

# The Council Meeting

Council Chamber, Town Hall  
18 February 2009 at 6:00pm

## Information for Members of the Public

### Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda, which is usually published 5 working days before the meeting, and minutes once they are published. Dates of the meetings are available at [www.colchester.gov.uk](http://www.colchester.gov.uk) or from Democratic Services.

### 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 pick up the leaflet called "Have Your Say" at Council offices and at [www.colchester.gov.uk](http://www.colchester.gov.uk).

### Private Sessions

Occasionally meetings will need to discuss issues in private. This can only happen on a limited range of issues, which are set by law. When a committee does so, you will be asked to leave the meeting.

### Mobile phones, pagers, cameras, audio recorders

Please ensure that all mobile phones and pagers are turned off before the meeting begins and note that photography or audio recording is not permitted.

### Access

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

### Facilities

Toilets are located on the second floor of the Town Hall, access via the lift. A vending machine selling hot and cold drinks is located on the ground floor.

### Evacuation Procedures

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

Colchester Borough Council, Angel Court, High Street, Colchester  
telephone (01206) 282222 or  
textphone 18001 followed by the full number that you wish to call  
e-mail: [democratic.services@colchester.gov.uk](mailto:democratic.services@colchester.gov.uk)  
[www.colchester.gov.uk](http://www.colchester.gov.uk)

# COLCHESTER BOROUGH COUNCIL

**TO ALL MEMBERS OF THE COUNCIL**

29 April 2009

You are hereby summoned to attend a meeting of the Council to be held at the Council Chamber, Town Hall on **18 February 2009 at 6:00pm** for the transaction of the business stated below.



**Chief Executive**

## AGENDA

### **Pages**

#### **1. Welcome and Announcements**

(a) The Mayor to welcome members of the public and Councillors and to invite the Chaplain to address the meeting. The Mayor to remind all speakers of the requirement for microphones to be used at all times.

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

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

#### **2. Have Your Say!**

(a) The Mayor to ask members of the public to indicate if they wish to ask a question, make a statement or present a petition on any matter relating to the business of the Council – either on an item on the agenda for this meeting or on a general matter not on this agenda (Council Procedure Rule 6(2)).

(b) The Mayor to invite contributions from members of the public who wish to address the Council on a general matter not on this agenda.

(Note: A period of up to 15 minutes is available for general statements and questions under 'Have Your Say!').

#### **3. Minutes**

**1 - 9**

A... Motion that the Minutes of the meeting held on 11 December 2008 be confirmed as a correct record.

#### **4. Mayor's Announcements**

Mayor's Announcements (if any) and matters arising pursuant to Council Procedure Rule 8(3).

#### **5. Declarations of Interests**

The Mayor to invite Councillors to declare individually any personal interests they may have in the items on the agenda.

If the personal interest arises because of a Councillor's membership of or position of control or management on:

- any body to which the Councillor has been appointed or nominated by the Council; or
- another public body

then the interest need only be declared if the Councillor intends to speak on that item.

If a Councillor declares a personal interest they must also consider whether they have a prejudicial interest. If they have a prejudicial interest they must leave the room for that item.

If a Councillor wishes to make representations on an item on which they have a prejudicial interest they may do so if members of the public are allowed to make representations. In such circumstances a Councillor must leave the room immediately once they have finished speaking.

An interest is considered to be prejudicial if a member of the public with knowledge of the relevant facts would reasonably regard it as so significant that it is likely to prejudice the Councillor's judgment of the public interest.

Councillors should consult paragraph 7 of the Meetings General Procedure Rules for further guidance.

#### **6. Items (if any) referred under the Call-in Procedure**

To consider any items referred by the Strategic Overview and Scrutiny Panel or the Finance and Audit Scrutiny Panel under the Call-In Procedure because they are considered to be contrary to the policy framework of the Council or contrary to, or not wholly in accordance with the budget.

#### **7. Recommendations of the Cabinet, Panels and Committees**

##### **i. Strategic Plan 2009-12**

B... Motion that the recommendation contained in minute 51 of the Cabinet meeting of 28 January 2009 be approved and adopted.

##### **ii. 2009/10 Revenue Budget and Medium Term Financial Forecast; Precept and Council Tax Levels 2009/10; Approvall of Minimum Revenue Provision Policy**

C... Motion that the recommendation contained in Minute 53 of the Cabinet meeting of 28 January 2009 and the recommendations contained in the Head of Resource Management's reports entitled Minimum Revenue Provision Policy and Precept and Council Tax Levels 2009/10 be approved and adopted.

**8. Schedules of Decisions taken by Portfolio Holders**

**10 - 18**

To note schedules covering the period 29 November 2008 - 6 February 2009

**9. Questions to Cabinet Members and Chairmen pursuant to Council Procedure Rule 10**

To receive and answer pre-notified questions in accordance with Council Procedure Rule 10(1) followed by any oral questions (ie not submitted in advance) in accordance with Council Procedure Rule 10(3).

(Note: A period of up to 90 minutes is available for pre-notified questions and oral questions by Members of the Council to Cabinet Members and Chairmen (or in their absence, Deputy Chairmen)).

The following question has been received:-

**Questioner: Councillor Bouckley**

To the Portfolio Holder for Planning and Regeneration

“Will the Portfolio Holder assure me that the maximum possible assistance will be given by Borough officers to investigating the logistics of constructing an off-road cycle route from Colchester to Mersea Island, a concept that some residents think entirely feasible, is contained in the newly-published West Mersea Village Appraisal, and which in many ways matches the aspirations of our Strategic Plan, 2009-12?”

**10. Notices of Motion pursuant to Council Procedure Rule 11**

At the time of publication there were none.

**11. Adoption of the Joint Municipal Waste Management Strategy for Essex**

**19 - 84**

D... Motion that the Joint Municipal Waste Management Strategy for Essex not be approved and adopted for the reasons set out in the report of the Head of Street Services.

**12. Reports Referred to in Recommendations**

**85 - 152**

The reports specified below are submitted for information and are referred to in the recommendations specified in item 7 on the agenda:

Report to Cabinet 28 January 2009 on the Strategic Plan 2009-12

Report to Cabinet 28 January 2009 on 2009/10 Revenue Budget and Medium Term Financial Forecast

**13. Urgent items**

To consider any business not specified in this summons which by reason of special circumstances the Mayor determines should be considered at the meeting as a matter of urgency.

#### **14. Exclusion of the Public**

In accordance with Section 100A(4) of the Local Government Act 1972 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).

# COUNCIL MEETING 11 DECEMBER 2008

*Present:-*            **The Mayor (Councillor Fairley-Crowe)\***  
                              **The Deputy Mayor (Councillor Spyvee)**  
**Councillors Arnold, Barlow, Barton, Bentley,**  
**Blandon, Blundell, Bouckley, Chapman,**  
**Chillingworth, Chuah, Cook, Cope, Cory,**  
**Davidson, Davies, Dopson, Elliott, Ellis, Fisher,**  
**Ford, Foster, Gamble, Goss, Hall, Hardy, Harris,**  
**Hazell, P. Higgins, T. Higgins, Hogg, Hunt,**  
**Jowers, Knight, Lewis, Lilley, Lissimore,**  
**Maclean, Manning, Martin, Naish, Offen, B.**  
**Oxford, G. Oxford, P. Oxford, Pyman, Quarrie,**  
**Scott-Boutell, Smith, Sutton, Sykes, Taylor, Tod,**  
**Turrell, Willetts, J. Young and T. Young.**

\* (items 26-33 only. The Deputy Mayor chaired items 34-43)

The meeting was opened with prayers by the Mayor's Chaplain, The Reverend Doctor Chris Garland

## **26. Minutes**

Councillor Arnold PROPOSED an AMENDMENT to minute 23 of the meeting on 8 October 2008 to amend the record of the question put by him to the Portfolio Holder for Street and Waste Services to include a reference to the publication of proposals for increasing recycling in order to meet the ambitious targets in the Labour manifesto.

On being put to the vote, the AMENDMENT was LOST.

*RESOLVED* that the minutes of the meeting on 8 October 2008 be confirmed as a correct record.

## **27. Have Your Say**

Mr Heaton addressed the Council pursuant to the provisions of Council Procedure Rule 6(2) to suggest that the Council seek advice from Lloyds TSB in relation to the review of the Customer Service Centre (CSC). The review should seek to consolidate the existing expertise in the CSC. Councillor Hunt, Portfolio Holder for Communications and Customers, responded and paid tribute to the staff in the CSC.

Mr McKinney addressed the Council pursuant to the provisions of Council Procedure Rule 6(2) to express his concern about the design of the Christmas lights, the costs of the Visual Arts Facility, car parking revenue and members allowances. He also requested a meeting with the Leader of the Council. Councillor T. Higgins, Portfolio Holder for Culture, Tourism

and Diversity, responded on the issue of the Christmas lights and Councillor Turrell, Leader of the Council, indicated she would be happy to meet with Mr McKinney.

Bob Russell, MP, addressed the Council pursuant to the provisions of Council Procedure Rule 6(2). He expressed his congratulations to Councillor Sonia Lewis on the recommendation that she be appointed Deputy Mayor. He stated his concern about the unprofessional manner in which the annual meeting of the Colchester Community Stadium had been conducted. He compared it to the annual meeting of the Straight Road Community Centre which had conducted in an exemplary and professional manner. He thanked all Councillors for the work they did on behalf of the residents of Colchester and stressed that Colchester was a thriving and successful town. Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy, endorsed Mr Russell's comments about the success of Colchester.

Paula Whitney addressed the Council pursuant to the provisions of Council Procedure Rule 6(2) to stress the importance of reducing car use and increasing public transport use in Colchester. This would deliver economic and environmental benefits. Chelmsford and Ipswich, which both had Park and Ride schemes, had been the most successful towns in the region in economic terms in 2007. Domestic and European legislation was being introduced which would require stringent cuts to emissions of climate change gases. In order to reduce car use in the borough, the bus station should be retained on its existing site and a car free high street should be introduced. Councillor Barton, Portfolio Holder for Planning and Regeneration, responded and explained that the preferred location for a Park and Ride site was in north Colchester, which was dependent on the new junction off the A12. Work on the introduction of the new junction was moving forward. Colchester had also achieved Cycling Town status.

## **28. Mayor's Announcements**

The Mayor announced that Michael Kirby had been appointed as Town Serjeant and the Council congratulated Michael on his appointment.

The Mayor also announced that Colchester Borough Council had won the Environmental category at the Colchester Business Awards.

## **29. Personal Interests**

The following Councillors declared their personal interests pursuant to the provisions of Council Procedure Rule 9(3):-

Councillor T. Higgins (in respect of her membership of Essex County Council) in relation to the items at minutes 31 and 41.

Councillor Manning (in respect of his employment at Sir Charles Lucas Arts College) in relation to the item at minute 31.

Councillor Turrell (in respect of her membership of Essex County Council) in relation to the items at minutes 31 and 41.

Councillor Fisher (in respect of her membership of Essex County Council) in relation to the items at minutes 31 and 41.

Councillor Scott-Boutell (in respect of her daughter attending Stanway School) in relation to the item at minute 31.



Councillor J. Young (in respect of her membership of Essex County Council) in relation to the items at minutes 31 and 41.

Councillor T. Young (in respect of his spouse's membership of Essex County Council) in relation to the item at minutes 31 and 41.

Councillor Dopson (in respect of her employment at Willowbrook School) in relation to the item at minute 31.

Councillor Elliott (in respect of his position as governor of Thurstable School) in relation to the item at minute 31.

Councillor Hazell (in respect of her son's employment at Stanway School) ) in relation to the item at minute 31.

Councillor Jowers (in respect of his membership of Essex County Council and the Regional Planning Panel) in relation to the items at minutes 31, 38 and 41

Councillor P. Higgins (in respect of his spouse's membership of Essex County Council) in relation to the items at minutes 31 and 41.

### **30. Prejudicial Interests**

Councillor Chapman (in respect of being an ambassador for firstsite) declared his personal interest in the items at minute 33 and minute 36 which was also a prejudicial interest in accordance with the provisions of Council Procedure Rule 9(4) and left the meeting during their consideration and determination.

### **31. Recommendations/Resolutions of Cabinet, Panels and Committees // Essex County Council Consultation on Secondary Education in Colchester**

Bob Russell, MP, addressed the Council pursuant to the provisions of Council Procedure Rule 6(2). He expressed support for the proposal put forward by Alderman Blaxill, Stanway and Thomas, Lord Audley schools to create a single school operating on three sites, commonly known as option 4. He had attended a number of the public meetings held by Essex County Council and there had been little support for options 2 and 3 in the consultation paper. There was no support for the closures proposed under option 1. A fifth option involving the creation of a military style academy, had not been put to the people of Colchester. Option four, which was a Colchester based solution, enjoyed overwhelming public support.

Adam Norgate and Abigail Stringer of Stanway School addressed the Council pursuant to the provisions of Council Procedure Rule 6(2) and raised the following points about the consultation proposals:-

- What would happen to teachers of any schools that were closed;
- The environmental impact of increased car journeys that would be generated by school closures;
- The ability of pupils to partake in after school activities if they had to travel further to school;
- Those schools currently classified as underperforming could improve their performance, as Stanway School had done;

- The importance of local schools in keeping communities sustainable and vibrant;
- Whether any of the selective schools in Colchester would benefit from the Building Schools for the Future funding and whether this funding would be better spent on training and recruiting teachers.

Councillor Dopson, Portfolio Holder for Performance and Partnerships, responded and thanked Adam and Abigail for their comments.

Mr Capes addressed the Council pursuant to the provisions of Council Procedure Rule 6(2). Mr Capes explained that he had been head teacher at Thomas Lord Audley for twenty four years. It had a long history of producing successful students. The School had improved significantly under Mr Tippet's leadership. He supported option 4 as it looked after students in south Colchester without having a detrimental impact on the other schools.

Richard Bourne addressed the Council pursuant to the provisions of Council Procedure Rule 6(2) in his capacity as a member of the interim board of Alderman Blaxill. He supported option 4, which was a natural extension of what was already happening. Standards had been raised across all three schools already and if option 4 was pursued standards of attainment would be raised well above the threshold that would concern the regulatory authorities. Option five had not been raised in public meetings and had already been excluded by Essex County Council.

It was PROPOSED by Councillor Dopson that the Council consider Cabinet's recommended response to the Essex County Council consultation on Secondary Education in Consultation as set out in draft minute 41 of the Cabinet's meeting of 3 December 2008, in order to further inform the Portfolio Holder for Performance and Partnerships before a formal response was submitted, subject to the following amendments:-

(a) In the first sentence of paragraph 3, the word "any" to be deleted and replaced by the word "the".

(b) The text in paragraph 3(a) to be deleted and replaced with the following:-

*(a) a written guarantee stating categorically that such a establishment will be located at the existing Charles Lucas Art College site.*

A MAIN AMENDMENT was MOVED by Councillor Hazell as follows:-

The recommended reply contained in draft minute 41 of the Cabinet meeting be accepted subject to the following amendments:-

(a) That paragraph 6 of the reply proposed by Cabinet be renumbered as paragraph 2 and repositioned accordingly, with the revision of sub-paragraph (d) to read "*the prospect for many pupils of being unable to participate in after-school activities is unacceptable.*".

(b) That paragraph 2 of the reply proposed by Cabinet be deleted and replaced with the following:

*3. The Council is all too aware of the intractable and chronic transportation problems in Colchester's Eastern Approaches and believes that these would make Options 1, 2 and 3 entirely unworkable. It follows that the revised secondary*

*provision for Colchester will need to include separate establishments in the south and in the east.*

- (c) That paragraph 3 of the reply proposed by Cabinet be renumbered as paragraph 4.
- (d) That paragraphs 4 to 5 of the reply proposed by Cabinet be deleted and replaced with the following:

*5. The Council is aware that the reputation of secondary schools in the south of the Borough is such that a significant proportion of parents in their catchment area transport their children to much more distant schools. The Council believes that this practice is so entrenched that only provision of a new school (of whatever designation) on a new and if necessary greenfield site to the south of Colchester could deliver the radically-improved education and social cohesion which is its goal. The substantially reduced use of the highway network will bring a worthwhile environmental bonus. Once the new school had opened, both Thomas Lord Audley and Alderman Blaxill would close, though parts of their site should be considered for the provision of local community need.*

*6. Armed by this fresh start the new, showcase establishment will aim from the outset to provide first-class education for children from Colchester Garrison families and from Shrub End, Berechurch, Mersea Island and the surrounding villages and communities. The Council anticipates that the Garrison will be involved from the outset, both in the search for a site and in shaping the ethos of the new school.*

*7. The Council's overriding objective is to provide a permanent and sustainable centre of excellence. It therefore believes that whilst the fourth option advanced by the head of Stanway School could form the basis of a transitional provision of secondary education, from the outset the aim must be to provide a free-standing centre of learning at the heart of the communities of the south of the Borough, for and run by the people who live there. The involvement of senior staff from other schools, however capable, will inevitably be interpreted as dependency and so undermine the reputation that the new school must develop. The communities that make up the south of the Borough deserve nothing less than the best and the school will strive to be regarded as one of their greatest assets.*

*8. The provision of this new school will inevitably lead to a drop in admissions to other secondary schools in the Borough. In particular it should be an objective of the reorganisation that pressure on Philip Morant School to expand will be removed. It follows that there will be no need to for development of any sort at that school which would encroach on the open land at and adjacent to Norman Way, between Christchurch, Lexden and Prettygate wards. Such development has long been regarded by the Council as environmentally harmful and as such will continue to be strongly resisted. The Council would welcome a clear indication from Essex County Council that it shares this view.*

- (e) That paragraphs 7 and 8 of the reply proposed by Cabinet be renumbered as paragraph 9 and 10 respectively, with the replacement of the phrase "Option 4, for the reason set" with the phrase "the proposals set out".

The MAIN AMENDMENT was LOST (TWENTY FOUR voted FOR and THIRTY ONE voted AGAINST).

The MOTION was thereupon put and CARRIED (MAJORITY voted FOR).

### **32. Suspension of Council Procedure Rules**

It was *RESOLVED* that Council Procedure Rule 14(3) be suspended to allow group leaders to speak for an unlimited period on the following item.

### **33. // Visual Arts Facility: firstsite:newsite**

Bob Russell, MP, addressed the Council pursuant to the provisions of Council Procedure Rule 6(2). He expressed his dismay at the options open to the Council and that the project to construct the Visual Arts Facility had been brought forward despite widespread public opposition. He considered that the Cabinet's recommended course of action was the least worst option open to the Council. Those responsible for the position that the Council found itself in should apologise and explain their actions.

Mr Barker addressed the Cabinet pursuant to the provisions of Council Procedure Rule 6(2). The difficulties now faced by the Council arose from the failure to agree a proper contract with Banner. If this had been done, the later problems stemming from the Council agreeing to be liable to cost over-runs would not have occurred. It was incredible that the Council had allowed work to commence on such a large project without a proper contract being in place.

Dee Evans addressed the Cabinet pursuant to the provisions of Council Procedure Rule 6(2) to explain the benefits the Visual Arts facility would bring to Colchester. It would be a beautiful and inspiring place where young people in particular would be able to exercise their imagination. The Council was in a difficult position but it was noted that some partners had already indicated that they would help contribute towards the cost of finishing the project. As the additional funding was to be borrowed it would not impact on the existing capital programme.

Rob Brown addressed the Council pursuant to the provisions of Council Procedure Rule 6(2). He expressed concern that the Council proceeded without a signed contract being in place and also later accepted unlimited liability for cost over-runs. He expressed scepticism about the claim that the Visual Arts Facility would be part of a "Cultural Quarter" given that the area had lost Greyfriars and the Public Records Office. Other funders should be challenged to provide the additional funding or the project should be abandoned.

It was *PROPOSED* by Councillor Hunt that the recommendation in draft minute 42 of the Cabinet meeting of 3 December 2008 be approved and adopted.

It was *RESOLVED* that the recommendation in draft minute 42 of the Cabinet meeting of 3 December 2008 be approved and adopted.

A named vote having been requested pursuant to the provisions of Council Procedure Rule 15(2), the voting was as follows:-

Those who voted FOR were:- Councillors Arnold, Barlow, Barton, Bentley, Blandon, Blundell, Bouckley, Chillingworth, Chuah, Cook, Cope, Davidson, Davies, Ellis, Elliott, Fisher, Foster, Gamble, Goss, Hall, Hardy, Hazell, P. Higgins, T. Higgins, Hogg, Hunt, Jowers, Knight, Lewis, Lissimore, Maclean, Manning, Martin, Offen, B. Oxford, G. Oxford, P. Oxford, Pyman, Quarrie, Scott-Boutell, Smith, Sutton, Sykes, Taylor, Tod, Turrell and Willetts.

None voted AGAINST.

Those who ABSTAINED from voting were:- The Mayor (Councillor Fairley-Crowe), the Deputy Mayor (Councillor Spyvee), Councillors Dopson, Ford, Harris, Lilley, Naish, J. Young and T. Young.

**34. // Office Accommodation Strategy: Purchase of Rowan House**

It was PROPOSED by Councillor Smith that the recommendation in draft minute 43 of the Cabinet meeting of 3 December 2008 be approved and adopted.

It was RESOLVED that the recommendation in draft minute 43 of the Cabinet meeting of 3 December 2008 be approved and adopted.

**35. // Borrowing Limits and Prudential Indicators - purchase of the freehold of Rowan House**

It was PROPOSED by Councillor Smith that recommendation (a) in draft minute 44 of the Cabinet meeting of 3 December 2008 be approved and adopted.

It was RESOLVED that recommendation (a) in draft minute 44 of the Cabinet meeting of 3 December 2008 be approved and adopted.

**36. // Borrowing Limits and Prudential Indicators - firstsite: newsite**

It was PROPOSED by Councillor Smith that recommendation (b) in draft minute 44 of the Cabinet meeting of 3 December 2008 be approved and adopted.

It was RESOLVED that recommendation (b) in draft minute 44 of the Cabinet meeting of 3 December 2008 be approved and adopted.

**37. // Appointment of Deputy Mayor**

It was PROPOSED by Councillor Turrell and supported by Councillors Davidson, T. Young and G. Oxford that Councillor Sonia Lewis be appointed as Deputy Mayor for the Borough of Colchester for the municipal year 2009-10.

It was RESOLVED that Councillor Sonia Lewis be appointed as Deputy Mayor for the Borough of Colchester for the municipal year 2009-10 (UNANIMOUS).

**38. // Adoption of the Colchester Core Strategy Development Plan Document**

It was PROPOSED by Councillor Cope that the recommendation in draft minute 12 of the Local Development Framework Committee meeting of 2 December 2008 be approved and adopted.

It was RESOLVED that the recommendation in draft minute 12 of the Local Development Framework Committee meeting of 2 December 2008 be approved and adopted.

**39. Schedules of Decisions taken by Portfolio Holders**

It was RESOLVED that the Schedule of Portfolio Holder decisions be noted.

**40. Questions to Cabinet Members and Portfolio Holders**

In view of the late hour it was *RESOLVED* that the questions to Cabinet members and Portfolio Holders item be cancelled and that written responses be provided to the pre-notified questions.

#### **41. Notices of Motion // Greenways Care Home**

It was PROPOSED by Councillor J. Young that:-

This Council:

- Notes with concern the closure of Greenways Care Home in Colchester and supports the need for a serious case review into the circumstances of the closure and the treatment of the former residents;
- Agrees to inform Essex County Council that many warnings were given from many different quarters of the potential pitfalls and dangers of selling off its remaining council-owned care homes of which Greenways was one;
- Demands that Essex County Council discloses what intentions are proposed for the Greenways site as, at present, day care services are still being offered there and assurances are required that this will continue;
- Requires written confirmation from Essex County Council that the care of older people in Colchester will remain of the highest priority for Social Services and would offer an invitation to the relevant County Portfolio Holder to attend the Borough Council's Strategic Overview & Scrutiny Panel to explain the circumstances which have led to the recent situation at Greenways.

Councillor Jowers MOVED a SECONDARY AMENDMENT that the Motion be approved and adopted subject to:-

"The deletion of the first two bullet points and the insertion of the following two bullet points:-

- Recognises and praises the decisive action taken by Essex County Council in the closure of Greenways Care Home and compliments its staff on their professional and compassionate handling of the transfer of residents to alternative accommodation;
- Council recognises that up until 2000, Essex County Council members, in a multi-party decision, collaborated in the sale of the County's residential homes to a range of external providers, however, retaining ten residential care homes in Essex County Council ownership.

In the third bullet point the deletion of the word "Demands" and the insertion of the word "Requests".

Pursuant to Council Procedure Rule 14(11) Councillor J. Young indicated that the SECONDARY AMENDMENT was accepted whereupon, with the consent of Council, the Motion was deemed amended accordingly.

The MOTION as amended was thereupon approved and adopted (UNANIMOUS).

#### **42. Appointment of Deputy Electoral Registration Officer**

It was *RESOLVED* that:-

- (a) Sarah Cheek be designated as the Council's Deputy Electoral Registration Officer with effect from 12 December 2008;
- (b) The designation of the Chief Executive, Adrian Pritchard, as the Council's Electoral Registration Officer be confirmed.

**The Deputy Mayor agreed to consider the following item as a matter of special urgency pursuant to the provisions of paragraph 8(3)(16) of the Council Procedure Rules**

#### **43. Urgent item \ British National Party Activity in Colchester**

Councillor T. Young addressed the Council to express concern about recent activity by the British National Party (BNP) in Colchester. This included the erection of a stall outside Angel Court and campaigning in St Anne's and St Andrew's ward. He expressed concern that a party based on anti-democratic principles should seek to campaign in Colchester, which had a history of tolerance and diversity. Councillors Davidson, Hunt and G. Oxford supported the views expressed by Councillor T. Young and indicated their concern about BNP activity in Colchester.

## Agenda item 8(i)

### **Extract from the minutes of the Cabinet meeting on 28 January 2009**

**Councillor T. Young (in respect of his spouse's membership of Essex County Council and his membership of North East Essex Primary Care Trust), Councillor Turrell and Councillor T. Higgins (in respect of their membership of Essex County Council) declared their personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3).**

#### **51. Strategic Plan 2009-2012**

The Interim Head of Corporate Management submitted a report a copy of which had been circulated to each Member and a copy of which appears as Appendix A to these minutes in the Minute Book together with minute 32 of the Strategic Overview and Scrutiny Panel meeting of 6 January 2009. Ann Wain, Executive Director, attended to assist the Cabinet.

Paula Whitney addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2) to express concern that the Priority Action Plan entitled "Reduce, Reuse, Recycle" referred to the Inter Authority Agreement with Essex County Council. Colchester Borough Council had agreed that it would not support Essex County Council's Waste Strategy, had rescinded the Memorandum of Understanding and removed its agreement to the Letter of Support.

Councillor Dopson, Portfolio Holder for Performance and Partnerships, indicated that whilst Colchester Borough Council was opposed to the Waste Strategy and PFI bid, as a waste collection authority, it needed to remain in dialogue with Essex County Council and should investigate the benefits of an Inter Authority Agreement. Colchester Borough Council had yet to see a draft of the Agreement and at this stage it would be prudent to remain in discussion and seek to influence its content.

Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy, and Councillor T. Young, Portfolio for Street and Waste Services, suggested that the strapline of the Strategic Plan be changed to "a place where people want to live, work and visit". This would avoid any perception that Colchester was a dormitory town and reflect better the varied benefits Colchester had to offer.

*RESOLVED* that the strapline of the Strategic Plan be amended to "a place where people want to live, work and visit".

*RECOMMENDED* to Council that the Strategic Plan 2009-12 be approved and adopted.

*REASONS*



(a) The last Strategic Plan was published in February 2006 and runs to 2009. It needed to be refreshed in the light of changing circumstances and expectations.

(b) The Strategic Plan was one of the core statutory elements of the Council's Policy Framework, as set out in Article 4 of the Council's Constitution. It must therefore be adopted by the full Council.

(c) The Strategic Plan set the framework for the Council's three-year Medium Term Financial Forecast and its Capital Programme. Both the Plan and the Budget would be debated at the same full Council meeting on 18 February 2009.

#### *ALTERNATIVE OPTIONS*

(a) The current Strategic Plan expired at the end of 2008-2009 financial year. A new plan was therefore required, and needed to be adopted by full Council.

(b) The absence of a Strategic Plan would create a significant risk of the Council failing to deliver on its core priorities.

**A copy of the Strategic Plan 2009-12 as amended by Cabinet on 28 January 2009 is attached for information.**



# OUR VISION

## Colchester

*'a place where people want to live, work and visit'*

### Strategic Plan 2009 to 2012

#### We will:

- listen and respond
- shift resources to deliver priorities
- be cleaner and greener

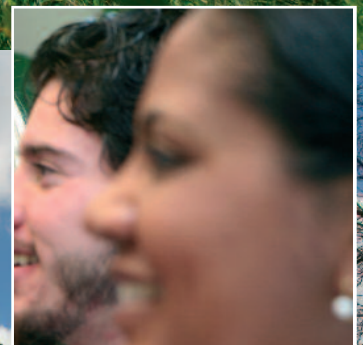
#### In order to improve the quality of life

#### Our priorities for action:

- Addressing older people's needs
- Addressing younger people's needs
- Community development
- Community safety
- Congestion busting
- Enabling job creation
- Healthy living
- Homes for all
- Reduce, reuse, recycle



Colchester



# Colchester

*'a place where people want to live, work and visit'*

## **Addressing older people's needs**

We will work with partners to ensure the very best health and wellbeing of our senior people by enabling them to live as independently as possible.

## **Addressing younger people's needs**

We will work with our partners to ensure all of our young people have the opportunities they need to join with their communities and aspire to all they are capable of achieving.

## **Community development**

We will make sure all our residents have the opportunities they need. We will do this by encouraging people to volunteer to support their communities so that residents can be proud of the places where they live.

## **Community safety**

We will work with our partners to make Colchester a safer place to live by tackling crime and anti social behaviour and reducing the fear of crime.

## **Congestion busting**

We will seek to change travel behaviour and improve accessibility, seek improvements for walking, cycling and public transport, and work in partnership to improve transport infrastructure.

## **Enabling job creation**

We will support a range of sustainable employment choices that match the aspirations of our residents.

## **Healthy living**

We will provide opportunities for residents to improve their health by encouraging healthier ways of living.

## **Homes for all**

We will work towards providing safe, secure, decent and affordable homes for all.

## **Reduce, reuse, recycle**

We will make Colchester a sustainable and clean borough for all those who live, work and visit us by greatly reducing the amount of residual waste going into landfill and maximising our street based resources.

If you need help with reading or understanding this document, please take it to our Customer Service Centre, Angel Court, High Street, Colchester, or call 282240.

Textphone users should dial 18001 followed by 01206 282222.

We will try to provide a reading service, translation or any other format you may need.

For more information and our action plan please visit [www.colchester.gov.uk/strategicplan](http://www.colchester.gov.uk/strategicplan) or e-mail [strategicplan@colchester.gov.uk](mailto:strategicplan@colchester.gov.uk)



## **Agenda item 8(ii)**

### **Extract from the minutes of the Cabinet meeting on 28 January 2009**

**Councillor T. Young (in respect of his spouse's membership of Essex County Council and his membership of North East Essex Primary Care Trust), Councillor Turrell (in respect of her membership of Essex County Council and Myland Parish Council) and Councillor T. Higgins (in respect of her membership of Essex County Council) declared their personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3).**

### **53. 2009/10 Revenue Budget and Medium Term Financial Forecast**

The Head of Resource Management submitted a report a copy of which had been circulated to each Member and a copy of which appears as Appendix C to these minutes in the Minute Book.

Hilary Ower, Chair of the Management Committee of Cuckoo Farm Studios, addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2) about the impact of the loss of the Arts Development Officer. The Council's Arts Development Service had helped support the Studio and provided a source of expertise on business issues. As a result it was now a vibrant and nationally recognised studio. Whilst it was acknowledged that the current economic climate was difficult, it was in such times that the uplift that art could give to a community was needed most.

Dee Evans addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2) on behalf of firstsite, the Mercury Theatre and the Arts Centre. The importance of the partnership between the Council, Essex County Council, the Arts Council and the major arts venues in Colchester was stressed. This had brought in over £10 million of funding in recent years. The venues were grateful for the continued funding they received, and appreciated that the current economic climate necessitated a freeze in their funding. It was stressed that the arts helped the Council meet its corporate objectives.

Lawrence Walker, Chairman of Colchester Black History Month, addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2). He explained the purpose of Black History Month and stressed the support received from the Arts Development Officer for the successful annual festivals of Black History that had been held in Colchester in 2007 and 2008.

Councillor T. Higgins, Portfolio Holder for Culture, Tourism and Leisure, responded to the public speakers. The administration had listened to the residents of Colchester and was shifting resources to meet the priorities

identified and strategic objectives. Support for the arts was not a statutory objective for the Council. It was stressed that the decision to cut the Arts Development post had not been taken lightly. However there would remain some officer support for arts organisations within the Council.

Councillor Smith, Portfolio Holder for Resources and Business, explained that the proposed Council tax rise of 2.76% was the lowest rise of the century. He believed this was a remarkable achievement given the difficult economic climate. Extra funding had been found for priority areas such as recycling, street wardens and welfare rights.

*RESOLVED* that:-

(a) It be noted that the outturn for the current financial year was forecast to be overall in line with the approved Revenue Budget and that the position was being carefully monitored (see paragraph 3.4 of the Head of Resource Management's report).

(b) The cost pressures, growth items and saving/increased income options identified during the budget forecast process be as set out at Appendices B, C and D of the Head of Resource Management's report.

(c) It be *RECOMMENDED* to Council that the 2009/10 Revenue Budget requirement be set at £24,432, 000 (see paragraph 7.1 of the Head of Resource Management's report) supported by the underlying detailed budgets set out in the Background Papers.

(d) Revenue Balances for the financial year 2009/10 be set at a minimum of £1,700,000 and that £484 000 be applied to finance items in the 2009/10 revenue budget.

(e) To agree the following releases (see paragraph 11.12 of the Head of Resource Management):-

- £661,000 from the Capital Expenditure Reserve in 2009/10 to meet costs including accommodation, the community stadium and ICT Strategy.
- £663,000 to be financed from the Renewals and Repairs Fund for specific projects
- £100,000 from the insurance provision
- £60,000 from the section 106 monitoring reserve
- £221,000 from the Regeneration Reserve to support delivery of the Renaissance Programme and provide support towards cost pressures

(f) It be *RECOMMENDED* to Council that £100,000 of Revenue Balances be earmarked for potential unplanned expenditure within the guidelines set out at paragraph 12.3 of the Head of Resource Management's report.

(g) It be *RECOMMENDED* to Council that Colchester's element of the Council Tax for 2009/10 be set at £171.00 for Band D properties which was an increase of £4.59 per annum (2.76%) (see paragraph 13.2 of the Head of Resource Management's report).

(h) It be noted that the formal resolution from Cabinet to Council will include the Parish, Police, Fire and County Council elements and any change arising from the formal Revenue Support Grant Settlement announcement in early February 2009. This will be prepared in consultation with the Leader of the Council.

(i) The Medium Term Financial Forecast for the financial years 2010/11 and 2011/12 be noted (paragraph 14.6 of the Head of Resource Management's report).

(j) The comments made on the robustness of budget estimates at paragraph 16 of the Head of Resource Management's report be noted.

(k) The Prudential Indicators, Treasury Management Strategy and Annual Investment Strategy as set out at paragraph 17.7 of the Head of Resource Management's report be *RECOMMENDED* to Council.

#### *REASONS*

The reasons for the decision were set out in detail in the Head of Financial Services' report.

#### *ALTERNATIVE OPTIONS*


Various options were investigated at every stage of the budget setting process, due consideration of which was taken in order to meet the objectives of the Council's Strategic Plan.



## Council

18 February 2009

Item  
**8(ii)**

<b>Report of</b>	<b>Head of Resource Management</b>	<b>Author</b>	<b>Steve Heath</b>
<b>Title</b>	<b>Minimum Revenue Provision Policy</b>		 <b>282389</b>
<b>Wards affected</b>	Not applicable		

**This report concerns the implementation of new Minimum Revenue Provision guidance**

### 1. Decision Required

- 1.1 To approve the Minimum Revenue Provision (MRP) Policy Statement as set out in section 5 of this report.

### 2. What is a Minimum Revenue Provision?

- 2.1 Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. It would be impractical to charge the entirety of such expenditure to revenue in the year in which it was incurred and so such expenditure is spread over several years so as to try to match the years over which such assets benefit the local community through their useful life. The manner of spreading these costs is through an annual Minimum Revenue Provision, which was previously determined under Regulation, and will in future be determined under Guidance.

### 3. New Guidance

- 3.1 Statutory Instrument 2008 no. 414 s4 lays down that "A local authority shall determine for the current financial year an amount of minimum revenue provision that it considers to be prudent". This is a substitution for the previous requirement to comply with regulation 28 in S.I. 2003 no. 3146, (as amended). There is no requirement to charge MRP where the Capital Financing Requirement (CFR) is nil or negative at the end of the preceding financial year. The share of Housing Revenue Account CFR is not subject to an MRP charge.
- 3.2 The CFR is a notional representation of the Council's outstanding debt liability as depicted by the balance sheet. It will increase when the Council relies on borrowing to fund capital expenditure.
- 3.3 Along with the above duty, the Government issued new guidance in February 2008 which requires that a statement on the Council's policy for its annual MRP should be submitted to the full Council for approval before the start of the financial year to which the provision will relate.
- 3.4 The Council is legally obliged to "have regard" to the guidance, which is intended to enable a more flexible approach to assessing the amount of annual provision than was required under the previous statutory requirements. The guidance offers four main options under which MRP could be made, with an overriding recommendation that the

Council should make prudent provision to redeem its debt liability over a period which is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. The requirement to 'have regard' to the guidance therefore means that:

- Although four main options are recommended in the guidance, there is no intention to be prescriptive by making these the only methods of charge under which a local authority may consider its MRP to be prudent.
- It is the responsibility of each authority to decide upon the most appropriate method of making a prudent provision, after having had regard to the guidance.

3.5 The previous statutory MRP requirements ceased to have effect after the 2006/07 financial year. However, the same basis of 4% charge can continue to be used without limit until the 2009/10 financial year, relative to expenditure incurred up to 31 March 2009.

#### **4. Alternative Options**

##### **Option 1: Regulatory Method**

4.1 Under the previous MRP regulations, MRP was set at a uniform rate of 4% of the adjusted CFR. This historic approach is only available to be used on capital expenditure incurred before 1 April 2008, and new capital expenditure that is deemed to be part of the Council's Supported Capital Expenditure (SCE) within the Revenue Support Grant.

##### **Option 2: Capital Financing Requirement Method**

4.2 This is a variation on option 1 which is based upon a charge of 4% of the non-housing CFR without any adjustment for factors which were brought into account under the previous statutory MRP calculation.

##### **Option 3: Asset Life Method**

4.3 This method may be applied to capital expenditure incurred on or after 1 April 2008 for which no government support is being given, and is therefore funded by prudential borrowing.

4.4 Under this option, it is intended that MRP should be spread over the estimated useful life of the asset for which the borrowing is undertaken. There are two useful advantages of this option:

- Longer life assets e.g. freehold land can be charged over a longer period than would arise under options 1 and 2.
- No MRP charges need to be made until the financial year after that in which an item of capital expenditure becomes fully operational. This is not available under options 1 and 2.

4.5 There are two methods of calculating charges under option 3:

- equal instalment method – equal annual instalments
- annuity method – annual payments gradually increase during the life of the asset

##### **Option 4: Depreciation Method**

4.6 Alternatively for new borrowing under the Prudential system for which no Government support is being given, MRP charges can be made using the standard accounting rules for depreciation. This is a more complex approach than option 3. The same conditions apply regarding the date of completion of the new expenditure as apply under option 3.



## **5. Minimum Revenue Provision Policy Statement 2009/10**

- 5.1 The Council will implement the new Minimum Revenue Provision (MRP) guidance in 2008/09, and assess its MRP for 2008/09 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.
- 5.2 The major proportion of the MRP for 2008/09 will relate to the more historic debt liability that will continue to be charged at the rate of 4%, in accordance with option 1 of the guidance. Certain expenditure reflected within the debt liability will be subject to MRP under option 3, and will be charged over the estimated useful life of the assets using the equal annual instalment method. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.
- 5.3 Estimated life periods will be determined with reference to the estimated life periods that are referred to in the guidance. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.
- 5.4 As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, the useful life will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

## **6. Strategic Plan References**

- 6.1 No direct links. However, the MRP is a charge to the General Fund, which supports all Council priorities.

## **7. Financial Implications**

- 7.1 The new guidance will be taken into account when determining the final MRP figure for 2008/09. The MRP figure of £549k in the 2009/10 budget is based on Option 3 of the new guidance.

## **8. Other Standard References**

- 8.1 Having considered publicity and consultation considerations; equality, diversity and human rights; community safety; health and safety and risk management implications, there are none which are significant to the matters in this report.

## **Background Papers**

None.



## Council

18 February 2009

Item  
**8(ii)**

<b>Report of</b>	<b>Head of Resource Management</b>	<b>Author</b>	<b>Laura Skinner</b>
<b>Title</b>	<b>Precept and Council Tax Levels 2009/10</b>		<b>☎ 282355</b>
<b>Wards affected</b>	Not Applicable		

**The purpose of this report is to set out the statutory resolutions the Council is required to approve in order to set the Council Tax for each band for the financial year 2009/10**

### 1. Decision Required

- 1.1 To approve the statutory resolutions as set out at Appendix 1 which are in accordance with the Local Government Finance Act 1992 in respect of the Council Tax for each band for the financial year 2009/10.

### 2. Reasons for Decision

- 2.1 The Council is required, in accordance with the Local Government Finance Act 1992, to set formally the Council Tax for each band, which will include precepting authorities.

### 3. Alternative Options

- 3.1 The resolutions are a statutory requirement.

### 4. Colchester Borough Council's Council Tax Requirement

- 4.1 Cabinet on 28 January 2009 approved and recommended to Council that the 2009/10 revenue budget requirement should be £24,432,000. The final grant settlement notification confirmed the earlier provisional figures so no adjustment is required. Cabinet also recommended Colchester Borough Council's element of the Council Tax for 2009/10 be agreed at £171.00 for Band D properties, which represents an increase of £4.59 per annum (2.76%).
- 4.2 In approving Colchester's element of the Council Tax, account has to be taken of:
  - Revenue Support Grant
  - National Non-Domestic Rate Grant
  - Any surplus or deficit arising from the Collection Fund

Colchester's Council Tax requirement also has to reflect Parish Council spending and the following table sets out the position:

	£'000	£'000
Colchester's Budget Requirement	24,432	
<b>Less:</b> Use of Balances	1,526	
	22,906	
Parish Councils' Requirement (Appendix 2)	846	23,752
<b>Less:</b>		
Revenue Support Grant	2,378	
Non-Domestic Business Rate Grant	10,303	12,681
<b>Less:</b> Surplus on Collection Fund		0
<b>Council Tax Requirement</b>		<b>11,071</b>

4.3 Colchester's Council Tax at Band D for 2009/10 is £171.00 and is determined as follows:

Council Tax Requirement (as detailed at paragraph 4.2 above)	11,071,640
Divided by Council Tax Base	59,797.8
Council Tax at Band D (including Parishes)	185.15
Deduct Parish Element	14.15
<b>Council Tax at Band D for Colchester Borough Council</b>	<b>171.00</b>

## 5. Essex County Council, Essex Police Authority and Essex Fire Authority

5.1 In order to determine formally the overall level of Council Tax, account has to be taken of the precept requirements of Essex County Council, Essex Police Authority and Essex Fire Authority. The following table sets out the overall position based on information received at the date of writing this report. The County Council met on 10 February, the Essex Fire Authority on 11 February and Police Authority on 16 February, to approve formally their budgets and precept requirements. Any change to the information set out in this report will be reported to this meeting.

	<b>Council Tax at Band D</b>			
	<b>2008/09</b> £	<b>2009/10</b>	<b>% Increase</b>	<b>£ Increase</b>
Colchester Borough Council	166.41	171.00	2.76	4.59
Essex County Council	1,046.61	1,066.50	1.90	19.89
Essex Police Authority	122.22	128.25	4.93	6.03
Essex Fire Authority	62.28	64.62	3.76	2.34
	<b>1,397.52</b>	<b>1,430.37</b>	<b>2.35</b>	<b>32.85</b>

5.2 The overall position (excluding Parishes) for each band is as follows:

<b>Band</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Borough</b>	114.00	133.00	152.00	171.00	209.00	247.00	285.00	342.00
<b>County</b>	711.00	829.50	948.00	1066.50	1303.50	1540.50	1777.50	2133.00
<b>Police</b>	85.50	99.75	114.00	128.25	156.75	185.25	213.75	256.50
<b>Fire</b>	43.08	50.26	57.44	64.62	78.98	93.34	107.70	129.24
<b>TOTAL</b>	<b>953.58</b>	<b>1112.51</b>	<b>1271.44</b>	<b>1430.37</b>	<b>1748.23</b>	<b>2066.09</b>	<b>2383.95</b>	<b>2860.74</b>

The appropriate Parish elements are added to these figures. Full details of the tax rates are given in Appendix 1. (Details of the individual Parish Precepts are set out in Appendix 2)

## **6. Special Expenses**

6.1 Special expenses are defined as those expenses incurred by the Council in performing, in part of the borough, a function performed elsewhere in the borough by a Parish Council. The Local Government Act 1992 allows the Council to treat any special expenses as general expenses, i.e. as part of its own budget requirement for Council Tax purposes, provided the Council resolved accordingly.

6.2 It is reasonable for the Council to continue to treat special expenses as general expenses, and for clarity it is considered sensible to reaffirm this position on an annual basis. A resolution to this effect, therefore, is included within Appendix 1.

## **7. Strategic Plan References**

7.1 The Strategic Plan objectives have informed all stages of the Council's budget setting process.

## **8. Publicity Considerations**

8.1 The usual arrangements will be made to publish the approved tax levels in the local press and to produce the Council Tax Information Leaflet for distribution with the Council Tax bills. These will be in accordance with the legal requirements.

## **9. Financial Implications**

9.1 As set out above.

## **10. Standard References**

10.1 Having considered consultation, equality, diversity and human rights, community safety, health and safety and risk management implications, there are none that are significant to the matters in this report.

## RESOLUTIONS

1. It be noted that the Tax Base has been approved and the following amounts were calculated for the year 2009/2010 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992:

- (a) 59,797.8 equivalent band D properties being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax base for the year.
- (b) Part of the Council's area for the parish of:

<b>Parish</b>	<b>Parish Tax Base</b>
Abberton & Langenhoe	433.2
Aldham	214.7
Birch	329.2
Boxted	597.4
Chappel	227.9
Copford	675.3
Dedham	907.8
East Donyland	661.9
East Mersea	112.8
Eight Ash Green	656.5
Fingringhoe	346.8
Fordham	330.8
Great Horkesley	912.8
Great Tey	381.9
Langham	489.0
Layer Breton	127.5
Layer de la Haye	709.8
Layer Marney	86.3
Little Horkesley	93.1
Marks Tey	941.0
Messing cum Inworth	170.9
Mount Bures	99.7
Myland	3,723.4
Stanway	3,149.0
Tiptree	3,476.2
Wakes Colne	235.4
West Bergholt	1,353.4
West Mersea	3,211.1
Winstred Hundred	485.8
Wivenhoe	2,811.1
Wormingford	197.0

Being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.

2. The following amounts be now calculated by the Council for the year 2009/2010 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:
- (a) £129,697,880 Being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) (a) to (e) of the Act. [Gross Expenditure]
  - (b) £105,945,300 Being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) (a) to (c) of the Act. [Gross Income]
  - (c) £23,752,580 Being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year. [Net Expenditure]
  - (d) £12,680,940 Being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates and revenue support grant, increased by the amount of the sums which the Council estimates will be transferred in the year from its Collection Fund to its General Fund in accordance with Sections 97(3) and 98(4) of the Local Government Finance Act 1988. [Government Grants and Collection Fund adjustments]
  - (e) £185.15 Being the amount at 2(c) above, less the amount at 2(d) above, all divided by the amount at 1(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year. [Council Tax, including parishes]
  - (f) £846,080 Being the aggregate amount of all special items referred to in Section 34(1) of the Act. [Parish Precepts]
  - (g) £171.00 Being the amount at 2(e) above, less the result given by dividing the amount at 2(f) above by the amount at 1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates. [Council Tax]

(h) Part of the Council's area

Abberton & Langenhoe	187.46
Aldham	201.24
Birch	192.86
Boxted	198.87
Chappel	207.44
Copford	198.43
Dedham	194.20
East Donyland	230.82
East Mersea	241.58
Eight Ash Green	204.60
Fingringhoe	199.94
Fordham	217.12
Great Horkesley	180.68
Great Tey	197.58
Langham	204.28
Layer Breton	171.00
Layer de la Haye	186.75
Layer Marney	171.00
Little Horkesley	187.11
Marks Tey	199.04
Messing cum Inworth	213.32
Mount Bures	182.50
Myland	184.01
Stanway	199.70
Tiptree	195.24
Wakes Colne	207.13
West Bergholt	195.58
West Mersea	221.46
Winstred Hundred	189.32
Wivenhoe	222.93
Wormingford	177.87
All other parts of the Council's area	171.00

Being the amounts given by adding to the amount at 2(g) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basis amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

## (i) Parts of the Council's Area

Parish	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
Abberton & Langenhoe	124.97	145.80	166.63	187.46	229.12	270.78	312.43	374.92
Aldham	134.16	156.52	178.88	201.24	245.96	290.68	335.40	402.48
Birch	128.57	150.00	171.43	192.86	235.72	278.58	321.43	385.72
Boxted	132.58	154.68	176.77	198.87	243.06	287.26	331.45	397.74
Chappel	138.29	161.34	184.39	207.44	253.54	299.64	345.73	414.88
Copford	132.29	154.33	176.38	198.43	242.53	286.62	330.72	396.86
Dedham	129.47	151.04	172.62	194.20	237.36	280.51	323.67	388.40
East Donyland	153.88	179.53	205.17	230.82	282.11	333.41	384.70	461.64
East Mersea	161.05	187.90	214.74	241.58	295.26	348.95	402.63	483.16
Eight Ash Green	136.40	159.13	181.87	204.60	250.07	295.53	341.00	409.20
Fingringhoe	133.29	155.51	177.72	199.94	244.37	288.80	333.23	399.88
Fordham	144.75	168.87	193.00	217.12	265.37	313.62	361.87	434.24
Great Horkesley	120.45	140.53	160.60	180.68	220.83	260.98	301.13	361.36
Great Tey	131.72	153.67	175.63	197.58	241.49	285.39	329.30	395.16
Langham	136.19	158.88	181.58	204.28	249.68	295.07	340.47	408.56
Layer Breton	114.00	133.00	152.00	171.00	209.00	247.00	285.00	342.00
Layer de la Haye	124.50	145.25	166.00	186.75	228.25	269.75	311.25	373.50
Layer Marney	114.00	133.00	152.00	171.00	209.00	247.00	285.00	342.00
Little Horkesley	124.74	145.53	166.32	187.11	228.69	270.27	311.85	374.22
Marks Tey	132.69	154.81	176.92	199.04	243.27	287.50	331.73	398.08
Messing cum Inworth	142.21	165.92	189.62	213.32	260.72	308.13	355.53	426.64
Mount Bures	121.67	141.94	162.22	182.50	223.06	263.61	304.17	365.00
Myland	122.67	143.12	163.56	184.01	224.90	265.79	306.68	368.02
Stanway	133.13	155.32	177.51	199.70	244.08	288.46	332.83	399.40
Tiptree	130.16	151.85	173.55	195.24	238.63	282.01	325.40	390.48
Wakes Colne	138.09	161.10	184.12	207.13	253.16	299.19	345.22	414.26
West Bergholt	130.39	152.12	173.85	195.58	239.04	282.50	325.97	391.16
West Mersea	147.64	172.25	196.85	221.46	270.67	319.89	369.10	442.92
Winstred Hundred	126.21	147.25	168.28	189.32	231.39	273.46	315.53	378.64
Wivenhoe	148.62	173.39	198.16	222.93	272.47	322.01	371.55	445.86
Wormingford	118.58	138.34	158.11	177.87	217.40	256.92	296.45	355.74
All other parts of Council's area	114.00	133.00	152.00	171.00	209.00	247.00	285.00	342.00

Being the amounts given by multiplying the amounts at (g) and (h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands



3. It be noted that for the year 2009/2010 Essex County Council, Essex Police Authority and Essex Fire Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

**Valuation Bands**

<b>Precepting Authority</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
Essex County Council	711.00	829.50	948.00	1066.5	1303.50	1540.50	1777.50	2133.00
Essex Police Authority	85.50	99.75	114.00	128.25	156.75	185.25	213.75	256.50
Essex Fire Authority	43.08	50.26	57.44	64.62	78.98	93.34	107.70	129.24

4. Having calculated the aggregate in each case of the amounts at 2(i) and 3 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2009/2010 for each of the categories of dwellings shown overleaf:
5. For the purposes of Section 35 of the Local Government Act 1992, any expenses incurred by the Council in performing in part of its area a function performed elsewhere in its area by a parish council or chairman of a parish meeting shall not be treated as special expenses.

## 6. Parts of the Council's Area

Parish	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
	£	£	£	£	£	£	£	£
Abberton & Langenhoe	964.55	1,125.31	1,286.07	1,446.83	1,768.35	2,089.87	2,411.38	2,893.66
Aldham	973.74	1,136.03	1,298.32	1,460.61	1,785.19	2,109.77	2,434.35	2,921.22
Birch	968.15	1,129.51	1,290.87	1,452.23	1,774.95	2,097.67	2,420.38	2,904.46
Boxted	972.16	1,134.19	1,296.21	1,458.24	1,782.29	2,106.35	2,430.40	2,916.48
Chappel	977.87	1,140.85	1,303.83	1,466.81	1,792.77	2,118.73	2,444.68	2,933.62
Copford	971.87	1,133.84	1,295.82	1,457.80	1,781.76	2,105.71	2,429.67	2,915.60
Dedham	969.05	1,130.55	1,292.06	1,453.57	1,776.59	2,099.60	2,422.62	2,907.14
East Donyland	993.46	1,159.04	1,324.61	1,490.19	1,821.34	2,152.50	2,483.65	2,980.38
East Mersea	1,000.63	1,167.41	1,334.18	1,500.95	1,834.49	2,168.04	2,501.58	3,001.90
Eight Ash Green	975.98	1,138.64	1,301.31	1,463.97	1,789.30	2,114.62	2,439.95	2,927.94
Fingringhoe	972.87	1,135.02	1,297.16	1,459.31	1,783.60	2,107.89	2,432.18	2,918.62
Fordham	984.33	1,148.38	1,312.44	1,476.49	1,804.60	2,132.71	2,460.82	2,952.98
Great Horkesley	960.03	1,120.04	1,280.04	1,440.05	1,760.06	2,080.07	2,400.08	2,880.10
Great Tey	971.30	1,133.18	1,295.07	1,456.95	1,780.72	2,104.48	2,428.25	2,913.90
Langham	975.77	1,138.39	1,301.02	1,463.65	1,788.91	2,114.16	2,439.42	2,927.30
Layer Breton	953.58	1,112.51	1,271.44	1,430.37	1,748.23	2,066.09	2,383.95	2,860.74
Layer de la Haye	964.08	1,124.76	1,285.44	1,446.12	1,767.48	2,088.84	2,410.20	2,892.24
Layer Marney	953.58	1,112.51	1,271.44	1,430.37	1,748.23	2,066.09	2,383.95	2,860.74
Little Horkesley	964.32	1,125.04	1,285.76	1,446.48	1,767.92	2,089.36	2,410.80	2,892.96
Marks Tey	972.27	1,134.32	1,296.36	1,458.41	1,782.50	2,106.59	2,430.68	2,916.82
Messing cum Inworth	981.79	1,145.43	1,309.06	1,472.69	1,799.95	2,127.22	2,454.48	2,945.38
Mount Bures	961.25	1,121.45	1,281.66	1,441.87	1,762.29	2,082.70	2,403.12	2,883.74
Myland	962.25	1,122.63	1,283.00	1,443.38	1,764.13	2,084.88	2,405.63	2,886.76
Stanway	972.71	1,134.83	1,296.95	1,459.07	1,783.31	2,107.55	2,431.78	2,918.14
Tiptree	969.74	1,131.36	1,292.99	1,454.61	1,777.86	2,101.10	2,424.35	2,909.22
Wakes Colne	977.67	1,140.61	1,303.56	1,466.50	1,792.39	2,118.28	2,444.17	2,933.00
West Bergholt	969.97	1,131.63	1,293.29	1,454.95	1,778.27	2,101.59	2,424.92	2,909.90
West Mersea	987.22	1,151.76	1,316.29	1,480.83	1,809.90	2,138.98	2,468.05	2,961.66
Winstred Hundred	965.79	1,126.76	1,287.72	1,448.69	1,770.62	2,092.55	2,414.48	2,897.38
Wivenhoe	988.20	1,152.90	1,317.60	1,482.30	1,811.70	2,141.10	2,470.50	2,964.60
Wormingford	958.16	1,117.85	1,277.55	1,437.24	1,756.63	2,076.01	2,395.40	2,874.48
All other parts of <b>Council's area</b>	953.58	1,112.51	1,271.44	1,430.37	1,748.23	2,066.09	2,383.95	2,860.74

## Parish Council Precepts 2009/10

Parish	Precept 2008/09 £	Precept 2009/10 £	Increase/ (Reduction) £	Increase/ (Reduction) %
Abberton & Langenhoe	6,714	7,131	417	6
Aldham	6,242	6,492	250	4
Birch	6,373	7,196	823	13
Boxted	15,936	16,648	712	4
Chappel	7,755	8,305	550	7
Copford	18,106	18,526	420	2
Dedham	21,061	21,061	0	0
East Donyland	40,545	39,595	(950)	(2)
East Mersea	6,466	7,961	1,495	23
Eight Ash Green	21,939	22,059	120	1
Fingringhoe	9,893	10,038	145	1
Fordham	14,688	15,256	568	4
Great Horkesley	8,711	8,835	124	1
Great Tey	9,758	10,150	392	4
Langham	16,304	16,274	(30)	(0)
Layer Breton	-	-	0	n/a
Layer de la Haye	11,210	11,177	(33)	(0)
Layer Marney	-	-	0	n/a
Little Horkesley	1,500	1,500	0	0
Marks Tey	25,126	26,382	1,256	5
Messing cum Inworth	3,729	7,233	3,504	94
Mount Bures	901	1,147	246	27
Myland	44,361	48,436	4,075	9
Stanway	85,383	90,374	4,991	6
Tiptree	83,730	84,258	528	1
Wakes Colne	8,124	8,504	380	5
West Bergholt	22,608	33,268	10,660	47
West Mersea	153,257	162,041	8,784	6
Winstred Hundred	9,900	8,900	(1,000)	(10)
Wivenhoe	139,425	145,980	6,555	5
Wormingford	1,560	1,353	(207)	(13)
<b>Totals</b>	<b>801,305</b>	<b>846,080</b>	<b>44,775</b>	<b>6</b>

**Record of Decisions taken under Scheme of Delegation to Cabinet Members  
29 November 2008 – 6 February 2009**

Portfolio - Communication and Customers					
Date	Number	Report Title	Author	Decision	Result
30/1/09	COM-001-08	Review of key issues relating to the Visual Arts Facility capital project	Ian Vipond	To agree the appointment of external solicitors to advise on issues in relation to the Visual Arts Project	This decision can be implemented immediately. Decision was accompanied by an Urgency Authorisation Notice and therefore is not subject to the 5 day call-in procedure.

**Record of Decisions taken under Scheme of Delegation to Cabinet Members  
29 November 2008 – 6 February 2009**

<b>Portfolio – Culture, Tourism and Diversity</b>					
<b>Date</b>	<b>Number</b>	<b>Report Title</b>	<b>Author</b>	<b>Decision</b>	<b>Result</b>
26/11/08	CUL-007-08	Fees and charges for Parks and Recreation Services for 2009	Simon Grady Bob Penny	To approve the fees and charges for Parks and Recreation Services for 2009	Agreed 4/12/08
16/1/09	CUL-008-08	Fees and charges for Sport and Leisure Services for 2009/10	Simon Grady	To approve fees and charges for Sport and Leisure Services for 2009/10	Agreed 26/1/09
16/1/09	CUL-009-08	Allotment allocation review	Bob Penny Claire Pick	Proposes new arrangements for the letting of vacant allotments to address the current increase in demand	Agreed 26/1/09

**Record of Decisions taken under Scheme of Delegation to Cabinet Members  
29 November 2008 – 6 February 2009**

<b>Portfolio - Neighbourhoods</b>					
<b>Date</b>	<b>Number</b>	<b>Report Title</b>	<b>Author</b>	<b>Decision</b>	<b>Result</b>
29/1/09	NEI-011-08	Virement from the Renewal Budget to the Disabled Facilities Grant Budget and the allocation of the 2008/09 Housing Capital Grant to the Renewal Budget	Jo Tawell	To approve a virement from the Renewal Budget to the Disabled Facilities Grant Budget and the allocation of 2008/09 Housing Capital Grant to the Renewal Budget for operational purposes	Due 12/2/09

**Record of Decisions taken under Scheme of Delegation to Cabinet Members  
29 November 2008 – 6 February 2009**

<b>Portfolio - Performance and Partnerships</b>						
<b>Date</b>	<b>Number</b>	<b>Report Title</b>	<b>Author</b>	<b>Decision</b>	<b>Result</b>	
24/11/08	PER-005-08	Fees and Charges for Helpline	Sue Warrener	To approve the fees and charges for Helpline 2009/2010	Agreed 4/12/08	
08/01/09	PER-006-08	Grants to Parish Council 2009/10	Steve Heath	To approve the distribution of grant to Parish Councils for 2009/10	Agreed 16/1/09	
29/01/09	PER-007-08	Town and Parish Councils Capital Grant Scheme	Ian Vipond	To authorise the distribution of the Town and Parish Council's Capital Grant	Agreed 5/2/09	

**Record of Decisions taken under Scheme of Delegation to Cabinet Members  
29 November 2008 – 6 February 2009**

<b>Portfolio - Planning and Regeneration</b>					
<b>Date</b>	<b>Number</b>	<b>Report Title</b>	<b>Author</b>	<b>Decision</b>	<b>Result</b>
04/12/08	PLA-003-08	Annual Monitoring Report 2008	Cathryn-Ann Cansdale	To agree the Annual Monitoring Report (AMR). Period 1 April 2007 – 31 March 2008	Agreed 16/12/08
08/12/08	PLA-004-08/ STS-004-08	Environmental and Protective Services//Fees and Charges 2009-10	Roger Bailey	To approve fees and charges for all areas of Environmental Protective services bar Museums to take effect from 1 April 2009	Agreed 17/12/08



**Record of Decisions taken under Scheme of Delegation to Cabinet Members  
29 November 2008 – 6 February 2009**

<b>Portfolio – Resources and Business</b>						
<b>Date</b>	<b>Number</b>	<b>Report Title</b>	<b>Author</b>	<b>Decision</b>	<b>Result</b>	
27/11/08	RES-014-08	Fees and Charges for Street Services – Market and Street Services	Dave McManus	To approve the fees and charges for Street Services, Market and Street Trading for 2009/10	Agreed 4/12/08	
27/11/08	RES-015-08	Fees and Charges for Parking Services	Richard Walker	To approve the fees and charges for Parking Services	Agreed 4/12/08	
4/12/08	RES-016-08	On-Street (Resident) Parking Review – Zone A	Richard Walker	To note the changes made as a result of consultation and make recommendations to county council (as highway authority) for implementing the scheme	Agreed 11/12/08	
4/12/08	RES-017-08	On-Street (Resident) Parking Review – Zone D	Richard Walker	To note the changes made as a result of consultation and make recommendations to county council (as highway authority) for implementing the scheme	Agreed 11/12/08	
15/12/08	RES-018-08	Concessionary Travel Scheme	Peter Evans	To approve fees and charges for the year 2009/10 for the concessionary travel scheme for the year starting 1 April 2009	Agreed 5/1/09	
15/12/08	RES-019-08	Revenues Fees and Charges	Peter Evans	To approve the level of recoverable court costs for Council Tax and Business Rates and mortgage fees for 2009/10 to take effect from 1 April 2009	Agreed 5/1/09	
11/1/09	RES-020-08	On-Street (Resident) Parking Review – Zone G	Richard Walker	To note the changes made as a result of consultation and make	Agreed 21/1/09	

**Record of Decisions taken under Scheme of Delegation to Cabinet Members  
29 November 2008 – 6 February 2009**

				recommendations to County Council (as highway authority) for implementing the scheme	
--	--	--	--	--------------------------------------------------------------------------------------	--

**Record of Decisions taken under Scheme of Delegation to Cabinet Members  
29 November 2008 – 6 February 2009**

<b>Portfolio - Strategy</b>					
<b>Date</b>	<b>Number</b>	<b>Report Title</b>	<b>Author</b>	<b>Decision</b>	<b>Result</b>
16/12/08	STR-005-08	Report on properties requiring major refurbishment. 19 and 29 West Stockwell Street and 3 Cheveling Road	John Rock Darren Brown Mike Scarlett	To approve the disposal of 19 and 29 West Stockwell Street to support the funding of refurbishment work at 3 Cheveling Road, Colchester	Agreed 30/12/08

**Record of Decisions taken under Scheme of Delegation to Cabinet Members  
29 November 2008 – 6 February 2009**

<b>Portfolio - Street and Waste Services</b>						
<b>Date</b>	<b>Number</b>	<b>Report Title</b>	<b>Author</b>	<b>Decision</b>	<b>Result</b>	
24/11/08	STS-003-08	Fees and charges for Street Services - Recycling and Work shops	Dave McManus	To approve the fees and charges for Street Services for 2009/10	Agreed 4/12/08	
08/12/08	PLA-004-08/ STS-004-08	Environmental and Protective Services//Fees and Charges 2009-10	Roger Bailey	To approve fees and charges for all areas of Environmental Protective services bar Museums to take effect from 1 April 2009	Agreed 17/12/08	
15/1/09	STS-005-08	Supply of sacks for recycling and waste collection	Dave McManus	To award a contract for the supply of sacks for recycling and waste collection	Agreed 27/1/09	



## Council

Item  
**12**

18 February 2009

<b>Report of</b>	<b>Head of Street Services</b>	<b>Author</b>	<b>Chris Dowsing</b>
<b>Title</b>	<b>Adoption of the draft Joint Municipal Waste Management Strategy for Essex</b>		
<b>Wards affected</b>	All		

**This report concerns the decision to determine whether the Council adopts the draft joint municipal waste management strategy for Essex.**

### 1. Decision(s) Required

- 1.1 To determine whether the Council adopts the draft joint municipal waste management strategy for Essex.

### 2. Reasons for Decision(s)

- 2.1 The Portfolio Holder for Performance and Partnerships on 11 June 2008 submitted a formal response from Colchester Borough Council to Essex County Council on the Future of Waste in Essex consultation which concerned the draft joint municipal waste management strategy for Essex. This means the Joint Municipal Waste Management Strategy for Essex 2007 to 2032, being the strategic framework for the management of Municipal Waste, jointly developed, approved and put forward for adoption by the Waste Collection Authorities and the Waste Disposal Authority.
- 2.2 The formal response set out the Council's objections to certain elements of the strategy which led to the decision that the strategy could not be supported. The response also confirmed the Council's wish to rescind the current Memorandum of Understanding lodged with the Department for Environment and Rural Affairs (DEFRA), and to discuss with the County Council how a new Memorandum of Understanding (MOU) could be developed that recognises the concerns of the Council towards Mechanical Biological Treatment (MBT) and supports the Council's desire to achieve further waste minimisation and higher rates of reuse and recycling.
- 2.3 The Council's waste strategy forms part of the Council's policy framework which requires ratification by full Council. Categorized as an excellent status authority, Colchester could pursue its own waste management strategy and should only sign up to any Joint Strategy if it is in the Authority's best interests

### 3. Background Information

- 3.1 A Portfolio Holder report was produced 3 June 2008 asking the Portfolio Holder for Performance and Partnerships to formally submit the Council's response to the Future of Waste in Essex consultation. The decision within the report set out the Council's opposition to the use of Mechanical Biological treatment (MBT) and the production of Solid Recovered Fuel (SRF) as set out in the draft joint municipal waste management strategy for Essex.

- 3.2 This decision was called in and went to the Strategic Overview and Scrutiny Panel on 10 June 2008. The panel voted to confirm the decision (SIX voted FOR and FIVE voted AGAINST). Decision PER-001-08, Consultation response on the draft joint municipal waste management strategy for Essex 2007 to 2032 was upheld.
- 3.3 The Portfolio Holder then referred the decision to Cabinet 1 October 2008. Cabinet resolved that:-
- (i) The Memorandum of Understanding signed on behalf of Colchester Borough Council on 19 July 2007 be rescinded.
- (ii) Agreement to the letter of support approved for signing by the Chairman of the East Essex Waste Management Joint Committee on behalf of each of the constituent waste collection authorities on 17 July 2007 demonstrating district and borough council and commitment to the PFI reference project be removed
- (iii) The Portfolio Holder for Performance and Partnerships inform Essex County Council and the Department of Environment, Food and Rural Affairs of the decisions at (i) and (ii) above.
- 3.4 To date Essex County Council and the seven waste collection authorities shown below have adopted the strategy:
- Braintree
  - Brentwood
  - Castle Point
  - Epping Forest
  - Maldon
  - Rochford
  - Tendring

#### **4. Proposals**

- 4.1 The proposal of the Cabinet is that Colchester Borough Council does not support the draft joint municipal waste management strategy for Essex for the reasons set out in the original report to the Portfolio Holder for Performance and Partnerships 3 June 2008 set out below.
- Colchester Borough Council does not support the draft joint municipal waste management strategy for Essex.
  - The council is opposed to the use of large scale mechanical biological treatment (MBT) as a method for the treatment of residual waste particularly when it is used for the production of a solid recovered fuel (SRF). The Council may be prepared to look at the feasibility of smaller scale MBT plants.
  - The Council believes that the questions set out in the latest consultation are leading and rhetorically biased towards MBT and no other option of waste management. The Council also believes that the previous War on Waste consultation was also flawed. In light of this the Council does not believe that the new consultation will provide any analysis that is worthwhile in shaping the future of Essex's waste management programme and, in fact, merely serves to back up a current position on procurement for large tonnage MBT sites that in the view of the Council are unnecessary.
  - The Council is committed to following the principles of the waste hierarchy. We will seek firstly to reduce the amount of waste produced within the Borough thereby reducing the

amount of waste that needs to be dealt with. We also wish to see as much waste as possible reused to prevent it entering the waste stream.

- Once this has been maximised the Council wishes to achieve high levels of recycling. The draft joint strategy also seeks to achieve high levels of recycling and the Council supports this aim however, the aspiration to achieve 60% recycling by 2020 is in the Council's opinion not ambitious enough.
- The Council believes that the "7<sup>th</sup> option" that was put forward in the previous War on Waste consultation and is mentioned in Annex 3 of the strategy document, provides a better basis for the management of waste in Essex that does away with the need for large scale treatment plants such as the MBT plants being proposed. It also confirms the majority view from that consultation put forward by respondents that the strategy should focus on waste minimisation and high levels of recycling and composting.

## **5. Strategic Plan References**

- 5.1 This decision relates to the strategic plan 2009 – 12 through the corporate objective to be cleaner and greener.

## **6. Consultation**

- 6.1 The Essex waste strategy consultation was launched on Monday 18 February 2008. The aims of the consultation were as follows:

- To raise awareness of and inform residents and stakeholders about the options proposed in the draft waste strategy to deliver a sustainable waste management system for Essex;
- To allow residents and stakeholders the opportunity to comment and give feedback on the draft waste strategy – these can be general comments as well as seeking answers to specific questions;
- To raise awareness of and inform residents and stakeholders about the Strategic Environmental Assessment (SEA) Environmental Report;
- To allow residents and stakeholders the opportunity to comment on the SEA Environmental Report.

- 6.2 Key principles of the consultation programme were that it should be:

- Informative, clear and understandable;
- Effective in delivering key messages;
- Open and accessible to all – including 'hard to reach' groups and stakeholders within and outside of Essex;
- Evidence based – both qualitative and quantitative.

- 6.3 In addition to the draft waste strategy, a Strategic Environmental Assessment (SEA) was undertaken on the strategy to assess the environmental and sustainability impacts of the options proposed within the draft waste strategy. A key output of the SEA process is an Environmental Report and this must be consulted on at the same time as the strategy.

Therefore, in the 2008 consultation exercise, the Essex Waste Partnership sought feedback on both the draft waste strategy and the SEA Environmental Report.

- 6.4 The consultation ran from 18th February to 5th May 2008 (this was extended by a month to District and Borough Councils to allow them time to submit their comments). A range of activities were undertaken to engage the public and stakeholders in the consultation programme. A total of 4,479 completed questionnaires were returned to Essex County Council.
- 6.5 The main body of the consultation took the form of a questionnaire on the draft waste strategy and SEA document, which was distributed to residents and stakeholders. This was available to all stakeholders through the County Council's Essex Works magazine, at road shows around the county, online and at libraries and Council buildings. All residents and stakeholders therefore had the opportunity to view and comment on the consultation. Focus groups were conducted which allowed the issues to be explored in greater detail. The Young Essex Assembly was also involved in the consultation.
- 6.6 4,479 questionnaires were completed and returned. An overview of the responses from the consultation shows the following:
- A substantial majority of those who returned a questionnaire (83%) state that they recycle as much as possible, a significant increase on the previous survey in 2005<sup>1</sup>.
  - A large majority of respondents (80%) say that it is 'very easy' or 'fairly easy' to help the Essex Waste Partnership achieve levels of 60% recycling by using current kerbside collection and Recycling Centres for Household Waste to recycle their waste, with only 18% saying that it is 'very difficult' or 'fairly difficult'.
  - Overall, 84% of Essex residents state that they either 'strongly agree' or 'tend to agree' with the proposal that "After all practical recycling and composting has taken place... Essex councils should treat 'black bag' waste by using MBT processes rather than sending the waste directly to landfill."
  - A further 88% would "prefer it if part of the material from the MBT process was used to produce fuel for energy rather than being sent to a landfill site."
  - In addition, environmental benefits, economic savings and enhanced recovery of recyclable materials are all popular aspects of the MBT process.

## **7. Publicity Considerations**

- 7.1 The decision not to support the draft joint municipal waste management strategy for Essex has been covered in the media.

## **8. Financial Implications**

- 8.1 As part of the Recycling Pledge work programme within Essex County Council and delivery of the Joint Municipal Waste Management Strategy for Essex, the County Council has asked district and borough councils to submitted capital bids for 2008/09 to improve recycling schemes in terms of performance and/or customer service. A condition of funding being approved was that each authority should have adopted the Joint Municipal Waste Management Strategy for Essex.



- 8.2 The decision not to support the draft joint municipal waste management strategy has had implications for the Council. As a result of this decision and the condition placed on districts by the County Council set out in 8.1 above the Council was not able to access capital funding to improve its recycling schemes.
- 8.3 The statutory position in relation to finance is set out in Section 52 of the Environmental Protection Act and the Guidance of Recycling Credit Scheme (statutory guidance issued in April 2006) which requires the Waste Disposal Authority (WDA) Essex County Council, to pay avoided costs to the Waste Collection Authority (WCA) Colchester Borough Council, by retaining waste for recycling rather than passing it on to the WDA.

## **9. Equality, Diversity and Human Rights Implications**

- 9.1 The decision will not impact on the promotion of equality or discriminate in relation to gender, gender reassignment, disability, sexual orientation, religion or belief, age or race/ethnicity.

## **10. Community Safety Implications**

- 10.1 There are not community safety implications as a result of this decision

## **11. Health and Safety Implications**

- 11.1 There are no health and safety implications as a result of this decision.

## **12. Risk Management Implications**

- 12.1 In order to understand the risks associated with this decision it is helpful to understand the statutory position to set this in context. The Environmental Protection Act 1990 ("the EPA"), the Waste Emissions and Trading Act 2005 ("the WET Act") and their associated regulations set out the statutory relationship between a WCA and Waste Disposal Authority ("WDA").

### **WCA obligations and rights**

- 12.2 The EPA places an obligation on a WCA to collect household waste (free of charge in most cases) and commercial waste where asked to do so (for a charge). Other collections (such as industrial waste) are optional but WCA's have the power to collect such waste. The WCA has the power to dictate the type and number of receptacles for the collection of household waste, whether at the WCA's or householder's cost.
- 12.3 The WCA must deliver waste collected to the place where the WDA directs (the power of Direction). There are however no provisions in the EPA setting out the location or opening hours of disposal points, or any other specification in terms of mess facilities, vehicle turnaround times, or vehicle washing.
- 12.4 A WCA may retain waste for recycling provided it notifies the WDA and has reference to its recycling plan. It also has power to own equipment for use in recycling. The WDA may object to the WCA retaining waste for recycling if it has already made disposal arrangements for that waste.

### **WDA obligations and rights**

- 12.5 The WDA has a duty to make delivery points available. A WDA has the power to require WCA's to separate waste if necessary (i.e. where not separating impedes the

WDA),subject to consultation. If separation is required, then the WDA must ensure that the WCA is not in a worse off position as a result of having to separate the waste collected, by paying a separation fee to the WCA.

- 12.6 This is the statutory relationship between Essex County Council and Colchester Borough Council with regard to waste management. This decision whether to adopt the draft joint municipal waste management strategy for Essex stands alone but has implications for the Private Finance Initiative (PFI) project and any proposed Inter Authority Agreement (IAA).
- 12.7 Without an IAA in place, the relationship between the WDA and WCA's is as set out in the statutory position described above.

### **Background Papers**

None

### **Appendix.**

Copy of draft joint municipal waste management strategy for Essex

Draft joint municipal  
**waste management**  
strategy for Essex 2007 to 2032

# Contents

<b>1.</b>	<b>Executive Summary</b>	<b>1</b>
<b>2.</b>	<b>Introduction</b>	<b>4</b>
2.1	A Waste Management Strategy for the people of Essex	4
2.2	The current situation	5
2.3	The need for change	6
2.4	Community involvement	6
2.5	EU Landfill Directive	6
2.6	Landfill Tax	7
2.7	Landfill void space	8
2.8	The Waste Strategy for England 2007	8
<b>3.</b>	<b>Where Are We Now?</b>	<b>9</b>
3.1	Description of current services	9
3.2	Current costs	10
3.3	Waste arisings	10
3.4	Analysis of current performance	11
3.5	Current waste reduction, reuse and recycling initiatives and campaigns	11
3.6	Waste Education	15
3.7	Evaluation of Initiatives	16
<b>4.</b>	<b>Where Do We Want To Get To?</b>	<b>17</b>
4.1	The waste hierarchy	17
4.2	Future waste growth	18
4.3	Resource management	19
4.4	Targets for Essex	20
4.5	Climate change and energy	21
4.6	Technology choice	22
4.7	Best Practicable Environmental Option (BPEO)	23
4.8	Strategic Environmental Assessment (SEA)	24
4.9	Essex's response to the Landfill Allowance Trading Scheme (LATS)	25
4.10	Costs	25

# Contents

<b>5.</b>	<b>How Will We Get There?</b>	<b>26</b>
5.1	Community involvement	26
5.2	Partnership working	26
5.3	External Partnerships	27
5.4	Planning and permitting of new facilities	27
5.5	Urban design	29
5.6	Equality and diversity	29
5.7	Funding	29
5.8	Governance	30
5.9	Commitment	30
5.10	Risk management	30
5.11	Monitoring and review of the strategy	31
	Annex 1 – Glossary of terms	33
	Annex 2 – Development of the strategy	40
	Annex 3 – Consultation and community engagement	41
	Annex 4 – Waste Management Advisory Board terms of reference (2002)	44
	Annex 5 – Legislative drivers	45
	Annex 6 – Performance and data information	47
	Annex 7 – Current service provision	55

# Executive Summary

## The Essex situation

In 2006/07 Essex produced approximately 738,500 tonnes of municipal solid waste<sup>1</sup>, the majority of which was household waste. On average, each Essex resident produces about half a tonne of waste in a year. 36% of the household waste was recycled or composted in 2006/07. This recycling was undertaken by a combination of householders sorting their waste for recycling collections at the kerbside, taking recyclables to bring banks, or by taking sorted materials to their local Recycling Centre for Household Waste.

## The Need for Change

Essex has improved its recycling rate each year, but we all need to do more. Too much waste is still ending up in landfill sites, so valuable resources are lost. This needs to change. Sending untreated waste to landfill is not a sustainable way of managing waste. This has been recognised in European and national law which now require local authorities to reduce the amount of biodegradable waste<sup>2</sup> that they dispose of in landfill sites. The County Council has therefore been set challenging landfill diversion targets by Government and all Essex authorities have local recycling targets to meet.

One of the key objectives of this strategy is to achieve high levels of recycling, with an aspiration to achieve 60% recycling of household waste by 2020. However, high levels of recycling alone are not enough for us to meet these targets. In order to deliver an innovative and resource efficient waste management system for Essex we need to invest in new technologies which treat the residual waste and which can extract further value and recyclable materials from the waste.

Waste management is one of the biggest challenges facing Essex now and in the future. To tackle this challenge and develop a sustainable strategy that is supported by Essex householders and key stakeholders, the County Council and the twelve District and Borough Councils of Essex have formed an Essex Waste Partnership (this also includes Southend-on-Sea Borough Council, although as a unitary authority, Southend-on-Sea has developed its own waste strategy).

Throughout this document you will see a series of green boxes; these are the key targets and objectives for the Essex Waste Partnership.

<sup>1</sup> Municipal waste is household waste and any other waste that is collected for treatment and disposal by a local authority.

<sup>2</sup> Biodegradable waste is waste that rots down. It includes things like paper, card, food and garden waste

## Strategy Themes

Essex's proposed strategy for dealing with municipal waste in the future can be summarised as follows:

- Essex Authorities will work hard to reduce the amount of waste produced in the first place and re-use more of the waste that is produced;
- Essex will achieve high levels of recycling, with an aspiration to achieve 60% recycling of household waste by 2020. This could be achieved through a combination of further improvement in the performance of recycling and composting kerbside collection schemes and the Recycling Centres for Household Waste, and the recovery of recyclable materials through new treatment plants.
- Essex favours composting technologies such as anaerobic digestion (AD), for source segregated organic wastes. AD is a form of biotreatment and produces a gas which can be used to generate 100% renewable electricity;

- Whilst we can work on reducing the amount of waste produced and recycling as much of it as possible, there will always be some waste that still needs to be disposed of. For this we propose to introduce new treatment plants using Mechanical Biological Treatment (MBT). MBT processes any 'black bag' waste and recovers further material for recycling. Part of the remaining material can either be manufactured into a fuel for energy production or can be sent to landfill.

## Monitoring and Review

An action plan will be developed to provide more details on how Essex authorities will deliver the key targets and activities outlined in this strategy. This will be supported by service delivery plans for each authority. The action plan will be subject to annual monitoring and reviews.

The strategy will be reviewed every three to five years. The main purpose of the reviews will be to assess the extent to which the collective activities of the partners have furthered the objectives of the strategy.

# Introduction

## 2.1 A waste management strategy for the people of Essex

This draft Joint Municipal Waste Management Strategy (JMWMS) has been developed by the thirteen waste authorities of Essex, comprising Essex County Council, as the Waste Disposal Authority (WDA), and the twelve District and Borough Councils, as the Waste Collection Authorities (WCAs), in Essex. It constitutes a 25 year plan for the future of recycling and waste management in Essex.

In 2002 the County Council, the District and Borough Councils together with the unitary authorities of Southend-on-Sea Borough Council and Thurrock Council<sup>3</sup>, set up an advisory board to examine how to deal with municipal waste in these areas over the next two decades. This Waste Management Advisory Board (WMAB) has looked at the current and future challenges regarding waste and has examined a range of ways of dealing with it. The WMAB has always believed strongly in the importance of involving the people of Essex in the development of this strategy. Consequently, public consultation

exercises were conducted during 2002 and 2005 and the outcomes have informed the development of this document. The strategy brings together the views of the public, key stakeholders and the Essex authorities and sets out options for how waste should be managed in the future.

Southend-on-Sea Borough Council published its own Municipal Waste Management Strategy for the Borough of Southend-on-Sea in June 2004 and the strategy identifies joint working with other Essex local authorities as highly desirable. Thurrock Council is also in the process of developing and publishing its own waste strategy.

Whilst there are references to Southend-on-Sea and Thurrock unitary authorities, this strategy relates specifically to Essex County Council and the twelve District and Borough Councils of Essex as listed below. For the purposes of this strategy, these thirteen authorities will be called the Essex Waste Partnership.

<sup>3</sup> Thurrock Council is no longer part of the WMAB



## The administrative area of Essex



Basildon District Council  
Braintree District Council  
Brentwood Borough Council  
Castle Point Borough Council  
Chelmsford Borough Council  
Colchester Borough Council  
Epping Forest District Council  
Harlow District Council  
Maldon District Council  
Rochford District Council  
Tendring District Council  
Uttlesford District Council

### 2.2 The current situation

In 2006/07 Essex produced approximately 738,500 tonnes of municipal solid waste<sup>4</sup>, the majority of which is household waste. On average, each Essex resident produces about half a tonne of waste in a year. 36% of the household waste was recycled or composted in 2006/07 (this includes wood waste). This recycling was undertaken by a combination of householders sorting their waste for recycling collections at the kerbside, taking recyclables to bring banks, or by taking sorted materials to their local Recycling Centre for Household Waste. Thanks to the residents of Essex, the Essex Waste Partnership has increased its recycling

rate each year, but we feel there is still room for improvement. Too much waste is still ending up in landfill sites, so valuable resources are lost. This needs to change. Sending untreated waste to landfill is not a sustainable way of managing waste. This has been recognised in European and national law which now require local authorities to reduce the amount of biodegradable waste<sup>5</sup> that they dispose of in landfill sites. Essex County Council has been set challenging landfill diversion targets by Government and all Essex waste authorities have local recycling targets to meet. In order to meet these targets, we must deliver an innovative and resource efficient waste management system for Essex.

<sup>4</sup> Municipal waste is household waste and any other waste that is collected for treatment and disposal by a local authority.

<sup>5</sup> Biodegradable waste is waste that rots down. It includes things like paper, card, food and garden waste.

## 2.3 The need for change

Many of the key drivers for change emanate from measures introduced in response to the UK's interpretation of European Legislation and our own local drivers and community aspirations for improving the environment. These measures include the Landfill Tax, the EU Landfill Directive and the Landfill Allowance Trading Scheme (LATS). Local authorities also have challenging local recycling and composting targets in the short term.

In addition, Essex authorities have received a strong message (from previous consultation exercises undertaken) from Essex householders and communities that we should be changing the way we manage waste and resources, with a drive towards waste reduction, high recycling and composting and minimising waste to landfill.

## 2.4 Community involvement

The successful delivery of this strategy rests, to a significant degree, on the willingness and desire of Essex authorities and householders to work together to take responsibility for their waste. Therefore, the involvement of the community is of paramount importance to the development of this strategy.

Consultation with the community began in 2002 with the 'War on Waste' consultation exercise. This consultation involved gaining the views on six different options for waste management and showed how the options compared against a range of criteria such as impact on the environment, feasibility, ability to meet government targets and cost. The consultation indicated that the majority view was that any waste strategy should focus on waste minimisation and a higher level of recycling and composting.

In 2005 it was considered that the strategy should have public and industry endorsement and so a further round of consultation was undertaken. It was concluded from this exercise that the fundamental approach, based on aiming for high recycling with biotreatment, had broad support across a range of stakeholders. There were, however, certain aspects of the draft strategy that required further clarification and explanation and these have since been incorporated into this strategy.

## 2.5 EU Landfill Directive

The 1999 EU Landfill Directive requires EU Member states to reduce the amount of biodegradable municipal waste that is disposed of to landfill. Biodegradable waste is the fraction of waste that will break down in the presence of air or under anaerobic

conditions (without air). The main driver behind the EU Landfill Directive is the prevention of the possible harmful effects arising from the break down of biodegradable municipal waste in landfill. When biodegradable waste rots down in landfill it does so anaerobically and produces methane gas which is difficult to capture and when released into the atmosphere methane is a potent greenhouse gas known to contribute towards global warming. The breakdown of biodegradable waste also produces leachate which can pollute water courses. It is estimated that on average 68% of household waste is biodegradable.

In order for the UK to meet these targets the Government, through the Waste and Emissions Trading (WET) Act 2003, has introduced the Landfill Allowance Trading Scheme (LATS). Under the LATS, County Councils (and unitary authorities) must divert significant amounts of biodegradable waste sent to landfill each year or buy allowances to cover the shortfall. From 2006 to 2020 (the current LATS period) the amount of biodegradable waste that must be diverted each year significantly increases over time. Failure to meet these landfill diversion targets will result in financial penalties and these are currently set by Government at £150 per tonne.

If Essex County Council fails to take action to comply with its LATS targets in 2009/10 the Council, and therefore Essex taxpayers, could face a penalty of up to £9million. If we carry on managing waste as we do today, this penalty would increase to £24million by 2013. However, there are actions that the County Council, in partnership with the District and Borough Councils, could take to reduce the financial risk of penalties to Essex. These actions could include the trading of LATS allowances, increasing recycling and composting performance and building new waste and recycling treatment plants.

## 2.6 Landfill Tax

Each tonne of waste sent to landfill incurs a £24 landfill tax in 2007/08 and by 2010/11 this figure will have increased to £48 per tonne due to the £8 per tonne escalator that will be applied each year. In 2006/07, Essex County Council paid approximately £11million in landfill tax, and the figure will increase substantially over the coming years. To put this into context, it is estimated that Essex could be paying £22million in landfill tax in 2010/11, compared to the cost of disposal (landfill contract payments) of £16million. This is on a total waste budget for 2010/11 estimated to be £57million.

## 2.7 Landfill void space

A 2007 study<sup>6</sup> in Essex looked at all waste streams and forecast that Essex has sufficient landfill void space with planning permission to last until approximately 2017. However, if the LATS targets are not met, or if commercial and industrial waste or imports of London's waste do not behave as forecast, it could lead to a higher demand for landfill space than was predicted in the 2007 study. The shortage of available landfill, coupled with the increasing costs of using landfill and the environmental impacts associated with landfilling waste, mean that Essex County Council needs to look for alternative waste disposal options. Furthermore, national and EU policy requires Essex County Council to move away from landfill to other methods of dealing with waste, although landfill will always be required to deal with some types of waste.

## 2.8 The Waste Strategy for England 2007

In response to the Landfill Directive the Government introduced national targets for the recycling, composting and recovery of household waste and these were set out in the Waste Strategy 2000. The Government has since published the Waste Strategy for England 2007. The new targets for recycling and composting of household waste are for at least:

- 40% by 2010
- 45% by 2015
- 50% by 2020

<sup>6</sup> Waste arisings, capacity and future requirements study', ERM, February 2007

These are significantly higher than the old targets set in Waste Strategy 2000 of 30% by 2010 and 33% by 2015. They will put England on a par with its European neighbours. Waste Strategy 2007 acknowledges that the target for 2010 is challenging but achievable.

Waste Strategy 2007 puts a lot of emphasis on waste prevention and re-use. It stresses the importance of motivating individuals and businesses to appreciate the environmental and economic benefits from waste reduction and of obtaining value from what might have previously been seen as useless rubbish. This focus on waste reduction has been recognised through a new target to reduce the amount of household waste not re-used, recycled or composted from nationally, over 22.2 million tonnes in 2000 by 29% to 15.8 million tonnes in 2010 with an aspiration to reduce it to 12.2 million tonnes in 2020, which is a reduction of 45%. This is equivalent to a fall of 50% per person: from 450kg per person in 2000 to 225kg in 2020.

Waste Strategy 2007 also outlines policies and proposed targets for the reduction of commercial and industrial waste to landfill and the reduction, reuse and recycling of construction, demolition and excavation wastes. These will be considered in the development and delivery of the Essex JMWMS.

The development and delivery of the strategy will have regard to the Waste Strategy for England 2007 and other relevant national, regional and local strategies.

# Where Are We Now?

## 3.1 Description of current services

Responsibility for waste management in Essex is split between the County Council and the District and Borough Councils. The County Council is responsible for the disposal of municipal waste in Essex and is therefore the Waste Disposal Authority (WDA). The County Council provides 23 Recycling Centres for Household Waste (RCHW) across the county and has contracted windrow composting capacity at ten sites in Essex. The County Council aims to provide a RCHW within 10 kilometres of all households within the WDA's administrative area.

The District and Borough Councils are responsible for the collection of municipal waste and recycling as well as some commercial waste and bulky items and are therefore called the Waste Collection Authorities (WCAs). All District and Borough Councils collect some recyclable materials directly from households through kerbside schemes and they also provide 'bring banks' in locations such as supermarket car parks.

Key features of the household waste services provided by the WCAs, as at January 2008, are shown in Annex 7. The table shows only those services available at the kerbside and the details will change over time as collection services change and expand.

## Location of the RCHW in Essex



Service delivery plans are being prepared by each District and Borough Council. The service delivery plans will detail the type of collection system District and Borough Councils may wish to use in the future and what performance levels of recycling and composting they could achieve from this type of collection system. The County Council will also produce a service plan for the RCHW service. When available, the service delivery plans will be appended to the strategy as part of the action plan.

### 3.2 Current costs

The average gross cost of municipal waste management to the County Council (as reported under BVPI 87)<sup>7</sup> has increased from £35.66 per tonne in 2001/02 to £60.64 per tonne in 2006/07. Whilst this increase is partly due to service improvements, the increases are mainly as a result of the Landfill Tax price escalator and other landfill related factors such as diminishing landfill void space, tougher legislation governing landfill engineering and cost inflation. Total landfill costs for Essex County Council amounted to £23.3 million in 2006/07.

Table 1 provides information on the costs of waste collection per household (BV86) in the different Essex WCAs and their recycling rates for 2006/07. There are many explanations for the differing costs across the county (e.g. differences in the range of recycling services provided, the population density, vehicles used, distances to disposal sites, number of bulky waste collections made etc). For this reason, the cost information in the table cannot provide a direct comparison between the services provided by different WCAs.

### 3.3 Waste arisings

Annex 6 shows the household and municipal solid waste (MSW)<sup>8</sup> arisings by authority for 2006/07 and in the previous six years.

#### Cost of waste collection for Essex WCAs

Authority	2006/07 reported performance against BV86 *	2006/07 Total household waste recycled & composted
Basildon	£52.75	27.41%
Braintree	£68	35.39%
Brentwood	£40.45	31.18%
Castle Point	£34.38	25.73%
Chelmsford	£77.62	32.29%
Colchester	£49.43	30.96%
Epping Forest	£64.29	37.09%
Harlow	£55.02	21.29%
Maldon	£42.53	32.86%
Rochford	£43.90	17.18%
Tendring	£33.60	22.96%
Uttlesford	£72.45**	42.82%

\*Cost of waste collection per household  
 \*\*Includes some implementation costs of the new recycling system

<sup>7</sup> Best Value Performance Indicators are national measures of performance set by central government.

<sup>8</sup> Household waste includes household collection rounds ('bin' waste), other household collections such as bulky waste collections, waste from services such as litter collections, waste from RCHW and wastes separately collected for recycling or composting through bring/drop off schemes and kerbside schemes. Municipal waste includes household waste and other wastes collected by a waste collection authority or its agents, such as municipal parks and gardens waste, beach cleansing waste, commercial or industrial waste, and waste resulting from the clearance of fly-tipped materials.



### 3.4 Analysis of current performance

Essex has been successful in achieving continued reductions in the total amount of municipal waste going to landfill each year and increasing recycling rates for household waste year on year.

#### Reduction

From 2002/03 to 2006/07 Essex authorities saw a combined reduction in the kilograms per head of residual waste produced from 397kg/head to 332kg/head. This equates to a decrease of 16.5%. Data from 2002/03 to 2006/07, showing the kg/head of residual waste can be seen in Annex 6.

#### Recycling

The collective recycling performance of Essex authorities has been improving over several years. In 1999/00 the countywide recycling rate was 17% and in 2006/07 the rate had increased to 36% (this includes the recycling of wood waste). See Annex 6 for further information

#### Waste composition

According to the 2004 waste composition analysis, two materials dominate Essex's residual waste stream; putrescibles<sup>9</sup> at 36% and paper and card at 29%. A full breakdown of the estimated composition, based on representative sampling of the household waste stream is shown in Annex 6. This waste

composition analysis demonstrates that there is a great deal of material still in the residual waste stream that is capable of being recycled. Therefore, the Essex Authorities believe that higher levels of recycling are achievable.

The waste composition analysis is also helpful in planning new initiatives and schemes. Where recycling schemes are already in place it is also useful to discover participation and material capture rates.

Waste composition analysis is something that the Essex Authorities undertake regularly. A 2007 waste composition analysis will be included in Annex 6 of the strategy when it is available.

### 3.5 Current waste reduction, reuse and recycling initiatives and campaigns

#### Reduction

In Essex, there are a number of partnership waste reduction initiatives in place. These include an Essex-wide Real Nappy campaign which was launched in 2000. The campaign was established to encourage parents and carers to try cloth nappies as an alternative to disposable nappies. The campaign has evolved into a continual educational programme, helping to raise awareness throughout Essex. The latest development is the introduction of the Essex Cloth Nappy Network

<sup>9</sup> Organic waste that can decay or breakdown by bacterial action

The campaign aims to reduce the amount of nappies in the Essex waste stream by increasing the use of cloth nappies, raise awareness through education of the environmental issues associated with the use of nappies and overcome the perception that cloth nappies are old fashioned and less effective than disposables.

**Home Composting** was encouraged by many authorities in 1999 when the Government allowed money to be expended on the reduction of waste at source. This was used to subsidise the purchase of home composting bins. A new initiative to promote home composting through the sale of subsidised home compost bins, was introduced by the Essex Waste Partnership in April 2005. This scheme is available in all District and Borough Councils in Essex as well as Southend and Thurrock. This is an example of one type of compost bins that is currently available through the scheme.

A '**stamp out junk mail**' campaign was launched in March 2007. Junk mail is termed as unwanted mail, including advertising materials and free newspapers and it is estimated that junk mail accounts for around 4% of household waste. In Essex this is approximately 27,500 tonnes per year of unwanted mail. The campaign aims to help householders control the amount of mail coming through their door.

**Reusable jute shopping bags** are sold through all Essex libraries. The design of the bag incorporates an environmental message and the Recycle for Essex website address. The scheme was introduced in partnership with library services in order to reduce the number of free carrier bags given away to customers using the libraries and to promote a waste reduction message. Reusable shopping bags are also given away at roadshows and events through the county. **Shop Eco** is a guide produced by Essex County Council which is designed to help residents produce less waste and save money by doing so. The guide contains useful information on how residents can shop for a green lifestyle by buying fresh, local food and more durable and environmentally friendly products.

To coincide with the national 'Love food, hate waste' campaign Essex County Council held a competition to find the best recipes for dishes that can be made using leftovers or longlife products. The best ten recipes created by Essex residents were chosen and now feature in a Food Lovers cook book. The Food Lovers cook book has been produced by Essex authorities including Southend-on-Sea Borough Council and Thurrock Council. The book is made up of individual recipe cards which slot into a folder with room to add further recipes.



## Reuse

The **Bright Ideas Scrap Scheme** is a resource centre based in Colchester that provides art and craft materials to schools and community groups, childminders and home educators. The scheme collects, sorts and stores surplus materials donated by local businesses for members to collect and use for art and craft. Businesses can offer almost any non-toxic waste and surplus materials to the scheme; as a result the range of materials varies from week to week.

For a small annual subscription members can access the store as often as they require. The scheme is run by a not for profit workers co-operative and is part funded by Essex County Council. The Waste Education team promotes the scheme to the schools they visit in the north of the county, as do the WCAs.

Essex County Council works with community groups to operate a **re-paint scheme**. Paint is collected through four of the RCHW. It is then sorted, re-mixed and redistributed to low income families and charitable organisations.

**Reuse at the RCHW** - Bulky household waste items taken to the RCHW (such as furniture, electrical appliances, bicycles and other bric-a-brac items) which are in good condition/working order are selected by the contractor for reuse.

**Swap it boards** have been placed at ten of the RCHW. These boards allow residents to

place information on unwanted items which other residents may want (for free or for a fee). Wanted items can also be placed on the board. Swapping does not take place on site as once goods enter the site and are unloaded from vehicles the public are not permitted to remove items.

Information boards on reuse by community groups have been placed at the top of container access steps on the general waste container at all of the recycling centres.

The **Choose2Reuse Campaign** was launched 2004/05. It is a consumer campaign to encourage residents to donate good quality items which are no longer required to community groups and charity shops. The campaign is also intended to be used for all reuse activities in order to raise residents' awareness of reuse. The campaign was developed by the Essex Community Reuse and Recycling Network (ECORRN) and the Cambridgeshire equivalent, CCORRN.

The **Give or Take website** is a website managed by Enform (Colchester Environmental Centre). The website is designed to be a tool where residents can give away things they do not need, take things they would like or advertise items required. The site also promotes 'give or take' events in the county which are run by the Essex authorities or Essex community groups. The website is promoted by Essex County Council and the WCAs.

**ECORRN (Essex Community Reuse and Recycling Network)** was established in 2003 as a network to support environmental initiatives throughout Essex. The network brings together representatives from local authorities and government agencies, community and charity groups and local businesses in Essex, Southend and Thurrock. ECORRN's goal is to increase the quantity of community reuse and recycling projects in the county and to help existing projects achieve the best results and improve the quality of donated items.

**ECORRN's Choose2Reuse directory** is web based database (also in a paper leaflet version) detailing community groups in the county who are able to reuse or recycle unwanted items. The database allows residents to search by area and item type for their nearest community group. The directory was launched in 2004/05 and is managed by the ECORRN. The directory is promoted through the distribution of the leaflets and branded magnets, through website links, roadshows and press releases by ECORRN representatives / members, Essex County Council and WCAs. The guide is also used by councils' contact centres to assist with unwanted furniture and white good queries from the public

**Resource Savers** is an initiative which aims to reduce waste sent to landfill from business by diverting it for re-use, recycling or composting by community, charitable or not-for-profit groups. Resource Savers is managed by the Community Recycling Network East and is promoted by Essex County council, WCAs, ECORRN and community group websites.

Many reuse schemes are also in operation in the District and Borough Councils. One such scheme operates in Tendring and is called Tendring Reuse and Employment Enterprise (TREE). TREE takes donated white-goods and furniture and reuses or recycles them. The TREE volunteers and placements are trained in refurbishing these items. Refurbished quality items are then sold at low cost to the general public or given away free of charge at the discretion of the management.

## Recycling

In order to link all partnering authorities activities together an overarching campaign programme complements individual communication plans and all the activities use the national recycle now branding. Such countywide promotions allow for economies of scale to be realised as well as the utilisation of cross boundary media opportunities, such as bus and radio advertising.

Shared communication resources are developed and have been used for such activities as point of sale advertising in supermarkets, indoor train advertising and radio, bus and newspaper advertising. The joint website, [recycleforessex.co.uk](http://recycleforessex.co.uk), has been developed in order to act as a one stop shop for recycling in Essex and is used on all partnership communications. The website provides information to Essex residents on what recycling services are available in their area and other recycling and waste prevention initiatives along with the option to sign up to a quality recycling newsletter.

An initiative to encourage recycling, that all partner authorities took part in, was the 'Recycle and win cash' scheme. From February to 31 March 2006 a resident from each district had the chance of winning £100 cash if they put out their recycling on the day of collection (Uttlesford and Tendring were not involved in the competition). The competition was funded through Defra's 'household incentive pilot scheme'.

For recycling to work there needs to be markets for the products made with recycled materials. This creates a demand for the materials recovered by recycling collection schemes. The councils in Essex have developed a database which provides details of recycled products and stockists in Essex.

The '[guide to local recycled products](#)', as well as an '[A-Z Guide](#)' which provides information on reduce, reuse and recycling items, is available on the Councils' websites

### 3.6 Waste Education

As well as the Essex authorities' efforts to promote waste awareness to the general public, the councils play an important role in promoting waste education through schools.

Essex County Council's Waste Education team aims to increase household recycling performance in Essex by:

- Raising awareness of the environmental impacts of waste disposal by landfill and promoting kerbside recycling schemes and the use of RCHW amongst school pupils, community groups and the general public;
- Raising environmental performance in schools through partnership working with WCAs to establish / develop recycling collections from schools;
- Supporting and encouraging schools in developing / implementing waste minimisation and recycling initiatives in school through a pledge system
- Promoting services delivered by partner organisations and developing joint working arrangements to maximise audiences reached and avoiding duplication of efforts.

Over 200,000 young people currently attend schools in Essex. Studies have demonstrated that pupils receiving waste education in school positively influence recycling behaviours in school and at home which result in behavioural changes in the waste management habits of Essex residents.

The Waste Education team delivers National Curriculum linked waste education programmes free of charge in Essex schools and other educational establishments. The primary school programmes involve a visit to the recycling bus during which pupils take part in a 'hands on' lesson on board the vehicle. The Waste Education team delivers bespoke waste education programmes in secondary schools and other education establishments linked to the curriculum or subject area and designed to meet the specific requirements of each group.

In addition to school based initiatives, the Waste Education team and Recycling Promotions team attend four key large scale shows (Young Farmers Show, Tendring Show, Harlow Show and the Barleylands Show) each year to promote waste minimisation and recycling to the general public. A theme is chosen for the shows and the recycling bus, display materials, competitions and activities used to raise public awareness of the theme

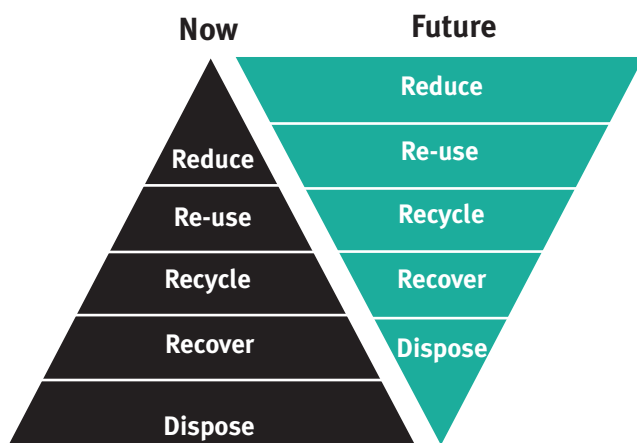
District and Borough councils also engage with schools in waste education in a variety of ways, for example by introducing paper collections for schools, providing talks and assemblies and through involvement in wider environmental projects.

### 3.7 Evaluation of Initiatives

All waste prevention campaigns are evaluated to monitor their effectiveness across the county. The evaluation includes monitoring the scheme take up by the public and where appropriate monitoring actual behaviour change and diversion as a direct result of a campaign. Equality and diversity impact assessments are carried out before any new initiative or campaign is implemented.

# Where Do We Want To Get To?

## 4.1 The waste hierarchy<sup>10</sup>



The inverted pyramid above illustrates Essex's aspiration to channel resources into reducing, re-using and recycling, so that the maximum amount of waste is put to beneficial use. Waste that cannot be reused, recycled or composted can have value recovered from it in the form of additional materials and energy. Any residues requiring final disposal can be pre-treated to minimise the environmental impacts of landfilling.

This means regarding waste as a sustainable resource:-

**Reduce** - the consumption of materials

**Reuse** - or repair wherever possible

**Recycle** - reform the material in order to use it again.

**Recover** - extract every bit of value from material destined for disposal.

**Dispose** - only that material with which nothing else can be done - ideally it should be no longer biodegradable.

Essex authorities will manage materials in accordance with the waste hierarchy except where environmental or public health consequences are negative or where financial costs are prohibitive.

Waste reduction, education and awareness work forms an integral element of the work the Partnership of Essex County Council and the District and Borough Councils do and it is imperative that resources continue to be channelled into this area. The Partnership recognises that the success of waste diversion schemes is dependent on the full engagement of customers and the co-ordination of campaigns and messages to ensure maximum impact.

Initiatives to encourage waste reduction, reuse and recycling / composting will continue to be actively promoted by the Essex Waste Partnership.

Essex authorities will work in partnership to develop and deliver waste education programmes in line with the priorities of the waste hierarchy.

<sup>10</sup> Derived from Waste Not, Want Not, Prime Minister's Strategy Unit, November 2002

Local authorities are currently prohibited from charging householders for collection of household waste (with certain exceptions including bulky waste and green waste). The Government is considering lifting this restriction on local authorities, allowing them to introduce financial incentive schemes relating to non-recycled household waste. The Essex Waste Partnership will await any Government decision on this matter before considering whether such incentives could be introduced in Essex. The power to introduce an incentive scheme would be another tool which could be used alongside waste education programmes to encourage waste minimisation and recycling. However, the Partnership feels that this should be a power rather than a duty.

## 4.2 Future waste growth

It is difficult to predict future trends in waste growth. The impacts of waste minimisation initiatives, waste awareness campaigns, changes in legislation, changes to the Districts/Borough Councils' kerbside collection schemes, the weather and producer responsibility are just some of the factors which will affect the nature and volume of waste arisings over time. Waste Strategy 2007 states that municipal waste arisings are currently increasing by less than 0.5% each year which is a great improvement on the 3.5% reported in Waste Strategy 2000. The seven year historical trend in

waste growth in Essex is approximately 1% and in the longer term, going forward, it may be closer to 0.5% in accordance with the Waste Strategy 2007 projections.

The predicted 0.5% waste growth rate takes into account an increasing population and an increase in household numbers. The impact of new housing on waste growth is a key issue in Essex. Over the period April 2001 – March 2006 approximately 22,050 new dwellings have been built in Essex, representing an average of 4,410 new dwellings per year. Further growth is forecast over the next two decades as required in the existing Regional Spatial Strategy (RPG9 2001), the Government's Sustainable Communities Plan (2003) and the emerging Regional Spatial Strategy (RSS14) for the East of England, which highlights a number of 'key growth areas' for the region.

The East of England RSS has proposals to build a minimum of 79,950 new homes in Essex during the period April 2006 – March 2021. Annex 6 includes a table which shows the minimum dwelling provision in Essex from 2001 to 2021<sup>11</sup>.

The predicted waste growth figure also takes into account behavioural changes from the public, and legislation such as the Producer Responsibility Obligation Regulations.

<sup>11</sup> Housing numbers are taken from the Secretary of State's Proposed Changes to the Draft Revision to the Regional Spatial Strategy for the East of England December 2006



To help to prevent waste, consumers must either consume less or consume differently. As consumers the public can exert their 'consumer power' and decide whether to buy certain products. For example, they may choose not to buy certain products that they consider are over packaged.

Retailers are also playing, and will continue to play, a part in the prevention of waste. A group of the major retailers have been working closely with the Waste & Resources Action Programme (WRAP) on product and packaging innovation and using WRAP's Innovation Fund to co-invest in new product, packaging and product dispensing solutions. In addition retailers have signed up to the Courtauld Commitment which is designed to tackle household packaging and food waste. This commitment includes designing out packaging waste growth by the end of 2008, delivering absolute reductions in packaging waste by 2010 and identifying ways to reduce food waste.

The Producer Responsibility Obligations (Packaging Waste) Regulations 1997, as amended require all businesses who handle packaging to submit data on packaging handled and to meet recovery and recycling obligations (see Annex 5)

Essex authorities will continue to work towards reversing the growth trend through the delivery of the waste reduction measures in this strategy as the reduction of waste is the primary objective of this strategy. The importance of waste reduction is also highlighted by its presence at the top of the waste hierarchy.

**Essex Authorities will work towards reversing current waste growth trends in order to meet national waste reduction targets**

Essex authorities will continue to monitor the success of waste minimisation campaigns and the affect of national producer responsibility schemes. A key indicator to measure this will be the kg/per head of residual waste produced. This policy will be monitored and reviewed annually to facilitate continual improvement.

### **4.3 Resource management**

The word waste implies something that we do not want and that we intend to discard. Rethinking how we deal with waste could lead to a more sustainable waste management system for Essex.

The Waste Strategy 2007 discusses how the generation and disposal of waste results in a loss of valuable natural resources. The disposal of waste and the extraction and processing of new materials and the manufacture of new goods all create pressure on the environment and are also a drag on the country's economy and business.

The Waste Strategy 2007 also indicates that recovering energy from waste which cannot sensibly be reused or recycled should be seen as an essential component of a well-balanced energy policy. Recent sharp increases in energy prices and the instability in some supplier countries support the Government's stance of maximising energy recovery from the portion of waste which cannot be recycled

The Essex Waste Partnership will aim to deliver an innovative and resource efficient waste management system for the county.

The Essex Waste Partnership will continue to lobby government on the need for further measures to reduce packaging waste and will ensure that householders (in their role as consumers) are aware of their collective power to influence retailers and advertisers to undertake change.

The Essex Waste Partnership will work with Trading Standards and retailers to reduce excess packaging.

## 4.4 Targets for Essex

### Waste Reduction

As well as high recycling the focus of this strategy is also on waste prevention and reduction. Essex will seek to achieve the national targets, as set out in the Waste Strategy for England 2007, for household waste not re-used, recycled or composted. The targets, expressed as kg/per head of the population of residual waste, are to not produce more than:

- 310kg in 2010
- 270kg in 2015
- 225kg in 2020 (a 50% reduction from 2000)

These targets will help measure the impact of Essex's activities in achieving waste reduction, re-use, recycling and composting.

The Essex Waste Partnership will work to reduce the amount of residual household waste generated per person with the aim of meeting the national targets.

### Recycling Targets

Essex will aim to exceed the levels of recycling and composting of household waste as set out in Waste Strategy for England 2007:

- 40% by 2010
- 45% by 2015
- 50% by 2020

However, Essex has ambitions to deliver an innovative and resource efficient waste management system for the county, with an aspiration to achieve 60% recycling of household waste by 2020.



This could be achieved through a combination of further improvement in the performance of recycling and composting kerbside collection schemes and the Recycling Centres for Household Waste, and the recovery of recyclable materials through new treatment plants.

Home composting is a valuable waste reduction and composting initiative, but it currently does not count towards recycling targets. The Essex Waste Partnership would like the diversion of waste achieved through home composting to be considered by Government for inclusion in the recycling rate performance.

The Essex Waste Partnership will work together to deliver high recycling that exceeds the national targets, with the aspiration of hitting 60% recycling by 2020.

## 4.5 Climate change and energy

The need to reduce carbon emissions is widely acknowledged on a global scale. Essex authorities are in an excellent position to implement a carbon management programme to help achieve their local contribution to a reduction in carbon emissions and their associated impact on climate change.

The Essex Waste Partnership will seek to reduce the impact of their waste management activities in relation to climate change.

Essex favours composting technologies such as anaerobic digestion, where energy is recovered, for source segregated organic wastes such as food waste. Anaerobic digestion is a form of biotreatment which involves the biological treatment of organic waste in the absence of oxygen, utilising microbial activity to break down waste in a controlled environment. It results in the generation of:

- Biogas, which is rich in methane and can be used to generate renewable heat and/or electricity, or else can be cleaned for use as a vehicle fuel;
- Digestate (or fibre) which is nutrient rich and can be used in the production of a PAS 100 compliant soil conditioner; and
- Liquor, which has the potential to be used as a liquid fertiliser.

This technology has climate change benefits as it avoids harmful emissions and produces a fully renewable fuel.

Essex authorities acknowledge that other composting technologies may also have a role to play in dealing with Essex's source segregated organic wastes.

The Essex Waste Partnership favours composting technologies for source segregated organic wastes where renewable energy is recovered

The MBT technologies have the potential to extract dry recyclables and/or soil improvers and could produce a solid recovered fuel (SRF) from which energy can be recovered. The biomass component of SRF is typically in excess of 50%. This is a valuable source of renewable energy and could be harnessed. Using SRF in an energy plant avoids the production of methane that would otherwise occur in landfill and the associated harmful effects on the atmosphere where methane escapes.

The issue of security of energy supply is gaining importance in the UK. It is recognised that there is no one type of energy technology that can solve this challenge alone, but recovery of renewable energy from household waste could make a valuable contribution to helping the UK generate its own power supply.

## 4.6 Technology choice

In September 2003 the County Council resolved to invite solutions for the long term management of its residual waste. The policy is that:

The County Council will invite solutions for the long term management of its residual waste, requiring:

- The development of front end sorting to recover further dry recyclable material;
- The development of either anaerobic digestion or mechanical biological treatment coupled, as appropriate, with the recovery of biogas;
- The invitation of contractors to identify and propose options for the management of residual waste after treatment including the possible development of compost, soil conditioner, landfill or the use of a refuse derived fuel\*.

\*Refuse derived fuel (RDF) and solid recovered fuel (SRF) are fuels produced from the residual (non-recyclable) waste resulting from a mechanical biological treatment (MBT) technology process.

Essex favours composting technologies for source segregated organic wastes; anaerobic digestion is ideal for the composting of source-separated food waste with renewable energy recovery; in-vessel composting would be suitable for a mix of food and green waste material; windrow composting is only suitable for the composting of source-separated green garden waste.

The family<sup>12</sup> of processes that come under biotreatment all extract further recyclables from the residual waste stream. One output from an MBT process can be the production of a solid recovered fuel (SRF). This is produced from the material that has not been recycled. Essex authorities will explore the option of producing a SRF from the MBT process and recovering energy from it.

Essex believes that using SRF in an energy plant has climate change benefits and could prove to be a more cost effective solution than sending it to landfill. Markets for SRF are being explored with current energy users, although there is an option for Essex to build its own energy facility if required.

An alternative to producing a fuel is to stabilise the material and landfill the outputs of the biotreatment process. In assessing proposals to treat residual waste, those which produce a high proportion of usable product rather than waste will be preferred so that landfill requirements are minimised and recycling is maximised. The partnership of Essex authorities will promote the most environmentally and financially advantageous approach to managing the outputs

from biotreatment. All technical approaches to deal with the outputs from biotreatment will be assessed on a consistent basis. The detail of the basis for assessment will be clearly defined in the evaluation criteria for future contracts.

The Essex Waste Partnership favours the family<sup>12</sup> of mechanical biological treatment (MBT) (biotreatment) technologies for the treatment of residual waste.

The Essex Waste Partnership will promote the most environmentally and financially advantageous approach to managing the outputs from the biotreatment process.

## 4.7 Best Practicable Environmental Option (BPEO)

Within the Thames Gateway area, analysis was undertaken to determine the preferred spatial distribution of infrastructure. This showed that a centralised rather than dispersed arrangement of waste facilities could represent a better solution for that area. More recent modelling, in 2005, revealed that systems where waste is managed in two areas or a single area perform better under high recycling (45 – 50%) and low recycling (32 – 38%) performance standards.

<sup>12</sup> MBT technologies are described as a 'family' as MBT is not a single process; MBT processes can vary considerably.

In order to minimise transport distances and associated environmental impacts, the Partnership envisages a network of transfer stations to which District and Borough Councils would be able to transport waste before it is bulked up and taken to a biotreatment facility.

There will be a strong presumption for the county to be self-sufficient in respect of the full range of recycling and waste facilities and the same will be expected in respect of any contractual sub-areas.

Essex authorities aim to manage residual waste within the county where this is consistent with the proximity principle and to manage all other waste at the nearest appropriate facility.

## 4.8 Strategic Environmental Assessment (SEA)

European Directive 2001/42/EC sets out the requirements for the Strategic Environmental Assessment of effects of certain plans and programmes on the environment. The purpose of a strategic environmental assessment (SEA) is to evaluate the likely effects of a plan. SEAs are conducted to ensure environmental considerations are incorporated into planning and decision making. The SEA process also provides ongoing monitoring of the environmental effects of a plan.

The SEA must consider environmental effects on issues such as biodiversity, human health, soil, water, air, climatic factors, landscape and heritage. Where potentially negative effects are identified the SEA can make recommendation for mitigation. It can also make recommendations for enhancing environmental benefits.

### The SEA of the draft JMWMS has three main outputs:

**Scoping Report** – This was prepared in December 2006 and was made available for consultation (to the statutory consultees and key stakeholders) in December 2006 – January 2007.

**Environmental Report** – This is the key output of the SEA. It presents information on the possible effects of the JMWMS. The Environmental Report is subject to formal consultation alongside the draft JMWMS. The findings of the SEA Environmental Report will be taken into account in the final JMWMS<sup>13</sup>.

**SEA statement** – This document will be issued once the JMWMS has been adopted to provide information on how the findings of the Environmental report were taken into account in the finalised JMWMS.

## 4.9 Essex's response to the Landfill Allowance Trading Scheme

A Landfill Allowance Trading Scheme (LATS) Management Strategy has been devised to address both the immediate and longer-term risks of non-compliance with the LATS. The LATS Management Strategy identifies additional areas of activity which collectively will enable Essex to be LATS compliant in the short term and long term. These activities include:

- Improving the performance of existing kerbside recycling schemes;
- Improving the performance of the existing RCHW and providing new sites as appropriate;
- Investigating the viability of expanding food waste collections to households;
- Banking, borrowing and trading of landfill allowances under the LATS;
- Devising and implementing further measures which decrease waste growth;
- Exploring alternatives to landfilling trade waste collected by the Partnership;
- Procuring and building new recycling, composting and waste treatment plants in Essex.

## 4.10 Costs

We estimate that introducing the waste strategy will save Essex taxpayers £750 million over the next 25 years when compared to the current methods of waste disposal over the same period. This cost includes both collection and disposal.

Essex County Council will ensure LATS compliance through the delivery of a LATS management strategy.

WCAs could incur greater costs as they strive to attain higher recycling targets and ultimately authorities are likely to have to provide a several-stream collection, in order to meet these targets. However, it is Essex County Council, as the waste disposal authority, which has responsibility for delivering obligations under the LATS.

# How Will We Get There?

## 5.1 Community involvement

A further round of public and stakeholder consultation on the draft strategy is planned to commence in February 2008 for a minimum twelve week period. Consultation on the SEA Environmental Report will happen at the same time. The aim of the 2008 consultation is to raise awareness of the future options for waste management in Essex and to test whether we have interpreted correctly the views of the public and stakeholders from previous consultations.

Stakeholders and Communities play a vital role in implementing the strategy and will be kept informed of progress and issues emerging during the implementation phase.

## 5.2 Partnership working

From the outset the District and Borough Councils of Essex, along with the County Council, have been fully involved in the development of future arrangements for managing waste. In 2002, all the authorities joined together to form the Waste Management Advisory Board where each authority is represented by its cabinet member or committee representative with responsibility for waste management. This non-executive group has steered the development of the strategy. During 2005, three Area based Joint Committees were established with delegated powers to make

key decisions in the procurement of waste management facilities and services for the county area. All the Essex authorities and Southend-on-Sea Borough Council are members of these Area Joint Committees.

Discussions have been held with adjacent county councils to see if there could be enhanced value in joint working. This can only work if adjacent authorities' timescales for implementing longer-term arrangements, their policies and approach are similar. Southend-on-Sea Borough Council is part of the Essex Waste Partnership and has a joint working agreement with Essex County Council. There is already joint working with Southend in respect of the Real Nappy Campaign, home composting scheme and residual waste disposal.

The JMWMS has been developed with regard to the identified priorities and aims of the Essex Partnership<sup>14</sup> (the Local Strategic Partnership) as detailed in the Essex Strategy 2008-18<sup>15</sup>; and its key delivery vehicle, the Local Area Agreement. The protection of the environment and promotion of sustainability is a key focus of the Essex Strategy in ensuring quality of life is maximised and the potential of Essex is fulfilled. The sustainable management of waste and the full engagement of the community in this process are key requirements if the goals of the Essex Strategy are to be fully realised.

<sup>14</sup> The Essex Partnership is a working relationship between representatives of organisations who deliver services to the public across Essex.

<sup>15</sup> The Essex Strategy promotes the economic, social and environmental well-being of Essex and contributes to the achievement of sustainable development in the county. The Essex Strategy is the overarching strategy for Essex and reflects and informs all other strategies



### 5.3 External partnerships

Essex authorities are involved in a range of partnerships which aim to maximise public awareness of waste issues and increase the engagement of the public in waste minimisation and recycling initiatives. These include partnerships with local community groups, charities, social enterprises, schools and other bodies such as WRAP (Waste Resource Action Programme) and Essex ReMaDe. The output of these partnerships and joint working are varied and include the supply of compost bins, provision of doorstep collections, “bring” schemes, reuse schemes, promotional activities, and support services for business and community sector.

Through this partnership activity Essex Authorities have been able to reduce duplication, increase impact and reach, whilst also supporting the aims and activities of other bodies.

**Essex authorities will work closely with the community sector to deliver effective waste reduction, reuse and recycling initiatives.**

### 5.4 Planning and permitting of new facilities

There is an adopted Essex and Southend Waste Local Plan<sup>16</sup>. This was adopted in 2001. The plan identifies six “preferred” waste management sites where larger scale waste management/processing facilities would be acceptable in principle. The County Council, as the Waste Planning Authority, is preparing a new Waste Development Document (WDD) which will take in to account revised national policy. The Planning and Compulsory Purchase Act 2004 has introduced changes to the planning system, including the requirement of the existing Waste Local Plan to be replaced by the Essex WDD. The WDD will be comprised of:

- A Core Strategy and Development Control policies document which will set out the guiding principles for waste management in Essex and establish detailed policies against which planning applications for waste development in the county will be assessed; and
- Site specific allocations which will designate sites or areas for any required future waste management facilities.

<sup>16</sup> The Waste Local Plan is available at [www.essex.gov.uk](http://www.essex.gov.uk)

The Waste Local Plan policies have been saved until the adoption of the WDD, which is likely to be in 2013.

Any approach to the provision of waste management facilities would need to be consistent with the Best Practicable Environmental Option (BPEO) analysis and the adopted Waste Local Plan which, in addition to identifying the preferred sites, has criteria-based policies for the consideration of proposals for waste facilities elsewhere in urban and rural locations.

The approach will also need to be consistent with the policy framework established by the East of England Regional Waste Management Strategy<sup>17</sup> (RWMS) which has as its vision “a society which secures sustainable waste management, reducing the creation of waste and maximising recycling and recovery so as to minimise the amount of material requiring disposal”. The RWMS principles have been integrated into the emerging Regional Spatial Strategy<sup>18</sup>.

Policy WM1 of the Regional Spatial Strategy sets out the core waste management objectives for the region. These are:

- To ensure timely and adequate provision of the facilities required for the recovery and disposal of the region’s waste and for a reducing quantum of wastes imported into the region.
- To minimise the impact of new development, particularly in the Key Centres of Development and Change, on regional waste management requirements.
- To minimise the environmental impact of waste management, including impacts arising from the movement of waste, and help secure the recovery and disposal of waste without endangering human health.
- To seek community support and participation in promoting responsible waste behaviour and approaches to management, viewing waste as a resource and maximising re-use, recycling and composting, while responding positively to the need to manage the remainder.
- To recognise the particular locational needs of some types of waste management facility in determining planning applications and defining green belt boundaries, and that these locational needs, together with the wider environmental and economic benefits of sustainable waste management, should be given significant weight in determining whether proposals should be given planning permission.

<sup>17</sup> The East of England Regional Waste Management Strategy is available at [www.eera.gov.uk](http://www.eera.gov.uk)

<sup>18</sup> The Regional Spatial Strategy is available at [www.eera.gov.uk](http://www.eera.gov.uk)



The provision of new municipal waste management facilities will need to be consistent with current national, regional and local planning policy.

## 5.5 Urban design

The Urban Place Supplement (UPS)<sup>19</sup> forms part of the Essex Design Guide which provides guidance for the layout and design of developments in Essex. The UPS promotes the minimisation of waste in new developments and does so by looking at the issue within a wider economic and social context. At the detailed level, the UPS promotes the inclusion of facilities within homes for the segregation and storage of recyclable materials, the provision of communal recycling facilities and, where appropriate, the provision of communal facilities for the composting of organic waste. In addition, the UPS promotes policies for new development relating to sustainable construction, energy efficiency, the conservation of water, the enhancement of biodiversity and the use of sustainable drainage.

The Urban Place Supplement has been produced by Essex County Council together with the Essex Planning Officers' Association and has been endorsed by the Environment Agency. It is being adopted as a Supplementary Planning Document by the majority of local planning authorities in the county.

<sup>19</sup> This is available from [www.essex.go.uk](http://www.essex.go.uk)

## 5.6 Equality and diversity

There are three key areas where waste and recycling activities impact most on equality and diversity:

- Direct service provision, e.g. kerbside recycling schemes and Recycling Centres for Household Waste;
- Promotional campaigns and initiatives, and waste education;
- Consultations on the waste strategy and other related subjects.

In delivering the JMWMS, the Essex Waste Partnership will ensure that services and information about services are provided in ways that are appropriate, sensitive and accessible to everyone. This will be monitored and reviewed annually through the strategy's action plan.

## 5.7 Funding

In order to deliver the objectives of the JMWMS and to meet environmental and legislative targets, it is estimated that an investment of £300 million of capital funding is needed in Essex and Southend (on the basis of a joint working approach) over the next five years or so to provide all the new facilities required. The intention is that the Partnership will be inviting industry to put forward, through the competitive dialogue process, their proposals for managing and disposing of municipal waste for Essex and Southend.

## 5.8 Governance

The Joint Waste Officer Steering Group will be responsible for commissioning the reviews and reporting performance to the Waste Management Advisory Board (WMAB). All the partner authorities are represented on this officer group. The Member Area Joint Committees will oversee the procurement of infrastructure and services.

The WMAB will oversee the implementation of the JMWMS countywide, addressing new or changed circumstances and linking to the work of the Area Joint Committees, as appropriate.

## 5.9 Commitment

This strategy and the possible procurement routes have been debated by the WMAB and the Area Joint Committees. Whilst there is strong partnership working in Essex, in order to marry up the collection and disposal parts of the waste management process, it is envisaged that the relationship between the WCAs and the WDAs will be put on a more formal footing through the development of inter-authority agreements. These agreements will cover key issues such as waste acceptance criteria and future recycling plans. This level of commitment will ensure that the interface between collection and disposal services is carefully managed.

## 5.10 Risk management

### Timely delivery of services and facilities

Timely delivery of new infrastructure and services for Essex is essential if the Essex Waste Partnership is to deliver this strategy. In order to ensure that infrastructure is delivered and co-ordinated with future service provision, a project plan has been developed and will be monitored through the Area Joint Committees.

Most proposals for the development of waste management facilities will be subject to the formal planning and permitting assessment process. The planning risks associated with delivering the strategy are addressed to some extent by the existence of an adopted Waste Local Plan which is site specific in relation to major facilities. The County Council is seeking to acquire sufficient interest in the only site identified within the Thames Gateway area in order to provide a level playing field for bidding contractors.

### LATS risk

A significant risk to Essex County Council, as the WDA, is in respect of costs associated with the LATS. The progress of recycling across the county will be closely monitored, as will progress in implementing the additional infrastructure to treat waste. The aim is to minimise or eliminate any LATS related costs consequent upon our failure to meet landfill diversion targets. Remedial measures will need to be considered if further recycling or infrastructure development falls behind the current programme or waste growth exceeds predicted growth levels. The LATS Management Strategy has identified a range of measures which could be implemented to mitigate the effects of delay to any part of the overall strategy implementation.

Clearly, most proposals for the development of waste management facilities will be subject to the formal planning and permitting assessment process and involve an associated consultation exercises. The planning risks associated with delivering the strategy are addressed to some extent by the existence of an adopted Waste Local Plan which is site specific in relation to

significant facilities. The County Council is trying to acquire sufficient interest in the only site identified within the Thames Gateway area in order to provide a level playing field for tendering contractors.

### General risk assessment

A risk register has been devised which identifies all of the risks to the implementation of the planned procurement of long term contracts. Each of the risks currently identified has been classified as high, medium or low and actions will be determined to mitigate them. There is continuous monitoring of the risk register to ensure that where proposed actions are not addressing the issues further actions are devised and implemented.

## 5.11 Monitoring and review of the strategy

An action plan will be developed to provide more details on how Essex authorities will deliver the key targets and activities outlined in this strategy. This will be supported by service delivery plans for each authority. The action plan will be subject to annual monitoring and reviews.

The strategy will be reviewed every three to five years. The main purpose of the reviews will be to assess the extent to which the collective activities of the partners have furthered the objectives of the strategy. Broadly, the reviews should encompass:

- a) a review of performance against the agreed strategy targets;
- b) a review of progress made against the agreed service delivery plans;
- c) a reassessment of the legislative and other drivers for change identified in the strategy;
- d) a review of environmental and climate change implications;
- e) in light of a to d above recommendations would be made as to whether the partners should adjust any strategy policy, strategy targets or any associated performance monitoring and review arrangements. The recommendations would also cover action planning to address any targets that have been missed.

The outcomes of the action plan and strategy reviews will be reported to the WMAB and Area Joint Committees, and any proposed amendments to the strategy will need to be agreed by each partner authority.

An Action Plan will be developed to show how Essex authorities will deliver key targets and activities and will be reviewed annually. The Strategy will be reviewed every three to five years.

## Annex 1

# Glossary of terms

### Anaerobic Digestion (AD)

A process where biodegradable material is encouraged to break down in the absence of oxygen, in an enclosed vessel. The process produces a biogas which can be used to generate heat and electricity and it can produce solids/liquor known as digestate which can be used as fertiliser and compost.

### Biodegradable waste

Waste that is organic in nature and capable of decomposing (rotting) through biological action. Biodegradable waste includes paper, card, food and garden waste and textiles.

### Biotreatment

Biotreatment is a general term which describes a “family” of waste treatment processes which in controlled conditions “compost” the waste that householders have not recycled. Biotreatment covers a range of treatments including anaerobic digestion (AD) and Mechanical Biological Treatment (MBT). Prior to some biotreatment processes the waste is sorted so all materials that can be recycled are removed. Some biotreatment processes create a solid recovered fuel which can be converted to energy in an energy plant.

### BPEO – Best Practicable Environmental Option

A process of analysis which takes account of the total emissions from a given system, including the technical means for abating those emissions and the costs. It establishes the option which provides the least damage to the environment as a whole at an acceptable cost.

### Civic Amenity Site – see RCHW

### Climate change

The term climate change is commonly used to mean global warming, but it also includes natural changes in the Earth’s climate. Climate change refers to the build up of man-made gases in the atmosphere that trap the sun’s heat, causing changes in weather patterns on a global scale. Effects include changes in rainfall patterns, sea level rise, potential droughts, habitat loss and heat stress.

### Co-mingled materials

A co-mingled collection scheme is one where more than one type of recyclable material is placed by the householder in the same container for collection at the kerbside. In order for co-mingled material to be sorted into types for reprocessing it will need to go through a dedicated facility which can sort / separate these materials and this is known as a materials recycling facility (MRF).

### **Composting**

An aerobic (in the presence of oxygen) biological process in which organic wastes, such as garden and kitchen waste, are converted into a stable material which can be applied to land to improve soil structure and enrich the nutrient content of the soil.

### **Composting (in-vessel)**

Shredded waste is placed inside a container through which air is forced. This method allows good control of temperature, moisture and aeration leading to rapid composting (sometimes as little as two weeks) although it will need a period of outdoor maturation. Kitchen waste can only be composted in vessel.

### **Composting (windrow)**

Shredded waste is placed in elongated heaps, called windrows, normally outdoors. The windrows are turned mechanically periodically to aerate the composting waste. The process takes at least 16 weeks, at the end of which the compost represents about half the weight of the input material.

### **Defra – Department for Environment, Food and Rural Affairs**

The Government department responsible for the environment, food and rural affairs. Defra's remit, within the environment, includes waste management.

### **Energy plant**

An energy plant recovers power from solid recovered fuel. Any energy plant built in Essex will be technologically advanced, environmentally sound and will meet the highest standards of emission control.

### **Essex Waste Partnership**

A partnership comprising of Essex County Council, Southend-on-Sea Borough Council and the twelve Waste Collection Authorities (WCAs) of Essex.

### **EU Landfill Directive**

Adopted by the Member States during 1999, the EU Landfill Directive is intended to reduce the environmental effect of the landfilling of waste by introducing uniform standards throughout the European Union. The main objectives are to stimulate recycling and recovery of waste, and to reduce emissions of methane (a powerful greenhouse gas).

### **Green waste**

See Biodegradable waste

### **Greenhouse gas**

One of a number of gases (including methane and carbon dioxide) that can contribute to climate change via the 'greenhouse' effect when their atmospheric concentrations exceed certain levels.

### Home composting

The manufacture of compost material at home (from the breakdown of food and garden waste) using a compost heap, a purpose-made container or a wormery.

### Household waste

Covers: waste from household collections, street sweeping, bulky waste collections, hazardous household waste collections, litter collections, separate garden waste collections, waste from recycling centres for household waste and waste collected separately for recycling/composting schemes.

### Incineration

Sometimes known as ‘mass-burn incineration’ incineration is the controlled burning of unsorted ‘black bag’ waste either to reduce its volume or its toxicity. Energy recovery from incineration can be made by utilising the calorific value of paper, plastic etc to produce heat or power.

### Joint Municipal Waste Management Strategy for Essex (JMWMS)

This document will steer all the decisions and commitments regarding the future management of municipal waste in Essex.

### KAT - Kerbside Analysis Tool

KAT is a spreadsheet which allows users to make projections of kerbside collection infrastructure and associated costs.

### LAA - Local Area Agreement

LAA sets out the priorities for a local area agreed between central government and a local area (the local authority and local strategic partnership) and other key partners at the local level. LAAs simplify some central funding, help join up public services more effectively and allow greater flexibility for solutions to local circumstances.

### Landfill sites

Land in which waste is deposited, often disused quarries.

### Landfill Tax

Introduced in October 1996, this tax is levied on landfill site operators with the explicit environmental objective of reducing the UK’s reliance on landfill as a means of disposal. The level of the tax is £24 a tonne during 2007/08, and it will increase by a further £8/year from April 2008 until it reaches £48 in 2010/11. A lower rate of £2/tonne applies to waste which is inert. This rate will increase to £2.50 per tonne in April 2008.



### **LATS – Landfill Allowance Trading Scheme**

The Landfill Allowance Trading Scheme introduces significant changes to waste policy and practice for the diversion of biodegradable municipal waste from landfill. It is intended to provide a cost effective way of enabling England to meet its targets for reducing the landfilling of biodegradable municipal waste under Article 5(2) of the EC Landfill Directive through the trading of allowances as an alternative to treating the waste.

### **MBT - Mechanical Biological Treatment**

MBT systems combine the mechanical sorting of materials for recycling, biotreatment of the organic waste and the production of a solid recovered fuel to create energy. AD (see Anaerobic Digestion above) is part of the family of MBT technologies.

### **MRFs – Material Recycling Facilities**

A dedicated facility for the sorting / separation of recyclable materials.

### **MSW – Municipal Solid Waste**

Municipal solid waste is household waste and any other waste that is collected for treatment and disposal by a local authority. MSW generally comprises of waste from households, Recycling Centres for Household Waste, street sweepings and local authority-collected commercial waste.

### **OBC – Outline Business Case**

An OBC is prepared by a procuring authority to establish the need for a project, and it consists of an option appraisal and a business plan defining the required objective and outputs of the project and how these can be realised.

### **PFI – Private Finance Initiative**

A form of contracting or procurement within the Public Private Partnership (PPP – see below). With a PFI contract, the contracting public body receives support from central government through the payment of ‘PFI credits’. PFI procurements involve long term contracts where the private sector operator designs, builds and finances the provision of capital assets and associated services to an ‘output specification’.

### **PPP – Public Private Partnership**

This is a generic term used to describe the relationships formed between the private sector and public bodies often with the aim of introducing private sector resources and/or expertise in order to help provide and deliver public sector assets and services.



### **Procurement**

The process of acquiring goods, works and services, covering the acquisition from third parties and from in-house providers. The process spans the whole life cycle from identification of needs through to the end of a service contract or the end of the useful life of an asset.

### **Putrescibles**

Organic waste that can decay or breakdown by bacterial action.

### **Recyclate / recyclables**

Material recovered from the waste stream for recycling.

### **Recycling**

The segregation, collection and reprocessing of waste materials into the same products or different ones.

### **RCHW – Recycling Centres for Household Waste**

A facility provided by the Local Authority that is accessible to local residents for the deposit of household waste that is not collected by the normal household waste collection round.

### **RDF – Refuse Derived Fuel**

A high calorific value produced from the combustible waste that can be stored and transported, or used directly on site to produce heat and/or power.

### **Residual Waste**

The elements of the waste stream that remains after recycling or compostable materials have been separated or removed.

### **Re-use**

This can be practised by the commercial sector with the use of products designed to be used many times, such as re-useable packaging. Householders can purchase products that use refillable containers or re-use plastic bags. The processes contribute to sustainable development and can save raw materials, energy and transport costs.

### **ROCs – Renewable Obligation Certificates**

These are issued under the terms of the Renewables Obligation Order, the Government's mechanism for increasing the proportion of electricity produced from renewable sources. Eligible renewable generators receive ROCs for each MWh of electricity generated. These certificates can then be sold to suppliers, and in order to fulfil their obligation suppliers present enough certificates to cover the required percentage of their output, or they can pay a 'buyout' price for any shortfall.

### **SEA – Strategic Environmental Assessment**

SEA is the environmental assessment of plans, programmes or strategies. It seeks to provide high level protection to the environment; integrate the environment and sustainable development into planning processes; promote sustainable development; and promote a more open, transparent and evidence-based planning culture.

### **Source segregated**

Waste materials that are separated by type at source. Usually applies to waste collection systems where recyclate and/or organic waste are separated into specific containers by the householder and collected separately.

### **SRF - Solid Recovered Fuel**

A residual waste derived fuel resulting from the MBT process that can be produced to a specific quality and composition. SRF can be converted to energy in an energy plant.

### **Thermal treatment**

A generic term that covers all processes that involve the use of heat to treat waste.

### **Transfer station**

A site to which waste is delivered for sorting prior to transfer to another place for recycling, treatment or disposal.

### **Unitary Authority**

A Local Authority which, in the context of waste management, has the combined responsibilities for both waste collection and waste disposal. Southend-on-Sea Borough Council is a Unitary Authority.

### **Waste hierarchy**

Suggests that: the most effective environmental solution may often be to reduce the amount of waste generated – waste reduction; where further reduction is not practicable, products and materials can sometimes be used again, either for the same or different purposes – re-use; failing that, value should be recovered from waste, through recycling, composting or energy recovery from waste, only if none of the above offer an appropriate solution should be disposed.

### **Waste Local Plan**

The statutory Local Plan that provides the long-term framework for decisions on waste management proposals. In Essex, the relevant Plan is the Essex and Southend Waste Local Plan adopted September 2001.

### **WMAB – Waste Management Advisory Board**

Set up by the 15 councils of Essex, the WMAB examines how to deal with the growing amount of municipal waste in Essex over the next 25 years.

### **Waste reduction**

Action to prevent waste being produced in order to reduce or minimise the amount of waste requiring final disposal. Minimising waste saves on collection and disposal costs and helps to reduce the demand for raw materials.

### **Waste Resources Action Programme (WRAP)**

A national organisation, set up by government, to promote sustainable waste management by working to create stable and efficient markets for recycling materials and products, by removing barriers to waste minimisation, re-use and recycling.

### **Waste treatment**

The mechanical, chemical, thermal or biological processing of certain wastes in order to make them harmless, reduce volumes before landfilling or recycle them.

### **WCA (Waste Collection Authority)**

A Local Authority responsible for the collection of Municipal Solid Waste. In Essex, it is the 12 District/Borough Councils.

### **WDA (Waste Disposal Authority)**

A Local Authority responsible for the disposal of Municipal Solid Waste and the provision of Recycling Centres for Household Waste. In Essex, it is the County Council.

### **WPA (Waste Planning Authority)**

A Local Authority responsible for the preparation of a Waste Local Plan and the determination of planning applications for waste management and disposal. In Essex, it is the County Council.

## Annex 2

# Development of the strategy

In May 2002 the Waste Management Advisory Board (WMAB) commissioned consultants to prepare a consultation draft of a Municipal Waste Management Strategy for Essex, Southend and Thurrock. The consultation draft examined the landfill targets that would apply to Essex (derived from the EU Landfill Directive) and suggested 6 possible illustrative options for dealing with the necessary diversion of waste from landfill. The 6 options were based on 3 different levels of recycling/composting (33%, 45% and 60%). The 60% options reflected the partnership's endorsement of a "Working Together" document which identified an aspirational target to recycle/compost 60% of household waste by 2007.

It was acknowledged that the final strategy was unlikely to mirror any single option but identifying this range helped to provide a focus for the consultation exercise and a structure for the on-going debate about how the county's waste would be managed in the longer term.

The six options identified are shown in the table below.

Option	Description
1	To achieve 27% recycling and 33% composting by 2010 with a low level of MBT required beyond 2020
2	To achieve 27% recycling and 33% composting by 2010 with a low level of advanced thermal treatment beyond 2013
3	To achieve 22.5% recycling and 22.5% composting by 2010 and a moderate level of advanced thermal treatment beyond 2010
4	To achieve 22.5% recycling and 22.5% composting by 2010 and a significant amount of conventional thermal treatment beyond 2010
5	To achieve 16.5% recycling and 16.5% composting by 2010 and a significant amount of conventional thermal treatment beyond 2007
6	To achieve 16.5% recycling and 16.5% composting by 2010 and a moderate amount of conventional thermal treatment beyond 2007 and a small amount of MBT beyond 2010

## Annex 3

# Consultation and community engagement

In 2002 the WMAB appointed communications consultants to carry out a consultation on the draft strategy. The consultants used a range of consultation methods and targeted different audiences. They produced a War on Waste (WoW) brochure which summarised the different options and showed how the options compared against criteria such as cost, feasibility, ability to meet government targets and impact on the environment. The brochures, and the comprehensive report, were available in all Essex libraries, town halls and information centres. These documents could also be accessed on the tailor-made WoW website. The consultation methods included opinion polling and direct consultation with key stakeholders including local authorities, the waste industry and other interested parties. The public could respond by formal submission, by returning a questionnaire in the brochure or by completing the questionnaire on-line. The consultation exercise had a media launch and received radio and press coverage throughout the two month consultation period from 1 October to 30 November 2002.

There was not a high level of response from the public due largely to lack of interest in the issues. Nevertheless, the communications consultants were able to draw out key findings on the relative support

for different options. The process also generated a high level of interest amongst local environmental groups who identified a well-supported “7th option” which sought an even higher level of recycling/composting than the other six options.

Of the six options, option 1 was the most popular amongst all groups. The reason given for this choice was that it was seen as the most environmentally friendly. Although the higher recycling options were favoured, the majority of respondents recognised that this would be very hard to achieve. Barriers to increased recycling were: lack of interest, lack of education and lack of space and facilities. The waste industry also expressed concerns about the practicalities of achieving 60% recycling.

The outcomes of the consultation exercise were reported to the WMAB in early 2003. The WMAB confirmed that it should seek to meet the needs and aspirations of the people of Essex as expressed through the WoW consultation, as far as practicable and affordable. In particular, the consultation indicated that the majority view is that any waste strategy should focus on waste minimisation and a higher level of recycling and composting.

The outcomes of the consultation were reflected in a “Framework for a Joint Waste Management Strategy for Essex”. This document sets out, in a concise format, the key elements of such a strategy. It provides a vision for household recycling and how this might be achieved in terms of recycling/residual waste infrastructure. The Framework, which was formally endorsed by all the partner authorities, provides a platform from which to develop this strategy.

Although the draft strategy conformed to the general response from the 2002 WoW consultation, it was considered that it should have public and industry endorsement and therefore a further round of consultation, on the draft strategy, was undertaken in 2005 following endorsement in principle by all of the Waste Collection Authorities in Essex. This further round involved a three stage process:

**Stage 1** – to gain initial soundings on the public’s and community’s attitudes to the draft strategy (January – May 2005). This included consultation with the Essex County Council Citizens Panel on a short set of questions relating to the draft strategy, consultation through six Focus Groups and consultation on the full draft with around 400 stakeholder organisations.

**Stage 2** – to review the findings from the initial soundings and identify any suggested amendments to the draft strategy (May – August 2005). The review of stage 1 found that whilst the response from the Citizens Panel and the Focus Groups was largely supportive of the draft strategy, there was a real challenge ahead in engaging the public in the wider consultation exercise and building on the findings of the consultation undertaken to date.

**Stage 3** – to develop and undertake a wider public consultation exercise (August – September 2005). In order to overcome the challenge of engaging the public in the consultation, as identified in stage 1, a number of techniques were used to raise the public’s awareness of, and encourage participation in, the consultation.

The Public Consultation was promoted through:

- “Call to action” postcards in cinema and fitness clubs
- Pull off section on the front cover of Essex Matters - Essex County Council’s quarterly magazine which goes to all households in Essex
- Questionnaires and leaflets distributed by the “Task Force” door knockers
- Posters and “call to action” postcards at Recycling centres for household waste
- Handed out at shows and events throughout the county
- Through Essex councils’ websites and Essex County Council intranet
- Providing pick up points at council offices and libraries.
- Day event in Chelmsford High Street promoting the consultation
- Two week long displays in the public areas of County Hall, Chelmsford

A prize draw was also used to motivate people to respond by offering an iPod shuffle, a digital camera and Argos vouchers. These were chosen to particularly target the younger audience which were felt the least likely to respond.

Approximately 5,000 questionnaires were sent out and 2135 questionnaires were returned. In 149 of the questionnaires the questions had been amended and so these could not be analysed alongside the remaining 1,986.

Bringing together the range of contributions to the consultation on the draft strategy, it was concluded that the fundamental approach, based on aiming for high recycling with biotreatment, had broad support across a range of stakeholders. There were, however, certain aspects of the draft strategy that required further clarification and explanation and these have been addressed in the strategy.



## Annex 4

# Waste Management Advisory Board terms of reference

Waste Management Advisory Board terms of reference are:

- To develop a long-term vision for waste as a resource in Essex, Southend and Thurrock. To increase awareness of waste as a resource opportunity and to interact with a range of stakeholders to achieve an economically, environmentally and socially sustainable resource management programme. To provide support and advice to partner authorities in their endeavour to reach their statutory recycling targets.
- Within this context to develop a strategic framework for the development and implementation of a Joint Municipal Waste Management Strategy for Essex.
- To consider, and where necessary review, the strategic framework and supporting action plans and advise the WCAs and WDAs in Essex, Southend and Thurrock accordingly.
- To take specific responsibility for the development and implementation of a strategic:
  - Marketing plan (for the development of a materials marketing strategy).
  - Waste minimisation and waste avoidance plan.
  - Education and awareness plan.
- To monitor and support the development of Area Officer Groups, to receive regular reports on progress and to keep a strategic overview of progress in the development and implementation of infrastructure.
- To review best practice systems and procedures and to advise the WCAs and WDAs in Essex, Southend and Thurrock accordingly.
- To work with statutory agencies, non-governmental organisations (NGOs) small and medium sized enterprises (SMEs), business, scientific and commercial organisations, ReMaDe Essex and other bodies who are in pursuit of developing, supporting and influencing the future direction of sustainable waste/resource management, where necessary.
- To keep an overview of the East of England Regional Waste Management Strategy 2002 and to engage in the development of opportunities and discussions with neighbouring authorities.



## Annex 5

# Legislative drivers

The following table is an illustrative, but not necessarily exhaustive, list of legislation which impacts, or will impact, on waste management activities.

Directive	Meaning	Implementation date
Waste Emission Trading Act 2003	The Secretary of State to specify maximum amount of biodegradable waste allowed each year to be taken by a Waste Disposal Authority to landfill; to permit trading of allowances; a Waste Disposal Authority is under a duty not to exceed the amount of waste authorised by the landfill allowances to that Authority for that year. If a Waste Disposal Authority fails to comply with a duty imposed on it, the Authority is liable to financial penalties.	2005/06 onwards
Household Waste Recycling Act 2003	The Waste Collection Authority shall be under a duty to arrange for the collection of at least two types of recyclable waste together or individually separated from the rest of the household waste. A Waste Collection Authority need not comply if the cost of doing so would be unreasonably high or comparable alternative arrangements are available.	31 December 2010
EU Waste Electronic & Electrical Equipment (WEEE) Directive	UK government is completing the final consultation before drafting legislation. Producers of WEEE have a responsibility to arrange for the collection and processing of annually prescribed proportions of the WEEE a producer puts into the market. The EU Directive requires that householders shall be provided with a place to deposit their WEEE free of charge and it is suggested that Local Authorities could make recycling centres for household waste available for this purpose.	The producer responsibility obligations of the WEEE Directive came into effect in January 2007
EU Landfill Directive	Consultation and Guidance has been issued by the Government. All waste must be pre-treated by a physical, thermal, chemical or biological process, including sorting, which changes the characteristics of the waste in order to reduce its volume or hazardous nature, facilitates its handling or enhances recovery. Compared to 1995 levels of waste, an increasing amount of biodegradable municipal waste has to be diverted from landfill, as shown in the next column. Landfill sites have been re-licensed and classified with some materials being banned from landfill (eg tyres, liquids etc)	2010: 25% 2013: 50% 2020: 65%
EU End of Life Vehicle Directive (ELV), End of Life Regulations, 2003	The producers of vehicles are required to “take their vehicles back” free of charge when they come to the end of their life, and de-pollute them at a cost to the producer.	1 January 2007
EU Household Hazardous Waste Directive	Domestic hazardous waste is currently exempt from the Hazardous Waste Directive but the European Commission is considering separate household collections for Household Hazardous Waste.	In 2005 the Directive was transposed by the Hazardous Waste (England and Wales) Regulations 2005

Directive	Meaning	Implementation Date
EU Batteries Directive	The Batteries Directive aims to make businesses that produce and sell batteries responsible for collecting and recycling spent batteries. It will require the collection and recycling of all batteries placed on the market. It replaces earlier directives which only apply to batteries containing certain quantities of lead, mercury or cadmium. The primary objective of this directive is to minimise the negative impact on the environment of batteries and accumulators and waste batteries and accumulators.	The Batteries Directive was published in the official EU Journal on 26 September 2006. The UK must now bring requirements of the directive into national law by 26 September 2008
Packaging & Packaging Waste Directive 94/62/EC, revised in 2004 by 2004/12/EC Producer Responsibility Obligations (Packaging Waste)	The Regulations give substance to “Producer Responsibility” which is an extension of the polluter pays principle, and is aimed at ensuring that businesses take responsibility for the products they have placed on the market once those products have reached the end of their life.	The requirements are for 60% overall recovery and 55% minimum recycling of packaging waste by 31 December 2008. Material specific recycling targets are: glass – 60% by 2008; paper and board – 60% by 2008; metals – 50% by 2008; plastics – 22.5% by 2008; wood – 15% by 2008.
The Animal By-Products Regulations 2003	These regulations govern the disposal of animal by-products, catering waste and former foodstuffs to prevent the spread of disease. The regulations place strict conditions on the composting processes permitted for treating organic waste segregated by the householder that may contain, or have come in contact with, kitchen waste (catering waste).	This legislation came into effect in July 2003.
The New Performance Framework for Local Authorities and Local Authority Partnerships: National Indicators	Three new national indicators will be used from April 2008 to monitor waste and recycling services: National Indicator (NI) 191: Residual household waste per head - Waste collected, minus material sent for recycling, composting or re-use. NI 192: Household waste recycled and composted - Material sent for re-use, reprocessing or controlled biological decomposition. NI 193: Municipal waste landfilled - Collected municipal waste sent to landfill, including recycling rejects.	April 2008

## Annex 6

# Performance and data information

## Waste arisings

The tables below show the household and municipal solid waste (MSW) arisings by authority for 2006/07 and in the previous six years.

### Household waste arisings by Authority

Authority	Household waste arisings (tonnes)						
	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
<b>Basildon</b>	72,290	74,480	76,497	76,299	78,079	76,961	77,905
<b>Braintree</b>	51,592	51,463	53,196	52,188	56,049	56,495	56,853
<b>Brentwood</b>	23,274	23,183	24,396	32,927	27,970	29,228	29,032
<b>Castle Point</b>	33,929	34,813	34,761	34,705	35,584	35,759	35,640
<b>Chelmsford</b>	71,199	71,991	71,999	72,495	79,649	79,170	78,747
<b>Colchester</b>	54,886	57,093	58,095	60,058	63,540	62,757	62,476
<b>Epping Forest</b>	48,133	49,335	50,265	50,034	51,019	49,114	50,007
<b>Harlow</b>	28,646	28,196	27,666	28,784	29,448	28,759	29,278
<b>Maldon</b>	20,622	20,938	21,401	21,861	22,738	23,707	24,049
<b>Rochford</b>	31,717	32,513	31,812	32,724	33,519	33,429	33,252
<b>Tendring</b>	45,639	47,213	47,055	47,470	49,007	48,468	48,906
<b>Uttlesford</b>	33,832	32,578	32,497	31,944	32,155	32,067	28,884
<b>Essex CC (at RCHW)</b>	145,799	146,830	148,103	134,505	141,435	131,272	143,640
<b>Total</b>	<b>661,558</b>	<b>670,624</b>	<b>677,743</b>	<b>675,993</b>	<b>700,192</b>	<b>687,186</b>	<b>698,668</b>

## Municipal waste arisings by Authority

Authority	Municipal Waste Arisings (tonnes)						
	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007
<b>Basildon</b>	75,314	77,788	80,310	80,356	81,686	80,476	81,831
<b>Braintree</b>	56,015	55,587	56,950	55,877	59,570	59,882	60,747
<b>Brentwood</b>	28,274	27,945	28,492	35,715	30,751	31,906	31,817
<b>Castle Point</b>	35,747	36,567	36,686	36,743	37,631	37,831	37,397
<b>Chelmsford</b>	75,726	77,981	77,888	78,116	85,678	84,948	83,964
<b>Colchester</b>	58,214	60,435	61,621	63,539	67,097	65,693	64,516
<b>Epping Forest</b>	48,134	49,335	50,472	51,006	52,185	50,013	50,007
<b>Harlow</b>	31,888	31,124	28,646	29,449	29,534	28,656	29,298
<b>Maldon</b>	20,622	20,938	21,401	21,861	22,738	23,707	24,049
<b>Rochford</b>	31,717	32,513	31,812	32,724	33,504	33,428	33,252
<b>Tendring</b>	45,665	47,232	47,079	47,498	48,972	48,445	48,973
<b>Uttlesford</b>	37,262	35,993	35,601	35,538	35,546	35,707	32,259
<b>Essex CC (at RCHW)</b>	154,670	173,950	169,611	153,476	159,363	148,751	160,397
<b>Total</b>	<b>699,247</b>	<b>727,387</b>	<b>726,569</b>	<b>721,898</b>	<b>744,255</b>	<b>729,445</b>	<b>738,505</b>

## Performance against waste-related performance indicators\*

\*Performance indicators are used to measure performance in order for authorities to know how well they are doing and to identify opportunities for improvement.

Source: Councils Best Value Performance Plans 2006/07

Authority	2006/07 reported performance against BV 84a (household waste collected kg/head)	2006/07 reported performance against BV 82a (% household waste recycled)	2006/07 reported performance against BV 82b (% household waste composted)	2006/07 performance against BV82a +BV82b
Basildon	464.82	19.88	7.53	27.41
Braintree	407.84	23.38	12.01	35.39
Brentwood	407.18	19.82	11.37	31.18
Castle Point	410.13	16.62	9.11	25.73
Chelmsford	487.6	16.38	15.91	32.29
Colchester	381.41	18.50	12.46	30.96
Epping Forest	410.23	25.31	11.78	37.09
Harlow	378.76	19.49	1.79	21.29
Maldon	392.31	19.77	13.10	32.86
Rochford	417.21	15.40	1.78	17.18
Tendring	340.1	22.96	0.00	22.96
Uttlesford	405.67	30.15	12.67	42.82
Essex CC (at RCHW)	106.74	34.16	25.64	59.8
<b>Essex Total</b>	<b>519.19</b>	<b>23.21</b>	<b>12.91</b>	<b>36.12</b>

## Residual waste – kg per head 2002/03 – 2006/07

Year	Kg per head
2002/03	397
2003/04	383
2004/05	369
2005/06	349
2006/07	332

## Residual waste – kg per head per authority, 2006/07

Residual waste kg per head

	2006/2007
<b>Basildon</b>	337
<b>Braintree</b>	264
<b>Brentwood</b>	280
<b>Castle Point</b>	305
<b>Chelmsford</b>	330
<b>Colchester</b>	263
<b>Epping Forest</b>	258
<b>Harlow</b>	298
<b>Maldon</b>	263
<b>Rochford</b>	346
<b>Tendring</b>	262
<b>Uttlesford</b>	232
<b>(at RCHW)</b>	
<b>Total (inc RCHW)</b>	<b>332</b>

## Composition of residual collected household waste in Essex, 2004 (including Southend and Thurrock)

Category	% Composition
Paper and card	29
Garden waste & vase flowers	6
Raw fruit and vegetable including peelings	13
Cooked and prepared food	14
Other putrescible	3
Glass	8
Plastics, including plastic film	11
Cans	3
Disposable nappies/sanitary items	4
Textiles	2
Other miscellaneous	7

# Materials recycled and composted and tonnage landfilled by Essex Authorities in 2006/07

Authority	Material recycled (tonnes)											Total to landfill (includes cont-aminants, excludes trade)	
	Metals	Compost	Glass	Paper	Cardboard	Textiles	Mixed cans	Aluminium foil	Plastics	Co-mingled	Others (fridges, tyres, CRTs & wood)		Total recycled
<b>Basildon</b>	446	5,868	3,667	820	237	479	26	1	1	9,576	236	21,356	56,549
<b>Braintree</b>	0	6,829	2,934	1,800	3	140	0	0	-1	8,331	84	20,120	36,733
<b>Brentwood</b>	38	3,300	1,750	3,204	489	114	25	0	47	0	87	9,053	19,979
<b>Castle Point</b>	6	3,246	1,990	2,968	809	106	10	0	0	0	35	9,170	26,471
<b>Chelmsford</b>	83	12,526	3,836	6,860	546	497	428	0	462	110	78	25,427	53,320
<b>Colchester</b>	0	7,784	3,563	7,062	-200	165	421	0	471	0	76	19,341	43,140
<b>Epping Forest</b>	12	5,892	3,060	8,211	619	164	262	0	221	0	105	18,546	31,461
<b>Harlow</b>	142	526	354	281	0	143	5	0	0	4,669	114	6,232	23,046
<b>Maldon</b>	0	3,150	1,588	2,033	823	110	177	0	0	0	24	7,903	16,146
<b>Rochford</b>	47	591	1,780	2,781	4	98	277	0	41	0	93	5,713	27,539
<b>Tendring</b>	38	0	1,715	385	0	553	18	0	49	8,414	57	11,229	37,676
<b>Uttlesford</b>	163	3,660	1,942	960	145	231	8	0	6	5,101	150	12,368	16,516
<b>Total</b>	<b>975</b>	<b>53,372</b>	<b>28,179</b>	<b>37,365</b>	<b>3,475</b>	<b>2,800</b>	<b>1,657</b>	<b>1</b>	<b>1,297</b>	<b>36,201</b>	<b>1,139</b>	<b>166,458</b>	<b>388,576</b>

# Materials taken to the RCHW in 2006/07

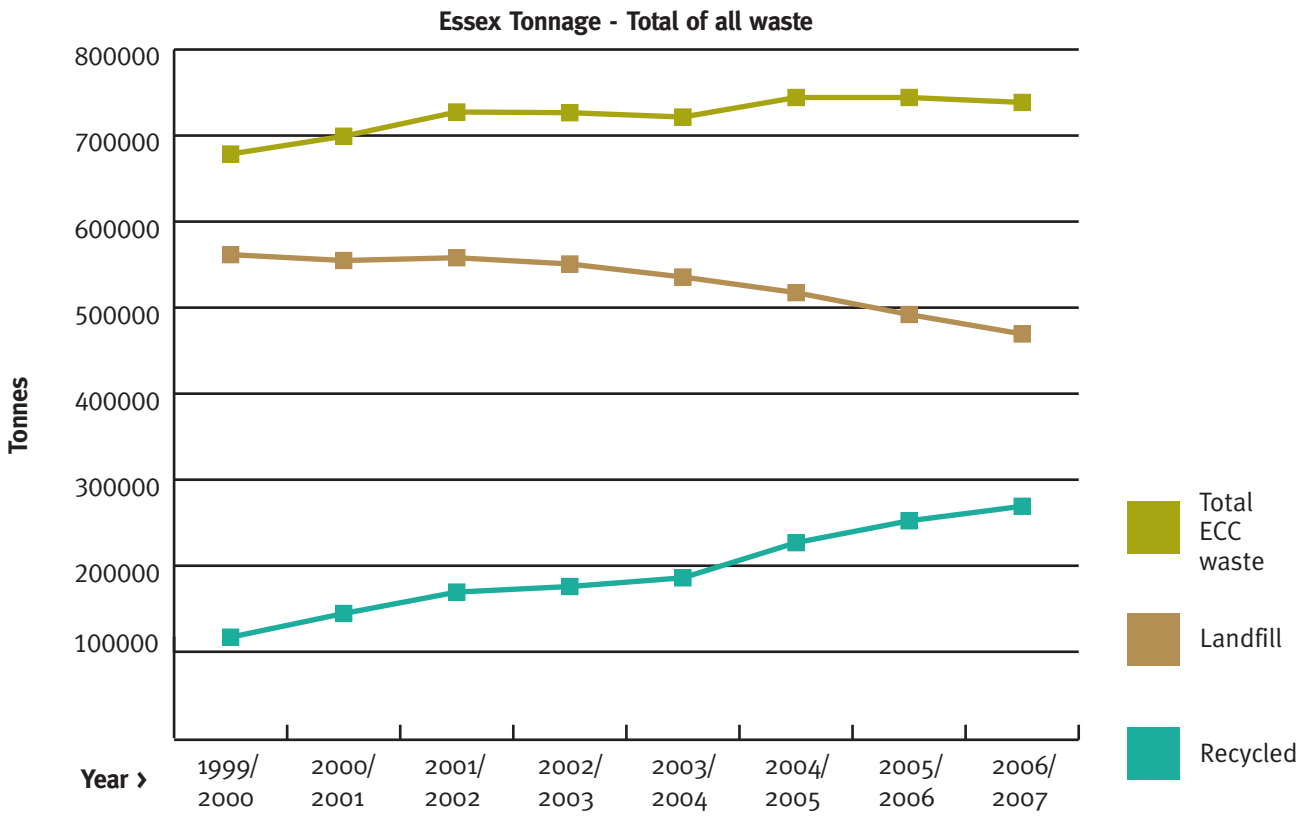
Site Name and Location	Household Waste Recycling *											Non-Household Recycling Recycling <sup>1</sup> * Rates						
	Green	Glass	Paper & Card	Textiles & Shoes	Plastics	Cans Scrap Metal	Fridges	CRT's	Car Batteries	Tyres	Ceramics (Engine & Cooking)	Oil	Timber	Land-filled Waste	Hardcore	Soil	Total	Household
Pitsea, Basildon	1643	49	339	69	56	1093	57	45	55	19	559	23	2113	3263	1278	284	70.19%	65.23%
Shalford, Braintree	1072	115	303	54	10	420	80	37	23	17	0	13	615	2636	706	0	56.80%	51.15%
Witham, Braintree	1436	147	377	84	10	314	87	47	23	16	0	9	517	2805	725	23	57.63%	52.23%
Brentwood, Brentwood	1480	92	409	64	37	636	58	42	25	9	143	11	1125	2500	730	256	67.18%	62.30%
Mountnessing, Brentwd	1476	81	399	69	3	572	46	31	24	7	0	11	920	2068	603	175	68.12%	63.77%
Canvey, Castle Point	2306	96	639	94	34	988	92	52	44	21	364	22	1987	3898	1082	94	67.00%	63.35%
Boreham, Chelmsford	1559	121	971	182	51	818	133	82	39	20	0	23	948	4306	1305	0	59.22%	53.47%
S. Wdham Ferrers, Chelm	816	63	379	60	20	485	40	25	23	8	82	13	955	1587	696	214	70.96%	65.16%
Colchester, Colchester	3466	127	829	167	36	953	153	182	59	31	0	20	734	5701	1327	0	58.64%	54.23%
West Mersea, Colchester	502	12	116	9	2	90	15	7	9	3	0	2	97	572	182	0	64.67%	60.18%
Chigwell, Epping	937	32	228	56	3	554	51	31	21	7	243	11	1111	2518	488	167	61.00%	56.61%
Ongar, Epping	981	58	207	30	0	342	37	16	21	6	0	12	572	1502	470	0	64.69%	60.30%
Waltham Abbey, Epping	458	27	144	46	4	356	30	19	16	4	0	9	672	1424	110	108	58.44%	55.62%
Harlow, Harlow	2413	130	567	95	71	1132	101	71	47	27	611	23	2111	4043	292	248	66.26%	64.67%
Burnham, Maldon	950	34	176	40	3	334	40	20	17	7	0	6	461	1059	307	45	69.73%	66.34%
Maldon, Maldon	1697	71	423	49	59	304	37	33	26	17	0	13	610	2576	928	0	62.36%	56.46%
Rayleigh, Rochford	2362	62	629	79	2	886	69	58	41	15	277	20	1472	3330	949	299	68.44%	64.21%
St. Osyth, Tendring	1583	98	192	32	11	235	52	28	22	8	0	7	325	1619	444	0	65.23%	61.56%
Dovercourt, Tendring	1513	100	193	43	3	186	34	21	15	6	0	9	234	1540	378	0	63.97%	60.48%
Kirby-le-Soken, Tendring	1794	107	149	22	3	184	42	26	14	5	0	4	191	1693	177	0	61.62%	60.02%
Clacton, Tendring	3833	174	378	97	16	614	86	94	33	23	0	17	513	4480	799	0	59.86%	56.76%
Lawford, Tendring	979	62	140	34	3	189	37	18	11	9	0	2	134	834	341	0	70.15%	66.00%
Saff Walden, Uttlesford	1568	151	305	61	13	263	30	25	16	10	0	7	301	1792	528	0	64.65%	60.53%
<b>Total</b>	<b>36825</b>	<b>2009</b>	<b>8493</b>	<b>1533</b>	<b>449</b>	<b>11948</b>	<b>1407</b>	<b>1010</b>	<b>626</b>	<b>296</b>	<b>2279</b>	<b>290</b>	<b>18718</b>	<b>57745</b>	<b>14844</b>	<b>1913</b>	<b>64.00%</b>	<b>59.80%</b>

1. Although soil and hardcore is only accepted from household sources it is not classified as household waste for the purpose of BVPI calculations.

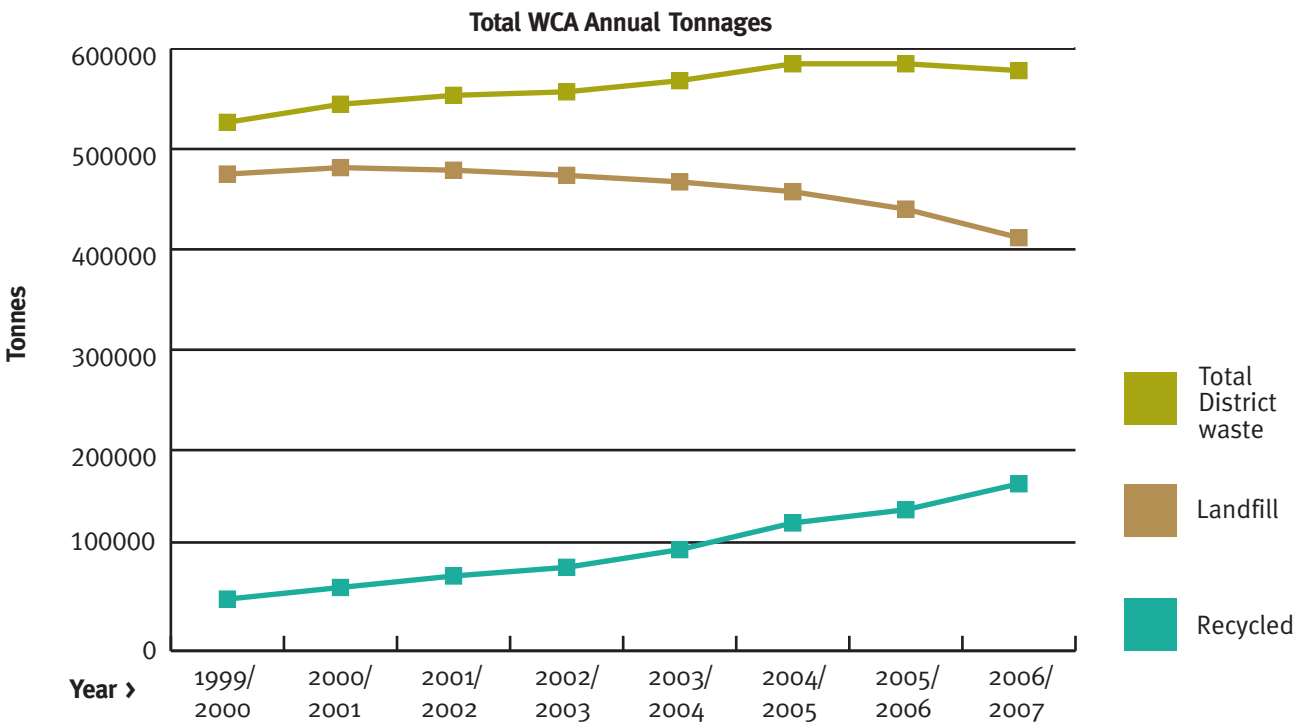
\* Tonnes



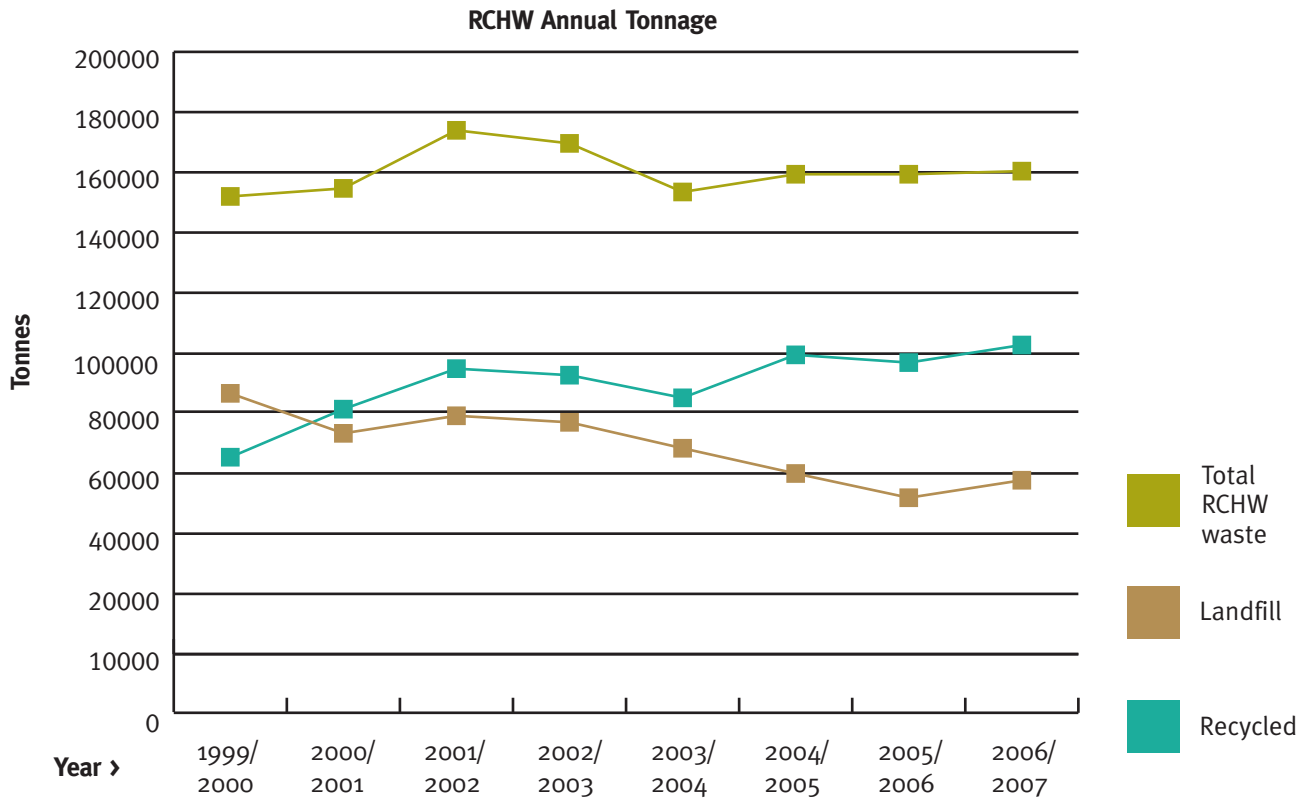
**Graph 1: Total Essex municipal waste recycled and landfilled 1999/00 – 2006/07**



**Graph 2: WCAs waste recycled and landfilled 1999/00 – 2006/07**



**Graph 3: RCHW waste recycled and landfilled 1999/00 – 2006/07**



### Minimum dwelling provision in Essex, 2001 to 2021

District/ Borough	Total to build April 2001 to March 2021	Of which already built April 2001 - March 06	Minimum still to build April 2006 to March 2021
Basildon	10,700	1,220	9,480
Braintree	7,700	3,360	4,340
Brentwood	3,500	920	2,580
Castle Point	4,000	1,010	2,990
Chelmsford	16,000	3,580	12,420
Colchester	17,100	4,630	12,470
Epping Forest	3,500	1,220	2,280
Harlow	16,000	810	15,190
Maldon	2,400	760	1,640
Rochford	4,600	810	3,790
Tendring	8,500	2,110	6,390
Uttlesford	8,000	1,620	6,380
<b>Total Essex</b>	<b>102,000</b>	<b>22,050</b>	<b>79,950</b>

The data for 2003/04 is noteworthy as it shows a decrease in arisings. This is due in part to the introduction of new RCHW contracts which implemented new incentive schemes for waste minimisation. This coincided with a particularly dry summer which resulted in a fall in kerbside collection and RCHW tonnages of green waste.

*Housing numbers are taken from the Secretary of State’s Proposed Changes to the Draft Revision to the Regional Spatial Strategy for the East of England December 2006*

## Annex 7

# Current service provision

## District and Borough Councils kerbside waste and recycling collection summary (as at January 2008)

Waste Collection Authority	Residual Waste Collection Frequency	Residual Waste Container	Recycling Collection Frequency	Recycling Container (S)	Paper	Card	Plastic Bottles	Plastic Other	Textile	Glass	Cans & Aerosols	Foil	Tetra Paks	Garden Waste	Food Waste
Basildon	Weekly	Sacks	Fortnightly	Box, sack, wheeled bin & biodegradable sacks	✓	✓	✓	✓	✓	✓	✓			✓	
Braintree	Alternate wkly for wheeled bins; wkly for sacks	Wheeled bins (80%) & sacks (20%)	Fortnightly	Sacks	✓	✓	✓	✓			✓	✓		✓	✓
Brentwood	Weekly	Sacks	Fortnightly	Box & sacks	✓	✓	✓	✓		✓	✓			✓	
Castle Point	Weekly	Sacks	Fortnightly	Box, sack, carrier bag & bundles	✓	✓			✓	✓				✓	
Chelmsford	Weekly	Wheeled bins	Fortnightly	Box, bin, plastic bag & sack	✓	✓	✓		✓	✓	✓	✓	✓	✓	
Colchester	Weekly	Sacks	Fortnightly	Box & sack	✓	✓	✓		✓	✓	✓	✓		✓	
Epping Forest	Alternate wkly Oct to April (inc) Wkly May to Sept (inc)	Wheeled bins	Alternate weekly	Box for glass clear sack for other dry biodegradable sack for garden	✓	✓	✓	✓		✓	✓			✓	
Harlow	Weekly	Sack	Fortnightly	Box & sack	✓	✓	✓			✓	✓		✓	✓ (Bookable service)	
Maldon	Majority wkly; some rural areas fortnightly	Sack	Majority wkly; some rural areas fortnightly	2 x box	✓	✓				✓	✓	✓		✓ (Chargeable)	
Rochford current scheme	Weekly	Wheeled bin	Fortnightly	Box & bag	✓					✓	✓			✓	
New recycling scheme June 2008	Alternate weekly	Wheeled bin	Dry recyclables alternate wkly, mixed food and garden recyclables wkly, textiles twice annually	Wheeled bin	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Tendering	Weekly	Sacks	Weekly	Box	✓	✓	✓	✓			✓				
Uttlesford	Fortnightly (Alternate wkly)	Wheeled bin	Dry fortnightly (Alternate wkly), food waste wkly	Wheeled bin	✓	✓	✓	✓			✓	✓	✓		✓

## Existing waste facilities used by Essex authorities

The table below shows the range of waste management facilities that authorities in Essex currently use.

Facility	Function
6 landfill sites at: Ugley, Roxwell, Colchester, Barling, Pitsea, South Ockenden	Contracted disposal capacity for residual waste collected by the 12 constituent WCAs and the 23 recycling centres for household waste.
7 central composting sites	Contracted windrow composting capacity for garden waste collected by 10 WCAs and the 23 recycling centres for household waste.
23 Recycling centres for household waste	Enable householders to dispose of bulkier items of household waste and to recycle a wider range of materials.
3 enclosed composting facilities	Contracted in-vessel composting sites. Two WCA currently collect food waste.
14 depots	Used either by Direct Service Organisation (DSO) or Contractors for the provision of waste management services, sometimes together with Highway maintenance services.
Bulking facilities	Available at 5 of the 14 depots, mainly for bulking paper, glass and cans.
Materials Recycling Facilities (MRFs)	4 WCAs use private MRFs.
Transfer stations	1 WCA operates a transfer station.

The information contained in this leaflet can be made available in alternative formats: large print, Braille, audio tape or disk. We can also translate this information into other languages.

Printed on recycled paper.







## Cabinet

28 January 2009

Item  
**7(i)**

Report of	Interim Head of Corporate Management	Author	John Gilbert ☎ 282726
Title	Strategic Plan 2009-2012		
Wards affected	All		

**The Cabinet is invited to recommend to full Council that it adopts the Strategic Plan 2009-2012 at its meeting on 18 February**

### 1 Decision required

- 1.1. To agree the draft Strategic Plan 2009-2012 and recommend to full Council that it be adopted at its meeting on 18 February.

### 2 Reason for Decision

- 2.1. The last Strategic Plan was published in February 2006 and runs to 2009. It now needs to be refreshed in the light of changing circumstances and expectations.
- 2.2. The Strategic Plan is one of the core statutory elements of the Council's Policy Framework, as set out in Article 4 of the Council's Constitution. It must therefore be adopted by the full Council.
- 2.3. The Strategic Plan sets the framework for the Council's three-year Medium Term Financial Forecast and its Capital Programme. Both the Plan and the Budget will be debated at the same full Council meeting on 18 February.

### 3 Alternative Options

- 3.1. The current Strategic Plan expires at the end of this financial year. A new plan is therefore required, and needs to be adopted by full Council (see 2.2 above).
- 3.2. The absence of a Strategic Plan would create a significant risk of the Council failing to deliver on its core priorities.

### 4 Supporting information

- 4.1. The new Strategic Plan is shorter and focused on fewer key areas. The aim is to make it more accessible for all our residents. In addition, the economic environment is highly changeable and the Strategic Plan needs to be flexible. The Strategic Plan sets out the framework of Vision, Objectives and Priority Areas for Action for the Council over the next 4 years in serving the communities in Colchester. Summary action plans in the form of priorities on a page have been developed within this framework and are included with this report.
- 4.2. The Strategic Plan is focused on providing direction and vision for the aspiration for Colchester as a place for its people, the objectives for the Council guiding how it will

interact with residents and manage its own affairs and the main priority areas for action to realise the vision.

- 4.3. The planning process has included a review to indicate how the strategic priorities link with existing commitments, national performance indicators and partnership plans. There are many other documents, for example, the Local Area Agreement and National Indicators (which have replaced Best Value Performance Indicators) that detail these commitments. The strategic plan priorities on a page set out the specific actions to be taken to deliver the strategic plan.
- 4.4. The Strategic Plan sets the ambitious agenda for Colchester and its people; refreshes the guiding principles and is flexible to meet changing needs; it sets the delivery agenda to address the issues that the people of the borough have said are critical.
- 4.5. The Strategic Overview and Scrutiny Panel reviewed and commented on the draft Strategic Plan at its meeting on 6 January 2009 (minutes attached).

## 5 Strategic Plan References

- 5.1. The new Strategic Plan will replace the existing plan that expires on 31 March 2009.
- 5.2. The Strategic Plan has three levels of statements:

An overarching vision for the borough:

**Colchester: A place where people really want to live.**

Three objectives:

**We will:**

- **listen and respond**
- **shift resources to deliver priorities**
- **be cleaner and greener**

**In order to improve the quality of life.**

And nine priority areas for action:

- **Addressing older people's needs**
- **Addressing younger people's needs**
- **Community development**
- **Community safety**
- **Congestion busting**
- **Enabling job creation**
- **Healthy living**
- **Homes for all**
- **Reduce, reuse, recycle.**
- 

## 6 Consultation

- 6.1. We reviewed our approach to consultation to ensure value for money, avoid duplication of existing work, develop innovative approaches to consultation, include



direct consultation with groups that are harder to reach by traditional methods and offer a variety of channels for people to contribute to the consultation process.

- 6.2. IPSOS MORI was commissioned to produce an independent summary of our existing consultation and research work, and a comparison with national trends. This used data from the statutory general satisfaction survey in 2006, specific community strength analyses that had been undertaken by the Council and some benchmark comparisons with national data sets. This gave specific insights into where our residents' views reflected national trends and where they were relatively more or less concerned about issues than the national trends.
- 6.3. The "whole population" survey data review was then followed by qualitative face-to-face research with new communities, young people and minority ethnic groups to identify where there were potential differences of emphasis within the priorities.
- 6.4. Other new initiatives for the consultation stage of this Strategic Plan included a freepost survey in the Winter Courier, and an online survey asking people to say which of the nine priorities they felt was most important.

## **7 Publicity considerations**

- 7.1. The development of the strategic plan and the consultation has already received useful and positive publicity. The Courier and on-line general surveys were covered in the local media as "residents get to have their say on authority's proposals (and) to identify their personal priorities and tell the council where they want the budget to be spent."
- 7.2. In terms of communicating the plan once agreed, we intend to make best use of online methods of distribution such as e-mail or web versions of the finalised Plan, as well as more traditional methods.

## **8 Financial implications**

- 8.1. The financial implications of the action plans to deliver the priority areas for action within the plan are incorporated in the annual budgeting cycle and documents.

## **9 Equality, Diversity and Human Rights implications**

- 9.1. As part of our commitment to promoting equality and diversity, Equality Impact Assessments will be undertaken for the Plan itself, and as part of the process of developing the specific action plans to deliver the outcomes intended under the Plan.
- 9.2. The communication strategy for the Plan document will comply with the existing Council policies for access and availability in different formats appropriate to the individual's needs.
- 9.3. The consultation directly targeted hard to reach groups.

## **10 Community Safety implications**

- 10.1. The Strategic Plan positively promotes Community Safety as it is identified as a priority area for action within the Strategic Plan.

## **11 Health and Safety implications**

11.1. There are no Health and Safety implications of the Strategic Plan itself.

## **12 Risk Management implications**

12.1. Individual action plans supporting the priority areas for action will be formally risk assessed and a risk management action plan prepared.

12.2. The absence of a Strategic Plan would create a significant risk of the Council failing to deliver on its core priorities.

### **Reference documents:**

- Draft Strategic Plan 2009-12 (attached)
- Draft Priorities on a page supporting actions plans

### **Background Papers**

- Strategic Overview and Scrutiny report 6 January 2009
- Ipsos MORI Report on Public Priorities for Colchester
- c-consultation section of 'knowing your community' on [www.colchester.gov.uk](http://www.colchester.gov.uk)
- Strategic Plan 2006-09 – adopted February 2006.



# OUR VISION

## Colchester

*'a place where people really want to live'*

### Strategic Plan 2009 to 2012

#### We will:

- listen and respond
- shift resources to deliver priorities
- be cleaner and greener

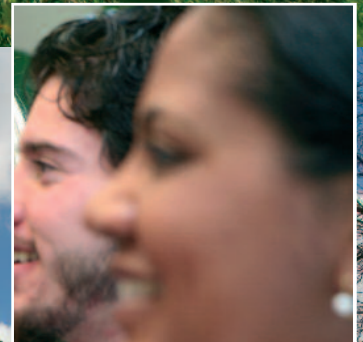
#### In order to improve the quality of life

#### Our priorities for action:

- Addressing older people's needs
- Addressing younger people's needs
- Community development
- Community safety
- Congestion busting
- Enabling job creation
- Healthy living
- Homes for all
- Reduce, reuse, recycle



Colchester





# Colchester

*'a place where people really want to live'*

## **Addressing older people's needs**

We will work with partners to ensure the very best health and wellbeing of our senior people by enabling them to live as independently as possible.

## **Addressing younger people's needs**

We will work with our partners to ensure all of our young people have the opportunities they need to join with their communities and aspire to all they are capable of achieving.

## **Community development**

We will make sure all our residents have the opportunities they need. We will do this by encouraging people to volunteer to support their communities so that residents can be proud of the places where they live.

## **Community safety**

We will work with our partners to make Colchester a safer place to live by tackling crime and anti social behaviour and reducing the fear of crime.

## **Congestion busting**

We will seek to change travel behaviour and improve accessibility, seek improvements for walking, cycling and public transport, and work in partnership to improve transport infrastructure.

## **Enabling job creation**

We will support a range of sustainable employment choices that match the aspirations of our residents.

## **Healthy living**

We will provide opportunities for residents to improve their health by encouraging healthier ways of living.

## **Homes for all**

We will work towards providing safe, secure, decent and affordable homes for all.

## **Reduce, reuse, recycle**

We will make Colchester a sustainable and clean borough for all those who live, work and visit us by greatly reducing the amount of residual waste going into landfill and maximising our street based resources.

If you need help with reading or understanding this document, please take it to our Customer Service Centre, Angel Court, High Street, Colchester, or call 282240.

Textphone users should dial 18001 followed by 01206 282222.

We will try to provide a reading service, translation or any other format you may need.

For more information and our action plan please visit [www.colchester.gov.uk/strategicplan](http://www.colchester.gov.uk/strategicplan) or e-mail [strategicplan@colchester.gov.uk](mailto:strategicplan@colchester.gov.uk)

## Addressing older people's needs

We will work with partners to ensure the very best of health and wellbeing of our senior people by enabling them to live as independently as possible

### Outcomes:

- Increase healthy life expectancy at age 65
- Increase the number of people over 65 stating that they receive the support they need to live independently at home
- Reduce the percentage of pensioners in low income
- Reduce the number of falls reported in each locality
- Increase the number of 65+ accessing life long learning opportunities
- Increase the employment rate of those aged 50-69 to reduce the difference between this and the overall employment rate
- Improve the feelings of safety for citizens in later life
- Promote independence in the home
- Dispel the myth that people in later life are a burden

*(from the "Essex Later Life Strategy")*

### Actions:

- Survey, analyse and review services using existing insight from partners and top 5 issues from older people's groups
- Create a "Younger & Older People's Community Development" resource
- Engage Essex County Council and NHS North East Essex as primary partners with strong links to named officers in both organisations
- Encourage take up of benefits by older people through Welfare Rights team
- Set up a quarterly Colchester "Older People's Forum" that feeds into setting annual key priorities
- Use the assessment of older people's housing needs to prioritise investment including investigating the potential of a Care Village

### Strong Links:

LAA2 Priorities 2 and 3

### Also Links:

LAA2 Priorities 6 and 7

### Key National Indicators:

NI 134, 135, 141, 120, 123

### Local Indicators:

LI 2.1, 2.2

## Addressing younger people's needs

We will work with our partners to ensure all of our young people have the opportunities they need to join with their communities and aspire to all they are capable of achieving

### **Outcomes:**

- Fewer 16-18 year olds not in education, training or employment
- Fewer persistent absentees from school
- Children & young people progress well and achieve more at each Key Stage
- Less youth offending
- Fewer complaints about youth related anti social behaviour
- Drop in youth Anti Social Behaviour Orders
- Increase in uptake of youth participation
- More positive activities for young people
- Safeguarding children is a priority for CBC and our partners when developing joint initiatives

### **Actions:**

- Lead the Colchester Children & Young People's Strategic Partnership in focusing on priority needs
- Work with key partners to ensure the safety and wellbeing of our children
- Increase collaboration between the council, local schools and their students
- Create a "Younger & Older People's Community Development" resource
- Assist in enabling a broader provision of voluntary/charitable youth groups/activities based in local communities
- Actively work with NHS North East Essex Healthy Schools team to implement prevention services targeted at children & families in deprived neighbourhoods
- Review and deliver the Colchester Play Strategy
- Ensure the work on raising skills levels in the Economic Prosperity

### **Strong Links:**

LAA2 Priorities 1 and 4  
Colchester Children and Young People's Plan

### **Also Links:**

LAA2 Priorities 3, 5, 6 and 7

### **Key National Indicators:**

NI 51, 56, 59, 60, 72-75, 78, 79, 83, 87, 87a, 117, 92-101

### **Local Indicators:**

Life Opportunities targets for education

## Community development

We will make sure all our residents have the opportunities they need. We will do this by encouraging people to volunteer to support their communities so that residents can be proud of the places where they live.

### Outcomes:

- Communities have more influence over decision making in their area
- Higher rates of skills amongst adults
- Reduce worklessness
- A strong voluntary sector contributing to our priorities
- A comprehensive understanding of community need is established to inform Planning Gain decisions
- Housing developments include appropriate community facilities
- Greater sense of community spirit and pride across our diverse communities

### Actions:

- Develop a Place Shaping strategy to delegate decision making and service delivery to local communities and respond to the opportunities provided by the Sustainable Communities Act 2007
- Work with a wide range of statutory and voluntary organisations to deliver the projects in the action plans for the skills and worklessness 'Life Opportunities' targets
- Invest in voluntary sector organisations to direct work at our Strategic Plan priorities
- Work with communities to release resources from a range of sources to deliver tangible community provision using the community facilities audit
- Identify and work with residents to build their skills to work in their communities
- Engage residents and community groups in target wards to foster increased community spirit and achieve community priorities

### Strong Links:

LAA2 Priorities – strategic indicators

Priority 6

### Also Links:

LAA2 Priorities 3 and 5

### Key National Indicators:

NI 4, 5 and 7

NI 6

### Local Indicators:

Life Opportunities targets for skills and worklessness

## Community safety

We will work with our partners to make Colchester a safer place to live by tackling crime and anti social behaviour and reducing the fear of crime

### **Actions:**

- Co-ordinate a series of 'Days of Action' to tackle crime and improve the quality of life in neighbourhoods
- Reduce crime and anti-social behaviour in the town centre and encourage greater use by people of all ages.
- Support the development and extension of the SOS & Community Bus Project.
- Together with our partners enable Communities to challenge anti social behaviour and develop Neighbourhood Action Panels to ensure community issues are being actioned and resolved

114

### **Outcomes:**

- The Borough and Town will feel safer to all
- Reduce the negative impacts of the night time economy so that all feel comfortable using the town at night
- Communities feel engaged in finding solutions for the problems in their area
- A range of partners, including the Police, feel that the Council is actively engaged in improving community safety and that each of them is encouraged to contribute fully to making Colchester a safer place
- Reduce the fear of crime

### **Strong Links:**

LAA2 Priorities: 7

Crime and Disorder Reduction Annual Partnership Plan

### **Also Links:**

LAA2 Priorities: 5

### **Key National Indicators:**

NI 17 & 18, NI20, NI111, 115

### **Local Indicators:**

LAA2 7.1, LAA2 7.2

CDRP local indicators

Life Opportunities targets for crime and anti-social behaviour



## **Congestion busting**

We will seek to change travel behaviour and improve accessibility, seek improvements for walking, cycling and public transport, and work in partnership to improve transport infrastructure

### **Actions:**

- Devise planning policy which ensures new developments incorporate walking, cycle routes and public transport services at the initial planning stages
- Set up a travel behavioural change programme working with existing communities
- Work in partnership to release land and deliver the A12 junction, the Northern Approaches Road and the Busway.
- Consider a planning application and make available land to allow delivery of Park and Ride at North Colchester
- Upgrade existing and construct new cycle routes using newly acquired Cycling Town status and improve cycle security at rail stations to encourage residents to use bikes/public transport
- Commence the changes to the town centre to reduce traffic and improve reliability of the bus operation
- Improve the environments in and around Colchester's stations, increase the length of platforms at the Hythe station to allow for improved train operation and approve a pilot Travel Plan for Colchester Station
- Work with Essex County Council to deliver acceptable sustainable changes to the A133

### **Outcomes:**

- Increase the levels of people cycling
- Increase the number of people using alternative methods of travel to access the station and places of employment
- Provide new access and release land for housing and economic development through delivery of the A12 Junction and relieve congestion around the North Station area
- Increase the operational reliability of passenger transport especially in the town centre
- Increase the attractiveness of the town centre as a place to live, work, shop and visit
- Increase funding for transportation measures to address congestion through behavioural change
- Reduce greenhouse gasses produced by vehicles

### **Strong Links:**

Local Development Framework – Core Strategy  
Sustainable Community Strategy  
Local Area Agreement – Priorities 5 & 9

**Also Links:**  
Economic Strategy  
Local Transport Plan  
Haven Gateway Integrated Development Plan  
Regional Spatial Strategy  
Climate Change Indicators NI 186 and NI 188

### **Key National Indicators:**

ECC lead on 167, 175, 176, 177, 178

### **Local Indicators:**

LAA2 targets (LI5.1 and LI 5.2)  
LDF and LTP targets (7)  
Cycling Town Targets  
LSP target of 30% reduction in CO<sub>2</sub> by 2020

## Enabling job creation

We will support a range of sustainable employment choices that match the aspirations of our residents

### **Outcomes:**

- The skills of the local workforce improved so people are able to compete effectively in changing economic conditions
- Colchester will have a below average level of worklessness
- Working closely with multiple sections of the business community a range of joint initiatives will be delivered to benefit the local economy
- Businesses continue to invest in developing their employment opportunities within the borough
- Improved signposting and take up of benefits designed to help all businesses
- The needs of local business are met within major development projects

### **Actions:**

- Exploit Colchester's strategic location between London, Stansted and the Haven Gateway ports to promote international trade, secure inward investment and major infrastructure projects
- Ensure the availability of sufficient quality employment land via our planning process to meet the employment needs of our residents
- Use planning gain and other funding streams to raise the number of apprenticeships and increase the take up of training and employment opportunities
- Increase incubation and grow-on space to sustain business growth
- Support the creation of new businesses by working in partnership with other agencies nationally and regionally to market Colchester as a preferred business location
- Sustain and where possible strengthen the independent retail sector within the retail offering in the borough
- Raise the skill levels of the local workforce to obtain better paid employment by innovative collaboration with employers, educational institutions and other key partners

### **Strong Links:**

LAA2 Priority 8

### **Also Links:**

LAA2 Priorities

### **Key National Indicators:**

NI 163, 164, 165, 171

### **Local Indicators:**

NI 151, LI 8.1, LI 8.2

## Healthy living

We will provide opportunities for residents to improve their health by encouraging healthier ways of living

### **Outcomes:**

- Reduce rates of smoking, childhood obesity and teenage pregnancies
- More young people have better knowledge of healthy eating and exercise
- More residents receive advice on grants to improve their home insulation
- More residents with chronic health conditions receive advice and financial support to insulate their homes
- Increase adult participation in sport
- Secure a lasting legacy for Colchester from the London 2012 Olympic and Paralympic Games

### **Actions:**

- Work with a wide range of statutory and voluntary organisations to deliver the projects in the action plans for the Local Area Agreement and 'Life Opportunities' targets on childhood obesity, smoking and teenage pregnancy
- Co-ordinate the Lottery-funded MEND (childhood obesity) scheme
- Deliver the NHS North East Essex collaboration plan for healthy lifestyles and attract funding for new health initiatives
- Give advice to residents on accessing grants to better insulate their homes
- Deliver the NHS-funded fuel poverty scheme ('Warm Homes 2')
- Deliver the Community Sport Network action plan and the Development Plan for Sport
- Work with partners to deliver the London 2012 Partnership Plan

### **Strong Links:**

LAA2 Priorities 3 and 6

### **Also Links:**

LAA2 Priorities 2 and 4

### **Key National Indicators:**

NI 8, 56, 57, 112 123 and 120

### **Local Indicators:**

Life Opportunities targets for Childhood obesity, smoking and teenage pregnancy

LI 3.1

## Homes for all

We will work towards providing safe, secure, decent and affordable homes for all

### **Outcomes:**

- The balance of Colchester's housing market is improved so that the right types of homes to meet resident's needs are built
- Public sector land is made available for affordable housing
- The Planning system is used effectively to deliver safe, secure, decent and affordable homes
- All Council tenants in Colchester have the opportunity to live in homes which are decent and well maintained
- More properties in the Private Sector are brought up to the decent homes standard
- More people are able to remain in their own homes

### **Actions:**

- Coordinate, provide and promote an advice service with partners to make sure people get all the help they need to remain in their own homes
- Lead a review of private and publicly owned sites including rural exception sites to deliver new affordable housing across the borough
- Implement Colchester's Local Development Framework, including a robust Affordable Housing Supplementary Planning Document, to seek 35% of all new homes to be affordable on sites with 3 or more homes in rural areas and 10 or more homes in urban areas
- Adopt a site allocations development plan document to ensure a 15 year rolling supply of housing sites
- Ensure that all council homes meet the decent homes standard
- Identify private properties to target for improvement to the decent homes standard and seek external funding to deliver
- Encourage the return of empty properties to use

### **Strong Links:**

Healthy Living priority re fuel poverty  
LAA2 Priorities  
Housing Strategy

### **Also Links:**

Haven Gateway IDP

### **Key National Indicators:**

NI 154, NI 155 (LAA L12.2), NI 158, NI 159

### **Local Indicators:**

Life chances indicators 10, 11, 13

## **Reduce, reuse, recycle**

We will make Colchester a sustainable and clean borough for all those who live, work and visit us by greatly reducing the amount of residual waste going into landfill and maximising our street based resources

### **Outcomes:**

- Significant behavioural change by residents in reducing their residual waste and recycling more at the kerbside and through bring sites
- Reduction by 10% of the residual waste produced by households in the Borough based on 2007/08 levels
- Increased recycling and composting is beyond 40% and the mechanisms are in place to achieve our aspiration of 50%
- A cleaner environment, increased awareness of the climate change issues and more visible street based services

### **Actions:**

- Prepare an options appraisal to identify potential future service delivery
- Extend the kerbside recycling service to all flats
- Carry out education and information programmes that persuades and encourages residents to reduce their waste and recycle all materials
- Carry out cleaning blitzes and increase visibility of street based staff and resources
- Investigate a food waste collection service
- Provide a free recycling service to all Schools
- Investigate the potential benefits to Colchester of an Inter Authority Agreement with Essex County Council
- Work with voluntary and charitable organisations to promote and enable the reuse of a range of household items and materials

### **Strong Links:**

LAA2 - Priority 9

### **Also Links:**

Nottingham Declaration Strategy and Action Plan

### **Key National Indicators:**

NI 191; NI 192 and NI 195

NI 186 and NI 188

### **Local Indicators:**

Waste to Resources Strategy and Plan targets

25% Carbon reduction by 2012



## Cabinet

28 January 2009

Item  
**8(i)**

<b>Report of</b>	<b>Head of Resource Management</b>	<b>Author</b>	<b>Charles Warboys Sean Plummer ☎ 282350 ☎ 282347</b>
<b>Title</b>	<b>2009/10 Revenue Budget and Medium Term Financial Forecast</b>		
<b>Wards affected</b>	n/a		

**This report requests Cabinet to recommend to Council:**

- **The 2009/10 Revenue Budget**
- **Colchester's element of the Council Tax for 2009/10**
- **The Medium Term Financial Forecast**
- **The Prudential Indicators and Treasury Management Strategy and Annual Investment Strategy**

### 1. Decisions Required

- 1.1 To note that the outturn for the current financial year is forecast to be overall in line with the approved Revenue Budget and that the position is being carefully monitored. (paragraph 3.4.).
- 1.2 To approve the cost pressures, growth items and saving / increased income options identified during the budget forecast process as set out at Appendices B, C and D.
- 1.3 To consider and recommend to Council the 2009/10 Revenue Budget requirement of £24,432k (paragraph 7.1) and the underlying detailed budgets set out in the Background Papers.
- 1.4 To agree that Revenue Balances for the financial year 2009/10 be set at a minimum of £1,700k and that £484k be applied to finance items in the 2009/10 revenue budget.
- 1.5 To agree the following releases (paragraph 11.12):-
  - £661k from the Capital Expenditure Reserve in 2009/10 to meet costs including accommodation, the community stadium and ICT Strategy.
  - £663k to be financed from the Renewals and Repairs Fund for specific projects
  - £100k from the insurance provision
  - £60k from the S106 monitoring reserve
  - £221k from the Regeneration Reserve to support delivery of the Renaissance Programme and provide support towards cost pressures
- 1.6 To agree and recommend to Council that £100k of Revenue Balances be earmarked for potential unplanned expenditure within the guidelines set out at paragraph 12.3.
- 1.7 To agree and recommend to Council that Colchester's element of the Council Tax for 2009/10 be set at £171.00 for Band D properties which is an increase of £4.59 per annum (2.76%) (paragraph 13.2).

- 1.8 To note that the formal resolution from Cabinet to Council will include the Parish, Police, Fire and County Council elements and any change arising from the formal Revenue Support Grant Settlement announcement in early February. This will be prepared in consultation with the Leader of the Council.
- 1.9 To note the Medium Term Financial Forecast for the financial years 2010/11 and 2011/12 (paragraph 14.6).
- 1.10 To note the comments made on the robustness of budget estimates at paragraph 16.
- 1.11. To agree and recommend to Council the Prudential Indicators, Treasury Management Strategy and Annual Investment Strategy (paragraph 17.7).

## **2. Background Information and Summary**

- 2.1 The 2009/10 Revenue Budget and the Capital Programme have been prepared in accordance with a process and timetable agreed at Cabinet and endorsed by the Strategic Overview and Scrutiny Panel (Appendix A).

### ***Delivering a Balanced Budget for 2009/10***

- 2.2. The Revenue Budget for 2009/10 has been prepared against a background of meeting the Council's new Strategic Plan objectives whilst facing significant financial pressures from the economic slowdown. Every effort has been made to produce a budget that not only funds the delivery of high quality services and shifts resources for investment in priority areas but keeps the increase in Council Tax below the level of inflation (RPI). This has been very difficult, however, a high level of savings has been found and includes areas such as:

- Negotiation and challenge of costs to deliver savings
- Taking steps to mitigate cost pressures through cost savings measures
- Minimising the impact and cost of redundancies through redeployment and managing vacant posts
- Carrying out detailed budget reviews of specific areas to shift resources to maintain and also invest in services to deliver priorities
- Using reserves in a managed and prudent way .

### ***Council Tax***

- 2.3. It is proposed to increase the Council's element of the Council Tax by 2.76% in 2009/10. This is below the current level of inflation (RPI =3% at November) and also below the increase in state pensions (5%). The Government has stated that it expects authorities to increase Council Tax by less than 5%. Colchester's increase is therefore well within this level.
- 2.4. A 2.76% increase in Colchester's element of the Council Tax equates to less than 9p per week for a Band D property. This is a modest increase when considered alongside £3.8m of cost pressures and areas of growth/investment set out in Appendices B & C respectively.
- 2.5. Further information on the budget is provided in the following paragraphs.

## **3. Current Year's Financial Position**



- 3.1 In order to inform the 2009/10 budget process and forecast level of reserves it is useful to first review the current year's financial position. Revenue budgets are monitored on a monthly basis with regular reports to Senior Management Team and the Finance and Audit Scrutiny Panel (FASP). A considerable amount of work has been undertaken to determine a reasonable forecast of the year-end position.
- 3.2 The current position is showing that the forecast outturn is, overall, in line with the budget. This represents a significant achievement given the pressures faced this year from forecast reduced income of circa £1m.
- 3.3. There remains some outstanding risks to the forecast and the position continues to be monitored and FASP on 24 February 2009 will receive a report setting out a detailed position.

3.4 **Cabinet is asked to note that the forecast outturn position for the current year is anticipated to be on budget and that the position will continue to be monitored.**

#### **4. 2009/10 Revenue Cost Pressures**

- 4.1 Appendix B sets out revenue cost pressures, over the 2009/10 base, of £3,186k which have been identified during the budget process. This includes an inflation allowance, impact of the economic downturn on income (mainly planning, building control, land charges and car parks) and the impact of higher energy costs
- 4.2 The cost pressures have mostly been previously considered by Cabinet, however, provision has now been included to reflect changes to inflationary assumptions (including pay and energy), an increase to the expected shortfall of planning and building control income and other impacts of the economic downturn such as the impact on the property market.

4.3 **Cabinet is asked to approve inclusion within the 2009/10 Revenue Budget of the cost pressures set out at Appendix B.**

#### **5. 2009/10 Revenue Growth**

- 5.1. Appendix C sets out growth items totalling £631k which have been identified during the budget process. These items will assist in enabling the Council to deliver its Strategic Plan objectives and include costs funded through Government grants and the use of Council reserves.
- 5.2. The main changes to report since the last Cabinet paper are the inclusion of £210k towards increasing recycling rates and £5k towards providing additional resources to support welfare rights.

5.3. **Cabinet is asked to approve inclusion within the 2009/10 Revenue Budget of the growth items as set out at Appendix C.**

#### **6. 2009/10 Revenue Saving/Increased Income**

- 6.1 Appendix D sets out savings/increased income totalling £2,489k The appendix provides an analysis of the risks to delivering the savings and steps taken or planned to mitigate these risks.



6.2. There are some changes to the report since Cabinet met on 3 December 2008. These include the continued identification of savings to mitigate the impact of reduced income, specifically within Environmental and Protective Services, steps to mitigate increased grounds maintenance costs and also proposed savings identified from specific service reviews including cultural services.

6.3. There will be some one-off costs required to deliver all the budget savings. A sum of £120k has therefore been included within the budget.

6.4. **Cabinet is asked to approve inclusion of the savings/increased income items set out at Appendix D within the 2009/10 Revenue Budget.**

**7. Summary Total Expenditure Requirement**

7.1 Should Cabinet approve the items detailed above, the total expenditure requirement for 2009/10 is as follows:

	<b>£'000</b>
2009/10 Budget	<b>23,998</b>
Less: 2008/09 one-off items	(894)
Cost Pressures (as per Appendix B)	3,186
Revenue Growth (as per Appendix C )	631
Savings/Increased Income (net of one off costs) (as per Appendix D)	(2,489)
<b>Forecast Budget 09/10</b>	<b>24,432</b>

**Note:**

Detailed service group expenditure is available in the Background Papers. A summary of service group expenditure is attached at Appendix E.

7.2. **Cabinet is asked to agree and recommend to Council the net revenue expenditure requirement for 2009/10 and the underlying detailed budgets set out in the Background Papers.**

**8. Revenue Support Grant**

8.1 The provisional Revenue Support Grant Settlement was announced in Parliament in November 2008. Our provisional grant settlement is £12,681k, which is in line with the announcement of the 3 year figures provided as part of the Comprehensive Spending Review 2007 (CSR 07).

8.2 The settlement represents an increase of £296k (2.4%) in cash terms on 2008/09 The three-year figures announced provide for a reducing increase in 10/11 as shown below:-

	Grant	Increase	
	£'000	£'000	%
09/10	12,681	296	2.4
10/11	12,911	230	1.8

8.3. The Settlement is provisional and subject to consultation. Traditionally, there has been very little change between the provisional and actual Settlement. Any marginal change to the Council's grant entitlement will be reflected in the final budget recommendation to Council.

## 9. Council Tax

9.1 As part of the formal budget setting process, the Council is required to determine each year, as at 15 January, the estimated surplus or deficit arising from the Council Tax Collection Fund as at 31 March.

9.2 Whilst the collection rate continues to be close to our target of 99.5% there has been an increase in the level of write offs, including prior years, and the growth in the number of properties seen in recent years has fallen meaning that it is anticipated there will be a no surplus or deficit at the year end. The MTFF had previously assumed that Colchester's share of the then anticipated surplus would be £60k and therefore this has impacted on the overall budget position.

## 10. Revenue Balances

10.1 The Local Government Act 2003 places a specific duty on the Chief Financial Officer to report on the adequacy of the proposed financial reserves of an Authority when the budget is being considered. This section and section 11 address this requirement.

10.2. Cabinet, at its meeting on 3 December 2008, considered a report setting out the outcome of a risk management analysis in respect of the Council's Revenue Balances. Cabinet agreed with the analysis conclusion that Revenue Balances should be maintained at a minimum of £1.7m and that the situation would be reviewed based the implications and details of items such as the grant settlement, budget savings and other variables. Based on the assumptions built into the budget it is considered prudent to maintain the recommended minimum level at £1.7m.

10.3. The cost pressures and growth items set out in the following table and included within the appendices to this report include a number of likely one-off cost which are recommended to be funded from general balances. It is important to note that £386k is planned to be added to balances from 08/09 budgets meaning that £98k is being used from existing balances.

	<i>Cost in 08/09 £'000</i>	<i>Note / Requirements</i>	<i>Additional</i>
Potential one-off costs to deliver budget options	120	See para 6.4	
One off costs to support recycling initiatives	100	See Growth items (Appendix C)	
One of costs related to HPDG c/f from 08/09	140	See Growth items (Appendix C)	
Contribution carried forward re: service review post	46	See cost pressures (Appendix B)	
General contribution towards potential one-off costs including empty rates charges and commercial rental shortfall etc	78		
<b>Total</b>	<b>484</b>		

- 10.4 In considering the level at which Revenue Balances should be set for 2009/10, Cabinet should note the financial position the Council is likely to face in the medium term both through the levels of future Government funding and the incremental pension burden highlighted in the Medium Term Financial Forecast.
- 10.5 The forecast position in respect of Revenue Balances as at 31 March 2009 is set out at Appendix F and shows balances at £1,847k as compared with a recommended minimum balance of £1,700k as set out in the agreed Risk Management Analysis. Taking account of the medium term position detailed above, Cabinet is recommended to approve that balances are retained at a minimum level of £1,700k and release £484k to assist in funding the 2009/10 Revenue Budget.
- 10.6 **Cabinet is recommended to approve Revenue Balances for the financial year 2009/10 at a minimum of £1,700k and that £484k be applied to finance items in the 2009/10 Revenue Budget.**

## 11. Reserves and Provisions

- 11.1. Cabinet at its meeting on 3 December 2008 considered the Council's earmarked reserves. As part of the budget process a review was undertaken into the level and appropriateness of earmarked reserves and provisions for 2009/10. The review concluded that the reserves and provisions detailed were broadly appropriate and at an adequate level, however, it was stated that a further review would be done as part of this final report. The proposed budget includes a number of releases from reserves, including some changes to those already proposed.
- 11.2. The proposed use of reserves and provisions should be viewed in the context of additional contributions made to reserves during the year. These have included:-
- £250k contribution to the Repairs and Renewals Reserve
  - A contribution of £130k to the Regeneration Reserve
  - £100k contribution to the capital expenditure reserve for opportunity purchases.

*Capital Expenditure Reserve (CER) – release of £661k*

### *Accommodation*

- 11.3. Cabinet considered releasing sums within the Capital Expenditure Reserve to mitigate the incremental cost impact of the accommodation portfolio changes decided in 2003/04. The release required to mitigate the impact for 2008/09 was £400k. It was agreed that this would be phased out from next year and for 2009/10 £205k is proposed with no further use from 2010/11 onwards which is reflected in the MTFF

### *Community Stadium*

- 11.4. The Council agreed that an approach to minimise the revenue pressure is to fund the annual MRP cost by identifying new capital receipts in the period of the borrowing. This then allows a release of revenue funds within the capital expenditure reserve in the same way as the accommodation project. For 2009/10 the use of the reserve remains at £300k.

### *ICT Strategy*

11.5. The Council agreed the ICT Strategy within the capital programme. As the strategy has been developed there are some items that should properly be charged to revenue. These include £35k of cost pressures shown at Appendix C and a previously agreed use of £26k. In total £51k is proposed.

*Opportunity purchases*

11.6. £100k was transferred to the CER as part of the allocation of the 2007/08 outturn surplus to fund opportunity purchases. This budget remains uncommitted and it is therefore proposed that given the budget pressures faced for 2009/10 that the capital programme be changed by this amount and £100k be released from the capital expenditure reserve.

*Renewals and Repairs Fund – release of £663k*

11.7 Cabinet noted on 6 December that the estimated balance at 31 March 2009 on the Renewals and Repairs Fund stood at £2,931k and that the 2009/10 expenditure programme would be considered at this meeting. Appendix G sets out the recommended programme totalling £663k. The releases include £603k in respect of the 5-year building maintenance programme. The programme has been based on in-depth condition surveys of all Council building assets. The programme will continue to be developed over the coming year and will again be considered as part of the budget strategy for 2010/11.

*Regeneration Reserve – release of £221k*

11.8. The additional items shown at Appendix C include £166k in respect of resources within the Renaissance Delivery Unit to maintain the role of this team. It is recommended that for 2009/10 that this cost continues to be funded from the Regeneration Reserve.

11.9. In addition it is also proposed that a further £55k from the reserve be used to support the budget. The balance on this reserve after this contribution is still expected to be sufficient to fund the additional regeneration resources for 2010/11.

*S106 Monitoring Reserve – release of £60k*

11.10. This reserve was set up to provide funds to support the future monitoring of Section 106 agreements. Within the last budget report to Cabinet it was proposed to use £30k to support the 2009/10 budget. However, given that the costs involved in monitoring are higher than this a contribution of £60k is now proposed. This reserve will still last for at least the next 3 years if used in a similar way.

*Insurance Provision – release of £100k*

11.11. During the tender process this year we were able to include subsidence cover for all the properties with our external insurers where as before we covered all subsidence costs from the provision. We have some run-off claims for properties that suffered structural problems prior to 1st August 2008 but everything after that is covered. Other issues have also been considered and in summary it would be possible to offer up £100k from the provision without an undue level of risk

11.12 **Cabinet is recommended to agree release of**

- **£661k from the Capital Expenditure Reserve in 2009/10**
- **£663k from the Renewals and Repairs Fund as set out at Appendix G**
- **£221k from the Regeneration Reserve.**
- **£60k is released from S106 monitoring reserve towards the costs of carrying out this function**
- **Release of £100k from the insurance provision**

## 12. Contingency Provision

- 12.1 The Council's Constitution requires that any spending from Revenue Balances not specifically approved at the time the annual budget is set, must be considered and approved by full Council. This procedure could prove restrictive particularly if additional spending is urgent.
- 12.2 It is recommended that £100k of Revenue Balances be specifically earmarked for potential items of unplanned expenditure. It should be noted that if this sum was used during the year it may take revenue balances below the recommended level of £1,700k and the Council would need to consider steps to reinstate balances at a later date.

- 12.3 **Cabinet is asked to agree and recommend to Council that £100k of Revenue Balances be specifically earmarked for potential items of unplanned expenditure which are:**
- **The result of new statutory requirements or**
  - **An opportunity purchase which meets an objective of the Strategic Plan or**
  - **Is considered urgent, cannot await the next budget cycle and cannot be funded from existing budgets**
- Authorisation being delegated to the Leader of the Council.**

## 13. Summary of Position

- 13.1 Summary of the Revenue Budget position is as follows:

	<b>£'000</b>
Revenue expenditure requirement for 2009/10 (para 7.1).	24,432
Release from Capital Expenditure Reserve (para 11.3 to 11.6)	(661)
Release of General Reserve (para 10.3)	(484)
Release of Regeneration Reserve (para 11.8 and 11.9)	(221)
Release of S106 monitoring reserve (para 11.10)	(60)
Release of insurance provision (para 11.11)	(100)
<b>Budget Requirement</b>	<b>22,906</b>
Funded by:	
Revenue Support Grant (para 8.1)	12,681
Collection Fund Surplus (para 9.2)	0
Council Tax Payers requirement (before Parish element) see below*	10,225
<b>Total Funding</b>	<b>22,906</b>

<b>Council Tax*</b>	
Council Tax Payers requirement (before Parish element)	10,225
Council Tax Base – Band D Properties	59,797.8
<b>Council Tax at Band D</b>	<b>171.00</b>

- 13.2 **Cabinet is asked to agree and recommend to Council Colchester's element of the Council Tax for 2009/10 at £171.00 per Band D property, which is an annual increase of £4.59 (2.76%), noting that the formal resolution to Council will include Parish, Police, Fire and County Council precepts and any minor change arising from the formal Revenue Support Grant announcement.**

#### **14. Medium Term Financial Forecast – 2009/10 to 2011/12**

- 14.1 This Council, in common with most other local authorities, faces an ongoing difficult position in the medium term due to a range of pressures including increased statutory pension payments and potential revenue implications of strategic priorities.
- 14.2 The Government three-year grant settlement has provided some certainty over future grant levels and aids longer term planning. However, 2010/11 is the last year of the CSR07 and therefore making assumptions for 2011/12 and beyond is difficult and can only be indicative at this stage. The Council already considers the longer term financial impact of its decisions and as part of the budget process consideration has been given throughout to the impact of costs pressures, savings and risks over the next three years.
- 14.3. The Medium Term Financial Forecast (MTFF) is attached at Appendix H with the key assumptions and savings required shown. This shows that the Council will continue to face the need to bridge a budget gap of circa £1.5m over the next two years from April 2010, with 2010/11 likely to be in the region of £1.2m. In the 2009/10 budget savings of £2.5m have been found. This is significantly higher than previous years which have been in the region of £1.3m. Whilst we will continue to look for other areas of savings and efficiencies it will be increasingly hard to balance budgets without considering variations to current services.
- 14.4. This year's budget process has included reviews of all service areas, with more detailed reviews of cultural services and sport and leisure and this process will continue for other areas over the life of the MTFF including housing services which has already started.
- 14.5. The Council is also continuing with a number of measures to improve how staff work and deliver efficiencies as part the accommodation and flexible working review.
- 14.6 **Cabinet is asked to note the medium term financial position forecast for the Council.**

#### **15. Capital Programme**

- 15.1 No changes to the capital programme are proposed at this stage other than other than the proposal set out at paragraph 11.6 in respect of opportunity purchases. Cabinet will consider the capital programme at the next meeting in March when consideration will be given to further releases. All revenue implications of the programme, including those in respect of Council's decisions in respect of the Purchase of Rowan House and revised cost projections for the FS:NS project have been included within the revenue budget.

#### **16. Robustness of Estimates**

- 16.1 The Local Government Act 2003 placed a specific duty on the Chief Financial Officer to report on the robustness of estimates in the budget proposals of an Authority when the budget is being considered. This section addresses this requirement.
- 16.2 As set out in this paper a rigorous process and timetable has been followed throughout the budget setting activity this year involving the Cabinet, Leadership Team, Finance and Audit Scrutiny Panel, Senior Management Team and budget holders. All key

assumptions used have been reviewed and scrutinised as part of this process. The result of this process has been a budget which is, in my view, challenging but deliverable.

16.3. The impact of the economic climate on the Council is significant. This includes income from areas such as planning and car parks, falling interest rates affecting investment returns, the property market affecting capital receipts and also the impact felt by local residents which puts greater pressure on essential services such as accessing benefits. Whilst I consider that reasonable assumptions have been made to account for these and other areas there remains a degree of risk with the key areas being:-

- Uncertainty over how long the impact of the economic downturn will be felt.
- The combined impact of falling interest rates and negative cashflow factors such as reduced levels or delays to securing capital receipts on the net interest budget.
- The ability to deliver all savings included within the budget, including corporate targets such as those for salaries.
- Actual levels of grants received from Government, specifically Housing and Planning Delivery Grant (HPDG) and the new LABGI (Local Authority Business Growth Incentive Scheme)
- Any variation to payments in respect of concessionary fares
- Meeting income levels in particular in respect of planning, leisure and car parking.

16.4. These risks will be managed during 2009/10 by regular targeted monitoring and review at Senior Management Team and Finance and Audit Scrutiny Panel. The Revenue Balance Risk Analysis considered these areas in establishing a minimum level of required balance of £1.7m and it is currently forecast that uncommitted balances will be higher than this at the end of March 2009.

16.5 Delivery of the budget will continue to require financial discipline led by SMT in terms of the corporate budget initiatives and by budget holders, ensuring expenditure is not incurred without adequate available budget. Budget managers will continue to be supported through training and advice to enable them to do this.

16.6. Regular updates on forecast expenditure will also be important to ensure the budget is managed within the expenditure constraints set out.

16.7 **Cabinet is asked to note the comments on the robustness of budget estimates.**

## 17. Prudential Code Indicators

17.1. The aims of the Prudential Code are to assist local authorities to ensure that:

- Capital expenditure plans are affordable
- All external borrowing is at a prudent and sustainable level
- Treasury management decisions are taken in accordance with good practice
- The authority is accountable in taking decisions by providing a clear and transparent framework.
- The framework is consistent with and supports local strategic and asset management planning and proper option appraisal.

17.2. The prudential indicators are designed to support and record decision making in relation to capital expenditure plans, external debt and treasury management. Estimating capital expenditure for the forthcoming financial year and the following two financial years is the starting point of the calculation of prudential indicators. The Council has made reasonable estimates of both HRA and non-HRA total capital expenditure.

- 17.3 In agreeing the Council's revenue budget and capital programme there is a requirement to approve the prudential indicators for the coming year.
- 17.4 The recommended Prudential Indicators for 2009/10 are set out in the background paper with relevant commentary.
- 17.5 One of the key requirements of the Code is that the Council agrees a number of prudential indicators which set out the limits to which the Council may borrow and the implications of borrowing. The main assumptions used in setting these indicators are that:
- Further capital expenditure has been agreed in respect of the Firstsite:newsite project (subject to certain conditions) to be financed through borrowing.
  - Further borrowing may also be required and has been allowed for in respect of the cremators scheme (circa £0.5m).
  - No further borrowing in respect of the Decent Homes programme is currently planned, however, a potential borrowing requirement of £1m has been identified in respect of the upgrading of communal aerial system in the Council's housing stock with the financing costs recovered through service charges.
  - The revenue and capital budget proposals set out in this report will be agreed.
  - That treasury management decisions will be carried out in line with the Treasury Management Strategy.
- 17.6 Council is also required to annually approve the Treasury Management Strategy and Annual Investment Strategy that underpins the setting of some of the prudential indicators, the Council's capital programme and revenue budget for net interest earnings. This has been subject to detailed review by the Finance and Audit Scrutiny Panel in light of the impact of the credit crunch on financial markets and more specifically the issue of credit risk following the Icelandic bank situation.
- 17.7 **Cabinet is asked to agree and recommend to Council the Prudential Indicators, the Treasury Management Strategy and Annual Investment Strategy as set out at Appendix I.**

## 18. Strategic Plan References

- 18.1. The budget forecasting process has been underpinned by the Strategic Plan. The objectives of the Strategic Plan have informed all stages of the budget setting process. The proposed budget will enable the Council to deliver the services and priorities set out in the Strategic Plan which is subject to a separate report on this agenda.

## 19. Financial Implications

- 19.1 As set out in the report.

## 20. Publicity Considerations

- 20.1 Arrangements will be made to publish the approved tax levels in the local press and to produce the Council Tax Information Leaflet for distribution with the Council Tax bills. These will be in accordance with the legal requirements.

## 21. Human Rights Implications

- 21.1 None



**22. Community Safety Implications**

22.1 None

**23. Health and Safety Implications**

23.1 None

**24. Risk Management Implications**

24.1 Risk management has been used throughout the budget process and specific consideration has been given to the Council's current risk profile when allocating resources. This will be reflected in the corporate risk register.

**25. Consultation**

25.1 The budget will be scrutinised by Finance and Audit Scrutiny Panel on 27 January 2009. The statutory consultation with NNDR ratepayers took place on 7 January 2009 and notes of the meeting are provided at Appendix J.

25.2 The budget proposals have been underpinned by the proposed new Strategic Plan which has been subject to consultation as outlined in the separate report on this agenda.

**Background Papers**

Detailed Service Group Expenditure Papers

Report to FASP 27<sup>th</sup> January 2009 - Treasury Management Strategy and Annual Investment Strategy and Prudential Indicators

Budget reports to Cabinet – 3 December 2008

<b>2009/10 Budget Timetable</b>	
<b>Budget Strategy April – July 2008</b>	
<b>April – May (SMT)</b>	Update MTFF /Budget Strategy Review cost pressures, growth and risks Consider approach to budget
<b>May - June 08</b>	Service budget summaries considered by Leadership team
<b>Cabinet –9 July 08</b>	<ul style="list-style-type: none"> <li>• Report on updated budget strategy / MTFF</li> <li>• Timetable approved</li> <li>• Approach to consultation outlined</li> </ul>
<b>SOSP – 26 August 08 (changed to 8 September 08)</b>	Review Cabinet report
<b>Detailed Budget preparation and Budget Setting Consultation</b>	
<b><u>Management Team regular sessions on progress / budget options</u></b>	Review progress on efficiencies
<b>Leadership Team (July / August)</b>	<ul style="list-style-type: none"> <li>• Review outcomes of budget reviews and agree and carry out further detailed work</li> </ul>
<b>Cabinet – 10 September 08</b>	<ul style="list-style-type: none"> <li>• Budget Update</li> <li>• Review of capital resources / programme</li> </ul>
<b>Cabinet – 22 October 08</b>	Budget Update (if required)
<b>Cabinet – 3 December 08</b>	<ul style="list-style-type: none"> <li>• Budget update</li> <li>• Reserves and balances</li> <li>• Grant settlement</li> </ul>
<b>FASP – 27 January 09</b>	Review budget position
<b>Cabinet – 28 January 09</b>	Revenue and Capital budgets recommended to Council
<b>Council – 18 February 09</b>	Budget agreed / capital programme agreed / Council Tax set

**2009/10 Revenue Cost pressures**

Heads of Service/Portfolio Holders have been asked to contain cost pressures within existing budget allocations wherever possible. The following are specific areas where budget allocations have been increased. Changes since the report to Cabinet on 3 December 2008 are highlighted.

	Previous Forecast	Updated Forecast	
	£'000	£'000	Comment
Inflationary pressure	1,135	1,190	Net inflation impact, including an allowance for pay and prices and an increase in fees and charges. The provision includes an allowance for increased costs in respect of energy, fuel and other changes.
Incremental pension contributions	148	96	The triennial review of the pension fund has shown a significant deficit due to market conditions and increased life expectancy. This financial pressure is one being felt by all local authorities and other organisations.
Minimum Revenue Provision (Commutation adjustment)	100	102	Increase in calculated figure based on statutory criteria.
Concessionary Fares	0	100	Provisional allowance based on take up of scheme / changes in operating hours. Now assumed will not be required due to negotiation on ongoing cost of scheme (see Appendix D – Savings).
Equality and diversity	15	15	Cabinet agreed to allocate £15k from the 2007/08 outturn position and this therefore needs to be included in the 2009/10 budget forecast.
Community Project Capacity	15	15	Funded through external income.
Planning income	500	683	Reduced income due to falling number of planning applications. Savings proposed to offset some of impact.
Building Control income	30	271	Reduced income forecast
Car Park Income	300	300	
Land charges income	100	100	

	<b>Previous Forecast</b>	<b>Updated Forecast</b>	
	<b>£'000</b>	<b>£'000</b>	<b>Comment</b>
Reduced rental income and ongoing NNDR costs (impact of economic downturn)		170	Estimated reduced rental from commercial properties and ongoing cost of empty rates within regeneration sites and as a result of delays in securing capital receipts.
Reduced Government grant for benefits administration		40	Benefit admin. grant reduced by Government.
Support to ICT strategy		35	Includes final year costs for channel migration post and support for the Council's website.
Support for on-going service reviews (continuation of previous review of planning, protection and licensing services)		46	Retaining learning from reviews of other service areas to support ongoing service reviews.
General Fund / HRA impact / misc. technical changes		23	Impact of changes in charges between General Fund and Housing Revenue Account (HRA) and other technical changes.
<b>Total</b>	<b>2,343</b>	<b>3,186</b>	

## 2009/10 Revenue Growth items

The following adjustments for growth items have been included within the current budget allocations. Changes since the report to Cabinet on 5 December 2007 are highlighted.

<b>Area</b>	<b>Amount in previous Forecast £'000</b>	<b>New Items / Change in Forecast £'000</b>	<b>Comment</b>
Street Wardens	80	80	Funding in this financial year has been reallocated to enable two new street wardens to be introduced. This cost represents the full year impact of this decision.
Planning, Protection and Licensing review.	80	30	Remaining one-off costs of review including IT development and training. Figure reduced by £50k reflecting a post no longer required at this stage given economic slowdown.
Costs funded through HPDG and other grants received in 08/09		140	Decisions have been made during the year to allocate some grant income received this year to meet costs in 09/10. This growth item will therefore be funded through these grants via use of balances.
Renaissance programme staff resources (Head of Service, PA, project support and communication staff resources).		166	Costs related to Renaissance Delivery Unit to enable staff to continue to focus on delivery of the regeneration projects. Regeneration Reserve to be used to fund these costs.
Welfare Rights		5	Contribution to increased welfare rights service in addition to other resources shifted within the Community Partnerships area.
Steps to increase recycling		210	Additional resources to support promotion of recycling and increased recycling services to flats within the Borough.
	160	631	

### Summary of Savings / Increased Income

	<b>Total</b>
<b>Service specific savings</b>	£'000
Corporate Management	213
Executive Management Team	132
Resource Management	537
Life Opportunities	194
Environmental & Protective Services	623
Strategic Policy and Regeneration	260
Street Services	55
Customer Service Centre	10
<b>Total Service Savings</b>	<b>2,024</b>
Energy Saving through LACM (Local Authority Carbon Management)	200
LABGI	50
Housing and Planning Delivery Grant	250
Area Based Grant	22
Increase in Concessionary fares grant	13
Interest / Minimum Revenue Provision	50
Less: Provision for one-off costs	(120)
<b>Total Service Savings</b>	<b>2,489</b>

*Note: the budget also includes the continuation of corporate savings targets in respect of salaries, procurement and income.*

*The following pages set out detailed delivery plans for all specific proposals.*

<b>Work Area: Resource Management</b>					
<b>Who: Charles Warboys</b>					
<b>Saving (£): £537,000</b>					
<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>	
Statutory Accounting - restructure of finance managers' roles (£8k)	Finance Manager post replaced with Financial Accountant at lower grade.	N/a as post appointed to.	n/a	Monthly monitoring	budget
IT & control - Further extension of overpayment recovery service to Maldon DC (£19k)	Continued communication with Maldon DC.	Maldon withdraw from arrangement	Maldon have committed until the end of June and are a happy with service provided and have already extended arrangement on more than one occasion	Regular meeting with Maldon DC.	
Concessionary fares (£510k) In the current year the Council has negotiated an agreement with other local authorities in the Essex area and the bus operators with regard to the cost of the new national scheme and this is expected to be continued into next year.	On-going negotiations on the arrangements that will apply for 09/10,	Negotiations fail and we have to fund the scheme at previous levels. This is not considered to be likely.	Negotiations have been positive so far and a saving of c£400k has been secured for 08/09.	Continued involvement with negotiations and monitoring usage of scheme during year.	

**Work Area: Corporate Management**

**Who: John Gilbert**

**Saving (£): £213,000**

<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>
No elections in 09/10 (£80k) Streamlining administrative support (£27k)	n/a Reduction of work requirement Release of resource	n/a Ability to redeploy staff in good time to ensure cost savings are achieved. Expected process efficiencies are achieved without losing controls. Operational resilience if critical individuals are sick or absent.	n/a Work flow management Supporting staff in redeployment Cross training in key activities	n/a Performance management Monthly financial monitoring
Members Expenses (£15k)	The saving was anticipated as a consequence of two of the Portfolio Holders agreeing to forfeit half of their Cabinet Member Special Responsibility Allowance and the loss of one Panel Chairman position (Innovations Panel).	Change in approach to the number of portfolio holders, which is within the authority of the Administration. There is a risk to delivery in that three extra Special Responsibility Allowances have become payable due to the appointments to the Planning and Licensing Committees and the change in Chairman of the Finance and Audit Panel	This could be achieved in part through a reduction in the value of travel and subsistence claims submitted by Members.	Via financial reporting of expenses.



<b>Work Area: Corporate Management</b>					
<b>Who: John Gilbert</b>					
<b>Saving (£): £213,000</b>					
<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>	
Strategic HR – Reduce management consultancy provision (£3k)	Reduced demand for consultancy support following development in 08/09 of key changes.	Demand for new initiatives requiring outside support	Demand management and access to Essex Strategic HR partnership.	Via work plans and budget control	
Civic Offices - NNDR rebate for 07/08 carried into 08/09 (£6k)	Monitoring of NNDR assessments	Increases in NNDR above expectation included in budget	Financial management of other cost lines to cover any shortfall	Monthly via finance reports	
Courier (£18k)	Reduce to 3 editions per year	Costs of paper and print exceeding expectations	Continual review of content and format	Monthly via finance reports	
Print (£26k)	Alphaprint have sourced their own machines. Contract to be ended in 2008/9 with recurring saving from Apr 2009	Action completed	n/a	Monthly via finance reports	
Functions income (£12k)	TH business plan includes opportunity to grow contribution as facilities improve.	Plan originally included this for 2010/11 Economic environment Delays to facilities enhancements	Review business plan	Business plan Financial monitoring Project progress monitoring	
Corp. Facilities Mgmt - restructure planned for 2009 to deliver future business growth including delivery of the Town Hall business plan (£16k)	Staffing restructure undertaken. Recruitment to new structure being completed 08/09	Impact of flexible working on staffing establishment not included in the service budget.	Ensure service budget is changed at appropriate time when service definition completed.	Monthly via financial reports	

<b>Work Area: Corporate Management</b>					
<b>Who: John Gilbert</b>					
<b>Saving (£): £213,000</b>					
<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>	
Civic Fund (£5k)	Usage of Mayoral car reduced in 2008/09, carried forward to 2009/10	Depends on mayoral and civic commitments	Review on ongoing basis	Monthly reports	via financial
Service development and new Legal Service income by provision of service to external parties (£5k)	Build on existing business relationships – already in course	Business demand and partnership working	Develop relationships with wider parties	Monthly reports	via financial

<b>Work Area: Life Opportunities</b>				
<b>Who: Gareth Mitchell</b>				
<b>Saving (£): £194,000</b>				
<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>
Community Partnerships - unbudgeted external funding for community project worker capacity (£14k)	n/a	Potential for external funding to cease	Effective partnership working	n/a
Parks and Recreation – reductions in expenditure and additional income across the service (£100k)	Implement fees and charges and budget changes as part of the core service management process by end March 2009. Agree revised budgets with relevant contractors by end March 2009. Communicate changes to any relevant customers.	Income targets not achievable due to economic downturn. Potential inflationary pressure on grounds maintenance contract	Management action to reduce expenditure in year in line with income/inflation levels	Monthly budget monitoring
Sport and Leisure – reductions in expenditure and additional income opportunities across the sport and leisure business (£80k)	Implement fees and charges and budget changes as part of the core service management process by end March 2009	Income targets not achievable due to economic downturn Potential inflationary pressure on energy costs	Management action to reduce expenditure in year in line with income/inflation levels	Monthly budget monitoring

**Work Area: Environmental and Protective Services**

**Who: Roger Bailey**

**Saving (£): £623,000**

<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>
Ongoing impact of review of Environmental and Protective Services (£75k)	Establishment of professional support unit underway, with a reduction in post numbers	If voluntary redeployments are not achieved.		Ongoing monitoring by Head of Service responsible for implementation
Delete countryside post (shared post with Braintree) (£20k)	Contract for post finishes in July.	None envisaged	n/a	n/a
Museums - further saving from joint working (£20k)	General efficiencies			Monthly budget monitoring
Freezing vacant posts / redeployment (£300k)	Posts already held vacant. Redeployments underway –some in place	Redeployments fail	Alternative redeployments already being sought	Monitored monthly through standard performance monitoring system
Crematorium – forecast increased income (net of additional costs (£60k)	Charges agreed	Income figures not achieved		Monthly budget monitoring
Savings within planning and building control linked to downturn in workload (£40k)	General efficiencies already identified and removed from budget			Monthly budget monitoring
Savings within Museum Service (£41k)	As above			Monthly budget monitoring
General savings across whole service group (£67k)	As above	Exceptional circumstances – major planning enquiry; emergency weather situation; etc	Compensating efficiencies will be sought	Monthly budget monitoring

**Work Area: Strategic Policy and Regeneration**

**Who:** Lindsay Barker

**Saving (£):** £260,000

<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>
Festival saving (£55K)	Saving to be made from April 09. Will leave £25K contribution towards any festival activity.	Will be reliant on coordination and delivery by partners as minimal resource left in the service to contribute. Unknown impact of reduction on 2020 funding for festival.	Have already explored contributing to ECC festival coordination to extend activity in Colchester.	Through the Cultural services manager
Enterprise - Deletion of IT/web budget (£10k)	Full payment for 'grant finder' made during 2007/2008 and no further payments are due. Saving to be made from April 2009.	No risks identified as payment in full already made for the required service.	N/A	SLA in place with Grantfinder
Arts - freeze grants to Mercury Theatre and Arts Centre (£15k)	Will apply to funding from April 09. Organisations informed Jan 09	Will have an impact on the budget setting of these organisations	Notice of this proposed saving has been given to allow them to prepare their budgets	Through the SLA arrangements for these organisations
Project & Support - Deletion of Admin Support Assistant (£20k)	Saving to be made from April 09 as post currently vacant.	Lack of capacity in group support	Group support has been reviewed and reorganised to ensure all key tasks are covered	Through the group support coordinator
Arts Development (£80K)	Deletion of whole service including two posts (one vacant and one occupied) and	As this is the deletion of a service the main risks relate to the termination of contracts and the	Management of the termination and communication issues in place	Through the Head of Service

<b>Work Area: Strategic Policy and Regeneration</b>					
<b>Who: Lindsay Barker</b>					
<b>Saving (£): £260,000</b>					
<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>	
	notification to any third parties who have received funding and may assume funding in 2009/10. Due to statutory redundancy timing the service will cease from May 2009.	communication with partners.			
Tourism Manager (merger of post with vacant Economic Development post) (£35k)	Restructure the roles to create one post with a set of merged priorities. Enterprise Coordinator post currently vacant so only one applicant for the new role. Saving to be made from April 2009.	Reduced capacity in both Tourism and Enterprise activity.	Effective management of the change and clear agreement of priorities should help to mitigate.	Through the Head of Service and Enterprise Manager	
Reduced marketing budget (£15k)	The restructuring above should lead to some capacity to pool marketing resources and make more effective use of the minimal marketing resources across the council	A reduction in the ability to market Colchester and its offering to residents and visitors and to attract business investment.	Will have to work through the marketing coordination group to more effectively target the use of resources to the priority areas.	Through the Enterprise Manager (also chair of the marketing coordination group)	

<b>Work Area: Strategic Policy and Regeneration</b>					
<b>Who: Lindsay Barker</b>					
<b>Saving (£): £260,000</b>					
<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>	
Review of Visitor Information Centre (£30k)	Review to commence 12 Jan due to report end March 2009. Has a target savings level for 2009/10 of £30K	Timescales for the review are challenging	The chance to link into the work around the Public Service Village will help to provide opportunities	Head of Service and Tourism and VIC Manager to coordinate the review	

<b>Work Area: Street</b>				
<b>Who: Matthew Young</b>				
<b>Saving (£): £55,000</b>				
<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>
Creation and operation of the Braintree, Colchester and Uttlesford Parking Partnership (£25k)	<ul style="list-style-type: none"> <li>Financial details to be finalised for Partnership – February 2009</li> <li>All three authorities to sign final agreement – March 2009</li> <li>Joint working commences – April 2009</li> </ul>	<ul style="list-style-type: none"> <li>Actual financial figures do not match the budget figures supplied for 2009/10 and savings are not forthcoming</li> <li>Not all authorities sign agreement so joint working cannot commence</li> </ul>	<p>Meeting with three authorities to finalise figures – January 2009</p> <p>Each authority to work with Members to understand and mitigate concerns</p>	Monthly budget monitoring to ensure savings for all three authorities being achieved
Review of CCTV (£30k)	Removal of one Monitoring Centre Operator post	None – vacant posts exists to be deleted	N/A	N/A



<b>Work Area: EMT</b>					
<b>Who: Adrian Pritchard</b>					
<b>Saving (£): £132,000</b>					
<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>	
Reduced support to 2020 (£15K)	Delivered through deletion of vacant post and reassignment of work	None	n/a	On-going budget management.	
Delete post supporting project work with Braintree (£50k)	Contract terminated	n/a	n/a	n/a	
Removal of Executive Director post and impact of reduced contribution from Regional Cities East (£67k)					

<b>Work Area: CSC</b>				
<b>Who: Leonie Rathbone</b>				
<b>Saving (£): £10,000</b>				
<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>
Replacement of QAS (quick address system) with solution using other existing technology which has been cleansed, updated and developed (LLPG) (£10k)	The task has been completed as at December 08. The £10k saving will be effective for 09/10 and ongoing	Minimal as fully tested and works in live environment.	Reinstate the QAS system if needed	Ongoing

<b>Work Area: Technical Items / Non-Service Specific areas</b>					
<b>Who: Charles Warboys and Senior Management Team</b>					
<b>Saving (£): £572k</b>					
<i>Outline of work</i>	<i>Specific Tasks and Timetable</i>	<i>Risks to delivery</i>	<i>Mitigating action</i>	<i>Monitoring arrangements</i>	
Energy Savings through LACM programme (£200k)	Delivery of LACM Strategy and Implementation Plan (SIP)	Delays in implementation. Plans do not deliver the level of financial saving forecast.	Provision has been made in the budget for increased energy costs. Some of the increase is not known and therefore potentially there may be a saving of energy budgets.	Energy budgets will be closely monitored during the year. Monitoring of LACM SIP.	
Net Interest costs / MRP (Minimum Revenue Provision) (£50k)	Ensure we maximise interest earnings and minimise interest costs in accordance with the agreed Policy and Strategy.  Review liabilities for MRP under revised guidance.	Impact of falling interest rates on investments. Impact of interest rate movements on planned borrowing activities Impact on cashflow of economic slowdown.	Taking expert advice on timing of investment / borrowing decisions.  Using specialist advice to support review of MRP policy / liabilities.	Budget monitoring of interest budget.	

**Work Area: Technical Items / Non-Service Specific areas**  
**Who: Charles Warboys and Senior Management Team**

**Saving (£): £572k**

<p>Changes to Government Grants:-  LABGI (£50k)  HPDG (£250k)  ABG (£22k)  Concessionary (£13k) fares</p>	<p>Await announcement of grants (note: ABG and concessionary fares already confirmed)</p>	<p>Grants are lower than budgeted.</p>	<p>The ABG grant has been confirmed. LABGI estimate based on indications provided within consultation paper.   HPDG grant in 08/09 was over £900k and whilst the level for 09/10 is likely to be lower it is considered that £250k is a reasonable estimate.</p>	<p>Grants will be notified during 209/10 and will be reported as part of normal budget monitoring reports to FASP.</p>
---------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------	----------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------

## Budget Analysis – Appendix E

	Adjusted Base Budget	One-Off Items	Cost Pressures	Growth	Total Savings	Detailed 09/10 Budgets
	£	£	£	£	£	£
Corporate & Democratic Core	322,900	0	7,076	0	0	329,976
Executive Management Team	905,300	-20,000	13,887	0	-132,000	767,187
Corporate Management	6,569,500	-45,000	390,138	0	-251,000	6,663,638
Customer Services	1,065,200	0	56,938	0	-10,000	1,112,138
Env. & Protective Services	2,388,800	-223,000	1,084,412	50,000	-628,500	2,671,712
Life Opportunities	5,773,000	0	464,805	5,000	-338,000	5,904,805
Resource Management	2,282,600	-59,000	428,405	0	-550,000	2,102,005
Strategic Policy & Regen.	2,910,600	-329,000	55,953	286,000	-260,000	2,663,553
Street Services	2,316,000	-3,000	497,986	210,000	-67,500	2,953,486
<b>Total Services</b>	<b>24,533,900</b>	<b>-679,000</b>	<b>2,999,739</b>	<b>551,000</b>	<b>-2,237,000</b>	<b>25,168,500</b>
Technical Items						
Pay Savings	-515,000	0	0	0	0	-515,000
Procurement	-93,400	0	0	0	0	-93,400
Advertising	-70,000	0	0	0	0	-70,000
LABGI	0	0	0	0	-50,000	-50,000
HPDG	0	0	0	0	-250,000	-250,000
ABG	0	0	0	0	-22,500	-22,500
Grants to Parish councils	201,900	0	0	0	0	201,900
CLIA (net interest)	-299,000	0	10,000	0	-50,000	-339,000
Min Revenue Provision	447,400	0	102,000	0	0	549,400
Pensions	2,101,200	0	96,400	0	0	2,197,600
Redundancy Provision	165,000	-165,000	0	0	120,000	120,000
ECC Second Homes	-124,000	0	-20,000	0	0	-144,000
Heritage Reserve	22,000	0	-10,000	0	0	12,000
Contribution to capital	0	0	0	80,000	0	80,000
Regeneration Reserve	50,000	-50,000	0	0	0	0
GF/HRA adjustments	-2,421,200	0	8,000	0	0	-2,413,200
Total Below the Line	-535,100	-215,000	186,400	80,000	-252,500	-736,200
<b>Total incl Below the line</b>	<b>23,998,800</b>	<b>-894,000</b>	<b>3,186,139</b>	<b>631,000</b>	<b>-2,489,500</b>	<b>24,432,300</b>
Funded by:-						
General Reserve	-607,000	607,000	-46,000	-140,000	-297,600	-483,600
Capital Expenditure Reserve	-751,000	30,000	159,800	0	-100,000	-661,200
Regeneration Reserve	-278,000	278,000	-55,000	-166,000	0	-221,000
Other Reserves - S.106	-30,000	0	0	0	-30,000	-60,000
Insurance	0	0	0	0	-100,000	-100,000
Government Grant (RSG / NNDR)	12,385,000	0	0	0	-296,000	-12,681,000
Council Tax	-9,812,800	0	0	0	-412,200	-10,225,000
Collection fund Transfer	-135,000	0	134,500	0	0	-500
<b>Total</b>	<b>23,998,800</b>	<b>915,000</b>	<b>-81,200</b>	<b>-306,000</b>	<b>-200,000</b>	<b>-24,432,300</b>

**General Fund Balances  
Current Position**

	<b>£'000</b>	<b>£'000</b>
Balance as at 31 March 2008 (As per Statement of Accounts)		3,347
<b>Movement on balances during 2008/09:</b>		
• Financing carry forwards		(250)
• Funds released in 07/08 to carry forward to 08/09		(213)
• Supporting 2008/09 budget:-		
Items included in 2008/09 budget	(607)	
New emerging pressures	(325)	
		(932)
• Further changes to balances agreed by Cabinet / Strategy Portfolio Holder		(7)
• 2008/09 net budget (forecast to be on budget)		0
• Carry forward Of HPDG grant to meet costs in 2009/10		140
• Carry forward of provision for service review		46
• Carry forward saving on insurance contract through accounting change		200
<b>Projected Balances as at 31 March 2009</b>		<b>2,331</b>
Less anticipated support to 2009/10 budget		(484)
		<b>1,847</b>
 Proposed minimum balance		 <b>1,700</b>
 <b>Potential headroom as at 31 March 2009 (if 8/09 outturn is delivered on budget)</b>		 <b>147</b>

**Note:**

- This forecast is on the basis that there are no further calls on balances during the remainder of the year and that the current year's outturn is delivered on budget.
- The projected balance at 31 March 2009 reflects the level of balances retained when the 2008/09 budget was approved because of the difficult medium term position. A proposal is made within the main report (paragraph 10.6) to use £484k from balances to support the 2009/10 budget. This includes £386k in respect of budgets carried forward from 08/09.

## Renewals and Repairs 2009/10 Releases

<b>Scheme</b>	<b>Requested Value of Release</b>
<b>Various</b>	
Building Maintenance Programme	603,000
<b>Life Opportunities(all Colchester Leisureworld)</b>	
Pool water filters	20,000
Pipework and valves	20,000
Building Management System	20,000
 Total	 <b>663,000</b>

<b>Medium Term Financial Forecast</b>			
<b>2009/10 to 2011/12</b>			
	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Base Budget</b>	23,998	24,432	25,234
Remove one-off items	(894)	(21)	
Cost Pressures	3,186	1,063	850
Growth Items	631	(170)	0
Savings	(2,489)	(70)	22
<b>Forecast Base Budget</b>	<b>24,432</b>	<b>25,234</b>	<b>26,106</b>
Government Grant	(12,681)	(12,911)	(12,911)
Council Tax	(10,225)	(10,613)	(11,324)
Collection Fund Surplus	0	0	(10)
Use of Reserves	(1,526)	(526)	(360)
<b>Total Funding</b>	<b>(24,432)</b>	<b>(24,050)</b>	<b>(24,605)</b>
<b>Budget (surplus) / gap (cumulative)</b>	<b>(0)</b>	<b>1,184</b>	<b>1,501</b>
<b>Annual increase</b>		<b>1,185</b>	<b>317</b>

**Key Assumptions**

Inflation - Average 2.9%

Gov't Grant – Increase in line with 3 year settlement. As an initial assessment, the grant for 2011/12 assumed to be at a cash standstill.

Council Tax – 2.76% increase + 1% increase in tax base assumed for 10/11 and 11/12

Pensions forecast in-line with Actuarial review for 09/10 & 10/11. Next review will impact in 11/12 and a planning assumption of £250k has been assumed.

<b>Cost Pressures</b>			
General Inflation	740	740	740
Net Inflationary pressures (pay, energy etc)	450		
Pensions	96	154	250
MRP (Minimum Revenue Provision)	102	13	10
Concessionary Fares (change in operating hours / usage)	100		
Core Strategy Examination		150	(150)
Best Value Surveys		15	
Equality and diversity	15		
PCT - Community Health	15		
<i>Income pressures:-</i>			
Car Park Income	300		
Planning Income	683		
Building Control Income	271		
Land charges Income	100		
Impact of commercial property market slowdown on rental income and empty rates costs	170		
Reduction in benefits admin grant	40		
Service Review Post (funded through c/f from 08/09)	46		
ICT related costs (including website)	35	(9)	
GF / HRA impact / misc changes	23		
<b>Total</b>	<b>3,186</b>	<b>1,063</b>	<b>850</b>



<b>Growth Items</b>			
Planning, Protection & Licensing (P, P & L) Review <b>(incl. one-off)</b>	30	70	
Renaissance Team – Resources	166		
Street Wardens	80		
HPDG c/f	140	(140)	
Welfare Rights	5		
Recycling	210	(100)	
<b>Total</b>	<b>631</b>	<b>(170)</b>	<b>0</b>

<b>Savings / additional Income</b>			
<i>Service savings</i>			
Corporate Management	213	(80)	
Executive Management Team	132		
Resource Management	537		
Life Opportunities	194		
Environmental & Protective Services	623	15	
Strategic Policy and Regeneration	260		
Street Services	55		
Customer Service Centre	10		
<i>Corporate Savings / Technical Items</i>			
Energy Saving through LACM	200		
LABGI	50		
Housing and Planning Delivery Grant	250		
Area Based Grant	22		(22)
Increase in Concessionary fares grant	13	15	
Interest / MRP	50		
less redundancy provision	(120)	120	
<b>Total</b>	<b>2,489</b>	<b>70</b>	<b>(22)</b>

<b>Use of Reserves</b>			
Balances (General)	98		
Balances re items c/f from 08/09	386		
S106 monitoring reserve	60	60	60
Regeneration Reserve	221	166	
Insurance Provision	100		
Capital Expenditure Reserve:-			
Accommodation	205	0	0
Community Stadium	300	300	300
ICT Strategy	56		
Opportunity purchases	100		
<b>Total</b>	<b>1,526</b>	<b>526</b>	<b>360</b>

## Addressing the Budget Gap

The MTFF shows a budget gap of circa £1.5m over the next two years. This is an increase on the previous situation reflecting the increased pressures on the Council's budgets and some of the one-off savings used to balance the budget.

There is no doubt that the current economic climate has impacted on the Council's budget proposals for 09/10 and is likely to continue having an impact during next year and beyond.

## Risk Areas / Comments

The key risk areas to the forecast are:-

Ref	Risk / Area of uncertainty	
1	<i>White paper – Strong and prosperous communities</i>	The White Paper set out a number of important financial issues for the Council. This includes responding to the proposals concerning communities, neighbourhoods and place-shaping and the impact of the new performance management framework and proposals around efficiency. The latter includes ambitious targets for efficiency savings (3% cashable savings over the next three years) and involving greater collaboration and partnership working.
2	<i>Government Grant and the Comprehensive Spending Review 07 (CSR07)</i>	Details of the CSR07 were announced in 2007 alongside a 3-year grant settlement. The grant Settlement for the last 2 years in this period (09/10 and 10/11) shows an increase of 2.4% and 1.8% respectively. Our housing target to achieve is 17,100 by 2021 and we are currently the highest district housing producer in the region on an annual basis. This requires a grant settlement that allows us the funding needed to provide basic services. The reducing Settlement will continue to place pressures on Council budgets.
3	<i>Pensions</i>	An allowance has been built in for increases in pensions costs based on the results of the recent actuarial review and therefore are fixed for the period of the MTFF until 2010/11. However, an updated review will be undertaken that will inform the cost for 2011/12 onwards. The recent and ongoing economic downturn is likely to impact on the pension fund and therefore whilst an increased allowance has been made for this will need to be reviewed closer to the time when we may have more reliable estimates.
4	<i>Concessionary Fares</i>	The budget for 2009/10 includes a net saving of circa £400k reflecting negotiations with bus operating companies. The service is demand led and therefore costs are uncertain and there remains a risk that with grant details already fixed we may face a funding shortfall.
5	<i>Fees and charges</i>	As has been seen in the past few years we have experienced pressures arising from changes in income levels. In 2008/09 we are experiencing significant shortfalls in income in respect of planning and building control fees and car park revenue (on and off street). This has been considered as part of the 2009/10 budget but remains a risk that we will monitor next year.
6	<i>Inflation</i>	An allowance for general inflation has been built into the

Ref	Risk / Area of uncertainty	
		09/10 forecast and MTFF, and specific increases allowed for items such as energy. Currently, economic indicators point to reducing inflation (RPI), however, not all the Council's costs are directly linked to RPI and therefore we will continue to monitor the impact of inflation on all Council costs
7	<i>Use of reserves</i>	The budget update includes proposals to use reserves to meet certain one-off costs. The forecast position on general balances makes assumptions regarding the current year's outturn.
8	<i>Legislation</i>	There may be new legislation over the life of the MTFF for which any available funding may not cover costs.
9	<i>Government grants and partnership funding</i>	The Council's budget has changed over recent years with a greater emphasis on funding from both partner organisations and Government bodies. These funding streams can rarely be guaranteed and can therefore add to our cost pressures. This year's budget includes funding in respect of HPDG and the LABGI scheme. It is likely that there will be changes to some of these or other funding sources over the life of the MTFF and as the position becomes clearer the budget forecasts will need to be adjusted.
10	<i>Impact of renaissance programme e.g. car park closure and staff resources</i>	As the renaissance programme progresses there will be an impact on income from car park income due to temporary and permanent closure of certain car parks and also the introduction of park and ride. We are currently using the Regeneration Reserve to meet some staffing costs to provide increased capacity to deliver the renaissance programme. The budget forecast includes funding for 2009/10 to ensure that the team can continue work and this has also been allowed for in the 2010/11 forecast.
11	<i>ICT strategy – change programme</i>	The ICT strategy was updated in 2007 and it is likely that there will continue to be a number of financial implications arising from changes. This may result in some costs in the short-term leading to longer term savings. This continues to be examined as part of detailed budget proposals.
12	<i>Property review</i>	A review of our assets was carried out and a 5-year Building Repairs and Maintenance Plan produced. There will continue to be financial implications arising from this for both the revenue budget and capital programme and these will be continue to be considered in detail by the council's Property Forum and included in the on-going updates of the MTFF.
13	<i>Impact of growth in the Borough and demand for services</i>	A number of Local Authority services are directly impacted by the increase of population in the Borough, such as waste services, planning, benefits etc. As part of the budget it will be necessary to consider whether there is a need for additional resources in these or other areas in order to maintain levels of service. A further area of risk is any increase in the demands for Council services arising from the impact on residents of the

Ref	Risk / Area of uncertainty	
		economic environment.
14	<i>Delivery of 09/10 budget savings</i>	The 2009/10 budget sets some challenging targets for savings including those in respect of procurement and salaries.
15	<i>Net Interest earnings</i>	The budget is influenced by a number of factors including interest rates and cashflow movements. The treasury management strategy highlights the outlook for interest rates in the medium-term which points to unprecedented low levels during next year and potentially into 2010/11. Whilst it may be possible to provide some financial protection from the impact of these low rates, it is likely that there will be significant pressures on budgets during the medium term.

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

**NNDR Ratepayers Meeting  
7 January 2009**

Present:

Cllr Paul Smith, Portfolio Holder for Business and Resources  
Nigel Myers, Enterprise Manager  
Sean Plummer, Finance Manager

Representatives from:-

- Chamber of Commerce
- Colchester Retail Business Association (Corba)
- Federation of Small Business (FSB)

**Notes of Meeting**

The meeting started with a presentation of the Council's finances, budget process, budget position and medium term outlook. In addition, commentary was provided on a number of issues raised in advance by the FSB.

**Issues Raised / Questions**

- Comments were made that recent car park campaigns had been successful, however, needed to continue such steps to ensure affordable access to Colchester shops.
- In respect of proposed increase in recycling queries whether it was the best possible time to do this given falling prices paid for recyclables
- It was explained that schemes such as Supplementary Business Rates and workplace parking levy were matters to be decided by Essex County Council, however, it was stated by the business representatives that now was certainly not the time to impose further charges on local businesses.
- In respect of LABGI it was explained that the Government's proposed new scheme distributed grant in a different way with an allocation on an area basis.
- Congratulations to the Council were given on take up rates for small business rate relief and the impact of the targeted promotion of this support.
- Comments were made on whether it would be possible to pay local SMEs quicker to help them with cashflow especially during the difficult economic climate.
- It was also important to ensure that the Council promotes good news stories
- In general, those present welcomed the support they received from the Council and said that they felt that it was better than some other authorities and that the Council needed to continue to support local business.

## **TREASURY MANAGEMENT STRATEGY STATEMENT and ANNUAL INVESTMENT STRATEGY 2009/10**

### **1 Introduction**

- 1.1 The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- 1.2 The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act); this sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 1.3 The suggested strategy for 2009/10 in respect of the following aspects of the treasury management function is based upon officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor, Sector Treasury Services. The strategy covers:
- the current portfolio position;
  - the economic background and prospects for interest rates;
  - the borrowing strategy;
  - debt rescheduling;
  - the investment strategy;
  - prudential indicators to 2011/12
- 1.4 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This means that increases in capital expenditure must be limited to a level whereby charges to revenue caused by increased borrowing, and any increases in running costs are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

### **2 Economic Background**

- 2.1 In the second and third quarters of the year the financial crisis erupted and escalated. In September Fannie Mae/Freddie Mac (the mortgage banks) and AIG, the insurance giant, had to be bailed out by the US Federal Government. Then in mid September, Lehman Bros., the New York investment bank, was allowed to fail. This triggered a domino effect with other banks and financial institutions having to be rescued or supported by governments around the world. The Government and Bank of England supplied massive amounts of liquidity to the banking market in an attempt to reignite longer interbank lending.
- 2.2 After the collapse into receivership of the Icelandic banks in early October, other countries then started to feel the strain and a number had to approach the IMF

- for support. Even the Asian 'Tiger' economies were affected, and it became clear that the crisis had become a global one and no country was insulated from it.
- 2.3 The resulting dearth of lending from banks anxious to preserve capital led to economic forecasts being sharply reduced and recession priced into markets. This in turn led to sharp falls in oil and other commodity prices with the result that recession fears drove interest rate sentiment and policy. The housing market also came to a virtual standstill as lenders demanded larger deposits and higher fees. House sales and prices both dropped sharply.
  - 2.4 UK growth was already slowing before the full impact of the credit crunch was felt, after which GDP fell to -0.3% and was then expected to continue to be negative going into 2009. Unemployment rose throughout the year with forecasts of 2 million unemployed by the end of the financial year and continuing to increase through 2010.
  - 2.5 The financial crisis led to an economic crisis and there was a co-ordinated global interest rate cut with the Federal Reserve, ECB and MPC all cutting rates by 50 basis points (i.e. 0.5%) in October. The MPC subsequently cut interest rates by 150bp in November, 100bps in December and a further 50bps in January 2009 to reach 1.5%. The Fed subsequently cut rates by 50bp to 1% in October, and again in December to a band of 0.0% to 0.25%. The ECB reduced rates by 50bp in November, 75bp in December and 50bp in January to reach 2.5%.
  - 2.6 Because of the credit fears and the reluctance of lenders to place cash for long periods 3 month LIBOR (London Inter Bank Offer Rate – the rate at which banks will lend to one another) has been substantially higher than Bank Rate, which eroded the MPC's power over monetary policy. However, the power of the Government over the semi nationalised banks has had considerable impact in enforcing pro rata reductions to the Bank Rate cuts on some borrowing rates.
  - 2.7 Government finances deteriorated as income from taxation dropped and the cost of the bailout of the banks was added to the deficit. The Pre Budget Report on 14 November revealed the Government's plans for a huge increase in borrowing over coming years.
  - 2.8 The Council has appointed Sector Treasury Services as treasury adviser to the Council and part of their service is to assist the Council to formulate a view on interest rates. **Schedule 1** (attached) draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates.
  - 2.9 Sector's current interest rate view is that the Bank Rate will fall from current levels because of the intensifying global recession. Starting 2009 at 2.00%, the Bank Rate is forecast to fall to 0.5% in Q1 2009. It is then expected to remain there until starting to rise gently up from Q2 2010 till it reaches 4.0% in Q1 2012. There is a downside risk to these forecasts if the recession proves to be deeper and more prolonged than currently expected.

- 2.10 The Council's five-year contract with Sector expired on 31 December 2008. This has been extended to 31 March 2009, and the position will be considered again at that time.
- 2.11 The Council's treasury portfolio position at 31 December 2008 comprised:

		Principal £m	Av. rate %
Fixed rate funding	PWLB	27.9	4.58
	Market	34.5	6.74
<b>TOTAL DEBT</b>		<b>62.4</b>	<b>5.77</b>
Overnight		0.7	2.20
up to 3 months		8.0	5.92
up to 6 months		8.5	5.80
up to 1 year		2.0	6.35
over 1 year		4.0	6.34
frozen		4.0	5.81
<b>TOTAL INVESTMENTS</b>		<b>27.2</b>	<b>6.03</b>

### 3 *Borrowing Strategy*

- 3.1 The table below summarises all new borrowing that has taken place in the current and previous financial years, together with estimates of future borrowing needs. This assumes that the Council will borrow funds in respect of the purchase of Rowan House and additional funding for the Visual Arts Facility. Additional new borrowing is proposed with regards to new cremators, and the upgrading of communal aerial systems from analogue to digital in the Council's housing stock. It should be noted in both cases that the actual amount of borrowing required will not be known until a contractor has been appointed. No specific debt restructuring is planned although officers will periodically review the potential for savings through using this approach.

	2007/08 £'000 actual	2008/09 £'000 probable	2009/10 £'000 estimate	2010/11 £'000 estimate	2011/12 £'000 estimate
New borrowing during year	5,000	15,500	3,500	0	0
Alternative financing arrangements	0	0	0	0	0
Replacement borrowing	0	0	0	0	0
<b>TOTAL</b>	<b>5,000</b>	<b>15,500</b>	<b>3,500</b>	<b>0</b>	<b>0</b>

- 3.2 Forecasts for longer fixed interest rates are shown in **Schedule 1**. The Sector forecast for new PWLB borrowing is as follows:
- The 50 year PWLB rate is expected to remain around current levels of about 3.80 - 3.90% until Q2 2010 when it is forecast to rise to 4.00%. The rate then edges up gradually to reach 5.00% at the end of the forecast period.
  - The 25 year PWLB rate is expected to drop to 3.95% in Q1 2009 and stay around there until starting to rise in Q1 2010 and then to eventually reach 5.05% at the end of the forecast period.
  - The 10 year PWLB rate is expected to drop to 2.55% in Q3 2009 but then to start rising again in Q2 2010 to eventually reach 4.85% at the end of the forecast period.



- The 5 year PWLB rate is expected to fall to a floor of 2.15% during Q3 2009. The rate then starts rising in Q2 2010 to eventually reach 4.60% at the end of the forecast period.
- 3.3 This forecast indicates that there is a range of options available for borrowing strategy for 2009/10. Under 10 year PWLB rates are expected to be substantially lower than longer term PWLB rates so this will open up a range of choices for new borrowing, and would mean that after some years of focusing on borrowing at or near the 50 year period, the Council would be able to undertake borrowing in a markedly different period and so achieve a better spread in its debt maturity profile.
  - 3.4 Regarding long term rates, the 25 – 30 year period could be seen as being much more attractive than 50 year borrowing, despite the more expensive new borrowing rates, as the spread between the PWLB new borrowing and early repayment rates is considerably less. This then maximises the potential for debt rescheduling at a later time.
  - 3.5 Rates are expected to be slightly lower at the middle to end of the year than earlier on so it may be advantageous to borrow later in the year. A suitable trigger point for considering new fixed rate long term borrowing would be 3.95%. This rate will be reviewed in the light of movements in the slope of the yield curve, spreads between PWLB new borrowing and early payment rates, and any further changes that the PWLB may introduce to their lending policy and operations.
  - 3.6 The historically low Bank Rate opens up an opportunity to fundamentally review the strategy of undertaking external borrowing and consider the potential merits of internal borrowing. As long term borrowing rates are expected to be higher than rates on the loss of investment income the Council may look to avoid new external borrowing in the next financial year in order to maximise savings in the short term. The running down of investments also has benefits of reducing exposure to interest rate and credit risk.
  - 3.7 Against this background caution will be adopted with the 2009/10 treasury operations. The Head of Resource Management will monitor the interest rate market and adopt a pragmatic approach to changing circumstances, reporting any decisions to the Portfolio Holder for Resources and Business at the next available opportunity.
  - 3.8 In normal times the main sensitivities of the forecast are likely to be the two scenarios below. The Council officers, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:
    - if it were felt that there was a significant risk of a sharp rise in long and short term rates the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.
    - if it were felt that there was a significant risk of a sharp fall in long and short term rates long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term funding will be considered.

## **4 Debt Rescheduling**

- 4.1 The introduction of different PWLB rates in 2007 for new borrowing as opposed to early repayment of debt, and the setting of a spread between the two rates, has meant that PWLB to PWLB debt restructuring is now much less attractive than before. However, significant interest savings may still be achievable through using LOBOs (Lenders Option Borrowers Option) loans and other market loans if these become available after the drying up of their supply during Autumn 2008.
- 4.2 Due to short term borrowing rates being expected to be considerably cheaper than longer term rates, there are likely to be significant opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of their short term nature and the likely cost of refinancing short term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio. Any such rescheduling and repayment of debt is likely to cause a rebalancing of the Council's debt maturities towards a flattening of the maturity profile as in recent years there has been a skew towards longer dated PWLB.
- 4.3 Consideration will also be given to the potential for making savings by running down investment balances by repaying debt prematurely as short term rates on investments are likely to be lower than rates paid on currently held debt. However, this will need careful consideration in the light of premiums that may be incurred by such a course of action and other financial considerations.
- 4.4 As average PWLB rates in some maturity periods are expected to be minimally higher earlier on in the financial year than later on, there should therefore be greater potential for making marginally higher interest rate savings on debt by doing debt restructuring earlier on in the year. Any positions taken via rescheduling will be in accordance with the strategy position outlined above.
- 4.5 The reasons for any rescheduling to take place will include:
- the generation of cash savings and / or discounted cash flow savings;
  - to help fulfil the strategy outlined above; and
  - to enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
- 4.6 All rescheduling will be reported to the Finance and Audit Scrutiny Panel as part of the Annual Report on Treasury Management.

## **5 Investment Policy**

- 5.1 The Council will have regard to the ODPM's Guidance on Local Government Investments issued in March 2004 and CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes. The Council's investment priorities are the security of capital and the liquidity of its investments.
- 5.2 The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The borrowing of monies purely to invest or on lend and make a return is unlawful and the Council will not engage in such activity.

- 5.3 Investment instruments identified for use in the financial year are detailed in **Schedule 2**. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.
- 5.4 Specified investments will be sterling denominated, with maturities up to maximum of one year, meeting the minimum 'high' rating criteria where applicable. Non-specified investments are those that do not meet these criteria. A maximum of £20m will be held in aggregate in non-specified investments.
- 5.5 Credit ratings are an assessment of an entity's ability to punctually service and repay debt obligations, which are used by investors as an indication of the likelihood of getting their money back in accordance with the terms on which they invested. They provide uniform global comparisons of the credit quality of institutions, and they are used by many organisations as a core part of their credit and investment policies.
- 5.6 The Council uses Fitch ratings to derive its counterparty criteria. Where a counterparty does not have a Fitch rating, the equivalent Moody's (or other rating agency if applicable) rating will be used. All credit ratings will be monitored on a monthly basis, as well as when considering making an investment.
- 5.7 Fitch has a four-way approach to credit ratings:
- **Short-term** ratings have an emphasis on the liquidity necessary to meet financial commitments in a timely manner. Organisations with a strong capacity for timely payment of financial commitments are rated as 'F1'. Some organisations may have an added '+' to denote an exceptionally strong credit feature. The Council limits its short-term lending to this top-tier.
  - **Long-term** ratings denote the level of credit risk, capacity for payment of financial commitments, and vulnerability to foreseeable events. Organisations with high credit quality are rated as 'A', whilst those with very high or the highest credit quality can be rated as 'AA' or 'AAA'. The Council uses 'A' rated organisations as a minimum for lending under one year, and 'AA-' for lending in excess of one year.
  - **Individual** ratings assess how a bank would be viewed if it were entirely independent and could not rely on external support. These denote the organisations' exposure to, appetite for and management of risk. The ratings range from 'A' to 'F', with 'A' being the highest. The Council uses 'B/C' rated organisations as a minimum for lending up to one year, and 'B' rated organisations as a minimum for lending in excess of one year.
  - **Support** ratings provide a judgement of a potential supporter's (e.g. sovereign state's or institutional owner's) propensity and ability to support the organisation should it become necessary. These range from '1' to '5', and the Council uses Support Rating '2' (high probability of external support) as a minimum for all investments.
- 5.8 The Council is alerted to changes in Fitch ratings through its use of the Sector creditworthiness service.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- If a body is placed on negative rating watch (i.e. there is a reasonable probability of a negative rating change) and it is currently near the floor of the of the minimum acceptable rating for placing investments with that body, then no further investments will be made with that body. Other organisations on negative watch will be subject to approval by the Head of Resource Management and a record will be kept of decisions made.

5.9 Since the credit crunch crisis there have been a number of developments which require separate consideration and approval for use:

5.10 Nationalised banks in the UK have credit ratings which do not conform to the credit criteria usually used by local authorities to identify banks which are of high credit worthiness. In particular, as they no longer are separate institutions in their own right, it is impossible for Fitch to assign them an individual rating for their stand alone financial strength. Accordingly, they have assigned an 'F' rating which means that at a historical point of time, this bank failed and is now owned by the Government. However, these institutions are now recipients of an 'F1+' short term rating as they effectively take on the creditworthiness of the Government itself. They also have a support rating of '1', meaning that on both counts, they have the highest ratings possible.

5.11 Some countries have supported their banking system by giving a blanket guarantee on ALL deposits (e.g. Ireland). The UK Government has NOT given a blanket guarantee on all deposits but has underlined its determination to ensure the security of the UK banking system by supporting eight named banks with a £500bn support package. Other countries such as the US, countries within the EU and Switzerland are currently providing major support packages to their banking systems.

5.12 Fitch produce sovereign debt ratings for individual countries, and there are currently 16 'AAA' rated countries:

Austria	Canada	Denmark	Finland
France	Germany	Ireland	Luxembourg
Netherlands	Norway	Singapore	Spain
Sweden	Switzerland	UK	USA

5.13 The Council's approach will be to continue to rely on the credit ratings of the individual banks. However, the risk of investing in foreign banks will also be measured through the credit rating of sovereign debt, with the Council only using rated organisations within countries with a sovereign debt rating of 'AAA'. In addition, the Council will take into account other professional advice that is available to us, and always use the lowest common denominator when making investment decisions.

## 6 Investment Strategy

- 6.1 The Council's in-house managed funds are mainly cash-flow derived and there is a core balance available for investment over a 2-3 year period. Investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates. The Council's investments that mature beyond 2009/10 are shown in the table below.

Principal Sums Invested for over 364 Days	Amount		
	£'000	Maturity	Rate %
Term Deposits - Banks & Build. Socs.	2,000	Jun-10	6.25
Term Deposits - Banks & Build. Socs.	2,000	Jul-10	6.44
	<u>4,000</u>		

- 6.2 Sector forecasts that the Bank Rate will be cut to 0.5% during Q1 2009. It is then expected to stabilise until starting to rise gradually with the first increase in Q2 2010, and then be back up to 4.00% during Q1 2012. The Council will therefore avoid locking into longer term deals while investment rates are at such low levels.
- 6.3 For 2009/10 the Council will budget for an investment return of 1.50% on investments placed during 2009/10. This assumes that the credit crunch will inflate investment rates by about 100 bps over Bank Rate through 2009-10.
- 6.4 For its cash flow generated balances, the Council will seek to utilise its business reserve accounts and short-dated deposits (over night to three months) in order to benefit from the compounding of interest.
- 6.5 At the end of the financial year, the Council will report on its investment activity as part of its Annual Report on Treasury Management.
- 6.6 The Council currently has the following investments frozen in Icelandic banks.

	Amount			Rate %
	£'000	From	To	
Term Deposits - Banks & Build. Socs.	3,000	02-Sep-08	02-Dec-08	5.82
Term Deposits - Banks & Build. Socs.	1,000	10-Sep-08	10-Dec-08	5.8
	<u>4,000</u>			

- 6.7 The Icelandic Government has stated its intention to honour all its commitments as a result of their banks being placed into receivership. The U.K. Government is working with the Icelandic Government to help bring this about. At the current time it is not possible to say with certainty that the Council will recover the entirety of its investments or when reimbursements will be made. The Local Government Association is coordinating the efforts of all UK authorities with Icelandic investments. Members will be periodically updated on the latest developments on these efforts.
- 6.8 The Government advised in November 2008 that it intends to make a regulation to require local authorities to delay recognising any loss on these investments that may eventually be incurred until the 2010/11 year.

## 7 Prudential Indicators 2009/10 to 2011/12

- 7.1 The aims of the Prudential Code are to assist local authorities to ensure that:
- Capital expenditure plans are affordable
  - All external borrowing is at a prudent and sustainable level
  - Treasury management decisions are taken in accordance with good practice
  - The authority is accountable in taking decisions by providing a clear and transparent framework
  - The framework is consistent with and supports local strategic and asset management planning and proper option appraisal.
- 7.2 The prudential indicators are designed to support and record decision making in relation to capital expenditure plans, external debt and treasury management. Estimating capital expenditure for the forthcoming financial year and the following two financial years is the starting point of the calculation of prudential indicators, and the Council has made reasonable estimates of its total capital expenditure.
- 7.3 **Prudential indicators of affordability.** The Prudential code specifies a range of indicators that inform whether the borrowing and resulting revenue costs of alternative levels of capital expenditure are affordable. These include the ratio of financing costs to net revenue stream and the incremental impact of capital investment decisions on the council tax and housing rents.

	2007/08	2008/09	2009/10	2010/11	2011/12
	Actual	Probable	Estimate	Estimate	Estimate
	£'000	outturn	£'000	£'000	£'000
		£'000			
<b>Capital expenditure</b>					
Non-HRA	23,663	21,668	17,808	0	0
HRA	6,743	2,512	6,249	4,880	4,790
<b>Total</b>	<b>30,406</b>	<b>24,180</b>	<b>24,057</b>	<b>4,880</b>	<b>4,790</b>
<b>Ratio of financing costs to net revenue stream</b>					
Non-HRA	-9.01%	-4.88%	1.09%	1.28%	1.28%
HRA	13.66%	13.00%	12.02%	11.34%	10.80%
<b>Net borrowing requirement</b>					
B/fwd 1 April	19,577	19,749	35,600	39,100	39,100
C/fwd 31 March	19,749	35,600	39,100	39,100	39,100
In year borrowing requirement	<b>172</b>	<b>15,851</b>	<b>3,500</b>	<b>0</b>	<b>0</b>
<b>Capital Financing Requirement as at 31 March</b>					
Non-HRA	11,362	26,958	28,909	28,307	27,695
HRA	50,883	50,883	51,883	51,883	51,883
<b>Total</b>	<b>62,245</b>	<b>77,841</b>	<b>80,792</b>	<b>80,190</b>	<b>79,578</b>
<b>Incremental impact of capital investment decisions</b>					
Council Tax (Band D)			£1.17	£0.00	£0.00
Housing Rents			£0.00	£0.00	£0.00

- 7.4 The Capital Financing Requirement (CFR) reflects the council's underlying need to borrow for a capital purpose, although this borrowing may not necessarily take

place externally. It shows the amount of capital spending that has not yet been financed by capital receipts, capital grants or contributions from revenue income.

- 7.5 **Prudential indicators of prudence** have an emphasis on Treasury Management, and have the objective of ensuring that external debt is kept within sustainable limits. For a financial strategy to be prudent, medium term net borrowing should only be used for capital purposes. To ensure this is the case, the Net Borrowing Requirement should not, except in the short term, exceed the total CFR in the previous year plus the estimates of any additional capital financing requirement for the current and next two financial years.

	2007/08	2008/09	2009/10	2010/11	2011/12
	Actual	Probable outturn	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
<b>Authorised limit for external debt</b>					
Borrowing		77,700	81,500	81,500	81,500
Other long term liabilities		5,000	5,000	5,000	5,000
<b>Total</b>		<b>82,700</b>	<b>86,500</b>	<b>86,500</b>	<b>86,500</b>
<b>Operational boundary for external debt</b>					
Borrowing		70,600	74,100	74,100	74,100
Other long term liabilities		3,000	3,000	3,000	3,000
<b>Total</b>		<b>73,600</b>	<b>77,100</b>	<b>77,100</b>	<b>77,100</b>
<b>Upper limit for fixed interest rate exposure</b>					
			100%	100%	100%
<b>Upper limit for variable rate exposure</b>					
			50%	50%	50%
<b>Upper limit for total principal sums invested for over 364 days</b>					
			5,000	5,000	5,000
<b>Maturity structure of new fixed rate borrowing during 2009/10</b>					
	<b>&lt; 12 mths</b>	<b>1 - 2 yrs</b>	<b>2 - 5 yrs</b>	<b>5 - 10 yrs</b>	<b>&gt; 10 yrs</b>
Upper Limit	10%	50%	50%	70%	100%
Lower Limit	0%	0%	0%	0%	20%

- 7.6 Treasury management creates the link between the Council's CFR and the structure of its external debt. The treasury management indicators are relevant for the purposes of setting an integrated treasury management strategy. The first indicator is the adoption of the CIPFA Code of Practice for Treasury Management, which the Council adopted on 18th February 2004.
- 7.7 The level of external debt is a consequence of a treasury management decision about how much external borrowing to undertake. External borrowing arises as a consequence of all the Council's financial transactions. There are two indicators for external debt that encompass all borrowing whether for capital or revenue; the Authorised Limit and the Operational Boundary.

- 7.8 The Authorised Limit is the outer boundary of the Council's borrowing. It should reflect a level of borrowing which, while not desired, could be afforded but may not be sustainable. The capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Council must have regard to the Prudential Code when setting the limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is 'acceptable'.
- 7.9 The Operational Boundary differs from the authorised limit in that it is based on expectations of the maximum external debt of the Council according to probable events. Cash-flow variations may lead to the occasional breach of the operational boundary. It therefore should allow a sufficient margin to allow time to take corrective action before the authorised limit is breached.
- 7.10 There is a need for integration between the Capital Programme and treasury management for the Council to be able to demonstrate the affordability of Capital projects. Where capital receipts are not available, the Council should show how much it intends to borrow, and that this is within the authorised limits for the year.
- 7.11 A best practice approach to treasury management is to reduce uncertainty surrounding fluctuations in interest rates, whilst retaining a degree of flexibility. The Council has set upper limits to both fixed and variable interest rate exposures.
- 7.12 The total principal sums invested indicator is an upper limit for each financial year for the maturing of long-term investments. This is to minimise the possibility that investments will need to be realised early, with the risk of losing some of the principal sum. It also demonstrates that the Council is not borrowing more money than it needs or in advance of its needs, purely in order to profit.
- 7.13 The Council could be exposed to the risk of having to refinance debt at a time when interest rates may be volatile. The code aims to assist authorities to avoid large concentrations of fixed rate debt that needs to be replaced at the same time. The indicator shows both the upper and lower limits of the maturity structure of borrowing. This expresses the amount of fixed rate borrowing that is maturing in each period as a percentage of the total projected fixed-rate borrowing.
- 7.14 There may be some changes to the Prudential Indicators arising from the finalisation of budget figures for the Housing Revenue Account and details of Parish Council Precepts. The Capital Programme will also be reviewed to confirm that there are no additional implications in respect of the 'Incremental Impact of Capital Investment Decisions' indicator. This will be completed before approval by Council. The 'Incremental Impact of Capital Investment Decisions' indicator currently takes into account additional funding required for flat recycling.



## Interest Rate Forecasts

The data below shows a variety of forecasts published by a number of institutions. The first three are individual forecasts including those of UBS and Capital Economics (an independent forecasting consultancy). The final one represents summarised figures drawn from the population of all major City banks and academic institutions. The forecast within this strategy statement has been drawn from these diverse sources and officers' own views.

### Individual Forecasts

#### Sector interest rate forecast – 6 December 2008

	Q/E1 2009	Q/E2 2009	Q/E3 2009	Q/E4 2009	Q/E1 2010	Q/E2 2010	Q/E3 2010	Q/E4 2010	Q/E1 2011	Q/E2 2011	Q/E3 2011	Q/E4 2011	Q/E1 2012
Base Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.75%	2.50%	3.25%	3.75%	4.00%
5yr PWLB Rate	2.50%	2.25%	2.15%	2.15%	2.15%	2.45%	2.80%	3.15%	3.65%	3.95%	4.20%	4.45%	4.60%
10yr PWLB Rate	3.10%	2.75%	2.55%	2.55%	2.55%	2.85%	3.25%	3.65%	4.15%	4.40%	4.70%	4.75%	4.85%
25yr PWLB Rate	4.00%	3.95%	3.95%	3.95%	4.00%	4.15%	4.35%	4.45%	4.60%	4.85%	4.95%	5.00%	5.05%
50yr PWLB Rate	3.85%	3.80%	3.80%	3.80%	3.85%	3.90%	4.00%	4.25%	4.40%	4.70%	4.80%	4.95%	5.00%

#### Capital Economics interest rate forecast – 12 January 2009

	Q/E1 2009	Q/E2 2009	Q/E3 2009	Q/E4 2009	Q/E1 2010	Q/E2 2010	Q/E3 2010	Q/E4 2010
Base Rate	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5yr PWLB Rate	1.65%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%
10yr PWLB Rate	2.65%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
25yr PWLB Rate	4.15%	4.00%	3.80%	3.65%	3.65%	3.65%	3.65%	3.65%
50yr PWLB Rate	4.05%	3.95%	3.85%	3.75%	3.75%	3.75%	3.75%	3.75%

#### UBS interest rate forecast (for quarter ends) – 12 December 2008

	Q/E1 2009	Q/E2 2009	Q/E3 2009	Q/E4 2009
Bank Rate	0.50%	0.50%	0.50%	0.75%
10yr PWLB Rate	3.75%	4.15%	4.35%	4.65%
25yr PWLB Rate	4.25%	4.55%	4.85%	5.05%
50yr PWLB Rate	4.30%	4.65%	5.00%	5.25%

### Survey of Economic Forecasts

HM Treasury – December 2008 summary of forecasts of 23 City and 12 academic analysts for Q4 2008 and 2009. Forecasts for 2010 – 2012 are based on 21 forecasts in the last quarterly forecast – November 2008.

	Actual	Qtr Ended		Ave. Bank Rate		
		Q4 2008	Q4 2009	Ave. 2010	Ave. 2011	Ave. 2012
Median	2.00%	2.00%	1.00%	3.11%	3.97%	4.49%
Highest	2.00%	4.50%	4.00%	4.70%	5.00%	5.25%
Lowest	2.00%	2.00%	0.50%	1.00%	2.25%	3.00%

## Investment Policy

ORGANISATION	CRITERIA			MAXIMUM AMOUNT	MAX. PERIOD		
	Short-term	Long-term	Individual		Support Rating		
					1	2	3
Deposits with Banks and Building Societies (including unconditionally guaranteed subsidiaries)	Minimum F1+	AAA, AA+, AA, AA-	A	£7.5m	5 years	5 years	
			A/B, B	£7.5m	5 years	5 years	
			B/C	£2.5m	1 year	1 year	
	Minimum F1	A+, A	A, A/B, B	£2.5m	3 mths	3 mths	
			B/C	£2.5m	3 mths	3 mths	
Non-rated Building Societies	Assets > £3bn			£1m	3 months		
UK Local & Police Authorities				£10m	1 year		
Govt. Securities (e.g. DMO)				£10m	10 years		
Money Market Funds		AAA		£3m	60 days		
Multilateral Development Banks		AAA		£3m	1 year		
Investment schemes (e.g. bond funds)		AAA		£7.5m	5 years		

### Other Limits:

- Country limit £10m
- UK limit £25m (Banks and Building Societies)
- Limit in non-rated UK Building Societies £5m
- Limit in all Building Societies £10m

