

Cabinet

**Grand Jury Room, Town Hall
9 October 2013 at 6.00pm**

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

Information for Members of the Public

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COLCHESTER BOROUGH COUNCIL CABINET

9 October 2013 at 6:00pm

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

AGENDA - Part A

(open to the public including the media)

Pages

1. Welcome and Announcements

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

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

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

2. Urgent Items

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

3. Declarations of Interest

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

- Where a Councillor has a disclosable pecuniary interest, other pecuniary interest or a non-pecuniary interest in any business of the authority and he/she is present at a meeting of the authority

at which the business is considered, the Councillor must disclose to that meeting the existence and nature of that interest, whether or not such interest is registered on his/her register of Interests or if he/she has made a pending notification.

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

4. Have Your Say!

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

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

5. Minutes

1 - 13

To confirm as a correct record the minutes of the meeting held on 4 September 2013.

6. Call-in Procedure

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

7. Strategy

- i. Policy Review and Development Panel: Delivering Community Benefits from EU Funding in Colchester** **14 - 21**

See recommendation in minute 9 of the Policy Review and Development Panel meeting on 5 August 2013. The report to the Policy Review and Development Panel is also attached for background information.

8. Business and Resources

- i. To Approve the Delegation of Authority for the Award of the Cash in Transit Contract** **22 - 23**

See report by the Head of Customer Services

9. Housing

- i. Capital Housing Investment Programme: Appointment of a Single Contractor to Install Windows and Doors in Council Homes** **24 - 28**

See report by the Head of Commercial Services

10. Planning, Community Safety and Culture

- i. Policy Review and Development Panel: Work Programme 2013/14** **29**

See recommendation in minute 10 of the Policy Review and Development Panel meeting of 5 August 2013.

11. General

- i. Progress of Responses to the Public** **30**

To note the contents of the Progress Sheet.

12. Exclusion of the Public

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in

Section 100I and Schedule 12A of the Local Government Act 1972).

**COLCHESTER BOROUGH COUNCIL
CABINET**

9 October 2013 at 6:00pm

AGENDA - Part B

(not open to the public or the media)

Pages

13. Housing

- i. Capital Housing Investment Programme: Appointment of Single Contractor to Provide PVCu Windows and Doors to Council Homes**

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

See report by the Head of Commercial Services

CABINET

4 SEPTEMBER 2013

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

Also in Attendance :- Councillor Mary Blandon
Councillor Barrie Cook
Councillor Beverly Davies
Councillor Marcus Harrington
Councillor Dave Harris
Councillor Jo Hayes
Councillor Pauline Hazell
Councillor Mike Hogg
Councillor Brian Jarvis
Councillor Sonia Lewis
Councillor Sue Lissimore
Councillor Gerard Oxford
Councillor Will Quince
Councillor Colin Sykes
Councillor Laura Sykes
Councillor Dennis Willetts

26. Have Your Say!

Councillor Lewis addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2) to ask if the Council had information about the impact of the requirement on residents to pay Council Tax on an empty property.

Councillor Smith, Portfolio Holder for Business and Resources, indicated that of those properties that were vacant at the start of the financial year, 20% had now been let. He appreciated that the requirement was causing some financial hardship to some residents and if this was the case they should contact the Council Tax team at the Council.

27. Minutes

The minutes of the meeting held on 10 July 2013 were confirmed as a correct record.

28. Closure of Abbots Activity Centre

Tim Young (in respect of his position as Chairman of Colne Housing) and Councillor Davies (in respect of her position as Vice Chair of CCVS) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

The Head of Community Services submitted a report a copy of which had been circulated to each Member together with minute 15 of the Scrutiny Panel meeting of 23 July 2013.

The following members of the public addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2):-

Nick Chilvers expressed his belief that consultation on the future of Abbots had been a formality and the Council had never been seriously interested in a business plan to take the Centre forward. He believed the building would be transferred to Colchester Borough Homes. The Council was acting in a hard headed and cynical fashion. It prioritised other groups above the elderly and disabled. Colchester residents would remember which politicians had supported the residents of Abbots and those who had not.

Nicky Bailey argued that the papers before the Cabinet were selective and partial. The arguments made against Abbots applied equally to Lion Walk. The levels of usage were higher than the Council claimed and no account had been taken in the report of the support from Abbots staff to Lion Walk. The offer by Abbots members and the Stroke Group to pay more had been dismissed. Information provided about alternatives was not up to date. Information about Abbots had not published or promoted properly and the responsibility for this lay with the Council.

Elaine Rogers explained that Foxborough Grange Care Home had been offered as an alternative venue for the Stroke Group. This would be an inappropriate venue for members of the Stroke Group. Abbots was an ideal venue: it was Disability Discrimination Act compliant and had excellent facilities. She contested the assertion that the Council had sought to find a financially viable solution and criticised the “divide and rule” approach that had been taken with Lions Walk and Abbots. She urged the Cabinet to go back to the drawing board and let both Lions Walk and Abbots work together to find a solution.

Ben Locker spoke on behalf of Richard Francis. His father had suffered a stroke in December 2012 and Abbots had played a vital part in his recuperation. He had been very moved when he accompanied his father on a visit to Abbots. Whilst he appreciated the financial pressures facing local government, humanity should be the overriding factor in decision making. He called on the Council to grant a 12 month stay of execution to investigate alternative solutions, such as the sale and leasing back of the building or higher charges.

Cathleen Seaton spoke on behalf of the residents living above the Centre, who were all also members of Abbots. They had been provided with no information about the closure or the impact on the tenants and requested a dedicated liaison officer. If they were to be offered a relocation they would want to be able to choose a property. She

expressed their concerns about security and safety issues once the building was unoccupied and asked whether there would be a caretaker on site.

Andy Raison argued that there had been no concerted effort to save money at Abbots. An opportunity should be given to keep the Centre open. Proper dialogue with the members and staff at Abbots was necessary. Abbots was in this position because the Council had not managed it correctly.

John Aberly asked where would the members and businesses that used Abbots go in future? He queried why further funding was needed despite membership fees increasing and why requests for more time had been turned down. The Council should talk to the manager to improve the facilities and services and make it more viable.

Alan Thomas stressed that there was no other community run facility providing such a range of facilities and events that was open five days a week. Abbots should be treated as a flagship facility. If it was to be closed, residents would never see such a good facility again.

Derek Mead argued that Lion Walk only had 36 more users than Abbots. He had received correspondence from the Council indicating that managers at Lion Walk had been asked to attract more visitors. He queried some of the financial figures in the report and stressed that if Abbots were to close the Council would have to spend more to provide other services. In addition Lion Walk was not suitable for wheelchair users.

Ann Holmes, a member of the Alzheimers Society, explained that she took alzheimers patients to Abbots for "Singing for the Brain" sessions and the Lunch Club. They felt very well cared for at Abbots and enjoyed the sessions greatly. Lion Walk would not be an appropriate alternative as it had no parking and its busy town centre location would distress those with alzheimers. She asked the Cabinet to reconsider its decision.

Nicola Hopkins stressed that Abbots was a key resource for the elderly. Thirty three percent of the population was 50 plus,. However Abbots was particularly valuable to those in their sixties and onwards. It helped people deal with issues of isolation, loneliness and distress. The Stroke Group in particular was a real life line to some members. Abbots was so important to so many people and she hoped the Cabinet would listen to the views of members, staff and visitors.

Frederick Bryant suggested that a vote should be taken to decide whether Abbots should remain open.

Brian Lockyer explained that he had visited both Lion Walk and Abbots. He believed that Abbots was a more suitable venue for an Activity Centre. He understood their running costs were broadly similar. He stressed the valuable work done at Abbots to support stroke victims and also those with multiple sclerosis. Funding for other projects, such as arts organisations would be better used supporting Abbots.

The following Councillors attended and, with the consent of the Chairman, addressed the Cabinet:-

Councillor Beverly Davies, Chairman of the Scrutiny Panel, addressed the Cabinet on the responses to the points made by the Scrutiny Panel. The report did not address the point made about changing Abbots from an activity centre to a community centre. As recognised by the Equality Impact Assessment (EQIA) accompanying the report, the closure of Abbots would have a particular impact on the elderly, females and the disabled, which were all defined as groups with protected characteristics. The closure would therefore discriminate and affect the quality of life of these groups. If the Cabinet did decide to close Abbots, a group needed to be commissioned to look at the needs of individual users.

Councillor Harrington noted that the EQIA accompanying the report identified the characteristics of the users as elderly, female and disabled. The fact that no other impacts had been identified by the EQIA was not grounds to close Abbots. He believed funding could be found to keep Abbots open and that the Council should support it for a further three years, as it had promised when Colne Housing had agreed to take over the running of the centre. He believed that in time it could become a self funding community centre.

Councillor Quince appreciated the current financial climate meant that non-statutory functions would be reviewed. However, the closure was a cut to a frontline service, which the administration had pledged not to make. He believed the decision to close had been taken over two years ago. The administration had been looking for evidence to justify it and not tried hard enough to make it viable. Essex County Council did not support the closure. He noted that £10,000 had been made available to each Portfolio Holder to spend within their portfolio, so there was funding available, but the administration had chosen not to prioritise Abbots. The closure of a purpose built, DDA compliant building was short sighted, given the ageing population. It was rumoured that the administration wished to use the building for affordable housing.

Councillor Willetts stated that he believed that the funding could be found to keep Abbots open, if the administration considered it as a priority. For example there had been a significant underspend on the 2102-13 revenue budget, plus there were other sources of expenditure such as business rates on the Keddies building, the Tour Series event and Councillors allowances, which could be used. The census demonstrated that the elderly population was growing and the need for centres such as Abbots would only increase. The closure was perverse and contrary to the Council's Strategic Plan objectives.

Councillor Blandon stated that she did not want to see Abbots closed. She asked if the Council had asked the manager to draw up a business plan to make it viable or if consideration had been given to charitable status to enable Abbots to gain access to lottery funding.

Councillor Harris highlighted that the Council had funded the shortfall in Abbots funding for 10 years. However, the changed financial position made this increasingly difficult. He had written to the Secretary of State for Communities and Local Government on the impact of cuts in funding for local government but received no response. He had held a meeting with local users of Abbots to discuss how to deal with the impact of the closure and would be looking to set up an over 50s club. He would hold a further

meeting to discuss how to catch all those affected.

Councillor Jarvis argued that the funding for Councillor locality budgets could be used to fund Abbots and asked whether there was another reason for the closure. Anyone approaching the issue with an open mind would agree Abbots should remain open. The value of the service was what counted, not the numbers using the service.

Councillor Hazell indicated that she was astonished to see the claim that zone team members could provide the services currently offered by Abbots. If the administration was genuine in its wish to keep Abbots open, it would find the funding. She believed that there were sources of funding available. The proposal that Abbots could be used to help train Colchester Institute students had not been acted on. With a small investment, it could become a self funding facility.

Councillor Lissimore stated that she could not see the reason for closing a purpose built facility such as this. The proposal to close Abbots was a waste of taxpayers money. She knew from personal experience the benefit Alzheimer patients gained from sessions at Abbots. Abbots had not received the attention it deserved and its membership suffered from inadequate promotion.

Councillor Lewis explained that at the Special Council meeting in October 2011 she had called for the establishment of an all party Task and Finish Group to look at Abbots but the proposal was rejected. She reiterated her belief that a cross party Task and Finish Group, including the centre manager and experienced business representatives, may find a way forward. She expressed her dismay that the Council had played with the emotions of members over the past two years. She stressed that Abbots was a valuable purpose built facility with supportive members and staff.

Councillor Feltham, Portfolio Holder for Communities and Leisure Services, introduced and explained the proposals contained in the report before Cabinet. The report was a thorough and thoughtful piece of work. She stressed that she appreciated the importance of Abbots to its members. In response to concerns by the tenants of the flat above the centre, she confirmed that a proper process would be followed and the situation would be handled carefully. The suggestions and alternative sources of funding had all been looked into but were not sustainable. She stressed that Abbots was not in competition with Lion Walk and the criticisms made of Lion Walk were unfair. No solution had been found to the fundamental problem that it was used by less 1% of the 50 plus population and that each member was subsidised at approximately £290 per year. It was recognised that this was a cut to a frontline service, but other community initiatives would provide a series of benefits for older people within the borough.

In the course of the debate by Cabinet, the following points were made:-

- This was a difficult decision and it was appreciated that this was a cut to a frontline service.
- The large scale reductions in funding from central government, totalling over £8 million over the last eight years, meant that difficult decisions needed to be taken about the services that could be supported. In this financial climate it was difficult

- to justify running a service that required such a large subsidy. Whilst Lion Walk would remain open, no long term guarantees could be made about its future.
- The opposition had not tabled an amendment to the budget to secure funding for Abbots.
 - Over a period of years the Council had looked at alternative methods of supporting Abbots and making it a viable proposition, but none had proved to be sustainable.
 - Many of the services provided at Abbots that were most valued were social care and health services, which were the responsibility of the NHS and Essex Country Council.
 - The Council did not run community centres.
 - No decisions had been made about the future use of the building and there was no hidden motive behind the closure. Councillor Hunt, Portfolio Holder for Street and Waste Services, indicated that he would support a community use for the building.
 - Considerable amounts of the £10,000 each Portfolio Holder received to spend within their portfolio would be used to support services for the elderly.
 - It was noted that opposition councillors had not used their locality budgets to support social care within their wards.

RESOLVED that the proposals for managing the closure of Abbots Activity Centre set out at paragraph 6 of the Head of Community Services report be approved.

REASONS

There are approximately 58,000 residents aged 50 or over living in the borough. At present, Abbots Activity Centre for people aged 50+, with a membership of 255, attracts less than 1% of this population.

With vastly reduced resources the Council has a duty to ensure facilities and services are providing more equitable benefits to residents across the whole Borough and are sustainable. The Centre currently requires a subsidy to operate of £74,000. This works out at around £290 per member.

The Centre has struggled to increase membership or participation since 2006 when its future was first questioned. This relentless scrutiny will inevitably carry on as government funding continues to be withdrawn from District and Borough Authorities and the only sustainable way forward is to encourage more volunteer / community-led alternatives.

ALTERNATIVE OPTIONS

The alternative option would be to keep the centre open, however, this would mean continuing to find the subsidy required to run the centre at a time of considerable budget constraints and an uncertain future as expenditure tightens year on year.

To seek an alternative provider. This option was actively pursued by the Council. Two recent Expressions of Interest (EOI) have been undertaken, seeking alternative provision for Abbots Activity Centre. The initial exercise, in 2011 resulted in a successful provider in Colne Housing. Upon completion of a more detailed feasibility study grant funding was requested as the only viable way forward. This was

considered and agreed, but to ensure a legal and equitable procurement process the EOI had to be repeated including this new 3 year grant funding package in 2012. Sadly this new EOI, with funding, did not elicit any viable responses. The only interested party sited that the Staff Transfer legal requirements made this unaffordable, even with the grant offered.

Essex County Council have also been approached by the Leader of the Council and have confirmed that they have no interest in running or subsidising Abbots Activity Centre.

29. Investment opportunity St Botolphs Quarter

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

Councillor Barlow, Portfolio Holder for Regeneration, thanked officers for their work on this deal which would result in the Council owning a much more marketable site in St Botolphs. Councillor Smith, Portfolio Holder for Business and Resources, indicated that it would also reduce the level of voids on Council properties to 4%.

RESOLVED that:-

- (a) The draft Heads of Terms (set out in Part B of the agenda for this meeting) be approved in principle, which will form a basis of a land transaction which provides for
- The Council to grant a long leasehold interest to Firstgroup at Haven Road to facilitate a fully serviced bus depot ,
 - a letting of 26 St Botolphs Street to create new drivers facilities and ticket office in connection with the new Bus Station at Osborne Street,
 - the Council to secure the current depot site in Queen Street with vacant possession to enable the wider St Botolphs site to be offered to the market for redevelopment
- (b) Authority be delegated to the Head of Commercial Services in consultation with the Portfolio Holder for Business and Resources to conclude the transactions substantially in accordance with the draft Heads of Terms.

REASONS

The bus operator has been seeking for some time to bring their various operations in the town together on one site. Given that their current site in Queen Street is too small for such a development they have now found alternative premises in East Colchester which is owned freehold by the Council.

It has been the intention since the relocation of the bus station to Osborne Street that new drivers' facilities and a ticket office would be developed.

In order to offer up the site around firstsite for redevelopment, control of the bus depot

land is necessary to ensure delivery of an effective mixed use scheme which is complementary to the gallery and other high quality uses such as the Greyfriars hotel but also contributes to the wider regeneration of the area and creates new jobs in the Borough.

An opportunity has arisen to structure a land transaction which delivers the three objectives above.

ALTERNATIVE OPTIONS

The Council could refuse to accept that the proposed Heads of Terms offer the best opportunity to bring forward the various transactions or it could decide that now is not the right time to pursue such an opportunity. However a delay in entering into these deals could lead to the Council letting 26 St Botolphs to another user which would delay or make the creation of the ticket office and drivers facilities uncertain. It would also lead to reduced marketing opportunities for the St Botolphs site which in turn could impact on the regeneration of the wider area.

30. 2014-15 Revenue Budget Update and Business Rates Pooling

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member.

Councillor Gerard Oxford attended, and with the consent of the Chairman, addressed the Cabinet to ask if there was any further information available about the pooling of business rates.

Councillor Smith, Portfolio Holder for Business and Resources, indicated that the Essex Strategic Leaders Finance Group had agreed look into the potential benefits of pooling, given the positive benefits that resulted from pooling in Suffolk.

RESOLVED that:-

- (a) The updated 2014/15 budget forecast as set out at paragraph 6.1 of the Assistant Chief Executive's report showing a current gap of £1.26million be noted.
- (b) The impact on the budget of the consultation on New Homes Bonus and the Local Growth Fund be noted.
- (c) It be agreed in principle to join a pool for non-domestic rates on the basis that no authority can be worse off in the pool than they would have been outside it and that the work on developing a county wide pool be supervised through the Essex Strategic Leaders Finance Group.

REASONS

The Council is required to approve a budget strategy and timetable in respect of the year 2013/14. The Assistant Chief Executive's report provides an interim review of

progress and specifically provides information on Government proposals to change the proportion of New Homes Bonus income retained by local authorities.

Under the business rates retention scheme local authorities are able to come together, on a voluntary basis to pool their business rates, giving them scope to generate additional growth through collaborative effort, and to smooth the impact of volatility in rates income across a wider economic area.

ALTERNATIVE OPTIONS

There are different options that could be considered and as the budget progresses changes and further proposals will be made and considered by Cabinet and in turn Full Council. In respect of business rates pooling this is a voluntary decision and as such the Council could decide not to be part of a pool.

31. Trading Board Terms of Reference

Minute 8 of the Trading Board's meeting of 14 August 2013 was referred to Cabinet.

RESOLVED that the revised Terms of Reference for the Trading Board be agreed.

RECOMMENDED to COUNCIL that the Revised Terms of Reference be approved and that the Monitoring Officer be given authority to make the necessary amendments to the Constitution.

REASONS

The Trading Board had proposed revised Terms of Reference to address concerns that the original Terms of Reference were too detailed and could unduly hinder the working of the Board.

As the Board's Terms of Reference were agreed by both Cabinet and Council, the appropriate mechanism for amending them is a recommendation from the Board to Cabinet, which Cabinet can refer to Council if it is in agreement.

ALTERNATIVE OPTIONS

Cabinet could choose not to agree the revised Terms of Reference or to recommend alternative Terms of Reference to Council.

32. 2012/13 Year End Review of Risk Management

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member.

RESOLVED that:-

- (a) The risk management work undertaken during 2012/13 be noted.
- (b) The current strategic risk register be noted.
- (c) The proposed risk management strategy for 2013/14 be approved.

RECOMMENDED TO COUNCIL that the Risk Management Strategy for 2013/14 be included in the Council's Policy Framework.

REASONS

Cabinet has overall ownership of the risk management process and is responsible for endorsing its strategic direction. Therefore the risk management strategy states that Cabinet should receive an annual report on progress and should formally agree any amendments to the strategy itself.

During the year quarterly progress reports are presented to the Governance Committee detailing work undertaken and current issues. This report was presented to the Governance Committee on 25 June 2013 where they approved its referral to this meeting.

The Risk Management Strategy is one of the key corporate governance documents that supports the Constitution of the Council and forms part of the Policy Framework. Accordingly any amendments have to be approved by full Council.

ALTERNATIVE OPTIONS

Cabinet could choose not to approve the Risk Management Strategy or to make amendments to the Strategy.

33. Procurement Health Check Report

Minute 10 of the Trading Board's meeting of 14 August 2013 was referred to Cabinet.

Councillor Quince attended and with the consent of the Chairman addressed the Cabinet to highlight that at the meeting of the Trading Board he had suggested that the possibility of a job share for the Commercial Procurement Manager be looked at.

The Cabinet noted that the Trading Board had not made a recommendation in respect of this point.

RESOLVED that:-

- (a) In view of the significant potential savings to be secured, arrangements be made for a Commercial Procurement Manager to be appointed on a two year fixed term contract.
- (b) The appropriate future location of the Council's corporate procurement functions be within the new Commercial Services arm of the Council.

(c) The remit of the Commercial Procurement Manager be drawn up to include a requirement for the post holder to report to the Council's Trading Board on a Quarterly basis.

REASONS

The recommendations from the Trading Board were part of ongoing commercial development work, designed to bring more commercial rigour to procurement.

ALTERNATIVE OPTIONS

Cabinet could choose not to agree with the proposals relating to the appointment of a Commercial Procurement Manager as set out in the recommendation from the Trading Board.

34. Environmental Sustainability Strategy

Minute 5 of the Policy Review and Development Panel meeting of 17 June 2013 was referred to the Cabinet.

RESOLVED that the following issues be borne in mind when the Council's new Environmental Strategy is determined:-

- The need for relevant strategies to be well aligned across various areas of the Council's operation;
- Concentration be directed at particular projects with a wider scale of impact;
- The need for environmental sustainability to be embedded in all that the Council delivers;
- The importance of projects at the grass roots level, such as Transition Town, to be supported, particularly in respect of assistance infrastructure levels;
- The importance of accurate data to be gathered in order to provide measurable evidence of the impact of strategies;
- The ability to work with other organisations to secure consistent funding support;
- The benefit of continuing with the broad collaboration with Essex County Council and other groups;
- The problem of oil dependency in rural areas and the need for sustainable alternatives to be explored more fully;
- The potential to communicate and develop more opportunities, such as the photo voltaic initiative at local schools, as well as other successful case studies;
- The requirement for the Council to take the lead in terms of sustainability in order to demonstrate to others how to take the issues forward.

REASONS

The Council's Nottingham Declaration Strategy and Carbon Management Programme have come to an end, leaving an opportunity for the Council to review its achievements and plan for the future. When considering this issue, the Policy Review and

Development Panel had made a recommendation to Cabinet about the issues it considered needed to be borne in mind when the Council's new Environmental Strategy was determined.

ALTERNATIVE OPTIONS

It was open to Cabinet not to agree the recommendation of the Policy Review and Development Panel or to identify alternative issues to be borne in mind when the Council's new Environmental strategy was to be determined.

35. Local Government Ombudsman Annual Review 2012-13

The Monitoring Officer submitted a report a copy of which had been circulated to each Member.

RESOLVED that the contents of the Local Government Ombudsman's Annual Review for 2012/13 be noted.

REASONS

To inform the Cabinet of the number of complaints received by the Local Government Ombudsman in relation to Colchester during 2012/13.

ALTERNATIVE OPTIONS

No alternative options were presented to the Cabinet.

36. Progress of Responses to the Public

The Assistant Chief Executive submitted a progress sheet a copy of which had been circulated to each Member.

RESOLVED that the contents of the Progress Sheet be noted.

REASONS

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

ALTERNATIVE OPTIONS

No alternative options were presented to the Cabinet.

The Cabinet/Panel resolved under Section 100A(4) of the Local Government Act 1972 and the Local Authorities (Executive Arrangements) (Access to Information)

(England) Regulations 2000 (as amended) to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

37. Investment opportunity St Botolphs Quarter

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

Councillor G. Oxford attended and with the consent of the Chairman, addressed the Cabinet to suggest that if there was any delay in developing the site in St Botolphs, it could be used to generate income for the Council, possibly as a market.

Councilor Barlow, Portfolio Holder for Regeneration, thanked Councillor Oxford. Such a proposal was dependent on the timescale for the development.

RESOLVED that:-

- (a) To approve in principle the draft Heads of Terms attached to the Head of Commercial Services report which will form a basis of a suite of land transaction which provide for
- a long leasehold interest to Firstgroup at Haven Road to facilitate a fully serviced bus depot ,
 - a letting of 26 St Botolphs Street to create new drivers facilities and ticket office in connection with the new Bus Station at Osborne Street,
 - to provide vacant possession at the current depot site in Queen Street to enable the wider St Botolphs site to be offered to the market for redevelopment.
- (b) To approve the increase in the capital programme and borrowing arrangements as set out in paragraph 9.2 of the Head of Commercial Services report..
- (c) To give delegated authority to the Head of Commercial Services in consultation with the Portfolio Holder for Business and Resources conclude the transactions substantially in accordance with the draft Heads of Terms.

REASONS

As set out at minute 27.

ALTERNATIVE OPTIONS

As set out at minute 27.

**EXTRACT FROM THE MINUTES OF THE MEETING OF THE POLICY REVIEW
AND DEVELOPMENT PANEL HELD ON 5 AUGUST 2013**

9. Delivering Community Benefits from EU Funding in Colchester

Councillor Chapman (in respect of his Board Membership of Colchester Borough Homes) declared a non-pecuniary interest in this item pursuant to the provisions of Meetings General Procedure Rule 7(5).

The Panel considered a report by the Head of Commercial Services reviewing the past achievements of the Council in relation to European-funded projects, noting the future context and priorities around EU funding investment and inviting the Panel to make recommendations to Cabinet about how Colchester could continue and increase access to EU funding in the future.

Josie Worner, Regeneration Partnerships Officer, explained that, in the context of restricted public finances, the Council was continuing to look at how it would raise funding to deliver new jobs, business growth, infrastructure, and opportunities for the community. In addition the Government had asked Local Enterprise Partnerships (LEPs) to draft a European funding strategy by Autumn 2013. For Colchester this role was performed by the South East Local Enterprise Partnership (SELEP) which covered Essex, Kent and East Sussex. The strategy would determine the priorities for growth in the South East and set out a framework of projects that would be eligible for funding between 2015 and 2020. It would also link to the Strategic Economic Plans that LEPs were producing whilst setting the framework for how Government was likely to allocate its funding programmes, such as Growth Deals.

Josie went on to explain that, of the numerous European funding programmes, the Council had, to date, accessed Interreg and the East of England Competitiveness Programme. Interreg was managed by a secretariat on behalf of the European Commission and required development and delivery of projects working with partners in different countries within Europe. The Competitiveness Programme was managed at the UK level, and in the East was focused upon low-carbon growth.

In the future programme period (2015-2020), any source of European funding that the UK could access would need to be aligned to three priority themes:

- Strengthening research, technological development and innovation
- Enhancing the competitiveness of small and medium sized businesses
- Supporting low-carbon economy across all sectors

The agreed vehicle for Colchester to influence the SELEP funding strategy was by means of the Essex Integrated County Strategy which was being refreshed and enhanced in partnership with other Essex local authorities as an Essex position on its sector strengths, opportunities for growth driven by innovation and competitiveness, opportunities for enhanced partnership working with higher education and industry and project pipeline. The SELEP had been provisionally allocated £165m of funding to deliver growth between 2015 and 2020, £82.5m of which would be aligned to innovation, small and medium sized business competitiveness, ICT and low-carbon initiatives underpinning this. The remaining £82.5m would be allocated to employability and skills and social innovation.

Recent EU funded projects in Colchester included:

- Transcoast which had secured €466,425 and seen the delivery of improvements to public areas and access routes in the Hythe and community engagement, including supporting Hythe Forward and interpreting the history of the area;
- CURE (Creative Urban Renewal in Europe) which had secured €212,000 and enabled the development of the Creative Colchester Strategy, temporary use of empty buildings and spaces and the architectural plans, planning consent and operating model for a Creative Business Centre as well as €120,000 towards refurbishment costs;
- SustainaBuild which had secured £371,800 with match funding drawn from the capital programme and staff salaries for Colchester Borough Homes. The project enabled the low-carbon refurbishment of the Council's Worsnop House Sheltered Housing scheme;
- Norman Connections had secured £132,000 and would deliver interpretation of Colchester Castle as part of its major redevelopment;
- The Creative Business Centre application was expected to be submitted in September 2013. The project would be led by the Council, in partnership with the University of Essex and firstsite. If successful, the Council would secure £750,000 of a £2m project budget to deliver phase 1 that would provide 20 creative studios, a programme of business incubation, training and support, and include an exemplar low-carbon building concept.

The Chairman invited each of the guests in turn to address the Panel on the issues from their organisation's perspective.

Rebecca Bear explained that the SustainaBuild Programme was based in the East and aimed to stimulate low carbon economic growth and to provide support to construction sector small, medium sized enterprises to up-skill, diversify and collaborate to deliver retrofitting work. The Programme included the low carbon retrofit of a hard to treat housing block in Colchester to showcase best practice in resident management, technology and project management. The Programme was managed by Climate Energy and delivered in partnership with Colchester Borough Homes. The £1.7m value of the initiative was made up of £930k of capital works and £770k of support, project management and delivery.

Anita Cleary outlined the aims of the Transcoast Project which was to create a new landmark for the Hythe which would attract visitors and provide a new public space for locals to enjoy. Various Steering Meetings had taken place involving a wide range of interested groups from the Borough Council, local residents, Arts Groups, local businesses, the University of Essex, Community Groups, local churches and history groups. From these meetings initial designs were formulated which evolved over time which would improve the area of Hythe Bridge for the community.

Matthew Rowe, Director, firstsite, explained how the Creative Urban Renewal in Europe (CURE) Project was being used in Colchester to spark cultural and creative innovation to assist in the renewal of the St Botolph's Quarter. The Council had undertaken master planning for the area leading to plans for the development of a cultural and creative quarter initiated by the development of firstsite. The objectives within CURE were to:

- Develop and enhance public spaces and buildings
- Create a hub of business and networking spaces for the creative sector
- Create an identity for the quarter

- Involve local artists, creative entrepreneurs and businesses, and a diverse range of people from the local community in the process of renewal
- Produce, implement and test an innovative business model for a thriving creative business centre

As part of the development it was intended to implement a range of short-term activities that would improve the look of the area, start to create a new identity for the spaces and buildings, promote the positive changes taking place, involve the community and creative enterprises, and create an exchange of ideas, products, art, design, music, and people in the area.

Matthew went on to explain that it was hoped that CURE would ultimately:

- Be an economic driver – creating new jobs, developing the skills economy and networking and supporting existing businesses
- Assist cultural expansion by creating a welcoming new quarter for younger people, students, workers, visitors, families and older people
- Drive regeneration through creation of new public spaces, refurbishment of buildings and bringing them back into use
- Increase Colchester's profile as a centre for the cultural and creative industries

Tom Hodgson explained that the Norman Connections concept, which had been aligned with the redevelopment of Colchester Castle, had enabled Colchester and Ipswich Museums to reinforce the cultural and historical links with other Norman sites in the UK and Europe. The Castle redevelopment was delivering a major community resource and visitor attraction with over 100,000 visitors per year expected, a large percentage of whom would be tourists.

Norman Connections was providing £261,000 of match funding for the £4.2m redevelopment, whilst allowing the museum staff to learn much more about how a Norman Castle would have functioned and the historical and architectural context of Colchester Castle in particular. Ultimately the project would help visitors understand how the Castle would have appeared and functioned in Norman times by means of traditional signage and images as well as the use of 3D virtual reality modelling which is being developed through the EU funded part of the project.

Clare Avery provided the panel with detailed information about the University and its contribution to the local economy. The University had been founded in 1964, with a current vision to be 'a globally competitive, research intensive, student-focused university that takes seriously its economic, social and cultural responsibilities to the eastern region, the UK and the world.'

The University was ranked ninth in the UK for the quality of its research and 20th for student satisfaction. There were currently over 12,000 students from 137 countries with over 2000 members of staff. Whilst the Knowledge Gateway has the capacity to support 2000 more high value jobs.

New developments would provide a £200m capital investment programme to improve the educational facilities across the Colchester, Southend and Loughton Campuses. Whilst the Knowledge Gateway and Big Data initiatives involved a wide range of subjects:

- Combining datasets e.g. health & social care
- Safe Data Storage and retrieval
- Analysis and Modelling of Financial Data
- Algorithm design and data mining
- Artificial Intelligence and machine learning
- Genomics and biomarkers
- Natural language processing

- Tele-healthcare

The University students had undertaken numerous projects which were of interest to:

- Financial Services
- Creative Sector (Data visualisation)
- Market Research/ Polling
- Consumer Behaviour
- Crime, Health & Social Care
- Pharmaceutical
- Government – UK and Local

Particular discussion from the Panel members was in relation to:

- Other initiatives that would prove sustainable to fit the low carbon model;
- The need for successfully funded initiatives to be both new and innovative in order to access funding streams;
- The potential for domestic sprinkler systems to be put forward as a potential next phase of works for Colchester Borough Homes;
- The potential to use successfully funded projects elsewhere to address other issues relating to similar building types or methods of construction;
- The invitation given to Transcoast to join a cluster project as a learning and exchange opportunity for other low carbon energy initiatives around ports;
- The need to find innovative solutions which would unlock funding to deliver improvements for local communities such as the long standing problem of odour in the Hythe area;
- The work undertaken to date to investigate the possibility of constructing a barrage to provide sufficient water for boats to use the river and the benefits of working with all influential interested groups in partnership to address the significant problems within a community;
- The need for the transformation of the Hythe area to be linked with practical work from the University such as data gathering as well as other potential opportunities from the innovative new businesses area;
- The mechanisms proposed to provide for businesses and the public to access and use the buildings and spaces in the creative quarter;
- Whether provision is made for successfully incubated businesses to enter into 'recoupment' opportunities (the process whereby investors have the opportunity to recoup their funds) in order to reinforce the current 85% survival rate;
- The importance of publicising the fact that a network of over 750 businesses were engaging with the creative quarter buildings, in addition to the 20 resident businesses actually in occupation currently;
- The links between the creative and business sectors brought about by the forthcoming launch of the Colchester Enterprise Hub, which was focussing on how businesses start up and the assistance of established businesses to mentor and 'give back' to newer businesses coming forward;
- The need for measures to be explored to provide for vacant premises, such as empty shops and spaces above shop units, for businesses to move to after their initial start-up period;
- The many examples of cultural connections that could be explored across the UK and Europe, such as the Stanway Burial sites;
- The importance of getting University students engaged with real world problems and the potential to link this with academic assistance in sourcing appropriate funding opportunities

RESOLVED that –

- (i) All the guests be thanked for their valuable contributions to the meeting

RECOMMENDED to Cabinet that:-

- (i) The following issues be borne in mind when consideration is given to how to maximise the benefits from EU funding for Colchester in the future:
- Acknowledgement to be given to the significant work already undertaken by the Council and with very limited resources to secure EU funding streams for the benefit of the community;
 - The need for continued support to be given by the Council to the identification of EU funding streams in the future;
 - The need for continued support to be available for the local Small and Medium Sized Enterprise sector and the creative industries in Colchester;
 - Opportunities be sought to work collectively with the University of Essex and Anglian Water to secure appropriate funding streams and to deliver tangible solutions to local issues of concern such as the odour problem in the area of the Hythe;
 - Efforts be concentrated on securing as much support as possible for Colchester from the South East Local Enterprise Partnership, bearing in mind the extent of the geographical area that the SELEP covers and the need to align funding opportunities with the 2015-2020 three priority themes;
 - The need for greater awareness of the sources of funding from the EU to be generated within local communities;
 - The importance of finding projects which include elements of innovation and sustainability such as the domestic sprinkler example for Colchester Borough Homes to consider.

Please note that the report to Policy Review and Development Panel on 5 August 2013 is attached for background information.



Policy Review and Development Panel

Item

5 August 2013

Report of	Head of Commercial Services	Author	Josie Worner 📞 282914
Title	Delivering Community Benefits from EU Funding in Colchester		
Wards affected	All wards		

The Panel is invited to review the achievements of the Council with regards to EU funded projects and make recommendations to Cabinet on how to maximise benefits from EU Funding for Colchester in the future.

1. Actions required

- 1.1 To note the past achievements of the Council with regards to European-funded projects.
- 1.2 To note the future context and priorities around EU funding investment.
- 1.3 To make recommendations to Cabinet about how Colchester can continue and increase access to EU funding in the future.

2. Reason for scrutiny

- 2.1 With a backdrop of restricted public finances, the Council continues to look at how it will raise funding to deliver new jobs, business growth, infrastructure, and opportunities for the community. The Council has existing commitment and expertise in European funding that it can leverage.
- 2.2 Government has asked Local Enterprise Partnerships (LEPs) to draft a European funding strategy by autumn 2013. For Colchester this role is performed by the South East Local Enterprise Partnership (SELEP) and covers Essex, Kent and East Sussex. The strategy will determine the priorities for growth in the South-east and set out a framework of projects that will be eligible for funding between 2015 and 2020. The strategy will link to the Strategic Economic Plans that LEPs are producing and will also set the framework for how Government is likely to allocate its funding programmes, such as Growth Deals.
- 2.3 Review of progress to date in this area, will enable panel members to inform Colchester's priorities and contribution to the development of the strategy.

3. Background information

- 3.1 There are numerous European funding programmes. The Council has to date accessed Interreg and the East of England Competitiveness Programme. Interreg is managed by a secretariat on behalf of the European Commission and requires development and delivery of projects working with partners in different countries within Europe. The Competitiveness Programme is managed at the UK level, and in the east is focused upon low-carbon growth.
- 3.2 In the future programme period (2015-2020), any source of European funding that the UK can access will be aligned to 3 priority themes:

1. Strengthening research, technological development and innovation
2. Enhancing the competitiveness of small and medium sized businesses.
3. Supporting low-carbon economy across all sectors

LEP funding and the strategy will identify the area's priorities for economic growth and innovation, a project pipeline, and indications of how LEPs will seek to match fund 60% of the project budget from a range of sources including: government programmes; particularly the Growth Deal, private-sector contribution, academic research councils, Technology Strategy Board and so on. The agreed vehicle for Colchester to influence the SELEP funding strategy is the Essex Integrated County Strategy which can be accessed from the Essex County Council web site [here](#) (or by navigating from essex.gov.uk: Home > Your Council > Strategies and Policies > The Integrated County Strategy).

- 3.3 Work is currently underway to refresh and enhance the Essex Integrated County Strategy in partnership with other Essex local authorities as an Essex position on its sector strengths, opportunities for growth driven by innovation and competitiveness, opportunities for enhanced partnership working with higher education and industry and project pipeline.
- 3.4 At the time of writing the report, the SE LEP has been provisionally allocated £165m of European funding to deliver growth between 2015-2020. £82.5m of which will be aligned to innovation, small and medium sized business competitiveness, ICT and low-carbon initiatives underpinning this. £82.5m of which will be allocated to employability and skills and social innovation. Workshops continue to take place to discuss themes and no drafts of the strategy have been circulated. We know that for at least the first two years of the strategy any proposed projects must indicate where they will draw match funding from (60%). Should any more information be available about this work or the draft at the time of presenting to the panel, then a paper will be tabled.

4. Summary of recent EU funded projects in Colchester

4.1 TRANSCOAST

Transcoast commenced in July 2009 and will finish in December 2013. It is funded by the Interreg IVA programme and is a consortium led by Zeeland, Netherlands. Colchester secured EUR 466,425 with match funding from staff salaries, development contribution, and a grant from Homes and Community Agency. The funding has supported one project delivery post.

Transcoast has delivered improvements to public areas and access routes in the Hythe and community engagement, including supporting Hythe Forward and interpreting the history of the area.

4.2 CURE

CURE stands for Creative Urban Renewal in Europe. The project commenced in January 2011 and will finish in December 2014. It is funded by the Interreg IVB programme and is a consortium led by Hagen, Germany. Colchester secured EUR 212,000 with match funding from staff salaries, Arts Council England, and the Haven Gateway partnership. The funding has supported one project delivery post.

CURE has enabled development of the Creative Colchester strategy, temporary use of empty buildings and spaces and the architectural plans, planning consent and operating model for a Creative Business Centre as well as EUR 120,000 towards refurbishment costs.

4.3 SUSTAINABUILD

SustainaBuild commenced in July 2013 and will finish in February 2015. It is funded by Competitiveness Programme (UK managed fund) and is an East of England consortium led by Climate Energy/British Gas. Colchester has secured £371,800 with match funding drawn from the capital programme and staff salaries for Colchester Borough Homes. The project supports three delivery posts. The project enables the low-carbon refurbishment including heating, lighting, solar hot water, triple glazing, voltage optimisers, insulation of the Council's Worsnop House – sheltered housing scheme.

4.4 NORMAN CONNECTIONS

Norman Connections commenced in October 2010 and will finish in May 2014. It is funded by Interreg IVA programme with a consortium led by Medway, UK. Colchester has secured £132,000 with match funding from the capital programme and staff salaries. The project will deliver interpretation of Colchester Castle as part of its major redevelopment.

4.5 CREATIVE BUSINESS CENTRE

The Creative Business Centre full application is expected to be submitted to the East of England Competitiveness Programme by September 2013. The project will be led by the Council, in partnership with the University of Essex and firstsite. The project would support 6 delivery posts (4FTE).

If successful, the Council will secure £750,000 of a £2m project budget to deliver phase 1 that will provide 20 creative studios, a programme of business incubation, training and support, and include an exemplar low-carbon building concept. Match funding has been secured from Arts Council England, firstsite, University of Essex, Essex County Council and partner staff salaries.

5. Invited guests

5.1 The following external guests have been invited to assist the panel with their deliberations:-

Anita Cleary, Trustee, Hythe Community Centre

Matthew Rowe, Director, firstsite

Rebecca Bear, Programme Manager, SustainaBuild

Tom Hodgson, Development Manager, Colchester and Ipswich Museum Service

6. Strategic Plan references

6.1 This report links to the Strategic Plan priority to regenerate our borough through buildings, employment, leisure and infrastructure.

7. Other Standard References

7.1 Having considered consultation, publicity, financial implications, equality, diversity and human rights, health and safety, community safety and risk management implications, there are none which are significant to the matters in this report. All of these implications would be fully reviewed at the development stage for individual projects.

9 October 2013

Report of	Head of Customer Services	Author	Debbie Greenwood
Title	To approve the delegation of authority for the award of the Cash in Transit Contract		
Wards affected	Not applicable		

This report concerns the procurement of cash collection and counting

1 Decision Required

- 1.1 That the Cabinet agree to delegate to the Head of Customer Services in consultation with the Portfolio for Business and Resources the authority to approve the award of the Cash in Transit Contract.

2 Reasons for Decision

- 2.1 The Council are currently engaged in an exercise to procure the cash collection and counting element of Income Management. The planned date for the appointment of the preferred contractor is 1 December 2013. There are timescale constraints due to the implications regarding TUPE transfer due to 30 day consultation and the operational needs of the North Essex Parking Partnership over the Christmas period.
- 2.2 The total cost of the contract, over the course of five years will exceed the financial limit of £500,000 which currently determines who can approve such expenditure.

3 Alternative Options

- 3.1 The alternative is to progress the approval through the normal channels and ask the Cabinet to consider the contract award at its 27 November meeting and to extend the current Cash in Transit Contract for a further 8 weeks.
- 3.2 To continue to count cash in house and increase the capacity of the Income team to incorporate the additional cash counting from the North Essex Parking Partnership and to move the existing secure office to another location. Vacation of the current office is due 01 March 2014.

4 Supporting Information

- 4.1 The report to outsource cash collection and counting was agreed by the Portfolio holder for Business and Resources on 13 February 2013. Notice was served on the current Cash in Transit provider to terminate the existing contract so that we could procure to include the operational and counting functions of the North Essex Parking Partnership (NEPP).
- 4.2 It is planned that officers will be in a position to recommend a preferred contractor by the middle of September 2013.

5 Proposals

- 5.1 That we identify and recommend a preferred contractor following a full procurement process.
- 5.2 That the Head of Customer Services in consultation with the Portfolio Holder for Business and Resources be delegated authority to approve the award of contract.

6 Strategic Plan References

- 6.1 The Cash in Transit operations comes within the delivering high quality accessible services and improving efficiency. This will reduce vehicle trips into the Town Centre as collections will be picked up from individual sites out of Town.

7 Consultation

- 7.1 There are no consultations associated with this paper.

8 Publicity Considerations

- 8.1 There are no particular references to publicity considerations.

9 Financial implications

- 9.1 The total cost of the contract for Colchester Borough Council is likely to be £1,150,000 over five years.
- 9.2 The existing costs of current in house functions, including cash in transit costs, relevant bank charges and costs currently incurred in cash collection and transit costs by the North Essex Parking Partnership means that in total there is no expected additional costs as a result of outsourcing this process.

10 Equality, Diversity and Human Rights implications

- 10.1 No Equality, Diversity and Human Rights implications have been identified as part of the procurement process.
- 10.2 Link to EQIA [http://www.colchester.gov.uk/article/4564/Customer Services](http://www.colchester.gov.uk/article/4564/Customer_Services)

11 Community Safety and Health and Safety Implications

- 11.1 There are no particular references to Community Safety or Health and Safety.

12 Risk Management Implications

- 12.1 The risk of delay in awarding the contract would mean that we would have to ask the current supplier to extend the existing contract. They could refuse, meaning we would have no carrier for cash collected across our sites. This would cause a loss of Income to the Council.

Background Papers

None



Colchester

Cabinet

9th October 2013

Item
9(i)

Report of	Head of Commercial Services	Author	Gareth Mitchell John Rock
			☎ 282719 ☎ 282762
Title	Capital Housing Investment Programme. Appointment of a single contractor to install Windows and Doors in Council homes.		
Wards affected	All Wards		

This report sets out the procurement process for a single contract to continue the programme of installing PVCu Windows and Doors and recommends an appointment.

1. Decision(s) Required

- 1.1 To agree to appoint Anglian Windows, to deliver the PVCu Windows and Doors contract.
- 1.2 To agree to enter with the successful contractor into the latest version Joint Contracts Tribunal (JCT) Measured Term Form of Contract to deliver the works.

2. Reasons for Decision(s)

- 2.1 Members will be aware that the contractor previously delivering this service decided to invoke a Break Clause, which existed in the three individual contracts that were in place, and as a result it has been necessary to undertake a procurement exercise.
- 2.2 In order to maintain services to customers, the Portfolio Holder for Housing together with the Proper Officer agreed in February 2013 that Contract Procedure Rule 2(2) should be invoked to allow an exemption from the normal procurement requirements to be followed and Cabinet Procedure Rule 22 was also invoked to deal with the situation under "Matters of Urgency".
- 2.3 As a result during an interim period while a new tender process was being conducted services have continued to be delivered to our customers through Colchester Borough Homes using a local supply chain.
- 2.4 The procurement approach agreed by Cabinet on 1st December 2010 as part of the Asset Management Strategy is to let a JCT Form of Contract for this and similar types of work.
- 2.5 The external replacements programme has a direct effect on the individual properties energy efficiency which can be measured on a 1 to 120 scale through the Standard Assessment Procedure (SAP) score. The SAP score increases by 3 points when replacing single glazed windows with double glazing which represents a carbon saving of 0.377 tonnes per annum. This can be further represented as a financial saving on the tenants heating bill of £69.00 per annum (modelled on a 1950's 3 bed semi-detached house). Due to the advances in technology the SAP score still increases by 1 point when replacing existing double glazed windows and PVCu doors can assist in draft proofing.

3. Alternative Options

- 3.1 Not to accept the tender but this would impede the delivery of previous Cabinet decisions and may not deliver best value which the Council has a duty to seek.
- 3.2 Not to continue with the programme but again this would be at odds with the previous Cabinet decisions.

4. Supporting Information

- 4.1 In October 2009 Cabinet agreed to re-commence the Capital Improvement Programme with the aim to complete the decent homes programme by December 2012 and within the resources available to the Council.
- 4.2 In order to achieve this two contracts covering the internal works elements and replacement of windows and doors were awarded. The contractors appointed were Apollo Property Services Group and Mears Limited. Members will recall that this successfully delivered the decent homes programme for the Council on time and under budget.
- 4.3 In March 2012 the Council was made aware of a merger between Apollo and Keepmoat and although the contractual relationship between the Council and Apollo Property Services Group did not change the overall ownership of the company did.
- 4.4 Following a protracted period of negotiation, Apollo Property Services Ltd decided to invoke a break clause available to both parties in all the contracts held with the Council. This meant that works would cease on 22nd April 2013 on the Internal Works and Windows and Doors programmes.
- 4.5 The action taken under the contract to invoke the break clause would have resulted in services not being delivered to tenants whilst a procurement exercise was being carried out. The Portfolio Holder for Housing was kept apprised of the situation. During February 2013, to maintain services to customers, the Portfolio Holder for Housing together with the Proper Officer agreed that Contract Procedure Rule 2(2) should be invoked to allow an exemption from the normal procurement requirements to be followed and Cabinet Procedure Rule 22 was also invoked to deal with the situation under "Matters of Urgency.
- 4.6 To ensure customers continued to receive a service an interim plan was agreed with the Portfolio Holder for Housing whereby Colchester Borough Homes were to establish a supply chain with local contractors that they had standing relationships with and deliver the services while a tender exercise was conducted. Performance monitoring was established and regularly reported to the Portfolio Holder.
- 4.7 In February 2013 a detailed project plan was formulated and a timeline to complete the procurement process was agreed.
- 4.8 As part of the procurement process robust tender specifications were developed to ensure the Council and its tenants receive best value on the evaluation criteria of price and quality. The documentation was written to contain a strong emphasis on quality and resident satisfaction coupled with relevant performance indicators.

- 4.9 EU regulations are not required for this size of contract. The contract was advertised in a specialist national trade journal. A two-stage contractor selection process consisting of a Pre-Qualification Stage which is open to all interested parties, followed by a Tender Stage which is restricted to contractors selected by analysis of the first stage responses was followed. The Pre-Qualification Stage invited interested contractors to submit information concerning their Financial Capacity, Technical Capability, Relevant Experience and References. Information was requested in a Pre-Qualification Questionnaire from all interested contractors prior to tender.
- 4.10 The PVCu Windows and Doors Contract generated the following response:
- 14 contractors responded to the advertisement and were sent the Pre-Qualification Questionnaire to complete and return. All 14 submitted completed Pre-Qualifying Questionnaires (PQQ).
 - CBH carried out a robust analysis of the completed PQQ's which resulted in 6 contractors being invited to tender.
 - Tenders were sent out to the 6 prospective contractors on the 20th August 2013 and 5 were returned and opened by legal services on 13th September 2013.
 - The tenders were scored on a 70% cost, 30% quality split using the information in the returned tenders and PQQ's. The cost analysis was conducted by CBH on the 13th September 2013 and the quality evaluation was scrutinised on 16th September 2013 by a panel consisting of tenant representatives, CBH staff and CBC staff.
- 4.11 Financial credit checks on the recommended contractor has been conducted by CBH and their individual rating does not give cause for concern
- 4.12 A copy of the overall results of the assessment of Tender Price and Quality for the contract is available on Part 2 of the agenda within the Tender Report.
- 4.13 The Form of Contract to deliver the contract is the latest version of the Joint Contracts Tribunal (JCT) Measured Term Form of Contract.
- 4.14 Current robust controls and monitoring arrangements will continue as a minimum standard. The formal monthly Capital Monitoring Group meeting (CMG) attended by both CBC and CBH will be put in place with arrangements to capture the performance monitoring of the contractor including progress against the agreed programme, monitoring of expenditure against agreed budgets, the quality and standard of the services provided to tenants (by reviewing customer satisfaction reports) and direct liaison with tenants.
- 4.15 The role of CBH as the Contract Administrator (CA) is key to the success of this contract. The CA through the nominated representative will attend the monthly CMG meeting to report on the contractor's performance. The role of CA is also clearly defined within the JCT Form of Contract.

5. Proposals

- 5.1 To accept the recommendation of the Colchester Borough Homes by:
- Awarding the contract to deliver the PVCu Windows and Doors Contract to Anglian Windows
- 5.2 To enter with the successful contractor into the latest version of the JCT Measured Term Form of Contract for the rates tendered

6. Strategic Plan References

- 6.1 This decision is part of delivering against the Council's Strategic Priorities 2012 – 15 by regenerating our borough through buildings, employment, leisure and infrastructure by ensuring the housing stock is maintained to a decent standard.

7. Consultation

- 7.1 The Portfolio Holder for Housing has been kept fully briefed on the situation.
- 7.2 Tenants were involved in the tender evaluation process and will be further involved in the set up and mobilisation of the successful contractor with particular emphasis on engaging with the tenants receiving the services through the contract.

8. Publicity Considerations

- 8.1 Good communication with tenants is vital and the Council, working closely with CBH, will need to issue information to our tenants to advise them of new contract arrangements, how it will affect them with ongoing updates as the programme progresses. Again this information will follow once the contract has been let and more detailed discussions have taken place with the successful contractor.

9. Financial implications

- 9.1 The financial implications are contained within the main body of the tender recommendation report within Part 2 of the agenda, which contains commercially sensitive information. There are sufficient funds allocated within the annual Housing Investment Programme account budget to meet the anticipated first year direct spend on works.

10. Equality, Diversity and Human Rights implications

- 10.1 Link to individual strategy provided
<http://www.colchester.gov.uk/article/4962/Strategic-Policy-and-Regeneration>
Title: The Annual Housing Investment Programme (HIP)
- 10.2 Through the Housing Procurement Strategy within the (AMS) staff ensure that all future procurement and purchasing documentation recognise, understand and support CBC and CBH policies with regard to equal opportunities, diversity and human rights.

11. Community Safety Implications

- 11.1 There are none directly arising from this report although through the procurement process the contractor will be aware of the specific needs of our customers and direct on site delivery will be managed by CBH to safeguard both customers and contractors.

12. Health and Safety Implications

- 12.1 Through the role of Contract Administrator CBH will be responsible for ensuring Health and Safety requirements are fully complied with.

13. Risk Management Implications

- 13.1 By following the Council's own procurement policy and by implementing the controls and recommendations as set out in this report, the Council is seeking to mitigate against any potential risks or challenges.

**EXTRACT FROM THE MINUTES OF THE MEETING OF THE POLICY REVIEW
AND DEVELOPMENT PANEL HELD ON 5 AUGUST 2013**

10. Work Programme 2013 / 14

The Panel considered a report by the Assistant Chief Executive giving details of the preliminary scheduling of the business which had been accepted following suggestions by the Cabinet.

It was explained that the 20 mph Speed Limit Task and Finish Group Update would need to be deferred to the meeting in November 2013 in order to take account of meeting dates of the Local Highway Panel. Arrangements would, in turn, be made for an update from the Waste and Recycling Task and Finish Group to be submitted to the Panel's meeting in September 2013.

The Chairman referred to the topical issue of Fracking, the hydraulic fracturing of rock to release natural gas, and whether it would be possible for the Panel to receive a report providing background information on the process and whether there were any associated implications for Colchester.

RESOLVED that –

- (i) The current situation regarding the Panel's work programme for the year be noted
- (ii) Cabinet be asked to consider the merits of a report being provided to a future meeting of the Panel giving details on the process of Fracking and its implications for Colchester.

PETITIONS, PUBLIC STATEMENTS, QUESTIONS

(i) Have Your Say speakers

Date of Meeting	Details of Members of the Public	Subject Matter	Form of Response	Date Completed
Cabinet, 4 September 2013	Nick Chilvers, Nicky Bailey, Elaine Rogers, Ben Locker (on behalf of Richard Francis), Cathleen Seaton, Andy Raison, John Abery, Alan Thomas, Derek Mead, Ann Holmes, Nicola Hopkins, Frederick Bryant, Brian Lockyer	Closure of Abbots Activity Centre	The issues raised were addressed in the debate by Cabinet.	4 September 2013

(ii) Petitions

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

