

Finance and Audit Scrutiny Panel

Grand Jury Room, Town Hall
13 November 2012 at 6.00pm

The Finance and Audit Scrutiny Panel deals with the review of service areas and associated budgets, and monitors the financial performance of the Council. The panel scrutinises the Council's audit arrangements and risk management arrangements, including the annual audit letter and audit plans, and reviews Portfolio Holder 'Service' decisions referred to the Panel under the Call in procedure.

Information for Members of the Public

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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 meetings, with the exception of Standards Committee 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

Private Sessions

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Terms of Reference

Finance and Audit Scrutiny Panel

To review all existing service plans and associated budget provisions against options for alternative levels of service provision and the corporate policies of the Council, and make recommendations to the Cabinet

To have an overview of the Council's internal and external audit arrangements and risk management arrangements, in particular with regard to the annual audit plan, the audit work programme and progress reports, and to make recommendations to the Cabinet

To monitor the financial performance of the Council, and to make recommendations to the Cabinet in relation to financial outturns, revenue and capital expenditure monitors

To scrutinise the Audit Commission's annual audit letter

To scrutinise executive 'service' decisions made by Portfolio Holders and officers taking key decisions which have been made but not implemented referred to the Panel through the call-in procedure

**COLCHESTER BOROUGH COUNCIL
FINANCE AND AUDIT SCRUTINY PANEL
13 November 2012 at 6:00pm**

Members

Chairman : Councillor Dennis Willetts.
Deputy Chairman : Councillor Marcus Harrington.
Councillors Cyril Liddy, Jon Manning, Gerard Oxford,
Ray Gamble, Glenn Granger, Scott Greenhill, Julia Havis
and Theresa Higgins.

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

Agenda - Part A

(open to the public including the media)

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

Pages

1. Welcome and Announcements

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

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

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

2. Substitutions

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

3. Urgent Items

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

4. Declarations of Interest

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

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

5. Minutes

1 - 10

To confirm as a correct record the minutes of the meeting held on 16 October 2012.

6. 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.

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

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

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

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

8. Decisions taken under special urgency provisions

To consider any Portfolio Holder decisions taken under the special urgency provisions.

9. Referred items under the Call in Procedure

To consider any decisions taken under the Call in Procedure.

10. Four Day Recycling and Waste Collection 11 - 14

See report from the Head of Street Services.

11. Business Continuity Annual Report 15 - 23

See report from the Head of Resource Management.

12. Risk Management review April - September 2012 24 - 37

See report from the Head of Resource Management.

13. Work Programme 38 - 39

See report from the Head of Corporate Management.

14. Exclusion of the public

In accordance with Section 100A(4) of the Local Government Act

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

FINANCE AND AUDIT SCRUTINY PANEL

16 OCTOBER 2012

- Present :-* Councillor Dennis Willetts (Chairman)
Councillors Glenn Granger, Scott Greenhill,
Theresa Higgins, Jon Manning and Gerard Oxford
- Substitute Members :-* Councillor Helen Chuah for Councillor Ray Gamble
Councillor Jackie Maclean for Councillor Marcus
Harrington
Councillor Nigel Offen for Councillor Julia Havis
Councillor Michael Lilley for Councillor Cyril Liddy
- Also in Attendance :-* Councillor Marcus Harrington
Councillor Lyn Barton
Councillor Annie Feltham
Councillor Paul Smith
Councillor Nick Barlow
Councillor Mary Blandon
Councillor Tina Bourne
Councillor Barrie Cook
Councillor Beverly Davies
Councillor Pauline Hazell
Councillor Sonia Lewis
Councillor Sue Lissimore
Councillor Will Quince
Councillor Colin Sykes
Councillor Laura Sykes
Councillor Anne Turrell

20. Minutes

The minutes of the meeting held on 21 August 2012 was confirmed as a correct record.

21. Referred items under the Call in Procedure

Have Your Say

Mr. Nick Chilvers

Mr. Chilvers addressed the Panel saying he was an occasional user of the Abbots Centre. There are a variety of age groups including some very elderly people who visit the centre and no-one expects exclusive use of the facilities.

Mr. Chilvers believed it was unrealistic to expect an organisation to manage the Abbots Centre without some level of funding.

Although Mr. Chilvers felt the details about the future use of the centre is very vague, the Council, as guardians to this service whether or not it is franchised out, should oversee the direction of travel, length of lease and ensure the managing company has safeguards in place for when the funding ceases.

Mrs. Sonia Lewis

Mrs. Lewis said the Abbots Centre was subject to a call-in hearing and discussions at an extra ordinary Council meeting in late 2011 when the decision 'Activity centre services for people aged 50 years or over' was considered, and the scrutiny panel's request that the Portfolio Holder for Communities and Diversity allow the panel to pre-scrutinise the future decision on the service level agreement and lease was agreed. Mrs. Lewis said this was not done and there remains a lot of issues to be considered.

Mrs. Lewis said she had the greatest regard for Colne Housing, but with the Council entering into a new tendering process in which Colne Housing had significant involvement in the process in the intervening nine months, they had a distinct advantage over any other potential bidders.

Mrs. Lewis it was still not clear about what the Council, rate payers and members of the Abbots Centre are getting out of this decision. The process had created a year of uncertainty for the elderly people who used the centre.

In response to Councillor Manning, Mrs. Lewis said by allowing Colne Housing to be participative in the process leading up to the tendering process put them in an advantageous position and it was no longer a level playing field.

Councillor Will Quince

Councillor Quince said he had a huge respect for Colne Housing as an organisation and for their work and this was a regrettable situation that created even greater uncertainty for the users of the centre.

Councillor Quince said the Portfolio Holder was skewing the process by allowing the one bidder to manage the centre, the very bidder who had announced it could not undertake the contract without Council funding, though blame should not solely rest with Colne Housing, with the Cabinet needing to take some responsibility. Councillor Quince could not understand the situation given the previous Portfolio Holder had given cast iron assurances that a full consultation would provide the evidence from which the Service Level Agreement and Lease Agreement would be determined,

Councillor Quince said it appeared that when Colne Housing originally pulled out of the bidding process, other bidders were not asked to resubmit their tenders, and nor was the tendering process restarted, but the process was moved forward, built around the terms requested by Colne Housing. Councillor Quince questioned the transparency of such actions given Colne Housing had a 9-12 month advantage over other potential bidders, and believed independent observers will detect a certain amount of bias toward Colne Housing.

Councillor Marcus Harrington

Councillor Harrington said he thought it was sad and tragic that a group of local residents have had uncertainty cast over their future, and asked at the call-in review last year for the centre to remain as it was in its present form.

Whilst appreciating the additional funding needed, Councillor Harrington asked whether retendering was the most suitable way forward.

Decision COM-003-12 “Proposed transfer of the Abbots Building”

The Panel was asked to consider the decision COM-003-12 “Proposed transfer of the Abbots Building”, authorised by Councillor Annie Feltham, Portfolio Holder for Communities and Leisure Services.

The decision was called-in by Councillor Will Quince, supported by four other Councillors, believing the decision had not taken account of the following principles, Consideration of all the options available, clarity of aims and desired outcomes and presumption for openness.

Presentation of the Call in

Councillor Beverly Davies addressed the Panel to explain the reasons for the call in.

Councillor Davies explained that the three principles which the portfolio holder had failed to address in the decision were consideration of all options, clarity of aims and presumption of openness.

Councillor Davies asked whether the three year grant being offered up to the value of £105k as part of the re-tendering exercise was necessary, when it could have been possible during the original process to re-invite expressions of interest from the remaining organisations, but only two alternative options were considered: Not to offer a grant with the facility transfer or to close the activity centre.

The report accompanying the decisions says that Colne Housing, as the successful bidder to provide services at Abbots, having now produced a business plan (which had not been done at the tender stage), had identified the need for start-up funding and the level of funding needed. Colne Housing will not be willing to agree a lease without the funding and CBC officers surmise that others would also be unable to agree a lease without the level of funding identified by Colne Housing Society.

On this basis, Councillor Davies suggested that there is a third option. Colne Housing Society has moved the goalposts, having won the tender before identifying the sustainability of the centre by completing a business plan. During the initial tender process, at least one other tender included a proper business plan which proved that the centre could be sustainable without needing start-up funding from Colchester Borough Council.

In the interests of clarity, openness and fairness Councillor Davies said this option must

now be explored, together with the other tenders received during the original process. The organisations that originally submitted expressions of interest should now be invited to confirm whether their tenders still stand and they should now be seriously considered.

If, after this process, it becomes clear that no other organisation that originally submitted a tender can go ahead without start-up funding from the borough council, Councillor Davies agreed that the opportunity should be re-advertised. It would be neither open or fair to simply re-advertise without considering this third option.

In regards to clarity of aims and desired outcomes, Councillor Davies said if, and only after having explored Option 3, it should become clear that funding is required from the borough council, the report and decision do not make it clear that the £105,000 inducement allowed for in the document is an absolute maximum. It is also not clear that, should the winning organisation subsequently withdraw from the process, or demand increased funding, any lease or agreement would be dissolved and the organisation would be responsible for costs of re-advertising and processing another round of expressions of interest.

Councillor Davies said this should be made explicit in any agreement. Had a similar clause been included in the original documentation, there would be no costs now to the Borough Council of re-advertising this contract and officer time in processing another round of expressions of interest.

In regards to the presumption of openness, Councillor Davies said she made clear that she had deliberately not named any member in this call in as she did not believe it is necessary, and she had received an assurance that, legally, the decision is above board. However, with any expression of interest or tender process there must always be a presumption of openness and it must be written into all tender processes undertaken by the Borough Council that all organisations participating in the process must declare any ethical conflict of interest. This is not a matter of standards, but is a matter of ethics. The constitution of Colchester Borough Council requires openness and ethical dilemmas should be recorded in decision notices. Where the portfolio holder knows of a potential conflict of interest, even though it may be cleared by the standards regime, an ethical conflict should be acknowledged. When considering the decision with regard to all the facts Councillor Davies said she believed that there should have been a disclosure.

In conclusion Councillor Davies said the options she had outlined will potentially have a quicker outcome than that offered by the portfolio holder decision notice and requested that they be given serious consideration by the Panel.

Portfolio Holder Response

Councillor Feltham, Portfolio Holder for Communities and Leisure Services addressed the Panel and responded to Councillor Davies.

Councillor Feltham explained that she did not see any reason to remove Colne Housing from the tender list and all the information that had been provided was done so in good

faith. Looking to see if bidders could proceed without a grant would have delayed the process.

In the case of Colne Housing, the start-up funding was required, so when this was known, this opportunity was offered to all interested parties thereby creating a level playing field.

All bidders expressed an interest with the three year grant with the amounts reducing year on year. If a bidder was/is able to manage the Abbots Centre without the funding, they would score highly within the tender process.

Voluntary organisations had been encouraged to participate in the bidding process. There was some acceptance of good will and contracts are legally drawn-up and agreed by both parties.

Councillor Feltham concluded by saying there had been no bias in taking this decision, and there was no preference for one organisation / group over any other. Councillor Feltham accepted there is different ways in which this process could proceed, but ultimately, the decision taken was supported by Cabinet members. Councillor Feltham was clear that she had made this decision without bias.

General discussion

In response to Councillor Willetts, Councillor Feltham said in regards to a level playing field for all participants in the bidding process, all interested parties would be provided with the same relevant information and it may be possible for a workshop to be organised to help potential bidders with the process. Councillor Feltham said officers will look at all suitable ways to brief interested parties and if a workshop is considered the appropriate way it would be done. Everything will be done to ensure a level playing field.

Councillor Feltham said it was the intention to offer an open process to any party that shows or had previously expressed an interest in the managing the Abbots Centre. On this basis all parties that had previously expressed an interest will be re-contacted.

Councillor Feltham confirmed that Councillor Tim Young had never been involved in the decision making process.

Councillor Willetts said in respect of the disclosure of interests, he accepted Councillor Feltham's explanation that Councillor Tim Young had never been involved in the decision making process.

Councillor Feltham confirmed to Councillor Manning that any bidder requiring zero funding would score 3 points in the scoring matrix in respect of question 15 on funding. Councillor Feltham also confirmed that whilst she was sympathetic to visitors to the centre and the bidders to the delays, some of the delayed process had been unavoidable.

Councillor Feltham was unable at present to give a timescale to complete the process, but said the Panel will be invited to pre-scrutinise the decision to award the contract.

Closing Remarks

In summary Councillor Davies asked the Panel to consider requesting the Portfolio Holder to go back to the original bidders to gauge if the bids without the offer of funding still stand. Councillor Davies said if the contract could be managed without the grant funding this would be in everybody's interest.

Councillor Feltham said she did not see the need to go back to the original bidders. Councillor Feltham had every confidence in officers to score-out where necessary within the assessment process, saying the funding needed to be justified.

Conclusion

Councillor Manning said having heard the responses from Councillor Feltham to the questions asked at the hearing he was of the opinion that the decision should be upheld. Councillor Manning proposed that the Panel confirm the decision taken.

Councillor Offen and Councillor T. Higgins seconded the proposal from Councillor Manning.

Councillor Willetts said because it was not clear within the documentation as to how a potential bidder would score if making a bid with a requirement of a 'zero' grant, it did put an element of doubt in his mind to the assessment process.

RESOLVED that the Panel confirmed the decision (SEVEN voted FOR, ONE abstained).

22. Referred items under the Call in Procedure

Have Your Say

Councillor Pauline Hazell

Given the traffic congestion and narrow streets in many parts of the Borough, Councillor Hazell believed a 20 mile per hour (mph) policy should be extended throughout the Borough.

Councillor Hazell said the 20 mph policy would provide a safer environment for pedestrians, cyclists and motorists.

Given what benefits a 20 mph speed limit would provide to local people, Councillor Hazell felt there should be a more forthright approach to the consultation response in respect of 20 mph speed limits.

Decision REN-001-12 "Setting Local Speed Limits", revised guidance consultation

The Panel was asked to consider the decision REN-001-12 “Setting Local Speed Limits” revised guidance consultation, authorised by Councillor Lyn Barton, Portfolio Holder for Renaissance on 12 September 2012.

The decision was called-in by Councillor Harrington, supported by four other Councillors, believing the decision had not taken account of the following principles, Consideration of all the options available, having regard to due consultation, clarity of aims and desired outcomes, having respect and regard for human rights and due weight to all material considerations.

Presentation of the Call in

Councillor Harrington addressed the Panel to explain the reasons for the call in.

Councillor Harrington said the introduction of 20 mile per hour (mph) speed limits in Colchester was vitally important, reducing the current number of motor accidents and a lesser impact will make serious injury less likely.

Councillor Harrington said the other important plus will be a more pleasant and safer environment for walking and cycling.

Whilst there is some 20 mph speed limit zones in the Borough, particularly in new build areas, Councillor Harrington said this policy needed to be expanded to many other areas, for example West Bergholt, where the village design statement says a 20 mph zone should be provided.

Councillor Harrington said the first reason for the call-in, the consideration of all options available was the principal reason for the call-in, and the benefits of such zones as previously mentioned led him to believe a stronger more forthright approach was needed within the Portfolio Holder’s response. The response needed to inject the sense of urgency needed in implementing the 20 mph zones

Councillor Harrington questioned the thoroughness of the consultation process that led to the response by the Portfolio Holder, and the report did not state who had been consulted. Councillor Harrington said the response was reliant on evidence that formed part of the 2009 Cabinet decision, and to wait three years to use this information in the response was too long for such an important matter. The response also did not appear to have any recent evidence from wards, parishes, and neighbourhood and community groups and contained no mention of the new initiative from Essex County Council under its new Portfolio Holder.

With regard to clarity of aims and desired outcomes, Councillor Harrington said the response did not explain why Colchester as the Local Planning Authority, did not implement supplementary planning guidance to facilitate and encourage the widespread implementation of 20 mph limits, that there needed to be strong support for a scheme where local communities which have a strong case for a 20 mph zone and support from their local councillors should be able to implement the zones easily and quickly.

With regards to health and safety, and in respect for human rights, Councillor Harrington said the response by the Portfolio Holder appeared to suggest that the matter of air quality may be a more important right than the safety of pedestrians and cyclists, adults and children alike. If this was the belief, Councillor Harrington said this point should then be argued in the response to avoid the Secretary of State believing air quality was a reason for Colchester not to implement 20 mph zones.

In conclusion, Councillor Harrington said in respect of due weight to all material considerations, that more evidence should be provided to support the success of Colchester schemes and used for the basis of the response.

Portfolio Holder Response

Councillor Barton, Portfolio Holder for Renaissance, addressed the Panel and responded to Councillor Harrington.

Councillor Barton explained that the response to the Department of Transport drew on previous reports considered by the Policy Review and Development Panel and Cabinet, briefed by the task and finish group who undertook a consultation to provide the evidence. This was a cross-party piece of work and in her opinion the information remained as relevant today as it did in late 2009.

Councillor Barton said the evidence from the task and finish group included consultation with a number of groups and organisations including Parish Councils and Neighbourhood Action Groups. Whilst the Council moves forward as it has done in the last three years, the evidence provided by the task and finish group was still relevant, a point reiterated to Councillors throughout the discussions.

Councillor Barton said she welcomed the fact that Essex County Council (Portfolio Holder - Councillor Louis) has agreed to a comprehensive review of the County's policy on speed limits, including 20 mph zones plus a change to the guidance provided by the Department of Transport, a positive move.

Councillor Barton felt that while air quality was an important factor it was not as important at this time as the safety of pedestrians and cyclists, adults and children alike, and did not see this as an issue.

General discussion

In response to Councillor Willetts, Councillor Harrington said he believed the range of consultation used in the response was in his opinion too narrow, that there are more groups who had a good case to be listened to, and should have been included in the process.

Councillor Barton, in response to Councillor Hazell and Councillor Willetts said the consultation documentation used within the 2009 Cabinet report was deemed to still be relevant to the current situation, and residents have the same opinions and want the same outcomes. In Councillor Barton's opinion the recommendations from 2009 still stand, though it was important to keep an open mind for the future. Councillor Barton was happy to have used details of the 2009 Cabinet report within the consultation

response, and this only reinforced the general shift in people's opinion with the consensus that '20 is Plenty'.

In response to Councillor Willetts, Councillor Barton said she welcomed the new initiatives by Councillor Louis at Essex County Council, but she did not become aware of this until after the Council's response was sent, so could not include the details. So given this was not relevant when drafting the response at that time, Councillor Barton did not see the need to redraft a response especially given we had gone well past the deadline date for receiving such responses. Mr. Paul Wilkinson, Transport Policy Manager said the portfolio report had referenced that the Council had previously engaged with Essex County Council and that report was also sent to the Department of Transport.

In response to Councillor Offen, Councillor Harrington said that whilst some may feel the changes suggested to the response are minimal, and it may have been possible to approach the Portfolio Holder to negotiate an amendment to the response, he was advised that the proper way forward was to follow governance protocol and call-in the decision.

Closing remarks and conclusion

Councillor Harrington and Councillor Barton in turn gave their closing remarks.

Councillor Willetts said whilst there remained some small differences in the some of the detail of the response, the main problem appeared to be with the style of the response, with Councillor Harrington wishing for a more vigorous approach with immediate action, and Councillor Barton wishing to take a more considered approach.

Councillor G. Oxford said it was very important that the as a result of this consultation more emphasis was given to safety of pedestrians and cyclists, adults and children alike, and welcomed that together with Essex County Council the highways authority, Colchester would move forward with purpose. Councillor Oxford proposed that the decision was confirmed.

Councillor Manning said he was not opposed to 20 mph zones across the borough and believed the Portfolio Holder's response was correct. Councillor Manning seconded the proposal.

Councillor T. Higgins said it was inevitable that more zones will at some stage be introduced across the borough, and already this was happening in new-build areas. Councillor Higgins considered the Portfolio Holder's response to be robust enough and also seconded the proposal.

RESOLVED that the Panel confirmed the decision REN-001-12 "Setting Local Speed Limits" revised guidance consultation (EIGHT voted FOR and ONE abstained).

23. Work Programme

Members considered the briefing note from Mr. Bob Penny in regards to the performance of the contractor responsible for Grounds Maintenance.

Members acknowledged that the contract has a break clause option effective from March 2013 with a requirement on both parties to give 12 months notice if the break clause was to be invoked therefore the deadline for invoking the contract had passed (Cabinet Members have already considered the external consultants report on the grounds maintenance contract and agreed for the contract to be continued to 31 March 2016). That said members still believed it would be a good idea to review the performance of the contractors believing there are some issues with regards to grounds maintenance in some wards. Councillors G. Oxford and Manning both agreed to support a future review of the contract.

Mr. Judd, Democratic Services Officer advised Councillor Granger that if he is unable to attend the meeting on 13 November when a review of the Waste Collection and Recycling Service is undertaken, he would be able to organise a substitute member for the meeting. Mr. Judd understood that it was Councillor Granger who had initially requested this review, but the review had already been put back one meeting due to the additional work of the Panel in respect of call-in hearings, and given the difficulty in rearranging meetings with Portfolio Holders and Senior Officers and the importance other members are putting on this review, it was important that the Panel kept to the work programme agreed.

RESOLVED that the Panel considered and noted the revised Work Programme.

13 November 2012

Report of	Head of Street Services	Author	Matthew Young 📞 282902
Title	Review of Four Day Recycling and Waste Collections		
Wards affected	All		

The Panel is invited to review the operation of the four-day recycling and waste collections

1. Action required

- 1.1 The Panel is asked to consider the report requested on the collection of recycling and waste since the move to Tuesday to Friday collections.

2. Reason for scrutiny

- 2.1 This report was requested at the Panel's meeting on 21st August 2012 following requests for information on the performance of the waste service.

3. Background information

- 3.1 The four day collection arrangements were introduced as part of the changes agreed in the Fundamental Service Review (FSR) of Street Services.
- 3.2 The main benefits for the service identified were more efficient rounds, fewer vehicle movements, savings in fuel, and flexibility for fleet on non-service day to allow for any maintenance. It was also agreed that a full route optimisation would be undertaken alongside the changes to ensure that the new rounds were fair and balanced in terms of mileage covered and premises visited.
- 3.3 The main benefits identified for residents were the increased certainty for the customer of their collection day and the substantial decrease in disruption due to public holidays that mainly fall on a Monday. It was also agreed that Good Friday would be a collection day only leaving the Christmas/New Year period when customers' collection days in certain years would have to be moved.
- 3.4 Following consultations with all recycling and waste staff and the Trade Unions the overwhelming view was positive whilst recognising that the working over the four days would be longer as it increases from an average of 7.4 hours to 9.25 hours. However, the task and finish aspect of the crews' contracts still remained.
- 3.5 After a substantial amount of work with experienced route mapping consultants to ensure that the most efficient routes were designed and a comprehensive communications campaign with all households in the Borough the four day collection arrangements began on Tuesday 12th July 2012

4. Review of four day collections

4.1 The following paragraphs look at the various aspects of the changes and are organised using the benefits identified in the fundamental service review objectives set out in the paragraphs above.

4.2 *Service Benefits*

The route optimisation was successful and allowed the service to design far more logical and balanced routes for the crews to follow. Over the years prior to the review of the service a number of collection rounds had grown as new properties were added which had unbalanced finishing times. Whilst this tended to balance out in terms of hours worked over a week by crews it did mean that on some days late finishes were experienced. The new routes are fairer, have equalised finishing times amongst the crews and reduced the number of vehicle movements. There has also been a 6% reduction in fuel usage which equates to approximately 12,000 litres per year although there was no benefit financially as this was absorbed by the general price increases of up to 4 pence per litre experienced in 2011/12.

The benefits of the new routes were most evident during the period from August 2011 through to March 2012, however they have been impacted on by the introduction of the interim fleet as part of the Fleet Procurement and Maintenance contract agreed with Riverside Truck Rental Limited. The success of Riverside in winning this contract led to the withdrawal of 13 vehicles by another Bidder and unfortunately like for like replacements were not available in the short-term hire market. This will be rectified on delivery of the new fleet at the end of this month.

The new arrangements have also given a full day to programme in the maintenance and servicing of the fleet which means less down time on the days when the service is provided.

4.3 *Customer Benefits*

The feedback from customers has been significantly positive and the vast majority who have taken time to comment have welcomed the new arrangements because of the consistency of the collection day. In the first weeks there were collection issues in some areas, but these were very much the minority and tended to be in those areas that saw most change like Mile End and the Dutch Quarter.

The system has now settled down and we have been through a full Bank Holiday cycle with the minimum of fuss and only a very small number of households placing the recycling and waste on the incorrect day. It has been helped that Christmas and New Year Bank Holiday days fell on a Monday which meant no disruption at this time. This is not the case this year so the service will need to delay collections by a day for all households in the week commencing 31st December 2012.

4.4 *Staff Views*

The performance and support from the Drivers and their crews has been good despite some late finishes in the first weeks of the new routes being in place. Staff do prefer to work the four longer days and then have a three day break to rest and recuperate. There have been some issues with crews taking on new routes and these have been exacerbated by the problems brought by the use of the interim fleet but positive management action has ensured that most of these have been rectified.

4.5 At its last meeting the Panel received information on missed collections before and after the changes and for ease of reference this is repeated below. For context the service undertake 120,000 collections per week so the actual percentage missed (in brackets) is minuscule in the scheme of things, but of course for the household that is missed it is understandably perceived as a significant service delivery failure.

- 01/04/11 – 30/06/11 = 367 (0.03%)
- 01/07/11 – 30/09/11 = 2,262 (0.16%)
- 01/10/11 – 31/12/11 = 1,132 (0.08%)
- 01/01/12 – 31/03/12 = 1,041 (0.07%)

This shows the increase we expected to see in missed bins reports when the four day week commenced and this has been reducing since and we would expect it to return to the previous levels by the end of the 2012/13 financial year. We do know that the large increase in the first quarter was mainly down to customer error, but we chose to operate an amnesty where we did not challenge the customer missed report for the first three months of the new system. This continued until after the August 2011 bank holiday.

We also changed the way that we collected data so we counted each collection missed rather than just each household missed. This is very important for service improvement as it gives data on individual material collections as some households may receive up to three collections on their collection day. Therefore, a miss of a 'refuse collection' and a 'plastics collection' from the same household now counts as two misses rather than one under the previous arrangements.

Further data is now available for the first five months of this financial year and these were:

- April = 677 (0.14%)
- May = 698 (0.15%)
- June = 828 (0.17%)
- July = 653 (0.13%)
- August = 478 (0.09%)

These months have been affected by vehicle breakdowns from the interim fleet that will be replaced in October as mentioned above. This has meant assigning crews to help other crews who have suffered a breakdown finish routes. Whilst this is a good use of resources and ensures that most people finish within the contracted times, it does mean that the crews providing the assistance do not know the areas as well as the original crew. Furthermore in some cases crews have been helping out where larger recycling tonnages have been placed out by customers, particularly green waste.

5. Strategic Plan references

5.1 This report has a direct link to the broad aim of 'Being Cleaner and Greener' and the priority of 'Reducing, reusing and recycling our waste'.

6. Consultation

6.1 Full consultations were held over the introduction of all aspects of the Fundamental Service Review of Street Services.

7. Publicity considerations

- 7.1 The changes to four day collections were publicised using a number of methods to the residents of the Borough including postcards to individual households; email footer messages; website publicity and communication messages through formal and informal community groups.

8. Financial implications

- 8.1 The introduction of four day collections contributed £180,000 to the savings of the Street Services FSR which was achieved by removing one crew, one hire vehicle and associated costs.
- 8.2 As mentioned above the possible savings that should have been delivered as a result of more efficient vehicle movements have been absorbed by the higher than predicted increases in fuel costs.

9. Equality, Diversity and Human Rights implications

- 9.1 The move to four day collections was covered in a discreet Equality Impact Assessment (EQIA) which can be viewed on the website: www.colchester.gov.uk using the following pathway: Home > Council and Democracy > Policies, strategies and performance > Equality and Diversity > Equality Impact Assessments > street services or this link: <http://www.colchester.gov.uk/article/4964/Street-Services>

10. Community Safety implications

- 10.1 There are no community safety implications.

11. Health and Safety implications

- 11.1 A full health and safety risk assessment was undertaken for the new arrangements

12. Risk Management implications

- 12.1 A full risk analysis was done for the Street Services FSR and mitigations identified.

Background Papers

Street Services Full Business Case, December 2010
Street Services FSR Risk Register



Finance & Audit Scrutiny Panel

Item
11

16 October 2012

Report of

Head of Resource Management

Author

Hayley McGrath
508902

Title

Annual Review of Business Continuity

Wards
affected

Not applicable

This report reviews the Business Continuity work undertaken for the period 1 October 2011 to 30 September 2012.

1. Actions Required

- 1.1 Consider and note the business continuity work undertaken during the period.
- 1.2 Consider and comment on the review of the business continuity strategy.
- 1.3 Consider and note the intended work plan for 2011/12.

2. Reason for Scrutiny

- 2.1 The Risk Management Strategy, which forms part of the policy framework, identifies the Finance and Audit Scrutiny panel as being responsible for reviewing the effectiveness of the risk management process and reporting critical items to cabinet as necessary. Business continuity is an integral part of the risk management process and it is appropriate that a detailed progress report is provided to this panel.

3. Supporting Information

- 3.1 Under the Civil Contingencies Act 2004 the council has two duties relating to business continuity:
 1. To be able to carry on providing its own services in the event of a disruption
 2. To provide advice and guidance relating to business continuity to local businesses and voluntary organisations.
- 3.2 The responsibility for ensuring that the Council has effective business continuity plans rests with the Executive Director for People and Performance and forms part of the Risk Management function in the Resource Management Service area. The role of the Risk & Business Continuity Manager is to provide advice and guidance and to co-ordinate the individual service plans and the overall Council plan. Issue specific plans, such as responding to a flu pandemic, are also required.
- 3.3 Business continuity issues are primarily reported to the 'First Call Officer' group, this consists of the senior management team and other key staff. The primary role of this group is to provide the strategic management of any emergency – either internal or external. The group meets every two months to review plans and consider emergency planning and business continuity issues.
- 3.4 The duty to provide advice and guidance to local businesses rests with the Emergency Planning team within Corporate Management.

4. Summary of Work Undertaken

4.1 There were three main areas in the work plan for 2011/12:

1. Testing of the plans. Ensuring that the assumptions made in both the corporate and service plans are correct and reflect the changes of the fundamental service reviews.
2. Review of the overall business impact analysis to ensure that the key risks and key services are correctly identified.
3. Development of the training programme to ensure that all staff can access appropriate material.

4.2 The Risk & Business Continuity Manager has continued to work alongside the Emergency Planning team during the year which has strengthened the embedding of the business continuity plans.

4.3 A table top exercise was undertaken in November 2011. This was a half day event with the senior management team as well as representatives from the Police, Fire Authority, Health Authority, Essex County Council and the Environment Agency. This followed on from operation Watermark earlier in the year and whilst the main focus was the emergency response to a flooding event it incorporated the business continuity plans.

4.4 Business Continuity was also included during an emergency response workshop with the senior and group management teams in February 2012. This required service areas to complete a scenario whilst identifying their business continuity issues and requirements.

4.5 The key risks and service areas were reviewed during the year with the senior management team and the business impact analysis was updated with changes to functions following on from the fundamental service reviews. The key business continuity risks continue to be loss of IT and buildings and the service areas have been ranked according to the type of incident.

4.6 The Business Continuity section on the Council's intranet has been updated with relevant information for staff and training material is now accessible on-line.

4.7 The Risk and Business Continuity Manager has attended the quarterly meetings of the Essex Business Continuity Working Group. This group consists of emergency planning and business continuity officers from across the county and meets to ensure that there is a coordinated approach to providing advice and guidance to businesses and the public and to share best practise. The group has benchmarked business continuity management across its members and this has shown that Colchester is performing above the county average.

4.8 The Risk and Business Continuity Manager has also represented the business continuity service at several events including the annual parish councils emergency planning seminar and training sessions for emergency planning volunteers.

5. Business Continuity Strategy for 2012/13

5.1 The Business Continuity Strategy was agreed for the first time in 2009. A requirement within the strategy, and also of the regular internal audit assessment, is that it is reviewed annually to ensure that it is still appropriate to the Council's needs.

5.2 Therefore a review has been undertaken and the strategy has been updated for 2012/13. The revised strategy is attached at appendix 1. It is considered that the strategy continues to meet the needs of the organisation and therefore there are no fundamental changes to the strategy or the business continuity process.

6. Work plan for 2012/13

6.1 With regard to the comments made in the internal audit review, and the self assessment, the following areas will be the primary focus for developing business continuity further in 2012/13:

1. Testing of individual service plans. Working through scenarios with group management teams to ensure that their plans contain the relevant information for their services.
2. Implementation of an education programme so that all staff understand the business continuity process.
3. Review the 'specific event' plans including the Rowan House and major absence plans.

7. Proposals

7.1 To note and comment upon the Councils progress and performance with regard to business continuity during 2011/12, the Business Continuity Strategy and work plan for 2012/13.

8. Strategic Plan Implications

8.1 The ability of the Council to carry on providing critical services, even when dealing with a major disruption, is a fundamental part of customer excellence.

9. Risk Management Implications

9.1 The failure to adequately manage a business interruption may have an effect on the ability of the Council to achieve its objectives and operate effectively.

10. Other Standard References

10.1 There are no direct Publicity, Financial, Consultation, Equality and Diversity, Human Rights, Community Safety or Health and Safety implications as a result of this report.



COLCHESTER BOROUGH COUNCIL

BUSINESS CONTINUITY STRATEGY

October 2012

CONTEXT

Colchester Borough Council, like every local authority, provides a wide range of services to the local community, many of which are statutory functions. Any failure, actual or perceived, to deliver the full range of services will have a negative impact on both the community and the authority. As such, all reasonable measures should be adopted to minimise the likelihood of business or service interruption.

The Civil Contingencies Act 2004 places a specific duty on local authorities to ensure that they have prepared, as far as reasonably practical, to continue to provide critical functions during any disruptive incident.

However the Civil Contingencies Act is just one of the key drivers for business continuity. External assessments such as the benefits inspection and the Lexcel accreditation require robust business continuity arrangements to provide assurance that quality services will continue to be provided at all times. But above all business continuity is critical to the Council in its ability to survive an incident with as little disruption to services and reputation as possible.

This Business Continuity Strategy provides the framework for a plan to be implemented by the Council in order to mobilise its response and undertake work to prevent or mitigate the severity of potential disruptions.

The plan will identify the specific recovery objectives, the structure for implementation, mitigation measures and the communication process to keep staff, partners and the public informed of necessary changes to service delivery.

OVERVIEW

The strategy adopted for development of the Business Continuity Plan can be summarised as follows:

- The Corporate Incident Management Plan will form the basis of the Council's response. This is an operational document designed to assist the authority in the event of a disruption occurring. The plan sets priorities and communications to ensure an appropriate response to any disruption.
- The Corporate Incident Management Plan is the overall tool for the Council and event controllers. However this is supported by service specific business continuity plans which ensure that each service is able to respond appropriately to an incident whether it is a corporate or service specific interruption.
- Incident specific plans are also be developed for corporate issues where the risk indicates sufficient likelihood of occurrence and the impact is seen to be severe, such as pandemics, power failures and severe weather.
- Business Impact Analyses (B.I.A.s) are undertaken to be able to develop the plans. B.I.A.s assess the key risks and key services at both corporate and service level and will help to identify preventative measures that can be undertaken.

AIM AND OBJECTIVES

The aim of the strategy is:

- To support the Council in anticipating risks for the purpose of mitigating them and having flexible plans in place, which are already tested, to minimise disruption when unplanned events significantly interrupt normal business.

The objectives are:

- To identify preventative measures that can be carried out to minimise the likelihood of an incident occurring.
- To ensure the Council can continue to exercise its functions in the event of an emergency.
- To integrate the Business Continuity requirements with the Emergency Planning responsibilities of the Authority to ensure that in the event of a major disruption the Authority can respond appropriately both internally and externally.
- To identify the essential services, in order to determine overall priorities for recovery of functions if disruption takes place.
- To ensure all Council service areas are involved in the preparation of the Plan, so that there is an effective and consistent response to service continuity.
- To provide a basis for cost benefit analysis to determine which contingency plans will be developed.
- To develop a process to review and update the overall Plan and develop service area, functional or specific plans where necessary, in order to protect the services and reputation of the Council.
- To undertake training and awareness programmes for staff, elected members, suppliers and partners.
- To carry out regular tests of the Plan to validate the arrangements.

THE BUSINESS CONTINUITY PROCESS

Irrespective of an unusual or disruptive event, occurring internally or externally, the capabilities of the Council to provide services to the community must be maintained. This process aims to address the issues likely to arise, and to identify measures to mitigate them.

This process recognises that 'Business Continuity' can be considered in three phases:

- DEFENCE - The prevention of disruption
- CONTINUITY - Maintenance of essential services during a disruption
- RECOVERY - The return to normality

Business Continuity is an on-going cyclical process of risk assessment, management and review with the purpose of ensuring that the business can continue if risks materialise.

The effective implementation of Business Continuity has four stages:-

- Recognition of Need & Initiation
- Defining Requirements & Strategy
- Implementation
- Operational Management

RESPONSIBILITY FOR BUSINESS CONTINUITY

To be effective Business Continuity should be fully endorsed and actively promoted by senior management and there should be a clearly defined responsibility for co-ordination of Business Continuity. However it does not belong to one person or role and every service has a responsibility for ensuring that they are capable of responding to an interruption.

There are three levels of responsibility for managing the business continuity process:

1. Co-ordinator
2. Corporate Response Team
3. Service Teams

There is a core role of co-ordinating the process and ensuring that services have access to information and assistance when building their own plans. The co-ordinator also has responsibility for ensuring that key partners are involved in the process.

In the event that there is a disruption there should be a defined corporate response team who will have overall control of the situation. The co-ordinator is responsible for maintaining details of this team ensuring that they are fully briefed on executing the plan and are informed of any potential issues that may arise.

There are also individual service action teams who are responsible for ensuring that their service has its own response plan and can manage the continuity and recovery for the functions within that service. The team is likely to consist of one person for the process of defining the response plans and day to day co-ordination of Business Continuity, but will call upon other senior managers if and when the plan needs to be put into practice.

Appendix 1 sets out the roles and responsibilities for Business Continuity at all levels.

LINKS

To be an effective management tool and to truly embed the process throughout the organisation the plan should recognise and be influenced by the Council's operational and strategic risk registers, this will lead automatically to the plan linking into the Internal Audit plan, the strategic plan and the budget process. The plan should also recognise the Community Risk Register, maintained by the Essex Resilience Forum, to ensure that external impacts are recognised and allowed for.

The Business Continuity process must also be closely linked to the Emergency Planning process. In any major scenario it is likely that other organisations in the Borough will be effected as well and it is essential for the Council to be able to respond to their requirements as well as its own. Due to the nature of the response required from Emergency Planning it is likely that they will be the first service to receive external information regarding potential issues and it is imperative that there is a system for incorporating these issues in the Business Continuity process.

TRAINING

All members of the Corporate Response Team and the Service Teams need to be trained on an annual basis to ensure that they are fully aware of how to implement the plan. All staff should be informed of the process and further training should be available if required. Members should be trained to ensure that they know of the existence of the plan and also how they can assist, politically, in the continuity and recovery process.

REVIEW PROCESS

The Plan will be reviewed annually to ensure that it is still relevant to the Council's needs. However the individual plans for each service will be subject to review every six months to ensure that information on service functions and contact details are kept up to date. The high risks and priority services will also be re-assessed annually.

ROLES & RESPONSIBILITIES FOR BUSINESS CONTINUITY

	Strategy And Plan	Defence	Continuity	Recovery
Members	Agreeing the strategy and plan determined by officers.	Endorsing the defence plans and ensuring that political decisions are taken with due regard for Business Continuity.	Political will to ensure that there is a united approach to continuity.	Political will to ensure that there is a united approach to recovery.
Business Continuity Co-ordinator	Devising and co-ordinating the strategy and plan.	Ensuring that the defence actions are appropriately implemented, are regularly reviewed and that services have developed own plans.	Co-ordination of the Corporate Response Team and the Service Action Teams. Guidance on the plan and mitigating actions during the incident.	Co-ordination of the Service Action Teams. Guidance on the plan and reporting progress of recovery to senior management.
Senior Management Team	Approval and support of the strategy and plan. Completion of service plans.	Critical review and approval of the defence actions.	Support of the actions of the Corporate Response Team during the incident.	Support the actions of the Service Action Teams, endorse recovery priority for services.
Corporate Response Team	Overview of strategy and plan. Review of 'new issues'.	Critical review of the defence plans. Ensuring that the information contained within the plan is accurate. Annual testing of the plan.	Control the response to the incident until such time as the organisation enters the recovery stage. Ensuring that priority services are afforded the proper support. Ensuring information is available to members and staff. Keeping SMT informed.	Review the actions of the Service Action Teams. Facilitate full recovery and ensure that recovery follows the correct priority. Liaison with external agencies. Ensuring information is available. Keeping SMT informed
Service Action Teams	Input into the formulation of the strategy and plan.	Development of defence plans and implementation of control actions. Ensure that checklists of key info are compiled. Identification of service priorities.	Co-ordinate their service's response. Act as a liaison between Corporate Response Team and Service. Respond to Corporate Response teams requests during an incident.	Implement their own team recovery plan whilst maintaining the link with the Corporate Response Team. Briefing staff. Overseeing alternative accommodation.
Employees, contractors and partners	Knowledge of the strategy and plan, and awareness of impact on own job / service.	Knowledge of the defence plans and awareness of impact on own job / service	Assist with the incident where required. Know how to / who to contact in emergency.	Assist with recovery where required. Understand how they fit into the recovery of their service.



Finance & Audit Scrutiny Panel

Item
12

13 November 2012

Report of

Head of Resource Management

Author

Hayley McGrath
508902

Title

1st & 2nd Quarter Risk Management Progress Report

Wards
affected

Not applicable

**This report concerns Risk Management activity between
April and September 2012**

1. Actions Required

- 1.1 To note and comment upon:
- The work undertaken during the period;
 - The Strategic risk register

2. Reason for Scrutiny

- 2.1 The Risk Management Strategy, which forms part of the policy framework, identifies the Finance and Audit Scrutiny panel as being responsible for reviewing the effectiveness of the risk management process and reporting critical items to cabinet as necessary.
- 2.2 Six monthly progress reports, detailing work undertaken and current issues, are provided to assist with this responsibility.

3. Key Messages

- There has been an increase in the number of motor vehicle insurance claims, which has resulted in additional insurance premiums being charged. The causes of these incidents have been reviewed and action is being taken to reduce claims.
- The key risk for quarters 1 & 2 continued to be the potential impact of future central government decisions to reduce public funding, including that of partners.

4. Supporting Information

- 4.1 The aim of the Council is to adopt best practice in the identification, evaluation, cost-effective control and monitoring of risks across all processes to ensure that risks are properly considered and reduced as far as practicable.
- 4.2 In broad terms risks are split into three categories:
- Strategic – those risks relating to the long term goals of the Council
 - Operational – risks related to the day-to-day operation of each individual service
 - Project – the risks to the Council of specific initiatives.
- 4.3 Strategic risks are essentially those that threaten the long term goals of the Council and therefore are mainly based around meeting the objectives of the Strategic Plan. They may also represent developing issues that have the potential to fundamentally affect service provision, such as proposals to change assessment processes. Strategic risks are owned by members of the Senior Management Team.

- 4.4 Operational risks are those that threaten the routine service delivery of the Council. Each service area has their own operational risk register that details the risks associated with providing the service. High risks and the success in controlling them are reported to Senior Management Team on a quarterly basis, as these assist in the formulation of the strategic risk register.
- 4.5 Project risks are those that relate solely to the successful delivery of that specific project. They tend to be quantifiable issues, such as resource or time related, and constantly change and develop over the course of the project as each stage is completed. The lead on the project is responsible for ensuring that there is an appropriate risk register and high level issues are reported to the senior management team.
- 4.6 Identified risks, in all three categories, are judged against levels of probability and impact to give them an overall score. This allows the risks to be shown as 'high, medium or low' which enables a prioritised action plan to be set for managing risks. There are insufficient resources to be able to reduce all risks - and in some cases it would not be cost effective. Therefore resources are more effectively targeted at the high, and in some cases medium, risks. Categorising an issue as 'high risk' indicates that it would have a fundamental effect on the Council, if it occurred, and therefore plans need to be put in place to either stop it happening or reducing the effect if it does. High risk does not mean that it has, or will definitely, occur.
- 4.7 In many cases the causes of risks are outside of the Council's control, such as general economic issues. The Council cannot stop these risks from occurring (the probability score) but can put plans in place to mitigate against their effect if they occur (the impact score). Likewise there are occasions that risks can be reduced with preventative actions but there is not much that can be done to mitigate their effect if they do occur, such as a failure to protect public resources. Therefore some risks will tend to maintain the same score, regardless of the controls that the Council puts in place.

5. Work undertaken during the period

- 5.1 The risk strategies and registers have been updated for both The North Essex Parking Partnership and the Colchester and Ipswich Joint Museum Service and have been reported to, and agreed by, their respective committees.
- 5.2 Following on from the last report to this panel in July 2012 the revised risk management strategy has been agreed by Cabinet and full Council, without amendment, and the policy framework has been updated accordingly.
- 5.3 The Council's insurance contracts were renewed in August 2012 and the motor vehicle insurance saw an increase in premiums. A working group has been set up consisting of officers from relevant services including insurance, health and safety, human resources, waste services and fleet to review the causes of the claims and implement an action plan for reducing the number of accidents.
- 5.4 Following the migration of the website and the intranet, work has been undertaken to review and update the electronic information relating to risk management.
- 5.5 Work to strengthen the anti-fraud and corruption processes has continued. This has included working with the National Anti Fraud Network to align risk and fraud issues, developing the Ethical Governance arrangements and looking at how the Welfare Reforms may impact on fraud investigation issues.

6 Strategic Risk Register

- 6.1 The current strategic risk register is attached at appendix 1 with the score chart attached at appendix 2. The register was reviewed by senior management on 24 October 2012.

7. Proposals

- 7.1 To note and comment upon the Councils progress and performance in managing risk during the period from April to September 2012.

8. Strategic Plan Implications

- 8.1 The strategic risk register reflects the objectives of the strategic plan and the actions have been set with due regard to the identified key strategic risks. Therefore the risk process supports the achievement of the strategic objectives.

9. Risk Management Implications

- 9.1 The failure to adequately identify and manage risks may have an effect on the ability of the Council to achieve its objectives and operate effectively.

10. Other Standard References

- 10.1 There are no direct Publicity, Financial, Consultation, Human Rights, Equality and Diversity, Community Safety or Health and Safety implications as a result of this report.

Quarter3 2012/13
Colchester Borough Council – Corporate Strategic Risk Register
October 2012 – December 2012

1. AMBITION									
Specific Risks		SCORE						Consequence	
		Current			Previous				
		P	I	O	P	I	O		
1a	In a period of public sector resource reductions the ability to have ambition and to deliver on that ambition.	3	2	6				Major changes needed to the town would not be delivered thus affecting the quality of life of its residents and businesses.	
1b	Unrealistic internal and external expectations on the speed of delivery.	3	3	9				Major economic downturn in public sector resourcing over the next few years will hamper the speed of delivery across the services provided.	
1c	The Council is unable to effectively influence changes in the Borough economy.	3	4	12	2	4	8	Poorer external assessments by independent agencies and loss of Council reputation.	
1d	Over reliance on a limited number of people limits ability to deliver our ambition.	3	3	9	2	3	6	The Borough Council loses its status and influencing ability at sub-regional, regional and national levels.	
1e	The resource implications of the UCC FSR are greater than anticipated.	2	4	8				The review does not achieve its full potential and anticipated improvements are not realised, resulting in Customers not receiving an improved level of service.	

ACTION PLAN – AMBITION		
Action	Owner	Review
Constantly challenge the ambition shown by the Council and look for new and innovative ways of delivering that ambition.	Chief Executive / Executive Directors / Heads of Service	December 2012
Make the most of information and communication technology; continue the process of Fundamental Service Reviews	Executive Management Team	December 2012
Continue internal assessment of service effectiveness and seek external assessments as appropriate for continuous improvement purposes.	Senior Management Team	December 2012
Consider longer term impacts of staffing reductions.	Senior Managers and Human Resources function	December 2012

2. CUSTOMERS								
Specific Risks		SCORE						Consequence
		Current			Previous			
		P	I	o	P	I	o	
2a	The increasing expectations of our customers, set alongside the financial challenges to service delivery may pose some challenges to customer excellence, service and delivery and the reputation of the authority.	4	3	12	3	3	9	The Authority fails to deliver the high standards of service and delivery which our customers expect, especially in relation to self service and the reliance on IT capabilities.
2b	There is increasing expectation that the Council will step in to deliver services when other providers either fail or reduce service provision	4	3	12				The Council suffers from a loss of reputation as customers expectations are not met. There is increased demand on existing services leading to a reduction in standards of delivery

ACTION PLAN – CUSTOMERS

Action	Owner	Timing
A programme of engagement and consultation is put in place to ensure customers are able to inform service priorities and delivery	ED Customer Excellence	December 2012
Front line services need to ensure that customers are fully aware of the level of service that can be expected and details should be made available to sign post customers to other relevant organisations.	ED Customer Excellence	December 2012

3. PEOPLE									
Specific Risks		SCORE						Consequence	
		Current			Previous				
		P	I	O	P	I	O		
3a	Unable to update skills at a time when we need a changing skill set to deliver in a different economic climate	3	3	9				Decline in service performance	
3b	Failure to sustain adequate resource to support Training and Development because of the financial situation	3	3	9				Disengaged and demotivated staff	
3d	Failure to provide effective and visible political and managerial leadership.	3	3	9				Efficiency and productivity reduction	
3e	Staff motivation declines with impact of fundamental service reviews and implementation of other budget efficiencies	4	4	16				Inability to meet changing requirements and needs	
								Customer perceptions decline as we deliver less	
								Loss of key staff	

ACTION PLAN – PEOPLE		
Action	Owner	Timing
Ensure effective communications strategy around budget implications with staff	ED People & Performance	December 2012
Ensure people strategy is updated to reflect changing needs as appropriate	ED People & Performance	December 2012
Continue to recognise the importance of training and development budgets and use more innovative methods to keep skills up to date	ED People & Performance	December 2012
Ensure performance management process is effectively implemented and monitored to include development needs and plans	ED People & Performance	December 2012
Active promotion and use of Colchester Learning Managers programme and development to meet evolving needs	ED People & Performance	December 2012
Ensure outcomes of fundamental service reviews reflect training and development needs to support changes in services.	ED Customer Excellence	December 2012

4. HORIZON SCANNING

Specific Risks	SCORE						Consequence	
	Current			Previous				
	P	I	O	P	I	O		
4a	To continuously assess future challenges to ensure Council is fit for future purpose	2	4	8				If not properly managed then either the Council will lose the opportunity to develop further or will have enforced changes to service delivery.
4b	Not taking or creating opportunities to maximise the efficient delivery of services through shared provision, partnerships or commercial delivery	4	3	12				Adverse impact on local residents / resources. Missed opportunities to boost local economy.
4c	Failure by the Council to spot / influence at an early stage the direction of Central Government policies / new legislation.	3	3	9	2	3	6	Conflict between Council / Government agendas. Reduction in levels of service provision and potential withdrawal of services.
4d	Potential impact of future central government decisions to reduce public funding, including that of our partners	4	5	20	3	5	15	

ACTION PLAN – HORIZON SCANNING

Action	Owner	Timing
Ensure organisational readiness to respond to external challenges through the Way We Work programme strands: - People - Transformation - Customer Excellence - Leadership of Place	EMT	December 2012
Supported by a robust Medium term Financial strategy and organisational development strategy.	EMT	December 2012
Continuous review of strategies and policies to reflect changing context.	EMT	December 2012
The budget situation is under constant review, including the impact of decisions from central government. Additional actions and areas for spending reviews are being identified.	EMT	December 2012

5. PARTNERSHIPS								
Specific Risks		SCORE						Consequence
		Current			Previous			
		P	I	O	P	I	O	
5a	Failure or inappropriate performance management of one or more strategic partnerships or key contracts E.g. Haven Gateway, Growth Cities Network, CAPITA, CBH	4	3	12				<p>The cost of service delivery is increased however quality decreases.</p> <p>Failure to deliver key priorities.</p> <p>Reputational and financial loss by the Authority.</p> <p>Failure to deliver expected outcomes through partnerships</p>
5b	Change of direction / policy within key partner organisations and they revise input / withdraw from projects.	4	3	12	3	3	9	<p>Requirement to repay external funding granted to partnership – taking on the liabilities of the ‘withdrawn’ partner.</p> <p>External assessment of the Councils partnerships are critical and score poorly.</p>
5c	Potential inability to agree shared outcomes/ agendas with partners and the Council’s ability to influence partner’s performance.	3	4	12	3	3	9	

ACTION PLAN – PARTNERSHIPS		
Action	Owner	Timing
Assess proposed strategic partnerships to ensure that they will satisfy the Council’s objectives before commitment to new partnerships is made.	EMT	December 2012
Define a relationship / performance management process for partnerships	ED People & Performance	December 2012
Ensure that there is a mechanism to review partnerships and assess the value added.	ED People & Performance ED Leadership of Place	December 2012

6. ASSETS & RESOURCES									
Specific Risks		SCORE						Consequence	
		Current			Previous				
		P	I	O	P	I	O		
6a	Failure to protect public funds and resources – ineffective probity / monitoring systems	3	4	12	2	4	8	Service delivery failure Financial and reputational loss by the Authority	
6b	Risk that Asset Management is not fully linked to strategic priorities and not supported by appropriate resources	3	4	12				Personal liability of Officers and Members. Legal actions against the Council	
6c	Inability to deliver the budget strategy in the current economic climate	3	4	12	3	5	15	Loss of stakeholder confidence in the Borough Inability to sustain costs	
6d	Failure to set aside sufficient capital funds for strategic priorities	3	4	12	3	2	6	Failure to deliver a balanced budget Required to use Reserves & Resources to fund services and capital priorities Severe impact on cash-flow leading to negative effect on performance targets	
6e	Increased risk to ICT resilience with migration to new supplier and ever increasing demands around information security	2	5	10					

ACTION PLAN – ASSETS & RESOURCES

Action	Owner	Timing
Ensure that there is a robust system of internal control that encompasses all assurance systems including Internal Audit, Risk Management, Budget process, Corporate Governance and performance management. This must be reported to senior officers and members on a regular basis to ensure that it is fully embedded	EMT / Head of Resource Management	There is cycle of reviewing and reporting including internal Audit, Risk management and the AGS Review December 2012
Continue to ensure that the budget monitoring process is reflective of finances across the whole Council not just individual service areas	Head of Resource Management	Regular reporting to PMB. & FASP. Review December 2012
Develop the annual budget strategy to ensure it has controls built in to be able to respond to changes in the strategic objectives and is innovative to reflect the current climate and emerging options	Head of Resource Management	Annual exercise. Council approves budget in Feb 2011
Review the medium term financial outlook and capital programme processes to ensure they are kept up to date and realistic	Head of Resource Management	MTFS is part of the budget strategy & considered during the process. Capital programme reported to FASP quarterly Review January
Regular reviews with new ICT supplier Ensure IT policies comply with information security requirements and that staff are aware of the correct procedures.	ED People & Performance	From beginning of new contract and ongoing

SCORE DEFINITIONS	1 Very Low	2 Low	3 Medium	4 High	5 Very High
Impact	Insignificant effect on delivery of services or achievement of Strategic Vision & Corporate Objectives.	Minor interruption to service delivery or minimal effect on Corporate Objectives.	Moderate interruption to overall service delivery/effect on Corporate Objectives or failure of an individual service.	Major interruption to overall service delivery or severe effect on Corporate Objectives.	Inability to provide services or failure to meet Corporate Objectives
Probability	10% May happen – unlikely	10 -25% Possible	26 – 50% Could easily happen	51 – 75% Very likely to happen	Over 75% Consider as certain

KEY OPERATIONAL RISKS – For Information

SERVICE	RISK	CONSEQUENCE	CONTROLS	RESPONSIBILITY
Corporate Management	Loss of all Land Charges income	<ul style="list-style-type: none"> Financial loss to the Council Guidance required by Govt 	<ul style="list-style-type: none"> Ensure income streams are maximised as much as possible and action taken to re-engineer service through a mini review. Reduce costs where possible to mitigate impact of loss of income. 	Legal Services Manager and Land Charges Manager
Corporate Management	FSR – Capacity issues of business partners / HR Service Centre and challenges of ICT capacity.	<ul style="list-style-type: none"> Inability to effectively provide strategic and HR transactional support to the FSRs. ICT solutions identified in FSRs cannot be achieved in the required timescales. 	<ul style="list-style-type: none"> FR to be a core objective for Business Partners and prioritised and planned accordingly. Dedicated resource to support consultation and assessment processes for Rev and Bens and Street Services identified to be paid for by services. ICT solutions to be fully scoped and business cases to be completed. 	Strategic HR Manager ICT Manager
Corporate Management	Lack of Project Mgt principles in procuring software in services	<ul style="list-style-type: none"> Lack of joined up approach and continued purchase of systems that do not match or integrate effectively with corporate systems 	<ul style="list-style-type: none"> ICT Strategy to include new approach to project mgt and new controls going forward. Business partner approach with more contact and awareness of activities in services in relation to systems and requirements. 	ICT Manager
Enviro & Protect Servs	Reduction in investment in services	<ul style="list-style-type: none"> Cuts in service provision, negative impact on image / reputation. 	<ul style="list-style-type: none"> Financial planning and reporting to Members / CMT / SMT Ensure services meet community needs and Strategic Plan objectives Measure to Increase on external income 	Head of EPS
Enviro & Protect Servs	Income targets not met	<ul style="list-style-type: none"> EPS generates a net income to the Council, supporting other services therefore a decrease in income has a detrimental effect on all services. 	<ul style="list-style-type: none"> Regular monitoring in use and income. Ensure that the business case for increasing capacity is agreed and implemented. 	Head of EPS
Life Opportunities	Inadequacy of Repairs and Renewals provision.	<ul style="list-style-type: none"> Reduction or closure of services due to failure of plant, equipment or infrastructure. 	<ul style="list-style-type: none"> Funding programmes presented during budget setting process. 	Head of Life Opportunities
Life Opportunities	Impact of national downturn in the economy and housing market (due to the 'credit crunch') on the community.	<ul style="list-style-type: none"> Changes to housing benefit legislation. 	<ul style="list-style-type: none"> Ensure that money advice and debt counselling via CAB and County Court desk for possession hearings via Shelter continues to be available. Investigate the possibility of introducing a mortgage rescue package. 	Head of Life Opportunities

SERVICE	RISK	CONSEQUENCE	CONTROLS	RESPONSIBILITY
Resource Management	Loss of key members of staff	<ul style="list-style-type: none"> • Lack of expertise • Impact on service provision • Impact on other staff 	<ul style="list-style-type: none"> • Identification of key staff and roles • Succession planning • Documented procedures • Establishment of training for customer focused, vulnerable service and roles 	Head of Resource management & HRBP
Strategic Policy & Regeneration	Lack of focus on governance issues	<ul style="list-style-type: none"> • Poorly informed business processes • Lack of focus on critical issues 	<ul style="list-style-type: none"> • Clear information and expectations are required as part of the management process. • SSP to allow focus on priorities • FSR to tackle process in Housing • Project management in regen 	Head of SPR
Street Services	Effect of implementing FSR changes, including new technology and working procedures.	<ul style="list-style-type: none"> • Temporary decrease in service delivery quality. • Personal impact on staff wellbeing. • Increased costs in short term. 	<ul style="list-style-type: none"> • Ensure that there is a detailed implementation plan • Develop monitoring procedures 	Head of Street Services
Street Services	Car park income targets not met	<ul style="list-style-type: none"> • 10% shortfall in takings equates to over £400k reduction in income that supports other services. 	<ul style="list-style-type: none"> • Regular monitoring in use and income. 	Head of Street Services

RISK MATRIX QTR 3 2012/13

Low Risks	Medium Risks	High Risks
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Scoring 1-5

Risk Tolerance Line

Probability of Occurrence	5 Very High					
	4 High			2a 2b 4b 5a 5b	3e	4d
	3 Medium		1a	1b 1d 3a 3b 3d 4c	1c 5c 6a 6b 6c 6d	
	2 Low				1e 4a	6e
	1 Very Low					
		1 Very Low	2 Low	3 Medium	4 High	5 Very high
Severity of Impact						

Removed Risks

3c

Declining number of staff affects our capacity and impacts on our ambitions
Removed Qtr 1 2012/13



Finance and Audit Scrutiny Panel

Item
13

13 November 2012

Report of	Head of Corporate Management	Author	Robert Judd Tel. 282274
Title	Work Programme 2012-13		
Wards affected	Not applicable		

This report sets out the 2012-13 work programme for the Accounts and Regulatory Committee and Finance and Audit Scrutiny Panel

1. Decision Required

1.1 The Committee is asked to consider and note the 2012-13 work programme.

2. Reason for Decision

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

3. Outstanding review items (dates to be confirmed)

- i) The financial impact of a new Park and Ride Scheme
- ii) firstsite project

Addition to the programme

- i) Review of Grounds Maintenance Contract (26 February 2013)
- ii) Certification of Claims and Returns Annual report (20 November 2012)

4. Work Programme

4.1 26 June 2012

- 1. Honorary Alderman (A&R)
- 2. Myland Community Governance Review (A&R)
- 3. Annual review of the Governance Framework and 2011-12 Statement (A&R)
- 4. 2011-12 Revenue Expenditure Monitoring Report
- 5. 2011-12 Capital Expenditure Monitoring Report

4.2 24 July 2012

- 1. Draft Annual Statement of Accounts (A&R)
- 2. 2011-12 Internal Audit Report
- 3. Annual Report on Treasury Management
- 4. 2011-12 Risk Management Summary & Strategy Review

4.3 21 August 2012

- 1. 2012-13 Revenue Expenditure Monitoring Report, period April to June
- 2. 2012-13 Capital Expenditure Monitoring Report, period April to June

4.4 25 September 2012

- Annual Statement of Accounts (A&R) briefing 20 September 2012
- 1. Audited Annual Statement of Accounts
- 2. Annual Governance Report (AC)
- 3. Consultation on name of 'HARBOUR WARD'

- 4.5 **16 October 2012**
1. Call-in – COM-003-12 Proposed Transfer of the Abbots Building
 2. Call-in – REN-001-12 Setting Local Speed Limits
 3. Publication of the Audited SofA – A&R
 4. Annual Audit letter – A&R
- 4.6 **13 November 2012 (extra meeting)**
1. Annual Business Continuity Year end
 2. Risk Management, period April – September 2012
 3. Review of Waste Collection and Recycling
 4. CGR Myland CC – A&R
- 4.7 **20 November 2012**
1. 2012-13 Revenue Expenditure Monitoring Report, period April to September
 2. 2012-13 Capital Expenditure Monitoring Report, period April to September
 3. Treasury Management – 6-monthly update
 4. Interim Annual Governance Statement review (A&R)
 5. 2012-13 Internal Audit Monitor, period April to September
 6. Certification of Claims and Returns Annual report (AC)
- 4.8 **22 January 2013**
1. Audit Opinion Plan (AC)
 2. Audit Commission Progress report (AC)
 3. 2013-14 Revenue Budget
 4. Treasury Management - Investment Strategy
 5. Housing Revenue Account Estimates and Housing Investment Programme
- 4.9 **26 February 2013**
1. Review of Grounds Maintenance Contract
 2. 2012-13 Revenue Expenditure Monitoring Report, period April to December
 3. 2012-13 Capital Expenditure Monitoring Report, period April to December
- 4.10 **26 March 2013**
1. Annual Governance Statement Process
 2. Certificate of Claims and Returns (AC)
- 4.11 **2013-14**
- To consider updated information on income and expenditure for the High Woods Country Park in June 2013.

5. Standard and Strategic Plan References

- 5.1 The Council recognises that effective local government relies on establishing and maintaining the public's confidence, and that setting high standards of self governance provides a clear and demonstrable lead. Effective governance, of which scrutiny is a part, underpins the implementation and application of all aspects of the Council's work.
- 5.2 Scrutiny is a key function to ensure decisions have been subject to full appraisal and that they are in line with the Council's strategic aims. The role of scrutiny is also an important part of the Council's risk management and audit process, helping to check that risks are identified and challenged.
- 5.3 There is no publicity, equality and diversity, human rights, community safety, health and safety, risk management or financial implications in this matter.

