

# Finance and Audit Scrutiny Panel

Grand Jury Room, Town Hall  
15 December 2010 at 6.00pm

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

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

## Facilities

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

## Evacuation Procedures

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

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

e-mail: [democratic.services@colchester.gov.uk](mailto:democratic.services@colchester.gov.uk)

[www.colchester.gov.uk](http://www.colchester.gov.uk)

# Terms of Reference

## Finance and Audit Scrutiny Panel

- To review all existing service plans and associated budget provisions against options for alternative levels of service provision and the corporate policies of the Council, and make recommendations to the Cabinet
- To have an overview of the Council's internal and external audit arrangements and risk management arrangements, in particular with regard to the annual audit plan, the audit work programme and progress reports, and to make recommendations to the Cabinet
- To monitor the financial performance of the Council, and to make recommendations to the Cabinet in relation to financial outturns, revenue and capital expenditure monitors
- To scrutinise the Audit Commission's annual audit letter
- To scrutinise executive 'service' decisions made by Portfolio Holders and officers taking key decisions which have been made but not implemented referred to the Panel through the call-in procedure

*The panel may a) confirm the decision, which may then be implemented immediately, b) refer the decision back to the decision taker for further consideration setting out in writing the nature of its concerns, or c) refer the matter to full Council in the event that the Panel considers the decision to be contrary to the Policy Framework of the Council or contrary to, or not wholly in accordance with the Budget.*

**COLCHESTER BOROUGH COUNCIL  
FINANCE AND AUDIT SCRUTINY PANEL  
15 December 2010 at 6:00pm**

**Members**

Chairman : Councillor Dennis Willetts.  
Deputy Chairman : Councillor Christopher Arnold.  
Councillors Jon Manning, Kim Naish, Gerard Oxford,  
Nick Cope, Scott Greenhill, Sue Lissimore, Colin Mudie and  
Colin Sykes.

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

**Agenda - Part A**

(open to the public including the media)

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

**Pages**

**1. Welcome and Announcements**

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

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

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

**2. Substitutions**

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

**3. Urgent Items**

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

**4. Declarations of Interest**

The Chairman to invite Councillors to declare individually any 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 judgement of the public interest.

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

## **5. Minutes**

**1 - 16**

To confirm as a correct record the minutes of the meetings held on the 23 November 2010 and 25 November 2010.

## **6. Have Your Say!**

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

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

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

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

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

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

## **8. Referred items under the Call in Procedure**

To consider any decisions taken under the Call in Procedure.

*The panel may a) confirm the decision, which may then be implemented immediately, b) refer the decision back to the decision taker for further consideration setting out in writing the nature of its concerns, or c) refer the matter to full Council in the event that the panel considers the decision to be contrary to the Policy Framework of the Council or contrary to, or not wholly in accordance with the Budget.*

## **9. Decisions taken under special urgency provisions**

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

## **10. Mayoralty Budget**

**17 - 37**

See report from the Task and Finish Group.

## **11. Highway Verge Maintenance**

**38 - 46**

See report from the Head of Life Opportunities.

## **12. Treasury Management report 2010/11**

**47 - 52**

See report from the Head of Resource Management.

## **13. Capital Monitor 2010/11**

**53 - 68**

See report from the Head of Resource Management.

**14. Work Programme**

**69 - 71**

See report from the Scrutiny Officer.

**15. Exclusion of the public**

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).





**COLCHESTER BOROUGH COUNCIL  
FINANCE AND AUDIT SCRUTINY PANEL  
15 December 2010 at 6:00pm**

**Agenda - Part B**

(not open to the public or the media)

**Pages**

**16. Treasury Management**

**72**

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

See appendix B on investments, part of the Treasury Management report from the Head of Resource Management .

## **FINANCE AND AUDIT SCRUTINY PANEL 23 NOVEMBER 2010**

*Present :-* Councillor Dennis Willetts (Chairman)  
Councillors Scott Greenhill, Sue Lissimore,  
Jon Manning, Colin Mudie, Kim Naish and Colin Sykes

*Substitute Member :-* Councillor Peter Chillingworth  
for Councillor Christopher Arnold

*Also in Attendance :-* Councillor Tina Dopson  
Councillor Paul Smith  
Councillor Tim Young

### **33. Minutes**

The minutes of the meeting held on 19 October 2010 were confirmed as a correct record.

### **34. Annual Audit Letter**

#### **Have Your Say**

Mr. Andy Hamilton addressed the panel to say he had hoped to see some improvement on the previous District Auditor's report, but to no avail. Mr. Hamilton expressed disappointment that the District Auditor's representative had not looked at the Visual Art Facility (VAF) accounts, instead looking at the £1 million loss on what he described as a disastrous decent homes project. Mr. Hamilton said the auditor's letter within the report and subsequent follow-up report on the VAF showed the external auditor still refuses to recognise the obscene waste of public money on this project. Mr. Hamilton said the Council refused to make public the real costs of this project that had steadily risen, now standing at £30 million.

Mr. Hamilton said the Council lacks the expertise this type of project build required, and could only be described as an unintelligent client. The public would now subsidise this building to the tune of £1 million a year, but the public are completely ignored, with no referendum, public enquiry on the VAF, and all requests under freedom of information ignored. On top of that the Bus Station is being closed with no replacement.

Mr. Hamilton concluded by saying he believed Firstsite was a secretive group, with no talent except to con the Council in to handing over huge amounts of public money without any questions asked and refusing to answer questions.

#### **Audit Commission Presentation**

Ms. Debbie Hanson, District Auditor and Ms. Christine Connolly, Senior Audit Manager attended the meeting for this item and presented the Audit Commission's report on the Annual Audit letter.

Ms. Hanson explained that the report was an annual summary of the results of the 2009/10 audit. Ms. Hanson spoke about the key messages concerning the audit opinion and financial statements, Value for Money and the current and future challenges.

Ms. Hanson concluded by saying the Council was in the midst of fundamental service reviews, placing the Council in a good position to tackle the significant changes that would be required over the coming years, and its resources were at as healthy a level as they had been for a number of years.

## **Discussions**

In response to Councillor Willetts enquiry about the points raised by the Have Your Say speaker, Ms. Hanson said the Council had made significant progress with the VAF though some risks still remained, completing stage 2 of the project, ongoing legal action and the uncertainties around budget reductions for all public funded financial partners. That said the Audit Commission remained happy with the ongoing progress.

In response to Councillor Lissimore, and the collapse of the Icelandic banking system, Ms. Hanson said there remained legal challenges under review and it was conceivable that Councils will not be preferential creditors. That said, the Audit Commission were satisfied with the action taken by the Council, with the situation being nothing to do with the Treasury Management approach which was sound. The Council's reserves were sufficient to cover the loss of the £4 million investment.

Mr. Charles Warboys, Head of Resource Management said the Council had made provision in their accounts for all the potential losses currently advised by CIPFA and the Local Government Association, which allowed for compensation of 95 pence in the pound on the £4 million investment. Mr. Warboys said the Council's reserves could cover a loss of the whole investment, but this would restrict the ability to respond to other issues. Ms. Hanson clarified that the 95% compensation of the original investment was a CIPFA estimate, not an Audit Commission recommendation.

Councillor Dopson, Portfolio Holder for Communities addressed the panel, speaking about the Audit Commission's audit of Health Inequalities across the whole of the County. The local situation had shown to be significantly strengthened since the 2007/08 review, and the partnership effort by the Council, Essex County Council and the local health authority should be commended.

In response to Councillor Manning, Ms. Hanson confirmed the level of fees for 2010/11, calculated in line with Commission's framework, and inclusive of rebates. Councillor Willetts said the Annual Audit Letter was useful to members, providing a contextual framework, and the work was much appreciated.

In response to Councillor Mudie, Ms. Hanson said the Audit Commission would continue to provide services until December 2012 and the Secretary of State will report in January 2011 on how these services will be provided thereafter.

Ms. Ann Wain, Executive Director explained to members that the Value for Money

criteria was now different, previously being the 'Use of Resources' with point scores, now show either yes or no as to whether there are adequate arrangements. Ms. Hanson said 95% of the work had been completed as part of a 'Use of Resources' piece of work, but changed when the Government announced the abolition of 'Comprehensive Area Assessment' and 'Use of Resources', and it was not possible to finalise scores. Councillor Willetts said he was reassured the Council had adequate arrangements, even without the detailed scores.

The Chairman thanked Ms. Hanson and Ms. Connolly for attending the meeting, presenting the report and responding to questions from the Panel.

RESOLVED that the panel considered and noted the contents of the 2009/10 Annual Audit Letter.

### **35. Colchester Borough Council Progress report and Briefing**

Ms. Debbie Hanson, District Auditor and Ms. Christine Connolly, Senior Audit Manager attended the meeting for this item and Ms. Connolly presented the Audit Commission's report on the Progress report and briefing.

Ms. Connolly said the report was a summary of the progress of the work of the Audit Commission against the audit plans for 2009/10 and 2010/11, drawing to a close the 2009/10 audit and detailing what would happen in 2010/11. The report did reflect on the revision of the audit fee and the move from the 'Use of Resources' to the new value for money conclusion criteria.

In response to Councillor Manning, Ms. Connolly said the Audit Commission make it clear at the beginning of each year the audit plan and level of fees that are billed in advance, allowing Councils to position their budgets accordingly. Ms. Hanson said she would feed back to the Audit Commission Councillor Manning's comment that it would be more appropriate to bill the Council on a monthly basis, for the work actually completed.

RESOLVED that the panel noted the contents of the progress report.

### **36. Audit Commission's Benefit Services Report**

Mr. Kevin Sutch from the Audit Commission attended the meeting for this item and presented the Audit Commission's report on the Benefits Service Inspection.

Mr. Sutch said the Audit Commission had completed 47 Benefit Service audits to date, commencing this work in August 2008. The Colchester review started in June, culminating in a judgement based on 'How good the service is now' judged to be fair, and 'Prospects for Improvement' judged to be promising.

Mr. Sutch said a lot of work had been undertaken to improve the service, to bring it on

to a different level. The service was moving in the right direction, with the introduction of some cutting edge initiatives.

Mr. Charles Warboys said that on the whole, the report was reasonable and quite well balanced. That said, officers believed a more realistic judgement was fair, with excellent prospects. Mr. Warboys said officers felt the fundamental service review was addressing almost all of the issues raised by the Audit Commission, with the value for money exercise producing very large savings. All in all it was felt Colchester had a strong case for excellent prospects, but further research showed the principal difference between Colchester and another Council that achieved excellent prospects was simply a lack of a track record that one year on was able to identify the delivery of improvements.

In response to Councillor Willetts, Mr. Sutch said the Councils inspected to date were a wide spectrum in terms of size. The Audit Commission website provided details of the Councils reviewed and members could view this to benchmark the Colchester results with those of other similar authorities. Family groups is a historic benchmarking exercise from the days of Best Value Reviews.

Mr. Sutch said details of the fundamental service review were examined, but a substantial amount of the improvements was based on new untried technology, the electronic claim form and a new initiative with the Department of Work and Pensions (DWP) which allows an on-line assessment of risk whereas the judgement was based on the current service and not based on what was to happen in the future.

Mr. Warboys said there had been a soft-launch of the electronic claim form in 2010, with little publicity. There had been 500 electronic claims received to date, an encouraging take-up, and these claims can be processed in five working days where complete information is included. This trial was proving the software to be a very good, but the emphasis needs to be to ensure the claim comes with the requisite evidence / information. The new DWP initiative was also proving very effective. Mr. Warboys said a full-launch was anticipated shortly. Later in the debate, Mr. Warboys, assisted by Mr. John Fisher, Revenues and Benefits Manager, said documented evidence such as wage slips, scanned and sent by email by the claimant could be accepted if of sufficient quality. Officers are trained in detecting fraudulent documentation, but if the officer is confident the documentation is reliable it will be accepted. Mr. Warboys said the Council are keen to offer a variety of ways of customer contact and will encourage email, with customer research indicating that 73% of respondents are happy to communicate with the Council electronically. It was confirmed that officers will visit homes for further information or where claimants need help in completing their application. Mr. Warboys said the Council does have the necessary control over the letters to customers, making them as friendly and easy to understand as is possible, but under continuous review for improvement.

Councillor Mudie was reassured to hear systems and fraud detection was improving, given that on-line applications could increase the likelihood of fraud. Mr. Warboys said the Council has a dedicated Fraud Team, and part of the new software is 'an assessment of risk' that detects potential fraud. The Council also remains committed to positive legal action being taken against people making fraudulent claims. Mr.

Warboys also confirmed that the current on-line 'benefit calculator' was very much improved, a more reliable indicator.

Mr. Sutch confirmed to Councillor Willetts that with the Audit Commission to be abolished, there was no function for carrying out future audits, though the DWP are looking to see how auditing will continue.

In terms of the audits, the Commission determine and utilise a 'key line of enquiry', setting out what they expect as 'good'. Beyond this, the judgement goes to 'excellent'. A panel at the Commission benchmark the results of an audit against other local authority results in making their judgement, and to ensure consistency. In response to Councillor Manning, Mr. Sutch said he appreciated members' confusion with an assessment that can be excellent with poor prospects or poor with excellent prospects, but the audit makes a judgement on what has the local authority got in place that can improve and what capacity is there to move the service on.

Councillor Sykes said given that of the 47 benefit reviews so far, no authority had been given an assessment better than average, was there something fundamentally difficult about benefit assessment. Mr. Warboys said the Audit Commission had taken a risk based approach to this work, looking at authorities with a high risk through to a medium risk. Colchester was one of the last authorities to be reviewed within this audit, an authority with a medium risk. Mr. Sutch said the high risk authorities were audited in the first year of the audit and were judged poor to fair, with uncertain to promising prospects for improvement.

In response to Councillor Naish, Mr. Warboys said the new electronic claims process speeded up the time to process claims, with the results where information is complete so far averaging five days, an exceptional improvement. This would contribute significantly in lowering the overall average time to complete new claims. That said, it was recognised that many claimants are vulnerable people, and new claims are prioritised to ensure these claimants receive benefit as soon as possible. Mr. Warboys said the length of time to process a claim in some authorities commences from when all the required documentation is received, but at Colchester the time starts from when the initial contact is made, considered a much fairer and more accurate assessment of the claimant's experience.

RESOLVED that the panel;

- i) Noted the findings from the Audit Commission's Inspection report.
- ii) Noted the progress that has been made by the Council in developing an action plan to address the recommendations in the inspection report.

**Councillor Colin Mudie and Councillor Kim Naish (in respect of being a member of the Board of Colchester Borough Homes) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

**Councillor Colin Sykes (in respect of his spouse being a Board Member of Colchester Borough Homes) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

**37. Capital Improvement Programme (Decent Homes) progress**

Councillor Tim Young, Portfolio Holder for Housing and Community Safety, Ms. Lindsay Barker, Head of Strategic Policy and Regeneration, Mr. John Rock, Contracts Risk and Service Manager, Mr. Mark Wright, Director of Property Services, Colchester Borough Homes and Mr. Matthew Armstrong, Asset Manager, Colchester Borough Homes all attended the meeting for this item.

Councillor Young introduced the review of the Capital Improvement Programme. Councillor Young said this was now a good news story, giving an encouraging picture of the progress to date, and to his knowledge he was not aware of any problems in respect of progress and standards of the contract.

A lengthy discussion took place over the graph presented to members. The graph was produced following a request at the Chairman's briefing the previous Thursday.

Mr. Wright gave an explanation of the graph that indicated via a time line (April 2008 to the completion date of December 2012), the number of homes that it was predicted would not be in decency (that is, that they had not yet been modernised to the decent homes standard). This prediction (highlighted in red) showed a large increase at the beginning of each April due to a readjustment based on the preceding years work. The actual number of failures (highlighted in blue) was the number of properties at any given time that still required a decent homes upgrade.

Mr. Wright said the actual figure now stood at 799 properties, well below the predicted figure of 1,270, and the programme was well on track to meet the December 2012 deadline for all properties to be made decent.

Officers said a caveat to this was that refusals count towards the overall statistical decency, therefore the blue line on the graph did not include those properties where a decency upgrade was offered but declined.

It was later agreed that the terminology used on the graph could be improved to give greater clarification to members.

Ms. Barker also confirmed that the level of costs also remains on track against budget.

Mr. Wright reassured Councillor Lissimore that tenants are not being forced or coerced into undertaking some form of upgrade or refurbishment. The Liaison Officer at Property Services is fully briefed and speaks with tenants directly about what can be done. Individual elements of work are offered, it is not the case of take all or nothing. Where it is not possible to speak with a tenant, the case is referred to the Housing Officer. Ms. Barker confirmed that the satisfaction levels on customer relations and communication levels were extremely good. Councillor Young said the relationship between Colchester Borough Council and Colchester Borough Homes was stronger

than it had ever been, and the work of Property Services has been transformational. Members and officers alike should be justifiably proud of the quality of work now being undertaken.

Ms. Barker confirmed to Councillor Chillingworth that there is no penalty for not bringing a property up to the decency standard, but the property remained a Council asset, and therefore is addressed within the Council's Asset Management Strategy and the property will be brought up to a decency standard once it becomes a void. This is a challenge, as it was recognised a property like this may not become a void property for many years.

Mr. Wright confirmed to members that because through refusals, anticipated work will not be taken up by the time the contract is complete, this reduction in expenditure will be reflected in the final year's accounts. Ms. Barker said upgrade, repair and refurbishment works will continue to be funded in the future following the completion of the decency work programme.

RESOLVED that the panel considered and noted the progress on the Capital Improvement Programme (Decent Homes).

### **38. Interim Review of Annual Governance Statement Action Plan**

Ms. Hayley McGrath, Risk and Resilience Manager attended the meeting for this item and presented the report on the Interim Review of the Annual Governance Statement Action Plan, a six-monthly progress update following the implementation of the plan.

Councillor Willetts believed the internal control issue relating to Members of Outside Bodies and the need for a formal review and feedback on progress relating to these appointments was a laudable requirement, and asked how would it operate. Ms. McGrath said the format for the response from outside bodies is being drafted by the Monitoring Officer and will be openly discussed at the latter part of 2010/11.

Mr. Adrian Pritchard, Chief Executive of Colchester Borough Council addressed the Panel, saying that if the Council, Cabinet or Leader make outside appointments, it was right and proper that the Council receives feedback on such appointments, and the new draft, to be discussed, would provide the mechanism for getting this feedback.

Mr. Pritchard also confirmed that feedback would be sought from all organisations regardless of size.

RESOLVED that the panel considered and noted the work undertaken to implement the current Annual Governance Statement action plan.

### **39. 2nd Quarter Internal Audit Assurance Report 2010-11**

Ms. Elfreda Walker, Finance Manager and Mr. Alan Woodhead, Deloitte attended the



meeting for this item and Ms. Walker presented the 2<sup>nd</sup> Quarter Internal Audit Assurance report for 2010/11.

Ms. Walker drew members attention to the 8 audits completed in the reported period and as shown in appendix 1 of the report, and to the key messages as reported in section 3 of the report, including i) the Council continued to provide an effective internal audit service during the 2<sup>nd</sup> quarter of 2010/11 financial year, ii) The assurance rating for the Business Continuity Planning audit has increased from “Limited” to “Substantial”, iii) The assurance rating for the Treasury Management audit has increased from “Substantial” to “Full”, iv) that 21 priority 2 and one priority 3 recommendations have been made, v) All recommendations have been fully accepted by management, and finally vi) There continues to be good progress made in implementing and verifying outstanding recommendations.

Ms. Walker confirmed to Councillor Manning that the Panel would receive detailed feedback in the next report on the 2009/10 audit on Pest Control and the two outstanding priority 1 recommendations.

RESOLVED that the panel considered and noted the Council’s performance relating to i) executing the 2<sup>nd</sup> quarter of the internal audit plan for 2010/11, ii) the performance of internal audit by reference to national best practice benchmarks, and iii) the status of outstanding recommendations.

#### **40. 2010-11 Financial Monitoring report - period April to September**

Mr. Sean Plummer, Finance Manager attended the meeting and presented the 2010-11 Financial Monitoring Report for period April to September.

Mr. Plummer drew members attention to the Outturn Forecast, with the position at the end of quarter 1 being a potential net overspend of £1.14 million and a current forecast being a net overspend of £1.035 million, including the current overspend on service budgets of £310,000 as illustrated in paragraph 5.2. Paragraph 5.11 gave an updated position on the work of the Senior Management Team to reduce the current budget gap, confident that further savings will be identified in 2010/11 that will be used as part of the update on the 2011/12 budget to be reported to Cabinet in December.

Councillor Smith, Portfolio Holder for Resources and Diversity addressed the panel to explain Members will be asked to make some very difficult decisions due to the Governments Comprehensive Spending review, circumstances out of the Council’s control. Budgeting for 2011/12 was very difficult to estimate due to the uncertainty of future income, but that said, officers should be thanked for their significant effort in bringing the general fund balance within the forecast of £0.5 million above the Council’s current assessed minimum level.

RESOLVED that the panel noted the financial performance of the General Fund Services and the Housing Revenue Account (HRA) in the first six months of 2010/11.

## **41. Work Programme**

The panel noted the Work Programme 2010/11.

## FINANCE AND AUDIT SCRUTINY PANEL 25 NOVEMBER 2010

- Present :-* Councillor Dennis Willetts (Chairman)  
Councillors Sue Lissimore, Jon Manning, Colin Mudie  
and Gerard Oxford
- Substitute Members :-* Councillor Nigel Chapman  
for Councillor Christopher Arnold  
Councillor Ray Gamble for Councillor Nick Cope  
Councillor Nigel Offen for Councillor Scott Greenhill  
Councillor Julie Young for Councillor Kim Naish  
Councillor Bill Frame for Councillor Colin Sykes
- Also in Attendance :-* Councillor Tina Dopson  
Councillor Paul Smith  
Councillor Anne Turrell  
Councillor Martin Hunt  
Councillor Elizabeth Blundell  
Councillor Kevin Bentley  
Councillor Andrew Ellis  
Councillor Terry Sutton  
Councillor Tim Young  
Councillor Beverley Oxford

### **42. Items requested by members of the Panel and other Members**

Mr. Robert Judd took the opportunity to inform Panel members that the Portfolio Holder for Communities had requested an extra item to be reviewed at meeting on the 15 December. The item was the Policy for establishing a hierarchy for highway verge maintenance. Mr. Judd said the request came after the publication of the agenda for the meeting on 23 November 2010, hence the notification at this meeting.

**Councillor Julie Young (in respect of her membership of Essex County Council) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

**Councillor Dennis Willetts (in respect of his spouse's membership of Eight Ash Green Parish Council) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

### **43. Referred items under the Call in Procedure COM-009-10 Revenue Grants to Town and Parish Councils 2011/12**

The panel were asked to consider the decision COM-009-10 Revenue Grants to Town and Parish Councils 2011/12, taken by Councillor Tina Dopson, Portfolio Holder for Communities on 9 November 2010.

The decision was called-in by Councillor Bentley, supported by four other Councillors, for the following reasons:

- i) Due weight has not been given to the material consideration that this decision selectively penalises and discriminates between taxpayers in those areas with elected Parish or Town Councils, and Taxpayers in the rest of the Borough. It exacerbates double taxation in regard to those services provided by Parish and Town Councils, which in other areas of the Borough are provided from council tax paid to the Council by all taxpayers. Historically, the Parish and Town Council Revenue Support Grant was introduced to mitigate the effect of this double taxation on those areas of the Borough with Parish and Town Councils, which provide certain services that elsewhere in the Borough are the responsibility of the Council. The decision fails to provide an analysis of the extent to which the double taxation relief is undermined. The decision is therefore discriminatory and defective.
- ii) The decision has not taken into account all the options available. It has not explained the inter-action of this reduction in expenditure in regard to the financial model of the Street Services FSR, where overlapping services provided by the Council and by Parishes will be under the control of the same Council's Street Services zone.

### **Have Your Say**

Mr. Marcus Harrington addressed the Panel, explaining he was speaking on behalf of two parishes, West Bergholt, as a resident and Eight Ash Green, as a former resident. Mr. Harrington said he believed the proposed cut in the Town and Parish Council Grant was unacceptable. Mr. Harrington said where residents lived in areas that have a Town or Parish Council the Council grant goes some way to balancing their precept, helping to reduce the level of double taxation to residents. Mr. Harrington said that over half of the residents of Colchester are affected by this decision, paying additional tax to those not living in a Town or Parish Council area, whereas the acknowledged cuts that need to be made should be met equally amongst all residents of Colchester. The decision he believed was flawed and urged the Panel to refer the decision back to the Portfolio Holder for further consideration.

Mr. Gili-Ross, representing the Colchester Association of Local Councils, addressed the Panel, saying he appreciated that the Council had to make cuts in all budgets, but to cut the grant to Town and Parish Council's by 50% was not right. Residents living in the areas of Town and Parish Councils pay a double taxation, but to make these Councils have to cut back on services they provide at a lower cost than can be provided by Colchester again, did not seem right.

In response to Councillor Manning, Mr Gili-Ross said for some Parish Councils this grant was their only form of income, for others this grant supplemented their precept charge to residents. The precept can be increased to cover the cost of increased charges.

Mr. Abnett, Chairman of Fordham Parish Council addressed the Panel and took the opportunity to endorse what had been said by the previous speakers. Mr. Abnett said the proposed cut in Parish Grant is totally disproportionate in comparison to cuts by the

Council. Many of the services provided by the Parishes are discretionary, for example maintenance and grass cutting, and this grant cut will mean these services being drastically reduced or stopped. In conclusion, Mr. Abnett believed the cut was grossly unfair, would have a detrimental impact on rural communities and would for some, force an increase in the precept.

Mr Patrick Mills, representing Myland Parish Council, said the Parish was opposed to this decision. He understood the generosity of the Council in providing this grant, but in cutting the amount so drastically the Council was forgetting that the Parishes operate on a shoestring. Myland Parish Council's grant was already smaller than it should be and coupled with this further reduction, the cut was totally unfair. Mr. Mills concluded by saying that with the Parishes needing to operate on a shoestring, and unlike their Colchester Borough Council counterparts, Parish Councillors do not receive an allowance for their voluntary work, so perhaps the Council could consider allowance payments for Parish Councillors.

### **Presentation of the call in**

Councillor Kevin Bentley addressed the panel to explain the reasons for the call-in.

Councillor Bentley said the previous speakers had highlighted the general discontentment felt by the Colchester Association of Local Councils and the Parish Councils, who feel they are the poor relations to the Borough Council, even though they represent 60% of all the residents in the Borough.

Councillor Bentley said the Town and Parish Councils play a vital part in the lives and services provided in the rural communities. The costs associated with the upkeep of play equipment were an example of an important service provided by the Parishes but that could be provided by the Borough Council. It was acknowledged that the Borough Council will need to make cuts to services, but Councillor Bentley believed any additional tax should be shouldered by all residents equally. Councillor Bentley felt the manner in which the cut was being made was wrong, that it would be fairer to take a much smaller cut year on year for a four year period rather than a 50% cut in one year.

Councillor Bentley said in areas where there is a Town or Parish Council, residents pay the normal Council Tax payment plus a precept of approximately £5 - £12 per annum. The precept, along with the Council's grant pays for all the vital services provided for within this annual payment, services such as the upkeep of playground equipment, litter picking, grass cutting and support with flooding issues, work and services that are provided as a matter of course for residents living in Colchester.

Councillor Bentley questioned whether the changes as a result of the Street Services Fundamental Services Review had been factored into this decision, he was not sure they had. In conclusion, Councillor Bentley said the cut of 50% was totally wrong and should be in line with the cuts that are being imposed by the Government on local authorities. He understood the need for cuts but asked the Cabinet to reconsider this decision and allow the parish grant to be cut on a fairer basis and over a longer period of time.

## **Portfolio Holder response**

Councillor Tina Dopson, Portfolio Holder for Communities addressed the panel responding to Councillor Bentley and the previous speakers.

Councillor Dopson clarified that the real cuts to the Council's budget will represent 13% of the overall budget, not the 7.25% claimed. Councillor Dopson said the grant was a historic payment, not bound by statute, and does not seek to compensate Town and Parish Councils. Colchester was not the only Council seeking to reduce or stop these grants, a discretionary payment, but it was regrettable. The reality is the times for giving these grants had changed. In overall terms, the grant cut would mean an average cut of 8% on the total of the precept and grant, less than the Council's anticipated 13% Budget cut.

Councillor Dopson spoke about Colchester's consultation with the Town and Parish Councils. The consultation commenced in June of 2010 and the Council did not shy away from explaining that a tough decision would have to be made in terms of the level of grant given, with the letter to the Town and Parishes warning of a significant reduction or cessation of the grant. This resulted in meaningful discussions, and allowed them time to consider mitigation against this level of reduction in grant.

It was explained that the total level of grant is currently £202,000, a sum of money that is given to the Town and Parish Councils without conditions, is not monitored and with no stipulation on how the money is spent. Councillor Dopson said she believed the public would be very surprised by this. The grant of £202,000 had been frozen since 2008 (a year on year increase prior to 2008) and the decision on the level of grants to be paid had never been called in until it was cut. Councillor Dopson said the Town and Parish Councils acknowledge they have some reserves that can supplement their grant.

As part of the Consultation the Town and Parish Councils had been offered the opportunity to change the manner in which the grant is distributed to each Council, for example, a bidding process, and the results were deliberately analysed and fed back to the Councils in quick time, by October 2010, to enable them time to forward plan. Councillor Dopson said the Council will be making some tough decisions and services will be cut, the Town and Parish Councils will need to go through the same exercise.

With regards to the Fundamental Services Review Councillor Dopson said the Parish Councils are very keen to participate but we will not know the outcomes of the changes until they have time to bed-in. This review did not need to be considered at this time.

Councillor Dopson concluded by saying the Town and Parish Councils will be able to cover the cost of providing vital services by increasing the precept and asked the Panel to support the decision to reduce the Town and Parish grant by 50%.

## **Have Your Say – Ward Councillors**

Councillor Elizabeth Blundell, a Parish Councillor for twenty seven years, the longest serving Parish Councillor on the Council addressed the Panel and explained the history

of Parish Councils and how the payment of Parish grants came about and how it provided vital funds to aid deprivation, poverty and homelessness. Now, a common major expense for the Parishes was the upkeep of the village / community hall, a place for local people to gather for a variety of events, and to help provide other vital services. Parish Councils and Parish Councillors are very dedicated, providing value for money, one of the biggest voluntary groups in the Borough. The proposed grant cuts are excessive and Councillor Blundell urged the Portfolio Holder to reconsider the decision.

Councillor Terry Sutton addressed the Panel, saying it was not until he started to represent the Pyefleet Ward was he aware of the extent of the work undertaken by the Parish Council. With this grant being the only form of grant given to the Parishes Councillor Sutton said the cut of 50% was too great. Given that the work by parish representatives was voluntary Councillor Sutton was sceptical that they had the resource to undertake some of the ideas suggested within the consultation, e.g. producing local service agreements, as entered into between the Council and Council funded partners. Councillor Sutton said he was suggesting there should be no cut in the grant, but the cut needed to be balanced, not so severe. This level of cut gave a message that the Council wished to stop funding Town and Parish Councils.

Councillor Colin Sykes addressed the Panel saying the Town and Parish Grant helped support the revenue support funding. The Portfolio Holder had said the Town and Parish Councils had the opportunity through the recent consultation to agree to bid for revenue funding, but the parishes did not see a bidding process for revenue funding as appropriate. Councillor Sykes said the parish grant helped towards keeping the precept, part of a double taxation for households, at a reasonable level, but believed there had to be a more equitable system for determining the increase in the overall Council Tax paid by all households in the Borough. The Council will retain Council Tax at this year's level, with no increase, whereas the parish councils do have the freedom to increase their precept or reduce the level of services provided. That said the Cabinet are aware of what the parishes do independently to the Borough Council, and whilst Councillor Sykes had sympathy for the Council felt the cuts are greater than what one would consider reasonable in one year.

Councillor Andrew Ellis addressed the Panel saying that whatever the Portfolio Holder may think, the revenue support grant has been paid to parishes to offset the cost of the services provided by the parishes. Councillor Ellis accepted that cuts needed to be made, but felt it was a case of sharing the pain. The 50% cut was disproportionate, imposed in a draconian manner, too much too soon. Councillor Ellis concluded by saying he was not aware that the Council had made any offer to pick up the delivery of essential services provided by the parishes, so unfairly, the parishes will need to increase their precept to ensure the same service delivery.

Councillor Paul Smith addressed the Panel saying the cut in the grant would represent an increase in Council Tax Payments by an average of three farthings per day. Councillor Smith said the income to be received by the Borough Council is to be cut by 13%, but this cut in grant will mean the Town and Parish Councils total income will fall by 8.8%, therefore, if there was to be an equitable system in place, it would mean the grant had not been cut enough. Councillor Smith said Tiptree was the only parish

featuring in the Office of National Statistics deprivation indices (Councillor Dopson later clarified to Councillor Lissimore that whilst this was true, it was also accepted that there are many pockets, super output areas or just single roads of deprived areas in the rural wards). Councillor Smith urged the parish councils to move into the modern era of having to compete for funds as is done by the voluntary sector. The reality of the situation was the Council has lost £2 million in grant during this financial year, but the Council was not asking for a claw-back from funded organisations like the parish councils, but was operating a budget deficit. As it had been confirmed at Tuesday evening's meeting by the Audit Commission, the Council will need to make some very difficult decisions. Councillor Smith concluded by asking the parishes to bear the pain, but welcomed dialogue with them in future years to determine a fairer basis of funding.

### **Discussions and summaries**

Councillor Dopson confirmed to Councillor Willetts that she believed regardless of the bureaucracy of local government, the average tax payer saw a standard level of service provided for the overall Council Tax paid. Most residents do distinguish between the work of the Parish Council and Borough Council, but their overriding wish is to have all the services provided, regardless of by whom, to a good standard and on time.

Councillor Lissimore still believed the cut in grant was disproportional to the level of cuts being felt by the Borough Council. In respect of litter picking in the rural areas following the implementation of Street Services zone working, Councillor Dopson said this would be a significant change and would need time to bed-in. At this point officers will discuss with the Portfolio Holder the impact of the change and what action is necessary. Councillor Dopson confirmed to Councillor Willetts that the Street Services fundamental services review was outside the scope of the review to Town and Parish grants.

Councillor Dopson said the Cabinet is unanimous in its support of the decision to cut the grant by 50%.

Councillor Dopson reconfirmed that the consultation process did allow for dialogue between the Borough Council and the Town and Parish Councils in respect of different options on the distribution of grants, including service level agreements, as entered into with the voluntary sector organisations, but no indication was given to change the current arrangements.

Councillor Young said she supported the decision to cut the Town and Parish grant. We lived in a world where tough decisions have to be taken, about choices. Councillor Young said if this grant was not cut, what else would need to be cut. Councillor Dopson agreed that it was about choices, prioritising decisions. There was no statutory obligation to provide this grant, but it had been automatically provided for many years. This was not a rushed decision, that the consultation process had forewarned the Town and Parish Councils well in advance of the likelihood of significant cuts.

Councillor Dopson confirmed to Councillor Manning that this cut in grant would mean an average of 8.8% cut in the overall net budgets of the parish councils.



Councillor Bentley gave a brief summary of his position following the debate, congratulating Councillor Dopson on her coherent defence of the decision taken. Councillor Bentley concluded by saying the inevitable action culminating from this decision will be a cut in the service provided by the parishes or an increase in the precept. Councillor Bentley asked the Portfolio Holder to reconsider this decision, to provide a more sensible cut in the grant.

Councillor Dopson gave a brief summary of her position following the debate, saying the issue of double taxation was a choice for the parishes who did not have to be a Parish Council. A key role of the Cabinet and Portfolio Holders was to prioritise and allocate resources, making difficult choices along the way that many people will not like. Councillor Dopson concluded by saying that given the current economic climate hard decisions are being taken, and whilst she wished it could be different, it was a reality. Councillor Dopson urged members to support the decision.

Councillor Offen summarised by saying he had heard a lot of different views during these discussions but had heard no substantial reason why this grant reduction should not be made. As a percentage cut of the overall parish revenue, it was relatively small. Councillor Offen remained unmoved by the suggestion that the decision should be reconsidered and formally proposed that the decision should be confirmed and implemented with immediate effect. Councillor Frame seconded Councillor Offen's proposal.

Councillor Manning said Councillor Bentley was usually very persuasive and thorough when presenting cases subject to call-in, but felt in this instance it was a job half done. The call-in was mainly about the double taxation, but the precept was to pay for work at and above what the Borough Council provide. On this basis he did not think an overall increase of 8.8% on the precept alone was unrealistic. Councillor Dopson had put forward a convincing argument for cutting the parish grant and he supported the proposal to confirm the decision.

Councillor Chapman appreciated the problem for the parishes, in providing services in addition to what the Borough Council provides. Councillor Chapman believed that the decision to cut the parish grant would be confirmed, but asked that in the future, the Portfolio Holder meet with the Town and Parish Councils to discuss options to find a better way of funding e.g. the work undertaken by the parishes to upkeep play equipment needed to be examined.

Councillor Lissimore supported the comments of Councillor Chapman and appreciated the work by Councillor Dopson in respect of the consultation process undertaken this year. Councillor Lissimore urged the Portfolio Holder to discuss with the parishes the concerns over play area equipment especially in respect of the health and safety requirements.

**RESOLVED** that the Panel confirmed the decision which could be implemented with immediate effect (SEVEN voted FOR and THREE voted AGAINST).



## Finance and Audit Scrutiny Panel

Item  
**10**

15 December 2010

<b>Report of</b>	<b>Mayoralty Task &amp; Finish Group</b>	<b>Author</b>	<b>Robert Judd</b>
<b>Title</b>	<b>Proposals for a revised Mayoralty Budget</b>		<b>☎ 282274</b>
<b>Wards affected</b>	All		

**This report sets out the proposals by the Mayoralty Task and Finish Group for a revised Mayoralty Budget, and the reasoning behind the proposals.**

### 1. Action(s) Required

- 1.1 To consider and endorse the proposals of the Mayoralty Task and Finish Group, as set out in section 4, that provide actions from the review of the Mayoralty function and the Civic Fund budget.
- 1.2 To agree for the proposals to be taken forward to the Cabinet for consideration, and inclusion in the 2011-12 budget review.
- 1.3 To agree that the Mayoralty Budget should be reviewed annually by the Finance and Audit Scrutiny Panel.

### 2. Reason for Action(s)

- 2.1 Councillor Chapman and Councillor Hogg addressed the Finance and Audit Scrutiny Panel at the meeting on 28 September 2010, to request that consideration be given to setting up a task and finish group (TAFG) to review the Mayoral Budget. The panel agreed to the request to examine all aspects of the Mayoralty function and the associated Mayor's budget.
- 2.2 The agreed Terms of Reference were to investigate expenditure charged to the Council's Civic budget and make recommendations to enable the Mayoralty to be provided with a sustainable budget to support those traditional activities that the people of Colchester generally expect of their Mayor.

### 3. Conclusions

The conclusions, following the completion of this review are as follows;

- 3.1 Following discussions with Aldermen and Former Mayors, the group concluded that the retention of the Mayor was vital in upholding and promoting the purposes of the Council's constitution, encouraging citizenship and participation in the life of the borough, encouraging businesses into the town and promoting the Council at all the functions attended.
- 3.2 The group considered the effectiveness of the Mayoralty budget and whether it was in line with the Council's overall strategy, concluding that the level of expenditure recommended would provide a sustained budget able to support those traditional

activities that the people of Colchester expect of their Mayor as patron and the borough's First Citizen.

- 3.3 The group concluded that a number of cost saving measures, some of which, whilst not mandatory, would contribute to a reduction in the level of expenditure, were a necessity within the current economic climate when pressures are being put on all the Council's budgets.
- 3.4 The group recommends to the Cabinet a revised level of expenditure, split into two budgets, a Civic Budget (mandatory) and a Mayoral Budget (discretionary). The revised combined expenditure figure is £67,935, representing a 6.3% reduction on the current overall expenditure figure of £72,500, a saving of £4,565. The revised expenditure figure is offset by the anticipated increased income. The overall income is estimated at £20,050, thereby allowing for an overall budget of £47,885, an overall reduction of £10,615.
- 3.5 The proposals would help contribute to the delivery of a desired outcome, the hosting of the Opening of the Oyster Fishery and the Oyster Feast on a cost neutral basis.

#### **4. Summary of Proposals**

The summary of proposals is as follows;

- i) That the Civic Fund Budget is split into two separate budgets, a Civic Budget (CB) and a Mayoral Budget (MB). The CB would be to primarily pay for all the ceremonial costs associated with mandatory civic events. The MB would be a budget to meet the cost of hospitality, a discretionary cost. Not all events fall neatly into this split, that there are some events where both the ceremonial and hospitality cost will be met from the CB. It should be noted that the Mayor will continue to receive the Mayor's Allowance of £11,600 per annum, an allowance to enable the Mayor to cover out of pocket expenses. See section 6.1 for further details.
- ii) The Civic Events list, a list of all the major annual civic events and how the events are funded, is retained by the Mayoral Officer.
- iii) A revised list of dignitaries to be invited to the Oyster Feast, showing free invitations and paying guests, is retained by the Mayoral Officer. The revised list can be seen in Appendix A. The number of free invitations varies year on year, but it is estimated that the revised list reduces the number by fourteen. It is proposed that all those no longer receiving a free invitation(s) should continue to be formally invited to attend the Oyster Feast. The Mayor may, if they so wish, cover the cost of additional paid guests from the Mayor's Allowance. It is also proposed that the cost of the Oyster Fishery and Oyster feast tickets should remain at a minimum of £80.00 and £90.00 respectively for 2011, and that the cost of coach hire for the Oyster Fishery could in part be met by a nominal charge of £5.00 per person, to be added to the ticket price.
- iv) Regarding requests to the Mayor for free use of the Town Hall facilities it is proposed that the Mayor, together with the Mayor's Charity Committee during that year will determine free use of the Mayor's Civic Suite. Thereafter, and if the Town Hall is open for other purposes, outside organisations could use the Grand Jury Room and West Committee Room, subject to a fee of £75.00, and any organisations taking up this offer would be encouraged to start at 6 pm. and finish by 9 pm. The additional use of the Mayor's Parlour, which would comprise the

Civic Suite, would be upon approval by the Mayor, and a further donation of £25.00 to the Mayor's Charities.

- v) The Group felt the Mayor should continue to have discretion on who would supply flowers for events such as Mayor Making and the Oyster Feast. The group acknowledged that a Town Hall adorned with floral displays not only provided an ambiance that befits such occasions, but by association, for the flower providers it was both prestigious and reputable. Members agreed that at the Mayor's discretion, a formal invitation, together with a free ticket can be given to the flower provider to the Oyster Feast. Colchester in Bloom confirmed that they would be willing to help provide floral displays at these Town Hall events, supplied by local flower and rose growers, allotment holders and flower groups and this would not only provide cost savings, but would enhance community engagement at these events. The group proposes that future Mayors take advantage of the offer from Colchester in Bloom, one that could potentially provide an annual saving of £1,000.
- vi) The group proposes that the renegotiated offer from Hunnaball of Colchester to provide a discount on the Mayoral Car hire costs should be accepted.
- vii) It was understood that the two year funding for the Twinning Society (TS) ends at the end of March 2011, and any future grants would be for the Portfolio Holder for Resources and Diversity to decide upon. Members believed there was no argument for making a distinction for funding Twinning, as opposed to e.g. the arts, and acknowledged that future Mayors could provide fund raising evenings at the Town Hall, with the proceeds going to the TS in place of any future grants. See section 6.2 for further detail.
- viii) Any decision to seek and fund road closure for the sole benefit of any voluntary organisation would be at the discretion of the Portfolio Holder for Resources and Diversity.
- ix) The Freedom of the Borough was considered by the group as a good example of an event that could attract income through sponsorship. Whilst it was recognised that income generation would be very difficult during the economic downturn, the group propose that officers should be encouraged to look at generating additional income to such events. It should be noted that at Bury St Edmunds the costs of town centre military events are shared between the military and the Council.

## **5. Financial Implications**

- 5.1 Appendix B sets out the current Civic Fund Budget for 2010-11, and for comparison, the proposed 2011-12 budget, with the total budget split, as proposed into the Civic Budget and Mayoral Budget. The reduction in costs reflects the potential savings and additional income identified in the report. The revised combined expenditure figure is £67,935, a saving of £4,565 on the current overall expenditure figure of £72,500. However, the revised expenditure figure is offset by the anticipated increased income. The overall income is estimated at £20,050, thereby allowing for an overall budget of £47,885, an overall reduction of £10,615.
- 5.2 In addition to the identified savings, the group agreed some events are held at the discretion of the Mayor, and not all the discretionary events need to be undertaken every year, that the Mayor could be selective year on year. On this basis it was proposed that the Mayoral Budget should be reduced by a further 5%. This would

have the effect of reducing the discretionary budget by a further £590 and is built into the figures in section 5.1.

## **6. Additional detail to Summary of Proposals**

### **6.1 Corporate / Mayoral Civic Budget split of costs**

The group agreed the rationale for splitting costs. Where an event was a Borough event, promoting the Town of Colchester, the ceremonial and hospitality costs should both be met from a corporate budget, whereas, other civic events that should remain on a mandatory civic events list, the ceremonial cost should be met from a corporate budget and the hospitality cost, a discretionary cost, should be met from a Mayoral Budget. There were also events that it was considered the cost should be met wholly from a Mayoral Budget and some that were not considered Mayoral events. All the current major civic events were considered on their individual merits against the above criteria, and members agreed to the following;-

**Mayor Making** – The total cost of the meal and drink to be incorporated into the ticket price, with all other associated costs to be met fully by the Civic Budget (CB).

**Civic Service** – the ceremonial costs to be met from the CB, the reception, by invitation and at the Mayor's discretion, with the costs met from the Mayoral Budget (MB).

**Mayoress at Home** – The event and associated costs to be at the Mayor's discretion, with the costs met from the MB.

**Opening of the Oyster Fisheries** – A civic event, with the costs met from the CB. The cost of food and drink would be incorporated into the ticket price, with costs over the break even point being met from the MB, from 2012-13 onwards. It was further agreed that the cost of coach hire could in part be met by a nominal charge, provisionally set at £5.00 per person, to be included in the ticket price.

**Oyster Feast** – A civic event, with the costs met from the CB. Guests would pay to attend. The cost of food and drink would be incorporated into the ticket price.

**Remembrance Day** – the ceremonial costs to be fully met from the CB, with the reception costs met from the MB.

**Chain Gang / Pearly Kings and Queens** – These events and associated costs to be at the Mayor's discretion, with the costs met from the MB, with a presumption generally against attending events outside of the Borough.

**St George's Day** – the ceremonial (service) costs to be met from the CB, the reception by invitation and at the Mayor's discretion, with the costs met from the MB.

**Armed Forces Day** – Like St George's Day, the ceremonial costs to be met from the CB, the reception at the Mayor's discretion, with the costs met from the MB.

**Freedom of the Borough / Return of the Regiment parades and receptions** – the costs to be fully met by the CB.

**Alderman Ceremony Reception** – The Council would provide the Illuminated Resolutions and free use of the Town Hall Civic Suite, and the new Alderman would meet the cost of any reception, together with the cost of any new robes.

## 6.2 Twinning

Members believed the cost of providing hospitality for guests from the Council's twinned towns to the Oyster Feast for the duration of their stay was hard to justify in these times. It was understood that the Twinning Society (TS), recipients to a two year grant of £2,500.00 from the Council in 2009, will meet the cost of future hospitality. The Council currently covers the cost of attendance at the Oyster Feast and accommodation.

Councillors agreed that any reason to stop twinning should be a mutual agreement between the towns, and should therefore continue, though with a greater involvement from the Twinning Society.

It was understood that the two year funding for the Twinning Society ends at the end of March 2011, and any future grants would be for the Portfolio Holder for Resources and Diversity to decide upon. Members believed there was no argument for making a distinction for funding Twinning, as opposed to e.g. the arts, and that if Government grants are being reduced the consequence could be no future funding to the TS. Members acknowledged that future Mayors could provide fund raising evenings at the Town Hall, with the proceeds subsidising the activities of the TS in place of any future grants.

## 6.3 Point Scoring Scheme

Members considered the point scoring scheme for engagements, a scheme adopted by a number of Councils. Members agreed that future Mayors should consider this on the basis that it would help to ensure a measure of effectiveness of the Mayoralty in undertaking quality engagements and would assist in determining the Mayor's attendance at events when there is a clash of events or more than one invitation on the same day.

The scheme considered, taken from the National Association of Civic Officers (NACO) HANDBOOK – A best practice guide, takes the four rules of civic engagement, i) Every engagement should be routed via the civic office, ii) Don't cancel except in an emergency, iii) Is it a 'quality' engagement?, and iv) Was the engagement any good?, and scores each event to be attended by the Civic Party depending on the type of activity, to ensure a measure of the effectiveness of the Mayoralty in undertaking quality engagements in maintained.

The scores are nationally set, and fall into seven categories, with the higher the score, the more appropriate the event. These categories also assist in determining the Mayor's attendance at events when there is more than one invitation for the same day / or a clash.

**Promoting (5)** e.g. Council initiatives, business opportunities

**Community (5)** e.g. attending local events with local people

**Civic Hosting (3)** e.g. offering hospitality to community groups

**Council/statutory/traditional (3)** e.g. Council Meetings, events relating to Freeman of the City, Citizenship Ceremonies, Remembrance Sunday etc

**Charities (2)** e.g. Charity Appeal fundraising events

**Social (1.5)** e.g. work colleagues, ward members, family

**Civic Circuit (1)** e.g. visiting other Civic Head's events"

For the fourth rule of civic engagements – was it any good? - Some councils send out a 'customer satisfaction form' after each civic engagement, to determine how well did the civic office deal with the invitation, did the Mayor arrive on time and how well was

the speech delivered, any comments etc. Such questionnaires are very useful in identifying problems in the service provided.

Members considered the 'customer satisfaction scheme' would be very useful in measuring satisfaction feedback and identifying problems / improvements to the service and suggest that the 'customer satisfaction scheme' should be introduced in future years, provided it was not onerous or time consuming.

## **7. Summary of work undertaken by the task and finish group**

- 7.1 The TAFG held meetings on the **8 October 2010, 15 October 2010, 28 October 2010, 5 November 2010 and 19 November 2010.**
- 7.2 Members of the Task and Finish Group are Councillor Nigel Chapman (Chairman), Councillor William Frame, Councillor Mike Hogg, Cllr Kim Naish, Cllr Gerard Oxford and Cllr Dennis Willetts.
- 7.3 The following guests attended a group meeting, Former Mayors, Councillor Ray Gamble and Councillor Christopher Garnett, Alderman David Cannon, Alderman Janet Fulford and Alderman Paul Spendlove.
- 7.4 Appendix C shows the minutes of all the task and finish group meetings.

## **8. Standard References**

- 8.1 The Strategic Plan states that we will shift resources to deliver priorities.
- 8.2 In regards to consultation Members should note the Council recently gave residents the opportunity to put forward their views regarding the budget consultation and their priorities and thoughts on the services we provide. Overall, the Council received a total of 865 responses, of which 628 (73%) were submitted online. The survey asked residents to prioritise services through ranking their 3 most and 3 least important services. The three services with the highest level of positive responses (rated first, second or third in terms of most important to the responder) are i) Waste and Recycling (357 responses), ii) Tackling anti-social behaviour (219 responses) and iii) Housing and Homelessness (203 responses). The services that received the highest number of negative responses (rated first, second or third in terms of least important to the responder) are i) Mayoral and Civic Duties (578 responses), ii) Arts and Culture (351 responses) and iii) Street Wardens (165 responses).
- 8.3 There are no publicity, equality, diversity and human rights; community safety; health and safety or risk management implications.

### Proposed Colchester Oyster Feast - Guest List

	Free	Paying	Overall	Task and Finish Group's Suggestions
Mayor and Mayoress	2		2	
Deputy Mayor and Mayoress	2		2	
Councillors and guests (variable number)		114	114	
Chief Executive CEO + guest	1	1	2	
4 Guest Speakers + guests	4	0	4	
Officers and Guests (EDO + guests)		6	6	
3 MP's + Guests		6	6	Invitation, but no free tickets.
High Steward of Colchester	1	0	1	
Mayor's Chaplain	1	1	2	
Bishop of Colchester	1	1	2	Mayors should consider rotating this free ticket to other leading faiths in Colchester.
Aldermen + Guests		36	36	
Garrison Commander + Guest **	1	1	2	
Deputy Garrison Commander + Guest		2	2	Invitation, but no free ticket.
Garrison Adjutant + Guest		2	2	Invitation, but no free ticket.
Vice-Chancellor + Guest **	1	1	2	
Registrar + Guest		2	2	Invitation, but no free ticket.
Lord Lieutenant + Guest	1	1	2	
High Sheriff + Guest	1	1	2	
Master Cutler + Guest		2	2	Invitation, but no free ticket.
VIP Guest		2	2	
Town Serjeant	1		1	
Police Divisional Commander + Guest **	1	1	2	
Media and Guests				Invitation, but no free ticket.
Charities + Guests		12	12	
Colchester Oyster Fishery	1	1	2	
Twinning		6	6	Invitation, but no free tickets.
Mayors/Chairmen and Guests		6	6	
Immediate family		12	12	
Chief Executive/Leader *		12	12	* The cost of these tickets is paid by the Council, but not from the Civic or Mayoral Budgets.
Ballot		30	30	
Borough Organist not sent		1	1	Invitation, but no free ticket.
Toastmaster	1		1	
Toast List Designer + Guest	1	1	2	At the Mayor's discretion - paying guest(s) or paid from the MB.
Wivenhoe/West Mersea Mayors / Cinq Ports			0	At the Mayor's discretion - paying guests or paid from the MB.
<b>Total</b>	<b>21</b>	<b>261</b>	<b>282</b>	
				** Please note that the group agreed that the Garrison, University & Police should each receive one free invitation. In the absence of the Garrison Commander, Divisional Commander or Vice-Chancellor, a representative may be invited to use this free invitation.



## REVISED BUDGET

Category of Expenditure	Civic Fund Budget 2010 /11 (£)	Civic Budget (£)	Mayoral Budget (£)	Detail
Entertainment and Events	37800	25000	11210 (Less £1000 for flowers Less 5%)	To cover the cost of hosting all standing civic events – Mayor Making, Civic Service, Opening of the Oyster Fishery, Oyster Feast, Remembrance Sunday, St George's Day and any ad hoc requests such as Veterans' Day, Return of the Regiment Parade, Freedom of the Borough March etc.
Mayoral Car	9300		6510 (£9,300 nominally, with a 30% disc.)	For travel to civic and charitable events
Hospitality	3700		3515 (Less 5%)	To fund refreshments for visitors to the Mayoral Suite, tours of the Town Hall and informal meetings.
Uniforms	3100		3100	To replace and launder civic robes and hats and replacement of flags flown from the Town Hall
Office expenses	1500		1500	For use by the Mayor's Secretary – paper, ink, stationery etc
Other travel	1300		1300	Train journeys or travel in the Mayor's own car.
Printing	1300		1300	Menus, name cards, letters etc
Civic Gifts	300		300	For occasional use when appropriate for visitors and to commemorate visits to Town Hall.
Mayor's Allowance	11600		11600	Special Responsibility Allowance paid to cover expenses incurred during period of office

Deputy Mayor's Allowance	2600			2600	Special Responsibility Allowance paid to cover expenses incurred during period of office
<b>Category Total</b>	<b>72500</b>	<b>25000</b>		<b>42935</b>	
Income	15000	-		20050*	Estimate of sales of tickets to the Opening of the Oyster Fishery and the Oyster Feast
<b>Net Total</b>	<b>57500</b>	<b>25000</b>		<b>22885</b>	

\* Income

£17,300 Revised income from the Oyster Feast (258 guests less 21 free/6 MCB/ 12 CEO Budget @£90, less vat.)

£2,200 Oyster Fishery

£250 Oyster Fishery Coach (50 @ £5)

£300 Civic Suite (4 bookings at £75 est.)

£20,050 Overall

# **FINANCE AND AUDIT SCRUTINY PANEL MAYORALTY TASK AND FINISH GROUP 8 OCTOBER 2010**

*Present:* - Councillors Chapman, Hogg, Naish, G. Oxford and Willetts  
*Officers:-* Ms. A. Wain (AW) Ms. A. Chidgey (AC) Mr. R. Judd (RJ)

## **1. Chairman**

*RESOLVED* that Councillor Chapman was elected Chairman of the Task and Finish Group.

## **2. Terms of Reference**

*RESOLVED* that the Task and Finish Group approved the Terms of Reference.

## **3. Details of the Mayoralty Budget**

Members considered the budget information provided, the Civic Fund Budget for 2006 -2011, a detailed breakdown of the 2010 – 2011 Budget and a 2006 – 2011 breakdown of the Civic Events hosted by the Mayor.

Members requested further information for the next meeting, so that a more informed judgement could be made and prior to making any recommendations.

- Role and duties of the Mayor – to provide a summary of Colchester, and by way of comparison the role and duties of the Mayor at Cambridge City Council and York City Council - AC and RJ to action.
- Twinning – Initially, to have conversations with representatives from Wetzlar and Avignon to determine their future budget commitments – AC to action.

Discussions with the Portfolio Holder – AW to action.

Twinning Charters – the Council's responsibilities – AC and RJ to action.

- Mayor's Parlour – Nominal charge for the use of, by club and society AGMs etc – AC to action.

Further consideration to reduce expenditure / increase income;

- Retail sponsorship for the 'Freedom of the Borough' event.
- Illuminated scrolls – Alderman who are former mayors receive two.
- Oyster Feast – controls in place to ensure a breakeven on cost and exp.
- Roll-up some Mayoral event costs into the Mayors Allowance – discretionary

## **4. Any other business**

*RESOLVED* that the next meeting was agreed for Friday 15 October, at 10.00 a.m. room to be confirmed.

**FINANCE AND AUDIT SCRUTINY PANEL  
MAYORALTY TASK AND FINISH GROUP  
15 OCTOBER 2010**

*Present:* - Councillors Chapman, Frame, Hogg, Naish, G. Oxford and Willetts  
*Officers:* - Mrs. Amanda Chidgey (AC) Mr. Robert Judd (RJ)

*Apologies:* - Ms. Ann Wain

## **5. Minutes**

*RESOLVED* that the minutes of the meeting held on 8 October 2010 was confirmed as a correct record.

## **6. Mayoralty Handbook – role and duties**

The purpose of this item is to compare the roles of duties of Colchester, with those of Cambridge and York City Councils.

Mr. Judd explained that he had not yet received a response from Cambridge or York in regards to the role and duties of their respective mayors.

**RJ to action.**

## **7. Twinning**

With regard to having conversations with representatives from Wetzlar and Avignon to determine their future budget commitments, Ms. Chidgey said communication through Language line was cost prohibitive, £200.00 for thirty minutes, and agreed to correspond next week by email.

Members believed the cost of providing hospitality for guests from the Council's twinned towns to the Oyster Feast for the duration of their stay was hard to justify in these times. It was understood that the Twinning Society (TS), recipients to a two year grant of £2,500.00 from the Council in 2009, will meet the cost of future hospitality. The Council still covers the cost of attendance at the Oyster Feast and accommodation.

Members agreed that there was an opportunity for the Mayoralty to provide a fund raising evening, with the proceeds subsidising the activities of the TS in place of any future grants, and the TS becoming responsible for all costs associated with Twinning.

Members agreed to await feedback before agreeing to a final proposal.

**AC to action**

## **8. Details of the Mayoralty Budget**

Members discussed the major civic events hosted by the Mayor during the period 2006-11.

It was agreed that where an event was a Borough event, promoting the Town of Colchester, e.g.

Freedom of the Borough, the ceremonial and hospitality costs should both be met from a corporate budget, whereas, it was also agreed that other civic events that should remain on a mandatory civic events list, the ceremonial cost should be met from a corporate budget and the hospitality cost, a discretionary cost, should be met from a Mayoral Civic Budget. There were also events that it was considered the cost should be met wholly from a Mayoral Civic Budget and some that were not considered Mayoral events. In this case, it was agreed that the event and associated funding should be at the discretion of the Portfolio Holder for Resources and Diversity.

All the current major civic events were considered on their individual merits against the above criteria, and members agreed in principle to the following:-

- **Mayor Making** – the total cost of the meal and drink to be incorporated into the ticket price, with all other associated costs to be met fully by the Corporate Budget (CB).
- **Civic Service** – the ceremonial (service) costs to be met from the CB, the reception, by invitation and at the Mayor's discretion, with the costs met from the Mayoral Civic Budget (MCB).
- **Mayoress at Home** – The event and associated costs to be at the Mayor's discretion, with the costs met from the MCB.
- **Opening of the Oyster Fisheries** – This was deferred until a future meeting. Some members felt this was a Borough event, promoting Colchester and Colchester's oysters, with the ceremonial costs being met from the CB, and the hospitality cost, at the Mayor's discretion, met from the MCB, suggesting the pageant and ceremony could be retained without the additional expense. It was agreed that the cost of coach hire could in part be met by a nominal charge, agreed at £5.00 per person.
- **Oyster Feast** – A civic event, with the costs met from the CB. Guests would pay to attend, with costs over the break even point being met from the MCB.
- **Remembrance Day** – the cost to be fully met by the CB.
- **Chain Gang / Pearly Kings and Queens** – These events and associated costs to be at the Mayor's discretion, with the costs met from the MCB.
- **St George's Day** – the ceremonial (service) costs to be met from the CB, the reception by invitation and at the Mayor's discretion, with the costs met from the MCB.

This was a public event, and members understood the dilemma of the closure of the High Street, the cost of which is met on alternate years by the Council. The Scouts make free use of this opportunity, parading on St George's Day. Members thought any decision not to fund the road closure may well be deemed by the public as mean spirited, though ultimately, any decision to seek a road closure for the sole benefit of the scouting associations would be at the discretion of the Portfolio Holder for Resources and Diversity, with costs met, subject to funding, by the Portfolio Holder.

- **Armed Forces Day** – Like St George's Day, the ceremonial costs to be met from the CB, the reception at the Mayor's discretion, with the costs met from the Mayor's Allowance (MCB).
- **Freedom of the Borough / Return of the Regiment parades and receptions** – the costs to be fully met by the CB.

Members considered this event an ideal opportunity to raise money through

sponsorship, to contribute to the cost.

- **Alderman Ceremony Reception** – Members did not think this was a mayoralty event. The Council makes the decision to appoint Alderman and should therefore provide the Illuminated Resolutions. Any reception costs, members believed, should be met by the Alderman, together with the cost of any new robes.

## **9. Organisations granted free use of the venue**

Whilst acknowledging that there are a lot of requests for free use of the venue, the actual number of organisations receiving free use was quite small.

Members said the building was attractive and businesses and organisations should be encouraged to use what are community assets. That said, it was not unreasonable to be charged for the use of this facility, given a charge would have to be met at other venues.

Members agreed that the Mayor's Charities during that year will receive free use of the venue. Thereafter, and on the proviso that the Town Hall is open for other purposes, outside businesses and organisations could use the Grand jury Room and West Committee Room, subject to a fee of £75.00. The additional use of the Mayor's Parlour, which would comprise the Civic Suite, would be upon approval by the Mayor, and a further donation of £25.00 to the Mayor's Charities. Any businesses or organisations taking up this offer would be encouraged to start at 6 pm. and finish by 9 pm.

## **10. Any other business**

*RESOLVED* that the next meeting was agreed for Thursday 28 October, at 10.00 a.m. room to be confirmed.

# **FINANCE AND AUDIT SCRUTINY PANEL MAYORALTY TASK AND FINISH GROUP 28 OCTOBER 2010**

- Present:* - Councillors Chapman, Frame, Hogg, Naish, G. Oxford and Willetts  
Former Mayors, Alderman Cannon, Fulford and Spendlove.  
Former Mayors, Councillors Gamble and Garnett.
- Officers:* - Mrs. Amanda Chidgey, Democratic Services Manager (AC)  
Mr. Robert Judd, Scrutiny Officer (RJ)

## **11. The Mayoralty – Discussions with the Former Mayors**

The Chairman greeted the Former Mayors to this meeting, inviting them to contribute to the general discussions on the Mayoralty at Colchester.

The Chairman explained the Mayoralty Task and Finish Group's Terms of Reference to provide some context to what the group are doing, and why the former mayors had been invited to contribute.

Alderman Fulford said the Mayor of Colchester was a very challenging role, providing the figure head to lead at civic events, and it was important that members understood the need for such a role. Alderman Spendlove said it was important that when discussing the future of the Mayoralty function that consideration must be given to the special leadership role of the Mayor. The enabling of the channel of gratitude of the Mayor to thousands of residents by going out into the borough and meeting with people, giving them a sense of appreciation. Alderman Spendlove said he would want the task and finish group to consider these comments when taking their proposals forward.

Alderman Cannon said that whilst he appreciated the financial pressures on the Council budgets, how much allowance was been given to the Town's ancient history and a borough to be proud of, because if finance becomes the overriding factor, a town without the mayoralty and history, would destroy what it had stood for.

Councillor Frame reassured the former mayors that the task and finish group is working along the lines that the Mayoralty would continue, but the overall financial aspects are being examined to try to establish an appropriate and sustainable budget.

Councillor Willetts said the expectation of the Finance and Audit Scrutiny Panel and the Mayoralty Task and Finish Group (TAFG) was to look at expenditure, the effectiveness of spend and whether this is in line with the Council's overall strategy. Looking at the Mayoralty budget was only one of many budget items being considered. The TAFG have looked for clarity on the roles of the Mayor and the core issues, mainly financial, to determine a way forward that would retain the Mayor as patron and the borough's First Citizen.

In respect of the Mayor's Budget, Councillor Gamble said consideration needs to be given when booking Mayoral events at the Town Hall. These need to be done when the Town Hall is already in use, which would avoid the need for hall keeping staff to be present solely for that

event. Councillor Gamble believed there was an opportunity to reduce the Mayoral Car expenditure, though it should be noted that the provision of a car during the evening did provide safe and punctual travel. Councillor Gamble also thought that one Mayoral reception, as a thank you gesture, and the Chain Gang events involving local mayors and linking with other mayors around the county was very important. Councillor Gamble concluded by saying in a changing world he doubted the merits and benefits of 'Twinning' events, and therefore questioned the need for the Mayor to be so involved in the twinning events.

Alderman Spendlove felt that shifting the twinning events and support to the Twinning Society could devalue 'twinning' to such an extent that would lead to discussions on whether it was worth doing at all. Not doing this to a reasonable standard would debase the past, present and future events. Alderman Spendlove also believed there was a danger in a re-launch of the mayoralty below the current levels, degrading the mayoralty and possibly leading to a differential in the standards provided year on year, with some mayors funding some of the events during their year in office. Alderman Spendlove asked that members consider that the overall Mayoralty Budget was miniscule in comparison to the cost of providing an elected Mayor in office for a four year term.

Councillor Garnett said there was little interest shown in 'twinning' during his year as Mayor. Councillor Garnett later said he believed it would be important to retain the Mayor's Car that understandably gravitated Mayoral visits to a higher level.

Alderman Fulford believed that it had always been the case that the Mayor, as First Citizen and a figure head, would be expected to host visits from new Garrison Commanders and Vice Chancellors of the University of Essex. Alderman Fulford said if the Mayor was to be retained, these events should continue, and continue to be done to the same previous standards. It was vitally important for the image and profile of the Mayor that the current links with the Garrison and University are retained.

Alderman Cannon concluded by urging members to consider whether some of these changes were moving too far, too quickly. Whilst accepting the financial pressures, Alderman Cannon said too deeper budget cuts would compromise the Mayor's standing, losing the ability to fundraise, and severing the links with other organisations and communities. The Borough of Colchester remained the premier borough in the region. Councillor Hogg acknowledged what was been said, understanding through experience, the unquantifiable links, benefits and networking created by the Mayor.

The Chairman thanked all the former mayors for attending the meeting and contributing to the discussions. Alderman Spendlove thanked the group for the invitation and an opportunity to convey their feelings about the Mayoralty function.

## **12. Minutes**

*RESOLVED* that the minutes of the meeting held on 15 October 2010 were confirmed as a correct record, subject to the following amendment;

Item 8, Details of the Mayoralty Budget, under the first bullet point, Mayor Making, to read "The total cost of the meal and drink to be incorporated into the ticket price, with all other associated costs to be met fully by the Corporate Budget (CB)".

Members, in considering the itemised events within the minutes, decided that the final listed event, Alderman Ceremony Reception should be changed to read;

"Members did not think this was a mayoralty event. The Council makes the decision to



appoint Alderman and should therefore provide the Illuminated Resolutions. Any reception costs, members believed, should be met by the Alderman, together with the cost of any new robes, but free use of the Civic Suite should be provided for these events”.

### **13. Roles and Duties of the Mayor**

The roles and duties of the Mayors of Cambridge City and the City of York were discussed, though it was agreed members of the group should be given more time to consider the contents, and any further comments could be made at the next meeting.

#### **Point Scoring**

Councillor Chapman requested further information about the points scoring system adopted at Cambridge to measure the benefits and objectives of mayoral engagements. **RJ to action.**

#### **Mayoral Car**

Hunnaball of Colchester should be contacted to determine whether there remained an offer by them to give a discount of 30% to the borough for the use of the Mayoral car. Mrs. Chidgey explained that this level of discount would provide a potential saving of approximately £2,800.00, on the current budget. **AC to action.**

#### **Flowers**

Taking account of the comments of Alderman Gower and Councillor Lewis in respect of providing flowers for events in the Town Hall / Mayor's Parlor, members agreed with Councillor Chapman that the Council should pursue the possibility of flower clubs or societies contributing floral displays, or purchasing them at cost / reduced rates. Members agreed that flowers purchased for events should remain at the discretion of the Mayor. Members also agreed that officers should contact Councillor Harris, Secretary for Colchester in Bloom. **RJ to action.**

#### **Catering / Alcoholic drinks at functions (Oyster Fishery and Feast)**

Members understood that with the exception of savory and sweet snacks provided for events by the Mayor, the provision of food and drink was provided for through the Council's procurement arrangements, and these are often restrictive and expensive. Allowing for light refreshments to be supplied and served outside these constraints would save money.

Mrs. Chidgey said the provision of catering for all Council needs formed the decision taken by the Portfolio Holder for Resources and Diversity. If the group felt these arrangements needed to be reconsidered for some Mayoralty events it would need to be in the form of a recommendation to the Portfolio Holder.

Councillor Chapman said members had discussed with Mr. Paul Milsom the possibility of charging for drinks at the Oyster Feast. Having considered all the logistical problems a temporary bar and / or charging for drinks at the table would create, these were not considered realistic options.

Members understood that the reason for this years Opening of the Oyster Fishery breaking even was due to there being no boat, no hire charge, and given the problems of charging for drinks, believed the only way forward was as Councillor Hogg suggested, for the meal and drinks at the Opening of the Oyster Fishery and the Oyster Feast should be incorporated into an all inclusive cost for a ticket. Members concluded that the ceremony and banquet should

remain, but every effort should be made each year to ensure food and drink is provided at nil net cost, with costs from food and drink over the breakeven point being met from the Mayoral Civic Budget. The cost of coach hire, agreed at £5.00 per person at the previous meeting was endorsed.

Councillor Hogg said the aim should be for a cost neutral Opening of the Oyster Fishery in the future, with costs met through ticket sales and sponsorship. Members agreed with Councillor Oxford's suggestion that given work had already commenced on this event for 2011-12, this should be a recommendation from the group, to be achieved from 2012-13 onwards.

Members agreed to consider the other costs associated with the Opening of the Oyster Fishery at a future meeting.

Following the meeting, Councillor Chapman requested further information to be able to review the number of free tickets given at the Oyster Feast. **RJ to action.**

#### **14. Any other business**

*RESOLVED* that the next meetings were agreed as Friday 5 November 2010 and Friday 19 November at 10.00 am; room to be confirmed.

# FINANCE AND AUDIT SCRUTINY PANEL MAYORALTY TASK AND FINISH GROUP 5 NOVEMBER 2010

*Present:* - Councillors Chapman, Frame, Hogg, Naish and Willetts  
*Apologies:-* Councillor G.Oxford

*Officers:* - Mrs. Amanda Chidgey, Democratic Services Manager (AC)  
Mr. Robert Judd, Scrutiny Officer (RJ)

## 15. Minutes

*RESOLVED* that the minutes of the meeting held on 28 October 2010 were confirmed as a correct record, subject to the following amendment;

Minute 13, item Catering / alcoholic drinks, paragraph 3 to commence “Councillor Chapman and the current Mayor had discussed .....

## 16. Details of the Mayoralty budget

### Note from Alderman Fulford

Members considered and noted the points mentioned by Alderman Fulford in her note to the group, acknowledging her concerns for the Mayoralty, and agreeing that the Mayor did contribute to promoting the Council. It was agreed that these points should be encapsulated in the group’s final report. **RJ to action.**

### Point Scoring Scheme

Members considered the point scoring scheme for engagements, a scheme adopted by many Councils throughout England. Members agreed this would help to ensure a measure of effectiveness of the Mayoralty in undertaking quality engagements and would assist in determining the Mayor’s attendance at events when there is a clash of events or more than one invitation on the same day.

Under this scheme, the points scored for attending events such as promoting Council initiatives and business opportunities scored highly, and as members agreed, to some extent confirmed the very points raised by Alderman Fulford.

Councillor Willetts said should the Mayor’s time spent servicing all events compete with the needs of the borough, e.g. ‘promoting’ events, such a scheme would allow the Mayor to attend events and not be impeded by efforts to fund raise. Councillor Chapman said the Mayoralty should be careful not to overstate charity fundraising events, that there needed to be a balance between these and corporate promotional events. Members considered the ‘customer satisfaction scheme’ would be very useful in measuring satisfaction feedback and identifying problems / improvements to the service

Members agreed that an Engagement Point Scoring and Customer Satisfaction Scheme should be introduced in future years, provided it was not odious or time consuming. It was further agreed that this should be encapsulated in the final report. **RJ to action.**

## **Mayoral Car**

Mrs. Chidgey confirmed that Hunnaball of Colchester had been contacted to determine whether there remained an offer by them to give a discount of 30% to the borough for the use of the Mayoral car. Officers are still awaiting feedback from Hunnaball. Members agreed that any savings that might accrue from this should be reflected in the final report.  
**AC to action.**

## **Flowers**

Members noted that officers are awaiting a response from Councillor Harris, Secretary for Colchester in Bloom. Members agreed that flowers purchased for events should remain at the discretion of the Mayor, but the opportunity to have floral displays provided by local growers, allotment holders and flower groups should be encouraged. Members agreed that any potential savings that might accrue from this should be reflected in the final report.  
**RJ to action.**

## **Oyster Feast**

At the request from the Portfolio Holder for Resources and Diversity, the group considered the allocation of free tickets provided to guests to the Oyster Feast. The 2009 list was examined and members agreed to a list of those dignitaries to whom free invitations should be provided.

Following the discussion it was agreed that;

- i) Officers would include within the final report a master list of dignitaries to be invited to the Oyster Feast, showing free invitations and paying guests.
- ii) Any free invitations to the Mayors of the towns of Wivenhoe or West Mersea, or the Deputy of the Cinque Ports should be funded from the Mayor's Allowance.
- iii) Given members concerns that the Chief Executive's budget provided for twelve free Invitations at the officer's discretion, those officers should provide a strong business case to support these invitations.

## **Twinning**

Following previous discussions on Twinning, Councillors agreed that any reason to stop twinning should be a mutual agreement between the towns, and should therefore continue, though with a greater involvement from the Twinning Society.

It was understood that the two year funding for the Twinning Society ends at the end of March 2011, and any future grants would be for the Portfolio Holder for Resources and Diversity to decide upon. Members believed there was no argument for making a distinction for funding Twinning, as opposed to e.g. the arts, and that if Government grants are being reduced the consequence could be no future funding to the TS.

Members acknowledged that future Mayors could provide fund raising evenings at the Town Hall, with the proceeds subsidising the activities of the TS in place of any future grants.  
**RJ to action.**

**17. Next Meeting** // Friday 19 November 10.00 am at Rowan House.

# **FINANCE AND AUDIT SCRUTINY PANEL MAYORALTY TASK AND FINISH GROUP 22 NOVEMBER 2010**

*Present:* - Councillors Chapman, Frame, Hogg, Naish and Willetts  
*Apologies:-* Councillor G.Oxford

*Officers:* - Mrs. Amanda Chidgey, Democratic Services Manager  
Mr. Robert Judd, Scrutiny Officer

## **18. Minutes**

*RESOLVED* that the minutes of the meeting held on 5 November were confirmed as a correct record, subject to the following amendment;

Minute 16, item Details of the Mayoralty Budget, paragraph five to read “Members agreed that an Engagement Point Scoring and Customer Satisfaction Scheme should be introduced in future years., provided it was not onerous or time consuming”.

## **19. Mayoralty Budget – Draft Report**

The draft report was considered by the Task and Finish Group Members. The following amendments or changes were agreed;

### **Summary of Proposals**

iii) The cost of the Oyster Fishery and Oyster Feast tickets should remain at a minimum of £80.00 and £90.00 respectively for 2011, and that the cost of coach hire for the Oyster Fishery could in part be met by a nominal charge of £5.00 per person, to be included in the ticket price.

iv) Requests to the Mayor for free use of the Mayor’s Civic Suite should be determined by the Mayor’s Charity Committee.

iv) Members agreed that the Mayor’s Charities during that year will receive free use of the venue. Thereafter, and on the proviso that the Town Hall is open for other purposes, outside businesses and organisations could use the Grand jury Room and West Committee Room, subject to a fee of £75.00, and any businesses or organisations taking up this offer would be encouraged to start at 6 pm. and finish by 9 pm.

v) Members agreed that at the Mayor’s discretion, a formal invitation, together with a free ticket can be given to the flower provider to the Oyster Feast.

vi) Members agreed to a rewording of this proposal as follows “The group proposes that the renegotiated offer from Hunnaball of Colchester to provide a discount on the Mayoral Car hire costs should be accepted”.

Viii) Members agreed to a rewording of this proposal as follows “Any decision to seek and fund road closure for the sole benefit of any voluntary organisation would be at the discretion of the Portfolio Holder for Resources and Diversity”.

## Additional detail to Summary of Proposals

Members agreed to the rewording of this proposal as follows “Oyster Feast – A civic event, with the costs met from the CB. Guests would pay to attend. The cost of food and drink would be incorporated into the ticket price”.

### Point Scoring Scheme

Members agreed that this section of the report should be expanded to produce more detail about the scheme, as had been discussed at a previous meeting.

Members considered the point scoring scheme for engagements, a scheme adopted by a number of Councils. Members agreed that future Mayors should consider this on the basis that it would help to ensure a measure of effectiveness of the Mayoralty in undertaking quality engagements and would assist in determining the Mayor’s attendance at events when there is a clash of events or more than one invitation on the same day.

The scheme considered, taken from the National Association of Civic Officers (NACO) HANDBOOK – A best practice guide, takes the four rules of civic engagement, i) Every engagement should be routed via the civic office, ii) Don’t cancel except in an emergency, iii) Is it a ‘quality’ engagement?, and iv) Was the engagement any good?, and scores each event to be attended by the Civic Party depending on the type of activity, to ensure a measure of the effectiveness of the Mayoralty in undertaking quality engagements in maintained.

The scores are nationally set, and fall into seven categories, with the higher the score, the more appropriate the event. These categories also assist in determining the Mayor’s attendance at events when there is more than one invitation for the same day / or a clash.

**Promoting (5)** e.g. Council initiatives, business opportunities

**Community (5)** e.g. attending local events with local people

**Civic Hosting (3)** e.g. offering hospitality to community groups

**Council/statutory/traditional (3)** e.g. Council Meetings, events relating to Freeman of the City, Citizenship Ceremonies, Remembrance Sunday etc

**Charities (2)** e.g. Charity Appeal fundraising events

**Social (1.5)** e.g. work colleagues, ward members, family

**Civic Circuit (1)** e.g. visiting other Civic Head’s events”

For the fourth rule of civic engagements – was it any good? - Some councils send out a ‘customer satisfaction form’ after each civic engagement, to determine how well did the civic office deal with the invitation, did the Mayor arrive on time and how well was the speech delivered, any comments etc. Such questionnaires are very useful in identifying problems in the service provided.

Members considered the ‘customer satisfaction scheme’ would be very useful in measuring satisfaction feedback and identifying problems / improvements to the service and agreed that the ‘customer satisfaction scheme’ should be introduced in future years, provided it was not onerous or time consuming.



## Finance and Audit Scrutiny Panel

Item  
**11**

15 December 2010

<b>Report of</b>	<b>Head of Life Opportunities</b>	<b>Author</b>	<b>Bob Penny</b>
<b>Title</b>	<b>Policy for establishing a hierarchy for highway verge maintenance</b>		
<b>Wards affected</b>	All wards		

**This report proposes a criteria based policy for a maintenance hierarchy of landscaped areas in the ownership of Essex County Council Highways**

### 1. Action(s) Required

- 1.1 To note the policy of introducing a criteria based hierarchy of highway verge maintenance to deliver the maximum aesthetic impact with resources available.

### 2. Reasons for Action(s)

- 2.1 To create an effective and clear policy for the maintenance of highway verges in order that the budget for such maintenance is managed in a way that is most effective in delivering quality landscaped areas across the borough.

### 3. Alternative Options

- 3.1 It would be possible to introduce no change to the maintenance of highway verges. Such an approach would result in all highway verges being maintained to a similar standard limiting the opportunity to improve areas as they become dilapidated and creating financial pressures due to the limitations of the funding available from Essex County Council (ECC) and the Council.
- 3.2 Failure by this Council to continue to make a significant financial contribution towards the cost of highway verge maintenance would result in the dilapidation and decay of the environmental character of the Borough and would be a costly exercise to reinstate once deterioration has established.

### 4. Supporting Information

- 4.1 There is approx 810,000m<sup>2</sup> of highway verge that is maintained by the Council on behalf of Essex County Council. Highway verges comprise a variety of landscape features including grass, shrubs, hedging, spring flowering bulbs and trees with there being in excess of 200 locations where there is landscape planting. Tree maintenance is funded by a separate order from ECC and does not form part of this report.
- 4.2 There is an annual contribution made by ECC towards the cost of landscape maintenance of Highway verges. The contributions in 2009/10 and 2010/11 have been £54,600 annually. The cost of maintaining the landscape features (programmed works) on ECC Highways land (excluding trees) in 2009/10 was £219,600. To achieve the current levels of programmed and responsive maintenance, the Council contributes £203,900.

- 4.3 Due to budget constraints there is currently no budget for replacement planting of dead or dilapidated plant material. It is for this reason that an approach is proposed which creates prioritisation, using appropriate criteria to identify our strategically important highway landscape features. The approach is also necessary to identify those features which because of their location or state of dilapidation do not justify major investment.
- 4.4 International research is being carried out investigating the psychological benefits of closer engagement and awareness of the natural environment. Not only does a quality landscape and natural environment increase the visual quality of an environment, it also increases personal well being. Called the Biophilia hypothesis, a closeness to nature increases well-being as well as increasing the likelihood of understanding and caring for nature. Biophilia holds that we have *“an innate sensitivity to and need for other living things – as we have coexisted for thousands of generations”*
- 4.5 Monitoring and administering the grounds maintenance contract falls to the Parks and Recreation team within Life Opportunities. As part of the Fundamental Service Review of Street Services various options are being investigated which could impact on how works and services are monitored across the borough. Discussions are ongoing regarding the detail of the Street Services FSR and ways in which the service structure, IT and shared communications can help deliver improved feedback on the grounds maintenance contractor’s performance and more effective operational activity.

## **5. Proposals**

- 5.1 There is public support for the provision of quality landscaped areas within the Borough which make such a contribution to the character and appeal of the area. Land which is in the ownership and is the responsibility of Essex County Council is part of this overall contribution.
- 5.2 It is proposed to create capacity within the existing maintenance budget to maintain prestigious landscaped features to a high standard and to fund the replanting and refurbishment of borders. This will be achieved by prioritising sites to create a hierarchy which would influence the maintenance of highway borders across the Borough.
- 5.3 Sites will be defined within a hierarchy of 3 classifications,
- gateways and prestigious sites
  - significant landscape sites
  - less significant sites
- 5.4 For this priority approach to be transparent and clearly understood and delivered consistently across the Borough, criteria will be used to determine the significance of landscape features. The criteria are set out in Appendix A. Evaluating the criteria against sites and determining the hierarchy of maintenance will be delegated to the Portfolio Holder.
- 5.5 Capacity will be created within the budget by maintaining those landscape areas where the impact of the landscaping is less significant to a lower standard. A lower standard does not mean a poor standard. Maintenance would be categorised for prestigious sites, significant landscaped sites and less significant sites. The revised standards of maintenance are set out in Appendix B



- 5.6 The savings generated in delivering this maintenance hierarchy will be modest but will be sufficient to replant and refurbish prestigious sites. It will also offer the opportunity to create attractive new landscapes at Gateways to the Borough where the impact to visitors will be greatest. As plant material within strategic and non strategic sites becomes old, is vandalised or dies, the visual impact of the borders will diminish. Such borders will be kept under review until such time as they create a visual distraction rather than an enhancement. As a general guide such borders will be identified when they offer less than 50% plant coverage. On a biannual basis a schedule of those sites which offer less than 50% plant coverage and do not offer any reasonable visual amenity will be reported by the Portfolio Holder. The PFH will consider such borders against the criteria set out in Appendix A with a view to those borders being replaced with grass and maintained to the same standard as other urban highway verges. Such an approach will generate a further saving in maintenance costs which may be used to reinvest in the provision and improvement of gateways and prestigious sites.
- 5.7 The Council wishes to continue to maintain its landscape features to a high standard and therefore those less significant sites will be removed and replaced with grass at the time that they fail to offer a positive visual attraction. This is considered to be a positive move rather than retaining a poor feature which portrays a feeling of neglect to an area. Through this approach there will be an ongoing financial benefit as some sites move from border maintenance to grass maintenance reducing the site specific maintenance cost and enabling more refurbishment and replanting of those area identified as delivering a significant impact. The annual cost of border maintenance is approximately 10x that of close mown grass.

## **6. Strategic Plan References**

- 6.1 Strategic Plan priorities refer to shifting resources to deliver priorities and to be cleaner and greener. By reviewing how and where expenditure is being incurred by the Council to maintain landscape features on land owned by Essex County Council an improved impact and appearance can be delivered.

## **7. Consultation**

- 7.1 The views of Essex County Council have been sought. As the land owner ECC has a responsibility to the public for the upkeep of the verges in respect of health and safety which is why their maintenance interests and therefore their contribution does not extend to the visual quality of the highways landscape.

## **8. Publicity Considerations**

- 8.1 The Council is very aware of local people's desire to see well maintained landscape features within the town and across the Borough contributing to the environmental quality and character of the area. The approach to create a 3 tier hierarchy of sites will enable those gateways and prestigious sites to be maintained to a high standard where they are seen and enjoyed by residents and visitors. Maintaining less important areas to a lower standard will generate the financial capacity to carry out remediation works.
- 8.2 The Council wishes to continue to maintain its landscape features to a high standard and therefore those lesser significant sites will be removed and replaced with grass at the time that they fail to offer a positive visual attraction. This is considered to be a positive move rather than retaining a poor feature which portrays a feeling of neglect to an area.

- 8.3 The previous removal of shrub planting resulted in poor publicity due in part to the lack of awareness and the reasoning behind the approach. It is considered that with the policy clearly explained there would be no similar lack of understanding.

## **9. Financial Implications**

- 9.1 The current budget for the maintenance of landscaped features on ECC Highways land is not sufficient to carry out improvements to those features and as a result standards will fall as borders become depleted of healthy plant material. To maintain significant landscaped areas to a good standard and to have the capacity to replenish and refurbish planted areas this report proposes ways to redirect existing resources.
- 9.2 It is proposed to create capacity within the existing maintenance budget to allow for the replanting and refurbishment of borders and maintain strategically important landscaped features to a high standard by reviewing the maintenance of highway borders across the Borough. There will be no increase in the Council's budget contribution other than general inflationary reviews and it is also anticipated that there will be a standstill situation in the contribution being provided by Essex County Council.

## **10. Equality, Diversity and Human Rights implications**

- 10.1 Consideration has been given as to whether this report will impact on the promotion of equality and overcome discrimination in relation to gender, gender reassignment, disability, sexual orientation, religion or belief, age and race/ethnicity.
- 10.2 An EqIA has been prepared and has been agreed by the Equality and Diversity Officer.
- 10.3 It is considered that improving the appearance of significant highway landscape features will impact positively on all residents and visitors and there are no negative impacts on equality groups. Landscape features that provide a strategic and significant impact will be retained and improved where possible for the benefit of all residents and visitors and will not discriminate against any specific equality group. Improvements to key landscape features will have greatest impact and raise the appearance and quality of the borough for all.
- 10.4 Those areas where landscaped features provide a lower level of impact will receive a lower level of maintenance and therefore the lower level of maintenance will have least impact. The criteria being used to determine the hierarchy are set out in Appendix A of the report and do not impact on specific equality groups
- 10.5 Recognising the psychological importance of a landscaped environment to the well being of residents it is important that there is equity across the borough and there is no indirect discrimination from a minority ethnic and deprivation point of view associated with those areas of the borough where the quality of the urban landscape is poor.

## **11. Community Safety Implications**

- 11.1 Landscape features that provide a strategic and significant impact will be retained and improved where possible for the benefit of all residents and visitors. Improvements to key landscape features will have greatest impact and raise the appearance and quality of the borough for all.
- 11.2 Reducing the maintenance standards at locations where the impact of landscape features is low will have a correspondingly low impact. Where landscape features are

identified as a lesser priority and as the plant material within these sites becomes old, dies and is removed the visual impact of the borders will diminish. Such borders will be kept under review until such time as they create a visual distraction rather than an enhancement at which time they will be replaced with grass and maintained to the same standard as other urban highway verges. It is important that these sites do not become derelict and the area given an appearance of neglect as it is appreciated that this could lead to community safety issues. It is therefore important that as a result of this proposal there is scope to replace dilapidated areas with landscape features such as grass that can be maintained to a good standard at a reasonable cost.

## **12. Health and Safety Implications**

- 12.1 There are no specific Health and Safety implications as a result of this report. Those sites receiving a lower maintenance standard have been assessed as not creating a potential health and safety issue as a result of a reduction in maintenance visits.
- 12.2 Consideration has been given to the safety of the operatives who are involved in maintaining landscaped sites. Some borders and features are in close proximity to fast moving traffic and require lane closures to offer maintenance staff an acceptable degree of protection. Some sites have been amended where the visual amenity does not justify the traffic congestion resulting from the lane closures.

## **13. Risk Management Implications**

- 13.1 There are no risk management implications associated with a decision to implement a hierarchy of highway maintenance.

## **Background Papers**

None

## Hierarchy of highway maintenance standards

### Prestigious areas

The standard of maintenance for prestigious areas will be retained at the current standard;

grass cutting	24 times per year
shrub border maintenance	9 times per year (8 summer, 1 winter)
hedge cutting	2 times per year
litter collection	each maintenance visit

### Strategically significant sites

The standard of maintenance for the strategically significant sites will be;

grass cutting	14 times per year
shrub border maintenance	9 times per year (8 summer, 1 winter)
hedge cutting	2 times per year
litter collection	each maintenance visit

### Non strategically significant sites

The standard of maintenance for other non-strategically significant sites will be;

grass cutting	14 times per year
shrub border maintenance	5 times per year (4 summer, 1 winter)
hedge cutting	2 times per year
litter collection	each maintenance visit

## Criteria for determining the hierarchy of highway maintenance standards

- Function
  - Gateway
  - Key road junction
  - Main road – high visibility
  - Secondary road
  - Estate/Minor road
  - Within existing verge
  - Parking deterrent
- Quality
  - Aesthetics
  - Too small for mowing
  - Street furniture causing mowing obstruction
- Operational issues
  - Expensive to maintain
  - Isolated area
  - Ground contours unsuitable for mowing
  - Adjacent to path needing frequent pruning
  - Litter entrapment
  - Health & safety issues

## Appendix A

### Hierarchy of maintenance standards

Criteria used to determine the significance of landscape features.

To ensure the policy for a hierarchical maintenance policy is delivered consistently across the Borough the following criteria are proposed as being significant in determining the importance of landscape features.

- Function and location of planted feature
  - Gateway
  - Key road junction
  - Main road – high visibility
  - Secondary road
  - Estate/Minor road
  - Within existing verge
  - Parking deterrent
  
- Quality
  - Aesthetics
  - Area would be too small for mowing
  - Street furniture causing mowing obstruction
  
- Operational issues
  - Expensive to maintain as planted verge
  - Isolated area
  - Ground contours unsuitable for mowing
  - Adjacent to path needing frequent pruning
  - Litter entrapment
  - Health & safety issues associated with maintenance and access

Each of the above criteria would be used to determine the function and significance of the planted landscape feature and will be taken in to account when identifying which sites are gateways and prestigious sites and required to deliver a visual impact. The same criteria are used to identify those significant and less significant sites where the visual impact and use of the landscape features is less important.

## Appendix B

### Hierarchy of maintenance standards

The standard of maintenance for gateways and prestigious sites will be retained at the current standard i.e.;

grass cutting	24 times per year
shrub border maintenance	9 times per year (8 summer, 1 winter)
hedge cutting	2 times per year
litter collection	each maintenance visit

The standard of maintenance for the significant landscape sites will be;

grass cutting	14 times per year
shrub border maintenance	9 times per year (8 summer, 1 winter)
hedge cutting	2 times per year
litter collection	each maintenance visit

The standard of maintenance for other less significant sites will be;

grass cutting	14 times per year
shrub border maintenance	5 times per year (4 summer, 1 winter)
hedge cutting	2 times per year
litter collection	each maintenance visit



## Finance & Audit Scrutiny Panel

Item  
**12**

15 December 2010

Report of	Head of Resource Management	Author	Steve Heath ☎ 282389
Title	Treasury Management – Half-yearly Report 2010/11		
Wards affected	Not applicable		

**The Panel is invited to review treasury management performance  
for the first six months of 2010/11**

### 1. Action required

- 1.1 To note the activities relating to treasury management for the first six months of 2010/11 and consider performance.

### 2. Reason for scrutiny

- 2.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised November 2009) was adopted by this Council on 17 February 2010. The requirements of the Code include the production of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year. This mid year report has been prepared in compliance with CIPFA's Code of Practice.

### 3. Introduction

- 3.1 Treasury management comprises all borrowing and investment activities of the Council. It is defined as "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 3.2 The Council employ Sector Treasury to provide a consultancy service in respect of treasury management, to include advice on both debt and investments. During the year Sector have provided advice on borrowing, investments, counterparty credit details and general capital accounting information.

### 4. Economic Background

- 4.1 Following the general election in May 2010, the coalition government has put in place an austerity plan to carry out correction of the public sector deficit over the next five years. The inevitable result of fiscal contraction will be major job losses during this period, in particular in public sector services. This will have a knock on effect on consumer and business confidence. House prices have started a negative trend during the summer, GDP growth is likely to have peaked at 1.2% in quarter 2 of 2010, and the trend of falling unemployment has now been replaced since July with small increases.



- 4.2 CPI and RPI have remained high so far during 2010. Although inflation has remained above the Monetary Policy Committee's (MPC) 2% target, it is confident that inflation will fall back under the target over the next two years.
- 4.3 The Bank of England finished its programme of quantitative easing with a total of £200bn in November 2009, although there is currently some increase in expectations that there might be a second round.
- 4.4 Prior to the general election, credit rating agencies had been issuing repeated warnings that unless there was a major fiscal contraction the UK's AAA sovereign rating was at significant risk of being downgraded. Sterling was also under major pressure during the first half of the year. However, after the Chancellor's budget on 22 June, Sterling has strengthened against the US dollar and confidence has returned that the UK will retain its AAA rating. In addition, international investors now view UK government gilts as being a safe haven from EU government debt. The consequent increase in demand for gilts has helped to add downward pressure on gilt yields and PWLB rates.
- 4.5 There are a range of views in the market as to exactly how strong the UK economic recovery is likely to be. Sector has adopted a moderate view. There are uncertainties in all forecasts due to the difficulties of forecasting the speed of economic recovery in the US and EU, the effect of government austerity programmes, the potential for (and timing of) more quantitative easing in the UK and US, and the potential for a major EU sovereign debt crisis. The overall balance of risks is weighted to the downside and there is some risk of a double dip recession, creating a downward spiral of falling demand, falling jobs and falling prices, although this is currently viewed as being a small risk.
- 4.6 Sector's latest economic forecast is shown in **Appendix A**. Sector's view is that there is unlikely to be any increase in Bank Rate until the end of 2011. Also, the longer run trend is for gilt yields and PWLB rates to rise due to the high volume of gilt issuance in the UK, and the high volume of debt issuance in other major western countries.

## 5. Treasury Management Strategy 2010/11

- 5.1 The Council's Treasury Management Strategy Statement (TMSS) for 2010/11 was approved by full Council on 17 February 2010. The strategy is as follows:
- To adopt the new requirements arising from the revised CIPFA Treasury Management in the Public Services Code of Practice.
  - The UK bank rate will begin to increase in the third quarter of 2010, reaching 1.5% by the end of the financial year with a risk to the downside.
  - The borrowing strategy is to reduce the difference between gross and net debt by continuing to 'borrow internally', which is primarily due to investment rates on offer being lower than long term borrowing rates. This approach will be kept under review during the year along with opportunities for the early repayment of debt and debt rescheduling.
  - The investment policy reflects the Council's low appetite for risk, emphasising the priorities of security and liquidity over that of yield. The main features are as follows:
    - The Council will only invest with institutions with the highest credit ratings, taking into account the views of all credit rating agencies and always using the lowest common denominator.
    - The Council will also take into account credit default swap spreads, Sector Treasury's creditworthiness service and other market data when making investment decisions.
    - The Council will only use approved counterparties from countries with the highest credit rating of 'AAA', together with those from the UK.
    - UK institutions that have been nationalised or part-nationalised, or those that are covered by the UK Government's support package are now included in the investment policy.

- The Council will not invest with foreign banks solely on the basis of guarantees and support packages, but will continue to consider the credit ratings and other data.
- The practice of lending to non-rated building societies based on their size has been discontinued.
- The Council will avoid longer term deals while investment rates are at such low levels. The budgeted return for investments placed during the year is 0.9%.
- The Finance and Audit Scrutiny Panel will be kept updated on any developments regarding the Council's Icelandic investments.
- The Council's Prudential Indicators for 2010/11 through to 2012/13 have been produced to support capital expenditure and treasury management decision making.
- The Minimum Revenue Provision (MRP) Policy Statement for 2010/11 states that the historic debt liability will continue to be charged at 4%, with the charge for more recent capital expenditure being based on the useful life of the asset and charged using the equal annual instalment method.

5.2 Investments and borrowing during the first six months of the year have been in line with the strategy, and there have been no deviations from the strategy.

5.3 As outlined above, there is still considerable uncertainty and volatility in the financial and banking market, both globally and in the UK. In this context, it is considered that the strategy is still fit for purpose in the current economic climate.

## **6. Borrowing**

6.1 The Council's capital financing requirement (CFR) for 2010/11 is £74m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions.

6.2 Borrowing rates have been at historically low levels during the first six months of the financial year. Sector's target rate for new external long term borrowing (25 years) for the first six months of 2010/11 started at 4.65% and fell progressively to 4.20%.

6.3 The Council's total debt as at 30 September 2010 was £62.4m, with the average rate of debt standing at 5.8%. No new long-term or temporary borrowing has been undertaken so far this financial year in accordance with the Treasury Management Strategy, and it is anticipated that no new borrowing will be undertaken this financial year.

6.4 Debt rescheduling opportunities have been limited in the current economic climate and consequent structure of interest rates. No debt rescheduling was undertaken during the first six months of 2010/11.

## **7. Investments**

7.1 In accordance with the Code, the Treasury Management Strategy Statement outlines the Council's investment priorities as the security of capital and the liquidity of its investments. The Council also aims to achieve the optimum return on investments commensurate with the proper levels of security and liquidity.

7.2 In the current economic climate it is considered appropriate to keep investments short term, and only invest with highly credit rated financial institutions using credit ratings, the Sector creditworthiness matrices, sovereign credit ratings and Credit Default Swap (CDS) overlay information. Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the first two quarters of 2010/11.

7.3 A full list of investments held as at 30 September 2010, compared to Sector's Creditworthiness matrices, and Fitch and Moody's credit ratings is shown in **Appendix B** (confidential). The Council had temporary investments totalling £23.9m outstanding as at 30 September 2010. Of this £1m is due to mature in 2011/12. Investment rates available in the market are at a historical low point, with the average rate of interest earned on all investments for the year to date being 0.72%. This is lower than the budgeted figure, but compares well with the 3-month benchmark of 0.59%. The reasons for this include the use of call accounts and the effect of maturing long-term investments.

## 8. Icelandic Investments

8.1 The Council invested a total of £4m in Icelandic banks in September 2008, which suffered a default following the collapse of the Icelandic banking system. The 2009/10 accounts reflected the revised guidance issued by CIPFA in May 2010, detailing the impairments to be recognised in the accounts.

8.2 The estimated repayment to Landsbanki's preferential claimants is 95%, including interest to 22 April 2009. It is also estimated that repayments to depositors will be made annually between October 2011 and October 2018.

8.3 Recovery is subject to the following uncertainties and risks:

- Confirmation that deposits enjoy preferential creditor status which will have to be tested through the Icelandic courts.
- The impact of exchange rate fluctuations on the value of assets recovered by the resolution committee and on the settlement of the authority's claim.
- It is estimated that if preferential creditor status is not achieved the recoverable amount may only be 38p in the £.

## 9. Compliance with Treasury and Prudential Limits

9.1 It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits". The Council's approved Treasury and Prudential Indicators (affordability limits) are outlined in the approved TMSS.

9.2 During the financial year to date the Council has operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices. Performance against Prudential and Treasury Indicators is summarised in the table below:

	2010/11 Original £'000	2010/11 Current / Forecast £'000
<b>Capital expenditure</b>	14,881	20,242
<b>Capital Financing Requirement as at 31 Mar</b>	76,756	73,298
<b>Authorised limit for external debt</b>	85,492	62,400
<b>Operational boundary for external debt</b>	76,192	62,400
<b>Upper limit for fixed interest rate exposure</b>	100%	100%
<b>Upper limit for variable rate exposure</b>	50%	0%
<b>Upper limit for principal sums invested for over 364 days</b>	5,000	1,000
Debt	62,400	62,400
Investments	18,696	23,900
<b>Net borrowing requirement</b>	<b>43,704</b>	<b>38,500</b>

## **10. Strategic Plan references**

10.1 No direct links. However, prudent treasury management underpins the budget required to deliver all Strategic Plan priorities.

## **11. Publicity considerations**

11.1 **Appendix B** to the attached background paper is confidential.

## **12. Financial implications**

12.1 The Central Loans and Investment Account (CLIA) comprises the Council's borrowing costs and investment income. The CLIA is difficult to predict and can be affected by several factors. The majority of the Council's debt is on fixed rates reflecting the longer-term nature of the borrowing decisions. Investments are generally made for shorter periods, making returns more variable. This mix is generally more beneficial when interest rates are high or increasing. It is important to add that the exposure to interest rate movements is regularly monitored to minimise risks to changes in returns.

12.2 The outturn position for the CLIA reported to the panel is projected to be on budget, with a significant risk to the downside. The factors that will affect the outturn include the low levels of investment returns that are available, and the impact of a technical adjustment with the Housing Revenue Account in respect of borrowing costs. The position will continue to be reviewed as part of normal budget monitoring reports.

## **13. Risk Management implications**

13.1 Risk Management is essential to effective treasury management. The Council's Treasury Management Policy Statement contains a section on treasury Risk Management (TMP1).

13.2 TMP1 covers the following areas of risk all of which are considered as part of our treasury management activities:

- Liquidity.
- Interest rates.
- Exchange rates.
- Inflation.
- Credit and counterparty.
- Refinancing.
- Legal and regulatory.
- Fraud, error and corruption, and contingency management.
- Markets.

## **14. Other Standard References**

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

### **Background Papers**

**Appendix A:** Economic Forecast

**Appendix B:** Outstanding Temporary Investments 2010/11 (**confidential**)





# Finance and Audit Scrutiny Panel

Item  
**13**

15 December 2010

<b>Report of</b>	<b>Head of Resource Management</b>	<b>Author</b>	<b>Graham Coleman</b> ☎ 282741
<b>Title</b>	<b>Capital Expenditure Monitor April – September 2010/11</b>		
<b>Wards affected</b>	Not applicable		

**The Panel is invited to review the progress against all capital schemes in the first six months of 2010/11**

## 1. Action Required

1.1 To note the level of capital spending during 2010/11 and forecasts for future years.

## 2. Reason for scrutiny

2.1 Monitoring capital spending is important to ensure:

- Spending on projects is within agreed scheme budgets.
- The overall programme is delivered within budget.

2.2 This report also gives the Panel the opportunity to hold Service Managers and Portfolio Holders accountable for their budgets.

## 3. Background

3.1 This report sets out details of spending for the financial year 2010/11 (April 2010 to September 2010) and revised forecasts for future years.

3.2 The report includes new capital funding and changes to the capital programme as revised by Council on 19 May 2010, 8 September 2010 and 20 October 2010.

3.3 The report includes capital expenditure in respect of the Housing Investment Programme, including expenditure on the Council's housing stock.

## 4. 2010/11 position to 30 September 2010

4.1 In the first 6 months of this year capital spending totalled £5.4 million. This represents 17.5% of the total programme, and 26.9% of the projected spend for 2010/11. New funding has been added to the capital programme including £3 million from external partners for the VAF together with some smaller contributions from other external parties and Section 106 monies. It should be noted that the programme includes a number of major schemes where spending is planned across more than one year. Budget managers have re-profiled their forecasts for expenditure in line with expectations for 2010/11.

4.2 In total, forecast spending for this year is £20.4 million, with the remainder of the programme currently planned for 2011/12 and 2012/13. The table below sets this out by service area:

Summary	Current Total Programme	2010/11 Expenditure for year	Expected Expenditure 2010/11	Expected Expenditure 2011/12 & 2012/13
	£'000	£'000	£'000	£'000
Corporate Management	773.2	208.7	523.2	250.0
EMT	174.2	12.6	100.0	74.2
Resource Management	310.5	18.0	40.5	231.7
Street Services	115.7	41.7	108.4	0.0
Environmental & Protective Services	1,864.8	305.0	1,095.5	769.3
Strategic Policy & Regeneration	16,681.4	3,221.6	11,431.7	5,249.7
Life Opportunities	2,797.5	351.3	1,512.2	1,410.8
Completed Schemes	45.7	0.0	6.5	0.0
<b>Total – General Fund Services</b>	<b>22,763.0</b>	<b>4,158.9</b>	<b>14,818.0</b>	<b>7,985.7</b>
Housing Revenue Account	8,441.2	1,288.0	5,423.7	3,017.5
<b>Total Capital Programme</b>	<b>31,204.2</b>	<b>5,446.9</b>	<b>20,241.7</b>	<b>11,003.2</b>

4.3 **Appendix A** sets out details of spending and forecasts on all schemes. Comments are provided on the schemes' progress and future forecasts. The schedule includes budgets for all approved and funded schemes and some existing projects that, whilst approved, are not yet available to spend until resources are secured to enable funding to be released. These amounts are shown in the unfunded columns and reflect the Capital Programme approved by Council on 17 February 2010, and revised on 19 May 2010, 8 September 2010 and 20 October 2010.

4.4 The scheme for Colchester Leisure World Fitness Pool LACM and Modernisation is currently forecast to be overspent by a maximum of £125.5k. It is hoped that the final figure will prove to be less than this. Contract retention payments on the St Anne's Community Centre were less than expected, resulting in an underspend. There is also a projected underspend on the programme of DDA works. Additionally, there are some minor under/overspends on other completed schemes.

Scheme	Over/ (Under)
	£'000
Colchester Leisure World – Fitness Pool LACM & Modernisation	125.5
St Annes Community Centre	(38.4)
DDA Measures	(38.3)
Other minor (under)/overspends	(8.1)
<b>Total Net Overspend</b>	<b>40.7</b>

4.5 This sum will be referred to Cabinet for consideration when the final position is known. Cabinet will also consider an up to date forecast of capital receipts.

## 5. Strategic Plan references

5.1 The Council's Capital Programme is aligned to the Strategic Plan.

## 6. Financial implications

6.1 As set out above.

**7. Risk management implications**

7.1 Risk management issues are considered as part of all capital projects.

**8. Other Standard References**

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

**Background Papers**

None



Service / Scheme	New monies				Funded					Unfunded					
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr- Sep 2010/11 £'000	10/11 £'000	11/12 £'000	12/13 £'000	Additional Funding Required £'000	Total £'000	10/11 £'000	11/12 £'000	12/13 £'000
<b>SUMMARY</b>															
Corporate Management	934.7	(161.5)	0.0	773.2		773.2	208.7	523.2	150.0	100.0	0.0	0.0	0.0	0.0	0.0
EMT	174.2	0.0	0.0	174.2		174.2	12.6	100.0	74.2	0.0	0.0	0.0	0.0	0.0	0.0
Resource Management	310.5	0.0	0.0	310.5		310.5	18.0	40.5	231.7	0.0	(38.3)	0.0	0.0	0.0	0.0
Street Services	115.7	0.0	0.0	211.7		115.7	41.7	108.4	0.0	0.0	(7.3)	96.0	0.0	0.0	96.0
Environmental & Protective Serv.	1,237.8	164.0	463.0	2,150.8		1,864.8	305.0	1,095.5	275.0	494.3	0.0	286.0	0.0	170.0	116.0
Strategic Policy & Regeneration	10,771.4	1,610.0	4,300.0	16,681.4		16,681.4	3,221.6	11,431.7	5,249.7	0.0	0.0	0.0	0.0	0.0	0.0
Life Opportunities	2,627.9	0.0	169.6	2,852.5		2,797.5	351.3	1,512.2	1,410.8	0.0	125.5	55.0	0.0	55.0	0.0
Completed Schemes	45.7	0.0	0.0	45.7		45.7	0.0	6.5	0.0	0.0	(39.2)	0.0	0.0	0.0	0.0
<b>Total (General Fund)</b>	<b>16,217.9</b>	<b>1,612.5</b>	<b>4,932.6</b>	<b>23,200.0</b>		<b>22,763.0</b>	<b>4,158.9</b>	<b>14,818.0</b>	<b>7,391.4</b>	<b>594.3</b>	<b>40.7</b>	<b>437.0</b>	<b>0.0</b>	<b>225.0</b>	<b>212.0</b>
Housing Revenue Account	8,871.0	(429.8)	0.0	8,441.2		8,441.2	1,288.0	5,423.7	3,017.5	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Capital Programme</b>	<b>25,088.9</b>	<b>1,182.7</b>	<b>4,932.6</b>	<b>31,641.2</b>		<b>31,204.2</b>	<b>5,446.9</b>	<b>20,241.7</b>	<b>10,408.9</b>	<b>594.3</b>	<b>40.7</b>	<b>437.0</b>	<b>0.0</b>	<b>225.0</b>	<b>212.0</b>

**Key to Status column:**

Fully Funded	FF
Partly Funded	PF
Unfunded	U

N.B. Summary does not include cost of accommodation from reserve

**Reconciliation to previous FASP report**

Programme reported to FASP 17 August 2010

Add:

- ICT expenditure 2009/10 funded from revenue
- Section 106 release - Castle Park Playground
- Cabinet 08-09-10 - decision to purchase two cremators (previously one to be leased)
- Section 106 release - Castle Park improvements
- Boada skate bowl - new external funding for phase 2.
- Cabinet Oct 10 - release for Roman Wall emergency works in Priory Street
- Cabinet Oct 10 - release for St Botolphs Regeneration.
- Community Stadium artwork - transfer funding to revenue budget
- Castle Museum Redevelopment - external funding from EU
- Haven Gateway funding for Town Centre Improvements phase 3.
- External funding - Castle Park Playground
- Visual Arts Facility - external funding from ECC and Arts Council
- Creative Business Centre - external funding from Haven Gateway and EEDA.
- S106 funding - St Botolphs Public Realm

**Current Funded Programme**

<b>£'000</b>
25,848.1
(161.5)
7.0
349.0
2.3
23.3
14.0
545.0
(35.0)
264.0
550.0
48.0
3,000.0
500.0
250.0
<b>31,204.2</b>



Service / Scheme	New monies			Funded				Unfunded							
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr- Sep 2010/11 £'000	10/11 £'000	11/12 £'000	12/13 £'000	Additional Funding Required £'000	Total £'000	10/11 £'000	11/12 £'000	12/13 £'000
<b>RESOURCE MANAGEMENT</b>															
<b>Financial Systems Migration</b>	3.1	0.0	0.0	3.1	FF	3.1	0.0	3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Upgrade of Financial Systems <i>Comments:</i> Final phase is to integrate CLW & CBH Debtors. This will be delayed until the eProcurement upgrade is completed.															
<b>DDA Measures</b>	256.6	0.0	0.0	256.6	FF	256.6	13.3	28.0	190.3	0.0	(38.3)	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Works to civic buildings to comply with requirements of the Disability Discrimination Act (incl. Town Hall lift and sensory access) <i>Comments:</i> The Town Hall lift project was completed well within existing budget and now that the final account has been settled and final retention released, there remains a balance of around £170k for sensory work. DDA works to all other operational buildings were completed in 2007/08. £20k has been transferred from this budget to the Town Hall project to meet the shortfall on that scheme. £75k added by Cabinet for Town Hall DDA Sensory Access project - this may be reported as a separate scheme in future reports.															
<b>Site Disposal Costs</b>	9.4	0.0	0.0	9.4	FF	9.4	4.7	9.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Costs of securing capital receipts <i>Comments:</i> Angel Court sale completed March 2010. On-going security costs for the Layer Road football ground are still being incurred - site to be re-marketed for sale for residential development. Plot 700 at Colchester Business Park is for sale in 2011/12. Further funding will be required for marketing expenses and fees (estimated £20k).															
<b>Moler Works Site</b>	41.4	0.0	0.0	41.4	FF	41.4	0.0	0.0	41.4	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Costs associated with provision of three commercial shop units. <i>Comments:</i> Development of this site is delayed pending a redesign and planning approval. Revised scheme will include 3 shop units for transfer to CBC. Fitting out expenditure expected 2011/12 or later.															
<b>TOTAL - RESOURCE MANAGEMENT</b>	<b>310.5</b>	<b>0.0</b>	<b>0.0</b>	<b>310.5</b>		<b>310.5</b>	<b>18.0</b>	<b>40.5</b>	<b>231.7</b>	<b>0.0</b>	<b>(38.3)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Service / Scheme	New monies				Funded				Unfunded						
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Sep 2010/11 £'000	10/11 £'000	11/12 £'000	12/13 £'000	Additional Funding Required £'000	Total £'000	10/11 £'000	11/12 £'000	12/13 £'000
<b>STREET SERVICES</b>															
<b>PowerPerforator Voltage Optimisation Equipment</b>	18.6	0.0	0.0	18.6	FF	18.6	14.8	14.8	0.0	0.0	(3.8)	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Installation of equipment at top ten electricity usage sites															
<i>Comments:</i> Project now complete. Equipment installed at Crematorium, St Marys and St John's MSCP, Colchester Castle, Museum Resource Centre, Mile End Sports Pavilion, CLW and Colchester Town Hall.															
<b>Flat Recycling Extension</b>	10.3	0.0	0.0	10.3	FF	10.3	0.0	10.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> New phase delivering recycling facilities for residents living in flats															
<i>Comments:</i> This was being used to support the expansion of recycling services to residents living in flats in financial year 09/10 and continuing into 2010/11. The spend so far has been on recycling sacks, bins, frames and the fitting costs at the various sites. New build flats will also benefit from the scheme and stocks of equipment will be in place to reflect this. The remaining funding of £26.5k under the Waste Diversion/Green Waste scheme has now been added to this scheme, and there is still £10k left to commit on this work - a request to release £4,200 has been put forward for the additional purchase of flat recycling bins.															
<b>Surface Water Early Actions</b>	72.0	0.0	0.0	72.0	FF	72.0	15.6	72.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Funding received from the Environment Agency for remedial flood prevention works.															
<i>Comments:</i> Capital works to be carried out this year and before November will be: (1) London Road Copford flooding roads and properties, (2) Bergholt Rd flooding properties and golf course, (3) School Rd Langham flooding to schools and highway access. Copford and Bergholt Road complete. Final scheme at Lanham due to be completed by the end of October.															
<b>Upgrade of CCTV Equipment</b>	14.8	0.0	0.0	110.8	PF	14.8	11.3	11.3	0.0	0.0	(3.5)	96.0	0.0	0.0	96.0
<i>Description of Scheme:</i> Upgrade of equipment to digital format															
<i>Comments:</i> 1st phase of CCTV upgrade completed March 07. Matrix upgrade now fully completed - final invoice paid.															
<b>TOTAL- STREET SERVICES</b>	<b>115.7</b>	<b>0.0</b>	<b>0.0</b>	<b>211.7</b>		<b>115.7</b>	<b>41.7</b>	<b>108.4</b>	<b>0.0</b>	<b>0.0</b>	<b>(7.3)</b>	<b>96.0</b>	<b>0.0</b>	<b>0.0</b>	<b>96.0</b>

Service / Scheme	New monies				Funded				Unfunded						
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr- Sep 2010/11 £'000	10/11 £'000	11/12 £'000	12/13 £'000	Additional Funding Required £'000	Total £'000	10/11 £'000	11/12 £'000	12/13 £'000
<b>ENVIRONMENTAL &amp; PROTECTIVE SERVICES</b>															
<b>Heritage Fund - incl. Roman Walls</b>	54.0	14.0	0.0	254.0	PF	68.0	9.1	68.0	0.0	0.0	0.0	186.0	0.0	170.0	16.0
<i>Description of Scheme:</i> Heritage Fund used to enhance public spaces and historic sites, and protect key buildings <i>Comments:</i> Work on the Roman Road stretch is completed. Attention has now moved to an area of emergency repairs at Priory Street. Assessments of three other areas (Middleborough/Balkerne Way, East Hill and Priory Street East) have demonstrated that around £550,000 of further repair will be required over the next few years. English Heritage have awarded a grant of £79,088 "Securing this funding is however dependant on the council providing match funding, which should be £200k to cover this work and the other urgent repairs in Priory St, for which English Heritage are unable to provide grant aid.															
<b>Heritage Fund - Castle Park Interpretation</b>	43.3	0.0	0.0	43.3	FF	43.3	5.6	43.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Heritage Fund used to enhance public spaces and historic sites, and protect key buildings <i>Comments:</i> This scheme is not progressing as fast as hoped and subject to progress this summer the scheme may need to be reviewed and consideration given to reallocation of the funding.															
<b>Contaminated Land</b>	9.2	0.0	0.0	9.2	FF	9.2	0.0	9.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Defra Grant received to undertake intrusive soil investigation to establish the source of hydrocarbons at West Mersea <i>Comments:</i> DEFRA has advised that the grant funding must be spent in 2010/11 and not the 1st quarter of this year as originally reported. The freeholder of the land has indicated a willingness to undertake the works at their own expense; in the event of this occurring and satisfactory progress being made, the grant must be repaid to DEFRA. If, however, they do not proceed as intended, we will step in and co-ordinate the investigation using the grant funding.															
<b>Cemetery Extension</b>	125.0	0.0	0.0	125.0	FF	125.0	0.0	125.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Acquisition of land and provision of infrastructure to enable continuation of burial services <i>Comments:</i> Estates are currently in negotiations with MOD to try to secure an area of land adjacent to the current cemetery. These are ongoing and, if successful, the capital funding identified here would be required to undertake works to the land including site survey, mapping, levelling, landscaping and fencing, along with any access roads that may need to be built.															
<b>Replacement of Cremators</b>	350.0	150.0	199.0	699.0	FF	699.0	200.8	699.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Replacement of Cremators at Colchester Crematorium to deliver mercury abatement in compliance with environmental legislation. <i>Comments:</i> The decision was made at Council on 14 October 2009 to proceed with the replacement of the two cremators at the Crematorium. The report advised that outright purchase of the equipment represented the best value for money, but recommended that the Council should only borrow for one cremator and lease the second due to the forecast partial VAT exemption position. Discussions with HMRC have now resolved the potential breach of the partial exemption limit in 2010/11 for the purchase of the cremators and a decision has been made to purchase both units. The installation programme commenced recently and the first of the cremators has been installed, although it is not yet working. The predicted completion date for commissioning both cremators is March 2011.															
<b>Roman Circus</b>	76.0	0.0	0.0	76.0	FF	76.0	0.0	76.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Interpretation/Visitor Centre for Roman Remains <i>Comments:</i> This is now firmly linked to the larger Castle redevelopment project which will include interpretation of the Roman Circus. In advance of this an initial interpretation panel will be on site late 2011.															
<b>Redevelopment of Castle Museum</b>	580.3	0.0	264.0	944.3	PF	844.3	89.5	200.0	150.0	494.3	0.0	100.0	0.0	0.0	100.0
<i>Description of Scheme:</i> Provision of match funding towards Lottery bid <i>Comments:</i> The National HLF board, at its meeting in November 2009, gave a Stage 1 pass to the project and have awarded £265,000 to enable the Stage 2 bid to be developed. A project assistant has been appointed, a design firm has been selected, and a range of work is progressing. The intention is to have the Stage 2 bid ready for submission by February 2011. There would then be a three month period while the bid is considered and, subject to approval, it is hoped that the work could then commence in 2013. EU funding has been granted towards this project of £264,000.															
<b>TOTAL - ENV &amp; PROT SERVICES</b>	<b>1,237.8</b>	<b>164.0</b>	<b>463.0</b>	<b>2,150.8</b>		<b>1,864.8</b>	<b>305.0</b>	<b>1,095.5</b>	<b>275.0</b>	<b>494.3</b>	<b>0.0</b>	<b>286.0</b>	<b>0.0</b>	<b>170.0</b>	<b>116.0</b>



Service / Scheme	New monies				Funded				Unfunded					
	Funded Prog. B/fwd	CBC	Ext. Funding	Total Prog.	Total Funded Prog.	Spend Apr-Sep 2010/11	10/11	11/12	12/13	Additional Funding Required	Total	10/11	11/12	12/13
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>St Botolphs Regeneration</b>	809.3	495.0	0.0	1,304.3	1,304.3	31.1	304.3	1,000.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Fund to progress elements within the St Botolphs regeneration area.														
<i>Comments:</i> Funding allocated to specific projects as follows: £170k Temporary Bus Station, £125k Vineyard Gate, £96k Cultural Qtr, £75k MSCP, £100k public realm. Work continues on key projects: Cultural Quarter Heads of Terms approved by Cabinet in September 2009 and work ongoing to complete the development agreement and agreed design for planning application. Developers for Vineyard Gate remain in place but the scheme has been affected by the economic conditions and as a result spend is delayed. Options being explored to move scheme forward.														
<b>St Botolphs Public Realm Phase 1</b>	208.5	600.0	0.0	808.5	808.5	165.5	408.5	400.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Public Realm Improvements														
<i>Comments:</i> Works to Priory complete. Discussions ongoing with the school and ECC in respect of Berryfield, but remain constructive. Final aspect of Phase 1 relates to land around VAF and scheme now at stage E design and tendered. Current programme works alongside that of the firstsite construction programme and should complete in August 2011. Haven Gateway Partnership are aware of this delay.														
<b>St Botolphs Public Realm Phase 2</b>	343.7	0.0	250.0	593.7	593.7	13.2	0.0	593.7	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Public Realm Improvements														
<i>Comments:</i> See above comments relating to VAF landscaping.														
<b>Historic Town Centre Improvements</b>	160.0	0.0	0.0	160.0	160.0	0.0	0.0	160.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Works to Historic Core Zone.														
<i>Comments:</i> Works scheme now jointly led by CBC/ECC as project outputs will be social, economic rather than just transportation related. Most of the current work is being funded through HGP monies match funding under the Town Centre improvements project which includes transport improvements and the Public Realm Strategy work. Work is ongoing in respect of the wider Town Centre objectives and short, medium and longer term projects are being identified which work towards the delivery of these. Initial projects funded from Growth Point monies (scheme below).														
<b>Town Centre Improvements Phase 2</b>	37.7	0.0	0.0	37.7	37.7	11.3	37.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Improvement works to Town Centre, including removal of unnecessary traffic and improved public realm														
<i>Comments:</i> This is the second phase of match funding from CLG Growth Point with specific elements to reduce traffic flows through the town centre core, improve the pedestrian environment in the High Street and create an agreed phasing for the future evolution of the bus station.														
<b>Town Centre Improvements Phase 3</b>	0.0	0.0	550.0	550.0	550.0	0.0	550.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Improvement works to Town Centre, including removal of unnecessary traffic and improved public realm														
<i>Comments:</i> Phase three of the above mentioned project, to be delivered during year 2010/11 - £550k funding from HGP now confirmed.														
<b>Creative Engagement Programme</b>	43.0	0.0	0.0	43.0	43.0	1.5	23.0	20.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Area of spend within St Botolphs Regeneration scheme														
<i>Comments:</i> Part of a two year programme initially focussed on activity in the Cultural Quarter to support physical development. Temporary creative uses of buildings e.g. slack space, kiosks and creation of hoardings to screen development sites.														
<b>Public Realm</b>	0.0	50.0	0.0	50.0	50.0	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> To support public realm improvements in the St Botolphs area														
<i>Comments:</i> £50k has been moved from the main St Botolphs regeneration scheme in order to support some of the Haven Gateway funded public realm improvements currently underway in this regeneration area. Including Berryfield and through the Cultural Quarter scheme. Monies to be spent this financial year as works contracted.														

Service / Scheme	New monies				Funded				Unfunded					
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr- Sep 2010/11 £'000	10/11 £'000	11/12 £'000	12/13 £'000	Total £'000	10/11 £'000	11/12 £'000	12/13 £'000
	219.9	0.0	0.0	219.9	FF	219.9	5.0	19.9	200.0	0.0	0.0	0.0	0.0	0.0
<b>Town Square S106</b>														
<i>Description of Scheme:</i> Development of Public Open Space between railway station and new Court Building														
<i>Comments:</i> Development of landscape and art feature for Town Station Square. Artist appointed and design process underway. Liaison with Courts Service to ensure use compatibility. Completion December 2011.														
<b>A12 Junction Facilitation</b>														
<i>Description of Scheme:</i> Contribution towards A12 Junction Facilitation costs														
<i>Comments:</i> This phase of the scheme is complete and funded from Haven Gateway. Awaiting confirmation of 2010/11 Haven Gateway funding at which point £3k overspend will be reclaimed. BP have exercised the Option to move to the new site and are currently constructing their facility. The eastern haul road has also been constructed to provide access to the existing BP petrol station for decommissioning once the A12 access has been closed. Awaiting HGP funding confirmation to plan the move.														
<b>Creative Business Hub</b>														
<i>Description of Scheme:</i> Contribution to Creative Business Centre														
<i>Comments:</i> This Haven Gateway Growth Area funding is a contribution to the creative Business Centre to be formed in the Cultural Quarter, now expected to be located in the old police station. Additional funding from Europe is being sought to move this project forward.														
<b>Firstsite (VAF)</b>														
<i>Description of Scheme:</i> New Visual Arts Facility														
<i>Comments:</i> Work started again in November 2009 on finishing the external building (phase 1a) and was completed in July 2010. Works have been subject to a tendering exercise under overall Construction Management. Funding partners are providing a further £3m contribution to the project and the Council has agreed to allow a further £1.1m borrowing if required in advance of bond payment of which £600k is being used on the St Botolphs public realm project.														
<b>Assistance to Registered Social Landlords</b>														
<i>Description of Scheme:</i> Support to affordable housing schemes														
<i>Comments:</i> The use of this funding is being considered as part of our discussions with the Homes and Communities Agency regarding the production of Local Investment Plan for Colchester and future investment in affordable housing in Colchester.														
<b>TOTAL - STRAT POLICY &amp; REGEN</b>	<b>10,771.4</b>	<b>1,610.0</b>	<b>4,300.0</b>	<b>16,681.4</b>		<b>16,681.4</b>	<b>3,221.6</b>	<b>11,431.7</b>	<b>5,249.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>



Service / Scheme	New monies				Funded				Unfunded						
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr- Sep 2010/11 £'000	10/11 £'000	11/12 £'000	12/13 £'000	Additional Funding Required £'000	Total £'000	10/11 £'000	11/12 £'000	12/13 £'000
<b>LIFE OPPORTUNITIES</b>															
<b>Improving Life Opportunities</b>	26.4	0.0	0.0	81.4	PF	26.4	0.0	26.4	0.0	0.0	0.0	55.0	0.0	55.0	0.0
<i>Description of Scheme:</i>	A general provision to enable the Council to support work in improving life chances such as the provision of new community facilities.														
<i>Comments:</i>	Total commitment for loop systems of £5K has now been spent. Of the £21k allocated for works to improve pathways in Monkwick, £9,082.90 has been spent and there is £11,917.10 which will be spent in 2010/11.														
<b>Hythe Community Centre</b>	0.2	0.0	0.0	0.2	FF	0.2	0.0	0.2	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	S106. Improvements incl. conversion of garage to storage, works to windows and doors and boiler replacement.														
<i>Comments:</i>	S106 funds released in first phase = £3,960.32. S106 funds released in 2nd phase = £2,026.87. A third release of £1,821.25 was made in January 2008. Remaining unreleased S106 funds total £13,852.56.														
<b>Priority Street Community Hall</b>	20.0	0.0	0.0	20.0	FF	20.0	20.1	20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	S106 scheme - contribution towards the refurbishment of the Community Hall														
<i>Comments:</i>	Works completed and monies spent.														
<b>Mandatory Disabled Facilities Grants</b>	1,241.2	0.0	0.0	1,241.2	FF	1,241.2	207.5	600.0	641.2	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Disabled Facility Grants														
<i>Comments:</i>	We are obliged to approve any grant requests for this budget that meet the criteria. There is, however, a time lag between approving grants and paying monies as we pay after adaptations work is complete. As at 1st October we have committed a further £260,000.														
<b>Private Sector Renewals - Loans and Grants</b>	914.8	0.0	0.0	914.8	FF	914.8	23.5	300.0	614.8	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Loans and grants to private householders														
<i>Comments:</i>	A prioritised approach to this grant scheme has recently been approved by the Portfolio Holder, which ensures this capital allocation contributes to our life opportunities targets. Publicity work to promote these loans has occurred and applications are currently being processed.														
<b>Colchester Leisure World - Fitness Pool LACM and Modernisation</b>	(78.6)	0.0	0.0	(78.6)	FF	(78.6)	10.7	46.9	0.0	0.0	125.5	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Refurbishment of Fitness Pool building														
<i>Comments:</i>	Works now complete save ongoing snagging and defects. Draft final account is presently being discussed with the Contractor. Draft final account suggests overspend of c£125k. The overspend is due largely to unforeseen works such as the discovery of asbestos within the existing roof structure.														
<b>Old Heath MUGA Installation &amp; Landscape Improvements</b>	75.0	0.0	0.0	75.0	FF	75.0	48.7	75.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Works to recreation ground														
<i>Comments:</i>	Work has been completed and site is open for use. Works include installation, soil testing, path works and white lining. Remaining budget to be spent on notice boards, link paths, seating and bins.														
<b>Castle Park - Playground Refurbishment</b>	118.7	0.0	130.0	248.7	FF	248.7	0.0	248.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>	Refurbishment of Playground														
<i>Comments:</i>	Designs have been consulted on and clear Peoples favourite has emerged. Design has been agreed in principle with English Heritage and full SAM consent has been submitted. The £48k from DCFS Play builder programme for play provision for 8 - 13s has been reinstated. £75k Aiming High money has been allocated to Colchester from EC for play provision suitable for children with disabilities. £45k Section 106 funding from the Ward funds has been sought from Spend Release forms issued to Ward members. Confirmed that planning approval is not required. Order to be placed as soon as SAM consent is obtained. Anticipated commencement Dec 2010.														

Service / Scheme	New monies				Funded				Unfunded					
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Total Funded Prog. £'000	Spend Apr- Sep 2010/11 £'000	10/11 £'000	11/12 £'000	12/13 £'000	Additional Funding Required £'000	Total £'000	10/11 £'000	11/12 £'000	12/13 £'000
	28.2	0.0	0.0	28.2	28.2	0.0	28.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Missing Village Hall Refurbishment S106</b>														
<i>Description of Scheme:</i> Parish Council proposes to refurbish village hall from section 106 agreement from local development.														
<i>Comments:</i> S106 funds to be released to Messing Parish Council on receipt of invoices associated with the refurbishment work.														
<b>St Leonard's Church Wall</b>	43.6	0.0	0.0	43.6	43.6	35.5	43.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Repair & rebuild boundary walls to a closed churchyard														
<i>Comments:</i> Phase 1 and 2 completed. £239.7k funding not now required has been returned for reallocation in the capital programme.														
<b>Repairs to walls of closed churchyards</b>	75.0	0.0	0.0	75.0	75.0	0.0	75.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Health & safety works to walls of closed churchyards.														
<i>Comments:</i> The St Peter's wall repairs have now all been completed (although not invoiced). Next stage is St James which will be done when the weather is more suitable next year.														
<b>S106 Layer de la Haye tennis courts</b>	0.0	0.0	14.0	14.0	14.0	5.3	14.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> S106 contribution to refurbishment of public tennis courts.														
<i>Comments:</i> Project being part funded by Ward contribution. Project is to refurbish public tennis courts at total cost of £34,300 part funded from ECC CIF £17.5k and Layer de la Haye Sports Assoc £2.9k. Work completed.														
<b>Resource Centre - Highwoods Country Park</b>	154.8	0.0	0.0	154.8	154.8	0.0	0.0	154.8	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> S106. Provision of Resource Centre.														
<i>Comments:</i> Project on hold pending the securing of additional grant funding. Tenders were returned December 2009. However, despite undertaking an extensive value engineering exercise it was not possible to scale the project back to suit the existing budget.														
<b>Boada Skatebowl</b>	8.6	0.0	23.3	31.9	31.9	0.0	31.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Provision of new activity area targeted at young people														
<i>Comments:</i> The skate park has been constructed and now open. 2nd phase of improvements are being funded by £8,265 from Big Lottery Childrens Play Programme and £15,000 from CORY grant. Work at total cost of £24,700 is to install CCTV and lighting including new power supply installed by EDF.														
<b>Castle Park Improvements</b>	0.0	0.0	2.3	2.3	2.3	0.0	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Section 106. Design work to create plans showing overall improvements to the park in a coordinated approach.														
<i>Comments:</i> Money released from Section 106 to produce outline drawings for integral approach to Castle Park improvements.														
<b>TOTAL - LIFE OPPORTUNITIES</b>	<b>2,627.9</b>	<b>0.0</b>	<b>169.6</b>	<b>2,852.5</b>	<b>2,797.5</b>	<b>351.3</b>	<b>1,512.2</b>	<b>1,410.8</b>	<b>0.0</b>	<b>125.5</b>	<b>55.0</b>	<b>0.0</b>	<b>55.0</b>	<b>0.0</b>



Service / Scheme	New monies			Funded					Unfunded					
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Total Funded Prog. £'000	Spend Apr- Sep 2010/11 £'000	10/11 £'000	11/12 £'000	12/13 £'000	Additional Funding Required £'000	Total £'000	10/11 £'000	11/12 £'000	12/13 £'000
<b>Computer Upgrade</b>	0.8	0.0	0.0	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i>														
Personal Computer Upgrade (including Councillors Computers) To keep personal computer stock updated														
<i>Comments:</i>														
Scheme removed from capital programme by Cabinet on 27 January 2010.														
<b>TOTAL - COMPLETED SCHEMES</b>	<b>45.7</b>	<b>0.0</b>	<b>0.0</b>	<b>45.7</b>	<b>45.7</b>	<b>0.0</b>	<b>6.5</b>	<b>0.0</b>	<b>0.0</b>	<b>(39.2)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Service / Scheme	New monies				Funded				Unfunded						
	Funded Prog. B/fwd £'000	CBC £'000	Ext. Funding £'000	Total Prog. £'000	Status	Total Funded Prog. £'000	Spend Apr-Sep 2010/11 £'000	10/11 £'000	11/12 £'000	12/13 £'000	Additional Funding Required £'000	Total £'000	10/11 £'000	11/12 £'000	12/13 £'000
<b>HOUSING REVENUE ACCOUNT</b>															
<b>Decent Homes &amp; Upgrades</b>	7,930.6	(429.7)	0.0	7,500.9	FF	7,500.9	1,133.7	4,665.7	2,835.2	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Scheme to bring council housing stock up to Decent Homes standard together with other upgrade works															
<i>Comments:</i> The full Decent Homes programme recommenced in May 2010. As agreed by Cabinet, the HCA and CLG the Decent Homes programme will be completed by December 2012. Digital TV works are drawing to a conclusion.															
<b>Adaptations</b>	583.0	0.0	0.0	583.0	FF	583.0	135.7	583.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Improvements made to Council housing stock to meet specific tenants needs															
<i>Comments:</i> The remainder of the 2009-10 allocation has been carried forward to this year to cover spending commitments. The 2010-11 allocation is being apportioned month by month and should be used within year.															
<b>Housing ICT</b>	357.4	(0.1)	0.0	357.3	FF	357.3	18.6	175.0	182.3	0.0	0.0	0.0	0.0	0.0	0.0
<i>Description of Scheme:</i> Improvements to Housing IT systems															
<i>Comments:</i> At this stage based on last years expenditure and the cost of the implementation of VDI estimated expenditure for 2010/11 will be £175k. Of the £175k set aside for VDI at CBH, £112k has now been spent on this. Implementation in a phased process is due to commence at CBH on 15 November 2010.															
<b>TOTAL - HRA</b>	<b>8,871.0</b>	<b>(429.8)</b>	<b>0.0</b>	<b>8,441.2</b>		<b>8,441.2</b>	<b>1,288.0</b>	<b>5,423.7</b>	<b>3,017.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Note: The schemes above are funded from HRA resources only and therefore do not form part of the General Fund Capital Programme</b>															



## Finance and Audit Scrutiny Panel

Item  
**14**

15 December 2010

<b>Report of</b>	<b>Scrutiny Officer</b>	<b>Author</b>	<b>Robert Judd</b>
<b>Title</b>	<b>Work Programme 2010-11</b>		<b>Tel. 282274</b>
<b>Wards affected</b>	Not applicable		

**This report sets out the rolling 2010/11 Work Programme for the Finance and Audit Scrutiny Panel and Accounts and Regulatory Committee**

### 1. Action Required

- 1.1 The Panel is asked to consider and comment on the 2010-11 work programme.

### 2. Reason for Action

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

### 3. Outstanding items

- 3.1 There are none.

### 4. Extra meeting / Additional items

- 4.1 An additional item on Highway Verge Maintenance has been added to the meeting on 15 December 2010.

### 5. Work Programme

#### 29 June 2010

1. Audit Opinion Plan and 2010-11 Audit and Inspection Fee Letter (A&R)
2. Annual review of the Governance Framework and 2009-10 Statement (A&R)
3. Draft Annual Statement of Accounts (A&R)
4. 2009-10 Financial Monitor (FASP)
5. 2009-10 Capital Expenditure Monitor
6. 2009-10 Internal Audit Report

#### 27 July 2010

1. Community Governance Review – Wivenhoe Town Council (A&R)  
(merging of two parish wards / increase of councillors to 13 (+2))
2. Community Governance Review – Fordham (A&R)  
(increase of councillors to 9 (+2))
3. Freedom of Information Update (Head of Corporate Management)
4. Annual Report on Treasury Management
5. 2009-10 Risk Management Summary

#### 17 August 2010

1. Capital Improvement Programme (DHP update to incl. outcomes of pilot scheme)
2. 2010-11 Financial Monitor, period April to June
3. 2010-11 Capital Monitor

#### **31 August 2010 Extra meeting**

1. Call-in Proposed Travellers Site – Severalls Lane East

#### **7 September 2010 Extra meeting**

1. Call-in Highwoods Country Park Car park charging proposals

#### **28 September 2010**

1. 2010-11 Internal Audit Monitor, period April to June
2. Annual Statement of Accounts – Annual Governance Report (A&R)
3. Financial Regulations revised (A&R)
4. Colchester Visual Arts Facility – Audit Commission

#### **19 October 2010**

1. Report Publication of Audited Statement of Accounts (A&R)
2. Risk Management period April to September
3. Annual Business Continuity Progress report
4. Local Governance Review (Hd.of Corp.Management)(A&R)
5. Summary for Colchester Credit union – Update

#### **23 November 2010**

1. Annual Audit letter (AC)
2. Audit Commission Benefit Services Report (AC)
3. Annual Governance Statement (A&R)
4. 2010-11 Internal Audit Monitor, period April to September
5. 2010-11 Financial Monitor, period April to September
6. Decent Homes Programme – 6 monthly update

#### **25 November 2010 Extra meeting**

1. Call-in Revenue Grants to Town and Parish Councils

#### **15 December 2011 Extra meeting**

1. 2010-11 Capital Monitor
2. 2010-11 Treasury Management Monitor
3. Mayoralty Budget – TAFG report
4. Highway Verge Maintenance – PH Communities

#### **25 January 2011**

1. 2011-12 Budget Strategy
2. Treasury Management - Investment Strategy

**22 February 2011**

1. Risk Management, period April to December
2. 2010-11 Financial Monitor, period April to December
3. 2010-11 Capital Monitor
4. Decent Homes Programme – quarter 3 update

**29 March 2011**

1. 2010-11 Internal Audit Monitor, period April to December
2. Annual Governance Statement briefing paper
3. Audit Opinion Plan
4. International Financial Reporting Standards



