. Councillor Foster said the Essex Savers newsletter sent out to householders did mention the Colchester Credit Union, and believed officers would attend a meeting if invited, if that was the panel's desire.

Councillor Arnold said it would be helpful if Essex County Council officers were present at a future meeting to be involved with members in an informed

debate, and stated that it was vital that the Council followed-up the offer from Lord Hanningfield, a comment endorsed by Councillors Manning, Harris and Foster.

*RESOLVED* that the panel noted the response from Lord Hanningfield and requested that the Portfolio Holder and officers from Essex County Council should be invited to attend a future meeting so as to allow an informed debate on local Credit Union funding.

## **21. Haven Gateway Funding**

*RESOLVED* that the panel noted the progress in respect of the work on Haven Gateway funding.

## **22. 2009-10 Internal Audit Monitor - April to June**

### **1<sup>st</sup> Quarter Internal Audit Assurance report 2009-10**

#### **Have Your Say**

Mr. Hamilton addressed the panel saying that he believed the Audit Commission had failed to promote value for money for taxpayers when they ignored the valueless Visual Arts Facility. Mr. Hamilton said that he believed the external audit and inspection letter from the auditors made some ambitious recommendations, with appendix 3 of the report detailing the Council's attempts to meet these for the abandoned folly in the Bus Park.

Mr. Hamilton believed that the Council, when acting as an intelligent client in the appointment of Jackson Cole and the Mace group was an act out of desperation, with the Mace group appointed without competition because most reputable firms refused to get involved with this project.

Mr. Hamilton said whilst the Council states the plans are established on a robust and enforceable basis, that Mace has only agreed to sign the contract if there are no penalty clauses and with no guarantee that they can solve all the problems. Mr. Hamilton said whilst the Council states its plans are accurately detailed in an open and transparent manner, and plans are monitored in an open and timely manner, it refuses to make public the new contractor's report, and the public only became aware of problems due to the structural deficiencies and the lack of workmen on site.

Mr. Hamilton concluded by saying he believed the Council did not meet any of the Audit Commission recommendations.

## **1<sup>st</sup> Quarter Internal Audit Assurance report 2009-10**

Ms. Elfreda Walker, Finance Manager, and Mr. Alan Woodhead, Auditor from Delloitte, both attended the meeting for this item and Ms. Walker presented the 1<sup>st</sup> Quarter Internal Audit Assurance report for 2009-10.

Ms. Walker confirmed to the panel that the key outcomes from audit 405 – booking of Public Premises had been implemented, and on time.

In response to Councillor Scott-Boutell, Mr. Woodhead said the management updates for outstanding recommendations in appendix 2 would only be notated once the audit recommendations had been considered, and if appropriate, implemented.

Members debated at length some of the Management update comments e.g. audit 203 Officers Expenses, the length of time it took some service areas to implement recommendations. Councillor Arnold hoped the report was not been offered to members as some sort of comfort, when he himself found little comfort that some audits from as long ago as two years had not been fully implemented or had follow up audits.

Councillor Willetts asked whether the reporting profile was similar to that done by other district councils.

Mr. Charles Warboys, Head of Resource Management addressed the panel to say that whilst the regular auditing programme was carried out, all outstanding audits would be prioritised for action, and a profile of other district councils would be undertaken for comparative purposes.

Councillor Arnold said that appendix 2, the update on outstanding recommendations should indicate the movement in each audit since the previous report, to visually identify any progress that had been made.

*RESOLVED* that the panel:

- i) Noted the Council's performance relating to executing the 1<sup>st</sup> quarter of the Internal Audit plan for 2009-10, and the performance of internal audit by reference to national best practice benchmarks.
- ii) Requested the Head of Resource Management to prioritise all older outstanding recommendations for action.
- iii) Requested the Head of Resource Management to provide a profile at the next reporting stage of audit reporting practices by other district councils.

## **23. Review of Parking Services**

### **Review of the setting of parking service fees and charges**

#### **Have your Say**

Councillor Chillingworth addressed the panel, thanking Mr. Richard Walker for a comprehensive and interesting report, and Mr. Matthew Young and his team on the excellent work being done.

Councillor Chillingworth said he was pleased that Colchester now has user-friendly multi storey car parks and that Colchester's parking charges compared favorably with other close or neighbouring authorities, and was encouraged by the joint scheme with Braintree and Uttlesford District Councils.

However, Councillor Chillingworth was concerned for the future, given the level of traffic that would be generated by the estimated increase in local residents from 181,000 to 250,000 under the Local Development Framework proposals, and whether parking services are taking sufficiently into account these likely increases, given that any new park and ride scheme will only help people travelling into Colchester, not local residents.

### **Review of the setting of parking service fees and charges**

Councillor Tim Young, Portfolio Holder for Street and Waste Services and Mr. Matthew Young, Head of Street Services attended the meeting for this item, and Mr. Matthew Young gave a comprehensive presentation of the report on the Review of the setting of parking service fees and charges.

During the course of the following debate, all those members contributing to the discussions thanked Mr. Walker for the high quality of what was an excellent, comprehensive report.

Given that members were now being told that any new park and ride scheme would not be the answer to alleviating traffic congestion in the town centre as previously thought, Councillor Arnold wondered what consideration was being given to reducing town centre congestion. Mr. Young said information provided from Cambridge and Ipswich suggests when park and ride is introduced, those people using park and ride are usually long stay parkers and those using inner town centre car parks and short stay parkers, therefore it is anticipated that the short stay parkers will use the town centre roads more during the day, but outside peak travelling times, putting these roads under

less pressure during peak travelling times.

In response to Councillor Arnold, Mr. Young confirmed that Mr. Walker was actively involved with the Council's Regeneration Team in investigating future park and ride in Colchester. Modelling has already been undertaken to see the impact of park and ride, though this still needs further investigation, though Colchester's long term parking strategy was based on park and ride being introduced in the near future.

Mr. Young confirmed to Councillor Taylor that the current parking strategy for inner car parks, of providing discount incentives to motorists to park and travel outside peak times during the week was working very successfully, as was the strategy on Sunday parking, charging £0.50 across most car parks. Councillor Taylor commended a strategy that was not just income driven.

Councillor Young confirmed to Councillor Taylor that he was awaiting advice from officers in respect of parking charges for 2010-11.

During the course of the subsequent debate, members were in agreement that to improve the overall travel experience for all residents and visitors to Colchester, along with the current and future improvements to be made to parking services in the town, there had to be an improvement to public transport services in general, for example, the need to improve cycling routes into the town centre and the provision of bus travel for the disabled, as mentioned by Councillors Manning and Oxford.

In response to Councillor Harris, and in regards to consultation, Mr. Young said the Council consulted with many organisations such as the Chamber of Commerce, businesses such as the Odeon, Mercury Theatre and Williams and Griffin, and smaller retail outlets such as those in outlying suburbs.

In response to Councillor Manning and Oxford, Mr. Young said officers in the Transport Policy Team and Parking Services are looking at innovative ways of advertising all aspects of parking more prominently in the borough. The Courier newsletter, the Council's website, car parks and local radio are extensively used and Mr. Young said they would consider more prominent advertisement on car parks and back of bus advertising as mentioned by Councillors Maclean and Arnold.

*RESOLVED* that the panel:

- i) Commented and noted the report on the process for setting car parking fees and charges in Colchester.
- ii) Commended officers for the depth and clarity of the report.

iii) Requested that once the final proposals on park and ride are complete, the Head of Street Services provides the panel with the opportunity to examine all the financial aspects of the proposed scheme.

## **24. Work Programme**

The panel agreed that the items on Colchester Credit Union and Use of Resources should be scheduled at the earliest convenient meeting.

*RESOLVED* that the panel noted the work programme for 2009-10.