

Cabinet

**Grand Jury Room, Town Hall
10 July 2013 at 6.00pm**

The Cabinet deals with the implementation of all council services, putting into effect the policies agreed by the council and making recommendations to the council on policy issues and the budget.

Information for Members of the Public

Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda, which is usually published 5 working days before the meeting, and minutes once they are published. Dates of the meetings are available at www.colchester.gov.uk or from Democratic Services. Occasionally meetings will need to discuss issues in private. This can only happen on a limited range of issues, which are set by law. When a committee does so, you will be asked to leave the meeting.

Have Your Say!

The Council values contributions from members of the public. Under the Council's Have Your Say! policy you can ask questions or express a view to most public meetings. If you wish to speak at a meeting or wish to find out more, please refer to Attending Meetings and "Have Your Say" at www.colchester.gov.uk

Audio Recording, Mobile phones and other devices

The Council audio records all its public meetings and makes the recordings available on the Council's website. Audio recording of meetings by members of the public is also permitted. The discreet use of phones, tablets, laptops and other such devices is permitted at all meetings of the Council, with the exception of all meetings of the Planning Committee, Licensing Committee, Licensing Sub-Committee and Governance Committee. It is not permitted to use voice or camera flash functionality and devices must be kept on silent mode. Councillors are permitted to use devices to receive messages and to access papers and information via the internet and viewing or participation in social media is at the discretion of the Chairman / Mayor presiding at the meeting who may choose to require all devices to be switched off at any time.

Access

There is wheelchair access to the Town Hall from St Runwald Street. There is an induction loop in all the meeting rooms. If you need help with reading or understanding this document please take it to Angel Court Council offices, High Street, Colchester or telephone (01206) 282222 or textphone 18001 followed by the full number that you wish to call and we will try to provide a reading service, translation or other formats you may need.

Facilities

Toilets with lift access, if required, are located on each floor of the Town Hall. A vending machine selling hot and cold drinks is located on the ground floor.

Evacuation Procedures

Evacuate the building using the nearest available exit. Make your way to the assembly area in the car park in St Runwald Street behind the Town Hall. Do not re-enter the building until the Town Hall staff advise you that it is safe to do so.

Colchester Borough Council, Angel Court, High Street, Colchester
telephone (01206) 282222 or textphone 18001 followed by the full number you wish
to call

e-mail: democratic.services@colchester.gov.uk

www.colchester.gov.uk

COLCHESTER BOROUGH COUNCIL CABINET

10 July 2013 at 6:00pm

Leader (& Chairman): Councillor Anne Turrell (Liberal Democrats)
Deputy Chairman: Councillor Martin Hunt (Liberal Democrats)
Councillor Nick Barlow (Liberal Democrats)
Councillor Tina Bourne (Labour)
Councillor Annie Feltham (Liberal Democrats)
Councillor Beverley Oxford (The Highwoods Group)
Councillor Paul Smith (Liberal Democrats)
Councillor Tim Young (Labour)

AGENDA - Part A

(open to the public including the media)

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 off or to silent;
- location of toilets;
- introduction of members of the meeting.

2. 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.

3. 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.

4. Have Your Say!

(a) The Chairman to invite members of the public to indicate if they wish to speak or present a petition at this meeting – either on an item on the agenda or on a general matter not on this agenda. You should indicate your wish to speak at this point if your name has not been noted by Council staff.

(b) The Chairman to invite contributions from members of the public who wish to Have Your Say! on a general matter not on this agenda.

5. Minutes

1 - 12

To confirm as a correct record the minutes of the meeting held on 22 and 29 May 2013.

6. Call-in Procedure

To consider any items referred by the Strategic Overview and Scrutiny Panel under the Call-In Procedure. At the time of the publication of this Agenda there were none.

7. Strategy/Business and Resources

- i. 2014-2015 Budget Strategy, Medium Term Financial Forecast and Budget Timetable** **13 - 39**

See report by the Assistant Chief Executive and supplementary report on the implications of the Spending Review for Colchester Borough Council.

8. Housing

- i. New Housing Arrangements Proposal** **40 - 99**

See report by the Head of Commercial Services and the draft minute of the Scrutiny Panel on 2 July 2013.

9. Business and Resources

- i. Year End Performance Report including Strategic Plan Action Plan and Proposed Targets and Actions 2013/14** **100 - 141**

See report by the Head of Community Services.

- ii. Social Value Act** **142 - 144**

See report by the Assistant Chief Executive

- iii. Local Authority Mortgage Scheme** **145 - 151**

See report by the Assistant Chief Executive

10. Business and Resources/Regeneration

- i. Delivery of Jobs and Investment at Northern Gateway on Land for Inchcape (VW Dealership)** **152 - 155**

See report by the Head of Commercial Services

11. Business and Resources/Customers

- i. Request for delegated authority to approve the award of contract – ICT systems supporting the Fundamental Service Review of Customer Contact** **156 - 158**

See report by the Chief Operating Officer

12. General

i. Progress of Responses to the Public

159 - 160

To note the contents of the Progress Sheet

13. 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) (Meetings and Access to Information) (England) Regulations 2012 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example 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).

**COLCHESTER BOROUGH COUNCIL
CABINET**

10 July 2013 at 6:00pm

AGENDA - Part B

(not open to the public or the media)

Pages

14. Business and Resources/Regeneration

i. Northern Gateway - Approval of Heads of Terms (Inchcape)

The following report contains exempt information (financial/business affairs of a particular person, including the authority holding information) as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

See report by the Head of Commercial Services

CABINET
22 MAY 2013

Present :- Councillor Anne Turrell (the Leader of the Council)
(Chairman)
Councillors Nick Barlow, Tina Bourne, Annie Feltham,
Martin Hunt (Deputy Leader) , Beverley Oxford,
Paul Smith and Tim Young

1. Appointment of Deputy Chairman

RESOLVED that Councillor Martin Hunt be appointed Deputy Chairman for the ensuing municipal year.

CABINET

29 MAY 2013

Present :- Councillor Anne Turrell (the Leader of the Council)
(Chairman)
Councillors Nick Barlow, Tina Bourne, Annie Feltham,
Martin Hunt (Deputy Leader) , Beverley Oxford,
Paul Smith and Tim Young

Also in Attendance :- Councillor Lyn Barton
Councillor Kevin Bentley
Councillor Mary Blandon
Councillor Barrie Cook
Councillor Nick Cope
Councillor Beverly Davies
Councillor Jo Hayes
Councillor Pauline Hazell
Councillor Sonia Lewis
Councillor Will Quince
Councillor Laura Sykes

2. Minutes

The minutes of the meeting held on 6 March 2013 were confirmed as a correct record.

3. Have Your Say!

Andy Hamilton attended and addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2). The Council did not discuss the problems he believed it was responsible for. As a consequence the Council lost national grants and the Council's reputation was damaged. He was often asked for information about the Council by potential investors and told the truth about the work of the Council. The Council believed it was always right despite only being elected by a minority of residents.

Councillor Hunt, Portfolio Holder for Street and Waste Services, indicated that Street Services had recently secured £4m of funding from DEFRA.

Nick Chilvers attended and addressed the Committee pursuant to the provisions of Meetings General Procedure Rule 5(2). The Council was good at staging one off set piece events such as the Tour Series. However, if the Council wanted Colchester to be a destination week in week out it would be better for the Council to arrange a rolling programme of regular smaller events aimed at bringing footfall to the town centre, such as book fairs, street food festivals, and antiques roadshows. Other ideas could be events outside firstsite to attract visitors there, musical or dance events or creative schemes to get people involved in projects on the town walls. Imagination needed to be used in planning events to encourage young people and students to get involved.

He requested information about when work would commence on the Station Square, when the landscaping works outside the Visual Arts Facility would begin and whether the replacement bus stops on Stanwell Street had been ordered.

Councillor Barlow, Portfolio Holder for Regeneration, indicated he would send a full written reply. The Council was looking at what further events it could put on, but he stressed the contribution made by volunteers in ensuring events such as the Port Festival and the Tour Series were a success. Councillor T. Young, Portfolio for Planning, Community Safety and Culture, thanked Mr Chilvers for his suggestions and highlighted the Comedy Festival as an example of an event that was put together quickly and cheaply but that had been very successful.

Councillor Lewis addressed the Committee pursuant to the provisions of Meetings General Procedure Rule 5(2) to enquire when further information was likely to be made available about the future of Abbotts Activity Centre. The lack of information over recent months was causing considerable stress to members of the Centre.

Councillor Feltham, Portfolio Holder for Communities and Leisure Services, thanked Councillor Lewis and the members of the Centre for their patience. The members would hear from the Council very shortly and the Conservative Group Leader and the Chairman of the Scrutiny Panel had been briefed on the situation.

4. Display Works at Colchester Castle and Repair Works to the Castle and Town Walls

The Head of Community Services submitted a report a copy of which had been circulated to each Member. Tom Hodgson, Colchester Development Manager, and Bill Seaman, Colchester and Ipswich Museums Manager, attended to assist the Cabinet and gave a presentation to Cabinet on the exhibition works being undertaken as part of the project to redevelop Colchester Castle.

Councillor T. Young, Portfolio Holder for Planning, Community Safety and Culture, thanked officers for their excellent presentation and suggested that it should be presented at the next meeting of Full Council to ensure it reached a wider audience. The proposals demonstrated the administration's commitment towards protecting and promoting Colchester's heritage. They built on work done by previous Portfolio Holders and the previous administration. He expressed gratitude to the Heritage Lottery Fund and the Friends of Colchester Museum for the funding they were providing. Considerable funding has also been provided by the European Union and the proposals were a good example of the benefits of membership of the EU.

Councillor Barlow, Portfolio Holder for Regeneration, Councillor Smith, Portfolio Holder for Business and Resources and Councillor Hunt, Portfolio Holder for Street and Waste Services, all indicated their support for the proposals. In particular the improvements to disabled access to the Castle were stressed. There would be considerable benefits to the local economy as much of the work was being awarded to local firms.

Councillor B. Oxford, Portfolio Holder for Customers, suggested that to increase public awareness the presentation be shown on the screens in Angel Court and information should be displayed in libraries.

RESOLVED:-

- (a) To proceed with the display works, in the form of exhibition fit out works and audio-visual (AV) and multimedia (MM) software works, to be undertaken as part of the Colchester Castle redevelopment project.
- (b) To proceed with repair works to the external northern, eastern and southern façades and to all internal façades of Colchester Castle.
- (c) To proceed with repairs to the Roman Walls within Colchester Town Centre.
- (d) To enter into contracts with the successful contractors to undertake the aforementioned works.

REASONS

Colchester and Ipswich Museum Service was successful in its second round bid to secure grant funding from the Heritage Lottery Fund (HLF) for a project to redevelop Colchester Castle Museum. One of the conditions of the grant award was that the Council demonstrates its commitment to maintaining Colchester Castle by undertaking planned repairs to the Castle walls.

The display works are a significant part of the redevelopment works themselves and will be the primary means of interpreting Colchester Castle, the Museum's archaeology collections and the town's wider heritage to visitors through creating an immersive and engaging experience.

With the exception of the western façade which was repaired in 2012, the external façades of Colchester Castle were last repaired in 1992. Since then their condition has deteriorated mainly due to weathering (which is to be expected over a twenty year period) and repairs are now required to consolidate the walls and to prevent further deterioration and masonry falls.

It has only been possible to survey the internal façades of the Castle walls since it has been emptied of its exhibits and this survey has highlighted areas of wall inside the Castle that also require repair.

The Roman walls that surround Colchester Town Centre are a scheduled ancient monument and CBC as custodian of these walls has a duty to inspect and periodically repair the same to ensure that the walls remain safe and to limit the deterioration of the structure of the walls as far as is reasonably practicable.

ALTERNATIVE OPTIONS

- (a) Not to proceed with the display works. However, they are an essential part of the Castle redevelopment project and this would mean not proceeding with the project as a

whole. The HLF would require repayment of grant funding sums which have already been claimed.

(b) Decide not to undertake the Castle repair works. However, it will not be possible to undertake the internal repairs once the Castle reopens following the redevelopment project and to not undertake any repairs could jeopardise the HLF grant funding.

(c) Decide not to undertake repairs to the Roman walls. However, if repairs are not undertaken then there is a danger that sections of wall could become unsafe and also that English Heritage will withdraw any offers of funding towards future repairs.

5. Review of Council's Funding and Partnership Delivery Arrangements with firstsite, Arts Centre and Mercury Theatre

Minute 34 of the Strategic Overview and Scrutiny Panel meeting of 19 March 2013 was referred to the Cabinet.

Councillor T. Young, Portfolio Holder for Planning, Community Safety and Culture, indicated that that the recommendations from Strategic Overview and Scrutiny Panel had arisen from an informative and well attended meeting. The recommendations would be considered further to see how they could be funded and implemented. Given the current budgetary constraints recommendation (vi) would be difficult to implement, but the proposal would be given full consideration. Councillor Feltham, Portfolio Holder for Communities and Leisure Services, indicated that she would look to link firstsite's youth engagement work with outreach work done with other youth groups

RESOLVED that the recommendations made by the Strategic Overview and Scrutiny Panel be given full and careful consideration by the appropriate Portfolio Holders.

REASONS

Cabinet welcomed the proposals made by the Strategic Overview and Scrutiny Panel but further consideration about the financial and practical implications was necessary before the proposals could be agreed.

ALTERNATIVE OPTIONS

It was open to Cabinet to agree or reject the recommendations made by the Strategic Overview and Scrutiny Panel.

6. Three Contracts for the Refurbishment of Worsnop House

The Head of Commercial Services submitted a report a copy of which had been circulated to each Member.

Councillor Bourne, Portfolio for Housing, indicated her support for the proposals in the Head of Commercial Services' report. The proposals arose out of the Strategic

Housing Review looking at housing needs and aspirations of older persons in the borough. The proposals pre- dated the conclusions in a national report encouraging Councils to be more innovative in meeting the housing aspirations of older people. The administration was utilising its underspend to directly improve sheltered housing provision. This was a comprehensive refit. It would increase the number of units and include provision of a guest room. It would also provide lifts, balconies, full size cookers and fridge freezers and up to date heating systems.

Councillor T. Young, Portfolio Holder for Planning, Community Safety and Culture, explained that whilst the Strategic Housing Review had been difficult, the quality of the accommodation that would result from the refurbishment demonstrated that it had been the right thing to do. It was an excellent example of partnership working with Colchester Borough Homes. Councillor Feltham, Portfolio Holder for Communities and Leisure Services, and Councillor Smith, Portfolio Holder for Business and Resources, expressed their support.

RESOLVED that:-

(a) ND Smiths be appointed to deliver the Building Works involved in refurbishing Worsnop House.

(b) Lock Electrical be appointed to deliver the Electrical Works involved in refurbishing Worsnop House.

(c) Cooper and Broome be appointed to deliver the Mechanical Works involved in refurbishing Worsnop House.

(d) It be agreed to enter with the successful individual contractors into the latest version Joint Contracts Tribunal (JCT) 2011 Intermediate Form of Contract to deliver the works.

REASONS

Following a review of the Council's sheltered housing, the review made a number of recommendations. The aim of the review was to improve accommodation for older people in the borough and ensure that the Council's sheltered housing met the needs and aspirations of older people.

The review found that changes were needed to address several issues; voids in sheltered housing was high, yet at the time there were over 500 people on the needs register who were eligible for sheltered housing. Nine out of the then 23 sheltered housing schemes did not offer self contained accommodation which suggested that they did not meet the needs or aspirations of older people.

This is the first major refurbishment of our existing sheltered stock and is presented to address the September 2011 Cabinet decision to make improvements to four of the Council's sheltered schemes so that in future no tenant would need to share facilities and every tenant would have their own kitchen and bathroom.

The procurement approach agreed by Cabinet on 1st December 2010 as part of the Asset Management Strategy is to let a JCT Form of Contract for this and similar types of work.

ALTERNATIVE OPTIONS

(a) Not to accept the tenders of one or more of the proposed contractors. This would impede the delivery of previous Cabinet decisions and may not deliver best value which the Council has a duty to seek.

(b) Not to continue with the programme but again this would be at odds with the previous Cabinet decisions.

7. Bus Operation in Colchester

Minute 21 of the Strategic Overview and Scrutiny Panel meeting of 12 March 2013 was submitted to the Cabinet.

Councillor Barlow, Portfolio Holder for Regeneration, indicated his support for bus travel and explained that he was seeking to take forward the issue of the Bus Operator Charter as part of wider discussions on town centre transport.

RESOLVED that discussions would continue with Essex County Council to bring about the introduction of a Bus Operator Charter to Colchester, as part of wider discussions on town centre transport.

ALTERNATIVE OPTIONS

It was open to Cabinet to agree or reject the recommendations made by the Strategic Overview and Scrutiny Panel.

8. Member Development Group: Annual Report to Cabinet 2012-13 and Charter Status for Elected Member Development

The Head of Corporate and Financial Management submitted a report a copy of which had been circulated to each Member.

Councillor Smith, Portfolio Holder for Business and Resources, thanked the members of the Member Development Group and the officers supporting the Group for their work in delivering a successful programme of member development. The Council had successfully passed its interim reassessment for Charter Status for Elected Member Development and supported the proposal for full reaccreditation. Councillor T. Young, Portfolio Holder for Planning, Community Safety and Culture and Councillor Feltham, Portfolio Holder for Communities and Leisure Services, welcomed the report and thanked the Group for providing a high quality training programme which led to a better quality of decision making.

RESOLVED that:-

(a) The report of the Member Development Group on the work of the group in the 2012-13 municipal year be noted.

(b) The Council recommit to the Charter for Elected Member Development and seek reaccreditation for Charter Status for Elected Member Development in April 2014.

REASONS

In April 2011 the Council was successful in achieving Charter Status for Elected Member Development. One of the recommendations arising made by the Charter Assessment Team was that the Member Development Group should be placed clearly with the Council's decision making structure to improve its accountability and visibility. In order to address this recommendation, the Group's Terms of Reference were amended to make its links to Cabinet clearer and to include a requirement that the Group report to Cabinet on an annual basis.

Charter Status accreditation lasts for a period of three years at the end of which the Council needs to undergo the assessment process again in order to retain Charter Status. Therefore consideration needs to be given to whether the Council should recommit to the Charter.

ALTERNATIVE OPTIONS

It was open to the Cabinet to decide that the Council should not seek reaccreditation for Charter Status or that it seeks reaccreditation at Charter Plus level.

9. Appointments to External Organisations and Council Groups

The Head of Corporate and Financial Management submitted a report a copy of which had been circulated to each Member.

RESOLVED that:-

(a) The representatives for the Municipal Year 2013/2014 to the various external organisations and Council groups as listed in Appendix A of the Head of Corporate and Financial Management's report be agreed, such appointments to cease if the representatives cease to be members of the Council during the year.

(b) Those Councillors who are not members of the Council groups for the Municipal Year 2013/2014 be confirmed as a pool of members able to act as substitute members on Council groups, in accordance with the normal requirements relating to substitute members set out in the Council's Constitution.

(c) The Leader of the Council be authorised to make a determination where a nomination is deemed to be in dispute or if a vacancy occurs.

(d) The Member Champions as set out in Appendix B of the Head of Corporate and Financial Management's report be appointed, with the Cllr Barton being appointed as Armed Forces Champion in place of Councillor Offen.

REASONS

It is important for the Council to continue to make formal appointments to certain organisations and council groups such as those with statutory functions, our key strategic and community partners and groups with joint working arrangements.

ALTERNATIVE OPTIONS

No alternative options are proposed other than to authorise the Leader of the Council to make a determination where a nomination is deemed to be in dispute.

10. Progress of Responses to the Public

The Head of Corporate and Financial Management submitted a progress sheet a copy of which had been circulated to each Member.

RESOLVED that the contents of the Progress Sheet be noted.

REASONS

The progress sheet was a mechanism by which the Cabinet could ensure that public statements and questions were responded to appropriately and promptly.

ALTERNATIVE OPTIONS

No alternative options were presented to the Cabinet.

The Cabinet/Panel resolved under Section 100A(4) of the Local Government Act 1972 and the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

11. Exhibition Fit Out Works for Colchester Castle Redevelopment Project

The Head of Community Services submitted a report a copy of which had been circulated to each Member.

RESOLVED that Council enter into a contract with the contractor named in the report by the Head of Community Services to undertake the works

REASONS

As set out at minute 4.

ALTERNATIVE OPTIONS

As set out at minute 4.

The Cabinet/Panel resolved under Section 100A(4) of the Local Government Act 1972 and the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

12. Design Audio Visual (AV) and Multi Media (MM) Software Works for Colchester Castle Redevelopment Project

The Head of Community Services submitted a report a copy of which had been circulated to each Member.

RESOLVED that Council enter into a contract with the contractor named in the report by the Head of Community Services to undertake the works

REASONS

As set out at minute 4.

ALTERNATIVE OPTIONS

As set out at minute 4.

The Cabinet/Panel resolved under Section 100A(4) of the Local Government Act 1972 and the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

13. Repairs to Castle Walls

The Head of Corporate and Financial Management submitted a report a copy of which had been circulated to each Member.

RESOLVED that Council enter into a contract with the contractor named in the report by the Head of Corporate and Financial Management to undertake the works

REASONS

As set out at minute 4.

ALTERNATIVE OPTIONS

As set out at minute 4.

The Cabinet/Panel resolved under Section 100A(4) of the Local Government Act 1972 and the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

14. Repairs to Roman Walls

The Head of Corporate and Financial Management submitted a report a copy of which had been circulated to each Member,

RESOLVED that Council enter into a contract with the contractor named in the report by the Head of Corporate and Financial Management to undertake the works

REASONS

As set out at minute 4.

ALTERNATIVE OPTIONS

As set out at minute 4.

The Cabinet/Panel resolved under Section 100A(4) of the Local Government Act 1972 and the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

15. Three Contracts for Worsnop House

The Head of Commercial Services submitted a report a copy of which had been circulated to each Member.

RESOLVED that:-

- (a) ND Smiths be appointed to deliver the Building Works involved in refurbishing Worsnop House.
- (b) Lock Electrical be appointed to deliver the Electrical Works involved in

refurbishing Worsnop House.

(c) Cooper and Broome be appointed to deliver the Mechanical Works involved in refurbishing Worsnop House.

(d) It be agreed to enter with the successful individual contractors into the latest version Joint Contracts Tribunal (JCT) 2011 Intermediate Form of Contract to deliver the works.

REASONS

As set out at minute 6.

ALTERNATIVE OPTIONS

As set out at minute 6.



Cabinet

10 July 2013

Item
7(i)

Report of	Assistant Chief Executive	Author	Sean Plummer ☎ 282347
Title	2014/15 Budget Strategy, Medium Term Financial Forecast and Budget Timetable		
Wards affected	Not applicable		

This report asks Cabinet to:

- **Note the current financial position for the financial years 2012/13 and 2013/14**
- **Agree use of balances**
- **Note the budget forecast and timetable for the 2014/15 budget**
- **Note the updated Medium Term Financial Forecast for the period to 31 March 2017**
- **Note an update of the Revenue Balances**
- **To note the Capital Programme.**

1. Decisions Required

- 1.1. To note the pre-audit outturn position for the financial year 2012/13.
- 1.2. To agree to release funding from balances for projects set out at paragraph 3.4.
- 1.3. To note the budget forecast, approach and timetable for the preparation of the 2014/15 budget and updated position in respect of balances.
- 1.4. To note the updated Medium Term Financial Forecast for the period to 31 March 2016 as set out at Appendix A.
- 1.5. To note the latest position in respect of the Capital Programme

2. Reasons for Decisions

- 2.1. The Council is required to approve a financial strategy and timetable in respect of the financial year 2014/15 and a Medium Term Financial Forecast (MTFF) for the two subsequent financial years.

3. Financial Overview 2012/13 and 2013/14

Financial Year 2012/13

- 3.1. The Pre-Audit Outturn report for the year to 31 March 2013 was presented to the Scrutiny Panel on 11 June 2013.
- 3.2. The position shows a net underspend on budgets of £543k after allowing for a number of agreed carry forward items. This position also means that the allocated risk factor of £285k has not been required and will now be held within balances.

3.3. 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 latest forecast at that stage was for a net underspend of c£250k 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 has been added to balances.

3.4. *Financial Year 2013/14*

At this stage in the financial year it is difficult to assess potential variances (both positive and negative). However, there are a number of areas that have been identified which are recommended are funded from balances:-

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	Allocation of funding to allow the Zone teams to undertake fortnightly litter picking of the A12 and A120 following Essex County Council (ECC) confirming that they would no longer be providing funding to Colchester Borough to continue the service.
Proposed Allocations	304	

3.5. The impact of these proposals has been reflected in the balances position shown within this report.

3.6. Based on the above proposals balances would remain above our recommended level. Scrutiny Panel will receive reports during the year on the budget position.

4. Budget Forecast for 2014/15

4.1. Appendix A sets out a budget forecast for 2014/15 and a Medium Term Financial Forecast (MTFF) for the subsequent two years including the key assumptions. 2014/15 is the second year in which important and significant changes have been made to how Local Government is funded with the introduction of a scheme of locally retained business rates. This combined with the impact of the Local Council Tax Support (LCTS) Scheme provide a backdrop to a budget forecast which continues to contain a number of uncertainties and therefore risk areas.

4.2. The current forecast budget gap for 2014/15 is £1.3m and is summarised in the following table:-

	2014/15 £'000	Comment
Base Budget	22,986	
One off growth / cost pressure / saving adjustments	(667)	
Cost Pressures	1,085	Inflationary provision, pensions increase, and general risk contingency
Savings - Agreed	(405)	Mainly additional saving from Sport and Leisure FSR and increasing target for procurement.
UCC FSR	(815)	Increased net saving from 2 nd year of FSR.
Forecast Base Budget	22,184	
Government Grant	(4,370)	Based on figures provided in 2013/14 Settlement.
Retained business rates (baseline funding level)	(3,896)	As above, based on settlement figures provided. Assumes that the level of business rates retained is the same as the baseline.
Council Tax Freeze Grant	(109)	2 nd year of grant in respect of freeze in 13/14
New Homes Bonus	(2,616)	Assumes no increase in grant at this stage
Council Tax	(9,684)	Based on no increase in Council Tax
Use of Reserves	(230)	Ongoing use to fund community stadium and S106 reserve.
Total Funding	(20,905)	
Budget gap	1,279	
Budget Gap based on an increase in Council Tax of 2%	1,085	

4.3 The key assumptions in respect of the 2014/15 forecast are:

Government Funding & Business Rates

4.4. Alongside the 2013/14 Finance Settlement announcement the Government set out provisional figures for 2014/15. These figures reflect previously announced reductions in local government funding with the additional 2% departmental budget savings to be found in 2014/15 announced in the Autumn Statement.

4.5. The key figure for the Council's financial planning is the comparable level of start-up funding which shows **a reduction in 14/15 of £1.2m (12.6%)**. The start up funding assessment includes two elements: Revenue Support Grant and Baseline Funding Level. The latter represents the assumption of the level of business rates retained. The following table shows how the funding reduction is in respect of the grant. This means that a greater proportion of the Council's funding is now expected to be received from business rates as opposed to Central Government grant.

	2013/14 £'000	2014/15 £'000	Change £'000
<i>Revenue Support Grant</i> This is the grant that will be paid for the year	5,682	4,370	(1,312)
<i>Baseline Funding Level</i> This is starting point for assessment of locally retained business rates.	3,780	3,896	116
Start up funding assessment	9,462	8,266	(1,196)

4.6. The budget forecast currently assumes that the level of assumed business rates retained in 2014/15 will be the same as the baseline assessment. Part of the new arrangements for business rate retention is for the Council to agree an estimate of business rates income for the year. This includes making a number of key assumptions in respect of collections rates, growth in business rates and an allowance for the impact of revaluation appeals. These issues will be considered as part of future budget updates.

Inflation and costs

4.7. For 2014/15 a planning figure has been included for general changes to “pay and prices” in line with the approach used in recent years. It will be necessary to review forecasts for specific areas including pay and energy costs in due course and this is therefore subject to change.

4.8. Specific cost pressures has been included for two items. The costs of additional fleet vehicles planned for 2014/15 and an allowance for changes to pension costs. The next actuarial review will take place base on the position at April 2013. The outcome of this review will not be known until the Autumn and an assumption of an increased cost of £250k is currently shown and this will be refined in future years as the position becomes clearer.

Growth items

4.9. No allowance has been built in to the budget forecast for any growth items in 2014/15. However, the final budget proposals will reflect the investment in the food waste service. It is assumed that this will be funded from the agreed Government grant and as such there will be a cost neutral impact.

Income budgets

4.10. It is evident that there has been a reduction in recent years in some income budgets. The 13/14 budget includes an allowance for reductions in some income levels, however this is likely to remain a risk to the 14/15 budget forecast and the MTF.

Savings (incl. UCC FSR)

4.11. At this stage the savings shown include the estimated additional savings from third year of the Sport and Leisure FSR and further savings on the ICT contract. The target for procurement savings included in the 13/14 budget has also been increased by £150k.

4.12. The largest area of additional saving includes a change of £815k resulting from the implementation of UCC FSR. This comprises additional savings or additional income in number of areas.

Council Tax

4.13. The budget forecast for 2014/15 now reflects an assumption of a freeze in Council Tax. This does not represent a formal proposal at this stage but indicates a desire to continue

with the approach of the last three years during which the Council has kept Council Tax unchanged. The table shows that the budget gap would reduce by £0.2m if an assumption of a 2% increase was used.

Local Council Tax Support (LCTS)

4.14 The Local Council Tax Support Scheme (LCTS) was approved by Full Council in December. This replaced Council Tax benefits and as has previously been reported places a number of changing risks to the Council such as:-

- *Recovery of Council Tax.* There is a risk of a lower level of collection of Council Tax, given that more people will have to pay Council Tax and many for the first time.
- *Recovery costs and resources.* The number of people paying Council Tax will increase and we will need to consider the impact on resources.
- *Demand.* Under the previous benefit scheme there was no direct financial impact on the Council of changes in the amount of benefit paid. Under the LCTS scheme the Government grant will be a fixed sum and therefore any increase will be borne by all of the major preceptors including Colchester.

4.15 The Government funding for LCTS is provided within the revenue support grant and retained business rates figures which as explained earlier in the report is forecast to reduce by c12% in 14/15. Consideration will need to be given to the impact of this on any cost of LCTS.

New Homes Bonus (NHB)

4.16. The budget position shown includes no increase in the level of income from the New Homes Bonus received in 2013/14 of £2.616m.

4.17. The Government allocated £200m for the NHB scheme in 11/12 and £250m for each of following three years giving a total of £950m. It has previously been acknowledged that this is insufficient to fund the full costs of the scheme and that the gap will be met from the overall funding allocated for Local Government.

4.18. The New Homes Bonus is now a key element of the Government's financial support for local authorities. The methodology of the scheme means that we have a degree of certainty over at least a minimum level of funding in the short to medium term. The budget forecast and MTFP provides a breakdown on how the New Homes Bonus may change over the next few years and at this stage a 'worst case' situation is shown within the figures. It is clear that funding from the New Homes Bonus will be much higher than the figures shown. However, given the link with other Government funding a prudent approach is proposed at this stage.

Summary of Budget Forecast

4.19. There are a number of significant budget risks that will affect the 14/15 budget process and these are set out within Appendix A. The risks include items that could be positive to the budget forecast as well as negative. The current list of risks will be monitored and amended throughout the budget process.

4.20. In summary there is a forecast budget gap of circa £1.3m. This already reflects planned savings of £1.2m. It should also be noted that at this stage this gap could change based on a number of emerging factors.

Delivering the 2014/15 Budget

4.21. The Council's approach to the budget is that it is primarily driven by the Strategic Plan. We have adopted a number of different ways to identify savings or additional income to support Strategic Plan priorities and to meet a number of substantial cost pressures. The

strategy for last three years has been broadly based upon identifying opportunities to make efficiencies, mainly through the FSR process, maintaining and where possible increasing income and through exploring different ways to deliver services.

- 4.22. Looking ahead to 2014/15 and beyond it is clear that there is already a significant level of savings assumed, mainly through the UCC FSR. Some further reviews are already underway which build on the UCC FSR such as the Corporate and Financial Management FSR. However, if the identified level of cost pressures occur it will be necessary to identify further savings.
- 4.23. The Budget Group comprising Cabinet members and senior officers has operated for four years. It is intended that the Budget Group continues and has the overview of all possible budget opportunities, monitoring progress and taking relevant reports.
- 4.24. The Council's approach to budgets has always been to consider the longer-term impact of decisions. The budget process for 2014/15 will continue to reflect this by recognising that some service changes (reductions, income and growth) will often be delivered over a period longer than a year. This is likely to be particularly true for outcomes of the FSRs.
- 4.25 Appendix B sets out the proposed budget timetable.

Housing Revenue Account (HRA)

- 4.26. The HRA is a ring fenced account that relates to costs and income in respect of the Council's housing stock. The HRA budget and rent setting process is carried out alongside the General Fund budget and elements of the process are carried out simultaneously. The budget approach for the HRA will continue to be fully integrated within the General Fund budget process with the final budget report and rent setting being included within the overall budget and Council Tax decisions.
- 4.27. 2012/13 saw a significant change to the HRA with the implementation of reforms to the HRA subsidy system and creation of the self financing regime. This has assisted with financial planning and the impacts of these changes were fully reflected in the 2013/14 budget and the 14/15 budget will therefore be similarly developed within this new framework.
- 4.28. The separate report on this agenda considers the proposal relating to the New Housing Arrangements project and the financial implications of this will be considered alongside the 2014/15 HRA budget and medium term forecast.

5. Medium Term Financial Forecast

- 5.1. The Medium Term Financial Forecast (MTFF), as set out at Appendix A, shows a potential budget cumulative budget gap of c£3.1m by 2016/17. The key factors affecting the budget gap in later years include the assumed further reduction in Government funding.
- 5.2. The forecast needs to be viewed alongside the level of significant risks and uncertainty regarding a number of key factors that will impact on the Council's finances in the medium term. Most of the key risks outlined in the MTFF could result in recurring cost pressures for the Council. This will require recurring cost savings or additional income to be identified to minimise the escalation of these pressures.

- 5.3. The MTFF also shows that the Council continues to hold reserves and balances to support the Council's budgets. The position on these reserves will be reviewed during the year as the 2014/15 budget progresses.
- 5.4. In summary the MTFF sets out what is likely to continue to be a challenging financial outlook with an increasing level of uncertainty in future years. The budget process needs to establish that the Council's spending plans, in the medium term, are affordable and can be prudently financed.

6. Revenue Balances

- 6.1. Following completion of the final accounts for the year to 31 March 2013 uncommitted or unallocated revenue balances stand at £2.1m. This compares with the current approved minimum balance of £1.8m.
- 6.2. As this report emphasises the Council is expected to face many financial pressures in the medium term. Whilst some provisions have been made within balances for some of these there is a recognised view that further significant reductions in public sector spending will occur over the coming years and that there is an increased financial risk associated with many of the local government finance reforms such as localisation of business rates and the local council tax support scheme. It should also be noted that balances can by nature only be used once and so it is not generally appropriate to use them to support ongoing budget pressures.
- 6.3. As part of the 14/15 budget process it will again be necessary to review the risk assessment that informs the recommended level of balances. Given, the current uncertain financial outlook and implications of the significant changes introduced by the Government it was agreed that the recommend a level of balances be increased to £1.8m.
- 6.4. This is the first report in respect of the 2014/15 budget. The budget timetable sets out that the position on balances and other reserves and provisions will be reported later this year. The scope and option of using balances to support the revenue budget will therefore be considered in future reports.

7. Capital Programme Update

- 7.1. The capital outturn report for 2012/13 was reported to Scrutiny Panel on 11 June showing spend for the year of £13.3m. The 12/13 outturn figure represents 41.9% of the total 'live' programme. The remainder of the funds being expected to be spent in 2012/13 and 2013/14.
- 7.2. A review of resources available to support the Capital Programme has been carried out. This shows that based on current projected capital spend and receipts, there is currently an excess of resources. It should though be noted that this forecast includes certain future receipts and schemes which will be subject to formal decisions.

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Surplus Resources B/Fwd	(865.4)	(825.4)	(945.4)	(245.4)
Forecast Capital receipts	(4,452.0)	(695.0)	(975.0)	(200.0)
New schemes	4,492.0	575.0	1,675.0	400.0
Shortfall / (Surplus) C/Fwd	(825.4)	(945.4)	(245.4)	(45.4)

8. Strategic Plan References

- 8.1. The Council has agreed an over arching vision for the Borough: Colchester, the place to live, learn, work and visit. Alongside this are number of broad aims.
- 8.2. The 2014/15 budget and the Medium Term Financial Forecast will be underpinned by the Strategic Plan priorities and will seek to preserve and shift resources where needed to these priorities.

9. Financial implications

- 9.1 As set out in the report.

10. Equality and Diversity Implications

- 10.1 Consideration will be given to equality and diversity issues in respect of budget changes proposed as part of the budget process. This will be done in line with agreed polices and procedures including production of Equality Impact Assessments where appropriate.

11. Risk Management Implications

- 11.1 As set out in report.

12 Consultation

- 12.1. The Council is required to consult on its budget proposals. A consultation exercise took place as part of the production of the Strategic Plan agreed by Council in February 2012.
- 12.2. The budget strategy and timetable aims to ensure that information is available for scrutiny and input from all Members on proposals in the process. The aim is that detailed information will be available prior to the final budget report being submitted to Cabinet and approval by Council in February.
- 12.3. As has been the case in previous years the opportunity remains open for the leader of the opposition to meet with officers to assist with consideration of any alternative budget proposals.
- 12.4. Furthermore, we will continue with the statutory consultation with business ratepayers and will meet with parish councils in respect of grant funding.

13. Other Standard References

- 13.1 There are no direct Publicity, Human Rights, Community Safety or Health and Safety implications as a result of this report.

Background Papers

Revenue and Capital Outturn reports to Scrutiny Panel – 21 June 2013

Medium Term Financial Forecast 2013/14 – 2016/17

1. Introduction

The Medium Term Financial Forecast (MTFF) sets out the Council's budget forecast for the next three years. The MTFF sets out:-

- A summary of the 2013/14 budget including an analysis of all service budgets
- The budget forecast for next three years including current cost pressures, growth items and assumptions regarding use of reserves.
- A list of key risk items for 2014/15 and beyond
- The current position on Council General Fund balances including the risk assessment for 2013/14
- The current position on all other reserves and balances

The MTFF will continue to be updated during the year as the budget progresses.

2. 2013/14 Budget

The Council's General Fund includes all costs and income other than those in respect of the Council housing stock

Colchester's total net revenue budget for 2013/14 is **£20.4million**.

	£'000
Net Budget (incl: New Homes Bonus)	20,370
Funded by:	
Government Grant (incl: Council Tax freeze grant)	5,791 (28%)
Retained Business Rates (as shown in baseline assessment)	3,780 (19%)
Council Taxpayers (excl. parishes)	9,684 (48%)
Use of Balances / Reserves and Collection Fund deficit	1,115 (5%)
	20,370

The following table sets out a summary of the 2013/14 budget including changes made from the previous year.

2013/14 Summary Budget

	Adjusted Base Budget	One-Off Items	Cost Pressures	Growth Items	Technical Items	Total Savings	Detailed 13/14 Budgets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate & Democratic Core	321		0			(65)	256
Executive Management Team	794		27			(10)	811
Corporate Management	6,309		143	135		(280)	6,307
Customer Services	992		40				1,032
Env. & Protective Services	2,213		58			(50)	2,221
Life Opportunities	5,218	(30)	35			(626)	4,597
Resource Management	2,128	(30)	554			5	2,657
Strategic Policy & Regen.	(166)	(120)	130	235		(35)	44
Street Services	2,337		301	(100)			2,538
Total Services	20,196	(180)	1,288	270	0	(1,061)	20,463
Technical Items							
<i>Corporate Items / sums to be allocated to services</i>							
Savings Risk Factor	285		0			(285)	0
Shared Services	(30)		30				0
Cross cutting	0		0			(50)	(50)
UCC FSR	0		300				300
Strategic Plan	0		0	100			100
Welfare Reform	0		0	30			30
Service Inflation Allowance	0		400				400
Investment funded by NHB	0		0	250			250

	Adjusted Base Budget	One-Off Items	Cost Pressures	Growth Items	Technical Items	Total Savings	Detailed 13/14 Budgets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<i>Corporate Grants</i>	0		0				0
Homelessness Grant	(192)		0		196		4
New Homes Bonus (NHB)	(1,525)		0			(1,091)	(2,616)
<i>Non-Service Budgets</i>	0		0				0
Grants to Parish councils	102		0	(85)	120		137
CLIA (net interest)	854		0			(150)	704
R&R Contribution	150		0				150
Min Revenue Provision	698		0			(50)	648
Pensions	2,494		102			(197)	2,399
One-off costs	100	(100)	0			500	500
GF/HRA impact (incl. tech items)	(3,040)		0		56	(65)	(3,049)
Total Below the Line	(104)	(100)	832	295	372	(1,388)	(93)
Total incl Below the line	20,092	(280)	2,120	565	372	(2,449)	20,370
Funded by:-							
General Reserve			(50)			(715)	(765)
Pensions Reserve	(97)	97	0			(102)	(102)
Capital Expenditure Reserve	(200)		0				(200)
Other Reserves - S.106	(70)	70	0			(30)	(30)
Government Grant (RSG / NNDR)	(8,404)		726				(7,678)

	Adjusted Base Budget	One-Off Items	Cost Pressures	Growth Items	Technical Items	Total Savings	Detailed 13/14 Budgets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax Freeze Grant (re 11/12)	(267)		0				(267)
LCTS Grant	0		0		(1,321)		(1,321)
Homelessness Grant	0		0		(196)		(196)
Council Tax Freeze Grant	(269)	269	0			(109)	(109)
Council Tax	(10,761)		0		1,201	(124)	(9,684)
Collection fund Transfer	26	(26)	0		(18)		(18)
Total	(20,092)	410	676	0	(334)	(1,080)	(20,370)

3. Budget Forecast 2013/14 to 2016/17

The following table sets out the Council's budget forecast for the next three years including key assumptions.

Medium Term Financial Forecast				
2013/14 to 2016/17				
	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000
Base Budget	21,567	22,986	22,184	22,804
One-off items	(280)	(667)		
Cost Pressures	1,780	1,085	890	890
Growth Items	565	0	720	0
UCC FSR (yoy) change	340	(815)	(990)	(890)
Savings	(1,358)	(405)	0	0
Parish Grant re LCTS	120			
Homelessness Grant (adjustment)	196			
Technical Items	56			
Forecast Base Budget	22,986	22,184	22,804	22,804
<i>Funded By:</i>				
<i>Formula Grant</i>	(7,678)			
<i>Council Tax Freeze Grant (re 11/12)</i>	(267)			
<i>Homelessness Grant</i>	(196)			
<i>LCTS grant</i>	(1,321)			
Start up grant funding (RSG and NNDR)	(9,462)	(8,266)	(7,586)	(7,207)
New Homes Bonus	(2,616)	(2,616)	(2,616)	(2,616)
Total Gov't grants	(12,078)	(10,882)	(10,202)	(9,823)
Council Tax	(9,684)	(9,684)	(9,684)	(9,684)
Council Tax freeze grant (re 13/14)	(109)	(109)		
Collection Fund Deficit / (Surplus)	(18)	0	0	0
Use of Reserves	(1,097)	(230)	(230)	(230)
Total Funding	(22,986)	(20,905)	(20,116)	(19,737)
Budget gap before changes (cumulative)	0	1,279	2,688	3,067
Annual increase	0	1,279	1,409	379

Alternative position based on a 2% pa increase in Council Tax:-

Total Funding	(22,986)	(21,099)	(20,507)	(20,330)
Budget gap before changes (cumulative)	0	1,085	2,297	2,474
Annual increase	0	1,085	1,212	177

Notes:

New Homes Bonus is shown within funding, although for accounting purposes it is shown within the net budget.

The table above does not show the late minor changes to the 13/14 budget reported to Full Council in February or reflect proposals for use of balances set out within this report. This will be shown in future updates.

	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000
Cost Pressures				
General Inflation (incl. risk factor of £400k)	500	640	640	640
Pensions	102	250	250	250
MRP (Minimum Revenue Provision)	0	0	0	0
Elections	(92)	85		
Castle Museum Closure (one off pressure in 13/14)	67			
Land Charges (recurring risk)	200			
Fleet	208	110		
Insurance - Vehicle premiums	182			
St James / Roman House	75			
Benefit Admin grant	61			
Shared Management Saving	30			
Trade Waste	45			
Firstsite - Repair & Mtce.	15			
Council Tax Benefits - base budget adjustment	150			
EMT income	27			
Digital Strategy	30			
Market Income	30			
Revenues and Benefits (funded by c/f)	50	<i>one off</i>		
Local Taxation - Court Fees	100			
Total	1,780	1,085	890	890
Growth Items				
Food Waste (net impact)	(100)		720	
Tour Series	40			
Affordable homes	105			
Growth linked to New Homes Bonus	250			
Eastern Enterprise Hub	75			
Ward Budgets (net of parish grants)	35			
PV Panels (one off)	15	<i>one off</i>		
Market Study (one off)	15	<i>one off</i>		
Strategic Plan Priorities (one off)	100	<i>one off</i>		
Welfare Reform (one off)	30	<i>one off</i>		
Total	565	0	720	0
Savings (incl. one off adjustments)				
Remove savings risk factor	(285)			
ICT	(265)	(40)		
Sport & leisure FSR	(618)	(195)		
Private sector leasing	(8)	(20)		
Estates regeneration	(30)			
Customer Excellence	(10)			
Rowan House lease	(5)			
Procurement Target	(50)	(150)		
Magistrates Court	(15)			

	2013/14	2014/15	2015/16	2016/17
	£'000	£'000	£'000	£'000
Audit fee	(60)			
Remove Pension Strain budget	(197)			
Planning Fees	(50)			
One off costs to deliver savings	500	one off		
Interest earnings (mostly one-off)	(150)	part one		
MRP	(50)	off		
Sharing agreement (extra)	(65)			
Total	(1,358)	(405)	0	0

New Homes Bonus				
Growth re 09/10	724	724	724	724
Growth re 10/11	749	749	749	749
Growth re 11/12	986	986	986	986
Growth re 12/13		x	x	x
Growth re 13/14			x	x
<i>Total basic NHB</i>	<i>2,459</i>	<i>2,459</i>	<i>2,459</i>	<i>2,459</i>
Affordable Housing element				
re 10/11 delivery	52	52	52	52
re 11/12 delivery	105	105	105	105
re 12/13 delivery		x	x	x
re 13/14 delivery			x	x
<i>Total affordable homes bonus</i>	<i>157</i>	<i>157</i>	<i>157</i>	<i>157</i>
Total New Homes Bonus	2,616	2,616	2,616	2,616

Use of Reserves				
Balances (General)	715			
Funding c/f	50			
S106 monitoring reserve	30	30	30	30
Pensions Provision	102			
Capital Expenditure Reserve:- Community Stadium	200	200	200	200
Total	1,097	230	230	230

4. Risk Areas / Uncertainty

There are several key risk areas or areas where the outcome is uncertain which will impact on the 2014/15 budget forecast and potentially in later years. The main areas are:-

Ref	Risk / Area of uncertainty	
1	<i>Government Funding / Business Rate Retention Scheme</i>	<p>The MTFF includes the reduction in the 'start up funding' for 2014/15 of 12.6% with reduction of at least 5% pa thereafter. It was also confirmed in the autumn Statement that details of departmental spending plans for 2015-16 will be set at a spending review, which will be announced during the first half of 2013.</p> <p>From 2013/14 a proportion of the Council's core income that used to be provided by Government grant will now be funded by the Council keeping a share of business rates income. This poses a new risk as well as a potential reward.</p>
2	<i>Welfare Reform (including Local Council Tax Support - LCTS)</i>	<p>The budget paper set out some of the key risks associated with the implication of the Council having approved the LCTS scheme. The combined impact of the Government's welfare reforms and demands on Council services will need to be considered during the period of the MTFF.</p>
3	<i>Government grants and partnership funding</i>	<p>The Council's budget has changed over recent years with a greater emphasis on funding from both partner organisations and Government bodies. These funding streams can rarely be guaranteed and can therefore add to our cost pressures.</p> <p>Provision has been made in the 2013/14 budget for the New Homes Bonus based on the notified grant and the MTFF takes a prudent view by forecasting no change to this grant in future years.</p> <p>Provision has been made for changes in other Government grants, such as housing benefit administration, in 2013/14, however, the impact of any further reductions in these will be considered as the MTFF is reviewed.</p>
4	<i>Pensions</i>	<p>An allowance has been built in for increases in pensions costs based on the results of the last actuarial review and which therefore are fixed until 2013/14. Thereafter an allowance has been assumed of £250k</p>
5	<i>Fees and charges and other income</i>	<p>As has been seen in the past few years we have experienced a number of pressures arising from changes in income levels. In the current year it has been reported that some targets such as land charges and community alarms income are not meeting the budget. Looking ahead to 2013/14 and beyond it is difficult to estimate how income levels may continue to be affected. The 13/14 budget forecast assumes a decrease in revenue from land charges and future updates of the MTFF will consider any other changes to income.</p>
6	<i>Inflation</i>	<p>An allowance for general inflation including pay has been built into the 13/14 forecast and MTFF.</p> <p>Not all the Council's costs are directly linked to RPI and therefore we will continue to monitor the impact of inflation on all Council costs</p>

Ref	Risk / Area of uncertainty	
7	<i>Use of reserves</i>	The budget position for 2013/14 includes proposals to use certain reserves. The MTFF assumes the ongoing use of the capital expenditure reserve and S106 reserve. The 2013/14 budget included the proposal to agree that up to £0.7m be used to support the budget to meet one-off costs including £0.5m required to deliver the budget savings.
8	<i>Legislation</i>	There is likely to be several items of new legislation over the life of the MTFF for which any available funding may not cover costs or which may impact significantly on the Council e.g. universal credit.
9	<i>Impact of regeneration programme e.g. car park closure and staff resources</i>	As the regeneration programme progresses there will be an ongoing impact on income from car parks due to temporary and permanent closure of certain car parks and also the introduction of park and ride.
10	<i>Property review</i>	A review of our assets was carried out and a 5-year Building Repairs and Maintenance Plan produced. There will continue to be financial implications arising from this for both the revenue budget and capital programme and these will continue to be considered in detail and included in the ongoing updates of the MTFF. The 2013 budget forecast maintains the additional allocation of £150k in respect of planned repairs. This will continue to be reviewed to consider if it is sufficient to meet ongoing requirements.
11	<i>Impact of growth in the Borough and demand for services</i>	A number of Local Authority services are directly impacted by the increase of population in the Borough, such as waste services, planning, benefits etc. As part of the budget it will be necessary to consider whether there is a need for additional resources in these or other areas in order to maintain levels of service. The current financial assumption made is that the Council programme of FSRs will assist in identifying efficiencies to cope with changes in demand, however, this will be regularly reviewed.
12	<i>Delivery of budget savings</i>	The 2013/14 budget includes c£1.8m of savings or increased income. These items have been risk assessed and all are considered deliverable, however, the budget report considers the risk to delivering some of the income targets and if these cannot be achieved there is the risk in the MTFF of the ongoing impact.
13	<i>Net earnings and investments</i> <i>Interest and</i>	The budget is influenced by a number of factors including interest rates and cashflow movements. The treasury management strategy for 2013/14 highlights the outlook for interest rates in the medium-term which points to continuation of unprecedented low levels into 2013/14. The budget forecast has been adjusted by £150k to reflect the ongoing benefit of the Councils ongoing strategy to 'internally borrow' to minimise our interest costs. The MTFF recognises that this is not an ongoing gain.

All these issues will remain as risks to be managed over the course of the MTFF.

5. General Fund Balances – Risk Assessment

Introduction

A risk assessment has been undertaken to determine the prudent level of general fund balances as part of the 2013/14 budget process.

Background

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

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

The following table set out general fund balances over recent years:-

	£'000	
31 March 2007	2,708	(includes £902k to support 07/08 budget)
31 March 2008	3,347	(includes £1,232k to support 08/09 budget)
31 March 2009	2,891	(includes £1.17k to support 09/10 budget)
31 March 2010	3,926	(includes £1.89m to support 10/11 budget)
31 March 2011	3,457	(includes £1.6m to support 11/12 budget)
31 March 2012	4,919	(includes £3.1m to support 12/13 budget and beyond)
31 March 2013	5,893	See table at section 6

A thorough review of the balances position was reported to Cabinet as part of the 2013/14 budget exercise. This included a risk assessment to establish the minimum level, which was agreed at £1.8 million.

Risk Assessment

The risk assessment has been kept under review. The results of the current assessment are summarised below.

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

Impact of Local Government Finance reforms (Welfare Reform, including LCTS and retention of business rates scheme)	300		
	1,400	600	800

	Minimum Provision
High Risk – 100%	1,400
Medium Risk – 50%	300
Low Risk – 10%	80
Sub Total	1,780
Unforeseen factors,	20
Recommended level	1,800

This shows the minimum level of balances being maintained at £1.8 million. It is then a matter of judgement whether it would be desirable to hold any further level of balances beyond this, or to seek to rebuild balances above this level to provide for future flexibility.

The main issues to mention concerning the assessment are: -

- The key reason for proposing to increase balances was the new risks associated with major Local Government reforms such as the creation of a Local Council Tax Support Scheme and the local retention of business rates. The analysis of the business rates retention scheme and specifically the operation of a safety net shows that there is a risk to the Council's budget of £283k
- While the possible requirement to meet capital spending from revenue resources is still recognised as a potential risk the assessment is "nil" because of the current level of funds held in the capital expenditure reserve and the introduction of the Prudential Code.
- Investment income has been identified as a risk area. In last year's risk assessment this was classified as a "high risk" and due to the continuing uncertainty in the world economy this has been maintained.
- The assessment includes the risk that the VAT exemption limit will be exceeded with a consequent loss of recoverable VAT. Regular monitoring and active management of new schemes minimises this risk.

Implications

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

- Ensure all spending aspirations for the coming year are assessed as part of the annual budget process. The continued development of the Medium Term Financial Forecast will assist in this.

- Recognise that it will not be possible to draw on balances to fund new discretionary initiatives identified in the year, however desirable they may be; an alternative source of funding would need to be identified.
- Realise future assessments could identify a need to rebuild balances
- Accept that the potential for interest earnings on balances will change depending on the level of balances held. (This will be reflected in the budget accordingly).
- Acknowledge that any balances desired for future flexibility/change management will need to be built up over and above the prudent level identified.

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

6. General Fund Balances - Position

The following table sets out the current level of General Fund balances.

General Fund Balances

	£'000
Balance as at 31 March 2013 (As per Statement of Accounts)	(5,893)
Use of balances during 2013/14:	
• Financing carry forwards – Proposed carry forward of 13/14 budgets (Note 1)	594
• Existing items carry forward in balances (see Note 2)	901
• Existing allocations for 13/14 and future years budget (Note 3)	1,185
• Supporting the 13/14 Budget (Note 4)	867
• New releases proposed in this report (Note 5)	304
Projected Balances as at 31 March 2014	2,042
Proposed minimum balance	1,800
Potential Surplus Balances as at 31 March 2014	242

Notes:

1. This reflects items agreed as part of the 12/13 closure of accounts process as reported to Scrutiny Panel on 11 June 13.
2. This includes previous sums allocated from balances which have not yet been spent. For example it includes funding allocated for potential redundancy costs, funds allocated as part of the Jubilee Fund and provisions allocated in respect of certain key risks.
3. This includes funding allocated in balances in respect of a number of key risk areas such as the various Government welfare reforms and proposed changes in respect of NNDR. This also includes a provision for future cost pressure in respect of Community Stadium funding and the risk factor which has been carried forward from the 12/13 budget as reported to Scrutiny Panel on 11 July 13.
4. Agreed use of balances to support the revenue budget including the use of the pensions provision
5. Proposed releases from balances as set out in this report.

7. Earmarked Reserves and Provisions

The Council maintains a number of earmarked reserves and provisions, which allows it to prudently plan for future expenditure requirements. As at 31 March 2013 earmarked reserves totalled £5.7m and provisions £0.5m.

As part of the budget process a review was undertaken into the level and appropriateness of earmarked reserves and provisions. The review concluded that the reserves and provisions detailed in the following table remain appropriate and at an adequate level.

The position on these reserves will be reviewed as part of the 2014/15 budget process including forecasting and assessing the impact of future commitments.

Reserve	Amount 31/03/13 £'000	Estimate 31/03/14 £'000	Comment
Renewals and Repairs (including Building Maintenance Programme)	1,689	1,200	Maintained for the replacement of plant and equipment and the maintenance of premises. Annual contributions are based upon the estimated renewal or repair cost, spread over the life of the asset.
Insurance	263	200	The 13/14 budget includes the agreed annual contribution of £150k. To cover the self-insurance of selected properties. The balance of the fund is split with a proportion specifically identified as a provision against the cost of claims (see section B).
Capital Expenditure	943	500	Revenue provision to fund the capital programme. The reserve is fully committed to funding the current capital programme. However actual use of balance is dependent not only on progress of spending on approved capital schemes but also level of other resources, mainly capital receipts, received. This Reserve is also being used to support some financing costs of the Community Stadium
Asset Replacement Reserve	9	0	A reserve for the future replacement of vehicles and plant. The vehicle replacement policy has been reviewed. Revenue contributions to this reserve have now ceased and the funding is now sourced from the Council's Capital Programme.
Gosbecks	342	320	Maintained to provide for the development of the Archaeological Park. The main source of funding was a 'dowry' agreed on the transfer of land.
Heritage Reserve	5	4	This represents balance held of

Reserve	Amount 31/03/13 £'000	Estimate 31/03/14 £'000	Comment
Hollies Bequest	6	4	museums donations and as such represents a small element of the Council's support to heritage schemes. Provision for the upkeep of open space.
Section 106 monitoring	58	40	Required for future monitoring of Section 106 agreements. From 2010/11 onwards it has been agreed to use £70k from this reserve. Given the reduced balance the MTFF assumes a contribution of £30k from 2013/14.
Revenue Grants unapplied	1,383	500	Under new accounting rules any grant received where there are no clear conditions that the grant is repayable if not spent now have to be transferred to this reserve. For all these grants proposals for use of the money exist and the funds are held in the reserve until the money is spent.
Regeneration Reserve	71	50	Contribution to reserve in respect of balancing any deficit in funding schemes in particular years.
Parking Reserve	312	200	As part of the existing 'on street' parking arrangements there is requirement to keep any surplus funds separate from the General Fund. With the North Essex Parking Partnership (NEPP) there is also a requirement to hold separately funds provided to support TRO (Traffic Regulation Order) work and also initial funding provided by Essex County Council
Building Control	0	0	The Building (Local Authority Charges) Regulations came into force on 1 April 2010. The new charges allow Building Control to more accurately reflect the cost of chargeable services. In any year there is therefore the likelihood of a balance on this account that must be assessed as part of ongoing charges.
Heritage Mersea Mount	13	0	Funding received from English Heritage towards costs relating to Mersea Mount.
HRA retained Right to Buy (RTB) receipts - Debts	344	600	New Reserve following Government changes to the RTB scheme. From 2012/13 the Council can retain a proportion of RTB receipts to offset debt taken on by the HRA Self-Financing settlement. The reserve must be used for HRA purposes.

Reserve	Amount 31/03/13 £'000	Estimate 31/03/14 £'000	Comment
HRA retained Right to Buy (RTB) receipts - Replacement	280	500	New Reserve following Government changes to the RTB scheme. From 2012/13 the Council can retain a proportion of RTB receipts to fund affordable housing development. Receipts held within the reserve must be used within 3 years for this purpose, otherwise they must be repaid to the Government.
	5,718	4,118	

B. Provisions

Provision	Amount 31/03/13 £'000	Estimate 31/03/13 £'000	Comment
Insurance	501	300	This element of the fund is specifically set aside as a provision to meet the cost of identified claims including subsidence. It also includes a contingency for liable costs if a previous insurer, which has gone into administration, is unable to remain solvent.
	501	300	

2014/15 Budget Timetable	
Budget Strategy March 12 – July 2012	
March – June (SMT and Budget Group)	Budget Group Meetings Agreed Update MTFF /Budget Strategy Review potential cost pressures, growth and risks Consider approach to budget Initial budget reviews started
Cabinet – 10 July 13	<ul style="list-style-type: none"> • Report on updated budget strategy / MTFF • Timetable approved
Scrutiny Panel – 23 July 13	Review Cabinet report
Detailed Budget preparation and Budget Setting Consultation	
Budget Group / Leadership Team regular sessions on progress / budget options now - December	Review budget tasks Consider delivery of existing and new Fundamental Service Reviews
Cabinet – 4 September 13 and /or 9 October 13	<ul style="list-style-type: none"> • Budget Update • Review of capital resources / programme • Consider any impact arising from in year budget monitoring.
Cabinet – 27 November 13	<ul style="list-style-type: none"> • Budget update • Reserves and balances • Government Finance settlement (if available)
Scrutiny Panel – 28 January 14	Review consultation / Budget position (Detailed proposals)
Cabinet – 29 January 14	Revenue and Capital budgets recommended to Council
Council – 19 February 14	Budget agreed / capital programme agreed / Council Tax set

Leadership Team to review budget progress during year.

Supplementary Budget paper Spending Review 2013 – Briefing and Implications for CBC

1. Background

- 1.1. The purpose of the SR 2013 was to set out how the Government intends to spend £745billion (£694bn current and £50bn capital spending) across each public policy area in 2015/16.
- 1.2. This SR is an addition to the Comprehensive Spending Review (CSR) 2010 which covered the three-year period to 2014/15. In addition to the SR announcements the Government also provided detail of the capital and growth package for 2015/16.
- 1.3. This note highlights the key issues in the SR 2013 that affect this Council's financial assumptions.

2. Key Issues in the Spending Review for Colchester Borough Council

- 2.1. There are a number of specific issues raised by the recent announcements. The key areas covered within this note are:-
 - Overall funding levels / Government grants
 - Council Tax Freeze
 - Single Growth Fund and link to New Homes Bonus
 - Housing Rents

Overall funding levels / Government grants

- 2.2. The spending review sets out a cut of 10% cut in the budget of the Department for Communities and Local Government (DCLG) for 2015/16. The 10% cut is on top of the 33% reduction since 2010.
- 2.3. The reduction at this summary level provides an indication of the reduction that this Council might see. However, as the planning assumption included in the MTFE is based on a 5% reduction then a 10% cut would equate to a further cost pressure in 2015/16 of c£0.4million.

Council Tax Freeze

- 2.4. The Government announced that funding will be provided to support a freeze in Council Tax in 2014/15 and 2015/16. The following table sets out grants received by this Council following decisions made to freeze Council Tax showing that the amount and period over which the grant has been paid has varied each time.

	Grant £'000	Period paid / payable
<i>Grants Received:-</i>		
• Council Tax Freeze in 2011/12	267	4 years from 11/12 - 14/15
• Council Tax Freeze in 2012/13	269	12/13 only
• Council Tax Freeze in 2013/14	109	13/14 and 14/15

- 2.5. The indication is that the grant that would be available in 2014/15 and 2015/16 would be on the same basis as that provided this year i.e. a grant equivalent to a 1% increase payable over 2 years which would equate to c£109k for each year.
- 2.6. The Current budget forecast and MTFP sets out the position based on a freeze in Council Tax and also the change based on a 2% increase.
- 2.7. Although receiving the grant can clearly help authorities because the income is not built into base funding arrangements when the grant is withdrawn this leaves a gap to fill.

Single Growth Fund and link to New Homes Bonus

- 2.8. The Government announced the creation of a Single Local Growth Fund (SLGF) with over £2billion to be spent under the direction of the Local Enterprise Partnership (LEPs). It has been confirmed that £400million of this will come from the New Homes Bonus (NHB) with authorities being required to pool a proportion of their NHB income.
- 2.9. Consultation is promised on the mechanism for any pooling, although the Treasury has confirmed that the methodology for calculating the NHB will continue. NHB is currently un-ringfenced and in 2013/14 the Council is due to receive £2.6m.
- 2.10. The £400m for 2015/16 should be viewed in the context of a broad estimate total cost of NHB in that year of a figure in the region of £1.1billion. This provides an indication of the potential scope of any pooling requirements. The Government has confirmed that they will continue to support the NHB by £250k per year
- 2.11. The MTFP assumes no change in the level of NHB given the links already in place with other Government funding. Whilst more information is required on how any pooling would operate it is clear that it will be necessary to consider how the NHB is used to support future budgets.

Housing Rents

- 2.12. The Government has announced a £3.3 billion package to support new affordable homes over three years from 2015/16. The Government

has also announced that from 2015/16 social rents will rise by CPI plus 1% each year for the next ten years.

- 2.13. Dwelling rents are currently set within DCLG guidelines and so the annual increases in rents paid by tenants are set by reference to national Government policy. The Government expects local authorities to apply rent restructuring to all their HRA properties, and is the assumption the Government made when establishing the amount of debt we would take on under HRA Reform. The aim is that social rents reflect the condition and location of properties, local earnings and property size. Each property has a target rent calculated using the Government's formula, and this increases annually by the September RPI figure + 0.5%. Actual rents are expected to "converge" with the target rent by 2015/16. As our actual rents are lower than our target rents, this means an increase over and above RPI + 0.5% to "close the gap" and converge. There are however caps and limits in place to protect tenants from very large increases. The most an actual rent can increase in any one year is RPI +0.5% +£2 a week.
- 2.14. The May CPI figure was 2.7% compared to RPI for the same period of 3.1%. The difference between the two approaches is therefore currently minimal. The Government has though indicated that the policy of rent convergence will not extend beyond 2014/15.
- 2.15. The impact of the change in approach and methodology will need to be assessed as part of the HRA business plan.

Further Issues

- 2.16. The SR 2013 also sets a number of other issues that may impact on the Council's financial planning. These include:-
 - Consultation will take place on allowing authorities some flexibility on the use of capital receipts to finance one-off costs of service transformation. Currently capital receipts can only be used to finance capital expenditure or to repay debt.
 - The Government has announced a further £200 million will be invested into the Troubled Families Programme.

3. Summary

- 3.1. The SR 2013 has provided an indication of funding levels for 2015/16 and sets out a number of key financial changes that will impact on this Council's budget strategy and financial plans.
- 3.2. Whilst, specific details are required in a number of areas and with most proposals subject to consultation, it is clear that the announcements will further reduce resources directly available to this Council.



Cabinet

Item
8(i)

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**

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. To delegate to the Chief Executive responsibility for the approval of a new Memorandum and Articles of Association for Colchester Borough Homes.

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 will be reviewed by the Scrutiny Panel meeting at its meeting on 2 July and the minutes will be submitted to Cabinet 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> EqIA 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.



New Housing Arrangements Proposal



1. Contents	Page
2. Executive summary	2
3. Introduction	3
4. New Housing Arrangements Project Structure	6
5. Customer Impact	7
6. Opportunity - New Colchester Borough Homes Governance Arrangements	10
7. Opportunity - Integrated frontline housing customer experience and housing options and advice service that is cross-tenure	13
8. Opportunity - Streamlined housing repairs budget arrangements	18
9. Opportunity - Proactive empty homes and private rented sector programme	22
10. Financial Implications	25
11. Risks	27
12. Communication and engagement	28
13. Implementation	29
14. Next steps	30
Appendices	
A: The Local Housing Review	31
B: Current Arms Length Management Organisation (ALMO) arrangements	34
C: Current financial arrangements	36
D: Current performance of Colchester Borough Homes	41
E: Feedback from the CBH Task and Finish Group	43

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

A consultation workshop in June 2013 was attended by seven tenant representatives and two leaseholder representatives. The group agreed with the opportunities in the New Housing Arrangements proposal and developed ideas of how they could be implemented.

Specifically the group suggested that:

- 1 CBH to have more control of the repairs budgets so it can be more responsive to trends and the needs of the tenants.
- 2 [Customer service centre teams combining would lead to] joined up neighbourhood management would be improved; all staff in one place would save time and emails.

A report giving full feedback from the workshop can be found at appendix E.

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.

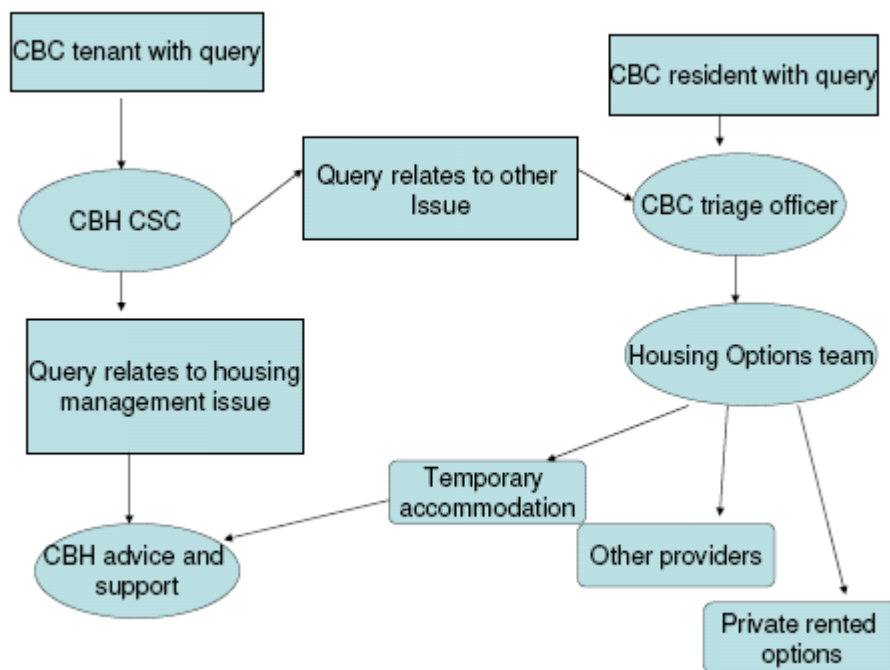
Customer Impact

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.

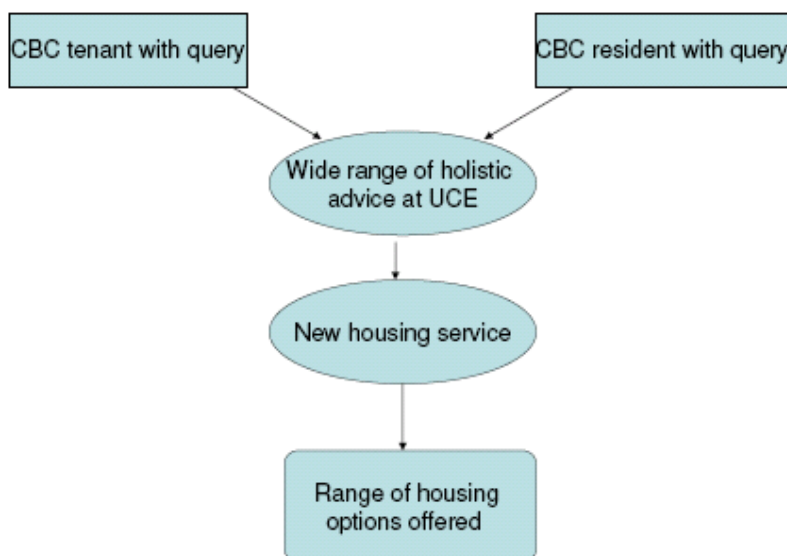
This approach will build on the success of the Housing FSR which brought together teams who give advice on housing issues. The new service will be a continuation of this streamlining. It provides a platform for the development of self-serve.

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	3 rd	3 rd
HMPI 60c - Percentage of tenants on whom the landlord has diversity information – ethnicity- new indicator	96.9%	97%	2 nd	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%	3 rd	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%.

Appendix E: Feedback from the CBH Task & Finish Group

New Housing Arrangements

Wednesday 5 June 2013

In preparation for the meeting invitees were given a briefing paper to read. It is attached as appendix 1 to this report.

Present:

Tenants	Leaseholders	Staff
Maura Broad	Jan Litobarski	Gordon Steed
James Watson	Fiona Hetherington	Mell Robinson
Jan Sexton		
Steve Pitten		
Jackie Brooker		
Ann Carey		

Apologies:

Geoff Foster

Topic – New arrangements for flexibility on repairs budgets and more tenant involvement opportunities

The group members were asked to work in pairs and come up with some ideas for what they felt would constitute flexibility. They also thought of ways to be more involved in the repairs and maintenance service.

Flexibility

- 3 If a repair is reported at one address an inspection could take place and ALL repairs then be undertaken in that property – including any planned preventative maintenance works – by a multi-skilled operative or group of operatives. This would be particularly effective use of resources for the rural locations and would avoid costly repeat visits for small items.
- 4 It was suggested that leaseholders have access to the repairs service at a reasonable cost. In addition they would like it considered to have a service for disabled and over 65s leaseholders to have access to a repairs service (as part of their service charge)
- 5 It was suggested that the current 21 days to complete a standard repair is too long. A target of 10 working days (as a maximum) should be aimed for in the future with particular priority for the disabled and over 65s
- 6 Rural areas to have access to an ‘odd job’ operative – maybe working on a particular day of the week or days within a month – to cut down on travelling time and to encourage people to report small repairs before they escalate into big repairs.

Continued

- 7 CBH to have more control of the repairs budgets so it can be more responsive to trends and the needs of the tenants
- 8 A 'gold standard' of service was discussed but this was felt to be possibly discriminatory and might give people on benefits that fall into arrears through no fault of their own, no chance of reaching the 'gold standard'

More Tenant Involvement – How?

- 1 Consult more – especially on repairs issues and priorities and the capital programme
- 2 Property Services should work the same as the rest of CBH in terms of involvement and participation by tenants and leaseholders. People want real choice, they wanted Property services to 'join up' with the rest of CBH in terms of ethos and they wanted to remind everyone that it is their home and therefore their choice (in everything)
- 3 The tenants and leaseholders present were keen to say that they are not interested in hearing from operatives and sub contractors that what they are doing is CBH policy and they have no choice eg that is the only paint colour left. They also were keen to point out that they don't have to be grateful to receive an excellent repairs and maintenance service – they are entitled to an excellent repairs and maintenance service
- 4 Respect tenant and leaseholders views
- 5 Listen to tenant and leaseholders views
- 6 Create a Choices Panel – to act as an opinion board to help narrow down some of the choices available and develop a standard for CBH tenants and leaseholders. They would decide on colours of paint, tiles, floor coverings, kitchen styles, bathroom fittings. They were keen to avoid 'institutional colours' used just because they are cheap. They would like to create and develop a unique CBH colour palette
- 7 The management of CBH (DMT and SMT level) should ensure they attend focus and action group meetings to hear first hand the views of involved tenants and leaseholders and keep in touch at grass roots level
- 8 The trades operatives need to be educated in the ethics of resident involvement and understand that tenants and leaseholders have choices by right
- 9 There was unanimous support for a new scheme of tenant/leaseholder Service Auditors to be set up. They would be trained to help tenants snag following responsive and planned maintenance work and would be complementary to the Mystery Shoppers

Topic – Customer Service Centre teams combining

The members of the task and finish group made the following comments

- 1 Joined up neighbourhood management would be improved
- 2 All staff in one place will save time and emails
- 3 There is still a need for an access point for face to face interviews
- 4 The meeting members unanimously agreed to the merging of the teams
- 5 They suggested there was a need to increase awareness so no artificial separation occurs which might undermine the service

The group members then looked at what they liked about CBH Customer Services Centre and what they did not like. The group then chose their top three for each (which are placed 1, 2, 3 below)

Good

- 1 Polite and helpful staff
- 2 A drop in centre – for face to face contact – is important
- 3 Sociable staff that know their customers and are not too formal or cold
- 4 One number to use for all enquiries

Bad

- 1 The automated messages being repeated annoys callers
- 2 A quicker response to answering the call in the first place and then response from the person the call is aimed at is needed – generally
- 3 Speaking to a human being – rather than an automated service is preferred
- 4 No free phone number – maybe a compromise would be a Free Phone period of say an hour a day
- 5 The automated messages take a very long time to go through before you can choose your option – why?
- 6 Messages are not always passed on (anecdotal evidence)
- 7 The back office don't always respond promptly or callers get a late response
- 8 Callers generally dislike the music being played whilst on hold – find an alternative
- 9 Some anecdotal evidence of telephone numbers no longer in use
- 10 First call resolution edict leads to 'the Spanish Inquisition' of many questions – if a customer has already been speaking to someone else – put them through without the need for loads of questions again

Solution suggestions

- 1 Respond promptly
- 2 Explain any delays and when job/enquiry can be completed – but tell us!
- 3 Suggest that use 'you are third in the queue' type of on hold information

We rounded off the morning with a discussion about resident involvement. The Task and Finish Group concept was discussed and it was unanimously agreed that these were a good way to focus involvement on one topic. Everyone in attendance agreed to stay on the invitation list for future task and finish groups.

Mell explained that to help CBC with its future consultations, on strategies, policies and ideas connected with housing - she would be assisting to create a Borough wide consultation panel. This would have a mixed tenure membership along with CBH tenants and leaseholders. Everyone present agreed this was a very good idea. The also agreed to help with recruitment to the next group when the publicity was created hopefully within the next six months.

Mell Robinson and Gordon Steed - 5 June 2013

Appendix 1

New Housing Arrangements Project Task & Finish Group written briefing note May 2013

Background

The New Housing Arrangements Project Team has been developing a proposal about the Council's housing functions which:

- puts in place new arrangements for the Council's housing functions which are designed to deliver the Council's future housing objectives
- puts in place more flexible and responsive controls between the Council and Colchester Borough Homes
- contributes to a commercial services arm by enabling Colchester Borough Homes (CBH) to increase its range of housing services as a wholly owned trading company of the Council

There are opportunities identified in this briefing where efficiency savings are expected following their implementation, but this is not the main purpose of this review process.

The purpose of this briefing is to let you know about the proposals and prepare you for a discussion in more detail at the Task & Finish Group.

Building up the proposal

A workshop was held for managers of staff teams involved in providing housing services. The teams agreed that priorities for a housing service should include:

- A combined Colchester Borough Council (CBC) and CBH customer services team
- Increase strength and flexibility by building a team of housing professionals 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 to customers
- Make the best use of the private rented sector
- Develop the means for customers to self-serve through more information.

These priorities have provided the foundation for the proposals outlined next.

Proposals for changes

The proposed changes in the housing functions outlined in the New Housing Arrangements are:

- To combine the customer contact processes in both CBH and CBC Housing Options to enable a new Universal Customer Environment (UCE) ie one point of contact for customers – rather than two
- Transfer the homelessness and housing options advice work to CBH. This will involve the transfer of the housing options team along with some of the professional support services (PSS) support. This will result in a new housing options and advice service which works with customers from any tenure. It is expected that by adding together associated services our customers will benefit from a broader choice and range of services
- To give CBH more control over the housing repairs budgets to allow flexibility and more tenant involvement in the delivery of the repairs service
- To transfer the processes currently managed by CBC around Disabled Facilities Grants and Energy Performance Certificates to CBH

After carrying out the above changes, it is expected there will be opportunities for CBH to become involved in the private rented market in order to increase supply and raise standards. This will also enable CBH to investigate working with the owners of empty homes in the borough to help bring their properties back into use.

Timescales

These are provisional dates. Changes will be coordinated with others connected to reviews going on within CBC at the moment to minimise uncertainty and disruption for staff and customers.

10th July 2013 - Cabinet decision on New Housing Arrangements Proposal

August 2013 – New Arms Length Management Organisation (ALMO) Management Agreement (for CBH) and working arrangements agreed. The Management Agreement for the ALMO is the key document which has to be in place with relevant delegations and governance arrangement.

September / October 2013 – Housing Options teams transfer to CBH. Both CBC and CBH human resources teams will be working with staff to help the understanding of the process involved. Some practical issues will be considered during the implementation plan such as office accommodation.

October 2013 – UCE Customer service teams begin to merge. The CBH customer service team will begin to work with the CBC customer services team ahead of the move to new accommodation.

October 2013 – Professional Support Services functions linked to the Housing Options Team transfers to CBH.

Consultation

The Sounding Board was created by CBC in February 2012. It was made up from CBH tenants and leaseholders and was supported by an independent tenant advisor. They met on a regular basis and helped review the Council's future options for managing its housing stock. They undertook training and developed skills in analysing complex performance information, evaluation techniques and gained a working knowledge of housing finance and an overview of how a housing revenue account might be self financed. The group completed its work in January 2013.

A survey on the proposals of the New Housing Arrangements was circulated with Housing News and Views in April. The outcomes of the survey will be reported in the August edition of Housing News and Views.

Extract from the minutes of the Scrutiny Panel's meeting on 2 July 2013

New Housing Arrangements Proposals

Councillor Harrington (in respect of being a private landlord) and Councillors Harris and Oxford (in respect of being Members of the Local Housing Review Project Board) all declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5);

Councillor Bourne, Portfolio Holder for Housing, Mr. Ian Vipond, Strategic Director, Mr. Greg Falvey Chief Executive of Colchester Borough Homes and Ms. Karen Loweman, Director of Housing, Colchester Borough Homes, attended the meeting for this item.

The Panel was invited to review the proposal and the draft Cabinet report relating to the New Housing Arrangements Project. The review provided an opportunity for the Panel to pre-scrutinise the Cabinet decision to be taken on 10 July 2013.

Councillor Bourne addressed the Panel and explained that Mr. Vipond and Ms. Loweman would give a joint presentation on the proposals on behalf of the Council and Colchester Borough Homes.

Councillor Bourne explained that the current ten year partnership agreement ends this coming August and this had provided the impetus to review the current housing arrangements. The review of the housing functions and processes in the form of the Local Housing Review Project was set up to fulfil this purpose. She added that the main outcomes have been to continue with the Arms Length Management Organisation (ALMO) and to agree a new Management Agreement with Colchester Borough Homes, for them to govern new arrangements with the Council.

Councillor Bourne welcomed the opportunity for the proposals to be scrutinised, particularly in respect of strengthening the partnership arrangements, streamlining the functions and in what organisation the functions are best delivered.

Presentation

Mr. Vipond addressed the Panel to explain one of the principle things was to bring the Council's housing stock up to a prescribed standard and this had been achieved. He said the Local Housing Review Project Board was established in 2011, in response to the national changes in HRA reform that fundamentally altered the funding arrangements (self-financing) for council housing in respect of repairs and new build, and the need for a long term view of how we provide these services in the most effective and efficient way. The Project Board was made up of representatives from all political groups,

housing tenants and others with professional expertise with proposals being subject to a peer challenge from the Local Government Association.

Mr. Vipond concluded by saying the purpose of the review was to; i) Ensure the Council's future housing objectives, ii) Ensure the resilience of governance arrangements between the Council and the Colchester Borough Homes, iii) Develop a commercial services arm with extended scope and iv) Support the Universal Customer environment.

Ms. Loweman gave a presentation of the new housing arrangement proposals.

Ms. Loweman said a positive relationship between the Council and Colchester Borough Homes was critical to the successful delivery of housing functions and working together enabled the continuation of delivery solutions and service improvement.

She added that the review had been undertaken in alignment with the re-organisation of the Council's Customer environment and support service review, with the scope of the project providing many opportunities including, the integration of customer contact within the Universal Customer environment, a transfer of work around homelessness and housing advice to Colchester Borough Homes, more control over the housing repairs budgets and an opportunity to explore the private rented market to increase housing options. She added that there had been a review of procurement procedures, an exploration of the benefits to Colchester Borough Homes of supporting the work to bring empty properties back into use and the possible extension of current arrangements for tenant and leaseholder involvement across all housing related services.

With regards to customers, Ms. Loweman explained that the new arrangements built on the improvements implemented through the 2010-13 fundamental service review process. In regards to consultation, she added that a Colchester Borough Homes Sounding Board with an independent Tenant Advisor provided an objective view and evaluation of what was needed to succeed, and a tenant survey was undertaken within the April tenant newsletter 'News and Views'.

The changes will provide an enhanced experience for customers, such as; i) an integrated housing service, ii) the Greenstead Community Housing Office continuing to provide a community hub, iii) staff providing a high quality service at first point of contact, iv) consistent service standards and v) The development of a range of options and advice.

Ms. Loweman said the changes will allow both organisations to have some certainty for the period of the agreement though dependent on continuing performance achievement, an agreement that encouraged the development of new services and the ability of the Council to engage directly with residents when it needs to.

Ms. Loweman explained what an integrated housing service will provide to customers, e.g. first point of contact aligned to the principles of the Universal Customer contact and specialist and generic advisors, how the management of the housing repairs budget will change, e.g. Colchester Borough Homes managing in accordance with the Council's policy, greater flexibility and innovation, performance management to provide continuous high levels of customer satisfaction and the Colchester Borough Homes Board and tenants having a greater influence and control of budgets.

Ms. Loweman said in future it was proposed that Colchester Borough Homes will deliver Housing Advice, Management of the Housing Register and Choice Based Lettings, increased access to private rented properties, Homelessness assessment, Management of Temporary Accommodation, the management of tenant and leasehold properties and the ability to respond to complaints of anti-social behaviour Borough-wide.

Three major risks were identified as part of the process, and revolved around, i) implementation (and the impact on other services and internal support), ii) the finances (and the realisation of financial assumptions and commercial opportunities), although the new arrangements will allow greater opportunities to react to situations, and iii) Universal Customer, and the need through the implementation process to align dependencies between projects.

Mr. Vipond said the Cabinet decision will be taken on 10 July 2013.

The Cabinet decision to be agreed had been amended since the publication of the meeting's agenda, with recommendation 1.2 extended to read as follows;

"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. To delegate to the Chief Executive responsibility for the approval of a new Memorandum and Articles of Association for Colchester Borough Homes".

The Panel were asked to review the proposal and the draft Cabinet report that will include the above amendment.

Open discussions

In response to Councillor Cope and how tenant's expectations to repairs and maintenance are managed, Ms. Loweman said the terms and conditions of tenancy are detailed in the secure tenancy agreement. The expectation is tenants will maintain their homes in a reasonable condition and undertake minor repairs as necessary. The landlord was expected to look after the structure of the building along with day to day repairs. She added that Colchester Borough Homes do undertake a series of training events throughout the year focusing on Fixing and Maintenance Programmes. Tenants are encouraged to attend these events and they are well attended.

Whilst Councillor Hogg was supportive of, and welcomed the proposed new arrangements, said it was imperative that progress on the future changes was scrutinised with openness and transparency. Councillor Bourne concurred with Councillor Hogg, saying the new environment should enable it to be easier to sort out issues. She added that checks and balances is very important, and performance data will continue to be reported to the Scrutiny Panel and strategic monitoring tied-up within the new agreement and governance arrangements. It was the Cabinet's intention that the proposals will provide value for money, the assets are managed effectively in the best way possible and the duty and power of well being is enhanced given housing is an important contributor to good health. Councillor Hogg, whilst appreciative of Councillor Bourne's response, still had reservations, citing instances of substandard workmanship that had been lost within the minutiae of delivery, and remained sceptical about it improving.

Councillor T. Higgins said it was proven that offering contracts to the firms submitting the lowest tender always caused a problem, with firms keeping prices at unsustainable low levels to win the contract, that initially starts out well and then turns into a disaster. He hoped for reassurances that this will not happen with housing repairs and maintenance. Mr. Falvey said in the past the nature of the problem was fundamental to the nature of the contract. He said the terms and conditions of new contracts have fundamentally changed and are now far more robust. Firms are selected on the basis of price and quality, a balance of both. He added that Colchester Borough Homes have a small Repairs and Maintenance Team employed to pick up the work when a contractor leaves a site and before a new procurement contract is introduced. Mr. Falvey also explained that under the new financial arrangements, there will be the opportunity to spend more capital on reinvestment in the Council's housing stock. Councillor Higgins said he was reassured by the response.

Councillor Harris said the response to the recent tenant survey detailed in section 5 of the proposal (in which 21 tenants supported the proposal out of 23 responses in total) was disappointing and felt this should have been stated in paragraph 5 of the Cabinet report. Councillor Harris asked how many staff will be transferred to Colchester Borough Homes as part of the new proposals and how will this be funded? In response Mr. Vipond agreed that the tenant survey responses had been disappointing, although in addition to this and as part of the consultation process a number of other methods of consultation had been undertaken including the Sounding Board. Ms. Loweman said the transfer of staff to Colchester Borough Homes was now in the implementation phase, with 14.5 FTE staff transferring to Housing Options and Homelessness within Colchester Borough Homes and 10 FTE Advisors and 2 FTE team leaders moving from Colchester Borough Homes to Customer Services.

In response to Councillor T. Higgins, Mr. Vipond said in changing the governance arrangements, the partners are seeking to make the arrangement more business like with a clear strategic direction in line with the Council's objectives. Colchester Borough Homes will have greater responsibility, with no interference from the Council and that will ensure a clear direction with

clear monitoring arrangements. An important objective is to improve the relationship between the two organisations. Regarding the welfare reform changes, Ms. Loweman reassured members that it was recognised that the current economic climate is resulting in a growing number of vulnerable tenants, and the knock-on effect on health and wellbeing, and the Advisory Team is to be expanded to cope with the increased demand in providing the necessary advice. Colchester Borough Homes are also pro-active in monitoring those residents on the housing list prior to entering into a tenancy agreement.

Mr. Falvey confirmed to Councillor Lissimore that the new governance arrangements regarding the reduced number of board members (from 15 down to 12) will allow for a more business like arrangement. Twelve board members will allow for the appropriate coverage of the Board's sub committees. The twelve members will be made up of four Council members, four tenants and four independent members. The intention is to have independent members (increased from three to four) with a greater depth of skills and knowledge base that can be spread across the sub committees. The new Chairman will be selected through the advertisement and recruitment process, in open competition, and Mr. Falvey confirmed the responsibility allowance for the Chairman had been set by the Independent Remuneration Panel.

In response to Councillor Oxford, Ms. Loweman said elderly tenants or tenants with mobility issues are supported by Housing Officers in helping to provide home repairs and decorating. Both organisations work in partnership with Swan Care (the Home Improvement Agency service who can assist tenants with many services such as adaptations, repairs and redecorating), the Probation Service and local Voluntary Groups in providing help and support. Regarding anti-social behaviour (ASB), and comments that even when instances of ASB are reported nothing ever gets done, that people associated with ASB laugh in the face of those directly affected and the Police do not help, it has resulted in many residents not pursuing complaints because either they are too frightened or feel no progress is ever made, Councillor Bourne said all ASB is totally unacceptable in modern society, and whilst she sympathised with the feelings of many residents affected by ASB said it was imperative that ASB and criminal activity is reported to the Police. Both organisations work closely with the Police and Street Wardens are pro-active in reporting and helping to deal with ASB. That said, Councillor Bourne said whilst greater involvement from the Police would be welcomed, she understood the current difficulties beset the Police through major restructuring. Councillor Bourne said local communities also have a role to play in supporting local vulnerable residents and themselves. Mr. Vipond assured members that the Council's legal team are very active in pursuing cases of ASB and prosecuting through the courts, but this can often be a frustratingly long process. Whilst Councillor Oxford appreciated this response, he knew of cases where no progress has been made, and remained sceptical about many of these issues being resolved. Councillor Hayes concurred with Councillor Oxford's comments about ASB, saying she too had been unable to make any progress in eliminating persistent low level

ASB in the Castle Ward, and suggested that Colchester Borough Homes should use the terms within the Secure Tenancy Agreement (STA) to actively pursue tenants who are responsible for ASB. Councillor Bourne empathised with members regarding a lack of progress with many cases of reported ASB, and understood that residents would like to see more enforcement action taken. Councillor Bourne agreed that it was important that tenants live strictly to the terms of their STA and where the agreement was broken enforcement and legal action was taken against private and council tenants alike.

Councillor Hayes said isn't there a conflict of interest when the Project Team is a collaborative team from both the Council and Colchester Borough Homes (reflecting a desire for a strong and positive relationship between the two organisations going forward) and is overseeing the development of new governance arrangements for Colchester Borough Homes, and strongly advised the Council to employ its own independent legal advisor to oversee this work. Mr. Vipond said the Council is employing legal advisors to provide independent legal advice. The aim of the Project Team was to draft a new management agreement between the two organisations on the basis that both organisations have the same objectives. He added that should at any stage either organisation cannot be provided with the same legal advice, the Council and Colchester Borough Homes will seek advice independently.

Mr. Vipond responded to Councillor Hogg regarding the Library in the town centre as an appropriate building for providing an advisory service that included a range of things from housing advice and help, to general information. Mr. Vipond said on a national basis the Library Service has been looking to go this way for some time. Essex County Council agree that many of the services currently provided in the Library mirror those given in Angel Court Reception and agreed with the Council that there was a way, from the customer's point of view, to provide these services in one building and without detrimentally effecting the Library Book service provided.

Ms. Loweman responded to Councillor Harris about the skills cross-over through the restructuring process. Ms. Loweman said there is now an opportunity to imbed resilience in staffing levels and staff development. Housing performance monitoring will ensure new processes are more robust, and training and development, facilitated both in-house and externally, will be provided in a value for money way.

Councillor Cope said the table illustrated within the report and showing savings from the Council and Colchester Borough Homes Fundamental Service Reviews, and the table showing the Housing Management Performance Monitoring statistics were both unclear. Mr. Vipond explained that the savings figures within the table are recurring savings (year on year). The figure of £60k was a saving to be made through the streamlining processes within the new Housing Arrangement proposal, although the project had not been about generating savings, but about putting in place the best management structure going forward, and that will itself generate future savings. Mr. Falvey said the illustrated savings are presented in that way to mirror the thirty-year Business Plan of the Housing Revenue Account, though

it was hoped the proposed arrangements will generate future savings. Officers provided the Panel with explanations of the unit of measurements against performance indicators where the unit was not notated, and Mr. Judd agreed to provide the Panel with the definition of non-decency. Ms. Loweman agreed to investigate the issue at High Woods regarding faulty door locks on recently installed doors. Ms. Loweman said the organisations will work closely to deliver and manage an increase in the supply of new build homes.

In response to Councillor Harris regarding the development of the commercial services arm, Mr. Vipond said the Trading Board met for the first time on 26 June 2013. The Commercial Services Group is now in place, led by the Director of Commercial and Place, and includes the Head of Commercial Services plus key officers. Officers are now taking forward the commercial elements of the Universal Customer Care Fundamental Services Review business plan. Both organisations are looking to have new commercial service arrangements in place this summer that could present significant trading opportunities and that will be presented to the Board for review. Mr. Falvey concurred with Mr. Vipond, adding that opportunities will arise because there is a willingness by both organisations to work with third parties who have the appetite for partnership working opportunities. Councillor Bourne said it was Cabinet's wish to maximise trading opportunities and the insistence on high quality housing management was the top priority.

Mr. Vipond explained that the Management Fee of £3.5m is an agreed annual fee paid by the Council to Colchester Borough Homes to pay for services, and sits within the Housing Revenue Account.

RESOLVED that the Panel;

i) Noted the amendment to decision 1.2 of the Cabinet Report.

“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. To delegate to the Chief Executive responsibility for the approval of a new Memorandum and Articles of Association for Colchester Borough Homes”.

ii) Considered and commented on the amended draft Cabinet report, and considered and agreed to the four main purposes of the review and the proposed New Housing Arrangements.

iii) Requested that the Cabinet in making their decision to approve the proposals do so in light of the Panel's comments.



Cabinet

10 July 2013

Item
9(i)

Report of	Head of Communities	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 Cabinet 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 Cabinet 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.
- To consider any proposals / feedback from the Scrutiny Panel following their review of the report on the 11 June 2013.

2. Reason for decision

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

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.
- 3.2 The year end reports were considered at the Scrutiny Panel meeting held on 11 June and the Panel's comments have been incorporated into 4.3.

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 Scrutiny 11th June 2013

Scrutiny Panel 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. The requested the following:

- i) That the costs associated with receiving awards and accreditations is reviewed with the aim to trim the associated hospitality and travelling costs.
- ii) A schedule of dates and relevant areas for the 2013/14 Food Waste collection roll-out programme.
- iii) An explanation from Colchester Borough Homes to the reasons for the increase in the 2013/14 average target time to re-let council houses.
- iv) 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.
- v) 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.

4.4 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.

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





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> <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.</i>
	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> <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.</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
-------------------	----------------	----------------	-------------------------	----------


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.</p> <p>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><i>13/14 target comment in italics - 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 : NNDR came in under target, 97.87% of £60,038,624 NNDR 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.</p> <p>Indications are that the NNDR 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.</p> <p><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	Fore-cast 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  G </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
-------------------	----------------	----------------	-------------------------	----------

KSIW Number of weekly missed bin collections	n/a	n/a	Blue wk – 100 Green wk 80	13/14 target comment in italics - Suggested new indicator for 2013/14 – measure the number of missed bins on a weekly basis for each of the different collections. <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>
--	-----	-----	------------------------------	--

Benefits Key Indicators

KSI B1 Time to process Housing Benefit new claims and changes 	14 days	13.5 days G	14 days	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 13/14 target comment in italics - <i>This target remains stretching, particularly in view of the many benefit changes coming into effect from 1 April 2013.</i>
---	---------	----------------	---------	---

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 Depot
- This 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

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

- 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.**

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

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.

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

- 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.**

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

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.

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

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

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

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.

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

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

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

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.

- 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.

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

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

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

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**

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

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.

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

- **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

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

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

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

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

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

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**

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

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.

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

- **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

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

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**

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

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.

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

- **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**

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

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 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

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

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

138

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

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

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**

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

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

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

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**

10th July 2013

Report of	Assistant Chief Executive	Author	Elfreda Walker
Title	Social Value Act		☎ 282724
Wards affected	All Wards		

This report concerns the implementation of the requirements of the Social Value Act

1. Decision Required

- 1.1 To agree to amend the Council's procurement process and guidance to include a requirement to consider appropriate and relevant measures to address the impact on the local economy, the environment and compliance with the living wage at the pre procurement stage of future procurements over the EU threshold.
- 1.2 To agree that the key social value issues applicable to Colchester Borough Council will be those set out at paragraph. 4.7.

2. Reasons for Decision(s)

- 2.1 To promote the economic, social and environmental wellbeing of the local community.

3. Alternative Options

- 3.1 The only alternative would be not to consider how services procured might improve the economic, social and environmental well being of the borough, but that would be contrary to the requirements of the Social Value Act.

4. Supporting Information

Background

- 4.1 Value for money is the over-riding factor that determines all public sector procurement decisions. In recent years, there has been a shift in understanding of how value for money should be calculated, and growing support for the idea that it should include social and economic requirements.
- 4.2 The Public Services (Social Value) Act is the most significant development in this trend towards embedding social value in procurement. Under this Act, for the first time, public bodies are required to consider how the services they procure might improve the economic, social and environmental well-being of the area.
- 4.3 Social value has been defined as "the additional benefit to the community from a commissioning / procurement process over and above the direct purchasing of goods, services and outcomes". There is no authoritative list of what these benefits may be. The reason for this flexible approach is that social value should consider what is beneficial in the context of local needs or the particular strategic objectives of the Council.

- 4.4 In recognition of this, the Public Services (Social Value) Act does not take a prescriptive approach to social value. It simply says that a procuring authority must consider:
- How what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area.
 - How, in conducting the process of procurement, it might act with a view to securing that improvement.
- 4.5 In doing this, the Act gives the Council freedom to determine what kind of additional social or environmental value would best serve the needs of the local community as well as giving providers the opportunity to innovate.
- 4.6 The Act applies to public service contracts and those public services contracts with only an element of goods or works over the EU threshold. This currently stands at £173,934. Social value must be considered at the pre-procurement phase, to enable social value to be embedded in the design of the service from the outset.

How Will Social Value Be Considered At Colchester

- 4.7 Following discussions at Leadership Team, the following three themes / priorities are recommended as those which should be taken into account when considering social value:

Social Value Theme	Examples
Impact on local economy	Requirement to advertise employment opportunities locally Skills training / apprenticeships Use of local sub contractors
Compliance with living wage	Subject to the decision on accreditation; relevant contractor employees would have to be paid at least the living wage (currently £7.49).
Environmental	Requirement to use low emission vehicles Eco-efficiency – doing more with less resource Reduce, reuse & recycle Increase in amenity Visual improvement

- 4.8 The Act requires the Council to act in a way which is proportionate to the services being procured. The Cabinet Office guidance recommends keeping a formal record of the steps that have been taken to comply with the Act. It is proposed that the Portfolio Holder or Cabinet award reports detail whether the requirements of the Act are applicable. Where the Act is applicable the report must detail what the social value will be, how it will be achieved and whether consultation was carried out to determine whether economic, social or environmental improvement could be achieved. Where the Act is not applicable the report should state why.

5. Proposals

- 5.1 Cabinet is requested to:
- Agree to amend the Council's procurement process and guidance to include a requirement to consider appropriate and relevant measures to address the impact on the local economy, the environment and compliance with the living wage at the pre procurement stage of future procurements over the EU threshold.

6. Strategic Plan Reference

6.1 Leading our Communities – the proposed approach to integrating social value into procurement will:

- Help to improve opportunities for local businesses to thrive
- Help to promote sustainability and reduce congestion

7. Publicity Considerations

7.1 The Council's requirements under the Act will be publicly available on the Council's website and within relevant tender documentation.

8. Standard References

8.1 There are no particular references to consultation considerations; or financial; equality, diversity and human rights; community safety; health and safety or risk management implications.

Background Papers

There are no background papers.

10 July 2013

Report of	Assistant Chief Executive	Author	Sean Plummer
Title	Local Authority Mortgage Scheme		☎ 282347
Wards affected	All wards		

This report concerns the proposal for Cabinet to recommend to Council setting up a Local Authority Mortgage Scheme (LAMS)

1. Decisions Required

1.1 To consider and recommend to Council that :

- (i) The Council agrees the development of a Local Authority Mortgage Scheme (LAMS) in Colchester Borough.
- (ii) A total indemnity value of up to £2million is allocated to LAMS subject to match funding from Essex County Council up to £1million.
- (iii) The eligibility for the Council scheme referred to will be limited to people borrowing £150,000 or less.
- (iv) A capital scheme to a maximum value of £2million for LAMS is included in the Council's Capital Programme for 2013/14 funded in equal parts through borrowing and match funding from Essex County Council as set out within this report.
- (v) The Assistant Chief Executive, in consultation with the Monitoring Officer and the Portfolio Holder for Business and Resources be authorised to:
 - determine the allocation of the £2million scheme funding to specific lenders, including Lloyds TSB
 - determine the qualifying post codes for the scheme
 - agree the detailed financial and contractual arrangements with Lloyds TSB and any other LAMS lenders
- (vi) The Monitoring Officer be authorised to give an opinion letter as required to any LAMS lender.
- (vii) Approval be given by the Council to enter into a deed of indemnity with the Monitoring Officer in respect of any opinion letter he gives, the form of such deed to be approved by the Assistant Chief Executive.

2. Reasons for Decisions

2.1 One of the main barriers to first time buyers getting on the housing ladder is the requirement from many lenders for deposits in the region of 20 - 25% even where income levels mean that the mortgage is affordable.

- 2.2. To help address this issue the Council has been invited to work with Essex County Council to establish a Local Authority Mortgage Scheme (LAMS) that will give a limited financial indemnity to an approved lender providing mortgages to first time buyers.
- 2.3. LAMS were first established as a pilot in 2009 by Sector Treasury Services (Sector), and there are schemes operating in 54 local authority areas

3. Alternative Options

- 3.1 The Council could choose not to take part in this initiative.

4. Supporting Information

General Economic Background

- 4.1. According to the Building Societies Association (BSA), one in four prospective first-time buyers believe it will take them at least 10 years to have a deposit in place and one in five believe they will still be renting or living with family in 2022. While mortgage insurance, shared ownership, and product innovation can all potentially play a part, none will provide a “magic bullet” to normalise the mortgage market for first-time buyers. This will continue to be a gradual process as confidence in funding markets and lending decisions is restored in the light of a more stable market environment. The preference for low loan to value mortgages has improved although it is likely to continue to restrict first time buyers with a lower deposit in the current financial environment.
- 4.1. Supporting the housing market is an integral part of the government’s wider economic growth agenda and has supplemented its housing strategy with a number of measures to boost house rebuilding. FirstBuy was extended to March 2014; a debt guarantee scheme has been introduced; and a key policy development for the UK economy has been the launch in August 2012 of the Funding for Lending Scheme (FLS).
- 4.2. Overall there are grounds for some optimism although there remains concern about some areas of the housing market, particularly the low percentage of first time buyers and large regional variations. Raising a deposit is still the biggest barrier for all UK home buyers. There are many positive signs and it remains to be seen if there will be an improving and sustainable trend going forwards as any improvement is comparatively recent and from a low base.
- 4.3. As a result of the economic climate and the adverse effect on the local economy and the housing market, a number of Local Authorities are taking a proactive approach in supporting the local area, and addressing pressing issues in increasing the supply of affordable housing.

Current Situation

- 4.4. In present market conditions most mortgage lenders are typically only prepared to lend a maximum of 75% - 80% loan to value (LTV), even if the applicant can afford a 95% mortgage. This means the applicant requires a substantial deposit, e.g. a first time buyer purchasing a property valued at £150,000 would have to provide a deposit of between £30,000 and £37,500. Many potential first time home-buyers do not have the funds needed for the deposit.
- 4.5. Rather than the Council entering into the residential mortgage market the proposal is to enter into partnership with residential mortgage lenders, with the remit of minimising the financial impact on the Council, and at the same time taking advantage of the expertise already available from existing mortgage providers.

The Local Authority Mortgage Scheme (LAMS)

- 4.6. This national scheme is aimed at first time buyers, providing help for potential buyers who can afford mortgage payments - but not the initial deposit – to get on to the property ladder. The scheme is standard and there is very little flexibility for Local Authorities to vary the terms set out by the lender. Under the scheme, the participating Council is able to specify three qualifying criteria:
- (a) the maximum level of indemnity (ie the size of the scheme, which can be between £1m and £2m)
 - (b) the maximum loan size (based on 95% of property price) and
 - (c) the qualifying post codes (the scheme will be open to the purchase of any property within these postcodes)
- 4.7. If a potential buyer meets the strict credit criteria applied by the lender, and meets the criteria set out by the Council to qualify for a mortgage under the scheme, the Council will provide an indemnity to the value of the difference between 75% of the value of the property and the amount borrowed. The potential buyer will thereby obtain a mortgage of up to 95% on similar terms as a 75% mortgage which will enable people to borrow with only a 5% deposit – if they meet the other lending criteria.
- 4.8. It should be stressed that the scheme does not promote reckless lending: it is essential that the applicant meets the standard lending criteria as set out by the lender, and that the higher LTV mortgage is affordable.
- 4.9. The indemnity will be in place for a fixed 5 year period for each mortgage granted under the scheme, which may be extended for a further 2 years if a mortgage were in arrears in the last 6 months of the initial 5 year period.
- 4.10. Assuming no default by the buyer, the indemnity liability would terminate on the earliest of the end of the agreed indemnity period which is five years from the purchase date or an early repayment of the mortgage. (e.g. if the buyer subsequently moves house). This can be extended by up to two additional years if the mortgage is in more than 90 days arrears by the end. The fixed-term deposit would be repaid to the Council at the date of maturity, plus interest due.
- 4.11. The indemnity would only be called upon if a loss is crystallised by the lender, which would only arise if the property is repossessed. By way of example, a property valued at £150,000, with a mortgage of £142,500 would have a local authority indemnity of up to £30,000. If the property is sold for £100,000, net of costs, the full value of the £30,000 indemnity would be requested by the lender. If the property is sold at £130,000 net of costs, i.e. an actual loss of £12,500 is incurred by the lender; £12,500 would be requested from the Local Authority. Any loss in excess of the value of the indemnity would be borne by the lender.
- 4.12. The participating Council, will place a 5-year deposit with the lender at the start of the scheme. The deposit will be for the full £1m or £2m. The deposit will be placed for 5 years from the date upon which the last mortgage backed by the scheme was granted. After that date it is likely that a smaller sum will be need to be placed on deposit to cover the mortgages of any participants who are in arrears after 5 years. The term of the indemnity – i.e. 5 years (with the possibility of a further 2 year extension if the mortgage is in arrears at the end of the initial 5 years) - and may have conditions attached. The Council will receive interest at a variable rate for 5-years. The interest rate paid will be the commercial deposit rate plus a premium (the premium for Lloyds TSB is 0.70%).

- 4.13. In accordance with legislation, the lender will not have a legal charge over the deposit. In the event of an indemnity being called, and an amount being payable by the Council to the lender, a request for payment would be made by the lender. The Council will have the option to pay within 30 days or deduct from the cash deposit at the end of the fixed term.
- 4.14. Once these parameters have been set, the mortgage lender will manage the operational side of the scheme without any direct input from the Council.
- 4.15. Sector Treasury Services Ltd will undertake an annual audit of the scheme to ensure both parties are fully compliant with the agreement. Due to the changing environment, further legal and/or accounting advice may be required during the life of the LAMS. Sector Treasury Services Ltd will obtain updated advice on behalf of participating authorities. Any additional fees incurred in this respect will be agreed with all parties in advance.

Colchester Proposal

Size of scheme

- 4.16. Essex County Council has agreed to provide match funding of up to £1m to authorities setting up a scheme. On this basis it is proposed that Colchester allocates £1m to create a £2m scheme.
- 4.17. Because of the £2m limit per authority, ECC will provide the funding to the Colchester Borough Council. There will be a service level agreement between the County Council and the Borough Council setting out the relationship and confirming that the costs, liabilities and returns will be split 50:50 between the two councils.

Postcodes

- 4.18. The scheme can only cover postcodes which are wholly within the Colchester Borough area. Some postcodes straddle the Borough boundary and therefore include properties outside the agreed area. No district can cover these split post codes.
- 4.19. To cover these postcodes the County Council has agreed to have its own scheme which covers postcodes which straddle the boundary between districts who are running their own scheme. However, the national conditions of the scheme only permit the County Council scheme to cover postcodes which are wholly in Essex. The County Council scheme cannot therefore include postcodes which straddle boundaries with other counties which in our case includes Suffolk.

Maximum Loan Value

- 4.20. Setting the maximum loan size will influence the number of citizens who can be assisted and the type of property they can access. There is a variation of property prices across the borough. It is proposed to set the maximum loan value at £150,000 for the Colchester scheme, which would effectively result in a maximum property value of approximately £158,000, for an applicant with a 5% deposit.

4.21. The following table shows the potential number of first time buyers that the scheme may initially assist based on £2m advance, assuming an average *purchase* price of £150,000.

Total Local Authority Indemnity	£2,000,000
Assumed Property value	£150,000
5% Deposit	£7,500
95% Mortgage	£142,500
Local Authority Indemnity	£30,000
Potential number of mortgages	66

Legal Requirements

4.22. All LAMS lenders require the Council to sign an Indemnity Deed in a prescribed form. In addition, Lloyds TSB has particular requirements for the Council's Monitoring Officer to provide an Opinion Letter confirming that the Council has the power to enter into, observe and perform the terms and obligations required of it under the scheme; and for the Council to indemnify the Monitoring Officer in respect of any personal liability he may incur by providing the Opinion Letter. This indemnity will be granted by a deed between the monitoring officer and the Council.

4.23. The legal issues concerning state aid have been considered and it is considered that the fact that the beneficiaries of the scheme are individuals rather than businesses minimises the possibility of the scheme being considered to be state aid. Any state aid would be a purely incidental benefit to the banks, and lending will only be to people considered to be a good risk. The council will receive a commercial return on its cash deposit plus a premium and the scheme is therefore compliant with the market economy investor principle. The scheme has been developed in consultation with the State Aid advisors at the Department of Business Innovation and Skills which is the lead Government department on State Aid issues.

5. Proposals

5.1 It is proposed that it be recommend to Council that:-

- (i) a Local Authority Mortgage Scheme (LAMS) be developed based on the following criteria:-
 - Inclusion of all postcodes wholly within the Colchester Borough
 - The deposit and indemnity will be a maximum of £2million (including a maximum contribution from Essex County Council of £1million) and that this be included in the capital programme.
 - The maximum loan to value is set at £150,000.
- (ii) the Assistant Chief Executive, in consultation with the Monitoring Officer and the Portfolio Holder for Business and Resources is authorised to:
 - determine the allocation of the £2million scheme funding to specific lenders, including Lloyds TSB
 - determine the qualifying post codes for the scheme
 - agree the detailed financial and contractual arrangements with Lloyds TSB and any other LAMS lenders
- (iii) it authorises the Monitoring Officer to give an opinion letter as required to any LAMS lender.

(iv) Approves the Council to enter into a deed of indemnity with the Monitoring Officer in respect of each opinion letter she gives, the form of such deed to be approved by the Assistant Chief Executive.

6. Strategic Plan References

6.1 The LAMS proposal supports the broad aim of creating opportunities for residents and can be viewed as supporting affordable housing.

7. Financial implications

Capital and Revenue Costs

7.1. Current advice from Sector regarding the accounting treatment for LAMS is that it constitutes a capital cost. As this is a 5 + 2 year arrangement and the funds are due to be returned in full on maturity or an early repayment of the mortgage (whichever is earliest), there is no need to set aside prudent provision to repay the debt liability and hence no MRP application. On maturity the money returned in 5 years' time will be classed as a capital receipt.

7.2. The Council will receive a premium interest rate for the risk associated with the scheme, which will be added to the commercial deposit rate. It is proposed that the premium will be set aside in an earmarked reserve to contribute towards funding any future potential liabilities if borrowers default. The interest though could be less than the liabilities.

7.3. Funding for the LAMS could be viewed as a bridging loan as the expectation is that CBC's contribution would be returned subject to any default costs. The cost of borrowing for a 5 year loan is currently 1.8%. However, as our treasury management strategy is to not borrow externally but use temporary cash reserves first the cost would actually be lower. On the basis that the cost of borrowing is expected to be broadly covered by the interest earned in the 5 year period any revenue costs can be expected to be minimal.

Financial Risks

7.4. The lender does not have a legal charge over the Council's deposit and will therefore, in the event of a default, request payment from the Council. The Council will have the option to pay within 30 days or deduct from the cash deposit at the end of the fixed term. Any default by a borrower will trigger a call on the indemnity and a payment of the amount of the borrower's default, but capped at relevant sum of up to 20% of the initial property price. LAMS is relatively new, the first schemes being less than two years old, but so far there have been no defaults. Prevailing market default rates are currently 0.3% per annum according to the Council of Mortgage Lenders). Defaults at this rate would be covered by the premium interest rate that the underwriting deposit attracts. Sector estimates that the default rate applicable to the relevant client group may be up to 2% per annum.

7.5. At a default rate of 2% the losses incurred would exceed the value of the additional premium of 0.7% earned by the deposit placed with the scheme. Given the relative resilience of Essex's economy, it might be expected that the default rate would be closer to 0.3% than 2%, however this remains a risk. Regular monitoring of loans will be taken place throughout the scheme and consideration will be given to LAMS as part of the usual assessment of balances.

7.6. Compared to a similar mortgage outside LAMS, there is potentially a greater risk of the lender seeking to foreclose in the event of arrears whilst the Council's guarantee is in

place prior to the 5 or 7 year cut-off points, in order to realise the value of the guarantee to the lender. However, FSA regulations make this unlikely.

- 7.7. In summary there is a financial risk associated with LAMS, however, the proposed approach to allocate the premium paid to an earmarked reserve will provide a sum to cover any initial risk and future assessment of the Council's balances will consider this issue of any potential liabilities in respect of LAMS.

8. Consultation

- 8.1 Consultation has taken place with Essex County Council in terms of the proposed scheme and the views of other authorities that have launched LAMS have been received.

9. Publicity Considerations

- 9.1 Initial publicity of the scheme will be undertaken and with a co-ordinated approach with the lender and Essex County Council as part of the launch.

10. Equality, Diversity

- 10.1 The LAMS scheme is subject only 2 elements of local discretion:-
- We need to specify the eligible postcodes which must be **solely** in the Colchester borough area
 - We need to specify the maximum value of any loan, which therefore caps each individual guarantee and the minimum number of applicants that can be supported and also the type of property they can access
- 10.2. All residents who are seeking to purchase a property within an eligible postcode will be eligible to apply for a mortgage with the named Scheme lender. As such there is no equality and diversity implication.
- 10.3. The loan value cap does restrict access to the scheme. However, this is matter for the Council to determine and is felt to represent a level which enables many first time buyers to access the scheme whilst also ensuring that a large number can benefit.

11. Risk Management Implications

- 11.1 The key financial risks associated with this proposal are set out within this report.

12. Standard References

- 12.1 There are no particular references to community safety, health and safety and Human Rights implications



Cabinet

10th July 2013

Item
10(i)

Report of	Head of Commercial Services	Author	Fiona Duhamel ☎ 282976
Title	Delivery of Jobs and Investment at Northern Gateway on Land for Inchcape (VW Dealership)		
Wards affected	All		

This report seeks approval of Heads of Terms between the Council and Inchcape in respect of a proposed freehold sale lease of 3.9 acres of land at the Northern Gateway

1. Decision(s) Required

- 1.1 Subject to the consideration of the report and Heads of Terms within part B of the agenda, to approve the Heads of Terms which will form the basis of the freehold disposal to Inchcape.
- 1.2 To accept the commercial advice from the Council's valuers, NPS, that the agreed Heads of Terms currently represent the best consideration to the Council, taking into account current market conditions and the developable site area.
- 1.3 To give delegated authority to the Executive Director Ian Vipond, in joint consultation with the Portfolio Holders for Regeneration and Business and Resources to conclude the disposal in general accordance with the Heads of Terms

2. Reasons for Decision(s)

- 2.1 Following the end of the contract with Easter Developments on land at Axial Way, the Council has stepped in to ensure the sub sale deal to Inchcape continues in order to retain 50 existing jobs in the Borough and lead to the creation of 30 new employment opportunities.
- 2.2 The Inchcape investment in Colchester is substantial and could have been lost if an appropriate site had not been found. In addition, the land transaction will bring an important capital receipt quickly to the Council, which is greater than originally forecast.

3. Alternative Options

- 3.1 The Council could refuse to accept that the proposed Heads of Terms offer the Council the best possible consideration for this site and remarket the site which would lead to Inchcape potentially relocating from the Borough as their site search has found no other suitable sites for a car dealership.
- 3.2 The Council could seek to renegotiate terms with the prospective purchaser, or decide that the Capital receipt is not sufficiently desirable. The Council's agent, NPS has confirmed in a report attached to the confidential part of this item, that in their professional opinion, the financial terms proposed by Inchcape do represent the best consideration for the Council's asset, in current economic conditions

- 3.3 The Council could seek to retain this land until the broader development proposals at Northern Gateway have been progressed; however the opportunity to retain the Inchcape jobs will be lost and would have to wait longer for this significant capital receipt.

4. Supporting Information

- 4.1 The circumstances which led to the site being under Council control are detailed in the confidential section of this report.
- 4.2 The Council already had a figure in its capital programme for the sale of the Phase 2 land and agreeing Heads of Terms with Inchcape will meet this target leaving a further capital receipt or income to be derived from the remaining 2.5 acres.
- 4.3 The principle of a car showroom use in the part of the Northern Gateway has already been established through the recent terms agreed with Lancaster for a Toyota dealership on the site opposite.
- 4.4 Development of the site will generate business rates of approximately £175,000pa (based upon current rental values for this use).

5. Proposals

- 5.1 The Council proposes agreement to the Heads of Terms with Inchcape which will form the basis of a freehold sale of the 3.9 acre site.
- 5.2 The Heads of Terms are attached to the confidential section of this report

6. Strategic Plan References

- 6.1 This proposal will enable job retention and creation, while making a contribution to the Council's reserves of capital

7. Consultation

- 7.1 Significant consultation was undertaken during the creation of the Northern Gateway vision.
- 7.2 Whilst limited consultation has been carried out in respect of this proposed transaction, independent valuation advice has been enclosed within the confidential section of this report which demonstrates that the Council has achieved Best Value taking into account the commercial position.
- 7.3 The scheme itself has already been subject to widespread consultation through the planning application process and was granted consent in April this year.

8. Publicity Considerations

- 8.1 To date, no publicity has been carried out but the retention of jobs in Colchester is a positive step.
- 8.2 The Council will include details of the scheme on the Regeneration pages of the Council's website, at the appropriate time

9. Financial implications

- 9.1 The detailed financial proposals associated with this proposed lease are enclosed in the confidential part of this report, together with the assessment of Best Value contained within the report from NPS.

10. Equality, Diversity and Human Rights implications

- 10.1 The Council has not sought to market the land but in accordance with the Land Disposals Act will be using its well being powers to treat with Inchcape.
- 10.2 This project does not present a change to existing policy nor the introduction of any new policies.
- 10.3 This project does not have any direct implications for the Council regarding the Human Rights Act

11. Community Safety Implications

- 11.1 None identified at this stage

12. Health and Safety Implications

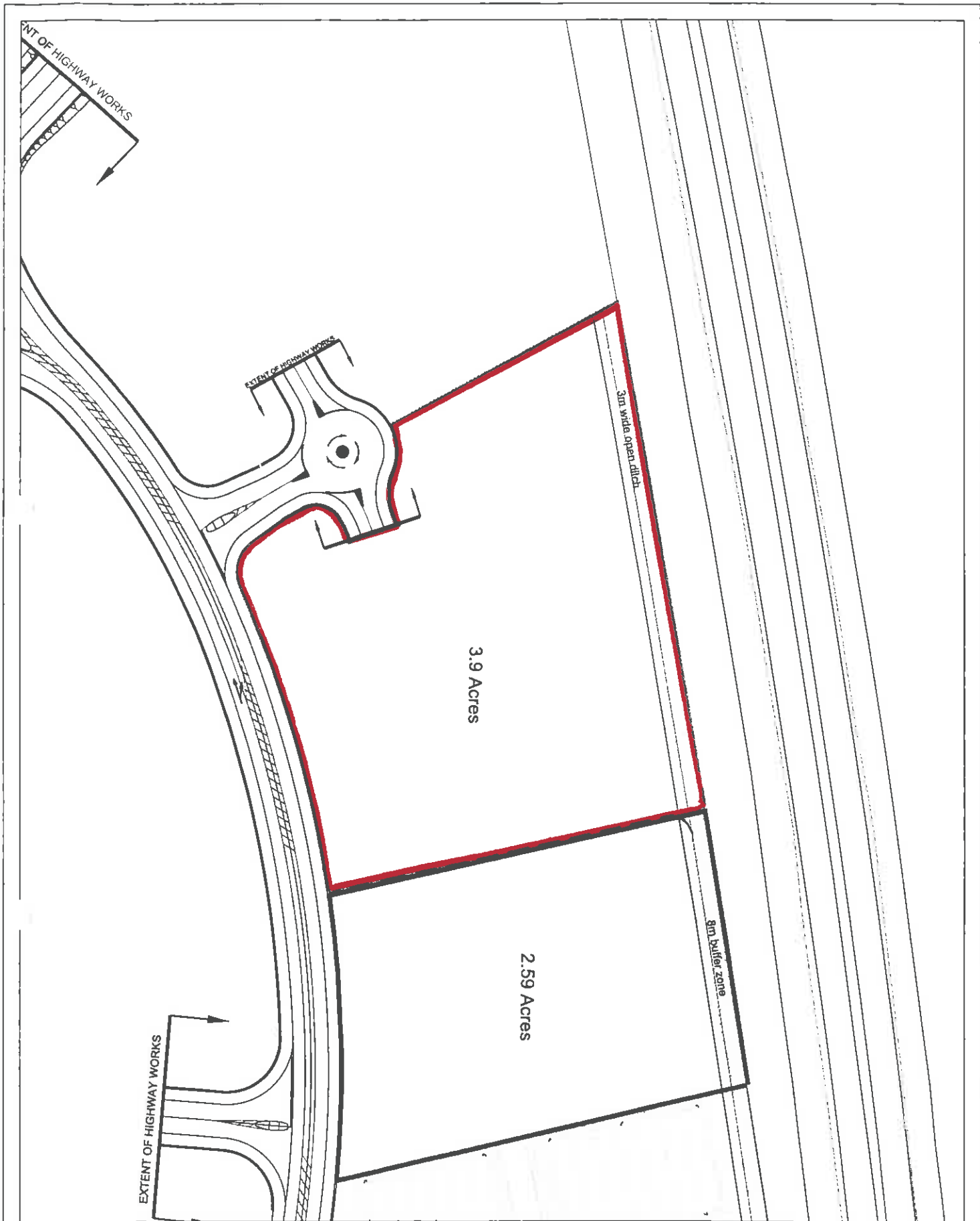
- 12.1 None identified at this stage

13. Risk Management Implications

- 13.1 There is a significant risk that Inchcape will relocate their dealership facility to outside the Borough as there is a shortage of suitable car showroom sites available and pressure has been placed upon them by Volkswagen to relocate from existing premises.

Appendix

Site Plan



<p>Hamiltons Architects & Surveyors 1500 Lakeshore Blvd. W. #100 Richmond Hill, Ontario L4B 1N1 Tel: (905) 709-1100</p>		<p>Project: Emile Park Client: Cochran Project No: 1701AA05</p>		<p>Drawn By: QJ Checked By: PH Date: 11/10/11</p>		<p>Scale: 1:500 Drawing No: 1701AA05-01</p>	
<p>Client: City of Hamilton</p>		<p>Project: Emile Park</p>		<p>Drawn By: QJ</p>		<p>Scale: 1:500</p>	
<p>Project: Emile Park</p>		<p>Client: City of Hamilton</p>		<p>Drawn By: QJ</p>		<p>Scale: 1:500</p>	
<p>Project: Emile Park</p>		<p>Client: City of Hamilton</p>		<p>Drawn By: QJ</p>		<p>Scale: 1:500</p>	

Cabinet

10 July 2013

Item
11(i)

Report of	Chief Operating Officer	Author	Lee French
Title	Request for delegated authority to approve the award of contract – ICT systems supporting the Fundamental Service Review of Customer Contact		
Wards affected	Not applicable		

This report concerns the procurement of ICT software solution(s) to enable change as part of the fundamental service review of customer contact.

1. Decision(s) Required

- 1.1 That Cabinet agree to delegate to the Chief Operating Officer, in consultation with the Portfolio Holder for Business and Resources, the authority to approve the award of contract for the procurement of the Customer Experience ICT solution as part of the Universal Customer Contact Fundamental Service Review (UCC FSR), with the action being reported back to the next meeting of Cabinet.
- 1.2 That Cabinet agrees to extend this delegation for future ICT procurement carried out as part of the ICT Theme of the UCC FSR.

2. Reasons for Decision(s)

- 2.1 Delivery of the benefits from the UCC FSR is dependent upon provision of suitable ICT systems, and we are currently engaged in an exercise to procure software solutions aimed at improving the customer experience. The planned date for the appointment of a preferred supplier is 6 September 2013, to allow sufficient time to implement the chosen solution by April 2014. However, this date does not fit with the cycle of meeting dates and papers for Cabinet, and would mean that the appointment could not be considered by Cabinet until its meeting on 9 October at the earliest. This would delay implementation and potentially impact on the budgeted savings for 2014/15. Therefore, delegation is being requested to ensure the appointment, and the subsequent implementation, is not delayed.
- 2.2 The total cost of the solution, over the course of a five year contract, is likely to exceed the financial limit of £500,000 which currently determines who can approve such expenditure.
- 2.3 The contract for the software solution we currently use ends in March 2014. Slippage in the implementation of a replacement system could result in additional costs associated with a short-term renewal of the existing contract.

3. Alternative Options

- 3.1 The alternative is to progress the approval through the normal channels, and ask Cabinet to consider the contract award at its 9 October meeting. This would shorten the implementation of a complex system from six to five months and introduce a higher risk that implementation will not be complete in time to go live in April 2014.

4. Supporting Information

- 4.1 At the meeting on 28 November 2012, Cabinet resolved that the business case resulting from the Fundamental Service Review of Customer Contact be approved and the implementation planning stage of the review be authorised.
- 4.2 Cabinet also recommended to Council the inclusion and subsequent release of £2.366 million from the Council's capital programme to fund the programme, to allow the implementation of the main recommendations to begin and enable the subsequent delivery of a transformed organisation to enable an improved customer experience. This recommendation was approved and adopted by the full Council at its meeting on 6 December 2012.
- 4.3 An early priority was identified to provide application software (termed the Customer Experience Solution) to deliver and implement a consistent and high quality customer service solution to operate across all digital and traditional channels. This early, high priority investment was identified in order to match the changing needs of the customer with those of the organisation, which is itself undergoing massive change
- 4.4 Functional and technical requirements for this Customer Experience Solution software have been defined by Council officers representing all parts of the organisation, and a competitive procurement exercise is currently under way.
- 4.5 It is planned that officers will be in a position to recommend a preferred supplier by the end of August 2013.

5. Proposals

- 5.1 That we proceed with the procurement process to the identification and recommendation of a preferred supplier.
- 5.2 That the Chief Operating Officer be delegated authority to review this recommendation and approve the award of contract, in consultation with the Portfolio Holder for Business and Resources.
- 5.3 That a report is submitted subsequently to Cabinet advising of actions taken.

6. Strategic Plan References

- 6.1 The objectives of the Universal Customer Contact Fundamental Service Review underpin the delivery of the Strategic Plan in delivering high quality accessible services

7. Consultation

- 7.1 There are no consultations associated with this paper

8. Publicity Considerations

- 8.1 The specific decisions sought by means of this paper require no publicity as no individual or group will be affected. The UCC FSR programme itself has a communications and publicity plan associated with it, through which the procurement and implementation of the software solution will be communicated.

9. Financial Implications

- 9.1 No additional finances are required, as both capital and revenue budgets have been identified to procure and maintain this solution. Until the tender process has been completed, however, the actual cost cannot be accurately determined.

10. Equality, Diversity and Human Rights Implications

- 10.1 This work will improve access to Council services for customers.

11. Community Safety Implications

- 11.1 There are no community safety considerations resulting from this paper.

12 Health and Safety Implications

- 12.1 There are no health and safety implications

13 Risk Management Implications

- 13.1 There are a number of risks that this work helps to mitigate. The strategic risk register identifies it as an increasing risk as our dependency on it to deliver services grows. The work being undertaken helps to improve our resilience and this work in particular will improve access for customers.
- 13.2 The risk of any delay to the implementation of this work is highlighted earlier in the paper and could affect the delivery of both the improvements for customers from the UCC FSR and the savings that are built into the budget for future years.

Background Papers

None.

PETITIONS, PUBLIC STATEMENTS, QUESTIONS

(i) Have Your Say speakers

Date of Meeting	Details of Member of the Public	Subject Matter	Form of Response	Date Completed
Council, 22 May 2013	Andy Hamilton	Councillor allowances, Visual Arts Facility, Tymperleys	-	-
Council, 22 May 2013	Linda Bradwell	The condition of the pavements on Rowan Closer	Councillor Kevin Bentley, as Essex County Council member for Stanway and Pyefleet, indicated tht he would take the issue up with Essex County Council	22 May 2013
Council, 22 May 2013	Councillor Kim Naish	How the administration had handled a number of recent issues, particularly the trial of changes to the access to the High Street.	Verbal response by Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy	22 May 2013
Cabinet, 29 May 2013	Andy Hamilton	The reputation of the Council	Verbal response by Councillor Hunt, Portfolio Holder for Street and Waste Services	29 May 2013

Cabinet, 29 May 2013	Nick Chilvers	The management and promotion of events in the town centre	Verbal response by Councillor Barlow, Portfolio Holder for Regeneration, and Councillor T, Young, Portfolio Holder for Planning, Community Safety and Culture, at the meeting. Written response sent by the Regeneration Project Manager on 5 June 2013.	5 June 2013
Cabinet, 29 May 2013	Sonia Lewis	Abbots Activity Centre	Verbal response provided at the meeting by Councillor Feltham, Portfolio Holder for Communities and Leisure Services.	29 May 2013

(ii) Petitions

Date petition received	Lead Petitioner	Subject Matter	Form of Response	Date Completed
No valid petitions received				

