

Scrutiny Panel

**Grand Jury Room, Town Hall
11 June 2013 at 6.00pm**

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

Information for Members of the Public

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Scrutiny Panel – Terms of Reference

1. To fulfil all the functions of an overview and scrutiny committee under section 9F of the Local Government Act 2000 (as amended by the Localism Act 2011) and in particular (but not limited to):
 - (a) To review corporate strategies;
 - (b) To ensure that actions of the Cabinet accord with the policies and budget of the Council;
 - (c) To monitor and scrutinise the financial performance of the Council, performance reporting and to make recommendations to the Cabinet particularly in relation to annual revenue and capital guidelines, bids and submissions;
 - (d) To review the Council's spending proposals to the policy priorities and review progress towards achieving those priorities against the Strategic and Implementation Plans;
 - (e) To review the financial performance of the Council and to make recommendations to the Cabinet in relation to financial outturns, revenue and capital expenditure monitors;
 - (f) To review or scrutinise executive decisions made by Cabinet, the North Essex Parking Partnership Joint Committee (in relation to decisions relating to off-street matters only) and the Colchester and Ipswich Joint Museums Committee which have been made but not implemented referred to the Panel pursuant to the Call-In Procedure;
 - (g) To review or scrutinise executive decisions made by Portfolio Holders and officers taking key decisions which have been made but not implemented referred to the Panel pursuant to the Call-In Procedure;
 - (h) To monitor the effectiveness and application of the Call-In Procedure, to report on the number and reasons for Call-In and to make recommendations to the Council on any changes required to ensure the efficient and effective operation of the process;
 - (i) To review or scrutinise decisions made, or other action taken, in connection with the discharge of functions which are not the responsibility of the Cabinet;
 - (j) At the request of the Cabinet, to make decisions about the priority of referrals made in the event of the volume of reports to the Cabinet or creating difficulty for the management of Cabinet business or jeopardising the efficient running of Council business;
2. To fulfil all the functions of the Council's designated Crime and Disorder Committee ("the Committee") under the Police and Justice Act 2006 and in particular (but not limited to):
 - (a) To review and scrutinise decisions made, or other action taken, in connection with the discharge by the responsible authorities of their crime and disorder functions;
 - (b) To make reports and recommendations to the Council or the Cabinet with respect to the discharge of those functions.

COLCHESTER BOROUGH COUNCIL
SCRUTINY PANEL
11 June 2013 at 6:00pm

Members

Chairman : Councillor Beverly Davies.
Deputy Chairman : Councillor Marcus Harrington.
Councillors Dave Harris, Jo Hayes, Gerard Oxford,
Kevin Bentley, Nick Cope, Peter Higgins and Mike Hogg.

Substitute Members : All members of the Council who are not Cabinet members
of members of this Panel.

Agenda - Part A

(open to the public including the media)

Members of the public may wish to note that Agenda items 1 to 5 are normally brief and items 6 to 9 are standard items for which there may be no business to consider.

Pages

1. Welcome and Announcements

(a) The Chairman to welcome members of the public and Councillors and to remind all speakers of the requirement for microphones to be used at all times.

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

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

2. Substitutions

Members may arrange for a substitute councillor to attend a meeting on their behalf, subject to prior notice being given. The attendance of substitute councillors must be recorded.

3. Urgent Items

To announce any items not on the agenda which the Chairman has agreed to consider because they are urgent and to give reasons for the urgency.

4. Declarations of Interest

The Chairman to invite Councillors to declare individually any interests they may have in the items on the agenda. Councillors should consult Meetings General Procedure Rule 7 for full guidance on the registration and declaration of interests. However Councillors may wish to note the following:-

- Where a Councillor has a disclosable pecuniary interest, other pecuniary interest or a non-pecuniary interest in any business of the authority and he/she is present at a meeting of the authority at which the business is considered, the Councillor must disclose to that meeting the existence and nature of that interest, whether or not such interest is registered on his/her register of Interests or if he/she has made a pending notification.
- If a Councillor has a disclosable pecuniary interest in a matter being considered at a meeting, he/she must not participate in any discussion or vote on the matter at the meeting. The Councillor must withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Where a Councillor has another pecuniary interest in a matter being considered at a meeting and where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the Councillor's judgment of the public interest, the Councillor must disclose the existence and nature of the interest and withdraw from the room where the meeting is being held unless he/she has received a dispensation from the Monitoring Officer.
- Failure to comply with the arrangements regarding disclosable pecuniary interests without reasonable excuse is a criminal offence, with a penalty of up to £5,000 and disqualification from office for up to 5 years.

5. Minutes

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To confirm as a correct record the minutes of the meeting held on 22 May 2013.

6. Decisions taken under special urgency provisions

To consider any Cabinet decisions taken under the special urgency provisions.

7. Decisions taken under special urgency provisions

To consider any Portfolio Holder decisions taken under the special

urgency provisions.

8. Referred items under the Call in Procedure

To consider any decisions taken under the Call in Procedure.

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

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

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

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

10. Work Programme

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See report from the Assistant Chief Executive.

11. Year-end Performance Report including Strategic Plan Action Plan Plus proposed targets / actions for 2013/14

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See report from the Head of Community Services.

12. Financial Monitoring Report 2012/13

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See report from the Assistant Chief Executive.

13. Capital Expenditure Monitor 2012/13

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See report from the Assistant Chief Executive

14. New Housing Arrangements Proposal

75 - 121

See report from the Head of Commercial Services.

15. Exclusion of the public

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

SCRUTINY PANEL

11 JUNE 2013

- Present :-* Councillor Beverly Davies (Chairman)
Councillors Nick Cope, Marcus Harrington, Dave Harris,
Jo Hayes, Peter Higgins, Mike Hogg and Gerard Oxford
- Substitute Member :-* Councillor Will Quince for Councillor Kevin Bentley
- Also in Attendance :-* Councillor Tina Bourne
Councillor Annie Feltham
Councillor Paul Smith
Councillor Nigel Chapman
Councillor Dennis Willetts

3. Minutes

The minutes of the meeting held on 22 May 2013 were confirmed as a correct record.

4. Have Your Say

Mr. Andy Hamilton addressed the Panel saying the Council continued to refuse to discuss major issues such as the Visual Arts Facility (VAF), Sussex Road Green. In regards to the VAF he said the Council continues to squander money to this building, such as the £384k spend noted in the 2012/13 Capital Work Programme report.

Mr. Hamilton said the redevelopment of the Old Bus Station had stopped and there had been a shameful neglect of the Tymperleys building, where the successful bidder to occupy the building had withdrawn their interest and where there remained issues around public access to the building.

Mr. Hamilton concluded by saying this spending of public money, together with the loss of public grants, was a warning to managers of the Council's finances.

Councillor Sonia Lewis addressed the Panel to explain the issues surrounding the Sussex Road Meadow and Wall. Councillor Lewis said the area and the wall was not owned by the Council and as such was not the responsibility of Colchester Borough Council.

Councillor Lewis said Councillors continued to speak to the public in an attempt to keep the area tidy and are also in conversation with the East Lexden Residents Association and Lexden History Group to help work to this end. She hoped it may be possible to have the land in question registered and then the wall rebuilt, and because the wall is in a conservation area it may attract a £500 S106 contribution towards the repair.

5. Items requested by members of the Panel and other Members

Councillor Willetts addressed the Panel to propose an item for scrutiny.

Councillor Willetts said that given the significant investment made by the Council in IT services there was an expectation that IT related problems would gradually improve. Councillor Willetts said he had not noticed any current improvements.

Very recently, Councillor Willetts tried to help a local constituent that he was confident could be dealt with via the Colchester's website. Unfortunately he was not able to gain access at his home computer. It took Councillor Willetts 12 minutes to boot-up using the Member's Room computer, only for this to freeze and take a further 10 minutes to reboot. Councillor Willetts said this illustrates the poor state of the IT services.

Councillor Willetts said with Council's moving towards information services and self serve it was imperative they provided the IT services fit for purpose for one hundred percent of the time. Councillor Willetts proposed to the Panel that a scrutiny review of the IT implementation plans and targets and determine value for money.

6. Work Programme

Mr. Robert Judd, Democratic Services Officers introduced the new Work Programme for 2013/14. He explained that whilst there was items for review programmed to all the meetings, apart from the June and July meetings there was scope to add further review items requested by the Panel to the Work Programme.

Councillor Davies said she believed there was too many substantial items for review on the evening's agenda, and in consultation with the other Group Spokespersons agreed that the last item on the agenda, New Housing Arrangements Proposal, would be deferred this evening, and proposed to the Panel that this item be taken at an extra meeting in late June. Councillor Hogg concurred with this new arrangement.

Councillor Davies also suggested to the Panel that the IT review proposed by Councillor Willetts was added to the Work Programme.

Councillor Hayes enquired about a possible review of the North Essex Parking Partnership (NEPP). Mr. Judd and Mrs Hedges, Executive Director explained that NEPP was responsible to the Joint Committee, whose primary decisions taken are for On-Street Parking across the whole of north Essex. These decisions are referred to Essex County Council, the responsible authority, for further review. It was therefore felt this might not be a piece of work appropriate for Colchester's scrutiny panel. However, it was understood that there was a lack of understanding across Members about how the NEPP worked and Mrs Hedges agreed to arrange for the Parking Partnership Manager to provide members with a short briefing note explaining the principles and working and governance arrangements.

RESOLVED that the Panel noted the Work Programme and agreed to the proposed

changes.

7. Year-end Performance Report including Strategic Plan Action Plan Plus proposed targets / actions for 2013/14

Councillor Davies (in respect of being a trustee of C CVS), Councillor Quince (in respect of being a trustee of Grassroots) and Councillor Harris (in respect of being a Founder Member of Colchester in Bloom) all declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5);

Councillor Smith, Portfolio Holder for Business and Resources and Ms. Lucie Breadman, Head of Community Services attended the meeting for this item.

In response to Councillor Harris and his concerns that the affordable housing targets for 2013/14 and empty homes bought back into use will not be reached, Councillor Smith said there remain issues where development sites are rendered unviable and in such cases the number of social housing units has to reduce. That said he believed that given the current economic climate the 133 units delivered in 2012/13 was still a very good result. In respect of empty homes, Councillor Smith said it was too early to say whether the 270 homes bought back into use by March 2015 will be achieved though anecdotally he had heard that properties have already been filled. In response to Councillor Oxford, Councillor Smith said whilst he accepted that the media is reporting an upturn in the housing market he was advised that prices in Colchester remained static.

Councillor Smith said officers rigorously challenge developers on the number of social housing units to be provided, and as an example did achieve a higher proportion of social housing than Tendring District Council at the former Betts development site. Ms. Breadman said when determining and agreeing the level of social housing units to be provided by a developer the Council do seek independent assessments of the developers and these assessments are paid for by the developer. In response to Councillor Hayes, Councillor Smith confirmed these checks, on land prices for example, are independently made, with a descriptive procedure used by the independent assessors in most cases.

Councillor Harrington said the rise in percentage terms of sickness absence from a target of 7.5 days to a result of 9.18 days was considerable and equated to the average salary and number of staff employed was a major financial concern. Councillor Harrington also said the benchmarking results reported to the February meeting of the Strategic Overview and Scrutiny Panel suggested Colchester has a worse record than many other Essex districts. Councillor Smith said many other Essex districts are reporting a rise in sickness absence with Rochford, Tendring and Brentwood reporting absence higher than Colchester. The trend was to increase though Colchester's performance was better than most. Only in Braintree, where many of the manual services are now contracted-out is sickness showing an improving trend, down this year

to 6.6 days from 6.72 days. Councillor Smith said it remains our intention to continue to manage closely and reduce to a reasonable level.

Councillor Quince said due to the extensive Summary of Awards and Accreditations received, the costs associated with receiving these awards must be substantial and requested a review of the listing with the aim to trim the associated hospitality and travelling costs.

Councillor Quince asked how the missed bin collections was measured, for example, was it missed properties counting as one miss and missed bins counting as multiple misses per property. Councillor Smith said this was a valid point and he would ascertain this information and notify members accordingly.

Councillor Quince asked whether the £1.722m outstanding Council Tax for 2012/13 was added to the £5.5m still outstanding from previous years and in terms of collection rates how did Colchester compare with other Essex districts. Councillor Smith said write-off figures are deducted from current arrears figures and where companies go into liquidation the arrears are retained on the accounts until the courts apportion and distribute monies to outstanding creditors. ***The Panel are asked to note that following the meeting, that as of 1 April 2013 the outstanding arrears figure of £5.5m from previous years included the figure of £1.722m from 2012/13, and Colchester compared quite favourably with other Essex districts being in the top half of Councils in terms of the percentage of Council Tax collected. Collection rates are higher in smaller districts such as Maldon and Uttlesford where local demographics ensure less reliance on council tax benefit.***

In response to Councillor Quince's enquiry about the introduction of the food waste collection across the borough already being reflected in the recycled rates, Councillor Smith said the year end recycled figure only reflected a partial year for food waste collection where food waste is collected, and 2013/14 will see a continuation of the roll-out programme that will reflect positively on the year-end results. Councillor Smith said members would need to ask Councillor Hunt, Portfolio Holder for Street and Waste Services for the reasons for restricting green waste collections during the summer months.

Councillor Willetts addressed the Panel concerning the introduction of Food Waste Collection across the borough, saying that some of his questions had already been answered, but further to these he did not think the sequence of events was clear and any roll-out should provide a noticeable difference, believing the 2013/14 targets of 430 kilograms of waste collected per household and the 43% recycling rate did not appear very challenging given the figures produced by other district councils. It was agreed that a table providing the 2012/13 results for household waste collected and recycled for all Essex authorities would provide some context to the overall situation. Councillor Smith pointed out that the district councils with the highest recycling rates are those who provide wheelie bins, but this method of collection provided poor quality recycling material with a lower value. Councillor Smith also confirmed to Councillor Davies that the Panel had previously received a recycling cost analysis on percentages, tonnage, values and income.

Councillor Smith responded to Councillor Oxford, saying in respect of rent collection, the Council are rigorous in their pursuit of arrears. Given the economic climate a distinction is made between those who can't pay and those who won't pay, and the Council is extremely rigorous in pursuing debts with the latter group. Councillor Smith accepted that the outstanding percentage figure used to be in the mid 99%, but given the economic climate it would be foolish to accept Colchester was immune to the financial pressures on people.

Responding to Councillor Hogg who felt the targets for the average time to re-let council houses (in days) was going backwards (remembering that 20 years ago 10-14 days was achieved) and a downside to this was the longer a property remains empty the greater the chance of the property being vandalised, Councillor Smith said on the surface he agreed with Councillor Hogg's observations, though he expected that when drilling into the detail there are plausible reasons for the increases. Councillor Smith agreed that an explanation on the reasons for the increases was needed.

Councillor Harris suggested to the Cabinet that an additional Community Day of Action should be added to the 2013/14 Strategic Plan to improve street cleanliness as part of the Enabling Community Ownership initiative.

Councillor Hayes said the roles of the various action groups for the Air Quality Improvement Actions was confusing. Ms. Breadman agreed to provide an explanation of the roles of the various groups listed in the Appendix 2.

Councillor Cope said it would be helpful and more meaningful if the 'The Planning Appeals allowed' provided some commentary on the reasons for overturning the decision to refuse. Councillor Smith agreed with Councillor Cope suggesting further explanations were needed, plus clarification on what the acceptable levels are.

Councillor Oxford said it would also be helpful to know the cost of administering appeals.

Following discussions on the future introduction of a Park and Ride facility at North Colchester, Councillors generally agreed with Councillor Harrington that the facility should provide a pricing structure that encouraged shoppers and visitors to the town centre, not just commuter traffic. It was felt the suggestions from Essex County Council officers that the pricing will be a charge per person not car will not be too attractive to shoppers and visitors. It was agreed that whilst it was important that members fed their thoughts into the Essex County Council consultation process, the Cabinet should be advised that the Panel would like to see the Cabinet actively lobbying Essex County Council to support a pricing structure that equally attracted both commuters and shoppers and visitors to the town centre.

Councillor Davies said one of the suggestions for next year, a town centre pilot to enforce reductions in littering needed strengthening, that there should be zero tolerance to littering. Whilst the report highlighted that part of a targeted approach to littering (one on many forms of anti social behaviour (ASB)) was increased resources to investigate and issue fixed penalty notices, Councillor Davies asked how many notices of the 237 cases of ASB had actually been issued for littering offences.

Councillor Davies said she would like to see more support given to community groups to help them through the process of applying for community funding, and a suggestion added for the introduction of a skate park in Castle Park. Ms. Breadman said officers are looking to at these types of initiatives where S106 monies is not available because of the limits on its use. Councillor Feltham, Portfolio Holder for Communities and Leisure Services said she welcomed disparate groups becoming formal groups, encouraged to apply for funding.

RESOLVED that the Panel;

- i) Considered and commented on the 2012/13 year end performance summary, the proposed indicators and targets for next year along with the key actions proposed for the Strategic Plan and Action Plan, and the Strategic Plan actions for 2013/14.
- ii) Requested the Cabinet to consider and note the comments and suggestions from the Panel.
- iii) Requested that the costs associated with receiving awards and accreditations is reviewed with the aim to trim the associated hospitality and travelling costs.
- iv) Requested a schedule of dates and relevant areas for the 2013/14 Food Waste collection roll-out programme.
- v) Requested an explanation from Colchester Borough Homes to the reasons for the increase in the 2013/14 average target time to re-let council houses.
- vi) Requested the Head of Operational Services to provide the Panel with a table providing the 2012/13 results for household waste collected and recycled for all Essex authorities.
- vii) Requested the Cabinet to actively lobby Essex County Council to support a Park and Ride pricing structure that equally attracted both commuters and shoppers and visitors to the town centre.

8. Financial Monitoring Report 2012/13

Mr. Sean Plummer, Finance Manager introduced the 2012/13 year-end Financial Monitoring report, to which Mr. Plummer advised the Panel that the accounts for 2012/13 are still subject to external audit.

Mr. Plummer said the General Fund year end position shows a £239k net surplus to be added to balances. He added that the £285k risk factor allocated in the 2012/13 budget had not been used and will be carried forward and held within balances.

Mr. Plummer said the Housing Revenue Account (HRA) shows a favourable variance of £1,422k, due in main to reduced borrowing costs. He added this was a ring-fenced account and all variances remain in the HRA.

In response to the Panel, Mr. Plummer said in respect of the calculated Icelandic investment impairment and based on updated guidance the gain will be £526k, details of which will be provided in July's Treasury Management report. Mr. Plummer said as more money is returned so it increases confidence in other refunds. He added that it is anticipated that the right-off will now be far less than originally anticipated.

Councillor Smith responded to the Panel to explain that the £14k A12/A120 roadside litter pick initiative, a draft proposal for use of the surplus funds, was necessary because the upkeep of the land in question was identified by Essex County Council to be the responsibility of Colchester Borough Council.

In response to Councillor Quince, Mr. Plummer said in respect of the £125k income for hire vehicles returned in 2011/12, this was a one-off gain relating to previous contracts.

Councillor Quince asked for assurances that the £79k overspend on salary costs due to the use of agency staff and overtime within Street Services was not part of an underlying problem that members needed to be aware of, and if need be examine in greater depth, Councillor Smith said this was part of some worrying trends in this area that are being examined and addressed. Mrs Hedges, Chief Operating Officer, said sickness absence was higher across the whole of Street Services, not just Waste and Recycling, and because of the nature of the jobs. Mrs. Hedges said these issues are being addressed. With regards to vacant posts, Mrs. Hedges said a recruitment process for recycling and fleet operatives did not commence early enough, but lessons have been learnt.

Councillor Smith responded to Councillor Harris to explain that whilst the overall position for Street Services was worrying, this was being addressed, and the overall position was very good.

Councillor Smith confirmed to Councillor Hayes that the saving in net interest was due to increased internal borrowing where savings can be generated through favourable rates. Members were advised that more detail on interest on borrowing will be provided in the July's Treasury Management report.

RESOLVED that the Panel noted the financial performance of the General Fund Services and the Housing Revenue Account for 2012/13.

9. Capital Expenditure Monitor 2012/13

Mr. Steve Heath, Finance Manager introduced the 2012/13 Capital Expenditure report, to which Mr. Heath advised that the Capital programme is a rolling programme not bound by a set financial year, with the report providing the position at year end.

Mr. Heath said the total capital spending for 2012/13 was £13.3m compared to a forecast of £15.5m. He added that 51.2% of the funding was from internal sources with a breakdown of the top areas of spend illustrated in paragraph 4.2 of the report.

Councillor Smith said the spend on the Mercury Theatre (MT) roof and windows

(£364.7k) was a capital grant though the financial impact for the MT will be revenue in the form of energy savings.

Councillor Oxford commented that the whilst there was a £40k capital scheme to refurbish the Lion Walk Activity Centre Lift to maintain DDA compliance the toilets within this building are not DDA compliant, and would it not make sense to extend the refurbishment to include the toilets.

Mr. Heath advised Councillor Hogg of the breakdown of costs within the Capital Programme for the Osborn Street Bus Station. Following on from this, Councillor Quince asked for a breakdown of the £170k programmed for Bus Station – CBC Enhancements.

RESOLVED that the Panel;

- i) Noted the level of spending during 2012/13.
- ii) Requested the Portfolio Holder for Communities and Leisure to consider as part of the Lion Walk Activity Centre Lift refurbishment to give consideration to extending the refurbishment to include the toilets, thereby making the whole building DDA compliant.
- iii) Requested a breakdown of the £170k within the Capital programme for the Bus Station – CBC Enhancements.

10. Any Other Business

Councillor Bourne addressed the Panel to ask why this meetings agenda item, the review of Housing Arrangements Proposal was pulled from tonight's meeting at such late notice. She was not aware that this had ever happened before, and couldn't understand why, if there was a potential problem with the amount of business to be considered on the night, this was not flagged up at the previous Thursday's Chairman's briefing. Councillor Bourne said this was bad form, and a poor decision to have taken.

Councillor Davies said it was a decision taken in consultation with the Group Spokespersons just prior to the commencement of the meeting.

Councillor Davies said the amount of business scheduled to this meeting had not been discussed at the previous Thursday's briefing, but on reflection it was felt that to do the review of the Housing Arrangements Proposal justice a separate meeting for the review was needed. She apologised for the deferral and said she will write to those who attended this meeting to explain the Panel's actions.



Scrutiny Panel

Item
10

11 June 2013

Report of	Assistant Chief Executive	Author	Robert Judd
Title	Work Programme 2013-14		Tel. 282274
Wards affected	Not applicable		

1. Action Required

1.1 The Panel is asked to consider and comment on the 2013-14 Work Programme.

2. Reason for Action

2.1 This function forms part of the Panel's Terms of Reference in the Constitution.

Meeting date / agenda items and relevant portfolio
11 June 2013 1. 2012-13 Year-end Performance Report and SPAP (Leader / Hd.Community) 2. 2012-13 Revenue Expenditure Monitoring Report 3. 2012-13 Capital Expenditure Monitoring Report 4. New Housing Arrangements (Housing / Hd.Commercial))
23 July 2013 1. Budget Strategy, Timetable and MTF (Leader / Business and Resources) 2. Annual Report on Treasury Management 3. firstsite project: Final overview including the lessons learnt (I.Vipond, Executive Director)
20 August 2013 1. 2013-14 Revenue Expenditure Monitoring Report, period April – June 2. 2013-14 Capital Expenditure Monitoring Report, period April – June
10 September 2013 1. Safer Colchester Partnership (Crime and Disorder Committee) (Planning and Community Safety)
29 October 2013 1. Financial & Corporate Management FSR - Pre Cabinet scrutiny of Business Case
12 November 2013 1. Localising Council Tax Support (follow-up on 2012-13 implementation review) 2. 2013-14 Revenue Expenditure Monitoring Report, period April – September 3. 2013-14 Capital Expenditure Monitoring Report, period April – September
10 December 2013 1. Treasury Management – Half yearly update
28 January 2014 1. 2014/15 Revenue Budget, Capital Programme and MTF (Pre-Cabinet Scrutiny)(Leader) 2. 2013-14 6-monthly Performance report and SPAP (Leader / Communities and Leisure) 3. Treasury Management Investment Strategy
11 February 2014 1. 2013-14 Revenue Expenditure Monitoring Report, period April – December 2. 2013-14 Capital Expenditure Monitoring Report, period April – December
18 March 2014 1. Colchester Community Stadium Limited review (last review 20-Mar-2012)(Leader)



Scrutiny Panel

Item
11

11 June 2013

Report of	Head of Community Services	Author	Lucie Breadman ☎ 282726
Title	Year-end Performance Report including Strategic Plan Action Plan and proposed targets / actions for 2013/14		
Wards affected	'Not applicable'		

The Panel is invited to consider the performance report for the period up to end of March 2013 - which includes progress of our performance measures, the Strategic Plan Action Plan and proposed targets and actions for 2013/14.

1. Action required

1.1 The panel is asked to consider / comment on:

- 2012 / 13 year-end performance summary and appendices
- The proposed indicators and targets for next year along with the key actions proposed for the Strategic Plan Action Plan.
- The strategic plan actions for 2013/14.

2. Reason for scrutiny

2.1 Part of the Council's performance management framework includes the commitment to report our year-end performance progress to Scrutiny Panel.

3. Background information

3.1 As part of the Council's performance management processes we monitor key indicators and improvement actions throughout the year against agreed targets and expectations. This report provides the year end position of our indicators and Strategic Plan Action Plan alongside proposed targets and key actions for 2013/14.

4. Performance Summary

4.1 Key Performance indicators – Appendix 1

Appendix 1 provides year end data from performance indicators that we agreed to monitor at a corporate level. Each indicator has its current performance against the target set for the year, but also shows a direction of travel (DOT) arrow, where it is available and a comment from the Head of Service. The proposed target for 2013/14 is also included with comments. A number of indicators are not due to report until later in the year, in these cases we have had to 'forecast' year-end performance.

Of our 20 indicators 13 (65%) have met expected targets which means 7 (35%) did not, in a number of cases performance was extremely close and improvement is ongoing. There are links between the economic situation and those areas where ambitions have not been realised within the required timescales, and in most cases efforts continue into 2013/14.

On a more positive note there is continued strong performance in planning and prevention of homelessness exceeded our expectations as did processing times for Housing Benefits. These are really important indicators showing that the support for vulnerable customers in these difficult times is a real priority.

4.2 Strategic Plan Action – Appendix 2

The Strategic Plan is focused on providing direction and vision for Colchester as a place for its people. The action plan shares key actions that aim to help deliver the strategic improvement priorities and the year end update provides a positive picture where most are meeting expectations.

The update provides awards and accreditations achieved throughout the year, some great examples of community activities, partnership working and despite the climate, some notable investment and regeneration opportunities for the Borough.

4.3 Actions and Targets for 2013/14

Suggested new key actions are included on the SPAP on Appendix 2 and Appendix 1 includes any suggested new indicators and targets for 2013/14.

5. Strategic Plan references

- 5.1 This report provides the year-end update of performance of our Strategic Plan Action Plan, which was developed to support the delivery of the Council's agreed Strategic Plan priorities.

6 Consultation

- 6.1 The contents of this report do not have any direct implications with regard to consultation; however the Strategic Plan and priorities were agreed following wide public consultation.

7. Publicity considerations

- 7.1 The performance report contains key measures for our indicators and our Strategic Plan Action Plan; many of which are used to monitor the performance of our services and as such these may be of public interest.

8. Financial implications

- 8.1 The financial implications of the action plans to deliver our indicators and Strategic Plan Action Plan form part of the budget setting process.

9. Equality, Diversity and Human Rights implications

- 9.1 Progress and improvement against these indicators and many of the actions within the Strategic Plan Action Plan support our aims of improving the lives and services for everyone in the borough.

10. Community Safety implications

- 10.1 There are performance measures and actions within the Strategic Plan Action Plan which aim to improve community safety and as such this report provides progress updates in this area.

11 Health and Safety implications

- 11.1 This report has no direct implications with regard to Health and Safety.

12. Risk Management implications

- 12.1 We aim to deliver against Indicators and the Strategic Plan Action Plan as both form a key part of our organisational performance assessment and as such could reflect on how well we deliver services to our residents.

Background Papers - not applicable.

Appendix 1 – 2012/13 Corporate Indicator Set performance results including direction of travel (DOT)

Indicator And DOT	Target 2012/13	Result 2012/13	Proposed Target 2013/14	Comments
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Arrows depict direction of travel (DOT) from last year's performance - where it is possible/practical to measure this.

KSI P1 Processing of planning applications	Majors 65%	68.6% G	65%	12/13 outturn comment : Performance across the entire range of local indicators has been exceeded and despite the service experiencing an increase in applications it has been able to maintain this level of performance which builds on the good performance achieved in the previous year. Careful management of our performance has also ensured that we continue to be able to manage the negative impact of any out-of-time decisions in-year. <i>13/14 target comment in italics -</i> As we are now in a transition period following service change which divides the planning team across two services, it does not feel prudent to raise the target for these indicators. The teams are currently working out how to ensure that capacity between the teams is used intelligently so as not to impact on either performance or the desire for a more focussed approach to corporate projects or commercial opportunities.
	Minors 70%	75.3% G	70%	
	Others 85%	89.7% G	85%	
KSI P2 Planning appeals allowed against our decision to refuse permission	30%	21% Green	30%	12/13 outturn comment: Really good performance here is within a range of around 20 to 30% so this outturn reflects that. With the introduction of the presumption for sustainable development by the NPPF (National Planning Policy Framework) the Planning Inspectorate are still in the process of establishing the impacts of this on decisions taken in accordance with our adopted policies. This has meant that it has been a more challenging year in respect of appeal decision targets but we have been able to achieve another sustained year of good performance <i>13/14 target comment in italics –</i> The review of our Policy position will not be completed and impacting positively on our appeal decision performance until about half way through 13/14, therefore it is suggested that we continue with the same target.



Appendix 1 – 2012/13 Corporate Indicator Set performance results including direction of travel (DOT)

Indicator And DOT	Target 2012/13	Result 2012/13	Proposed Target 2013/14	Comments
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Resources and Organisational Key Indicators

<p>KI R1 Council Tax collected</p> 	<p>98.5%</p>	<p>97.9% R</p>	<p>97.5%</p>	<p>12/13 outturn comment : Overall we collected 97.9% of £80,842,186 council tax due and while the target was not achieved within the measurement period the outstanding monies (£1,721,938) are still sought throughout the year. To demonstrate this, while the reporting period runs to 31st March where 97.9% had been collected, as at Mid May 98.3% had actually been achieved which does exceed the target just not within the required timescale. The main reasons for difficulties with collection rates this year are:</p> <ul style="list-style-type: none"> • The continuing recession, with lower, less predictable income being available to some taxpayers. • Greater reliance on council tax benefit • More payment arrangements resulting in later payments and delayed enforcement action. • Fewer payments made by defaulters at summons stage, leading to later payment much later in the Enforcement process. <p>13/14 target comment in italics - <i>The revised lower target remains very stretching, particularly in view of the changes with the introduction of the Local Council Tax Reduction Scheme (LCTS replacement for Council Tax Benefit) and the removal of discretionary discount and exemptions for empty properties.</i></p>
<p>KI R2 Business Rates collected</p> 	<p>98.5%</p>	<p>97.9% R</p>	<p>97.5%</p>	<p>12/13 outturn comment : NNDP came in under target, 97.87% of £60,038,624 NNDP due. Again CBC will continue to chase outstanding amounts and as at mid-May 98.2% had actually been collected, as above exceeding the yearly target but outside the timescales agreed. Indications are that the NNDP collection rate has been affected by more business defaulting in making their payments and later payments being made in the year. Some of the income will be lost due to failing businesses and insolvency. However, when under recovery action is taken by the council, businesses tend to pay later due to the time allowed within the different stages of the legal process. <i>The revised 2013/14 lower target remains stretching but realistic in the economic climate.</i></p>



Appendix 1 – 2012/13 Corporate Indicator Set performance results including direction of travel (DOT)

Indicator And DOT	Target 2012/13	Result 2012/13	Proposed Target 2013/14	Comments
KI R3 Sickness rate in working days 	7.5 days	9.18 days R	7.5 days	<p>12/13 outturn comment: As anticipated, the sickness target of 7.5 days has not been achieved this year. A detailed report on sickness performance was presented to the Strategic Overview and Scrutiny Panel in February 2013.</p> <p>There has actually been a decrease in short-term sickness compared with the 2011/12 figures. Long-term sickness has however increased. Data shows there is a clear increase in sickness that is attributable to mental health illnesses such as stress and depression. The nature of these conditions means they cannot be quickly treated and become long term.</p> <p>Research has shown that we are in fact comparable with our neighbouring Essex authorities and the general trend across Essex authorities this year is upwards.</p> <p>HR is undertaking action to help managers address sickness levels. We continue to review our policies and procedures. We work closely with our Occupational Health advisors and at the start of the 2013/14 year we have implemented an accelerated referral to Occupational Health for staff who are affected by mental health sickness absence.</p> <p><i>The 2013/14 target will remain the same as we feel it is important for this to continue to be challenging and a figure that the organisation can collectively strive towards.</i></p>
KI R4 Reduce CO2 from Council operations and activities 	25% less by Dec 2012	26% G Target exceeded by 111 tonnes CO2.	n/a	<p>12/13 outturn comment: This target was to reduce CO2 emissions from Council buildings and operations by 25% by 2012 from a 2006 baseline (total reduction of 2333 tonnes CO2).</p> <p>The achievement here is really positive with the target having been exceeded and as a result of a number of successful projects carried out under the Councils Carbon Management Programme. Overall we have reduced our CO2 emissions by a total of 2444 tonnes.</p> <p><i>Although there is still a commitment to reduce emissions corporately, it is recommended that we focus on developing a new Sustainability Strategy for 2013/14 which will be included as a Strategic Plan improvement action.</i></p>




Appendix 1 – 2012/13 Corporate Indicator Set performance results including direction of travel (DOT)

Indicator And DOT	Target 2012/13	Result 2012/13	Proposed Target 2013/14	Comments
KI R5 Forecast variance at year end – overall revenue budget	-2% to +1%	-2.8% R	-2% to +1%	<p>12/13 outturn comment:</p> <p>Our 2012/13 budget is £20.9m. We aim to end the year within a 'range' of between -2% and +1% of this. Outturn figures will be finalised as part of the statement of accounts process. However, based on provisional figures and making adjustments for agreed carry forward items, the net underspend is forecast to be -2.8% which does fall outside the target range.</p> <p>The main factor which has resulted in this position is a saving of almost £0.4million in respect of interest costs / income. This is therefore 1.9% of the overall budget. This mainly reflects our strategy to continue to borrow internally, as such this is partly a timing issue.</p> <p><i>13/14 target comment in italics - No change is proposed to the target</i></p>
KI R6 New Customer Service Excellence Awards 	1 Award	G	n/a	<p>12/13 outturn comment:</p> <p>Over the year Corporate Management achieved their award in June thus meeting the target.</p> <p><i>13/14 target comment in italics - Review of the overall approach and a possible new corporate assessment thus this specific measure will be discontinued.</i></p>
KI R7 Achieve Fundamental Service Review (FSR) savings / income	£1.762m	£1.57m R	£0.28m (net)	<p>12/13 outturn comment: £1.561m of the £1.762m target for 2012/13 consists of £450k Housing, £435k Revenues and Benefits, and £676k Street Services. These have all been accounted for in the 2012/13 budgets for these 3 services, however Street Services outturn reflects certain income /savings that have not been achieved giving a shortfall of £0.2m. This specifically relates to projects including: yard partnership; void clearance and community alarms. In all cases mitigating activity has taken to address the issues along with direct marketing resources to help minimise any shortfall. The £1.762m target also includes £201k being the agreed net Sport and Leisure FSR saving as shown in the full business case. This has been achieved this year.</p> <p><i>13/14 target comment in italics - previous FSR targets are embedded within existing budget allocations, so this target only includes the budgeted savings from the Sport and Leisure FSR for 2013/14 of £0.62m and the figures from the UCC FSR business case, which for the coming year are a net cost of £0.34m (0.62m savings less £0.34m cost = £0.28m net).</i></p>



Appendix 1 – 2012/13 Corporate Indicator Set performance results including direction of travel (DOT)

Indicator And DOT	Target 2012/13	Result 2012/13	Proposed Target 2013/14	Comments
Housing Key Indicators				
KSI H1 Net additional homes provided	710	Forecast G	785	12/13 outturn comment: This is an annual measure and final performance is not yet known but is forecast to be on target. The target was adjusted when the Housing Trajectory was updated in December 2012 from 751 to 710. The Council is out performing neighbouring authorities in difficult times for the housing industry and remains a place where developers want to build. <i>13/14 target reflects target set in Housing Trajectory. This remains an ambitious target in challenging economic times</i>
KSI H2 Number of affordable homes delivered (gross)	400 (three-year target for 2012–15)	133 G	400 (three-year target for 2012–15)	12/13 outturn comment: Delivery of affordable housing has remained strong in challenging economic times. This period started in 2012 so we are in the first year and based on current information we are on track to achieve the three year target. <i>13/14 target comment in italics - we are confident that we can meet the three- year target of delivering 400 homes. However, it will remain a challenging target in the current economic climate.</i>
KSI H3 Number of homelessness cases prevented 	260 cases	411 cases G	350	12/13 outturn comment: Our performance has improved significantly as a result of deploying more resources to securing private accommodation for customers; and to resolving customers' problems early on by means, for example, of negotiating returns to the family, or awarding a higher priority on the housing register. <i>13/14 target comment in italics – with approx 1,100 customers seen annually, while this is stretching it is an important area to continue to improve upon and we have achieved well this year so would like to keep up the momentum.</i>
KSI H4 Rent collected 	98.8%	98.94% G	97.0%	12/13 outturn comment: We have exceeded the year end target for rent collected which is a significant achievement given the continued difficult financial circumstances that many tenants are experiencing. This year's outturn is slightly lower than what we achieved in 2011-12 which was 99.02%.

Appendix 1 – 2012/13 Corporate Indicator Set performance results including direction of travel (DOT)

Indicator And DOT	Target 2012/13	Result 2012/13	Proposed Target 2013/14	Comments
<p>KSI H5 Average time to re-let council houses in days</p>	<p>General needs 19 days Sheltered 72 days Temp 32days</p>	<p>General Needs 18 days  Sheltered 60 days  Temp 30 days </p>	<p>General needs 20 days Sheltered 75 days Temp 30 days</p>	<p><i>13/14 target comment in italics - The 2013/14 target has been set at a challenging but realistic level given what we know about the impact of welfare reform on rent arrears, including the feedback from social landlords that ran pilots of the changes. The pilots included the ending of direct payments of housing benefit to landlords with payments being made directly to tenants, along with the estimated impact of the reduction in housing benefit for under-occupiers.</i></p> <p>12/13 outturn comment: Year end performance is better than the targets set for the year. The most significant improvement is in the number of days to re-let sheltered properties which was 71 days in 2011-12 and has been reduced to 60 days this year. This is a considerable achievement given that the sheltered housing review has been implemented during 2012-2013 which resulted in some empty homes being held vacant for longer than usual whilst tenants decided whether to move into them. There has been year on year improvements for both general needs and temporary accommodation reducing re-let times by 1 day and 2 days respectively.</p> <p><i>13/14 target comment in italics - The general needs target is challenging but achievable. The continued implementation of the sheltered review is reflected in the target set for 2013/2014. The out turn performance of 18 days for 12/13 has been achieved as the number of empty properties dropped from the previous year (334 in 12/13). The impact of the introduction of Welfare reform is as yet un certain, but it is anticipated that an increasing number of tenants will be moving home as a result of the introduction of restrictions to Housing benefit where homes are under occupied, affecting the resource available to repair the empty property before re letting. It was agreed that whilst the review of sheltered housing was affecting both allocation and availability of sheltered housing that the target would be replaced with an “expected outcome”. A number of sheltered properties have been held as vacant to accommodate residents who are moving from Joyce Brooks house; once these properties are re-let, the re-let time will be included in performance outcome.</i></p>

Appendix 1 – 2012/13 Corporate Indicator Set performance results including direction of travel (DOT)


Indicator And DOT	Target 2012/13	Result 2012/13	Proposed Target 2013/14	Comments
Waste and Recycling Key Indicators				
KSI W2 Residual household waste per household 	440 kg	448 Kg R	430kg	12/13 outturn comment: The target is based on the total annual kilograms of waste collected per household which has been reducing in Colchester for the last 6 years when it was over 650 kg per household, so even though we did not hit the target we have still improved on last years outturn of 450kgs. We continue to work with residents to understand the importance of reducing waste and recycling but also recognise that our own, enhanced litter picking exercises taking place by our very active zone teams have impacted. They have been collecting more litter and rubbish from around the borough in clean-up activities, which is good, but unfortunately this has to be treated as domestic refuse and therefore contributes to this figure. <i>13/14 target comment in italics – The target will be 430kg per household which reflects the commencement of the borough-wide Food Waste Collection service from Autumn 2013. Based on the results from the trial this target, whilst stretching, should be achieved even if the service operates for less than half a year.</i>
KSI W3 Household waste reused, recycled and composted 	43%	41.54% R	43%	12/13 outturn comment: The final figure achieved of 41.54% is disappointing considering the half year performance was 44%. This is mainly due to a dip in our recycling figures during the last quarter of the year particularly in the amount of glass, cans and paper that has been collected at the doorstep. However, this did reflect the situation that occurred in 2011/12 and it is believed the same factors of changing buying habits and reduced packaging have contributed. The half year performance was also bolstered by increased green waste tonnages which understandably dropped off during the elongated winter period. <i>13/14 target comment in italics – The target will remain at 43% and the following activities will be implemented:</i> <ul style="list-style-type: none"> • <i>The introduction of Food Waste collection across the borough</i> • <i>Working with the Zone teams on a high profile campaign to increase awareness and education including proactive contact with households identified as not recycling</i> • <i>Introduction of a weekly plastics collection for flats across the borough.</i>

Appendix 1 – 2012/13 Corporate Indicator Set performance results including direction of travel (DOT)

Indicator And DOT	Target 2012/13	Result 2012/13	Proposed Target 2013/14	Comments
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<p>KSIW Number of weekly missed bin collections</p>	<p>n/a</p>	<p>n/a</p>	<p>Blue wk – 100 Green wk 80</p>	<p><i>13/14 target comment in italics -</i></p> <p>Suggested new indicator for 2013/14 – measure the number of missed bins on a weekly basis for each of the different collections.</p> <p><i>This is an important indicator for both residents and the service as it is recognised that people do judge the Council on whether their waste is collected every week. There are more than 12 million collections made every year, and these targets will only allow the service to miss no more than 4,500 in that period. The reason for the difference in the targets for the two collection weeks is that more collection takes place from households in a 'Blue' week than in a 'Green' due to the types of materials collected. It is not intended to increase the target as a result of the introduction of the borough-wide Food Waste collections.</i></p>
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Benefits Key Indicators

<p>KSI B1 Time to process Housing Benefit new claims and changes </p>	<p>14 days</p>	<p>13.5 days G</p>	<p>14 days</p>	<p>This is a good result, having exceeded the target of 14 days despite the various in year service changes for staff and management. The work load has remained high due to the continued economic environment whereby customers are continuing to claim benefits and report changes in their circumstances</p> <p><i>13/14 target comment in italics -</i></p> <p><i>This target remains stretching, particularly in view of the many benefit changes coming into effect from 1 April 2013.</i></p>
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Appendix 2 - Strategic Plan - Action Plan for 2012-2013 – Year End Report

Summary of Awards and Accreditations achieved during the year

The Council achieved success in 20 awards in 2012/13 - summarised below, and at www.colchester.gov.uk in the [achievements](#) section

Purple Flag	In recognition of Colchester's night time economy, and the positive experience for visitors and users.
LGC Award – partnerships category	Braintree, Castle Point, Colchester and Rochford's joint 'collaborative ICT' bid made the UK shortlist
Fields in Trust awards	'Landowner of the Year – Eastern Region' in 'Most Queen Elizabeth II Acres' category (400 acres).
BALI National Landscape Awards	Castle Park - Principal Award Winner - Grounds Maintenance of Public Grounds (free public access).
Anglia in Bloom	2012 Gold medal winner and winner of the 'small city' category (after two years of silver gilt.)
National Cycle Rail Awards	'Best Station Travel Plan Measure for Cycling' category winner for the Colchester Travel Plan.
Clean Britain Awards	The Council's Zone Teams were awarded a 'four star' rating for the cleanliness of the borough.
RSPCA - Silver Footprint Award	Community Animal Welfare Footprint award for our work to address the issue of stray dogs.
Marine Conservation Society	West Mersea added to Good Beach guide (CBC has carried out environmental work to achieve this).
Green Flag Awards	Castle Park has received its eleventh consecutive Green Flag, with High Woods receiving its tenth.
Green Heritage Award	For management and interpretation of a site with local or national historic importance.- Castle Park
Customer Service Excellence	Successful re-accreditation by Corporate Management in June, E&PS in August.
CIPFA – CPD accredited employer	Our continuing professional development for finance and accounting staff meets industry standards.
LABC – building control awards	Firstsite won the best community building category in the eastern region for our building control work.
Building Control team – survey	343 customers in 2011/12 happy – 72% 'very satisfied' / 28% 'satisfied' - with the overall service.
LEXCEL	Achieved the Law Society's practice management standard for the thirteenth consecutive year.
PPMA HR awards	Vine (online Essex HR Partnership) won the Innovation in Workforce Skills and Development award.
BBC Countryfile Magazine awards	Colchester Castle is a finalist in the 'best heritage attraction' category – 1 of the top 10 in the country.
Essex Countywide Business Awards	Finalist in the Environmental Awareness category – only council in the county-wide Newsquest finals.

Appendix 2 - Strategic Plan - Action Plan for 2012-2013 – Year End Report

Delivering high quality, accessible services

The priorities in this section of our action plan are about actual delivery of direct services either through our own Council resources or using others to provide services.

Delivery of an efficient benefits service 2012/13

The key action here is to ensure continuous improvement through monitoring of our performance indicators and the development and ongoing implementation of our Fundamental Service Review (FSR) outcomes.



Efficient Benefits Service Improvement Actions

- **Evaluation of FSR implementation by June 2012** – A number of changes have taken place during the year along with implementation of the agreed actions. Anticipated outcomes are being achieved but this is an ongoing process which will continue with the Universal Customer Contact FSR (UCC FSR).
- **Ongoing monitoring of performance indicators and continuous improvement in place following FSR implementation** - There are a number of different performance measures used to measure progress and performance of both New Claims and changes in circumstances processing. One of these is also included in the corporate indicator set and all have performed well against targets (corporate indicator target is set to 14 days for time to process Housing Benefit new claims and changes; the service successfully achieved 13.5 days). From 5th November Revenues and Benefits service joined the Customer Service Centre as a combined service due to new interim arrangements before the Universal Review of Services is agreed and implemented. The combined service has worked together to deliver an efficient benefits service and has continued to improve performance and outcomes for customers.

Suggested For Next Year - Key performance measures and actions include efficient benefit processing services and effective implementation of Universal Customer Contact FSR leading to improved customer journeys and increased online take up

- **Continue to work to automate benefits processes internally**
- **Streamline customer journeys**
- **Increase the uptake on online services for benefits**

Appendix 2 - Strategic Plan - Action Plan for 2012-2013 – Year End Report

Reducing, reusing and recycling our waste Year End Update

Key actions here include plans for our Shrub End Depot to provide improvement, income, efficiencies and partnership working opportunities for the future along with implementation of recycling educational activities, progress of Section 46 enforcement and the introduction of plastic recycling collections from flats.



Waste and Recycling Improvement Actions

- **Shrub End Depot improvements** – Unfortunately the tender process undertaken was not successful due to the market not being able to deliver the services required in the detailed tender specification. This has meant a re-evaluation of the service going forward with a particular emphasis in three areas:
 - Disposal of recycled materials collected
 - The Trade Waste service
 - The operation of the Shrub End DepotThis will be presented to the Cabinet as an options paper during the financial year and a procurement strategy agreed
- **Household waste reducing and recycling and composting rates increasing** – A year end performance of 41.54% was achieved for recycling and while this is not as high as we would have liked (43% target) there has been a significant emphasis on education to try to change attitudes and promote the benefits of households reducing, reusing or recycling their waste. There was a dip in our recycling figures during the last quarter of the year particularly in the amount of glass, cans and paper that has been collected at the doorstep. However, this did reflect the situation that occurred in 2011/12 and it is believed the same factors of changing buying habits and reduced packaging have contributed. The half year performance was 44% but this was bolstered by increased green waste tonnages which understandably dropped off during the elongated winter period.
- **Progress of Section 46 enforcement activity** A Portfolio Holder report adopting these powers for the Council has been agreed.
- **Introduction of plastic recycling collections from flats** - This has been progressed but commencement is linked to the roll out of the food waste collection service to minimise disruption to residents.
- **Other activities** – Our Zone teams have continued to work with local residents to try to help encourage reductions in household waste and increases in recycling. The teams are also being pro-active in cleaning up litter in their Zones and successful days of action have brought partners, the council and residents together to help clear up their localities. The Borough was successful in attracting £2.3m of DCLG funding to roll out the Food Waste collection service across the Borough.

Appendix 2 - Strategic Plan - Action Plan for 2012-2013 – Year End Report

Suggested for next year:

- Food Waste for all and plastic collections service from flats introduced across the Borough
- Proactive work with local residents to encourage reductions in household waste and increases in recycling
- Options appraisals produced on Depot improvement and future of Trade Waste service

Providing more affordable homes across the borough Year End Update

Key actions here include the use of our own land and assets to facilitate the building of new affordable housing, in line with Housing Policy. We also aim to ensure the Housing Trajectory demonstrates a 15 year supply of housing sites, including a 5 year supply of deliverable sites and we will undertake a range of measures to bring empty homes back into use.



Provision of Affordable Homes Improvement Actions

- **400 new affordable homes to be built over three years** – This period started in 2012 so we are in the first year and based on current information we are on track to achieve the three year target. Delivery has remained strong in challenging economic times and in this first year of the three year target (2012/13) 133 affordable homes were delivered.
- **Qualifying sites achieve % of affordable housing, as stated in Housing Policy** – During the period there has been one planning decision on a qualifying site. On this site we it was not possible to meet 35% affordable housing, to do so would have rendered the site non-developable due to the change in economic conditions and confirmed by a viability assessment. However the site did secure 5 affordable homes.
- **270 empty homes bought back into use over a three year period ending March 2015** – Following an empty homes pilot which ran for 6 weeks, we are implementing an empty homes action plan including adopting a “whole council” approach to empty homes; undertaking enforcement; adopting a planned approach to tackling empty homes as well as a reactive service when empty homes are reported and increased publicity. We have also run a trial to trace “hard to find” owners of empty homes which has no cost to the Council. As a result of all this work we have bought 82 empty homes back into use.
- **To update the housing trajectory which will inform the Annual Monitoring Report** - The Housing Trajectory has been updated through an annual review of the Strategic Housing Land availability Assessment. The Annual Monitoring report for 2011/12 was published in December 2012. The housing trajectory shows a good supply of housing sites for years 1 – 10, and further sites delivering in the latter period. The supply has been boosted by the Councils adoption of the Tiptree Jam Factory Plan following extensive work

Appendix 2 - Strategic Plan - Action Plan for 2012-2013 – Year End Report

and public examination in 2012. Several communities have started work on Neighbourhood Plans which are also expected to increase future housing supply as residents and businesses plan for future growth in their own areas.

- **Other activities –**
 - Adoption of the Tiptree Jam Factory Plan in 2013, following extensive work and public examination in 2012. The plan allocates land for 250 new dwellings, some of which will be affordable and some for Wilkins employee's. There is also a new factory building, a range of infrastructure and community facilities to be provided as part of the development. This is a good example of the local community supporting growth to enable a business to stay in the borough.
 - Neighbourhood Planning - several communities have started work on Neighbourhood Plans. Boxted and Myland were announced as Frontrunners in 2012 and awarded grant funding. Since then West Bergholt and Wivenhoe have commenced work and Messing is showing interest. The Plans are expected to increase future housing supply as residents and businesses plan for future growth in their own areas.
 - Using our own land and assets to facilitate the building of new affordable housing - We have started development on a stalled site and increased the affordable housing on the site in Brook Street, through use of our own capital funding and commuted sums. This innovative approach has been facilitated through a partnership between the Council, Icen Homes, the HCA and the developers (Mersea Homes and Hills Residential) The number of affordable homes will increase from 4 to 72 as a result of funding from other sites and an agreement with the developers which will see early delivery of units at Brook Street instead of units on another site in the future.
 - Using our own land and assets to facilitate the building of new affordable housing – we used two of our garage sites to run a pilot to build new affordable homes. Six homes were successfully built in total by registered providers. We achieved also planning permission on 4 garage sites which will be developed by a registered provider to provide much needed affordable homes.
 - Worked with our sub-regional partner local authorities and a local registered provider to secure Homes and Communities Agency funding to help bring 2 empty homes back into use.

Suggestions for next year:

- **400 new affordable homes to be built over three years**
- **Qualifying sites achieve % of affordable housing, as stated in Housing Policy or through a viability study for each site.**
- **Implementation and monitoring of progress of the Empty Homes action plan**
- **To update the housing trajectory and ensure an adequate supply of housing land.**

Appendix 2 - Strategic Plan - Action Plan for 2012-2013 – Year End Report

Improving our streets and local environment Year End Update

Improved street cleanliness and shifting resources to increase responsiveness to environmental and cleanliness issues is a key action here along with Enabling Community Ownership to facilitate communities taking an active role in keeping their local environment clean, tidy and loved. Developing and maintaining strategic partnerships (Essex County Council, Bus and Rail operators) to help deliver improvements in air quality and sustainable transport infrastructure is an important action to improve our local environment.



Cleanliness and Air Quality Improvement Actions

- Street Sweeping timetable reduced from 8 weeks to 6 weeks turnaround - The revised street sweeping timetables are working well and have shown improvements in the cleanliness of our streets. The 6-week rota system enables more flexibility across the zones where the sweepers can be shared more easily when emergency requests come through.
- More staff trained to deal with environmental issues –CBH Anti-Social Behaviour (ASB) Team have spent time with CBC Parks and Recreation Team on training on the ASB tools that could be used in addressing some of the youth problems within Castle Park.
- In addition town centre litter picking routes have been re-organised to maximise the use of available resources and positive comments have been received on the improved cleanliness.
- Improved Air Quality - Improvement work has included the adoption of planning guidance which means that any future development within any of the Borough's Air Quality Management Areas must not adversely impact the quality of the air and where possible, should seek to improve it. Air Quality further assessment work is complete and the results will inform the Air Quality Action Plan (formally due in 2013-14). The updating and screening assessment has been completed in compliance with statutory requirements and submitted to DEFRA and the Air Quality Steering Group meetings are ongoing with representatives from ECC Highways, Transport Planning, DEFRA and the Town Centre Steering Group. We have been successful in obtaining DEFRA grant funding to support our behaviour change project "Love your Car" and for the production of a Low Emission Strategy to include a Low Emission Zone Feasibility Study.

Enabling community ownership & active participation Improvement Actions

- Delivery of our Days of Action - Three Community Days of Action have been delivered this year with Stanway in March, Highwoods in July and Castle in November. This year, in addition to the days of action, the team planned and delivered a Night of Action in the town centre to coincide with the start of the Christmas shopping period. The operation targeted specifically identified issues of: under age drinking, littering, urinating in public, excessive drinking resulting in abusive or threatening behaviour and fighting and enforcement activity in the areas of licensed premises, door staff, licensed taxis and planning conditions

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- The Zone Teams have integrated well into their local communities and key improvement can already be seen within the borough. The total number of street-based service requests have seen a reduction, requests during 2011/12 equalled 2564, this has reduced to 1866 in 2012/13. The 'see it and solve it', philosophy has been embraced and aims to reduce the need for residents to report issues as they are dealt with far more quickly and efficiently. The Council was awarded 4 stars in the Clean Britain Awards. The overall report highlights some areas which were regarded as immaculate (including Wivenhoe, the University, Dedham, Marks Tey and Tiptree). It also highlighted some key areas for improvement particularly around the town centre. Zone 7 is considering utilising DEFRA's Voluntary Code of Practice for 'Food on the go' establishments as a way to improve food related litter in the town centre,

Suggestions for Next Year:

- In partnership with the Local Highways department (ECC) we will produce an interim Air Quality Action Plan. This plan will set out what the borough and the county intend to do to improve air quality within our Air Management Areas.
- Continue with our behavioural change project – 'love your car'
- Commence work to produce a Low Emission Strategy for the borough. This piece of work will include a Low Emission Zone Feasibility Study (project to be completed 14- 15)
- Deliver 3 Community Days of Action in various neighbourhoods
- Engage with schools to raise awareness around environmental issues and increase the number of schools participating in litter picks and Junior Warden schemes.
- Introduce a pilot in the Town Centre to enforce reductions in littering during the evening / night time economy hours.

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Tackling anti-social behaviour and using enforcement to support priorities Year End Update

Our key actions for this priority include the achievement of Purple Flag accreditation, thereby recognising excellence in the management of town centres in the evening and at night and to raise standards and improve the experience of Colchester town centre after dark. We also want to focus and continue working with partners to deal with anti-social behaviour in its widest sense, including issues relating to noise, graffiti, litter and dog fouling as well as more traditional anti-social behaviour, with the emphasis on behaviour change rather than just enforcement. We aim to work with local communities to reduce anti-social behaviour and promote pride.



Tackling anti-social behaviour and using enforcement to support priorities Improvement Actions

- **Undertake research on Colchester's Night Time Economy during 2012 and make an application for Purple Flag status** - Economic impact of Colchester's Night Time Economy report has been completed and key performance indicators identified for future performance monitoring. Purple Flag accreditation achieved April 2013.
- **Shift resources to enable a targeted approach to enforcement and increase staff able to investigate and issue Fixed Penalty Notices** - ASB Team members have been trained to issue Fixed Penalty Notices for littering and dog fouling, along with Parks and Recreation Officers/Rangers to issue Acceptable Behaviour Contracts (ABCs) to youths displaying unacceptable behaviour in Castle Park. In addition to helping increase skills and available enforcement resources the ASB team have undertaken lots of activities, including; support of Days of Action and Crucial Crew; during school holidays they worked with the Army to provide diversionary events for young people; the team achieved Respect Charter Accreditation (April) and Police Accreditation enabling improved information sharing (April) and have worked in partnership with the Police and Braintree DC to secure an ASBO regarding a young female causing problems throughout the Colchester, Braintree and Witham areas. In terms of actual performance ASB team reported 237 cases of ASB; 7 evictions and an increase from 35 to 50 Acceptable Behaviour Contracts (ABC's). They also issued 16 injunctions against private residents.
- **Delivery of shared Anti-Social Behaviour team with Colchester Borough Homes** - CBC/CBH Merger of ASB Teams – launched 3 April 2012 with a new ASB Policy developed in consultation with residents and partners signed off by Colchester Borough Homes Board (September).
- **In addition to the above measures**
 - Zone teams have developed a number of initiatives within local areas to tackle anti-social behaviour, including a trial period of youth activities and the Tiptree youth hub which was developed with local children to give them fun and educational activities on a Friday evening.

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- The Zone teams continue to work closely with PCSOs across all zones to fully understand local issues and tackle them together, they have also been working in partnership on Operation Homeguard with Essex Police to help tackle fear of crime and raise awareness of rising crime issues.
- The Weekend Noise Service has diversified, making best use of officers' skills and knowledge enabling checks to be made on licensed premises out-of-hours to ensure that licence conditions are adhered.
- A Responsible Dog Ownership Strategy was launched in September and the Council has been awarded the RSPCA's Silver Community Animal Welfare Footprint award for our work on Stray Dogs.
- The Community Initiatives team has been working with statutory and voluntary sector agencies to deliver a new project, funded by the Council and delivered by the April Centre to tackle the anti-social behaviour caused by street drinkers in the town centre. This pilot project ran for a 6 month period and included 'wet sessions' at the April Centre where street drinkers could access advice and support. This project was evaluated and a decision taken to fund an outreach project in 2013-14.

Suggestions for Next Year:

- **Develop and implement a Night Time Improvement Plan and retain Purple Flag Accreditation**
- **Deliver a Night of Action in the town centre**
- **Initiate the Street Drinkers outreach project in partnership with the April Centre**
- **Continue Zone activities to reduce anti-social behaviour**
- **Introduce a pilot in the Town Centre to enforce reductions in littering during the evening / night time economy hours.**
- **Partnership working to enable Zones to utilise enforcement powers to tackle Fly Posting.**

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Enabling local communities to help themselves Year End Update

Our key actions for this priority are to enable communities to improve or develop new facilities such as community centres, sport and recreational facilities and for Zone Teams to identify and engage with formal and informal community groups within the borough.



Enabling local communities to help themselves improvement actions

- **Use of S106 Funding for community developments** - A variety of projects have been funded from S106 open space sport and recreational facilities contributions, in partnership with Parish and Town Councils to provide new or improved facilities delivering community benefits. This year the Council transferred the freehold of the new village hall in Great Horkesley to Great Horkesley Parish Council. In addition, a GP surgery has signed the lease for the newly refurbished medical centre based on the ex-MOD medical centre site in Shrub End. The Council also used S106 funding to build a new sports clubhouse serving the community sports facilities on Abbey Field.
- **Develop a plan in conjunction with Sport England to provide leisure facilities and activities in North Colchester in response to local need** - Sport England is providing support and resource to plan new facilities for North Colchester and the whole Borough, including an engagement event with 20 National Governing Bodies. The Plan will be developed in 13/14.
- **Community-led activities taking place in addition to planned and reactive service delivery** - The Zone teams are working closely with a wide range of organisations including Town and Parish Councils, community groups, charities and other local associations. The Zones have developed a range of activities with local people and groups such as:
 - Setting up a steering group in St Anne's Ward to enable residents to actively improve their own community.
 - Working with Voices of Greenstead to support projects that they are setting up.
 - Developing the Tiptree Youth Hub.
 - Locality Budgets awarded to all Ward Councillors enabled up to a total of £120k of enhancements to be spent across the Borough through different local community projects. This has enabled a range of different things to be delivered including new tree planting, jubilee celebrations, new seating, play equipment, grit and salt bins, dog litter bins and in some cases the combining of ward funds to enable spend across a wider locality strengthening support to some of the most vulnerable.
 - Hand in Hand Days have been rolled out where the community are consulted with to see what their issues are. The Zone Team then spend one day in that area blitzing all of the issues. Volunteers from the community are encouraged to help.
 - The Council has invested £30,000 in Hythe Forward. Aided by a new website, and other more traditional means of communication, local residents, landowners and business owners within the Hythe community have been brought together to form a Development Trust. This will be used as a vehicle for the community to own assets, apply for funding from sources unavailable to the Council, and to be a voice in deciding the future priorities for change and investment in the Hythe.

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Suggestions for Next Year:

- Continued use of S106 Funding for community developments
- Development of a Borough-wide sports strategy in conjunction with Sport England in order to plan for new sport and leisure facilities and activities in North Colchester and elsewhere in the Borough and to get greater benefit from existing facilities.
- Community Services to work collectively to develop, support and enable community led activities and clubs and to encourage a supportive local environment for community activities.

Supporting more vulnerable groups Year End Update

The main actions identified to help support vulnerable groups includes, working with partners in the voluntary sector and sub-region to provide new specialist support services to prevent households becoming homeless and to support and develop skills within vulnerable groups in respect of confidence and assertion to support independent living and safety. Another key action is to support and contribute to the Essex Families Pilot aimed at working with partners to support vulnerable families.



Supporting more vulnerable groups improvement actions

- **Support for Street Homeless - funding and agreement about new service level secured** - Significant funding has been secured from DCLG to provide a new service for street homeless people, and to help provide private rented accommodation for single people with no priority need throughout the sub-region and Uttlesford. Colchester is leading on this work. Grant awards have been made to The April Centre, Open Road and the Youth Enquiry Service to deliver specialist support and advice to residents to prevent them becoming homeless.
- **Skills training to assist vulnerable individuals** - We have provided support and advice to 'Fresh Beginnings'. They are a voluntary organisation that assists migrants and refugees to live independently, by providing welfare advice, IT, Maths and English classes
- **'Crucial Crew' programme** - Crucial Crew was delivered over a two week period from 18 – 29 June 2012. It included six scenarios attended by over 1500 pupils from primary schools across the borough. The scenarios included road and rail safety, bullying, drug and alcohol awareness, and internet safety.
- **Prototype approach and cross partner targets agreed for the Essex Families Pilot** – A multi-agency team has been established and is working with a number of families in Colchester with complex needs. A set of high-level objectives have been agreed and data collection to assess current costs will begin very shortly to enable longer term monitoring of impact. Learning is starting to emerge

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about the issues that face families with complex needs and what we might do to prevent families falling into this kind of need. A steering group with membership from key agencies is now looking at what we need to do as organisations to better support and ultimately prevent families facing these situations.

- **Safeguarding Co-ordinator** – From September 2012 a specific safeguarding resource was made available to support the Designated Person (Head of Community Services). This new role has developed a dedicated 'Equality and Safeguarding Coordinator' role, increasing our resources and strengthening the Council's processes in safeguarding children and vulnerable adults and it builds upon the important links between the two aspects of the role. A number of Audits have been completed throughout the year, directed by both the Adults and Children's Safeguarding Boards, overall the Council has all key requirements in place and is strengthening some areas in line with best practice.

Other activities – activities and dedicated support has been put in place to help customers impacted by Welfare Reforms. This includes money advice guidance, assistance with understanding the changes and housing support where over occupation or high rent may impact families in the future. The Museums Service has delivered a number of projects that support vulnerable groups, these include Street Angels, part of the Out in the Open project and each year we award approximately £600,000 of Disabled Facility Grants to people with disabilities to enable them to continue living independently in their own homes. These grants fund a mixture of works including the installation of stair lifts to the building of extensions.

- The Community Initiatives team have successfully piloted a new Crucial Crew for older people in April 2013 aimed at creating awareness around personal safety.
- The Community Initiatives Team continues to support the work of the Older People's Forum holding quarterly meetings for invited speakers to present on topics such as the National Campaign Against Loneliness and End of Life Care. These meetings regularly have in excess of 30 attendees.
- The Community Initiatives Team issued £231,132 funding to the voluntary sector for their work in supporting Colchester's most vulnerable residents. It also issued £2000 to women on low incomes who needed support with childcare and £3,000 to residents under 25 years old for whom there is a financial barrier to accessing work.
- Some of the Council's most disadvantaged and elderly customers suffer from fuel poverty, and our Warm Homes Project participated in the Heatseeker initiative. This is a scheme that involves thermal imaging properties in the borough to identify those homes which are losing heat through the walls and the roof. Those residents are then offered help in accessing free or low-cost insulation to keep their homes warm and reduce their fuel costs. More than 1,000 measures have been installed as a result so far.
- The Council set up a joint working protocol with Social Care so that all 16/17 years old at risk of homelessness are seen together by a social worker and housing officer. Consistent and local care of vulnerable young people is important so this, together with a specialist young person's case worker and specific accommodation, ensures we provide the best help we can.

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Suggestions for Next Year:

- DCLG Street Homeless Project with April Centre to be continued and monitored
- Deliver ‘Crucial Crew’ programme to Year 6 pupils across the borough and a further ‘Crucial Crew’ for older people.
- Launch a new ‘Keep Safe’ project in the town centre
- Update Councils Safeguarding training records and complete audits in line with ESCB and ESAB requirements
- Award of agreed Welfare Grant Programme funding to key Voluntary Sector Partners supporting the delivery of Council Priorities

Providing sport and leisure for all, alongside good quality green spaces and play areas

Our key actions here are to develop a sport and leisure service that embraces new technology and responds to customers’ needs in order to improve access to services so that sports participation is increased. We also want to enable communities and work with partners to deliver better open spaces and leisure and work with local sports clubs, leisure providers and other partners to deliver projects that build on the energy and excitement resulting from the 2012 Olympic and Paralympics.



Providing sport and leisure for all, alongside good quality green spaces and play areas improvement actions

- **Improvements at Colchester Leisure World** –The new Activa Gym opened in January 2013 and the new dance studio opened in November 2012, on time and on budget. This has helped achieve record numbers of members at the centre. The new technology and customer Welcome Zone will be available from April 2013.
- **Improvement work with our parks and open spaces** – this includes a number of projects, namely:
 - The new Clubhouse facility at Abbey Field which has been built and will be formally opened in May 2013.
 - The review of Old Heath Recreation Ground public consultation event took place on 29 September attended by approximately 100 residents and users, with a follow up public event in November to feedback results and proposals. A range of works and programme has been prepared and works are commencing on site March 2013.
 - Visitor attractions at High Woods Country Park are set to improve again with expansion of the Visitor Centre completed March 2013. Work with Walk Colchester will see the introduction of a powered off road wheelchair for visitors at High Woods Country

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Park to enable those with mobility challenges to access parts of the Park previously inaccessible to them. High Woods Country Park continues to offer an increasing range of organised and self led events for all sectors of the community with the invaluable support of Countryside volunteers. There continues to be interest and use of the fishing lakes at High Woods with permits available for season or day fishing.

- o The Council's action to protect open spaces from development through the Queen Elizabeth II Fields Challenge promoted by Fields in Trust has resulted in 12 sites being protected through Deeds of Protection. The number of sites and total area of sites has been recognised with Colchester being the authority with the greatest number and area of sites being protected in the Eastern region. The quality of grounds maintenance has been recognised with Veolia Environmental Services Ltd being shortlisted and receiving the overall award in the British Association of Landscape Industries Awards 2013 for public accessible open space for its work at Castle Park. Colchester was also awarded a Gold medal in Anglia in Bloom in the small city category and as a consequence, will be representing the Anglia region in Britain in Bloom 2013.

- **Other activities** – Despite the weather 2012 Tour Series was a success and offered 11 different activities as part of a Community Event that attracted over 500 participants. In addition to this our aim to increase participation included six Sport in the Park sessions (football and cricket) have been delivered in partnership during summer holidays along with a holiday programme at Sports Centres including sessions in handball, basketball, volleyball, archery and table tennis. The town was packed once again for the Olympic Torch relay in the run up to the games. Urban Games – free event staged at LW on 8th July, despite poor weather attracted a large number to participate in skate boarding, Cheer leading, Street Dance, Parkour, basketball, football freestyle and art activities.

A Park Run event has been developed and held in Colchester Castle Park as part of the national initiative, and Street Zone teams have staged a number of events at various locations using the mobile skate park. We worked with Colchester School of Gymnastics to develop plans for an extension and a formal application for S106 funding. Bodycare, a 4 week course on physical activity and nutrition, including a practical session with a chef was delivered to 15 primary school groups in 2012/13. A funded MEND scheme included 2 x 9 week courses which were staged at Leisure World. This was free to families referred to the scheme by school nurses, GPs etc.

We secured a Service Level Agreement with the new Public Health department at Essex County Council securing funding of £31,000 for the LEAP Exercise referral scheme at Leisure World Colchester and £22,000 for the Big Garden project at Highwoods Country Park.

The Council created the Active Colchester Network, which evolved from the Colchester Olympic Partnership and has secured £12,800 funding from Active Essex, the County Sport Partnership, to help deliver a number of projects locally aimed at increasing participation in sport and physical activity.

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Suggestions for Next Year:

- Continue and increase participation in the Park Run event in Colchester as part of the national initiative
- Continue to work with Colchester School of Gymnastics to realise their extended facility following the upsurge of interest brought on by the London Olympics. This includes using the Council's S106 funding.
- Chair the Active Colchester Network and ensure the agreed action plan is delivered
- Increase participation and income in line with FSR objectives by improving the capacity for customers to book sport and leisure activities online, capacity for customers to self-serve at Leisure World Colchester and introducing 'MyLeisureWorld' card
- Continue to investigate opportunities and Improvement work with our parks and open spaces, including the new outdoor gym in Castle Park and agreed use of Open Space S106 funding.

Engaging with the voluntary sector Year End Update

Our key aim for 2012/13 is to look for opportunities to transfer the management of assets and services to the voluntary sector where this can achieve improved services and efficiencies and work with the voluntary sector to address strategic issues, support communities and groups and further strengthen partnerships.



Engaging with the voluntary sector improvement actions

- **Creation of community awards grant pot for administration by the voluntary sector for community awards of up to £200 -** This Jubilee Grant was administered by the Essex Community Foundation and provided £18,000 worth of grant funding to small community groups including parish councils who were organising events to celebrate the Jubilee year, tackling community safety issues or creating community facilities.
- **Management Transfers -** A new Expression of interest process for Abbots Activity Centre was launched on 1st March 2013 with a closing date of 10th May 2013. Negotiations are continuing with Abbeyfield Community Church regarding the refurbishment and management of the ex-MOD Garrison Gym with the Heads of Terms, Grant Agreement and Equality Statement having been agreed.
- **Other activities –** A review of our partnership Foodbank Service has demonstrated that this continues to be successful and with growing demand improvements are being planned. We continue to work with individuals and families impacted by cancer through our

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project with Macmillan and have once again supported the voluntary sector with the award of over £232k in grant funding. The Council is working with partners and communities to communicate and take forward rights, responsibilities and opportunities set out in the Localism Bill. A recent Scrutiny session reviewed a number of key areas that are changing and looked at ways that the council can work with voluntary partners and communities in the future. The Council, in partnership with the Colchester Community Voluntary Service, held a voluntary sector summit of all those voluntary sector organisations based in the town that provide advice services. This meeting was held to discuss the possibility of submitting a bid for the Advice Services Transition Fund. As a result, the Citizens Advice Bureau agreed to be the lead organisation and submitted a bid on behalf of the partnership. The results of this bid will be known later in 2013.

Suggestions for Next Year:

- **Award of agreed Welfare Grant Programme funding to key Voluntary Sector Partners supporting the delivery of Council Priorities**
 - **Transfer the management of assets and services to the voluntary sector where this can achieve improved services and efficiencies**

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Leading our communities

This section of the action plan is about influencing others in a range of functions where the Council does not have direct responsibility for delivery, but knows these things are vital to the future of the borough and its residents.

Regenerating our Borough through buildings, employment, leisure and infrastructure Yr End

This is arguably one of the most challenging but important priorities for the Council in the current climate. The main actions here are to support the delivery of the key regeneration sites, and bring back existing buildings into use including stalled sites to deliver new homes and jobs. We also aim to bring forward the regeneration of key areas in the borough to provide enhanced community facilities and infrastructure, including public spaces, by working in partnership with the public and private sectors.



Regenerating our Borough through buildings, employment, leisure and infrastructure improvement actions

- **Support the delivery of Greyfriars Hotel and East Hill House conversion** - Greyfriars hotel due for completion Autumn 2013. Scott Properties Developments is continuing to work on the East Hill House design ready for a planning application in Autumn 2013.
- **Development of the first Phase of the Severalls site** – Development underway and second phase being marketed
- **Delivery of a Masterplan for the Cuckoo Farm South / Northern Gateway to deliver new leisure facilities and jobs including development of a hotel, health and fitness centre and associated retail** - 1st Phase work Masterplan completed and published, 2nd Phase masterplanning underway. Negotiations with Phase 1 users continue including terms agreed with Lancaster for new car dealership.
- **New hotel and new retail in the St Botolph's Quarter** - Hotel development was unable to gain funding therefore alternative development options currently being taken forward. Soft market testing of the site underway to determine developer interest in the current economic climate.
- **Adoption of Supplementary Planning Document for North Growth Area Urban Extension** – Adopted June 2012.
- **Consider for approval a planning application for North Growth Area Urban Extension** – Under Consideration and due to be considered by Planning Committee in summer 2013.

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- **Transcoast project delivering new pontoons and community benefits** Additional funding of £224,000 secured for Transcoast project in February 2013, artist consultation and design work for Wayfinding and interpretation completed and installation to commence May 2013. Design work for pontoons completed, consents in place and installation programmed for June 2013.
- **Creation of a new public park within the Maltings Development** - Work underway on site – programmed for completion to meet new student year Autumn 2014
- **Creation of a Masterplan for the Coldoc / Fieldgates sites** –Work suspended temporarily awaiting results from Environmental improvements at Water treatment plant
- **Complete Town Station (Oyster) Square and Berryfield extension to transfer the outside play area back to St Thomas More school as per the legal agreement** - Consent for new Station Square now gained from site owners Greater Anglia and scheme being costed for tender exercise. Bus station relocation has led to design work now underway for Berryfield Park extension in consultation with the school.

Suggestions for Next Year:

- Continue to support the delivery of Greyfriars Hotel and East Hill House conversion
- Development of the first Phase of the Severalls site
- Progress the delivery of a Masterplan for the Cuckoo Farm South / Northern Gateway to deliver new leisure facilities and jobs including development of a hotel, health and fitness centre and associated retail
- Consider approval of a planning application for North Growth Area Urban Extension
- Progress the completion of Transcoast project delivering new pontoons and community benefits
- Progress the creation of a new public park within the Maltings Development
- Progress the creation of a Masterplan for the Coldoc / Fieldgates sites
- Progress planning consent or Phase 2 of the St Botolph's Quarter, providing new homes and retail opportunities
- Progress Town Station (Oyster) Square and Berryfield extension to transfer the outside play area back to St Thomas More school as per the legal agreement

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Improving opportunities for local business to thrive including retail Year End Update

Key actions for this priority include the implementation of key projects within the Better Town Centre Programme Plan, including delivery of the new Creative Business Centre providing flexible work space and network and business support facilities for a priority growth sector. Also to deliver the Colchester Digital Strategy and develop local networks and business support to enable Colchester businesses to start up and to grow.



Improving opportunities for local business to thrive improvement actions

- **Securing a minimum of 6,000ft² of flexible workspace** £500k funding now secured from the Arts Council and successful 1st stage of ERDF funding bid. Further funding bids to be submitted. Partnership with the University has focused on Intelligent Environment aspects of the project and the positive impacts upon small businesses. Planning permission secured to redevelop the building into a flexible workspace with 22 individual units.
- **Planning consent achieved for Vineyard Gate Shopping centre** - Positive Discussions continue with the developer to solve viability issues and secure end users for the centre but this aspiration will continue into next years plan.
- **Complete a review of what makes independent retailing route/s in the town centre special to Colchester in terms of history, events and characters and seek external funding up to £300,000 to deliver the resulting programme to create a 'Lanes-style' retail offering** - Local Distinctiveness Audit completed by HEART Norwich July 2012 results and recommendations fed back to local business stakeholders September 2012. A working group has been formed chaired by a local business representative to take forward the recommendations. Appropriate funding bids are underway but as yet external funding targets have not been achieved.
- **Adoption of Town Centre Supplementary Planning Document** – Adopted December 2012
- **Delivery of superfast broadband (50Mbps) and mobile connectivity (10 Mbps) by end 2013** - About to conclude contract and commercials with alternative provider of 4G enabled Wi Fi 'mesh' in the town centre with deployment scheduled for June 2013. Wireless broadband deployment by new partner County Broadband due to commence in September 2013. Following their successful deployment in West Bergholt. County Broadband have negotiated with Abberton and the surrounding Parish Councils Langenhoe, Layer Breton, Layer de la Haye and Winstred Hundred to deploy wireless broadband. Awaiting release of Abberton Reservoir funding to finalise deployment in these Parishes.
- **Provide a virtual 'one stop shop' for business support, networking and procurement opportunities by end 2013** - Improved web signposting implemented. Also continue to work with 'Colchester Works' and 'Essex' to enable users to access current information on apprenticeships, training, skills and employment opportunities

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Suggestions for Next Year:

- Continue activities to securing a minimum of 6,000ft² of flexible workspace
- Progress planning consent for Vineyard Gate Shopping centre
- Continue to seek external funding up to £300,000 to progress aspiration of a 'Lanes-style' retail offering
- Progress delivery of superfast broadband and 4G mobile connectivity by the end of 2014
- Increase the number of partnership links relating to business, employment and skills initiatives
- Work with 'Colchester Works' to increase the promotion and take up of employment and skills initiatives to local residents and businesses

Giving local people the chance to improve their skills Year End Update

Our key actions here are to work with the Adult Community College and Job Centre Plus to increase the number of residents with skills for work by providing extra courses in community venues. We also want to help reduce the number of young people aged 18 to 24 in the borough who are not in employment, education or training (NEET) and increase the take-up of Apprenticeships in the borough.



Skills Improvement Actions

- **7 Work Clubs with Job Centre Plus operating throughout the borough and deliver work-focused training for 50 people -** Approximately 100 residents are attending 8 work clubs in the borough with a 25% success rate of gaining employment. Two of the clubs focus on young people and another provides 1:2:1 advice and support to YMCA and April Centre clients. The Executive work club is now run by volunteers and holds weekly meetings in the town centre. The team continue to work with the Garrison and take part in the Army Transition Fairs aimed at securing employment for personnel leaving the services.
- Rolling work focussed training programmes are currently running at Wilson Marriage Centre with 50 learners already completing one of these accredited courses with referrals from the Work Clubs.
- **Work with Essex County Council to deliver 30 'paid work experience' placements for young people in the NEET group by 31 March 2013 -** We have worked with The Prince's Trust to deliver "Get Into" course in the Autumn for 12 NEETs and assisted ECC with marketing and securing the 30 "paid for work placements". In addition we have facilitated the development and delivery of complementary career advice, job search and CV/presentation skills development via Catten College (Flexible Support Fund). The Finding Futures project that provides one to one mentoring for 16-24 year olds, in partnership with Youth Enquiry Service, has received a further six months funding from the DWP under the Flexible Support Fund to Feb 2013. 60 young people have been assisted in

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some way with 40 going into employment, education or certified training. The Skills and Employment Fair held on 18 September was attended by with 25+ agencies. We continue to work with the Colchester NEET Group to ensure that apprenticeships and other work/training initiatives benefit the Colchester NEET group and reduce the cohort numbers.

- **Working with Colchester Institute and BCT Consortium to secure 150 Apprenticeships by 31 March 2013** - We continue to work with 'Sound Choices', Firstsite and ECC to deliver 25 Level 3 Creative and Media Apprenticeships we had a joint stand promoting apprenticeships at the Colchester Careers Convention held at Thurstable School on 16 October attended by more than 1,600 Year 11 students. We have worked to link Creative and Media sector apprenticeships and training to St Botolph's quarter development and to key local employers. The Braintree Colchester Tending (BCT) Consortium have not delivered the projected number of apprenticeships in 2013/14.
- **Other activities** – Our Welfare Reform Support Team has included a secondment from JCP to help those customers impacted by the reforms consider work alternatives and ways to attain new or better skills to aide with employability. The team have also worked with customers to help with money management skills. The council has participated in a number of Job / Careers Fairs and has worked to secure a number of internal apprenticeship opportunities within the council's own services. Leisure World have worked with the Prince's Trust and other local partners on a 2 week work placement at Leisure World for 12 local young people, who all gained a pool lifeguard qualification.
- Zone Teams have worked with Thurstable School in Tiptree to develop a Public Services GCSE. They have worked with them for the last seven months and have had 16/17 year olds on placement with them every Monday during the period. This was so much more than originally expected by the school and this option will continue for new students next year due to its success.
- 20 people have recently gained work after attending a Jobs Fair organised in partnership with Job Centre plus and other partners

Suggestions for Next Year:

- **Work with Colchester NEET Group (including Essex County Council) to deliver work/training initiatives that will benefit the Colchester NEET group and help to reduce the cohort numbers**
- **Work with Job Centre Plus and other partners to maintain work clubs and continue our customer support team initiative**
- **Work with the Adult Community College to increase the number of residents with skills for work by providing extra courses at community venues**
- **Deliver Job and Volunteer's Fair's**

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Promoting sustainability and reducing congestion Year End Update

Our key actions for this priority are to support the reduction of unnecessary traffic in the town centre. We also aim to use the public realm strategy to develop a package of measures to enhance the vitality and economic prosperity of the area. We want to develop, with Essex County Council, the sustainable transport infrastructure for the North Colchester Connectivity corridor and deliver Travel Change Behaviour programmes with transport providers to help address congestion and air quality. We also aim to review Nottingham Declaration strategy and develop a new Environmental Sustainability Strategy.



Promoting sustainability and reducing congestion improvement actions

- **Implement scheme to improve public transport access and reduce traffic in the High Street as part of the better town centre project** – CBC reached an agreement with ECC to implement the traffic reduction scheme as an Experimental Traffic Order – this would allow for the scheme to be monitored and changes made if necessary. Prior to introduction of the experiment a number of small changes were made to the original scheme to allow a longer period for deliveries and disabled parking in the morning. CBC and ECC worked closely on the responding to queries about the scheme. A monitoring group was established made up of external bodies, some who objected, or supported the scheme. The Experimental Traffic reduction scheme was introduced on 17th March 2013.
- **Secure funding to move forward streetscape and public realm enhancements in the town centre** – Section 106 funding was allocated to the project and following close working with the bus operators and ECC the bus station was relocated to Osborne Street on the 18th November 2012. CBC funding was used for refurbishment of the lifts, toilets, paving, canopy, waiting lounge and information screens. Some further enhancements are being made.
- **Improvements in air quality** - We have been awarded a further £85,000 by DEFRA to support our ongoing work to improve air quality within the borough and the funded project (Love your Car) is run in partnership with Colchester's 20/20 Travel Plan Club. The aim is to raise awareness of, and encourage car sharing, smarter driving techniques and travel planning, all of which will reduce levels of NO₂. The smarter driving element of the campaign raised awareness of fuel use reduction measures that everyone can adopt such as regular tyre pressure checks, driving at efficient speeds, and using other modes of transport like cycling and walking for short journeys. The funding will also provide the opportunity to produce a Low Emission Strategy which will include a Low Emission Feasibility Study. Air Quality Steering Group meetings are ongoing with representatives from ECC Highways, Transport, Planning and the Town Centre Steering Group.
- **Sustainable Transport / Commence construction of 1,000-space Park and Ride facility at North Colchester** – LEP Growing places fund allocated to Park and Ride for construction of site. ECC advise that P&R is now targeted to open in Autumn 2014. Potential impacts of Park and Ride on Car Parking income reported to February 2013 FASP panel. CBC support a submission for Dft Pinch Point Funding and have written to the Minister for funding for the site and the priority measures along the P&R corridor.

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- **Sustainable Transport / Approve a solution for bus priority in the North Station Area through to the town centre** – As part of the of the Park and Ride Pinch point funding submission ECC have supplied CBC in February 2013, with a proposal to deliver bus priority in the North Station Area. Park and Ride is a priority for Colchester and CBC is supportive. Detail comments to be provided on the PPF submission.
- **Sustainable Transport / Prepare for the delivery of the NAR2 Rapid Transit Corridor** – Detail Planning permission granted March 2013. Growing places funding allocated February 2013.
- **Behaviour Change and Increase the use of public Transport** – CBC has again supported the Colchester Travel Plan club, attracting funding from external sources for various projects. The Colchester Travel Plan Club continues to work with partners to deliver a number of Travel Change Behaviour initiatives and promotions such as led cycle rides, pool bikes, bus discount scheme. The club has helped members to gain Travel Plan accreditation – CBC and University – gold, Colchester Institute and Hospital – silver. The bi-annual survey was undertaken with increase participation in the survey. Results show that those organisations with higher levels of travel planning activity show lower levels of car use. Businesses rewarded for success through accreditation and the NQE Business award for Active and Sustainable Travel award. Developing relationships with potential future partners, in part through planning applications. Travel Plan Club coordinator is also used to develop and promote the Loveur Air Quality campaign and coordinate Cycle Colchester Events and Training activities. The club continues to seek new opportunities through planning applications and has worked with Essex University to appoint student interns to assist with the coordination and promotional work.
- **Behaviour Change and Transport strategies** containing a set of proposals to address issues in North Colchester, Stanway and commence preparation a draft for the Eastern Approaches - Draft strategy has been produced and released to the public as evidence based material to support growth. Strategy for Stanway is being drafted. A presentation has been delivered to members and shared with key stakeholders on the Stanway Travel Strategy – comments have been provided to ECC for production of final document.
- **The CBC Cycle Delivery Strategy SPD** has been used by the Colchester Local Highway Panel to prioritise and allocate funding for ne cycle routes in Colchester. The document is also used to secure investment for cycling through planning applications e.g. Tesco's Butt Road, the University to Wivenhoe.
- **Environmental Sustainability** - A draft Sustainability Strategy has been developed to set out ways in which the Council will mitigate and adapt to climate change, this is due to be finalised in June and is on the Forward Plan for July. The Strategy will consider how the Council can reduce its own CO2 emissions following the successful completion of the previous Carbon Management Programme. The Council is an active member of the Essex Energy Partnership which is a network of all Local Authorities in Essex aimed at developing initiatives to support Green Deal and ECO. The Council has created a Home Energy Conservation Act (HECA) report which sets out how we will achieve greater energy efficiency in homes across the Borough.
- **Other activities:**
 - **Colchester Station Travel Plan** : Partnership working has continued with Greater Anglia to deliver improvements at Colchester Station. The station won the National Station Cycle award for best Station Travel Plan cycle measure. A new walking and

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cycling access point to the station was delivered in September 2012, improving the quality of access and helping to reduce vandalism. Information on upgrades to the station is sent by electronic newsletter to users.

Colchester Borough Council have supported the Great Eastern Mainline vision document to improve capacity, speed and quality of the train service along the line.

- **Integrated County Strategy and Local Enterprise Partnership** - CBC have continued an active role in managing the Essex ICS group and has provided bidding information to partners to prioritise and allocate funding to infrastructure projects in Colchester, such as the Northern Connectivity Corridor, and pinch point funding, articulating the linkage between growth areas and transportation infrastructure.
- **Halfords Tour Series 2012** - A round of the Tour Series was hosted in 2012 and for the first time hosting both men and women's races. The event was covered by ITV4 promoting Colchester on TV. A multi sport activity was run in the park for the local community to participate in. On the day the weather was poor limiting attendance and using have taken some of the lessons learnt to improve the 2013 event.

Suggestions for Next Year:

- **To review proposal to reduce traffic in the High Street in the light of ECC unilateral decision on the 11th April to suspend the experimental orders without consultation with CBC.**
- **Secure funding to move forward streetscape and public realm enhancements in the town centre**
- **Sustainable Transport** / Commence construction of 1,000-space Park and Ride facility at North Colchester / Approve a solution for bus priority in the North Station Area through to the town centre / Prepare for the delivery of the NAR2 Rapid Transit Corridor
- **CBC to support the Colchester Travel Plan club to promote Travel Change Behaviour** - Continue to work with existing partners, seek new partners. Promoting walking, cycling, public transport and car sharing to help address congestion, air quality and address personal health.
- **Behaviour Change and Transport strategies** - Finalise the Stanway Travel Strategy with ECC and prepare and overarching Transportation Summary Document as evidence base to inform the review of the Local Plan / Further enhance the Cycle Delivery SPD to ensure funding is allocated through future developer contributions mechanisms – CIL and S106.
- **Host a round of the Pearl Izumi Tour Series 2013 with supporting community event; review the event for future years**
- **Work with Greater Anglia and ECC on the Station Travel Plan and the Community Rail Partnership to promote sustainable travel to stations**

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Showing tolerance and changing behaviours to create better local communities Year End

Our key actions for this priority is to work with partners to successfully introduce a new integrated offender management programme to reduce repeat crime. We also want to develop and agree a service level agreement with the Probation Service to enable positive use of the Community Payback scheme. We have an overarching aim to promote tolerance and work with partners and communities to meet the diverse needs across the borough, and consider equality and diversity implications in our policies on those with protected characteristics* (*age, disability, gender, race, religion and belief, pregnancy and maternity, marriage and civil partnership, sexual orientation and gender reassignment – Equality Act 2010).



Key Improvement Actions

- **Develop (with partners) new offender management programme** - The new Integrated Offender Management programme for Colchester and Tendring is operational. Housing and gaining employment have been identified as the two single issues with the first cohort. Planning work is underway to integrate this programme with our partnership with Job Centre Plus
- **Develop SLA with the Probation Service to enable Community Payback scheme** – The SLA has been in place for a year now and we are looking at re-issuing for 13/14. There has been some really positive work from this SLA, with the first Individual Placement for CBC being placed in the Zone Teams. We are looking to roll out IP's to all appropriate zones. A number of group activities have taken place all looking at making communities a more attractive place to be.
- **Consider Equality and Diversity and promote tolerance and diverse needs** – in 2012/2013 the Council has
 - met the new specific duties: publishing information and setting equality objectives
 - continued to address the general duty of “integrating consideration of the advancement of equality into the day-to-day business of public bodies, and across all its functions”.
 - made clear in the Strategic Plan its commitment to creating better local communities with opportunities for all residents.
- The Council continues to have a robust and embedded approach to equality and diversity with Equality Impact Assessments being undertaken on all policies, a dedicated resource in place, support and participation in groups and a number of activities and improvements being undertaken in services. The annual update to Policy Panel confirms the areas that we recognise need focus and ongoing action and many examples of work being undertaken such as the use of development gain monies in the form of Community Section 106 funding. This has been used to support local projects as well as those that provide borough-wide services, such as awards to The Samaritans, Outhouse East and The Salvation Army, and improved disabled access to existing and new community buildings. Each year the Council awards about £600,000 of Disabled Facility Grants to people with disabilities to enable them to continue living independently in their own homes.

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- **Zone working principles focusing on local needs** - The Zone Teams have enabled Street Services to interact more with 'hard to reach' groups to ensure that all residents can access Council services and support. This includes a significant increase in vulnerable adult visits and work with a number of community groups and organisations. Each Zone is very different from its neighbour, and the original plan of allowing the staff to listen to local people and react operationally to their needs has been exceptionally successful. The multi-skilling aspect of Zones has meant that response times have reduced considerably almost across the board, for 3-4 days to 1-2 days.

Other activities:

- Leisure World worked in partnership with the Probation Service for offenders to undertake various maintenance tasks at the Centre as part of the Community Payback scheme.
- The Community Initiatives Team continues to Chair the Essex Migrant Worker Agencies Forum which meets 3 times per year. Despite the tough economic climate and challenges the Council is facing with reduced grant income, it has continued to commit more than £200,000 of grant funding to voluntary welfare organisations such as Colchester Community Voluntary Services, Grassroots, Colchester and Tendring Women's Refuge, Colchester Rural Age Concern, Colchester CAB and Age UK Colchester.
- The Museum Service's 'Street Angels' project is the last part of a wider initiative known as 'Out in the Open'. The Museum Service has been running this since early 2011, and it is funded by the Esmée Fairbairn Foundation. 'Street Angels' aims to give homeless people a voice, and help shape perceptions by showing the human stories behind the situations. The project has been undertaken in partnership with a number of community organisations including Beacon House, Cardinal Bourne Hall Drop-in Centre, Matrix, Colchester and Tendring Women's Refuge and Open Door.
- A commitment to the SOS Bus has been made with additional funding for its replacement and new equipment.
- Our Community Development Team continues to support specific client groups and activities which improve the life opportunities of residents, and our new Life Programme aims to support some of the most disadvantaged families in the borough.

Suggestions for Next Year:

- **Work with Probation Service to enable Community Payback scheme to continue**
- **Continue (with partners) the offender management programme**
- **Consider Equality and Diversity and promote tolerance and the diverse needs of our residents, reporting annual to policy panel on progress**
- **Continue to operate Zone working principles with a focus on local needs**

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Supporting tourism, heritage and the arts Year End Update

Our key actions for 2012/13 are to work with partners and local industry businesses to increase the economic impact of tourism in the borough. We also want to work in partnership with Colchester Arts Centre, Firstsite, the Mercury Theatre and the Museum Service to provide leadership and support to deliver the Creative Colchester strategy and increase skills, jobs, community development and forge new links between cultural, creative, tourism and hospitality sectors. We have our exciting Castle re-development project and the associated interpretation of the wider heritage in the borough and our aim to deliver increased visitor numbers, and encouraging day visitors to overnight/weekend stay visitors.



Key Improvement Actions

- **To increase trips to the borough and spending while here** - Each year we aim to increase the number of visitor trips to our Borough and the amount that is spent here. Our target is for visitor trips is to increase 4.7m to 5.2m and half year figures show that we are on track with 4.9m trips having been made. Visitor spend aims were to increase from £224m to £230m and at the half year stage this had already been exceeded. Acknowledging the limitations of statistical models, it is clear that there has been significant investment in Colchester's tourism offerings at Colchester Zoo, Firstsite and the retail experience which could help to explain this rise. Data for actual end of year performance will not be available until September 2013
- **To increase the number of people employed in tourism from 3,910 to 4,100 ('full-time equivalent' by 31 March 2014)** - The employment figures (4,071) again shows that Colchester is broadly on track
- **Creative Colchester strategy / Deliver identified priorities within the Action Plan** – The Creative Colchester Strategy has been agreed by key stakeholders and work is ongoing to deliver key actions in the project plan – Creative Business Centre and the Waiting Room project.
- **Deliver the Castle redevelopment project (end of 2012/13 through to 2013/14)** – The project is on time and on budget. The procurement process for the principal building works contractor and for the main display fit out and for audio visual displays is underway and work on the Castle commenced in January 2013. PR and marketing for the Castle project has been agreed and detailed planning is now in hand for the Castle closure period following the enormously successful period where the empty Castle was open to the public for a 4 week period during which 11,500 people visited. This was the first opportunity to see the Castle as an empty building since 1935. An alternative in-school learning programme has been developed for the closure period. The Castle closed on 8 April 2013 when the works recommenced and will remain closed until Easter 2014 when it will re-open following redevelopment.
- **Develop and maintain delivery mechanisms for improvement and maintenance of our heritage assets across the borough** - We are continuing to build the Council's connections with local heritage groups in recent months. There has been ongoing engagement with a number of groups on various projects, including; Friends of Colchester's Roman Wall; Colchester Archaeological Trust; The Catholic Heritage Society; Mersea Island Museum Society and Friends of Colchester Castle Park. We have also continued

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to work closely with English Heritage on a variety of sites including the Town Walls, Mersea Barrow, Lexden Mount and Colchester Castle. This work is laying the foundations for the drafting of the Heritage Strategy and the associated action plan.

- A major international loan exhibition from Nanjing Museum was held at Colchester Castle from June 2012 to January 2013. As a significant regional exhibition, The Treasures of China attracted over forty thousand visitors from the East of England, London and the south east.

Suggestions for Next Year:

- To increase trips to the borough and spending while here
- To increase the number of people employed in tourism from 3,910 to 4,100 ('full-time equivalent' by 31 March 2014)
- Creative Colchester strategy / Deliver identified priorities within the Action Plan
- Develop and maintain delivery mechanisms for improvement and maintenance of our heritage assets across the borough
- Deliver the Castle redevelopment project

Bringing investment to the borough Year End Update

Our key actions in 2012/13 are to work with Invest Essex to promote the Colchester offer and attract inward investment into the borough. Work with the Integrated County Strategy and Haven Gateway Partnerships to secure the infrastructure investment identified in Colchester's Local Investment Plan and target 20 companies in key growth sectors to secure additional investment in the borough in excess of £1m. We aim to secure funding from Growing Places Fund, Integrated County Strategy investment fund, Europe, private sector partners and other sources for key projects.

Key Improvement Actions

- **Target 20 companies in key growth sectors to secure additional investment in the borough in excess of £1m** - Currently working on 6 active leads, 2 of which were provided by Invest Essex. 20 companies identified and continue to be selectively targeted. Companies include food processing, financial services, renewable energy, care home, recruitment and IT infrastructure. Additional investment confirmed in 2012/13 in excess of £1m.
- **Secure funding from Growing Places Fund, Integrated County Strategy investment fund, EU funding programmes, private sector partners and other sources for key projects** - two successful Growing Places Funding bids have been secured for Colchester which will bring £5m into Colchester for the Northern Connectivity Corridor and £2.4m for the Parkside Office Village



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development at the University of Essex. Bids have also been submitted to the EU and to the Department of Energy and Climate Change in respect of the proposed Creative Business Centre.

- **Other activities** – £3.2m has been secured from the Heritage Lottery Fund (HLF) for the redevelopment of Colchester Castle, with the total investment secured from a range of sources exceeding £4m. It is anticipated that the re-launch of the Castle Museum will attract annual visitor figures in excess of 100,000 and complements the existing diverse cultural offering which will boost the regional attraction of Colchester in relation to tourism and leisure visits and spend. £249,000 secured from the Arts Council for Museums and a community heritage project.
- The current planning application by Fenwick for investment of £30m into Williams and Griffin will be an important boost to Colchester High Street and Lancaster Group look set to invest a further £4m into North Colchester. The Council is also supporting Wilkin and Sons in progressing its redevelopment plans for the Tiptree Jam Factory which involve a £25 million investment in a new factory funded in part by residential development.
- £250k has been awarded by Arts Council England to Colchester and Ipswich Museum Service to deliver a series of activities engaging community groups with their heritage through the use of new media. The activities will support the interpretation of the archaeology collections redisplay at Colchester Castle and the development of new displays using the world heritage collections at Ipswich Museum.

Suggestions for Next Year:

- **Secure new inward investment into the borough in excess of £2m** - Relates to inward investment which can be attributable to an economic development intervention by the Council. This intervention could be in the form of joint working with Invest Essex or UKTI to attract a new company or enable an existing company to expand. It could also refer to the investment being made on the digital infrastructure which would not have happened had we not been proactive in securing private sector partners.
- **Secure funding from Growing Places Fund, Integrated County Strategy investment fund, EU funding programmes, private sector partners and other sources for key projects**

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Working in partnerships to help tackle health and crime issues Year End Update

Our key actions for 2012/13 include working with our partners on the Safer Colchester Partnership to agree a partnership plan to reduce crime and support the Neighbourhood Action Panels. We also aim to develop our partnership with Essex Probation Service. We want to work with ECC to improve health by reducing smoking rates and childhood obesity and continue joint working between EEC, Environmental Health and Sport and Leisure to coordinate and integrate our public health work with the wider agenda and the Public Health Outcomes framework.



Key Improvement Actions

- **Plan agreed by Safer Colchester Partnership** - Partners on the Safer Colchester Partnership have agreed an Annual Partnership for 2012-13 with the priorities of: addressing domestic abuse, reducing re-offending, addressing alcohol misuse and to reduce crime and the fear of crime.
- **Neighbourhood Action Panel meetings and action plan progression** – At a Community Safety Partnership meeting in December 2012 it was agreed, due to reduced police resource, that the Neighbourhood Action Panels would be reduced from 12 to 7. This new structure fits with the Council's zone areas and aims to ensure consistent police and Council representation at panel meetings to enable a joined up approach to problem solving.
- **Develop Service Level Agreement including work programme for Community Payback groups and first placement** - done
- **Life Opportunities health targets agreed and achieved** - Life Opportunities targets and action plans agreed with Public Health NHS North Essex/ ECC and Anglian Community Enterprise (ACE) in April 2012. These targets included: increasing the number of smoking quitters and reduce the proportion of Year 6 children who are overweight or obese. In August 2012 smoking quitter figures show good progress towards meeting end-of-year NHS and Life Opportunity targets and CBC Sport and Leisure Services aim to tackle childhood obesity with their targeted Life Opportunity priority areas and schools activities. Data on smoking quitters as at 20/3/13 show good progress and the target will be met. Quitters are not counted until they have stopped smoking for 4 weeks and had smoke free status verified by CO testing, therefore this target will not be measured until June 2013. With regard to Year 6 children in Colchester who are overweight or obese, progress cannot be measured until data is available by individual school in May / June 2013. However, data from school year 11/12 is available and shows an overall annual increase from 30.6% for the school year 2010-11 to 32.9% for school year 2011-12 thus sadly early evidence suggests this is going in the wrong direction for this particular age group.
- **Additional Health related activities** Work has been completed during the year to document CBC's contribution to wider Public Health agenda and Outcomes Framework and awareness sessions held for members and staff including CCG partners. Specific

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contributions in 2012/13 include our ongoing work to improve air quality, our activities in preventing and tackling noise pollution, encouraging healthy eating in commercial premises through the administration of a Healthy Eating Award, and sharing intelligence with the Police and Trading Standards and tackling irresponsible drinking and alcohol related crime. We secured a Service Level Agreement with the new Public Health department at Essex County Council securing funding of £31,000 for the LEAP Exercise referral scheme at Leisure World Colchester and £22,000 for the Big Garden project at Highwoods Country Park.

The Council created the Active Colchester Network, which evolved from the Colchester Olympic Partnership and has secured £12,800 funding from Active Essex, the County Sport Partnership, to help deliver a number of projects locally aimed at increasing participation in sport and physical activity.

- **SOS Bus** - Colchester's successful SOS bus continues to provide important late night services and this year the Council provided £80,000 in order to purchase a brand new bus with medical and other equipment necessary for the doctors to carry out limited procedures which prevents the need for ambulance call outs and attendances at A&E. Largely manned by volunteers, it is estimated to have reduced money spent and resources needed in A&E and ambulance call outs significantly.

Suggestions for Next Year:

Suggested new wording for descriptor - Our key actions for 2013/14 include working with our partners on the Safer Colchester Partnership to agree a plan to reduce crime and support the Neighbourhood Action Panels we also aim to develop our partnership with Essex Probation Service. We want to work with Public Health at ECC to coordinate and integrate our public health work with the wider agenda and the Public Health Outcomes framework, and to develop partnerships with other local health organisations, including North East Essex Clinical Commissioning Group (CCG).

- **CBC will continue to review its approach to supporting the Health Agenda given the new Local Authority responsibilities. We will develop agreed partnership priorities and targets, where applicable, and seek funding opportunities to support a more preventative health agenda.**
- **Work with our partners on the Safer Colchester Partnership to agree a partnership plan to reduce crime**
- **Encourage representation on the Safer Colchester Partnership from the new Clinical Commissioning Group**
- **Support the work of the Neighbourhood Action Panels**
- **Seek ongoing support for the SOS Bus from both the Safer Colchester Partnership and the North East Essex CCG to ensure the service is maintained and clinical cover provides access to treatment**



Scrutiny Panel

Item
12

11 June 2013

Report of	Assistant Chief Executive	Author	Sean Plummer ☎ 282347
Title	Financial Monitoring Report – End of Year 2012/13		
Wards affected	Not applicable		

**The Panel is invited to review the financial performance of all
General Fund services and the Housing Revenue Account for
2012/13**

1. Action required

- 1.1 The panel is asked to note the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the year 2012/13.

2. Reason for scrutiny

- 2.1 Monitoring of financial performance is important to ensure that:
- Service expenditure remains within cash-limited budgets.
 - Potential variances at year-end are identified early so that remedial action can be taken to recover the position or 'recycle' any surplus budgets.
 - Performance targets are being met.
- 2.2 This report also gives the panel the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets.

3. Background

- 3.1 The Panel last considered the revenue budget position on 26 February 2013. This showed a projected net underspend of £79k against the General Fund. The report also detailed a projected net underpend of £989k against the Housing Revenue Account.
- 3.2 Work is ongoing to complete the accounts for 2012/13 and this report has been prepared using provisional figures, which may be subject to some minor changes and are still subject to external audit.
- 3.3 All the information presented in respect of General Fund Services shows the position based on net 'direct costs'. The review of the Housing Revenue Account is different in that it shows all costs, both direct and indirect.

4. General Fund – End of Year Position

- 4.1 The following table summarises the outturn position for each Service, the effect of the approved requests for carry forward into 2013/14, and a breakdown of the outturn position against the main non service areas. It shows a net underspend of £543k after proposed carry forward adjustments. It should be noted that the £285k risk factor allocated in the 2012/13 budget has therefore not been used and this has therefore been carried forward and held within balances

	Budget	Actual	Variance	C/fwd	Revised Variance
	£'000	£'000	£'000	£'000	£'000
Corporate & Democratic Core	321	284	(37)		(37)
Executive Management Team	715	737	22	2	24
Corporate Management	6,360	6,144	(216)	30	(186)
Customer Service Centre	994	945	(49)		(49)
Env. & Protective Services	2,501	2,158	(343)	17	(326)
Life Opportunities	5,197	4,893	(304)	17	(287)
Resource Management (excl. benefit payments & subsidy)	3,372	3,443	71		71
Strategic Policy & Regeneration	(82)	(190)	(108)	133	25
Street Services	1,886	2,294	408	150	558
Repair & mtce budgets (all services) carry forward	Included above			32	32
<i>Sub Total Services</i>	<i>21,264</i>	<i>20,708</i>	<i>(556)</i>	<i>381</i>	<i>(175)</i>
Benefit Payments and Subsidy	(1,262)	(1,174)	88	50	138
Net Interest	449	97	(352)		(352)
Minimum Revenue Provision	814	773	(41)		(41)
Government Grants	(1,986)	(2,005)	(19)	13	(6)
Invest to Earn / SMT savings	150	0	(150)	150	0
Misc (net impact of recharges, misc. receipts etc) - variance			(107)		(107)
<i>Sub Total - Non service items</i>			<i>(581)</i>	<i>213</i>	<i>(368)</i>
Overall Total			(1,137)	594	(543)
Proposed use of balances					304
Net surplus to be added to balances					(239)

4.2 The above table shows approved carry forward requests and other adjustments totalling £594k. These relate to a number of requests. The key items are:-

- £100k in respect of additional planning fees income carried forward to support provision for potential planning appeal costs provided within balances.
- Carry forward of systems development costs within Corporate Management and Environmental and Protective Services
- £130k in respect of funding allocated for Local Development Framework (Core Strategy) and Community Infrastructure Levy (CIL)
- £50k carry forward from benefit budget agreed as part of 13/14 budget proposals
- £143k carry forward of food waste allocation not spent in 12/13
- £64k negative carried forward in respect of a net overspend on the Joint Museum Service. The carry forward is permitted in line with the terms of the agreement.
- £150k in respect of invest to earn budget and senior management savings to support implementation of UCC FSR

Service Budget Position

4.3 **Appendix A** summarises the Council-wide position by expenditure group. **Appendix B** provides a more detailed view of the performance of individual Service Groups. Both reports include traffic light indicators. The thresholds are as follows:

- Green – Variance less than £50k and 5% of budget
- Amber – Variance greater than £50k **OR** 5% of budget
- Red – Variance greater than £50k **AND** 5% of budget

- 4.4 **Appendix C** shows all budget variances. The majority of these items have been reported to the Panel during the year.
- 4.5 The overall position on services has improved from that reported at Period 9. The largest changes include additional planning income, reduced costs of ICT and a number of service budget savings.
- Non Service Areas*
- 4.6. In addition to Service budgets it is necessary to review the corporate and technical items in the budget. The following paragraphs detail the most significant of these in terms of budget variances.
- 4.7. The Central Loans and Investment Account (CLIA) comprises the Council's borrowing costs and investment income and has a net budget of £975k. As has been reported during the year the final outturn shows a net gain of over £300k. This is in due to:-
- The ongoing strategy of 'internal borrowing'
 - Reduced borrowing on existing programme
 - Underspend on provision for new borrowing (FSR allocation)
- 4.8. As part of the 2013/14 revenue budget it was reported that based on accounting guidance there was a one-off change gain in respect of the calculated Icelandic investment impairment. This had been estimated at £489k and it was agreed this would be taken to balances. Based on updated guidance the gain has now been calculated as £526k and based on the approach taken in the budget this has been excluded from the position reported in this report. It is proposed that this additional gain of £37k is held at this stage within balances as a contingency against possible changes to the impairment value.
- 4.9. The other remaining technical adjustments include areas such as miscellaneous unallocated receipts, position against corporate budget allocations and the impact of changes between the General Fund and Housing Revenue Account. Some of these items have been reported during the year whilst others relate to end of year technical accounting items.
- 4.10. Leadership Team has considered the provisional outturn figures and has identified the following draft proposals for use of the surplus which will be submitted to Cabinet on 10 July for agreement.

Proposal	£'000	Comment
Town Walls – contribution towards on-going repair costs. One-off at this stage.	50	There are currently available capital allocations for various "walls":- Town Walls £335k Castle Walls £480k Closed Churchyard walls £115k
Commercial Transitional Costs / Opportunity Purchases	200	Contribution to assist with one-off transitional costs associated with commercial land or property deals and towards possible opportunity purchases.
Allocation for parking study	40	Previously agreed to allocate from New Homes Bonus infrastructure allocation. This will therefore reinstate the £250k for this in the budget.
A12 / A120	14	Litter picking measures.
Proposed Allocations	304	

Summary and impact on future years

- 4.11. Outturn variances are discussed with relevant service managers and the overall position is considered by Senior Management Team. One important issue is to consider the extent to which any budget variance is likely to be a recurring issue and if so has the 13/14 budget been adjusted to reflect this. For example, the anticipated saving from the sport and leisure FSR was not included in the 12/13 budget and this has therefore contributed to the outturn position. The saving has though been included in the 13/14 budget. Similarly, the net underspend achieved this year on the interest account has been taken into account in the 13/14 budget.
- 4.12. Service managers are reviewing all outturn variances and any recurring issues will be reported alongside the emerging 2014/15 budget strategy.
- 4.13. The 2012/13 budget included almost £1.7m of savings or additional income. As the outturn position shows these have either been delivered or other compensating savings or additional income has been achieved.
- 4.14. The 2013/14 budget was based on the plan that the 12/13 outturn would be delivered "on budget". However, it was noted that the forecast was for a net underspend of c£250k (after use of the £285k risk factor) and that should this occur it would be considered as part of the 2014/15 budget strategy. The final position therefore reflects a significant improvement and the additional surplus will therefore be added to balances and will be considered by Cabinet on 10 July 2013.

5. Housing Revenue Account

- 5.1 **Appendix D** sets out the pre-audit revenue outturn for the Housing Revenue Account (HRA).
- 5.2 The outturn position is showing a net surplus of £1,250k compared to a budgeted deficit of £546k for the year, a favourable variance of £1,796k. However, there are carry forwards and contributions to reserves that reduce this variation to a favourable variance of £1,422k. The outturn variance needs to be considered in the context of the forecast outturn position at Period 9, which was predicting an underspend of £989k, and also the predicted underspend for 2012/13 contained within the 2013/14 HRA budget setting papers considered by the Panel at its meeting on 22nd January 2013. It should also be noted that the increase in the outturn underspend from the forecast position has primarily arisen as a result of technical items, which are explained further in the following paragraphs. The outturn position has arisen as a result of variances in several areas, and has been split between service and non-service elements.

Service Areas

- 5.3 We received £212k more income than budgeted. We received more rental and service charge income from tenants and leaseholders than assumed within the budget, which was partially offset by a higher number of Right To Buy sales. We received more income from garages than budgeted, given the current stage of redevelopment of some sites. We also received more income from court costs recovered, and the first payment relating to the installation of solar panels on Council dwellings.
- 5.4 There was less expenditure than anticipated in a number of areas. There was an underspend of £26k on Employee costs, primarily due to salary savings following the transfer of the management of Homeless Persons Units to CBH. There was a net underspend of £500k on Premises costs, primarily reflecting less external decorating costs being charged to revenue as indicated in the forecast outturn position, a lower number of void properties than anticipated within the repairs budget, lower utility costs, along with savings on other CBH delegated budgets such as contract cleaning and grounds maintenance work. There was a general underspend across most Supplies and

Services budgets, which was partially offset by a larger contribution to our Bad Debts Provision than budgeted reflecting the amount of write-off's during the year and the level of rent arrears at the year-end. There were also general underspends on Transfer payments, and recharges into the HRA from other services which reflects the outturn position within those areas.

One-Off/Technical Items

- 5.5 There are a number of technical accounting items which are not known until the end of the financial year, such as the annual depreciation charge and the revenue contribution to the Housing Capital Programme (HIP). Given the introduction of HRA Self-financing on 1st April 2012, the majority of the HIP is funded from revenue, either via a depreciation charge or as a revenue contribution to capital. There are clear links between the two, as any change in one will lead to a compensating change to the other. Also, any variation in expenditure on the Capital Programme can lead to a lower or higher cost within the HRA, given this is its primary funding source. There was a lower depreciation charge in 2012/13 than assumed within the budget, resulting from a change in accounting policy. This resulted in a lower charge to the HRA of £1,500k. Therefore, this reduction in funding to the HIP has been replaced by a higher revenue contribution to capital of £1,290k. The net underspend of these two amounts reflect the lower outturn position of the 2012/13 Housing Capital Programme.
- 5.6 Panel members will be aware of the saving in interest costs arising from our HRA Reform borrowing. There is a one-off saving of £707k in 2012/13, which had been indicated in the forecast outturn position as well as the 2013/14 HRA budget report considered by the Panel in January. There are also a number of carry forwards which have been identified, as well as a contribution to reserves for expenditure identified after the 2013/14 budget had been set, such as the staff pay award. Finally, there is a £6,319k variance on Capital Financing costs, which reflects the adjustments within the accounts for the revaluation of housing assets for 2012/13. These revaluation adjustments are reversed out within the Inter Account Transfers heading.
- 5.7 The HRA balance at 31st March 2013 is £4,787k. However, £1,000k of this balance is currently committed to future years in order to fund revenue expenditure committed to during 2012/13, together with future contributions to the Housing Investment Programme (Capital). This leaves the uncommitted HRA balance at £3,787k. Given that the recommended minimum level of balances for the HRA is £1,600k, it can be seen that the HRA balance is above that prudent level. The level of balances at the year-end is broadly in line with the estimate used when the 30 year HRA Business Plan was agreed by Cabinet in January 2013. The 2013/14 HRA Medium Term Financial Forecast presented to the Panel, and agreed by Cabinet in January 2013, showed that a large part of the HRA balance will be used to support the 2014/15 Capital Programme, thus reducing the need to undertake new borrowing, which is still the case.
- 5.8 The HRA is a "ring-fenced" account which means that any underspend or overspend in a given year must be retained within the HRA. The effect of the 2012/13 outturn position will need to be reflected within the Medium Term Financial Forecast (MTFF) for the HRA to establish the level of resources for future years. This will be reviewed as part of the forthcoming budget process for 2014/15.

6. Strategic Plan references

- 6.1. The priorities within the Strategic Plan are reflected in the Budget and Medium Term Financial Forecast.

7. Financial implications

- 7.1. As set out above.

8. Risk management implications

- 8.1 Risk management is used throughout the budget cycle, and this is reflected in the strategic risk register. The 2012/13 revenue budget report that was approved by Council in February 2012 detailed a number of potentially significant risk areas that had been identified during the budget process. In addition, Heads of Service identify a number of both positive and negative risk areas during the year.

9. Other Standard References

- 9.1 Having considered consultation, 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

None

Budget Monitoring Summary
End of Year 2012/13

Account Description	Budget £'000	Actual £'000	Variance (fav) / adv £'000	
By Subjective Group				
Employees	26,476	26,126	(350)	amber
Premises Related	7,860	7,606	(254)	amber
Transport Related	2,115	2,139	24	green
Supplies & Services	10,158	9,759	(399)	amber
Third Party Payments	1,285	1,238	(47)	green
Transfer Payments	284	311	27	amber
Capital Financing Costs	100	100	-	green
Subtotal Expenditure	48,278	47,279	(999)	amber
Government Grant	(1,430)	(1,543)	(113)	red
Other Grants & Reimbursements	(4,179)	(4,567)	(388)	red
Customer & Client Receipts	(21,324)	(20,436)	888	amber
Income-Interest	(14)	(25)	(11)	amber
Inter Account Transfers	(67)	-	67	red
Subtotal Income	(27,014)	(26,571)	443	amber
Total General Fund Services	21,264	20,708	(556)	amber
By Service Group				
Corporate & Democratic Core	321	284	(37)	amber
Executive Management Team	715	737	22	green
Corporate Management	6,360	6,144	(216)	amber
Customer Service Centre	994	945	(49)	green
Environmental & Protective Services	2,501	2,158	(343)	red
Life Opportunities	5,197	4,893	(304)	red
Resource Management	3,372	3,443	71	amber
Strategic Policy & Regeneration	(82)	(190)	(108)	red
Street Services	1,886	2,294	408	red
Subtotal General Fund Services	21,264	20,708	(556)	amber

Budget Monitoring Report for All Services - End of Year 2012/13

Account Descripti	£'000	EMT	Corporate Mgt	CSC	Env. & Protective	Life Opps	Resource Mgt.	Strategic Policy and Regen	Street	£'000	£'000	£'000	£'000	£'000	£'000
EXPENDITURE															
EMPLOYEES															
Budget	-	846	2,722	1,069	5,265	5,281	2,502	1,582	7,209	26,476					
Actual	-	851	2,708	1,040	5,042	5,054	2,479	1,540	7,412	26,126					
Variance	-	5	(14)	(29)	(223)	(227)	(23)	(42)	203	(350)					
	green	green	green	green	amber	amber	green	green	amber	amber					
PREMISES															
Budget	-	2	1,464	-	767	4,122	-	290	1,215	7,860					
Actual	-	3	1,413	-	769	3,772	2	343	1,304	7,606					
Variance	-	1	(51)	-	2	(350)	2	53	89	(254)					
	green	amber	amber	green	green	red	amber	red	red	amber					
TRANSPORT															
Budget	-	5	60	-	58	23	9	12	1,948	2,115					
Actual	-	5	39	-	41	19	10	10	2,015	2,139					
Variance	-	-	(21)	-	(17)	(4)	1	(2)	67	24					
	green	green	amber	green	amber	amber	amber	amber	amber	amber					
SUPPLIES & SERVICES															
Budget	321	146	3,039	32	1,077	1,498	1,438	1,083	1,524	10,158					
Actual	284	104	2,931	11	1,277	1,456	1,483	1,027	1,186	9,759					
Variance	(37)	(42)	(108)	(21)	200	(42)	45	(56)	(338)	(399)					
	amber	amber	amber	amber	red	green	green	red	red	red					

Budget Monitoring Report for All Services - End of Year 2012/13

Account Descripti	£'000	EMT	Corporate Mgt	CSC	Env. & Protective	Life Opps	Resource Mgt.	Strategic Policy and Regen	Street	£'000	£'000	£'000	£'000	£'000	£'000
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000						
THIRD PARTY															
Budget	-	75	104	-	140	235	81	70	580						1,285
Actual	-	75	74	-	97	267	79	63	583						1,238
Variance	-	-	(30)	-	(43)	32	(2)	(7)	3						(47)
	green	green	amber	green	amber	amber	green	amber	green	green	green	green	green	green	green
TRANSFER PAYMENTS															
Budget	-	-	-	-	-	144	140	-	-						284
Actual	-	-	-	-	-	120	191	-	-						311
Variance	-	-	-	-	-	(24)	51	-	-						27
	green	green	green	green	green	amber	red	green	green	green	green	green	green	green	amber
CAPITAL FINANCING															
Budget	-	-	-	-	-	-	100	-	-						100
Actual	-	-	-	-	-	-	100	-	-						100
Variance	-	-	-	-	-	-	-	-	-						-
	green	green	green	green	green	green	green	green	green	green	green	green	green	green	green
TOTAL EXPENDITURE															
Budget	321	1,074	7,389	1,101	7,307	11,303	4,270	3,037	12,476						48,278
Actual	284	1,038	7,165	1,051	7,226	10,688	4,344	2,983	12,500						47,279
Variance	(37)	(36)	(224)	(50)	(81)	(615)	74	(54)	24						(999)
	amber	green	amber	amber	amber	red	amber	amber	green	green	green	amber	amber	green	amber

Budget Monitoring Report for All Services - End of Year 2012/13

Account Descripti	£'000	EMT	£'000	Corporate Mgt	£'000	CSC	£'000	Env. & Protective	£'000	Life Opps	£'000	Resource Mgt.	£'000	Strategic Policy and Regen	£'000	Street	£'000
INCOME																	
GOVERNMENT GRANT																	
Budget	-	(32)	-	-	(453)	(36)	(358)	(10)	(541)	(1,430)							
Actual	-	(18)	-	-	(545)	(69)	(361)	(9)	(541)	(1,543)							
Variance	-	14	-	-	(92)	(33)	(3)	1	-	(113)							
	green	amber	green	green	red	amber	green	amber	green	red							
OTHER GRANTS																	
Budget	-	(307)	(66)	(85)	(867)	(630)	-	(198)	(2,026)	(4,179)							
Actual	-	(282)	(83)	(84)	(923)	(630)	(35)	(158)	(2,372)	(4,567)							
Variance	-	25	(17)	1	(56)	-	(35)	40	(346)	(388)							
	green	amber	amber	green	red	green	amber	amber	red	red							
CUST & CLIENT RECPTS																	
Budget	-	(20)	(963)	(22)	(3,474)	(5,440)	(540)	(2,909)	(7,956)	(21,324)							
Actual	-	(1)	(938)	(22)	(3,575)	(5,096)	(505)	(3,006)	(7,293)	(20,436)							
Variance	-	19	25	-	(101)	344	35	(97)	663	888							
	green	amber	green	green	amber	red	amber	amber	red	amber							
INCOME-INTEREST																	
Budget	-	-	-	-	(12)	-	-	(2)	-	(14)							
Actual	-	-	-	-	(25)	-	-	-	-	(25)							
Variance	-	-	-	-	(13)	-	-	2	-	(11)							
	green	green	green	green	amber	green	green	amber	green	amber							

Budget Monitoring Report for All Services - End of Year 2012/13

Account Descripti	£'000	EMT	£'000	Corporate Mgt	£'000	CSC	£'000	Env. & Protective	£'000	Life Opps	£'000	Resource Mgt.	£'000	Strategic Policy and Regen	£'000	Street	£'000
INTER ACCOUNT TRANS																	
Budget	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(67)	(67)
Actual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Variance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67	67	67
TOTAL INCOME																	
Budget	-	(359)	(1,029)	(107)	(4,806)	(6,106)	(898)	(3,119)	(10,590)	(27,014)							
Actual	-	(301)	(1,021)	(106)	(5,068)	(5,795)	(901)	(3,173)	(10,206)	(26,571)							
Variance	-	58	8	1	(262)	311	(3)	(54)	384	443							
	green	red	green	green	red	red	green	amber	amber	amber							
TOTAL NET																	
Budget	321	715	6,360	994	2,501	5,197	3,372	(82)	1,886	21,264							
Actual	284	737	6,144	945	2,158	4,893	3,443	(190)	2,294	20,708							
Variance	(37)	22	(216)	(49)	(343)	(304)	71	(108)	408	(556)							
	amber	green	amber	green	red	red	amber	red	red	amber							

Major Outturn Variances

Note: Underspends and additional income variances are shown in brackets.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Life Opportunities				
Head of Life Opportunities	(32)	0	(32)	Under spend on employees within old Admin support cost centre following transfer in year to PSU (professional Support Unit).
Parks & Recreation	(29)	(35)	(64)	General smaller under spends within the Parks & Recreation budgets. Extra income within the service includes PCT parking arrangements, sports and playing fields.
Sport & Leisure	(355)	248	(107)	The sport & leisure service delivered a net £107k saving by year end which although lower than previously forecast does now reflect £126k FSR redundancy costs which have been covered within the savings made. All the various savings made within the year helped to offset the poor trading position in relation to certain income streams e.g. catering, car park.
Housing & Communities	(199)	98	(101)	There is a £106k net under spend within Housing. This primarily relates to an underspend of £26k on employee costs from vacant posts and the training budget, a net underspend on the B&B/Initiatives budget of £22k, and an underspend in respect of Homeless Persons Units of £29k. Delays in the transfer of Abbots Activity Centre, and activity centre income generally, has resulted in a £35k pressure by year end.
Resource Management (incl. CDC)				
Financial Management	(32)	5	(37)	£32k saving due to vacant posts within the 2012/13 year.
Revenue Holding	74	(2)	72 63	£77k extra insurance costs in 2012/13 (vehicle and fire mainly) offset by a £4k

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
Accounts				saving on the internal audit contract.
Head of Resource Management	(48)	0	(48)	Final saving on vacant Head of Service post is £18k as £30k already taken to a shared services target. Saving of £30k on a one-off sum agreed in budget to finance potential costs of exploring partnership opportunities was not needed.
PSU & Income Management	40	(40)	0	On budget at year end as forecast.
Local Taxation	46	41	87	Final shortfall in court fees at £55k which was better than forecast earlier in the year. Pressure in year of £32k re NNDR Discretionary Relief payments.
Revenue & Benefits	(5)	3	(2)	General under spends, including employees, by year end.
Benefit payments and subsidy	(1,110)	1,198	88	The LA Error incentive scheme produced an extra £57k income which helped to offset the drop in the level of overpayments recovered. These were £109k lower than budget which includes an increase in the bad debts provision level. There is a request to carry forward £50k of the Discretionary Housing Payments budget to help deal with the extra pressure forecast for 2013/14.
Corporate & Democratic Core	(37)	0	(37)	Saving on Audit fees for 2012/13 including allowance for new approach to external audit arrangements for 2013/14.
Executive Management Team				
EMT	(15)	20	5	£20k less income than budgeted in relation to sales of Customer Excellence packages, offset by savings (mainly Customer Excellence and Conference budget).
Projects	(2)	0	0	Contribution to RCE £2.5k less than budgeted
2020	(2)	0	0	£2k budget for Police Panel unspent – carry forward requested
Way We Work (WWW)	(3)	25	22	£25k less income than budgeted due to staff commitments to the UCC FSR, as forecast, offset by £3k of general savings.
Street Services				
Head of Street	68	(9)	60	The salary savings target has not been met due to low staff turnover.
Strategy & Business	(138)	271	133 64	Underspend of £71k on engineering salaries and expenditure due to vacancy

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
				and sickness. Overspend on employee costs of £15k in Strategy & Business Management due to back-filling arrangements. Savings of £39k in PSU due to staffing and savings in expenditure budgets, £17k in Strategy & Performance due to savings in expenditure and £11k on bus station NNDR costs due to refund for empty premises. Shortfall in income in Community Alarms of £139k which was partly mitigated by surplus of income of £29k in Monitoring Centre. Engineering income fell short by £67k (offset by expenditure savings above). Shortfall in casual car parking income of £177k was mitigated partly by season ticket and PCN income over-achieving the budget targets by £40k and £49k respectively.
Zones	(40)	75	35	Savings of £90k in premises-related expenditure, transport costs and equipment costs mitigated overspend of £50k in staffing budgets, which was mainly due to overtime and standby payments. Income did not achieve the budget, mainly as the budget for market included a third trading day which was not been approved; a shortfall of £54k. In addition, the income budget included a target for income for the old small works team and street cleansing for services no longer provided.
Recycling & Fleet	238	93	331	Overspend of £79k on salary costs due to use of agency staff and overtime. Unbudgeted expenditure of £18k as a result of property dilapidation at the Westside depot. Overspend of £104k on fleet costs, partly offset by saving in fuel costs of £28k. Unbudgeted expenditure of £29k on satellite tracking devices that have now been removed from vehicles. Overspend of £51k on sacks and boxes due to increased demands following recycling promotional work by Zone teams. Overspend of £26k on materials at Shrub End Depot, mainly due to repairs to baler. Underspend of £27k on trade tipping charges. FSR targets amounting to £100k (shown in income) for trade refuse and depot will not be met due to yard / trade refuse partnership not being implemented. Trade refuse income in respect of existing client base and new clients was £103k short of

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
				budget. Shortfall of £44k in FSR income target for Void clearance as expected business did not materialise from Housing Associations. Recycling credits were £51k short of budget. However, sales of recyclable materials, which exceeded the budget by £77k, and income of £125k in respect of hire vehicles returned in 2011/2012, have helped to contain pressures.
Parking Partnership	34	(45)	(11)	In net terms there is small underspend in respect of the "off street" operation which will be carried forward. The variances shown relate to direct budgets and the overall position of the NEPP includes non direct items as well.
Corporate Mgt				
Head of Service	(9)	0	(9)	General underspends on employee, transport and supplies and services within this area.
Legal Services	(30)	97	67	Expenditure: Land charges £29k under on ECC payments, offset by reduced income, and under on employee costs. Income: Land Charges £82k under budget, Legal income from Braintree will not be realised as we are no longer carrying out work on their behalf amounting to £14k.
Democratic Services	17	(116)	(99)	Expenditure: Overspent on Elections, this is offset by estimated income relating to the Police Elections. Income: Estimate of £86k income relating to the Police Elections.
Human Resources	(4)	(4)	(8)	Expenditure: Employee costs overspent by £4k mainly relating to increased training costs and £7k underspend relating to conference and seminar costs. Income: unbudgeted income from Braintree relating to Northgate.
Facilities	(77)	(2)	(79)	Expenditure: Premises costs £54k underspent on maintenance, cleaning contract and utilities. Transport costs under by £10k relates to Travel Plan. Supplies and Services £7k under, mainly vending supplies and IT costs. Income: £40k unbudgeted income re: Magistrates Court, additional CBH income from franking recharges offset with under recoveries on Vending, Functions and staff car parking charges.
Communications & MFDs	(11)	(3)	(14)	Expenditure: underspends across supplies and services and transport costs.

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
				Income: £3k unbudgeted income for advertising.
ICT	(110)	36	(74)	Expenditure: £57k under on IT software licences, £19k under on Capita charges and across other supplies and service costs. Income: £30k less due to budgeted income from Serco that is not due under the new IT contract.
CSC	(50)	1	(49)	£29k under on salaries and £11k under on telephony system due to back dated credit notes from MacFarlane.
Env & Protective Servs				
Planning	65	(344)	(279)	£344k more than budgeted on Planning Application Income. Offset by £65k overspend on supplies and services (mainly Consultancy / Legal work (Horkesley Park).
Building Control	(47)	45	(2)	Underspend offset by less income than budgeted. £35k deficit in terms of Building Control Fee Regulations.
Public Health & Enforcement	(63)	(5)	(68)	£63k underspend mainly due to delayed Air Quality Action Plan and other general savings in Food and Animal Control, plus vacancies in Licensing and Environmental Control. Less spend than budgeted on Response Works. £29k more income than budgeted for Licensing due to improved enforcement activities, and additional repayments from outstanding works in default (Env Control) offset by £40k loss of income from Pest Control (unseasonal weather reducing the number of pests).
Customer & Business	(58)	1	(57)	Underspend on ICT (carry forward requested), and Crematorium Premises (carry forward requested of £10k). Bereavement Services income on target.
VIC	(59)	67	8	Savings of £6k on temporary staffing over the summer period. £10k various savings across transport / supplies. Other variances reflect changes in the level of ticket sales for events.
Museums	79	(15)	64	£79k over-spend at year end due to £96k negative carry forward from deficit in 11/12, offset by various planned savings including reduced staffing from Museums Review . Less income than budgeted from Castle admissions and associated retail, including drop in tourist numbers during the Olympic period was offset by additional grant income including English Heritage and Art School funding.
			67	

Service Area	Variance			Comment
	Spend £'000	Income £'000	Net £'000	
SP&R				
Strategic Housing	(28)	(5)	(33)	Underspends of £22k on salary costs arising from a vacant post, and £7k on the training budget. There is a carry forward request of £3.1k on the New Homes Bonus. There is £4k additional income receivable from the Greater Haven Gateway.
Enterprise	(17)	60	43	There is a general underspend, primarily with supplies & services costs. There has been a £60k shortfall in income relating to the Digital Strategy.
Regeneration and Estates Management	161	(93)	68	£75k pressure due to ongoing full year NNDR costs for the vacant St James/Roman House. Extra income from sites (eg BIC, Portland Rd) have helped to offset extra costs within the services including provision for potential bad debts from tenants as well as pressures from vacant sites, staff, and external consultants.
Cultural Services	(3)	0	(3)	Small underspend across budget headings.
Spatial Policy	(165)	(17)	(182)	There is an underspend of £130k on Local Development Framework/Community Infrastructure Levy costs, which is the subject of a carry forward request into 2013/14, given the budget was originally allocated for a two year project. There is a £23k underspend on salary costs, relating to vacant post and maternity leave. We received additional income from developer contributions.

Current Period – March 2013				
End Of Year 2012/13				
Account Description	Budget for Year £'000	Actual for Year £'000	Variance (under) / over £'000	
HRA - Direct & Non-Direct				
EXPENDITURE				
Employees	245	219	(26)	Amber
Premises Related	6,671	6,171	(500)	Red
Transport Related	4	2	(2)	Amber
Supplies & Services	713	654	(59)	Red
Third Party Payments	3,340	3,322	(18)	Green
Transfer Payments	260	221	(39)	Amber
Support Services	3,363	3,333	(30)	Green
Capital Financing Costs	13,948	19,366	5,418	Red
TOTAL EXPENDITURE	28,544	33,288	4,744	Red
INCOME				
Other Grants & Reimbursements	(134)	(176)	(42)	Amber
Customer & Client Receipts	(27,580)	(27,750)	(170)	Amber
Income-Interest	(24)	(28)	(4)	Amber
Inter Account Transfers	(260)	(6,584)	(6,324)	Red
TOTAL INCOME	(27,998)	(34,538)	(6,540)	Red
TOTAL NET - HRA	546	(1,250)	(1,796)	Red
<i>Technical Items:-</i>				
Carry Forwards		168	168	
Contributions to Reserves		206	206	
OVERALL - POSITION	546	(876)	(1,422)	Red



Scrutiny Panel

Item
13

11 June 2013

Report of	Assistant Chief Executive	Author	Graham Coleman ☎ 282741
Title	Capital Expenditure Monitor 2012/13		
Wards affected	Not applicable		

The Panel is invited to review the progress against all capital schemes in 2012/13

1. Action Required

1.1 To note the level of capital spending during 2012/13.

2. Reason for scrutiny

2.1 Monitoring capital spending is important to ensure:

- Spending on projects is within agreed scheme budgets.
- The overall programme is delivered within budget.

2.2 This report also gives the Panel the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets.

3. Background

3.1 This report sets out details of spending for the financial year 2012/13 (April 2012 to March 2013).

3.2 The report includes new capital funding and changes to the capital programme as revised by Cabinet on 4 July 2012, 28 November 2012 and 23 January 2013.

3.3 The report includes capital expenditure in respect of the Housing Investment Programme, including expenditure on the Council's housing stock.

4. 2012/13 review

4.1 **Appendix A** sets out details of spending on all schemes along with existing expenditure forecasts provided by budget managers to provide an indication of progress against schemes in monetary terms. It should be pointed out that variances between the forecast position for the year and accrued expenditure position are unlikely to indicate any over or under spending against projects as a whole, but tend to relate to timing differences between anticipated payments and actual payments to contractors. Any significant divergences from planned activity would be brought to the Panel's attention as part of future quarterly monitoring reports.

4.2 Accrued capital spending in the year totalled £13.3 million, compared to a forecast of £15.5 million. This expenditure represents 41.9% of the total Capital Programme. The most significant areas of expenditure in the year are summarised in the following table:

Scheme	Expenditure £'000
Decent Homes & Upgrades	6,408.1
Osborne Street Bus Station	1,369.2
Sport & Leisure FSR - Building works to Leisure World	839.2
Clubhouse - Abbey Field	681.3
Mandatory Disabled Facilities Grants	514.1
Adaptations	450.5
Mercury Theatre - Roof & Windows	364.7
Shared footway/cycleway alongside B1027	250.0
Bus Station - CBC Enhancements	249.9
Redevelopment of Castle Museum	199.2

4.3 The Capital Programme has increased by £73k since the previous report. New funding has been added to the capital programme including £20.5k contributions from Section 106 monies, and £52.4k funded from revenue budget contributions. The Capital Programme now stands at £31.9 million, which is funded as follows:

Sources of Funding	%
Internal Funding	
• Capital Receipts	24.6
• Borrowing	15.0
• Revenue Contributions	1.4
• Other	10.2
Total Internal Funding	51.2
External Funding	
• Grants	43.3
• EU	0.4
• Section 106	3.9
• Other	1.2
Total External Funding	48.8

4.4 It should be noted that the programme includes a number of major schemes where spending is planned across more than one year. Budget managers have previously profiled their forecasts for expenditure in line with expectations for 2013/14 and beyond. These forecasts will shortly be revised to reflect final spending in 2012/13. The table below provides a summary of the capital programme by service area:

	Total Prog.	2012/13 Spend	2012/13 Forecast	Future Years Forecast	(Surplus) / Shortfall
Service / Scheme	£'000	£'000	£'000	£'000	£'000
Corporate Management	3,786.7	845.8	814.5	2,983.8	11.6
EMT	0.0	0.0	0.0	0.0	0.0
Resource Management	48.1	35.9	30.0	18.1	0.0
Street Services	358.1	119.6	125.9	232.2	0.0
Environmental & Protective	5,334.4	384.9	1,148.9	4,185.5	0.0
Strategic Policy & Regeneration	5,138.7	2,139.0	2,158.6	2,980.1	0.0
Life Opportunities	5,822.5	1,894.9	3,078.4	2,744.1	0.0
Completed Schemes	821.7	814.7	821.7	0.0	0.0
Housing Revenue Account	10,567.8	7,111.5	7,325.8	3,242.0	0.0
Total Capital Programme	31,878.0	13,346.3	15,503.8	16,385.8	11.6

4.5 As shown in the table above there is currently a forecast net overspend on the capital programme of £11.6k. This is detailed below:

Scheme	Over/ (Under) £'000
Town Hall DDA Sensory Project	7.6
Carbon Management Programme Phase 2	4.0
Total Net Overspend	11.6

4.6 It is possible that the small projected overspends against the Town Hall DDA Sensory Project and phase 2 of the Carbon Management Programme can be mitigated as part of the overall programme. However, should this not prove to be the case, this sum will be referred to Cabinet to consider alongside an updated forecast of capital receipts.

5. Strategic Plan references

5.1 The Council's Capital Programme is aligned to the Strategic Plan.

6. Financial implications

6.1 As set out above.

7. Risk management implications

7.1 Risk management issues are considered as part of all capital projects.

8. Other Standard References

8.1 Having considered consultation, 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

None

Mercury Theatre - Roof & Windows	372.0	364.7	366.5	5.5
Universal Customer Contact Fundamental Service Review - ICT	2,700.0	64.3	0.0	1,575.0
Universal Customer Contact Fundamental Service Review - Accommodation	140.5	0.0	0.0	140.5
ICT Strategy Phase 2	102.3	50.3	19.0	83.3
TOTAL - Corporate Management	3,786.7	845.8	814.5	1,856.8
EMT				
TOTAL - EMT	0.0	0.0	0.0	0.0
RESOURCE MANAGEMENT				
Financial Systems Migration	48.1	35.9	30.0	18.1
TOTAL - Resource Management	48.1	35.9	30.0	18.1
STREET SERVICES				
Flat Recycling Extension	10.3	0.0	0.0	10.3
Street Services FSR	143.2	98.4	98.8	44.4
Pumping Main - Distillery Lane/Haven Road	90.0	4.0	8.5	81.5
Highwoods CP Drainage S106	18.6	17.2	18.6	0.0
Upgrade of CCTV Equipment	96.0	0.0	0.0	96.0
CCTV Section 106 installations	0.0	0.0	0.0	0.0
TOTAL - Street Services	358.1	119.6	125.9	232.2
ENVIRONMENTAL & PROTECTIVE SERVICES				
Heritage Fund - incl. Roman Walls	403.8	68.8	74.1	195.6
Cemetery Extension	125.0	0.0	0.0	85.0
Replacement of Cremators	29.5	0.0	29.5	0.0
Abberton & Langenhoe Village Hall	40.0	40.0	40.0	0.0
Abberton Reservoir S106	37.6	37.6	37.6	0.0
Provision of broadband in parishes	25.7	25.7	25.7	0.0
Castle Walls	493.1	13.6	4.8	488.3
Redevelopment of Castle Museum	4,179.7	199.2	937.2	2,739.8
TOTAL - Env & Prot Services	5,334.4	384.9	1,148.9	3,508.7
STRATEGIC POLICY & REGENERATION				
Park & Ride	124.4	0.0	0.0	124.4
Community Stadium	28.5	6.4	14.5	14.0
North Colchester Development Land	110.0	12.4	110.0	0.0
North Colchester Business Incubation Unit	71.5	0.3	0.3	71.2
King Edward Quay	(1.9)	(7.1)	(1.9)	0.0
St Botolphs Regeneration	502.6	85.7	122.7	379.9
St Botolphs Public Realm	1.4	1.3	1.4	0.0
Town Centre Improvements	155.4	4.2	26.6	128.8
Town Station Square	266.3	14.6	6.3	260.0
Bus Station - CBC Enhancements	420.0	249.9	250.0	170.0
Osborne Street Bus Station	1,500.0	1,369.2	700.0	800.0
A12 Junction Facilitation	168.7	6.2	3.5	165.2
Creative Business Hub	140.7	19.9	40.7	100.0
Transcoast	718.5	33.3	90.2	628.3
New Braiswick Park Cycle Route	25.3	25.1	25.3	0.0
Shared footway/cycleway alongside B1027	250.0	250.0	250.0	0.0
Firstsite (VAF)	384.6	36.0	384.6	0.0
Grant to SoundChoices S106	12.5	12.5	12.5	0.0
Site Disposal Costs	21.9	19.1	21.9	0.0
Moler Works Site	41.4	0.0	0.0	41.4
Assistance to Registered Housing Providers	196.9	0.0	100.0	96.9
TOTAL - Strat Policy & Regen	5,138.7	2,139.0	2,158.6	2,980.1

King George V Park Wivenhoe S106	12.0	0.0	12.0	0.0
Bergholt Road Play Area	15.0	0.0	0.0	15.0
Holly Trees WCs Castle Park	41.0	0.8	0.8	40.2
Castle Park Sensory Garden S106	65.0	0.0	0.0	65.0
Pondfields/Ripple Way Play Areas S106	73.9	73.7	0.0	73.9
West End Sports Ground Car Park S106	13.6	0.0	13.6	0.0
Cook's Shipyard Playsite Wivenhoe S106	45.0	11.1	45.0	0.0
Castle Park Olympic Legacy Project	94.0	0.0	0.0	94.0
Old Heath Recreation Ground Improvements	430.0	0.0	0.0	0.0
Shrub End Sports Ground Car Park	74.2	2.9	74.2	0.0
TOTAL - Life Opportunities	5,822.5	1,894.9	3,078.4	2,311.1
HOUSING REVENUE ACCOUNT				
Decent Homes & Upgrades	7,873.4	6,408.1	6,488.4	1,385.0
Adaptations	580.6	450.5	580.6	0.0
Sheltered Accommodation Review	1,800.0	182.4	100.0	1,700.0
Housing ICT Development	313.8	70.5	156.8	157.0
TOTAL - HRA	10,567.8	7,111.5	7,325.8	3,242.0
COMPLETED SCHEMES (OR WHERE RETENTION ONLY OUTSTANDING)				
Electronic Service Delivery	3.0	2.0	3.0	0.0
Boada Skatebowl	4.4	4.2	4.4	0.0
Gladiator Way - Play Equipment S106	0.4	0.0	0.4	0.0
Barbour Gardens - Play Equipment S106	-1.2	(1.2)	(1.2)	0.0
Colchester Leisure World - Fitness Pool LACM and Modernisation	5.4	0.0	5.4	0.0
Support for Parish Councils and Community Groups	3.4	3.4	3.4	0.0
Abberton Church Extension	50.0	50.0	50.0	0.0
Broad Lane Sports Ground S106	4.5	4.5	4.5	0.0
Clubhouse - Abbey Field	681.3	681.3	681.3	0.0
SOS Bus	60.0	60.0	60.0	0.0
Salvation Army Centre S106	10.5	10.5	10.5	0.0
TOTAL - COMPLETED SCHEMES	821.7	814.7	821.7	0.0




Scrutiny Panel

Item

14

11 June 2013

Report of	Head of Commercial Services	Author	Gareth Mitchell  506972
Title	New Housing Arrangements Proposal		
Wards affected	Not applicable		

The Panel is invited to review the proposal and the draft Cabinet report relating to the New Housing Arrangements Project.

Following the recommendations of the Local Housing Review Project Board in 2012, a New Housing Arrangements Project was established to develop the proposal that would be put to the Council's Cabinet for agreement.

This review has reached the stage where a proposal for the future direction of the Council's housing functions can be put forward, with four main purposes:

1. To put in place new arrangements for the Council's housing functions which are fit for purpose to deliver the Council's future housing objectives.
2. To put in place more resilient and responsive governance between the Council and Colchester Borough Homes which supports the delivery of the opportunities set out in the Council's Fundamental Service Review of Customer Contact (UCC FSR).
3. To contribute to the vision in the UCC FSR of a sustainable commercial services arm, by enabling Colchester Borough Homes to increase its range of housing services as a wholly-owned trading company of the Council
4. To contribute to the vision in the UCC FSR by supporting the delivery of the Universal Customer Environment.

The draft Cabinet report and proposal document are attached.

The draft report to Cabinet recommends the approval of the proposal.

Scrutiny Panel is asked to review and comment, so that this can be considered by the Cabinet on 10 July 2013.



Cabinet

Item

10 July 2013

Report of	Head of Commercial Services	Author	Gareth Mitchell 506972
Title	New Housing Arrangements Proposal		
Wards affected	All		

**This report concerns the proposal relating to the
New Housing Arrangements Project – draft report for Scrutiny Panel.**

1. Decision Required

- 1.1 To approve the proposal to develop new housing arrangements for Colchester Borough Council and Colchester Borough Homes to work together to deliver housing services.
- 1.2 To delegate to the Chief Executive responsibility for the negotiation and agreement of a new Management Agreement with Colchester Borough Homes for a period of ten years, with an option to extend for a further five years following a satisfactory review at the seven year point.

2. Reasons for Decision

- 2.1 Colchester Borough Homes is a wholly-owned trading company of the Council which delivers the majority of the Council's legal landlord obligations. The performance of the company and delivery of the Council's tenant and housing stock management objectives are governed by a Management Agreement. This management agreement was renewed in 2008 and the current agreement expires in 2013.
- 2.2 This New Housing Arrangements proposal fulfils four main purposes:
 1. To put in place new arrangements for the Council's housing functions which are fit for purpose to deliver the Council's future housing objectives.
 2. To put in place more resilient and responsive governance between the Council and Colchester Borough Homes which supports the delivery of the opportunities set out in the Council's Fundamental Service Review of Customer Contact (UCC FSR).
 3. To contribute to the vision in the UCC FSR of a sustainable commercial services arm, by enabling Colchester Borough Homes to increase its range of housing services as a wholly-owned trading company of the Council
 4. To contribute to the vision in the UCC FSR by supporting the delivery of the Universal Customer Environment.

3. Alternative Options

- 3.1 The alternative options would be not to approve the proposal or to ask for changes to be made to that proposal. In either scenario, the delivery of improvements shown at 2.2 could be delayed or not delivered.

4. Supporting Information

- 4.1 The Council decided to take the opportunity of the expiry of the Colchester Borough Homes management agreement in 2013 to review its housing management arrangements to ensure they were fit for purpose for the next phase of change in local government and to ensure these aligned with the Council's housing objectives and aspirations. The Local Housing Review Project was set up to fulfil this purpose.
- 4.2 At the completion of the Local Housing Review Project, the Project Board agreed the following recommendations to the Council's Cabinet:
- That having considered the options work, that the Council should not proceed further with the option to outsource the majority of the Housing Revenue Account (HRA) services.
 - That the Council should progress the option to continue with its Arms Length Management Organisation, and that it should now focus its resources on assessing the functions and responsibilities of Colchester Borough Homes which are appropriate going forward in the context of current and future housing challenges. Such an assessment to integrate the approach of the Council's UCC FSR.
 - The option for an in-house service for the majority of the HRA services should only be considered further if the Cabinet does not accept that a remodelled Colchester Borough Homes can deliver on the Council's housing objectives within the financial envelope determined by the Council.
 - The Board recognises that a positive relationship between the Council and Colchester Borough Homes is critical to the successful delivery of HRA services, and that this will require consideration of the leadership and governance of HRA functions in any assessment going forward.
- 4.3 A New Housing Arrangements Project was then established to develop the specific arrangements that would be put to the Council's Cabinet for agreement.
- 4.4 This New Housing Arrangements Project has had sponsorship from the Council's Portfolio Holder for Housing, the Council's Executive and Strategic Directors, and the Chief Executive for Colchester Borough Homes. It has used a core project team, comprising service resources from both organisations, from January 2013 to May 2013 to develop these proposals.
- 4.5 The Executive Summary section of this proposal on page 2 provides an overview of the project and the proposals for the new housing arrangements.
- 4.6 The proposal was reviewed at the Scrutiny Panel meeting on 11 June 2013. The minutes are contained in the Supplementary Agenda.

5. Proposals

- 5.1 The proposals are for the Council to:
- integrate all frontline housing customer contact into the Universal Customer Environment as set out in the UCC FSR
 - create a new housing options and advice service that is cross-tenure within Colchester Borough Homes to offer opportunities for greater efficiency and effectiveness
 - enable Colchester Borough Homes, the Council's primary arms-length trading company, to be more flexible and innovative with the responsive repairs programme in keeping with the commercial principles set out in the UCC FSR
 - explore opportunities to tackle empty homes and in the private rented sector to increase the supply of housing to meet local need
 - agree a new Management Agreement with Colchester Borough Homes to govern new working arrangements with the Council.

5.2 These are structured into four overarching opportunities:

- New Colchester Borough Homes governance arrangements.
- Integrated frontline housing customer experience, and new housing options and advice service.
- Streamlined housing repairs budget arrangements.
- Proactive empty homes and private rented sector programme.

5.3 Work has been ongoing in recent months to ensure the proposals align and that the opportunities in this proposal support the direction set out in the UCC FSR. The specific areas where this proposal supports the UCC FSR are:

- Delivery of the Universal Customer Environment
- Building a sustainable commercial services arm.

6. Strategic Plan References

6.1 The proposal contributes to the broad aim in the Strategic Plan 2012-15 of “Leading for the future” and the following priority areas:

- Providing more affordable homes across the borough
- Supporting more vulnerable groups.

7. Consultation

7.1 Council Tenants and Leaseholders, staff, and other Council services have played an important part in the development of this proposal. Please see section 5 of the proposal for more information. Unison has been consulted on the proposal.

8. Publicity Considerations

8.1 A communications plan has been developed as part of the proposal.

9. Financial implications

9.1 Section 10 of the document summarises the projected financial benefits arising from implementation of this proposal.

9.2 There are opportunities identified in this document where efficiency savings are anticipated following implementation, but unlike the Council’s Fundamental Service Review programme, this was not the primary purpose of this review process.

9.3 The proposal offers new opportunities for Colchester Borough Homes to fulfil the expectation of a trading company to trade and sell services to other clients, resulting in an income to the General Fund.

10. Equality and Diversity Implications

- 10.1 The screening stage for an Equality Impact Assessment has been carried out, and is available [by clicking this link](#), or following this pathway from the homepage of www.colchester.gov.uk: Council and Democracy>Policies, Strategies and Performance>Equality and Diversity>Equality Impact Assessments>Strategic Policy and Regeneration> Housing> EqlA New Housing Arrangements.
- 10.2 This report is about the proposal at a strategic level, and whether the opportunities identified should be developed further. Subject to approval of the proposal, Equality Impact Assessments will be carried out as part of the implementation planning stage. These will be an integral part of any changes to services - an assessment of any potential direct or indirect discrimination needs to be made alongside specific proposals as they are developed.

11. Other Standard References

- 11.1 There are no specific Human Rights, Community Safety or Health and Safety implications at this point. As with Equality and Diversity above, the implications for these areas will be considered at the implementation stage.

12. Risk Management Implications

- 12.1 The high-level risks associated with this review have been identified in section 11 of the proposals.

Background Papers

The proposal and appendices are provided with this report. The Equality Impact Assessment screening document is available online (see 10.1) or in the Members' Room.



New Housing Arrangements Proposal



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2. Executive summary

This proposal document fulfils four main purposes:

1. To put in place new arrangements for the Council's housing functions which are fit for purpose to deliver the Council's future housing objectives.
2. To put in place more resilient and responsive governance between the Council and Colchester Borough Homes which supports the delivery of the opportunities set out in the Council's Fundamental Service Review of Customer Contact (UCC FSR).
3. To contribute to the vision in the UCC FSR of a sustainable commercial services arm, by enabling Colchester Borough Homes to increase its range of housing services as a wholly-owned trading company of the Council
4. To contribute to the vision in the UCC FSR by supporting the delivery of the Universal Customer Environment.

Opportunities are identified where efficiency savings are anticipated following implementation, but this was not a primary purpose of this review.

This proposal sets out proposals for the Council to:

- integrate all frontline housing customer contact into the Universal Customer Environment as set out in the UCC FSR
- create a new housing options and advice service that is cross-tenure within Colchester Borough Homes that offers opportunities for greater efficiency and effectiveness
- enable Colchester Borough Homes, the Council's primary arms-length trading company, to be more flexible and innovative with the responsive repairs programme in keeping with the commercial principles set out in the UCC FSR
- explore opportunities to tackle empty homes and in the private rented sector to increase the supply of housing to meet local need
- agree a new Management Agreement with Colchester Borough Homes to govern new working arrangements with the Council.

This proposal is structured into four overarching opportunities:

- New Colchester Borough Homes governance arrangements.
- Integrated frontline housing customer experience and new housing options and advice service.
- Streamlined housing repairs budget arrangements.
- Proactive empty homes and private rented sector programme.

This proposal aims to deliver the following benefits:

- Single point of contact for customers across the Council and Colchester Borough Homes and a new joined-up housing options and advice service that is cross tenure. Improvements in responsive repairs experience for tenants through greater innovation and flexibility.
- Improved housing solutions for customers through increased private rented sector supply.
- More effective governance arrangements for the Council and Colchester Borough Homes.
- Support for efficiency savings outlined in the UCC FSR through delivery of the Universal Customer Environment.
- Efficiencies will deliver £60,000 savings in 2014/15.

3. Introduction

The overarching aim of the New Housing Arrangements Project is to develop new arrangements for Colchester Borough Council (the Council) and Colchester Borough Homes (CBH) to work together to:

- ensure that housing customers receive excellent services
- invest in our housing stock and services across the borough
- identify opportunities where CBH may provide additional housing services.

The Council established its Arms Length Management Organisation as CBH in 2003. This was in response to the national Decent Homes agenda, in order to access Government funding for a programme of improvement works to its housing stock, and to embrace opportunities for greater tenant and leaseholder involvement in the delivery of housing management services in the borough.

CBH is a wholly-owned trading company of the Council which delivers the majority of the Council's legal Landlord obligations. This proposal contributes to the vision in the Council's UCC FSR of a sustainable commercial services arm by enabling CBH to increase its range of housing services as a wholly owned trading company of the Council.

The performance of this company and delivery of the Council's tenant and housing stock management objectives are governed by a Management Agreement. This management agreement was renewed in 2008 and the current agreement expires in August 2013.

In 2011 the Council decided to take the opportunity of the management agreement expiry to review its housing management arrangements to ensure they were fit for purpose for the next phase of change in local government and to ensure these arrangements aligned with the Council's housing objectives and aspirations. The Local Housing Review Project was therefore established.

A Local Housing Review Project Board was established across both the Council and CBH and across political parties and included tenant representatives. The Project Board's role was to oversee the review, receive the work of the Project Team and make recommendations to Cabinet on the outcomes of the review.

A Tenant and Leaseholder Sounding Board was also established to ensure the voice of tenants and leaseholders was built into the review process.

Having established success criteria for the project and a set of delivery options for evaluation, the Project Board agreed that the following three delivery options for the Council's tenant and housing stock management services had the potential to meet the review success criteria:

1. **Arms Length Management Organisation.** This would mean keeping CBH or a similar organisation, although it may operate differently. For example, it might deliver more services or deliver them in different ways.
2. **Local Authority Management** This would mean the Council would bring the housing management and property services functions back in-house and manage the tenants and stock directly.
3. **Outsourcing** This would mean that outside organisations would apply through a tender process to manage the Council's housing stock and the Council would choose the best organisation to deliver the services under a contractual arrangement.

As part of the review process, a Local Government Association Peer Challenge team was invited to Colchester to review the progress with the Local Housing Review and challenge the process and work completed to date. As a direct result of this Peer Challenge, the Local Housing Review Project Board agreed the following recommendations:

- That having considered the options work, that the Council should not proceed further with the option to outsource the majority of the Housing Revenue Account (HRA) services.
- That the Council should progress the option to continue with its Arms Length Management Organisation, and that it should now focus its resources on assessing the functions and responsibilities of CBH which are appropriate going forward in the context of current and future housing challenges. Such an assessment to integrate the approach of the Council's UCC FSR.
- The option for an in-house service for the majority of the HRA services should only be considered further if the Cabinet does not accept a remodelled CBH can deliver on the Council's housing objectives within the financial envelope determined by the Council.
- The Board recognises that a positive relationship between the Council and CBH is critical to the successful delivery of HRA services, and that this will require consideration of the leadership and governance of HRA functions in any assessment going forward.

Following these recommendations, the review phase of the project ended, and a New Housing Arrangements Project was established to develop the specific arrangements that would be put to the Council's Cabinet for agreement.

Following informal Cabinet discussions, the following scope was agreed for the New Housing Arrangements Project:

1. To integrate the customer contact processes within CBH into the Universal Customer Environment as set out in the UCC FSR. This is addressed in *section 7* of this proposal.
2. Explore the transfer of work around homelessness and housing options advice to CBH (*section 7*)
3. To give CBH more control over the housing repairs budgets (*section 8*)
4. Explore opportunities to intervene in the private rented market in order to increase the supply of available housing (*section 9*)
5. To revisit the existing procedures for the procurement of property-related housing contracts (*section 8*)
6. To explore the benefits of CBH working with the owners of empty homes in the borough to help bring their properties back into use (*section 9*)
7. To transfer the processes currently managed by the Council around Disabled Facilities Grants to CBH (*section 7*)
8. To revisit the arrangements for tenant and leaseholder involvement in the delivery of housing functions both for CBH and the Council (*section 6*).

The New Housing Arrangements Project has developed four opportunities that are set out in this Proposal:

- Integrated frontline housing customer experience and housing options and advice service that is cross-tenure.
- Streamlined housing repairs budget arrangements.
- Proactive empty homes and private rented sector programme.
- New CBH governance arrangements.

In parallel with the work on these opportunities, the Council was also developing the UCC FSR, which was formally agreed by Cabinet in November 2012. There are important connections between the two reviews, and so work has been ongoing in recent months to ensure the proposals align, and that the opportunities in this proposal support the direction set out in the UCC FSR.

The specific areas where this Proposal supports the UCC FSR are:

- Delivery of the Universal Customer Environment
- Building a sustainable commercial services arm.

4. New Housing Arrangements Project Structure

A New Housing Arrangements Project was established to develop the specific arrangements that would be put to the Council's Cabinet for agreement.

The Project team

The Project Team is a collaborative team from both the Council and CBH, reflecting the desire for a strong and positive relationship between the two organisations going forward.

The new arrangements and supporting documentation is designed to be developed by the two organisations together, reflecting the organisations' wish to build on a successful relationship. There is a project lead from each organisation ensuring that the direction and content of the project meets the need of both organisations. The Council representative is the Head of Commercial Services working alongside the Director of Housing from CBH. The project sponsors are the Council's Strategic Director, the Executive Director and the Chief Executive of CBH. The Project is overseen by the Portfolio Holder for Housing who has received regular briefings on the progress of the project.

The Project Leads direct the work of the new housing arrangements project team of Council and CBH officers. CBC officers include representation from all services involved in the provision of housing services, the management of CBH or services which may be impacted by the planned changes including human resources and communications. CBH representation includes the Directors' Management Team.

Development of the Opportunities

This has been facilitated by task and finish groups to develop the opportunities and has enabled a wider representation from officers with expertise in a particular area. The opportunities include:

- Integrated frontline housing customer experience and housing options and advice service that is cross-tenure.
- Streamlined housing repairs budget arrangements.
- Proactive empty homes and private rented sector programme.

A facilitated workshop was held to scope the new housing service and the associated frontline customer experience. This workshop was attended by a broad range of representatives from the Council and CBH with both strategic and front line expertise.

The development of new governance arrangements for CBH is being overseen by a project group of officers with expertise in this area. This group is appointing a legal advisor able to advise both parties with the aim of building a new management agreement between the two organisations.

5. Customer Impact

Current service provision

The Council's Fundamental Service Review of Housing Services was implemented in 2010-13, and delivered:

- A clear customer journey resulting in the fastest solution available with an effective triage service to channel customers to an effective solution at an early stage to prevent them from becoming in urgent need of housing. More enquiries are dealt with at the first point of contact.
- A multi-skilled team of advisors able to deal with any housing query that cannot be resolved at the frontline.
- A strong focus on the Council's strategic enabling role to deliver housing solutions.
- £450,000 of recurring revenue savings.

It also recognised the importance of a strong relationship between the Council and CBH and a vibrant, accessible private rented sector. The new housing arrangements proposal aims to build upon the progress made to date.

The CBH Fundamental Service Review has focused on remodelling services around customer access and excellence, whilst achieving annual savings of £520,000 by year 3 of the review. Key aims of the review were:

- Developing joint work within the community and enabling community and tenants to do more for themselves.
- Redesigning ways of working and empowering staff through training.
- Joining services with others to maximise productivity.

Current customer information

The Council and CBH jointly commissioned a tenant satisfaction survey in 2010 using the National Housing Federation and their STATUS survey. The survey sought the views of both tenants and leaseholders.

The survey found that a large majority (78%) of tenants believed that CBH is providing a good housing service. Tenant satisfaction with overall services had increased since the previous survey.

The survey showed that certain groups were more satisfied than other groups. Older tenants (60+), retired tenants, long term tenants (for more than 21 years) and disabled tenants were generally more satisfied than younger tenants (under 35s), families, working tenants and unemployed tenants. Many of these patterns, such as increasing satisfaction with age, are similar to those found by other landlords who used the STATUS survey and follow national trends.

Customer satisfaction with the repairs services

The repairs service enjoys a high rate of tenant satisfaction with a 96.22% satisfaction rate for 2012/13. This is based upon the return of 4249 post-repair survey returns, a 26.6% response rate.

This is second quartile performance for customer satisfaction under Housemark Benchmarking for 2012/13.

Further information on CBH performance can be found in *Appendix D: Current performance of Colchester Borough Homes*.

Customer satisfaction with current housing advice and homelessness services

Current performance by the Housing Options team is above the target set of 68%. The end of year outturn was 89%. It is based on a customer satisfaction survey given to those customers who have been interviewed by a Housing Options Advisor.

Customer engagement with the review

The Sounding Board

In March 2012 a Tenant Sounding Board was formed to provide tenant views on the initial housing review.

The members of the Sounding Board were recruited from the Tenant and Leaseholder Consultative Committee. This group had received training from the Tenant Participation Advisory Service and had acquired some of the skills and knowledge that would be necessary to contribute to the Local Housing Review. To build the group's capacity they participated in a number of workshops that allowed them an overview of the delivery options that were being considered, self-financing for the Housing Revenue Account and the Project Board's Success Criteria.

An independent Tenant Adviser was appointed to ensure that the information given to the group was objective and that the group was appropriately supported in their role.

The Tenant Sounding Board evaluated the success criteria for the review. In addition, an e-survey was sent to tenants and leaseholders. The Sounding Board was interviewed by the peer challenge team as part of the review process. More details about the involvement of the Sounding Board in the Review can be found at *Appendix A: The Local Housing Review*.

Seeking the views of tenants

A short survey was sent out in the April 2013 edition of Housing News and Views.

Although the response rate was disappointing, the customers who responded were in favour of continuing the relationship with CBH and gave their support to CBH developing further services.

23 responses were received to the survey. The majority (21 tenants) supported the proposal to continue the ALMO arrangements with CBH. 17 responses supported the proposal for CBH to offer additional services identified by the Council.

Tenant consultation on the proposal

To supplement the survey, a consultation workshop on the proposal is being arranged for tenant and leaseholder representatives. The results of this consultation will be available prior to the presentation of the proposal at Cabinet.

6. Opportunity- New Colchester Borough Homes Governance Arrangements

Summary

The overarching aim of the New Housing Arrangements Project is to develop new arrangements for the Council and CBH working together to:

- Ensure that housing customers receive excellent service.
- Invest in our housing stock and services across the borough.
- Identify opportunities where CBH may provide additional housing services.

This opportunity will provide the organisational framework for CBH to be resilient for the future.

New governance arrangements are being developed to support delivery of these objectives. The milestones for these arrangements will need to follow the development of the opportunities, to ensure any flexibilities needed can be included in the management agreement and other documents.

Further information on the current arrangements with CBH can be found in *Appendix B: The Current ALMO Arrangements*

Developing new arrangements

New arrangements will be developed to ensure that the Council and CBH can deliver strategic objectives in the future. These will include:

- New management agreement which supports the delivery of the opportunities identified in this proposal
- New Memorandum and Articles for CBH which ensures the flexibility to explore the opportunities in the proposal
- Arrangements to ensure the Council and CBH work together to deliver both organisations' strategic priorities, including development and agreement of an annual delivery plan
- Mechanisms for liaison between the organisations to ensure that both organisations share available expertise
- A mechanism for the Council to consult and engage with its tenants.

As part of the New Housing Arrangements Project the CBH Board has commenced a review of their internal governance arrangements. The aim of the review is to ensure that the Board and Sub-Committee structure is fit for future purpose. The review is reflecting upon best practice to ensure that CBH has the right governance structure and skills to give strategic leadership and sound risk management. The review is timetabled to complete in-line with the overall New Housing Arrangements Project.

The first recommendations made by the review of the Board by CBH, and in line with best practice, are as follows:

- That the Board should be made up of twelve Board members (currently fifteen). Four will be nominees from CBC, four will be residents, and four will be independent members (currently six, six and three respectively).
- The new Chairman will be chosen following a selection process and external advert. The Chairman will be one of the twelve Board members.
- Terms of office will be introduced for Board members. A term will be for up to three years, with the opportunity for renewal twice subject to Board approval up to a presumed maximum of nine years. The Chairman will have a term of up to three years, with the opportunity for renewable once up to a maximum of six years.
- CBH, with residents, is currently reviewing the resident scrutiny function. The aim of the review is to enhance resident scrutiny and engagement.

Proposals

- Develop a new management agreement which ensures there is both flexibility for CBH to deliver new services but also sets out the Council's approval and controls in this process.
- The management agreement will be for a term of ten years, with an option to extend for a further five years following a satisfactory review at the seven-year point. The Management Agreement will set out a clear link between the performance of CBH and the renewal of the management agreement.
- A structure for the agreement and monitoring of an Annual Delivery Plan and the length of that delivery plan which is aligned with the new freedoms and flexibilities.
- The Council will be clear on the developing agent role it sees for CBH in delivering new build Council housing.
- A structure is established which enables the Council to engage directly with tenants and leaseholders.
- A new CBH Board structure is agreed
- The Management Agreement includes the necessary and relevant delegations to enable CBH to perform functions on behalf of the Council.
- The Council's arrangements for the intelligent client role are clearly stated.
- The Council's role in specific CBH appointments is set out within the management agreement.
- Liaison arrangements for Council and CBH senior managers are set out in the management agreement and reflect best practice.
- Consideration is given to the benefits and opportunities from CBH seeking Registered Provider status

What do the changes mean for customers?

Both organisations will have certainty for the period of the Management Agreement depending on continuing good performance. This will allow the development of further customer services.

The Management Agreement will be flexible enough to allow CBH to develop new services for the customer (as detailed in sections 7-9) with the resulting customer impacts.

A structure will be established which enables the Council to engage directly with tenants and leaseholders when it needs to. This will enable the Council to obtain customer insight and ascertain the impact of the continuing CBH arrangements.

7. Opportunity - Integrated frontline housing customer experience and housing options and advice service that is cross-tenure

Summary

This opportunity proposes that a new housing service is created to deliver a housing options and advice service that is cross-tenure.

The frontline customer contact would be aligned with Universal Customer Environment (UCE) principles. This will provide one initial point of contact for customers of both organisations, resulting in a simpler route for housing enquiries. There will be efficiencies in dealing with and responding to customer contacts. The range of services available will enable a high level of customer contacts to be resolved at the initial conversation. Business support will be redefined to align with the review of Professional Support Units under the UCC FSR.

There will be a new housing service to provide cross-tenure housing advice. CBH will develop a service to provide a mix of specialist and generic advisors to deal with tenancy issues from across the sector and provide homelessness services.

This arrangement will provide a joined-up housing service. In addition, the efficiencies and service developments realised from the Housing FSR will be maintained by keeping the housing options team located together. The benefits of the FSR will be available for all housing customers. The customer will benefit from a more resilient, flexible service from a mixed team of housing experts.

CBH may be able to offer additional services to help manage customer demand such as a lettings agency. There are opportunities for behaviour change and focused services which CBH as an established trading partner could deliver.

Building up the proposal

A workshop was held for staff teams involved in providing housing services.

The teams agreed that priorities for a housing service should include:

- Integrated Council and CBH customer services
- Increase resilience by building a team with a greater range of housing knowledge
- Train staff to ensure they are the right people with the right attitude
- Increase supply of housing to offer a range of housing solutions
- Make the best use of the private rented sector
- Develop the capacity for customer self-serve through the provision of information.

The proposed new housing service detailed below and in Opportunity 9: *Proactive empty homes and private rented sector programme* incorporates these priorities.

Proposal

The proposal is to transfer the Housing Options and Homelessness service from the Council to CBH. This would enable CBH to provide a holistic housing service including advice on all housing options, assess homelessness, provide temporary accommodation managed by CBH, along with the existing tenant management, repairs, property and management services provided by CBH in many cases.

The frontline customer contact would be aligned. The vision is to create a Universal Customer Environment which enables:

- our staff to deliver customer excellence as determined by our customers, not us.
- positive behaviour change amongst our residents to reduce demand on our resources and make a better place.
- a significant channel shift to empower our customer to self-serve when and where it is appropriate.
- efficient service delivery which helps anxious and frustrated customers and avoids waste.
- a high standard of complex case management for our most vulnerable customers in an appropriate face to face environment.
- a more efficient and effective customer journey to make life simple for our customers.
- a commercial philosophy to evolve that secures organisational resilience and service delivery.

All customer enquires will be managed in a universal way, in one environment where customers will have their enquiries resolved without the need to hand them on to other service areas of the council.

Customer Advisors will be skilled-up to respond to all key service enquiries across the Council. They will work as one team, across the Council and CBH, to provide a comprehensive service to all residents and customers of the borough responding to enquiries via all key channels of communication (face to face, telephony or online). Customers will receive the service they require at the first point of contact rather than be signposted from the Council to CBH and vice versa, so improving the customer experience and their satisfaction.

By bringing the two customer service teams together this will create some efficiencies in the medium term as Advisors become multi skilled and multi tasked. 10 advisors and two team leaders will move from CBH into the Universal Customer Environment. The timing of the integration of the two customer service teams will be aligned to when the Council's face-to-face services (currently in Angel Court) are planned to move into the town centre library in November 2013.

The business support function will be redefined to align with the review of Professional Support Units under the UCC FSR, the intention of which is to bring together the range of Professional Support functions across the Council to both realise efficiency savings and provide the associated resilience and sustainability that comes from a single team. The review of the Council's current Professional Support Units is underway, and it is proposed that the implementation plan matches the implementation timescales of the UCC FSR, with recruitment to the new structure being completed by October/November 2013.

The proposal is to transfer to CBH the specific support roles associated with the service functions that are also proposed to move across to CBH. CBH currently procure support from the existing Housing Professional Support Unit which is managed through a Service Level Agreement. This proposal would mean the transfer of between six and eight full-time equivalent staff to CBH.

Included within the proposal to move the Professional Support Unit support is the administration of Disabled Facilities Grant work and also the assessment of energy performance certificates.

This arrangement would provide a joined-up housing service. In addition, the efficiencies and service developments achieved by the Housing FSR will be maintained by keeping the housing options team located together. One manager and 14.5 full-time equivalents will move to CBH. The customer will benefit from a more resilient, flexible service from a team of housing experts.

Once the detailed arrangements have been confirmed, the cost of providing for tenants and leaseholder customer contact will be met from the Housing Revenue Account as is currently the case.

The UCC FSR identified potential savings which included efficiencies in the housing options function. This proposal recognises that the potential to realise these savings for the Council may be lost. At the same time, this is balanced by the potential efficiencies from moving customer service staff from CBH into the Universal Customer Environment.

The potential to deliver the savings identified in the UCC FSR business case will need to be reviewed when the detailed implementation plan for the new housing arrangements is available.

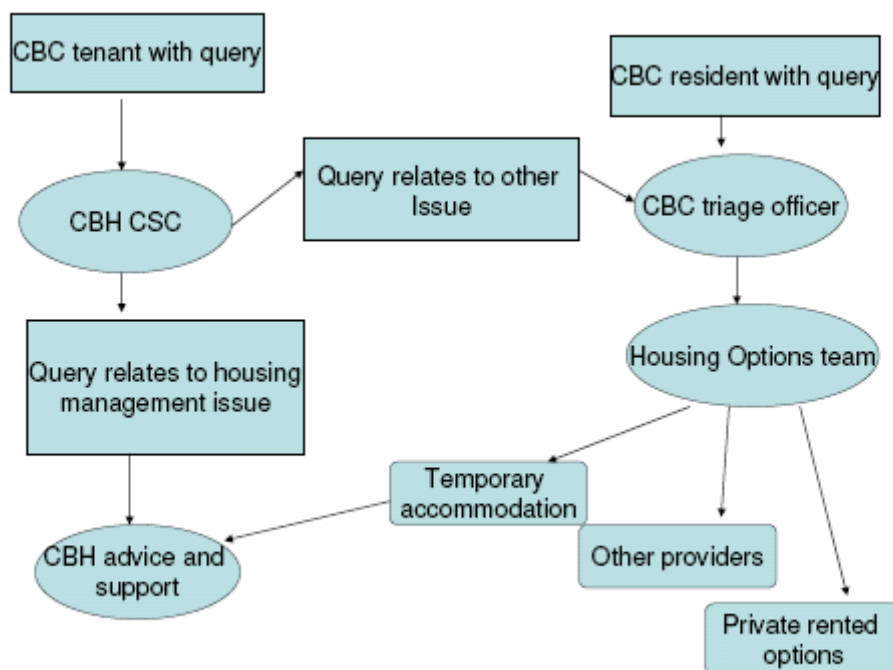
Customer Impact

Housing services will be gathered at one point of contact. This builds on the successes of the Housing FSR where real benefits were seen from bringing teams together. This service will provide advice to customers in all tenures including Council tenants, tenants of other social landlords and private landlords. One service will be able to provide a broad range of services and advice with fewer hand-offs between organisations and officers.

The Greenstead Community Housing Office will remain open to offer face-to-face housing services as a community hub. This local office is well used by local residents, and will provide an accessible focus for local services.

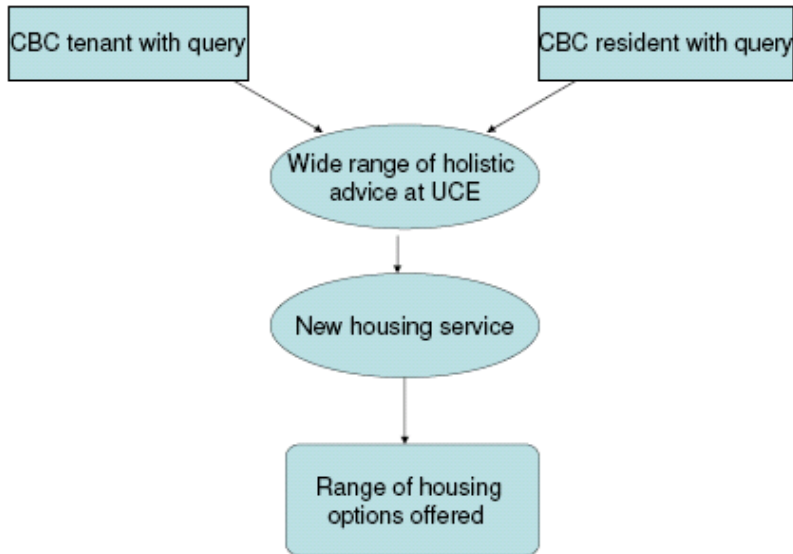
This approach will build on the success of the Housing FSR which brought together teams who give advice on housing issues. The new service will be a continuation of this streamlining. It provides a platform for the development of self-serve.

Diagram of current customer journeys



This diagram shows that to resolve the customers' queries, hand-offs between organisations may occur. There may be confusion amongst tenants about who to contact resulting in referrals between the two organisations.

Proposed customer journey



The provision of an integrated frontline housing customer experience will result in fewer referrals between organisations.

Managing future demand

As a wholly-owned trading company of the Council delivering landlord services, CBH is better able to deliver additional services and to explore commercial opportunities such as a private lettings agency. The UCC FSR has identified behaviour change as an important strand going forward to manage demand. A flexible commercial organisation may be able to offer more innovative solutions to change customer behaviour and demand.

The service's strategic aim will be to place people into the private rented sector as a preferred option, avoiding the homelessness route by active early intervention to prevent homelessness. These opportunities are explored further in section 9: *Proactive empty homes and private rented sector programme*

8. Opportunity- Streamlined housing repairs budget arrangements

Summary

This opportunity proposes that a new streamlined flexible management process for the responsive repairs budgets is implemented.

Responsive repairs are usually carried out in a responsive manner on a day to day basis and are generally of low value this also includes responding to emergency situations. Examples could include attending to leaks or broken doors. This arrangement also includes the works carried out to make properties ready for occupancy by new tenants at the end of an existing tenancy.

There will be more flexibility to manage the budget against service demand in a reactive manner. CBH will have more control and can be more entrepreneurial within the scope of the Management Agreement. If there is any variance in budget, an agreement between the Council and CBH will make provision for re-investment or re-imburement within CBH repair budgets. This provides an incentive to CBH to make efficiencies and savings.

There are no implementation costs or IT provision needed for this opportunity. It will provide benefits of a streamlined process for delivery of the repairs service, along with an increased opportunity for efficient delivery of the service for customers.

The risks regarding demand and expenditure will be managed directly by CBH, with overall responsibility for policy and budget being maintained by the Council.

Performance management will ensure that current high levels of customer satisfaction continue.

Proposal

The budget is made up of the items detailed below.

Table - current repairs and maintenance budget

	£000s
Day-to-day repairs	2,000
Voids	800
Servicing contracts	300
Fencing	150
Garages	100
Revenues contract management	98
Sub-total Responsive repairs	3,448
Management fee for Capital works	1,100
Total	4,548

This opportunity enables CBH, the Council's primary arms-length trading company, to be more flexible and innovative with the responsive repairs programme, which aligns with the commercial principles set out in the UCC FSR.

The fee base for managing the capital works elements of the investment programme is included above and contributes to the overall flexibility offered in the opportunity. For the 2013/14 programme this totals around £1.1 million. This represents the costs of "managing" the Capital works elements of the investment programme.

In a similar approach to that adopted with the revenue repair budgets, this will enable CBH to allocate staff resources more flexibly to reflect Council and tenant priorities in the programme. Performance management arrangements will ensure that current high levels of customer satisfaction continue.

Managing the risks involved in the opportunity

One of the benefits of the opportunity is to transfer some of the risk involved in running the responsive repairs service from the Council to CBH in return for increased flexibility. CBH will be allowed to build up a reserve to a previously agreed level to allow them to deal with surpluses or deficits.

The proposal is that CBH will be able to build up reserves from any efficiency in the revenues repairs budgets up to a level to be agreed by the Council and CBH. CBH will also be able to use existing reserves to address any deficits in the revenues repair program in any year up to a limit specified by the Council.

The initial suggestion is that any overall underspend up to £100k would be available to CBH to build this reserve and that the total reserve at any time should not be more than £200k. Any surpluses exceeding these limits would trigger a joint decision between the Council representative and CBH on how the surplus was to be handled.

Possible scenarios concerning this opportunity are detailed below:

1. *Savings are made by CBH*

If savings had been made against the budget as a result of reductions in the cost of service delivery, these savings up to the agreed limit will be available to CBH to hold as a surplus against future losses or pressures. This will be available in the first instance to balance the overall budget transferred.

2. *Costs of delivery of the repairs service go up.*

The revenue budgets being transferred can be influenced in year by demand for works or cost of service delivery. If the expenditure in-year exceeds the available budget because of demand in one of the budget streams, CBH would be expected to look across all of the budgets transferred to balance the overall position.

This could comprise:

- Capitalisation of qualifying expenditure.
- Use of balances or additional expenditure.
- Policy review / change.

If this was not possible as each budget was affected by demand-led pressures, CBH would need to use built-up reserves to cover the additional costs.

3. The Council decides a change in revenues repairs policy or program resulting in increased costs.

In these circumstances, any increased costs would be likely to be addressed by an increased budget position from the Council.

Contract procurement

There are currently a number of contracts held between the Council and third party contractors delivering some aspects of these services. These contracts are currently administered on behalf of the Council by CBH, and to maximise efficiency and avoid duplication in roles these contracts (excluding gas servicing) will in future be held directly between CBH and any Contractor(s). The Gas Servicing Contract is excluded, because as a landlord there are specific liabilities that fall to the Council as a landlord. These changes will occur at the ending of the current contractual arrangements to mitigate against any contractual risks arising from this process of migration.

The budget setting process for future years should be driven by, and aligned to, the HRA business plan.

What do the changes mean for customers?

There will be more flexibility to manage the budget against service demand in a reactive manner. CBH will have more control and can be more entrepreneurial within the scope of the Management Agreement. This will enable needs to be met more effectively to support the growing demands for the services and expectations of customers. The benefits for tenants and leaseholders realised from the CBH FSR will continue.

One of the outcomes from the CBH FSR was the implementation of “Optitime” repairs management system to manage customer appointments and reduce time taken for repairs. This implementation has resulted in the following:

- No increase in average cost of repairs despite increases in fuel and materials.
- Reduction in sub-contracted works.
- Without Optitime the disposal of the Depot site at Gosbecks Road to enable the delivery of a new supermarket and associated revenue stream to the Council could not have been considered.

Customer experience has improved, and the 2012/2013 performance figures for the repairs service show:

- 96% Customer Satisfaction.
- 99% Appointments made and kept.
- 83% Right first time.
- 98% Repairs completed within timescale.

Not only will this opportunity best equip CBH to improve on the current service delivery, it will enable it to respond in the most effective manner to the pressures of increasing expectation and demand.

CBH already engages with tenants in the delivery of these service areas and the outcome of the opportunity will be for tenants to be more directly involved in service development and delivery through:

- Directly influencing service direction.
- Directly influencing budget choices within the migrated budgets.
- Matching service standards to budgets.

Using the flexibility that this opportunity represents, CBH would be able to more specifically direct the functions delivered through the identified revenue streams to empower tenants and leaseholders, and to focus the services to more readily influence their local environment and the work of the wider area teams through, for example, estate-based area budgets.

CBH through its direct labour organisation would be free to offer training and support to provide the opportunity to empower tenants to carry out more work for themselves.

Subject to meeting the overall budget requirements and discharging the Council's obligations as the landlord, CBH would be able to work with tenants to reprioritise work carried under the identified budget streams to more readily achieve the stated tenant aspiration to carry out more repairs more quickly.

9. Opportunity - Proactive empty homes and private rented sector programme

Summary

This opportunity looks at the potential for CBH to offer services to the private housing sector, including to private landlords and owners of empty private homes.

This will reposition the Council and CBH in the private housing market as a provider of strategically and commercially focused services.

These opportunities represent a new area for both the Council and CBH, and are therefore presented in outline. Following the implementation of the other opportunities in the proposal, these opportunities will be developed for implementation.

There are high levels of housing need in the borough. 4,485 households were registered for housing (31 March 2013), with 708 affordable homes becoming available for letting during the year.

There is a need for additional housing solutions for households in housing need. In addition, there is the opportunity for the Council to discharge its homelessness duty by finding a household a private sector let. In 2012/13 the Council accepted a duty under the homelessness legislation to 251 households.

Work with the Private Sector and empty homes owners following the Council's Housing FSR

Benefits arising from the Council establishing a position in the private sector were identified as part of the Council's Housing FSR. These include the potential to raise standards and increase the range of housing options available for customers in housing need, and to identify private sector properties for use to prevent homelessness.

Since the FSR, the Council has completed work in the private sector to:

- Increase information to landlords on standards and the benefits of working with the Council through targeted information and landlords' forums.
- Carry out a pilot study looking at the most effective way to bring empty homes back into use
- Develop an empty homes action plan
- Develop a strategy to raise standards of Homes in Multiple Occupation.

There were some further opportunities to work with the private market identified as part of the Housing FSR including establishing a lettings agency, and opportunities to lease properties for use as temporary accommodation.

These opportunities proved difficult for the Council itself to deliver because of a lack of experience in this area. CBH, as an organisation providing landlord services, has the experience to develop these opportunities. These opportunities in addition to others are considered below.

Working with owners of empty homes

As part of the implementation programme, we will explore the potential for CBH to offer a service to owners of empty homes to include tracking down owners and offering advice to encourage owners to bring homes back into use. The possibility for CBH to administer the loans which the Council targets at owners of empty homes will be evaluated.

The Council is currently considering whether to use the powers under Empty Dwelling Management Orders (EDMOs). An EDMO is in effect a 'compulsory leasing order', and allows the Council to take over the management of an empty home and rent it to a tenant of the Council's choosing. To apply for an EDMO, the Council would need to show that a managing agent is in place. CBH, as an organisation delivering landlord services, is ideally placed to offer this service.

Recently there have been opportunities to bid for grants to bring empty homes back into use. CBH would provide a mechanism to bid for this additional funding.

Working with private sector landlords

As part of implementation, we will be exploring services to landlords in the private sector which CBH could offer. These opportunities also represent an opportunity to generate income and offer a commercially-focused service.

Developing a lettings agency would represent a natural extension of CBH's current business as an organisation providing landlord services. In addition, CBH has some commercially aware board members who have direct experience of these areas. The lettings agency would aim to raise the standards of private sector management generally. Services could include:

- Training for landlords to ensure they are aware of their responsibilities.
- Provision of an advisory service through the housing options team to ensure landlords follow correct legal process.
- Provision of pre-tenancy training to tenants to ensure they are aware of their responsibilities.
- Communications to landlords including activities such as landlord forums.

The lettings agency could be able to secure supply for use as temporary accommodation for homeless households or to prevent homelessness.

The anti-social behaviour service is now provided by CBH and so knowledge of landlords, tenants and any hotspots can be aligned.

Implementation

These opportunities are directly relevant to the commercial opportunities which are now being developed as the UCC FSR implementation gets underway. A full feasibility study has not been undertaken at this stage.

It is proposed that as part of the development of the commercial arm of the Council, these opportunities can be fully scoped. The scoping will include:

- Opportunities to develop sources of income through CBH delivering a surplus on trading opportunities identified such as services to landlords including a lettings agency.
- Opportunities to bring empty properties back into use including through accessing Government grant.
- An assessment of services which could be provided by each organisation.

Surpluses earned by CBH from trading opportunities could be used for reinvestment in other Council housing priorities. For example, in Southend the ALMO will use surpluses generated from repairs services trading to set-up a lettings agency.

The timescale for the development of the proposal will depend on the UCC FSR implementation; we will start developing the business plan and proposals for implementation in January 2014.

10. Financial Implications

This proposal document fulfils four main purposes:

1. To put in place new arrangements for the Council's housing functions which are fit for purpose to deliver the Council's future housing objectives.
2. To put in place more resilient and responsive governance between the Council and CBH which supports the delivery of the opportunities set out in the Council's UCC FSR.
3. To contribute to the vision in the UCC FSR of a sustainable commercial services arm, by enabling CBH to increase its range of housing services as a wholly-owned trading company of the Council
4. To contribute to the vision in the UCC FSR by supporting the delivery of the Universal Customer Environment.

The specific areas where this proposal supports the UCC FSR are:

- Delivery of the Universal Customer Environment
- Building a sustainable commercial services arm.

There are opportunities identified in this document where efficiency savings are anticipated following implementation, but this was not the primary purpose of this review process.

In addition, this proposal offers the potential for CBH to fulfil the expectation of a trading company to trade and sell services to other clients, resulting in an income to the General Fund. It is important to ensure that pressures are not increased on the general fund through the recharging structures. This is considered in more detail below.

These opportunities must be considered in light of savings already achieved through the Fundamental Service Reviews of both Housing and CBH.

Table - savings from CBC and CBH Fundamental Service Reviews

Year	2010/11	2011/12	2012/13	2013/14	2014/15
	Savings £000s (recurring)				
CBC	150	450	450	450	450
CBH	-	300	410	520	520
New Housing Arrangements proposal	-	-	-	-	60
Total	150	750	860	970	1030

As demonstrated above, both the Council and CBH have delivered significant efficiency savings in the Council's housing functions in recent years. Therefore there are fewer opportunities for cashable savings, but there are opportunities to streamline processes and improve services for customers.

Further information on current financial arrangements can be found in *Appendix C: Current financial arrangements*

Opportunity – Housing options and advice service integrated with the Housing Management service

There will be predicted general fund savings to be identified as part of the implementation plan, as efficiencies in the use of private sector accommodation are realised to prevent bed and breakfast placements and enable more effective use of temporary accommodation.

Prevention of homelessness has been identified as a pilot under the behaviour change theme of the UCC FSR. CBH will be able to work with the behaviour change methodologies to realise efficiencies. These efficiencies will be modelled as part of the implementation plan.

These efficiencies must be balanced against possible costs of the change, such as Transfer of Undertakings (Protection of Employment) (known as TUPE) costs which arise when staff are transferred between organisations. These costs involve individual consultations with those staff transferring, along with a need for HR expertise from both organisations. A review of accommodation will be completed as part of the development of the implementation programme.

Opportunity - Streamlined housing repairs budget arrangements

This opportunity has zero cost with no costs for implementation nor any IT costs. It represents a flexibility achieved by looking at a new way of working and changed processes. This will result in the potential for the delivery of additional services within the same budget.

It will provide benefits of a streamlined process for delivery of the repairs service along with an increased opportunity for efficient delivery of the service for customers.

The risks regarding demand and expenditure will be managed directly by CBH with overall responsibility for policy and budget being maintained by CBC.

Opportunity - Proactive empty homes and private rented sector programme

These opportunities represent the chance for income generation for CBH and the Council by selling services to private landlords and for efficiency savings through greater supply of housing in the private rented sector. These opportunities need to be thoroughly tested, with scoping to include possible costs and savings.

11. Risks

There are three strategic risks identified at this stage, although the Project Team will continue to identify risks throughout implementation. An initial risk register has been developed.

A specific risk register will be developed for implementation, with both organisations existing strategic and operational risk registers being incorporated.

A review of the governance arrangements between the Council and CBH is currently underway.

The Council retains ultimate financial control and risk in all opportunity scenarios. Council direction is ensured through different channels, for example by an agreed Delivery Plan, shareholder control, the right to amend services, and policy and strategic direction is set by the Council.

The strategic risks are:

1. Implementation

The degree of change within the organisation is such that services may find it difficult to find the capacity to support implementation. There will be an impact upon services such as HR teams in both the Council and CBH.

In addition, specific resources will need to be focused on ensuring service delivery during a period of change.

These additional needs are being considered as part of the implementation planning process.

2. Financial

The costs and savings are based upon a series of assumptions. Changes are therefore anticipated as the implementation work gets underway.

Any commercial proposals which may be able to realise an income will be the subject of an individual proposal and risk assessment.

3. Alignment with the UCC FSR

It has been recognised all through the project that timescales between the New Housing Arrangements Project and the implementation of the UCC FSR will need to be aligned. Objectives and outcomes need to be congruent to ensure that opportunities are deliverable.

To mitigate these risks, there has been representation on the New Housing Arrangements Project Board from the UCC FSR implementation team. In addition, the UCC FSR Lead has taken a Sponsor role on the New Housing Arrangements Project.

12. Communication and engagement

Communication and engagement has been central in developing the opportunities in the proposal. A communications plan was developed at the beginning, overseen by the Project Team.

There has been a programme of communication with:

- Staff through briefings, involvement on the Project Team and task and finish groups looking at the opportunities.
- Tenants through the initial involvement of the Sounding Board, and articles in the tenants' magazine. In addition, their views were sought through a survey.
- Councillors have been kept updated by a monthly e-mail update. In addition, CBH have sent out the same information in their monthly bulletin to Councillors.
- CBH Board members have been updated monthly, along with focused Board meetings on the proposals.

Communication and engagement will continue throughout implementation.

13. Implementation

Implementation of the opportunities will need co-ordination and engagement from both organisations. It is proposed to continue the current Project Team to oversee implementation. The current team has joint leads from the Council and CBH to ensure a synergy between the organisations, and the team will continue to be supported by Project Sponsors.

The Project Team will also consider the further opportunities represented by the development of a proposal around services to private sector landlords and owners of empty homes.

This proposal will be supported by a new management agreement between the Council and CBH. This is currently being developed for agreement in August 2013 when the current agreement expires.

Proposed timetable for implementation:

Opportunity	Start of implementation	Milestone for delivery
New management agreement	Currently being developed	Completion by August 2013
Integrated frontline customer experience	Upon resolution of Universal Customer Environment, currently June 2013 to start project	November 2013 for completion of Universal Customer Environment project
Housing advice and support service integrated with the Housing Management service	Upon agreement of implementation plan	October 2013
Streamlined housing repairs budget arrangements	New management agreement and Memorandum and Articles for CBH	Transfer of budget responsibilities by October 2013
Pro-active empty homes and private rented sector programme	Start of project definition work in early 2014 to take advantage of commercial expertise through the UCC FSR	Autumn 2014

14. Next steps

If the proposal is approved by the Cabinet, the next stages are to:

- agree a full implementation plan.
- complete a review of the budgets and finances involved including the HRA and General Fund.
- review service level agreements existing between the Council and CBH.
- review available accommodation and future needs to facilitate the opportunities.
- review staff terms and conditions offered by both organisations to ensure that benefits are matched where possible.
- review current CBH governance arrangements including composition of the Board.
- continue to develop and agree a new management agreement which will support both organisations to deliver the opportunities.
- facilitate tenant consultation and scrutiny on the proposed management agreement.

The implementation will be co-ordinated by the New Housing Arrangements Project Team, with continuing direction from the current project sponsors.

15. Appendices

- A: The Local Housing Review
- B: Current Arms Length Management Organisation (ALMO) arrangements
- C: Current financial arrangements
- D. Current performance of CBH

Appendix A - Background to the Local Housing Review

The Council decided to take the opportunity of the expiry of the Colchester Borough Homes management agreement in 2013 to review its housing management arrangements to ensure they were fit for purpose for the next phase of change in local government and to ensure these arrangements aligned with the Council's housing objectives and aspirations. A Project Board was established to oversee the review, receive the work of the Project Team and make recommendations to Cabinet on the outcomes of the review.

The Project Board members were the Portfolio Holder for Housing and Community Safety, Chair of CBH, Chief Executives of CBH and the Council, members of CBH board including 2 tenant representatives and a member from all political groups at the Council. The project sponsor for this group was Ian Vipond, Executive Director. The Project Board were supported by a Project Team consisting of Council and CBH officers. Their role was to provide the Project Board with detailed information to enable an informed recommendation to be made.

The Project Board were keen to involve tenants, so in March 2012 a Tenant Sounding Board was engaged. This group were introduced to the historical and current political context for housing and familiarised with the self-financing reforms and the impact these would have nationally and locally, but in particular what opportunities this offered for the Council. They were advised that their role was not that of decision makers but to influence and inform.

An independent Tenant Adviser was procured to ensure that the information given to the group was an objective overview of the current themes.

Developing the success criteria for the review

Success criteria were developed for the review in order to identify success criteria to judge possible models of delivery against. The following success criteria represented the priority deliverables of the review and were used as a measure against possible delivery models to see how or if they could meet each criterion.

Table 1 – Local Housing Review success Criteria

Critical Success Criteria	
Category	Success Criteria
	Attain a high quality and sustainable housing stock
	Develop / Increase the affordable housing base
Customer	Provide more effective housing solutions, for example homelessness, housing options, private sector
Customer	Be committed to and deliver good quality customer service
Customer	Meet housing needs of customers
Customer	Empower communities, build community capacity and provide incentives for self sufficiency and independence
Customer	Build engaged, mixed communities

Critical Success Criteria	
Service	Be efficient, offer value for money and make best use of resources
Service	Gain the involvement of tenants in delivery
	Work with partners to increase housing supply
	Use financial freedoms to develop and deliver a sustainable financial business plan which has no detrimental effect on the council's overall finances
	Access external resources, funds and grants
	Minimise financial risk/exposure and maintain Council's access to low-cost borrowing

The Tenant Sounding Board was asked to comment and evaluate the Success Criteria. The Sounding Board concluded that attaining a high quality and sustainable housing stock was a natural progression that flowed from achieving the objectives of the other criteria.

An e-survey was sent to tenants who subscribe to the Council via e-mail. Their feedback broadly concurred with the thoughts of the Sounding Board.

Initial identification of options

In February 2012 the Project Board considered an initial list of seven options for housing delivery. These were:

- ALMO
- Local Authority management
- Outsourcing
- Conventional stock transfer to a housing association
- Stock transfer to a community and council owned organisation
- Community-based local company
- Tenant management organisation.

The Project Board agreed that the following three options had the potential to meet the success criteria:

4. **Arms length management organisation.** This would mean keeping Colchester Borough Homes or a similar organisation, although it may operate differently. For example, it might deliver more services or deliver them in different ways.
5. **Local Authority management** This would mean the Council would manage the tenants and stock directly.
6. **Outsourcing** This would mean that outside organisations would apply through a tender process to manage the Council's housing and the Council would choose the best organisation to deliver the services under a contractual arrangement. The services could be supplied by one or more provider. Potential providers may include private companies and housing associations. This would not involve transferring the stock.

At the March 2012 Cabinet meeting, the Cabinet agreed these initial delivery models for further consideration by the Project Board.

Providing challenge to the models - the peer review

A Peer Challenge was carried out lead by the Local Government Association in July 2012. The Peer Challenge team held discussion sessions with a range of people from the Council, CBH, external organisations and members of the Tenant and Leaseholder Sounding Board.

The Peer Challenge advice led to the following recommendations to the Project Board in August 2012 that:

- having considered the options work, the Council should not proceed further with the option to outsource the majority of the HRA services.
- the Council should progress the option to continue with its ALMO, and that it should now focus its resources on assessing the functions and responsibilities of its ALMO which are appropriate going forward in the context of current and future housing challenges. Such an assessment to integrate the approach of the Council's UCC FSR.
- the option for an in-house service for the majority of the HRA services should only be considered further if the Cabinet does not accept that a remodelled ALMO (which could include new services or exclude services it currently delivers depending on the assessment work) cannot deliver on the Council's housing objectives within the financial envelope determined by the Council.
- the Board recognises that a positive relationship between the Council and CBH is critical to the successful delivery of HRA services, and that will require consideration of the leadership and governance of HRA functions in any assessment going forward.

All of the recommendations were agreed by the Project Board. The conclusion of the review provided the mandate for the New Housing Arrangements Project to be set up to deliver a new management agreement and to look at assessing the opportunities for the ALMO.

Appendix B - The current Arms Length Management (ALMO) arrangements

The Council currently owns 7,117 properties (6,161 social rented, and 956 leasehold). The Council is the landlord of the properties, and tenants which are managed via a Management Agreement with its ALMO, Colchester Borough Homes.

The ALMO was primarily established in 2003 to take advantage of the Government's Decent Homes funding programme. Some £35.1 million was secured through this route and was used to achieve 'decency' across the housing stock by December 2011.

The Management Agreement was established in August 2003 and extended for a period of 5 years in 2008. A deed of variation was applied from October 2008 which bought the managing of contracts for property services back in-house. The Management Agreement between the Council and CBH expires in August 2013 and there is a need to establish arrangements for the management of the Council's homes and tenants beyond this date.

Current Governance arrangements of CBH

CBH is governed by a Board responsible for the direction and control of the organisation.

Core functions of the Board include:

- a. Ensuring that the organisation:
 - operates within the law
 - operates according to its rules and procedures
 - meets the standards laid down by the Housing Inspectorate and other regulatory bodies.
- b. Establishing business and financial objectives.
- c. Protecting the assets of the organisation.
- d. Recognising its duty to tenants, staff, applicants and other service-users.
- e. Developing, operating and regularly reviewing policies designed to achieve these objectives.
- f. Approving each year's budget, exercising financial management and managing responsibility both financial and non-financial risks.
- g. Overseeing and exercising control over the organisation's work and services.
- h. Delegating authority to and monitoring the work of sub-committees and staff.
- i. Being responsible for employing staff to carry out the work of the organisation and setting their terms and conditions.

In accordance with the Articles of Association, the Chair is appointed by the Board for a term of one year at the meeting immediately following the AGM. The Council has the power to appoint six people as Council Board Members.

The Council has always chosen to appoint borough councillors, but this is not required by the Articles of Association. As Company Directors, the role of Council Board Members is to:

- act within powers in accordance with the company's constitution and to use those powers only for the purposes for which they were conferred
- promote the success of the company for the benefit of its members
- exercise independent judgement
- exercise reasonable care, skill and diligence
- avoid conflicts of interest
- not accept benefits from third parties
- declare an interest in a proposed transaction or arrangement.

Currently the CBH Board has 14 members made up of three independents, six tenants and leaseholders, and six nominees from the Council.

Other committees

There are three sub-committees reporting to the Board. These are: Finance and Audit, Human Resources, and Performance Review. Each sub-committee consists of five Board members.

Additionally a Tenant and Leaseholder Consultative Committee review and commission reports.

The Performance Review sub-committee receives reports of activities from a range of service-specific focus groups.

Appendix C - Current Financial Arrangements

The budgets for the housing functions are split across the Council's General Fund and Housing Revenue Account (HRA), and form part of its Commercial, Communities and Professional service areas.

Background to the General Fund

The housing functions accounted for within the General Fund are those that do not relate to the day-to-day landlord activities of a housing authority. Included are those housing functions that a Council would undertake even if it no longer owned its Council stock. Examples of these functions are Homeless administration, a Housing advisory service, Private Sector housing, Strategic Policy, Street Lighting and Dog Wardens. These functions are funded in the same way as all other non-housing services provided by the Council, such as Council Tax, Fees and Charges and Government Grant.

The Housing Revenue Account (HRA)

Councils which own their housing stock must keep an HRA under statutory legislation, with schedule 4 of the Local Government and Housing Act 1989 specifying the debit and credit items to be recorded. These statutory provisions reflect the Government's policy that the HRA is not a separate fund, but a ring-fenced account of certain defined transactions within the Council's General Fund. It should primarily be a landlord account, containing the income and expenditure arising from a housing authority's landlord functions.

The HRA is primarily funded from the rental and service charge income from Council tenants. The statutory ring-fence ensures that tenants' rents are only used to pay for services provided as a landlord function, and not to subsidise those services provided to the community as a whole from Council Tax.

Functions/activities that are included within a Council's HRA are:

- Policy and Management: A share of strategic management costs; Setting of rent levels, service charges, and other charges; Administration of the Right to Buy; Tenant consultation; Option appraisals; ALMO Liaison.
- General Tenancy Management: Rent Collection and Arrears Recovery; Service Charge Collection and Recovery; Void and re-let management; Lettings and allocations of HRA properties only (work on non HRA properties should be charged to the General Fund); Management of Repairs; Anti-social Behaviour; General advice on tenancy matters; Tenancy support; Sheltered housing management; Community and resident involvement.
- Repair and Maintenance: Responsive Maintenance; Planned and Cyclical Maintenance; Rechargeable repairs.
- General Estate Management: Communal Cleaning, Heating and Lighting; Grounds Maintenance; Community Centres and Play Areas; Neighbourhood Wardens and CCTV.

Background to HRA Reform

Up until April 2012, Council Housing finance was supported through the HRA Subsidy system. This was a redistributive system based on a notional HRA for each authority and had been in operation for more than 20 years.

Under the subsidy system, income from tenants' rents and Right To Buy sales was collected centrally, and in return Councils were paid allowances for management, maintenance and major repairs. In principle, this redistributed funds to Councils that would have been unable to meet costs through rental income such as interest payments on their debt. However, over time these allowances had not kept pace with increases in rental income, which had led to a steady withdrawal of resources from the national housing system. It was acknowledged that the national HRA subsidy system was in surplus and so this situation represented a redirection of resources from local authorities into central Government.

The Government issued proposals to abolish the Housing Revenue Account (HRA) subsidy system, and replace it with a new system of HRA self-financing. In return for reallocating housing debt, Councils would be able to retain all future rental income from their housing stock to deliver the capital investment needs of their stock and continue to deliver quality services to tenants. With the abolition of the subsidy system, it would lead to more resources being held at a local level, and give Councils more certainty with which to plan for the future.

Legislation (through the Localism Act) has introduced HRA Reform. In preparation for these reforms, a 30-year asset management strategy and HRA business plan has been developed.

Outcomes from HRA Reform

The introduction of HRA Reform has provided the biggest opportunity for Council Housing finance in decades. The benefits and opportunities arising from the proposals can be summarised as follows;

- The retention of all future rental income locally
- A substantial increase in capital investment to the Council's housing stock and services, enabling the Decent Homes standard to be maintained in the long-term
- Significant additional resources/ borrowing headroom for the provision of new affordable housing
- More certainty and stability in long-term planning
- Enhanced local decision-making
- Greater local accountability
- Although significantly increasing the Council's debt position initially, the ability to repay all HRA debt within the life of the business plan
- Secures the long-term financial viability of the Council's HRA, alongside enhancing the quality of homes and services provided to its tenants.

The position of the Housing Revenue Account at Colchester

The Council has developed a 30-year business plan model which demonstrates that the Council's HRA is viable in the long-term, and has the ability to repay all debt over the life of the plan. This is a very sound base to build on, especially given that Colchester has no backlog of decent homes work, has stock in reasonable condition, and has borrowing headroom to enable further investment to be undertaken if desired.

The current 30-year HRA Business Plan shows;

- There is no decent homes backlog at any point in the plan
- The Council has the ability to meet all the stock investment needs within the Asset Management Strategy as they arise
- A fully funded 30-year Asset Management Strategy
- Significant borrowing headroom (around £16million at April 2012) for further investment/new build etc
- The ability to repay all HRA debt within 30 years
- The HRA is sustainable long-term and the Business Plan is viable.

As at 31 March 2012, the Council had uncommitted HRA balances of £3million, and there is currently borrowing headroom available in every year of the 30-year HRA.

Governance of the HRA

Every January, Cabinet agrees for the forthcoming financial year.

- the HRA Revenue budget
- Housing Investment Programme (HIP)
- the management fee paid to CBH

These set out the proposed rent increase, other income budgets and proposed expenditure budgets. The Housing Investment Programme report sets out the proposed capital investment programme for the forthcoming year, and also provides information on the investment requirements for the medium term which is derived from the Council's asset management systems.

Cabinet also receive an updated 30-year HRA model, which indicates the ability to service the Council's borrowing which has increased under HRA Reform, the ability to meet the investment needs of the housing stock to maintain the decency standard and also to show the potential for investment in other areas.

The Cabinet agrees the management fee paid to CBH from the Council's HRA. This pays for CBH's operational costs including employees, accommodation, services bought-in from the Council via Service Level Agreements (such as Legal, HR, Payroll, Accountancy), and delivers the services the Council has contracted CBH to deliver on its behalf under the management agreement.

Any surplus/deficit that arises each year from the management fee is retained by CBH, and will either increase or decrease their level of reserves.

In addition, CBH directly manage a number of HRA budgets on behalf of the Council. These are referred to as “delegated budgets”, and do not form part of the annual management fee. These include services such as grounds maintenance, contract cleaning, sheltered housing running costs etc. These services are intrinsically linked to the landlord functions which CBH provide on behalf of the Council, and so CBH is best placed to manage them. Any surplus/deficit that arises each year from delegated budgets is retained by the Council, and will either increase or decrease the HRA balance.

Finally, there are a range of retained budgets that are accounted for within the Council’s HRA, such as ICT, insurance for the housing stock, a share of the Council’s corporate costs, such as Corporate and Democratic core costs, strategic management costs, corporate management and support service costs etc, and capital financing costs associated with HRA debt.

Service Level Agreements

Service Level Agreements demonstrate the possible inter-relationship between the HRA and General Fund. The Council provides funding to CBH via the management fee (HRA), whereby CBH then pay the Council (General Fund) for the services it buys-in. Therefore, the HRA pays for services provided by the rest of the Council and therefore the HRA includes a cost for those services that support HRA functions.

The Council also pays CBH for additional functions that have been taken on, which are outside the Management Agreement through an Service Level Agreement.

Service Level Arrangements are currently arranged with relevant departments. Each Service will negotiate terms, monitor the arrangements and renegotiate on their expiry. These Service Level Arrangements are renewed yearly.

Recharging

When the Council moves services out of the organisation, ‘stranded’ costs can be left behind. A way to mitigate these needs to be found by, for example, Service Level Agreements, where CBH could buy-in support services from the Council to replace the recharge to the HRA. In addition, management structures in the Council are currently being reviewed as part of UCC FSR implementation.

Therefore, it is not possible at this stage of the review to quantify the financial impact on recharges arising from the proposals, but the aim will be to ensure there is no detrimental effect to the Council’s General Fund finances.

Welfare Reform Act 2012

The Welfare Reform Act has wide ranging impacts, many affecting tenants, particularly those in receipt of benefit payments.

The changes that begin to come into effect from April 2013 include a total household benefit cap of £500 per week, under-occupancy reductions for social housing tenants of working age of their housing credit and an intention to see housing benefit rolled up in the universal credit which will be paid directly to tenants as opposed to landlords.

These changes are predicted to have a significant impact on income collection and arrears management.

Appendix D - Current Performance of Colchester Borough Homes

CBH Annual Delivery Plan

The Annual Delivery Plan is developed by CBH and identifies the priorities of the organisation for the coming year linking in with the Council's Strategic Plan and Housing Strategy.

The CBH Annual Delivery Plan contains a set of performance indicators that reflect tenant involvement and empowerment, home, tenancy, neighbourhood and community and value for money.

Performance monitoring- Property services

The Operational Site Meeting (OSM) occurs monthly and looks at the performance of property services against the set key performance indicators.

The group is chaired by the Council's Service Manager and attended by CBC and CBH officers. In addition there are sub-group reports on voids, responsive and gas servicing, health and safety and structural issues and separate core group meetings held for the major contracts with external contractors.

Performance monitoring - Housing Management

CBH provide performance monitoring information for the Council's performance monitoring process. This information is reviewed quarterly.

Current performance against key indicators can be seen below. This shows CBH performance compared to other ALMOs in the benchmarking organisation, Housemark.

Club	NEW HOUSEMARK NATIONAL CLUB			
Filter	All organisations in club			
	2012/13 CBH Result	2012/13 Upper Quartile Performance	CBH Quartile Position 2011-12	CBH Quartile Position 2012-13
HMPI 30 - Average time taken to answer inbound telephone calls (in seconds) ¹	29	10	3rd	3 rd
HMPI 60c - Percentage of tenants on whom the landlord has diversity information – ethnicity- new indicator	96.9%	97%	2nd	1 st
HMPI 90 - Average end-to-end time for all reactive repairs	6.93	6.01	3 rd	2 nd
BV185 - Appointments kept as a percentage of appointments made	98.85%	99.38%	3rd	2 nd

HMPI 102 - Percentage of residents satisfied with the most recent repair (when surveyed in accordance with the organisation's own survey format)	96.22%	97%	1 st	2 nd
G15C0 - Percentage of dwellings with a valid gas safety certificate	100%	100%	4th	1 st
NI 158 - Percentage of homes that are non-decent at the end of the period	0%	0%	1 st	1 st
HMPI 210 - Rent collected as a percentage of rent owed ² (excluding arrears b/f)	100.05%	100.25%	2 nd	2 nd
HMPI 330 - Former tenant arrears as a percentage of the annual rent debit ³	1.43%	0.52%	2 nd	3 rd
HMPI 190 - Percentage of closed ASB cases that were resolved – New indicator	93.29%	97.31%	4th	2 nd
GNPI 36 - Average re-let time in days (standard re-lets only) – General Needs only	17.8	17.1	2 nd	2 nd
Responsive repairs ⁴ Void Works per property	Not available	Not available	2 nd	Not available
Housing management cost per property ⁵	Not available	Not available	1 st	Not available
Overheads ⁶	Not available	Not available	1 st	Not available

Notes:

- *The number of organisations included in the separate benchmarks varies and also the number of organisations providing data for each indicator varies.*
- *The benchmarked position is at a point in time only and will change when organisations enter data which could affect CBH's Quartile position, this could be positive or negative.*

¹ Average time taken to answer calls. Although performance has remained third quartile, there has been improvement from 48 seconds in Q1 to 29 seconds at year end.

² Total amount of monies collected as a percentage of the total amount of rent charged during the year. This total of monies includes sums collected towards arrears. Total does not include brought forward arrears.

³ Delivered by CBC under a service level agreement on CBH's behalf.

⁴ Benchmarking information is not available yet for 2012/13. For 2011-12 cost per property was £590.61. Upper quartile performance was £556.56

⁵ Benchmarking information is not available yet for 2012/13. For 2011-12 cost per property was £253.57 exceeding Upper quartile performance which was £267.47.

⁶ Benchmarking information is not available yet for 2012/13. For 2011-12 this totalled 17% revenue costs exceeding Upper quartile performance of 22.16%.

