

SCRUTINY PANEL

14 November 2023

Present: - Councillor Arnold, Councillor Laws (Chair),
Councillor McCarthy, Councillor McLean,
Councillor Rowe, Councillor Smalls, Councillor
Willetts

Substitutions: - None

Also present: - Councillor Dundas, Councillor Jay, Councillor King,
Councillor Sunnucks

426. Minutes of Previous Meeting

RESOLVED that the minutes of the meeting held on 3 October 2023 be approved as a correct record.

427. Have Your Say

Ms. Wendy Smith addressed the Panel, pursuant to the provisions of Meetings General Procedure Rule 5(1), to complain that the Council should seek more opinions from the public on the subjects it considers. Ms. Smith asked when a meeting would be held for people to discuss the Climate Change Emergency.

Mr. Terry Charles addressed the Panel, pursuant to the provisions of Meetings General Procedure Rule 5(1), to request a public meeting to discuss climate change, and complain that he had not seen the Council respond to questions asked by the public. Mr Charles argued that a public vote should be held at Full Council to show who did not wish to hold a public meeting.

The Chairman explained that a public meeting was not something which could be facilitated by the Scrutiny Panel, but suggested that it was best to raise this with the Environment and Sustainability Panel or the Leader of the Council.

Councillor King, Leader of the Council, explained that there was a formal process in place covering all matters for which the Council had responsibility. Intense discussions on environmental matters had been held in Full Council and the Council's committees. Other ways to engage with the public had also been sought. The Leader described the challenge of framing the discussion in a balanced way, and to provide relevant expert opinions.

Mr Lance Peatling addressed the Panel, pursuant to the provisions of Meetings General Procedure Rule 5(1), to complain of the security searches in operation around meetings of Council and its committees, and alleging that a criminal offence had been committed. Mr Peatling claimed that no response had been given by the Council and supposed that there must be a legal opinion given on the search procedure, which he believed should be made publicly available. Mr Peatling acknowledged that there had been disruptive actions by members of the public in the past, but claimed that this was not happening now.

The Chairman gave assurance that he would ask the Leader of the Council to expedite any responses. The Chairman asked members of the public to treat officers of the Council with respect, as they were simply carrying out their duties, and noted that some of the filming of officers had been unfair.

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

Councillor Willetts presented his request for the Panel to consider an item on 'Scrutiny of the business case for charging for the kerbside collection of garden waste'. This followed on from the Panel's previous scrutiny of the charging plan for garden waste. An income expectation was stated, but little information given on the effect on scheme costs of uptake levels differing from expectation to different degrees. Councillor Willetts argued that the answer given seemed to be that the cost of the scheme would be £1.8m, for any level of uptake. Councillor Willetts asked for financial modelling to show how costs would vary; this had not been provided previously and a formal request for the business case was now being made.

RESOLVED that an item, 'Scrutiny of the business case for charging for the kerbside collection of garden waste', be added to the Panel's Work Programme.

429. Assessment of Colchester's Ability to Develop the Skills the Economy Needs for the Future

Karen Turnbull, Economic Strategy Specialist, introduced the report and the guests attending to present and answer questions. The World was changing, as were local skills needs and environment. Multi-million pound digital infrastructure investment could attract businesses in the tech sector, and digital skills would be needed to match. The report defined the skills of importance for the labour market and individuals. A rich amount of skills development was being provided by a range of organisations. This prepared Colchester for the future and helped businesses and individuals alike.

Alison Andreas, Chief Executive of the Colchester Institute, explained the size, scope and student numbers at the Institute, on a wide range of courses. These included apprenticeships and degree-level courses. Different levels of professional and technical training were offered, whilst A level courses were provided by the Sixth Form College. Many employers were involved in the training, feeding in to what was taught and providing apprenticeships. Green jobs were noted to be of particular importance and the importance of environmental considerations are being woven across the whole curriculum at the Institute. Courses on carbon dioxide reduction, electric vehicles and green construction were already offered, with the Institute

working with the Local Skills Improvement Fund. The challenge was to provide green skills training at sufficient volume. Two out of five students now studying at the Institute were on courses which would support green jobs in the future, with employers giving their views on future skills needed. A 'Net Zero' Centre was to open in 2024, including a green energy skills centre and a training centre for sustainable construction.

Oliver Brown, General Manager of the Wivenhoe House Hotel, explained the work experience they offered to many students. The Hotel did this in a unique fashion in the UK, providing training on all aspects of hotel operation alongside studying for a degree. The Hotel had a 70% occupancy rate over the year and hosted parties, conferences, and business functions. Any surplus income helped to fund the University of Essex's operations. The Edge Foundation opened the hotel school in 2012.

There was a £500m turnover in the hospitality sector across the East of England region. The sector was in the top five employers of every region of the UK. Problems existed in retention of staff, even with improvements having been made in hours and pay rates. Caution was given that, without business rate support, many hospitality employers would reduce investment. Another measure given as important was to have chef roles added to the UK's list of protected professions. Falling numbers of chefs had led to a reduction in menus on offer. Training kitchens were a vital resource for producing new chefs. Mr Brown advised that the Council should look at the number of over-fifties not working and see how they could be supported into new careers. Alongside this, better information for parents and teachers about careers in hospitality would help the sector.

Sam Good, Chief Executive of the Colchester Business Improvement District [BID], explained the BID and its representing of roughly 500 businesses within the City's centre. The past decade had seen changes in Colchester, such as a 26% increase in employment in the night-time economy. There had been a 40% increase in leisure employment. Despite the increase in jobs and opportunities, leisure and hospitality, and related skills training, did not feature in Government priorities.

Challenges had been identified in a 2022 report on post-Covid barriers, and issues caused by Brexit and the levels of long-term sickness continued to affect businesses. The BID had commissioned research on how to address the issues, which were affecting all business types. The report showed possible short-term wins, such as reducing barriers to training, increasing apprenticeships, and upskilling to assist career progression. Making the City Centre attractive as an employment centre was also important. The BID had talked with Essex County Council [ECC] over the potential for a skills brokerage scheme, and how to support business to employ more. Work with partners was carried out with partners to develop and improve the situation. Much further work and investment was needed into local skills and progression to address a variety of sector skill shortages. The BID considered that Colchester still needed to retain more people, rather than train them and lose them when they left the area.

Simon Mead, Chief Executive of Colbea, described Colbea's work and premises, with the shared workspace model being operated in two locations. The North office

was at capacity, with a waiting list, whilst the City office was at 80% capacity, with both sites working well. Around 700 business advice appointments had been carried out in the past calendar year, with many coming from Colchester and many being enterprise pre-start appointments. There was an appetite for digital skills assistance and pre-start advice and courses, working to identify if ideas are feasible and sustainable. The growth hub was explained, with much signposting carried out and some funding for advice and support. Colchester was at the heart of business support and growth in Essex. Much had been necessary to set up the hub, and there was strong desire to retain it. Many referrals were received via the Department of Work and Pensions, for people who wanted to set up businesses and who needed help to assess viability and ensure that necessary skills were available.

Dr Rob Singh, Director of the Research & Enterprise Office, University of Essex, gave the background of the University and how it provided support. In addition to the Colchester campus, there were also sites at Loughton and Southend. Around 5,000 staff were employed, contributing around £600m to the local economy. Equal weight was placed on teaching and research. The University scored highly in Government tables on research and was in the top 30 of the Guardian's guide on good universities, with an increase in research employment, with staffing rising from 350 full-time equivalent employed in 2014, to 700 full-time equivalent employed in 2021.

Support was provided for students and educators, including in finding employment after graduation. Examples were given, such as sports therapy courses where 25% of hours were spent in gaining real experience and training, including appointments with real students. The Essex Law Clinic provided free legal advice, whilst giving students a chance to work alongside lawyers. The University also taught entrepreneurial skills to those seeking to start businesses or join existing ones.

The Knowledge Gateway was a cluster of businesses creating high-value employment, and the investment network attracted over £30m of investment into business startups. There was a high demand for computer science graduates and an increase in demand for those completing post-graduate degrees in the subject. The University was currently looking at how to support the necessary skills in demand for work at the Freeport East project.

Kathryn White, Innovation Director, The Innovation Centre, explained that there were 31 innovation centres across the country, with two in Essex. These assisted in supporting the economy and had a focus on hybrid businesses, often in the tech sector. The Centre was a 'pass through' learning space and worked to identify key areas where skills development was needed. The Centre concentrated on requirements of current and start-up small and medium enterprises [SMEs], areas where training was most needed and how to grow the talent pool for the area.

The Panel was told that the Centre helped ascertain how to get support to entrepreneurs in the early stages of their business development, in employing, training and developing new staff. There was a large demand for apprenticeship positions. An accelerated programme was now in place to help train and show entrepreneurs how to start up and develop. The Centre tapped into support from the University of Essex and worked with cutting edge technology to develop businesses.

Digital and AI skills were highlighted as being key. Businesses needed to spend time with students to show them what opportunities were available.

The Centre prioritised the ensuring of diversity and inclusion. There was increased interest in STEM [Science, Technology, Engineering, and Mathematics] careers across people from different demographics. Retraining and upskilling efforts included for older workers and the retraining of veterans and ex-offenders.

The Panel highlighted the importance of retaining skills in the local area, and a member noted that whilst many people left the area after completing school, many graduates of the University remained to live in the area after completing their studies. The guests were asked whether the Council could do more to help with retention. The BID Chief Executive stated that the main barriers to retention are national ones, but local issues included the additional costs face by people working in the City centre, which were double the costs of those working in the outskirts. Education of employers was a key issue. Much had to be done to simplify training and apprenticeships and to make them easier to provide. A Panel member argued that the Council must do what it could to improve the public realm and local cultural offerings. The Chief Executive agreed that this was important, albeit a secondary factor, which was why Parklets had been installed on the High Street to improve the 'dwell time' of visitors to the City centre. Work was carried out to reduce youth disengagement with the City centre and investments made to make it a place people wanted to be.

The Director of the Research & Enterprise Office, University of Essex, explained that students had good experiences at the University and would stay if job opportunities were present. Whilst there was good data on graduate destinations regarding types of jobs/careers, there was no data compiled regarding geographical destinations. The Innovation Director, The Innovation Centre, explained the support provided for student entrepreneurship, with businesses starting to provide this. Students were able to get free office space for up to five years after graduation.

A Panel member noted the retention problems in the hospitality sector, and the possible factors behind this such as work conditions, pay and the need for flexibility. The General Manager of the Wivenhoe House Hotel admitted that there was still a stigma attached to the sector. It was important to show people that hospitality employment was better than in the past, and far fairer. People entering the sector were described as being less resilient than in previous times and some employers still did not look after their staff. Good work was being done locally in training around food provision, especially by the Colchester Institute. The 14-16 age group was key for education and training, alongside Wivenhoe House, which hosted an older cohort. Owners of hospitality SMEs were described as facing serious challenges, with many closing down. Help and support was needed to help them pay living wages and support their staff. The BID Chief Executive noted that the pandemic had reduced the number of people wanting to work in hospitality, but informed the Panel that the National Accreditation scheme was starting to accredit local businesses meeting employment standards.

The Chief Executive of the Colchester Institute explained the work done to balance a realistic view of hospitality work, including practical experience in high-pressure

situations, with training in resilience and not accepting poor treatment or conditions. Where necessary, employers were educated and concerns highlighted. There was currently no promotion of trades unions to students, but union membership was promoted to staff.

A Panel member asked whether housing tended to be a serious issue for those working in hospitality. The BID Chief Executive emphasised the struggles of local businesses, but explained that the need to have an ambition to move to a living wage when possible was understood. Work to support employees included work with charities and organisations through One Colchester, including Open Road and Emmaus.

A Panel member explained that this agenda item had stemmed from a presentation of the Council's Strategic Plan, which included work to move to a high skill, high wage city. It was acknowledged that many issues were outside of the Council's control, and that it was hard to know how the Council could best support the raising of the local skills base. A request was made for models showing how skills provision worked, in order to better understand it. The partner representatives were asked what was being done to maximise skills development and how the skills pool was assessed.

A Panel member compared the percentage of locally employed residents with an education level of NVQ4 or better [37%] with the national percentage [43.6%], contrasted with the overall higher skill level of local residents, with many working in London. The member asked how skills training for those in Colchester employment could be ensured, and how improvements in skill levels could be shown, arguing that local figures and data were necessary in order to ensure that the goals of the Strategic Plan were achieved. The Panel member wanted specific data, not anecdotes, and ways to track progress towards Strategic Plan goals.

The Economic Strategy Specialist explained that a digital skills hub had been opened at the Wilson Marriage Centre, helping to improve local skills. More than £50m infrastructure investment in digital connectivity improvements was being made in ultrafast broadband and 5G, helping to attract new businesses. More employees were working from home and setting up new businesses. Work was also ongoing with surrounding areas, including in Suffolk, to facilitate the mobility of labour to commute into Colchester. Unemployment in the local area was very low.

The Chief Executive of the Colchester Institute described the Essex Local Skills Improvement Plan, and the annual accountability statement, which was available on the Institute website. The Chief Executive also explained that there were other measures of skills provision than just looking at NVQ level four, as this was not the benchmark in many areas, including construction, trade skills and engineering skills. The area needed many people, trained at different levels, to succeed.

The Director of the Research & Enterprise Office, University of Essex, underlined the objectives for a highly skilled, high-income workforce. Raising skills and incomes were important aims, and an outline was given of work conducted increase the number of jobs in highly skilled roles in research, development, and tech companies. New startups were helped to navigate and access funding and grow their operations.

Investment networks were in place to bring in private capital, which could be leveraged. Investment could be made to improve training and employment opportunities for people in those communities identified as being more deprived.

The Panel discussed whether 'low skill' jobs should be described in a different way, given that many such jobs were essential. The Economic Strategy Specialist agreed that there was a difference between low-paid and low value jobs, with many jobs requiring more skills than previously, but still only paying at a low level.

A Panel member noted a Council objective to increase the number of highly skilled jobs in the area and argued that this needed to be driven by the Council's Administration. Data was requested on current performance, to evidence how the Council was seeking better performance, and the Panel asked what partners wanted from the Council, and what the Council could do. The Leader accepted this challenge and pledged to examine what could be done to provide data. The Leader ventured that the Council's role was as a partner to help create an environment within which other partners could flourish collaboratively. The Innovation Director, The Innovation Centre, ventured that the best thing Government could do was to remove obstacles and stay out of the way, to allow maximum opportunities and business growth.

Simon Mead, Chief Executive of Colbea, emphasised that not everyone needed high levels of support. Some wanted informal guidance and support, rather than a restrictive course of employment or prescriptive business growth plan.

The partner representatives were asked if enough was being done to attract people to study courses in craftwork and technical skills. The Chief Executive of the Colchester Institute explained that the courses they ran were at capacity and no additional students could be fitted in to their construction and trades courses. More could be done if more space was available, and there was an issue with the level of salary required to obtain trained teaching staff. Answering questions, the Chief Executive agreed that the Institute did have a relationship with Colchester Borough Homes [CBH], but more could be done to provide training and jobs with CBH. Some apprenticeships had been carried out in maintenance works. Training with local employers included site visits and work experience placements.

The Panel and guests discussed the requests that had been made for the collection and publication of data relating to skills provision in the local area. The Director of the Research & Enterprise Office, University of Essex, argued that if partner organisations, such as the University, were to contribute to quality assurance of data produced, then they would need to be involved in the design process for the collection of that data.

RECOMMENDED to CABINET that the Council seek to collect and publish annual data on skills provision within the Colchester area, involving the relevant local partners (organisations which provide skills and training) in designing the process for collecting data and providing quality assurance

**430. Portfolio Holder Briefing from Cllr David King
[Leader of the Council and Portfolio Holder for Strategy]**

Councillor David King, Leader of the Council, briefed the Panel on the work underway to transform the Council to meet the financial pressures it faced, paying tribute to the staff and management. The Leader's role was explained, including managing the health of the Council, its capacity and ambitions in dealing a wide range of statutory and non-statutory services. Difficulties included financial pressure, increased staff turnover, the impact of reorganisation, and the unresolved pay dispute. There would be a few years of adjustment, but the Leader claimed that shared service provisions would help capacity.

The challenges facing the Amphora companies and Colchester Borough Homes [CBH] were noted. Great events and services were being delivered by Amphora, but supply chain issues were sizeable. Changes included the hibernation of two of the companies. Challenges facing CBH were mainly structural, stemming from the wider situation, such as the national rent cap imposed on social housing, and the management of how to improve housing standards. Increased pressure was on CBH and its homelessness prevention services. There was concern about the need to manage the effect of shrinking finances whilst helping those in need.

Work on drafting the 2024-25 Budget would be challenging, but the Leader committed to a transparent and accessible approach to this.

The Strategic Plan was described, and highlights given. The Town Deal projects were making good progress, with work carried out on the Heart of Greenstead project. Officers were managing project risks with partners. The St Nicholas Square project was proceeding slowly, due to challenges posed by the historic built environment.

The Tendring Borders Garden Community project held challenges such as ensuring infrastructure, such as the link road, and the balancing of competing demands, and the concerns of local communities. An Inspector had been appointed and the process for the statement of points of agreement was underway.

Team Colchester was chaired by the Leader, with the Leader of Essex County Council [ECC] also being a member, helping build partnership with ECC and delivering results. The Team took advantage of joint funding and teamwork.

The Leader spoke of external relationships with other partners, and spoke in favour of devolution in local government, to gain more say in local actions and spending. There were opportunities to build consensus and influence with other local authorities via shared service working. The Leader believed that this would raise standards through cooperation, alongside other measures to improve efficiency. Other external relationships were with the Key Cities Network, the District Council Network, and with the Local Government Association. The Council was considered to be a trusted partner, consulted for advice on a range of subjects and working with local partners such as the Civic Society, Colchester Business Improvement District, Garrison and University.

The scorecard for the Council was given, with the Leader rating the Council as 'Green' for external relations, 'Red' for the financial situation, and 'Amber' for all

other subjects. The importance of resolving the financial situation was underlined, needing discipline on risk/return calculations. Phase One of savings and income improvement was halfway complete. A more commercial approach to managing income, risk and costs was needed. The Corporate Governance Manager had been asked to change the approach to risk and focus more on commercial operations and risk vs return considerations. The Leader estimated that three or four years would be required to work through the transformational changes and financial complications.

The Leader was asked for his view of the long-term for the Council. The Leader explained that the Council was structured to look forward, experienced at balancing its duties and every-day functioning, with planning for the future. Team work was needed now to move forward.

Tribute was paid to the Leader for improving relationships with external partners. Concern was raised regarding officer pay and the current dispute, and with the levels of sickness. The Leader was asked what the situation was for other councils, and for details as to how resolution was being sought. The Leader stressed the need to understand sickness rates, with many officers affected by life, the pandemic and other factors. The Leader emphasised the effect on staff health caused by choices regarding how waste was collected. The Council was moving in the right direction, with sickness rates reducing. Regarding pay levels, there was a difference between the Council's offer, and the national pay award negotiated, described as being a small difference by the Leader. The result of the UNISON ballot on strike action was awaited. The Leader gave assurance that any settlement would immediately move to address the challenge but would likely necessitate a reduction in staff and services.

The Panel discussed the pay offer, with a Panel member asking if the offer was for all pay grades, and noting that the Council's offer was below that set by the national pay negotiation, being only half the amount set in the national scheme pay rise. This would result in other councils in Essex increasing staff pay by £1,925 for each officer, whilst the Council offered an increase on £1,000 with a one-off, unconsolidated payment of £500. Another Panel member raised fears of the stigma and effect on staff, noting the difficulty of the decision to strike, with lost earnings and worry about job security and relationships with managers. The Leader was asked what could be done to protect staff if they did vote for strike action. The Leader explained that his approach had been to seek agreement with a pay offer that benefited those on lower pay grades, stating that the Council had a good relationship with its staff and had explained the offer it had made.

Pam Donnelly, Chief Executive of the Council, explained that the strike ballot was still ongoing, which meant that compromising discussions would need to be avoided. This was a serious position to be in, both for the workforce's wellbeing and in regard to the Council's resources. The Council was engaged with its staff, and conversations with UNISON had been frank and collaborative. The situation was why the Council needed to transform in order to operate within its means. Consensus was that officers liked the flexible working, pension scheme and personal development at the Council.

The Leader was asked if higher staff turnover led to higher costs, such as for recruitment and training, and was asked for information on wider risks and

challenges, such as the estimated cost of repairing the Moot Hall. The Leader was asked how many high-income tenants the Council had, and whether their rents could be raised to market rate at a lower level of income, with tenants only currently charged rent as market rate once they earned over £100k per year. The Leader was also asked to give access to the Council's waste service accounts to show how spending was structured.

The Leader informed the Panel that there was no official quote for the work needed on the Moot Hall. The initial survey showed much work was needed, and new information would be shared with elected members when it was available. The Council's accounts were reviewed regularly, and details shared with elected members. The waste service was undergoing transformation and needed to be simplified before the Council could look at cost cutting options. Government-imposed rent controls caused challenges to those running social housing systems. Regarding high-income tenants, the Leader stated that 'Right to Buy' provisions were destructive to housing stock, with many constraints on how receipts could be spent. The Leader spoke in favour of a tail-off exit from Right to Buy, with a recognition of the importance of preserving social housing stock. Regarding levels of rent and whether to charge market rent from those on high incomes, the Leader gave his view that the current charging model was appropriate. There was a balance to be struck on rent caps, between minimising impact on tenants and ensuring necessary income for the Council to carry out service provision.

The Leader was asked whether more consultation with residents should be carried out, looking at levels of rent and council tax. The Leader acknowledged the importance of consultation, but also the need to avoid paying for consultation where we would know the response. Scope had to be left for the Executive to have freedom of movement, with the ballot box as being the ultimate form of consultation. The last increase in council tax was only at quarter the rate of inflation, and looked now to still only be half the rate of inflation.

The Leader was asked if any action had been taken to reduce the deprivation in Colchester, especially in the area of deprivation referenced at the most recent briefing from the Leader. The Leader and Chief Executive highlighted the work carried out with partners, including in tackling deprivation and improving health services. There was a shared agenda to reduce deprivation and partners agreed that a highly targeted approach was needed to invest finite resources. Rory Doyle had been appointed to a joint role with the NHS, with focus targeted on deprived wards. A Panel member asked if there was an overall plan to pull people out of deprivation, and a way for improvement to be measured, to show how effective funding and investment of resources had been. The Chief Executive outlined the North East Essex Strategic Alliance plan. Benefits would be seen at a local level, with updates for elected members, including briefings on outcomes from the Neighbourhood Plan. The Leader agreed that a sense of how progress would be measured was necessary.

The Chairman thanked the Leader for his briefing.

431. Work Programme 2023-24

RESOLVED that the SCRUTINY PANEL's Work Programme be approved for 2023-24.