

Cabinet

**Grand Jury Room, Town Hall
26 January 2011 at 6.00pm**

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

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COLCHESTER BOROUGH COUNCIL CABINET

26 January 2011 at 6:00pm

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

AGENDA - Part A

(open to the public including the media)

Pages

1. Welcome and Announcements

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

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

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

2. Urgent Items

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

3. Declarations of Interest

The Chairman to invite Councillors to declare individually any 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.

4. Have Your Say!

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

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

5. Minutes

To confirm as a correct record the minutes of the meeting held on 1 December 2010

6. Call-in Procedure

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

7. Strategy and Performance/Resources and Business

i. 2011-12 Revenue Budget and Medium Term Financial Forecast

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See report by the Head of Resource Management

8. Strategy and Performance

i. Housing Investment Programme 2011-12 62 - 67

See report by the Head of Strategic Policy and Regeneration

ii. Half Yearly Performance Report Including Progress on Strategic Plan Action Plan 68 - 123

See report by the Head of Corporate Management

iii. Revised Whistleblowing Policy 124 - 131

See recommendation contained in minute 13 of the Standards Committee meeting of 26 November 2010.

9. Street and Waste Services

i. A Joint Parking Service for North Essex 132 - 146

See report by the Head of Street Services

10. Housing and Community Safety

i. Housing Revenue Account Estimates 2011-12 147 - 161

See report by the Head of Strategic Policy and Regeneration

ii. Greater Haven Gateway Housing Strategy 2011-15 162 - 166

See report by the Head of Strategic Policy and Regeneration

iii. Adaptations Contract

This item has been withdrawn from the agenda.

11. Planning and Sustainability

i. Revision of the Local Development Scheme 167 - 172

See report by the Head of Strategic Policy and Regeneration

12. General

i. Progress of Responses to the Public

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To note the contents of the Progress Sheet

13. Resources and Diversity

i. Disposal of Layer Road Football Ground

176 - 180

See report by the Head of Resource Management

14. Exclusion of the Public

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

**COLCHESTER BOROUGH COUNCIL
CABINET**

26 January 2011 at 6:00pm

AGENDA - Part B

(not open to the public or the media)

Pages

15. Resources and Diversity

i. Disposal of Layer Road Football Ground

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 to the Head of Resource Management's report



Colchester

Cabinet

26 January 2011

Item
7(i)

Report of	Head of Resource Management	Author	Charles Warboys Sean Plummer ☎ 282350 ☎ 282347
Title	2011/12 Revenue Budget and Medium Term Financial Forecast		
Wards affected	n/a		

This report requests Cabinet to recommend to Council:

- **The 2011/12 Revenue Budget**
- **Colchester's element of the Council Tax for 2011/12**
- **The Medium Term Financial Forecast**
- **The Prudential Indicators and Treasury Management Strategy and Annual Investment Strategy**

1. Decisions Required

- 1.1 To note that the outturn for the current financial year is forecast to be an overspend of less than £200k (paragraph 3.4.).
- 1.2 To approve the cost pressures, savings and increased income options identified during the budget forecast process as set out at Appendices B and C.
- 1.3 To consider and recommend to Council the 2011/12 Revenue Budget requirement of £20,255k (paragraph 6.1) and the underlying detailed budgets set out in the Background Papers.
- 1.4 To agree that Revenue Balances for the financial year 2011/12 be set at a minimum of £1,500k.
- 1.5 To agree the following releases (paragraph 10.7):-
 - £300k from the Capital Expenditure Reserve in 2011/12 to meet costs including the community stadium.
 - £596k to be financed from the Renewals and Repairs Fund for specific projects
 - £70k from the S106 monitoring reserve
- 1.6 To agree to create a provision for future pension deficit costs as set out at paragraphs 10.5 and 10.6.
- 1.7 To agree and recommend to Council that £100k of Revenue Balances be earmarked for potential unplanned expenditure within the guidelines set out at paragraph 11.3.

- 1.8 To agree and recommend to Council that up to £600k of Revenue Balances be earmarked for potential cost associated with delivering budget savings as set out at paragraph 9.6.
- 1.9 To agree and recommend to Council that Colchester's element of the Council Tax for 2011/12 be set at £175.23 for Band D properties which is a nil increase (paragraph 12.2).
- 1.10 To note that the formal resolution from Cabinet to Council will include the Parish, Police, Fire and County Council elements and any change arising from the formal Revenue Support Grant Settlement announcement in early February. This will be prepared in consultation with the Leader of the Council.
- 1.11 To note the Medium Term Financial Forecast for the financial years 2011/12 to 2014/15.
- 1.12 To note the comments made on the robustness of budget estimates at section 15.
- 1.13. To agree and recommend to Council the Prudential Indicators, Treasury Management Strategy and Annual Investment Strategy (paragraph 16.7).

2. Background Information and Summary

- 2.1 The 2011/12 Revenue Budget and the Capital Programme have been prepared in accordance with a process and timetable agreed at Cabinet and endorsed by the Strategic Overview and Scrutiny Panel (Appendix A).

Delivering a Balanced Budget for 2011/12

- 2.2. The Revenue Budget for 2011/12 has been prepared against a background of meeting the Council's Strategic Plan objectives whilst facing significant financial pressures from the reductions in Government funding and the ongoing difficult economic background. Every effort has been made to produce a balanced budget that includes a high level of savings with no change to the Council Tax rate. This has been achieved through a budget strategy that has resulted in:-
 - the delivery of savings through the fundamental service review process
 - making efficiencies through specific budget reviews
 - maximising new and existing income streams
 - making decisions on budget changes where necessary

Council Tax

- 2.3. It is proposed that the Council's element of the Council Tax be frozen for 2011/12. This has been achieved against a background of significant reductions in core government grant funding and other cost pressures and without the use of additional reserves to balance the budget.
- 2.4. Further information on the budget is provided in the following paragraphs.

3. Current Year's Financial Position

- 3.1 In order to inform the 2011/12 budget process and forecast level of reserves it is useful to first review the current year's financial position. Revenue budgets are monitored on a monthly basis with regular reports to Senior Management Team and

the Finance and Audit Scrutiny Panel (FASP). A considerable amount of work has been undertaken to determine a reasonable forecast of the year-end position.

3.2 The current position is that the forecast outturn is expected to be a small overspend of less than £200k. This forecast shows an improvement on the position reported during the year and reflects work undertaken to identify budget savings in year. Delivering this budget position in the context of the reduction in Government funding of over £750k and shortfalls in other income has been a considerable challenge.

3.3. There remain some outstanding risks to the forecast and the position continues to be monitored and FASP on 22 February 2011 will receive a report setting out a detailed position.

3.4 **Cabinet is asked to note that the forecast outturn position for the current year is anticipated to be an overspend of below £0.2m and that the position will continue to be monitored.**

4. 2011/12 Revenue Cost Pressures

4.1 Appendix B sets out revenue cost pressures, over the 2010/11 base, of £1,543k which have been identified during the budget process. This includes an inflation allowance and the impact of reduced income and the ceasing of some Government grants.

4.2 The cost pressures have been considered by Cabinet, and include a reduction in Government grant for administration of housing benefits and a change in the additional cost of pensions following a detailed actuarial review. The pensions cost includes the contribution to a provision for the increase in the pensions cost in 2012/13 and 2013/14.

4.3 **Cabinet is asked to approve inclusion within the 2011/12 Revenue Budget of the cost pressures set out at Appendix B.**

5. 2011/12 Revenue Saving / Increased Income

5.1. Appendix C sets out savings / increased income totalling £3,563k. The appendix provides an analysis by service including commentary.

5.2. This level of savings and increased income is significant and is the largest reduction in budgets in recent years reflecting the tough economic climate and deficit reduction decisions taken by Central Government. It can be viewed alongside the Budget strategy which included five tracks:-

- *Income generation*

Increases in income budgets account for c£0.5m of savings and includes increases in existing income streams and new sources of income.

- *Shared services*

The budget includes £150k in respect of shared service proposals, although some of the income items referred to above also include working with other authorities.

- *Total Place – projects with partners to look at how we reduce duplication*

It was explained within the budget strategy that savings as part of this approach would be more likely in future years and work continues to that end.

- *Efficiencies (including but not exclusively FSRs)*

The majority of the budget proposals can be considered as efficiencies and these total almost £2.5m. Of this, £0.9m is as a result of FSRs and other savings as a result of other corporate reviews such as communications, ICT and accommodation.

It should be acknowledged that a large number of the proposed efficiency measures are delivered through reduced resources, mainly staff. As such there will be a reduction in capacity and it will be necessary to ensure that ongoing robust performance monitoring continues to assess any impact. The introduction of new technology and procedures will help mitigate any risks to service delivery.

- *Cuts and reductions*

Cuts and reductions account for c£0.4m of the budget proposals, although it should be stressed that other savings will also result in reduced resources.

- 5.3. There are several changes to the report since Cabinet met on 1 December 2010. These include the setting of targets for a number of ongoing reviews and the introduction of further savings following the announcement of the grant settlement.
- 5.4. There will be one-off costs required to deliver some of the budget savings. This issue is considered as part of the review of revenue balances.
- 5.5. Three further issues to report include the Government Grant payable to authorities for agreeing to freeze Council Tax, the transfer of responsibility for concessionary fares to Essex County Council and changes to technical budgets.

Council Tax Freeze

- 5.6. As reported to Cabinet in December the Government announced as part of the Comprehensive Spending Review (CSR) that a grant equivalent to 2.5% of Council Tax revenue would be provided to authorities who do not increase the Council Tax rate in 2011/12. This grant is estimated to be £267k for 2011/12 and the Government has stated that it intends to provide this funding during the period of the CSR. There is no guarantee that funding will continue beyond this point and this is considered within the Medium Term Financial Forecast (MTFF).

Concessionary Fares

- 5.7. The responsibility for concessionary travel has transferred to 'upper tier' local authorities, such as Essex County Council, and as such the Government has made adjustments to grant funding to allow for this change. The net cost of concessionary fares in the 2010/11 budget is £1.755m and therefore this can be removed from the budget, reducing the level of revenue spending. The adjustment being made by the Government to the level of formula grant to allow for this is reflected in the figures set out later in this report.

Technical Items

- 5.8. The Council's budget includes several technical items such as net interest, Council Tax on second homes, various budget provisions and the net impact of charges between the General Fund and the Housing Revenue Account (HRA). These budgets are compiled based on final budget proposals and in total there is a forecast net saving compared to the 2010/11 budget of £58k.

5.9 **Cabinet is asked to approve inclusion of the savings / increased income items set out at Appendix C within the 2011/12 Revenue Budget.**

6. Summary Total Expenditure Requirement

6.1 Should Cabinet approve the items detailed above, the total expenditure requirement for 2011/12 is as follows:

	£'000
2010/11 Budget	25,670
Less: 2010/11 one-off items	(1,313)
Cost Pressures (as per Appendix B)	1,543
Savings/Increased Income (as per Appendix C)	(3,563)
Grant in respect of Council Tax Freeze	(267)
Adjustment re: concessionary fares (see para. 5.7.)	(1,755)
Technical items (see para. 5.8)	(58)
Forecast Budget 11/12	20,255

Note:

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

6.2 **Cabinet is asked to agree and recommend to Council the net revenue expenditure requirement for 2011/12 and the underlying detailed budgets set out in the Background Papers.**

7. Formula Grant (Revenue Support Grant)

7.1. The provisional Local Government Finance Settlement was announced in Parliament on 13 December 2010. Our provisional grant settlement is £9,262k. This represents a decrease on the adjusted 2010/11 grant of £1.702m or 15.5%.

7.2. The announced Settlement includes a number of important issues which should be noted as they will influence future funding. These include the concept of Revenue Spending Power, transitional grant and system of grant damping or grant floors.

Revenue Spending Power

7.3. The Settlement introduces the term "Revenue Spending Power". In simple terms this represents the total of our revenue grants from Government and level of Council Tax income. The following table shows the breakdown of revenue spending power for 10/11 and 11/12 showing the figure of a 6% cut in Revenue Spending Power:-

	10/11	11/12	Change	
	£'000	£'000	£'000	%
Council Tax (incl. parishes)	11,523	11,523	0	0.0%
Adjusted grant	10,964	9,262	-1,702	-15.5%
Benefit Admin Grant	1,201	1,149	-51	-4.3%
Preventing homelessness grant	141	197	56	40.0%
Council Tax grant for freeze		268	268	
Total Revenue Spending Power	23,829	22,400	-1,429	-6.0%

Transitional Grant

- 7.4. The Government has established a Transition Grant of £85 million for 2011/12 and £14 million in 2012/13, to ensure that no authority in receipt of formula grant faces a reduction of more than 8.9% in 'revenue spending power' in 2011/12 or 2012/13. As shown in the earlier table our reduction is below this threshold.

Grant Damping - Floors

- 7.5. As has been the case for the last three years our grant has been reduced by the system of damping or floors. The floor methodology is designed to ensure that no authority receives a cut greater than a given level. The system is self financing between categories of local authorities. The table below shows that for Colchester the cost of damping is £1.328m:-

2010-11 Adjusted Formula Grant	2011-12 Formula Grant Before Floor	2011-12 Formula Grant After Floor	Reduction		Reduction (before floor damping)		floor
(£ million)	(£ million)	(£ million)	(£ million)	%	(£ million)	%	(£ million)
10.964	10.590	9.262	1.702	15.5%	0.374	3.41%	-1.328

- 7.6. In prior years there was one grant floor figure for each class of authority. This Settlement introduces 4 bands. This has been worked out by looking at the proportion of an authority's budget requirement that is funded through grant. The methodology is simply to rank all authorities and then group these in "bands" of 50. The floors for each Band are shown below which also shows the maximum cut within each category, Colchester being in Band 3.

	Min	Max
Range before floors	-30.66%	11.50%
Band 1 - Most Dependent on Grant	-13.80%	-13.55%
Band 2	-14.80%	-14.32%
Band 3	-15.80%	-15.46%
Band 4 - Least Dependent on Grant	-16.80%	-16.16%

- 7.7. The Settlement shows that the level of the floor is now the critical factor in the grant allocation methodology.
- 7.8. The Settlement is provisional and subject to consultation which ends on 17 January 2011. Traditionally, there has been very little change between the provisional and actual Settlement. Any marginal change to the Council's grant entitlement will be reflected in the final budget recommendation to Council.
- 7.9. Looking ahead the Settlement shows that the grant for 2012/13 will be £8.425m, a further reduction of £772k (8.4%) on the adjusted 2011/12 grant. Beyond 2012/13 it is expected that further cuts in grant funding will occur and this is considered as part of the Medium Term Financial Forecast (MTFF).

8. Council Tax

- 8.1 As part of the formal budget setting process, the Council is required to determine each year, as at 15 January, the estimated surplus or deficit arising from the Council Tax Collection Fund as at 31 March.
- 8.2 The collection rate continues to be close to our target however a deficit on the fund is forecast of £58k mainly as a result of the position at the end of March 2010 being less than previously estimated.

9. Revenue Balances

- 9.1 The Local Government Act 2003 places a specific duty on the Chief Financial Officer to report on the adequacy of the proposed financial reserves of an Authority when the budget is being considered. This section and section 11 address this requirement.
- 9.2. Cabinet, at its meeting on 1 December 2010, considered a report setting out the outcome of a risk analysis in respect of the Council's Revenue Balances. Cabinet agreed with the recommendation that Revenue Balances should be maintained at a minimum of £1.5m and that the situation would be reviewed based on the implications and details of items such as the grant settlement, budget savings and other variables. Based on the assumptions built into the budget it is considered prudent to maintain the recommended minimum level at £1.5m.
- 9.3. In considering the level at which Revenue Balances should be set for 2011/12, Cabinet should note the financial position the Council is likely to face in the medium term through the levels of future Government funding highlighted in the Medium Term Financial Forecast (MTFF).
- 9.4. The forecast position in respect of Revenue Balances as at 31 March 2011 is set out at Appendix E and shows balances at £2,102k, £602k above the recommended minimum balance as set out in the agreed Risk Analysis. Taking account of the medium term position detailed above, Cabinet is recommended to approve that balances are retained at a minimum level of £1,500k.
- 9.5. The proposed budget savings outlined within this report including the implementation of Fundamental Service Reviews which will require one-off costs to deliver. It is proposed that Cabinet recommend to Council that up to £0.6m be earmarked within balances to fund these costs.
- 9.6 **Cabinet is recommended to approve Revenue Balances for the financial year 2011/12 be maintained at £1.5m and that it be recommended to Council that up to £0.6m be earmarked for one-off costs to deliver budget savings.**

10. Reserves and Provisions

- 10.1. Cabinet at its meeting on 1 December 2010 considered the Council's earmarked reserves. As part of the budget process a review was undertaken into the level and appropriateness of earmarked reserves and provisions for 2011/12. The review concluded that the reserves and provisions detailed were broadly appropriate and at an adequate level, however, it was stated that a further review would be done as part of this final report. The proposed budget includes a number of releases from reserves, including some changes to those already proposed.

Capital Expenditure Reserve (CER) – Community Stadium - £300k

- 10.2. The Council agreed that an approach to minimise the revenue pressure is to fund the annual MRP cost by identifying new capital receipts in the period of the borrowing. This then allows a release of revenue funds within the capital expenditure reserve. For 2011/12 the use of the reserve remains at £300k.

Renewals and Repairs Fund – release of £596k

- 10.3 Cabinet noted on 1 December that the estimated balance at 31 March 2011 on the Renewals and Repairs Fund stood at £1.8m and that the 2011/12 expenditure programme would be considered at this meeting. Appendix F sets out the recommended programme totalling £596k. The releases include £512k in respect of the 5-year building maintenance programme. The programme has been based on in-depth condition surveys of all Council building assets. The programme will continue to be developed over the coming year and will again be considered as part of the budget strategy for 2012/13.

S106 Monitoring Reserve – release of £70k

- 10.4. This reserve was set up to provide funds to support the future monitoring of Section 106 agreements. Within the last budget report to Cabinet it was proposed to use £70k to support the 2010/11 budget and the same is proposed for 2011/12. Contributions to this reserve are made from S106 payments received in respect of monitoring. This reserve will still last for at least the next 2 years if used in a similar way.

Pension costs

- 10.5. Previous triennial reviews of the pension fund have shown a significant deficit due to market conditions and increased life expectancy. The latest review has resulted in a forecast total increase in pension costs over the next three years of £72k, with a reduction in 2011/12 followed by increases in each of the two subsequent years. The overall position is better than forecast, partly due to the option of spreading deficit payments over 30 years as opposed to 20 years, as permitted within the actuarial review.
- 10.6. It is proposed that to ease future budget pressures a contribution of £199k is made to a pensions provision to provide for the increases in 2012/13 and 2013/14.

- 10.7 **Cabinet is recommended to agree the:**
- **release of £300k from the Capital Expenditure Reserve in 2011/12**
 - **release of £596k from the Renewals and Repairs Fund as set out at Appendix F**
 - **release of £70k from S106 monitoring reserve towards the costs of carrying out this function**
 - **contribution of £199k to a pensions provision to provide for future increase in pension deficit costs.**

11. Contingency Provision

- 11.1 The Council's Constitution requires that any spending from Revenue Balances not specifically approved at the time the annual budget is set, must be considered and

approved by full Council. This procedure could prove restrictive particularly if additional spending is urgent.

11.2 It is recommended that £100k of Revenue Balances be specifically earmarked for potential items of unplanned expenditure. It should be noted that if this sum was used during the year it may take revenue balances below the recommended level of £1,500k and the Council would need to consider steps to reinstate balances at a later date.

11.3 **Cabinet is asked to agree and recommend to Council that £100k of Revenue Balances be specifically earmarked for potential items of unplanned expenditure which are:**

- **The result of new statutory requirements or**
- **An opportunity purchase which meets an objective of the Strategic Plan or**
- **Is considered urgent, cannot await the next budget cycle and cannot be funded from existing budgets**
- **Authorisation being delegated to the Leader of the Council.**

12. Summary of Position

12.1 Summary of the Revenue Budget position is as follows:

Revenue expenditure requirement for 2011/12 (para 6.1).	£'000 20,255
Release from Capital Expenditure Reserve (para 10.2)	(300)
Release of S106 monitoring reserve (para 10.4)	(70)
Budget Requirement	19,885
Funded by:	
Revenue Support Grant (para 7.1)	9,262
Collection Fund Deficit (para 8.2)	(58)
Council Tax Payers requirement (before Parish element) see below*	10,681
Total Funding	19,885

Council Tax*	
Council Tax Payers requirement (before Parish element)	10,681
Council Tax Base – Band D Properties	60,953.5
Council Tax at Band D	£175.23

12.2 **Cabinet is asked to agree and recommend to Council Colchester's element of the Council Tax for 2011/12 at £175.23 per Band D property, which remains unchanged from 2010/11, noting that the formal resolution to Council will include Parish, Police, Fire and County Council precepts and any minor change arising from the formal Revenue Support Grant announcement.**

13. Medium Term Financial Forecast – 2011/12 to 2014/15

13.1. This Council, in common with most other local authorities, faces an ongoing difficult position in the medium term due to a range of pressures including providing statutory services, ongoing pressures caused by reduction in several sources of fees and charges and interest earnings and potential revenue implications of strategic priorities. However, the most significant factor that will impact on budget will be the level of Government grant support.

- 13.2. The Comprehensive Spending Review 2010 (CSR10) set out spending plans for the next 4 years and provided high level figures across all departments alongside welfare reforms and a number of other policy announcements / reforms. The grant Settlement provided details of grant for the next two years and a second two year Settlement is expected to follow for which Government intends to adopt a new allocation system.
- 13.3. The Medium Term Financial Forecast (MTFF) is attached at Appendix G showing that the Council will face the need to bridge a budget gap of £2.1m over the three years from April 2012 with the 2012/13 gap likely to be in the region of £0.3m. To formulate the MTFF it is necessary to make a number of assumptions. Generally, these do not represent decisions but are designed to show the impact of a set of options for planning purposes. The key assumptions and savings required are set out at the Appendix and summarised below:-

Government Grants and Local Government Finance

- 13.4. A reduction of 9% in Formula Grant equivalent to £837k pa in 12/13 has been allowed for with further reductions of 5% assumed for each of the following two years. Any assumptions for the latter two years must be treated with caution and these forecasts will need to be reviewed in due course.
- 13.5. The Government is currently considering responses to the consultation on the New Homes Bonus. This is a reward scheme intended to offer local authorities and local communities financial incentives to agree to new housing developments in their area by paying a grant based on the increase in the Borough taxbase (the equivalent number of Band D properties).
- 13.6. This could potentially provide an important source of grant funding, however, there remains uncertainty concerning a number of elements of the scheme which are expected to be made clear shortly. One important point to note is that initial central government funding is capped and all future funds will come from the overall formula grant allocation and so councils will see their grant reducing in order to pay for this Bonus. How this redistribution will impact on individual authorities such as Colchester is not known.
- 13.7. Further changes in Government funding over the course of the MTFF are likely with potential reductions in grants for benefit administration.
- 13.8. There are a number of areas where there is an expected wider change to local government finance with potentially significant impacts for district councils in particular. The Government has stated that a Local Government Resource Review will be carried out in 2011 with the intention of delivering proposals for long term change to how local authorities are financed including local retention of business rates. An implementation plan for localising Council Tax Benefit is also expected in 2011.

Pay, Inflation and costs

- 13.9. The 2011/12 budget includes no allowance for a pay award. The same assumption has also been made for 2012/13 with an assumed increase of 2% for each following two years. For other price inflation a range of 1% to 1.5% has been used although it will be necessary to review forecasts for specific areas in due course.

- 13.10. An allowance for changes to pension costs following the actuarial review has been included. It is assumed that the increased cost in 2012/13 and 2013/14 will be funded by the provision set aside in the 2011/12 budget. Beyond 2013/14 an assumption of an increased cost of £250k is shown and this will be refined in future years as the position becomes clearer.

Forecast savings

- 13.11. The MTFF includes changes to forecast savings for 2012/13. These include the removal of one-off items and the full year impact of on-going savings. These changes total £411k with the most significant savings being those in respect of the Street Services and Revenues and Benefits FSRs.

Economic Background – Fees and charges

- 13.12. It is evident that there has been a reduction in some income budgets such as planning, car parking and net interest earnings in recent years. The MTFF assumes a broadly neutral position over the next three years and this will need to be reviewed annually to ensure income targets are reasonable.

Council Tax

- 13.13. A planning assumption has been used of increase in Council Tax of 2.5%pa. This is shown for planning purposes only in the MTFF position and does not represent a proposal.

Summary

- 13.14. In the 2011/12 budget savings of £3.6m have been found which is significantly more than in previous years. Whilst we will continue to look for other areas of savings and efficiencies it will be increasingly hard to balance budgets without considering variations to current services.
- 13.15. This year's budget process includes assumptions in respect of savings anticipated through the fundamental service review process and these and other budget reviews will continue during 2011/12. The Budget Group has also noted a number of areas where savings in 2012/13 may be possible. This group is continuing to meet and has started considering steps necessary to deliver balanced budgets for future years.

- 13.16. **Cabinet is asked to note the medium term financial position forecast for the Council.**

14. Capital Programme

- 14.1. The capital programme has been reviewed recently and as a result changes were agreed by Cabinet and Council in December. No further changes are proposed at this stage.

15. Robustness of Estimates

- 15.1 The Local Government Act 2003 placed a specific duty on the Chief Financial Officer to report on the robustness of estimates in the budget proposals of an Authority when the budget is being considered. This section addresses this requirement.

- 15.2 As set out in this paper a rigorous process and timetable has been followed throughout the budget setting activity this year involving the Cabinet, Leadership Team, Finance and Audit Scrutiny Panel, Senior Management Team, the Budget Group and budget holders. All key assumptions used have been reviewed and scrutinised as part of this process. The result of this process has been a budget which is, in my view, challenging but deliverable.
- 15.3. This financial year, 2010/11, has so far been one of major change for all of the public sector with the Government's plan for deficit reduction resulting in cuts in grant funding in year. The Comprehensive Spending Review and subsequent grant Settlement has now provided some certainty over the extent of the reductions in resources facing the Council over the next two years and outline indications for two further years.
- 15.4. The continuing impact of reductions in income remains a budget pressure. This includes pressures on income from areas such as planning and car parks. Interest rates remaining at very low levels and more restrictive investment policy means that budget assumptions remain challenging. Steps have been taken to revise some income budgets such as car parking, however, these budgets will be closely monitored during the year to identify any possible variances.
- 15.5. By taking appropriate action within the proposed 2010/11 budget, exposure to further downgrading of assumptions has been reduced and to that extent some of the risk has been mitigated. However, the need to draw heavily on reserves to support the budget, albeit largely in respect of one-off items, is a concern and considerable financial discipline will be required to achieve balanced budgets over the medium term.
- 15.6. Whilst I consider that reasonable assumptions have been made to account for the pressures being faced there remains a degree of risk with the key areas being:-
- The combined impact of low interest rates and negative cashflow factors such as reduced levels or delays to securing capital receipts on the net interest budget.
 - The ability to deliver all savings included within the budget, including the assumptions in respect of fundamental service reviews and other corporate budget reviews.
 - Meeting income levels in particular in respect of planning, leisure and car parking and the new sources of income.
- 15.7. These risks will be managed during 2011/12 by regular targeted monitoring and review at Senior Management Team and Finance and Audit Scrutiny Panel. The Revenue Balance Risk Analysis considered these areas in establishing a minimum level of required balance of £1.5m.
- 15.8 Delivery of the budget will continue to require financial discipline led by SMT in terms of a number of budget reviews and by budget holders, ensuring expenditure is not incurred without adequate available budget and that income targets are achieved. Budget managers will continue to be supported through training and advice to enable them to do this.
- 15.9. Regular updates on forecast expenditure will also be important to ensure the budget is managed within the expenditure constraints set out.

15.10 **Cabinet is asked to note the comments on the robustness of budget estimates.**

16. Prudential Code Indicators

16.1. The aims of the Prudential Code are to assist local authorities to ensure that:

- Capital expenditure plans are affordable
- All external borrowing is at a prudent and sustainable level
- Treasury management decisions are taken in accordance with good practice
- The authority is accountable in taking decisions by providing a clear and transparent framework.
- The framework is consistent with and supports local strategic and asset management planning and proper option appraisal.

16.2. The prudential indicators are designed to support and record decision making in relation to capital expenditure plans, external debt and treasury management. Estimating capital expenditure for the forthcoming financial year and the following two financial years is the starting point of the calculation of prudential indicators. The Council has made reasonable estimates of both HRA and non-HRA total capital expenditure.

16.3 In agreeing the Council's revenue budget and capital programme there is a requirement to approve the prudential indicators for the coming year.

16.4 The recommended Prudential Indicators for 2011/12 are set out in the background paper with relevant commentary.

16.5. One of the key requirements of the Code is that the Council agrees a number of prudential indicators which set out the limits to which the Council may borrow and the implications of borrowing. The main assumptions used in setting these indicators are that:

- The revenue and capital budget proposals set out in this report will be agreed.
- That treasury management decisions will be carried out in line with the Treasury Management Strategy.

16.6. The Council is required to annually approve the Treasury Management Strategy and Annual Investment Strategy that underpins the setting of some of the prudential indicators, the Council's capital programme and the revenue budget for net interest earnings. The 2011/12 strategy reflects the revised CIPFA Treasury Management in the Public Services Code of Practice. The strategy states that the Council will continue to 'borrow internally' for the foreseeable future to reduce exposure to interest rate and credit risk, as well as providing forecasts on interest rates and setting the policy for calculating the Minimum Revenue Provision.

16.7 **Cabinet is asked to agree and recommend to Council:**

- **The revised CIPFA Treasury Management in the Public Services Code of Practice, including the four amended clauses**
- **The revised Treasury Management Policy Statement**
- **The Treasury Management Strategy Statement and Annual Investment**

Strategy

- **The Prudential Indicators for 2011/12**
- **The Minimum Revenue Provision Policy Statement**

All of the above are set out in Appendix H

17. Strategic Plan References

- 17.1. The budget forecasting process has been underpinned by the Strategic Plan. The objectives of the Strategic Plan have informed all stages of the budget setting process.
- 17.2. This process for 2011/12 has though been dominated by the need to reduce costs and increase income in order to balance the budget with no real scope for additional investment or growth. The budget process has though ensured that resources have been maintained to deliver key front line services. Where budgets have been reduced for these areas, such as those within Street Services, it is mostly being done through the FSR process or other budget reviews.

18. Financial Implications

- 18.1 As set out in the report.

19. Publicity Considerations

- 19.1 Arrangements will be made to publish the approved tax levels in the local press and to produce the Council Tax Information Leaflet for distribution with the Council Tax bills. These will be in accordance with the legal requirements.

20.1. Human Rights Implications

- 20.1 None

21. Equality and Diversity

- 21.1. Consideration has been given to equality and diversity issues in respect of budget changes proposed as part of the budget process. This has been done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

22. Community Safety Implications

- 22.1 None

23. Health and Safety Implications

- 23.1 There are possible implications with removal of resources and some of the proposed savings, but each case has been reviewed and dealt with individually to mitigate or ensure risk is minimised.

24. Risk Management Implications

24.1 Risk management has been used throughout the budget process and specific consideration has been given to the Council's current risk profile when allocating resources. This is reflected in the corporate risk register.

25. Consultation

25.1. The budget will be scrutinised by Finance and Audit Scrutiny Panel on 25 January 2011. The statutory consultation with NNDR ratepayers takes place on 20 January 2011 and notes of the meeting will be provided at Cabinet.

25.2. Residents were given the opportunity to put forward their views regarding the budget in a consultation exercise. This was important to assess their priorities and thoughts on the services we provide. Overall, we received a total of 865 responses, where 628 (73%) were submitted online.

25.3. 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 as follows:

- Waste and Recycling (357 responses)
- Tackling anti-social behaviour (219 responses)
- Housing and Homelessness (203 responses).

25.4. The services that received the highest number of negative responses (rated first, second or third in terms of least important to the responder) are as follows:

- Mayoral and Civic Duties (578 responses)
- Arts and Culture (351 responses)
- Street Wardens (165 responses).

25.5. The Budget Consultation also encouraged residents to submit ideas on making additional savings and generating income. General ideas were submitted, such as turning off every other street light, reducing the amount of printed material by communicating electronically where possible, removal of free bin bags for residents and stopping ceremonial events for two years.

25.6. The consultation has helped provide an indication of the priorities of residents and Cabinet and senior managers have reviewed all the comments received in detail. Some ideas have already been put in place and whilst it is not always practical to implement all of the ideas suggested the outcomes of the exercise has helped to inform budget decisions.

Background Papers

Detailed Service Group Expenditure Papers

Budget reports to Cabinet – 1 December 2010

2011/12 Budget Timetable	
Budget Strategy March 10 – July 2010	
March – June (SMT and Budget Group)	Budget Group Meetings Agreed Update MTFF /Budget Strategy Review potential cost pressures, growth and risks Consider approach to budget Initial budget reviews started
Cabinet – 30 June 10	<ul style="list-style-type: none"> • Report on updated budget strategy / MTFF • Timetable approved
SOSP – 20 July 10	Review Cabinet report
Budget Group / Leadership Team - June / July	Consider review of capital programme Consider approach to consultation
Detailed Budget preparation and Budget Setting Consultation	
Budget Group / Leadership Team regular sessions on progress / budget options now - December	Review budget tasks (the 5 tracks) Consider outcomes of Fundamental Service Reviews
Cabinet – 20 October 10	Budget Update
Cabinet – 1 December 10	<ul style="list-style-type: none"> • Budget update • Reserves and balances • Grant settlement
SOSP – 14 December 10	Review Cabinet report / Budget Position (Strategic Review)
FASP – 25 January 11	Review consultation / Budget position (Detailed proposals)
Cabinet – 26 January 11	Revenue and Capital budgets recommended to Council
Council – 16 February 11	Budget agreed / capital programme agreed / Council Tax set

2011/12 Revenue Cost pressures

Heads of Service / Portfolio Holders have been asked to contain cost pressures within existing budget allocations wherever possible. The following are specific areas where budget allocations have been increased. Changes since the report to Cabinet on 1 December 2010 are highlighted.

	Previous Forecast	Updated Forecast	
	£'000	£'000	Comment
Inflationary pressure	140	140	Net inflation impact, including the assumption of a nil pay award for 2011/12 and general increase averaging c1.5% with income rising by a similar amount.
Incremental pension contributions (including contribution to provision for future years)	250	72	Previous triennial reviews of the pension fund have shown a significant deficit due to market conditions and increased life expectancy. This financial pressure is one being felt by all local authorities and other organisations. The impact of the current triennial review has been considered as part of the 2011/12 budget and the reduced figure is in line with this review and includes the contribution to a provision to fund increases in later years.
Minimum Revenue Provision	71	71	Increase in calculated figure based on statutory criteria and decisions taken in respect of borrowing.
Car Parking Income	200	200	It has previously been reported that income from these services is below budget assumptions. Based on current forecasts it is considered appropriate to make an allowance for reduced income.
Planning and Cemetery and crematorium income	130	130	
Sport and Leisure Grants and introduction of contribution to repair and renewals (R&R).	130	160	It has previously been reported that there will be a cost pressure arising from the ending of the free swimming grant. In addition, it is currently anticipated that other reductions in funding will occur next year. A contribution of £30k towards the R&R is also now included.

	Previous Forecast	Updated Forecast	
	£'000	£'000	Comment
Government grants (HPDG, LABGI, ABG)	770	770	The budget forecast for 2011/12 had previously assumed that funding from these grants would cease in 2011/12., but they were removed in 2010/11.
Housing benefit administration grant and homelessness grant		50 (50)	The Government Grant Settlement provided confirmation of other grants. These included a reduction in housing benefit administration grant of £50k and an increase in homelessness grant of the same value.
Total	1,691	1,543	

Summary of Savings / Increased Income

	Total £
Service specific savings	£
Executive Management Team	20,000
Corporate Management	589,400
Customer Service Centre	52,900
Environmental & Protective Services	421,100
Life Opportunities	543,500
Resource Management (incl. CDC)	510,000
Strategic Policy and Regeneration	212,000
Street Services	627,000
Total Service Savings	2,975,900
Shared Management	150,000
Reduction in parish grants	100,000
ICT review	50,000
Office Accommodation	40,000
Colchester Borough Homes – FSR	50,000
Communications review	200,000
Total Service Savings	3,565,900

Notes:

The budget also includes the continuation of the savings target in respect of salaries of £315k which has been allocated across service areas.

Housing FSR savings are shown all within Life Opportunities, however, some saving will be within SP&R.

The table above excludes miscellaneous adjustments to technical / corporate budget items.

The following pages set out a breakdown for all specific proposals.

<i>Saving Options</i>	<i>2011/12 £</i>	<i>Ongoing £</i>	<i>Comments e.g. impact on service / risk to delivery/ description of delivery</i>
Corporate Management			
Human Resources - Training	22,500	35,500	Reduced cost of corporate training including Leadership Days, reduced cost of in-house training and HR training and conference costs.
Staff costs - overtime	86,000	86,000	Introduction of flat time overtime rates across the Council. This means the same overtime rate is now applied across the Council. Discussed with Unison.
Staff costs - subscriptions	15,000	30,000	Contribution to professional subscriptions reduced by 50% from April 2011 and 100% from April 2012.
Carbon Management Programme	43,000	85,000	Reduced energy costs from LACM (local authority carbon management programme) projects
Civic Offices / Facilities Management	79,300	79,300	Procurement savings: cleaning contract, printers and vending. Also savings on furniture and reduction of hallkeeping at Rowan House through not replacing vacant post
Facilities Mgt / Building Mitce	38,400	38,400	Removal of vacant post and merger of two roles.
Land Charges	35,200	35,200	Not replacing 2 p/t staff; reduction in fees to Northgate, IT supplier
Legal Services	35,500	35,500	Not replacing member of staff following retirement
HR Manager	7,200	7,200	Reduction in hours of HR manager
Corporate ICT	12,000	12,000	Reduced officer hours
ICT costs	52,750	52,750	Saving through use of I-Connect service and other on going ICT initiatives
Head of Service	11,000	4,900	Small savings across service including eg stationery, printing etc
Staff costs - payslips	3,300	3,300	Move to electronic pay slips except where staff don't have access to IT
Communications	38,150	38,150	Review of external communications with a view to move to more on-line publications supported by a range of other communication mechanisms

<i>Saving Options</i>	<i>2011/12 £</i>	<i>Ongoing £</i>	<i>Comments e.g. impact on service / risk to delivery/ description of delivery</i>
Management Consultancy and Support and FSR Resources	47,000	47,000	Reduction in consultancy and support costs to Fundamental Service Reviews
Income target - Flexible Working, FSR's and learning & development	32,000	32,000	Income opportunities across a range of areas of expertise
Members public transport, hospitality and subsistence and training.	10,400	10,400	These costs have reduced and this saving reflects underpends in these areas
Messenger & timed post delivery	10,700	10,700	Internal service to be used for delivery of bags to Councillors
Civic Fund	10,000	10,000	Task and Finish Group reported to FASP 15/12/10 and suggested savings at this level
Customer Service Centre			
Uniform	2,000	2,000	A review of the CSC uniform policy to reduce costs
Website Review	5,900	5,900	Reduction in support from Website provider training in-house staff to do more
Reduce opening hours of CSC	45,000	45,000	Reduction in opening hours of the CSC by half an hour at the beginning and end of the day. Enquiries will be managed between 9am to 5pm and customers needing to contact the council outside of these hours will be supported either in an automated way, online or by staff calling customers back outside of these hours.
Executive Management Team			
Customer Excellence & Marketing	10,000	10,000	Reduced capacity to deliver Customer Excellence programme
Income target - Customer excellence	10,000	10,000	Development of training package to sell externally
Environmental & Protective Services			
Reductions in office expenditure	9,900	9,900	Includes reduction in costs of mileage, hospitality, stationery, printing
Training budget	13,900	0	One off saving on training budget can be delivered but need to ensure that staff continue to develop professionally to keep level of expertise.

<i>Saving Options</i>	<i>2011/12 £</i>	<i>Ongoing £</i>	<i>Comments e.g. impact on service / risk to delivery/ description of delivery</i>
Reduction of IT software licences	3,000	3,000	Reduction in the number of licenses
Clerical Assistant Post	8,300	8,300	Vacant post not being filled
Animal Control Officer	21,800	21,800	Vacant post not being filled
Anti-Social Behaviour Manager	10,100	10,100	Vacant half post not being filled
Planning Officer	40,800	40,800	Vacant post not being filled
Professional Support Officer	7,400	7,400	Shift to electronic processing of mail reduces capacity needed
Rental income from Flower Chapel	3,000	3,000	Agreement with tenant to pay rent after first year of lease
Increase income by targeting enforcement activity to identify offences relating to fee-paying activities	10,000	10,000	Targeted enforcement
Planning Officer (reduce by 9 hours)	9,700	9,700	Service absorbed the reduction of 9 hours due to a staff absence and can do so on an ongoing basis
Health and Safety Technical Officer	17,200	17,200	Reduction in level of health and safety inspections - low-risk premises will no longer be inspected on a routine basis
Income target - Professional Services	60,000	60,000	Income from providing professional support on a consultancy basis to other Local Authorities (Urban Design, Landscape Design, Arboricultural Services)
Statutory planning applications	30,000	30,000	Negotiation of contract with local newspaper for the delivery of statutory Planning adverts to reduce cost
Cemetery and Crematorium - reductions in grounds maintenance provision, change in provision of music for services, reduction in energy costs	83,000	83,000	Reductions in energy costs are as a result of the new Cremators currently being installed, the reductions in grounds maintenance include a slight reduction in litter picking and a reduction in the frequency of grass cuts in the older part of the cemetery, introduction of "Wesley System" for providing music provides a staff saving
Tymperleys	23,000	23,000	Current negotiations taking place with local Heritage Groups in respect of the future for both Tymperleys building and Clock Museum.

<i>Saving Options</i>	2011/12 £	Ongoing £	<i>Comments e.g. impact on service / risk to delivery/ description of delivery</i>
Museums and arts (Museums)	70,000	70,000	Savings delivered by a range of reductions in expenditure, standardising closures of Museums across the service for specific days and reductions in staffing levels.
Life Opportunities			
Proportion of salary savings from removal of group manager post	29,000	29,000	Removal of vacant post from structure
Removal of community research budget	13,000	13,000	Saving made on an external research budget for community projects
Salary savings from reducing administrative support posts	36,000	36,000	Removal of vacant posts from structure
Increase sports pitches charges	5,000	5,000	Income is dependent on customer demand
In-house delivery of income-generating event in Castle Park	12,500	12,500	Income is dependent on customer demand
Provision of new beach huts locations at West Mersea	3,000	3,000	Income from ground rent on new locations - dependent on customer demand
Reduced maintenance costs from removal of one bowling green at Old Heath Recreation Ground	7,000	7,000	Current customer demand can be met by reducing number of bowling greens from 2 to 1
Increase in Beach Hut ground rent and transfer charges to levels comparable with near neighbouring authorities	36,500	36,500	Income is dependent on customer demand
Introduce consistent charging policy for use of Kings Meadow for parking during events	2,000	2,000	Income is dependent on customer demand
Removal of Castle Park putting green maintenance costs due to improvements in park facilities	1,500	1,500	Removal of putting green maintenance on site of new children's play area

<i>Saving Options</i>	<i>2011/12 £</i>	<i>Ongoing £</i>	<i>Comments e.g. impact on service / risk to delivery/ description of delivery</i>
Changes to Castle Park staffing arrangements	25,000	25,000	Review of security arrangements
Closure of Leisure World Colchester Creche	10,000	10,000	Impact on current creche customers and potential staff redundancies
Changes to Highwoods Sports Centre staffing arrangements	30,000	30,000	Minimal impact on customers and potential staff redundancy
Development of Aqua Springs offers and facilities to generate additional customer income	68,000	68,000	Income is dependent on customer demand and investment from repairs and renewals budget
Increase in Leisure World Colchester car park income through targeted offers	20,000	20,000	Income is dependent on customer demand and marketing support
Increased income through rental of meeting rooms to external customers	5,000	5,000	Income is dependent on customer demand
Reductions in Sport and Leisure repairs and maintenance budgets	80,000	20,000	£60k of savings are one-off only. Operation of facilities and generation of income depends on ability to respond to need for unforeseen repairs
Increased income from lunches and snacks at Activity Centres, along with changes to staff cover arrangements	10,000	10,000	Income is dependent on customer demand
General fund proportion of the savings delivered from the Fundamental Service Review of Housing Services. (note: includes savings within Strategic Policy and Regeneration).	150,000	150,000	New service went live on June 14 2010.
Resource Management			
Internal audit contract (450 audit days per annum)	20,000	20,000	Full tender exercise completed. New contract rates apply. No price escalation. Better audit planning.

<i>Saving Options</i>	<i>2011/12 £</i>	<i>Ongoing £</i>	<i>Comments e.g. impact on service / risk to delivery/ description of delivery</i>
Internal audit contract (further efficiencies)	20,000	20,000	Use of Assurance Mapping tool to reduce duplication of audits by using existing third party assurances. Small increased risk but manageable.
Procurement Hub rebates	20,000	20,000	Assumes continued use of frameworks. Assumes a higher target for the Hub to achieve but in line with 10/11 results.
Bailiff contract (no commission)	7,000	7,000	Agreed in new contract following tender exercise.
Reduced staff hours & increased annual leave / salary sacrifice	15,000	0	Reduced capacity in Finance team. One-off saving only.
Reduce use of tax advice, Finance Advisory Network etc.	15,000	15,000	May miss out on some relevant issue but risk is manageable.
Reduce printing of ad hoc leaflets in Benefits	4,000	4,000	May reduce benefit take up but other methods of communication are also used to mitigate any risk.
Reduce grounds maintenance	5,000	5,000	Savings on maintenance at commercial properties.
Review Single Person Discounts	25,000	25,000	Review in progress. Income is an estimate. Benefit seen in Collection Fund.
Reduced charges from Audit Commission	15,000	15,000	Await confirmation of exact figure from Audit Commission but principle is agreed.
Corporate subscriptions	4,000	4,000	Saving already made.
Asset Management Plan - action plan for delivery of Estates activities.	50,000	50,000	Additional rental income / reduced costs from more efficient use of properties. Delivery depends partly on market conditions.
Revenues and Benefits - FSR	185,000	335,000	Final structure agreed and recruitment completed. Now being implemented. Risk to delivery of service is mitigated by new technology and processes.
Reduced NNDR when sale of Roman House & St James House goes through and rental income from Old Police Station.	100,000	100,000	Delivery depends on completion of the sale of these two properties.
Reduce Accountancy staff by one post	25,000	35,000	Review commenced of finance tasks to see how to deliver this.

<i>Saving Options</i>	<i>2011/12 £</i>	<i>Ongoing £</i>	<i>Comments e.g. impact on service / risk to delivery/ description of delivery</i>
Strategic Policy and Regeneration			
Shared programme manager role in Housing and Regen	26,000	26,000	Merger of two project roles, one is vacant.
Loss of one support post	20,000	20,000	Review underway to implement from April 2011.
Spatial policy income from 'selling expertise'	36,000	36,000	Secured for 2011
Communications - Engagement and communications post in regeneration.	25,000	25,000	Post will end in June 2011 at end of 1 year contract.
Communications - Enterprise & marketing publications spend	5,000	5,000	Reduction in spend
Museums & Arts FSR (arts grants)	100,000	100,000	Exact distribution of saving across the three venues to be confirmed.
Street Services			
Remove Project budget and External printing costs from Community Street Wardens (CSW)	8,000	8,000	As we move to the proposed arrangement for Zone Working Zone Wardens will be encouraged to be more creative in advertising and getting free printing. There will be an emphasis on working closely with communities to deliver projections.
Increase in parking offer charge from 1.11.10 increasing the offer rate to £2.50 from £2.00	85,000	85,000	This forms part of the new charging structure for car parks which is designed to increase income whilst encouraging more usage of the Council's car parks by introducing tariff changes requested by traders.
Reduce Street Care resource by 1(25% of staff resource)	30,000	30,000	The duties of this post will be absorbed into Zone Working.
Merge Monitoring Centre and Community Alarms Teams	104,000	104,000	Following consultation with staff it is planned to implement the changes by April 2011.
Street Services	400,000	676,000	The Full Business Case has been agreed by Cabinet and the Implementation Plan is now out for consultation with staff.
Technical Items / Corporate Reviews			

<i>Saving Options</i>	<i>2011/12 £</i>	<i>Ongoing £</i>	<i>Comments e.g. impact on service / risk to delivery/ description of delivery</i>
Shared Management	150,000	150,000	We are currently progressing discussions with Braintree and Tending District Councils to consider sharing services and/or managers. In addition we continue to discuss with the County Council and others possibilities of sharing services and obtaining efficiencies.
Reduction in parish grants	100,000	100,000	Reduction in grant allocation agreed by Portfolio Holder
ICT Review	50,000	50,000	Review of ICT resources across the Council
Office Accommodation	40,000	40,000	Review of office space in Rowan House
Colchester Borough Homes FSR	50,000	50,000	General Fund
Communications - review of all resources across the Council	200,000	200,000	To be delivered from a number of different services included in the review
Total s	3,565,900	3,976,900	

Budget Analysis – Appendix D

	Adjusted Base Budget £	One-Off Items £	Cost Pressures £	Technical Items £	Total Savings £	Detailed 11/12 Budgets £
Corporate & Democratic Core	356		4		(19)	341
Executive Management Team	744		1		(20)	725
Corporate Management	6,734	(13)	70		(483)	6,308
Customer Services	1,135		2		(51)	1,086
Environmental & Protective Services	2,577		124		(420)	2,281
Life Opportunities	5,594	(15)	174		(440)	5,313
Resource Management	278	(87)	93		(496)	(212)
Strategic Policy & Regeneration.	2,973	(455)	14		(227)	2,305
Street Services	2,583	4	160		(710)	2,037
Total Services	22,974	(566)	642	0	(2,866)	20,184
Technical Items						
<i>Corporate Targets</i>						
Shared Services	0		0		(150)	(150)
FSR	0		0		(50)	(50)
ICT Review	0		0		(50)	(50)
Office Accommodation Review	0		0		(40)	(40)
Communications & Marketing Review	0		0		(200)	(200)
<i>Corporate Grants</i>						
LABGI	(100)		100			0
HPDG	(648)		648			0
Area Based Grant (ABG)	(22)		22			0
Council Tax Freeze Grant					(267)	(267)

	Adjusted Base Budget	One-Off Items	Cost Pressures	Technical Items	Total Savings	Detailed 11/12 Budgets
	£	£	£	£	£	£
<i>Non-Service Budgets</i>						
Grants to Parish councils	202		0		(100)	102
CLIA (net interest)	619		0			619
Min Revenue Provision	587		71			658
Pensions	2,352		72	(27)		2,397
Redundancy Provision	150	(150)	0			0
ECC Second Homes	(144)		0	(5)		(149)
Heritage Reserve	12		0	(3)		9
Invest to Save	(34)	19	0	15		0
Icelandic Investment Impairment	615	(615)	0			0
GF/HRA adjustments	(2,648)		(12)	(38)	(110)	(2,808)
Total Below the Line	941	(746)	901	(58)	(967)	71
Total incl. Below the line	23,915	(1,312)	1,543	(58)	(3,833)	20,255
<i>Funded by:-</i>						
General Reserve	(671)	671	0			0
Capital Expenditure Reserve	(1,210)	910	0			(300)
Regeneration Reserve	(166)	166	0			0
Other Reserves - S.106	(70)		0			(70)
Government Grant (RSG / NNDR)	(11,156)		1,894			(9,262)
Council Tax	(10,593)		0		(88)	(10,681)
Collection fund Transfer	(49)	49	58			58
Total	(23,915)	1,796	1,952	0	(88)	(20,255)

**General Fund Balances
Current Position**

	£'000
Balance as at 31 March 2010 (As per Statement of Accounts)	3,926

Proposed use of balances during 2010/11:

- | | |
|--|-----|
| • Financing carry forwards – Proposed carry forward of 09/10 budgets | 196 |
| • Funds released in 09/10 carry forward to 10/11 | 297 |
| • Supporting the 10/11 Budget (agreed as part of 10/11 budget) | 671 |
| • Further Changes in 2010/11 | 510 |
| • Forecast overspend in year | 150 |

Projected Balances as at 31 March 2011

Less: proposed earmarked sum to fund one off costs

Agreed minimum balance

2,102

Up to 600

1,500

Potential Surplus Balances as at 31 March 2011 (based on 2010/11 forecast outturn)

2

Renewals and Repairs 2011/12 Releases

Renewals and Repairs 2011/12 Releases

Scheme	Requested Value of Release
Various	
Building Maintenance Programme	512,000
Environmental and Protective Services	
Cemetery - Chapel Decorations	12,000
Cemetery - Boundary Wall	20,000
Life Opportunities (All Colchester Leisure World)	
CLW Squash Court Refurbishment	20,000
Highwoods Sports Hall Floor	13,000
Closed Churchyard - Monuments	2,400
Closed Churchyard - Boundaries/Wall	6,700
Castle Park Café and Grounds - Roof/Railings	9,500
Total	595,600

Medium Term Financial Forecast				
2011/12 to 2014/15				
	2011/12	2012/13	2013/14	2014/15
	£'000	£'000	£'000	£'000
Base Budget	25,670	20,313	20,179	20,826
Remove one-off items	(1,313)	0	0	0
Cost Pressures	773	277	742	890
Growth Items	0	0	0	0
Savings	(3,623)	(353)	(95)	0
Adjustments: Concessionary fares	(1,755)			
Changes to Gov't grants (LABGI, HPDG, Council Tax Freeze etc)	503	0	0	0
Forecast Base Budget	20,255	20,179	20,826	21,716
Government Grant	(9,262)	(8,425)	(8,004)	(7,604)
Council Tax	(10,681)	(11,003)	(11,334)	(11,676)
Collection Fund Surplus	58	0	0	0
Use of Reserves	(370)	(467)	(472)	(370)
Total Funding	(20,255)	(19,895)	(19,810)	(19,650)
Budget (surplus) / gap before changes (cumulative)	0	284	1,016	2,066
Annual increase		284	732	1,050

Key Assumptions
Inflation - Pay assumed at 0% for 12/13 and 2% for the following two years, other cost and income circa 1 / 1.5%
Gov't Grant – The grant for next two years is reduced in cash terms by 15.5%, 9%. For the following two years a reductions of 5% pa has been shown for indicative purposes
Based on an increase in Council Tax of 2.5% pa for next three years

Cost Pressures				
General Inflation		140	640	640
Pensions		97	102	250
MRP (Minimum Revenue Provision)		40	0	0
Total		277	742	890
Savings				
One off adjustments		153		
HR – Reduced IT costs		(13)		
Staff Costs – Subscriptions		(15)		
Carbon Management Programme		(42)		
Revenue and Benefits FSR		(150)		
Accountancy Review		(10)		
Street Services – FSR		(276)	(95)	
Total		(353)	(95)	0

Use of Reserves				
Balances (General)				
S106 monitoring reserve		70	70	70
Pensions Provision		97	102	
Capital Expenditure Reserve:- Community Stadium		300	300	300
Total		467	472	370

Addressing the Budget Gap

The MTFF shows a budget gap of circa £2.1m over the three years from 2012/13. Whilst this is less than the gap for 2011/12 it should be seen in the context of the risks and variables set out below and also in terms of reduced budgets and more efficient services resulting in savings that will be increasingly hard to deliver.

Risk Areas / Comments

The key risk areas to the forecast are:-

Ref	Risk / Area of uncertainty	
1	<i>Government Grant and the Comprehensive Spending Review 10 (CSR10)</i>	<p>The CSR10 sets out the background to public sector finances over the next 4 years. The grant settlement which followed in December provided grant figures for 2011/12 and 2012/13 showing a reduction of 15.5% and 8.4% respectively. Further reductions in later years are expected and a provision for cash reductions of 5% in each of the last two years of the MTFF has been included.</p> <p>The Government has announced the intention to review Local Government resources and is expected to announce proposals for change later this year. These are expected to include proposals relating to NNDR (business rates) and also the localisation of Council Tax benefits. These are likely to be significant for district councils such as Colchester.</p>
2	<i>Government grants and partnership funding</i>	<p>The Council's budget has changed over recent years with a greater emphasis on funding from both partner organisations and Government bodies. These funding streams can rarely be guaranteed and can therefore add to our cost pressures.</p> <p>Provision has been made for reductions in Government grants in respect of housing benefit administration and sport and leisure. Further changes are possible over the coming years.</p> <p>No provision has been made in the budget for the New Homes Bonus for which the consultation period ended in December 2010. Future budget reports will consider this source of funding and the implications for the MTFF.</p>
3	<i>Pensions</i>	<p>An allowance has been built in for increases in pensions costs based on the results of the recent actuarial review and which therefore are fixed until 2014/15.</p>

Ref	Risk / Area of uncertainty	
4	<i>Fees and charges and other income</i>	As has been seen in the past few years we have experienced a number of pressures arising from changes in income levels. In the current year income from off street car parks, sport and leisure, planning and cemetery and crematorium have all experienced a level of shortfall. Looking ahead to 2011/12 and beyond it is difficult to estimate how income levels may continue to be affected. The 11/12 budget assumes some decrease in revenue from car parking, planning and cemetery and crematorium and future updates of the MTFF will consider any changes to income.
5	<i>Inflation</i>	An allowance for general inflation has been built into the 11/12 forecast and MTFF, and specific increases allowed for items such as energy. The current (November 2010) CPI is 3.3% and RPI is 4.7% The economic forecasts published by HM Treasury point to inflation figures for 2011 of 2.8% and 3.5% for CPI and RPI respectively. Not all the Council's costs are directly linked to RPI and therefore we will continue to monitor the impact of inflation on all Council costs with particular attention on energy costs. An assumption of no annual pay increase has been shown for 2012/13 with an increase of 2% pa thereafter. Any changes to this will need to be considered in future updates.
6	<i>Use of reserves</i>	The budget position for 2011/12 includes proposals to use certain reserves. The MTFF assumes the ongoing use of the capital expenditure reserve and S106 reserve. The forecast position on general balances shows that due to the forecast 10/11 outturn there is currently headroom of c£0.6m above the recommended level. The budget includes the proposal to agree that up to £0.6m be made available to meet one-off costs required to deliver the budget savings.
7	<i>Legislation</i>	There is likely to be several items of new legislation over the life of the MTFF for which any available funding may not cover costs or which may impact significantly on the Council e.g. universal credit.
8	<i>Impact of regeneration programme e.g. car park closure and staff resources</i>	As the regeneration programme progresses there will be an ongoing impact on income from car parks due to temporary and permanent closure of certain car parks and also the introduction of park and ride.
9	<i>Property review</i>	A review of our assets was carried out and a 5-year Building Repairs and Maintenance Plan produced. There will continue to be financial implications arising from this for both the revenue budget and capital programme and these will continue to be considered in detail and included in the on-going updates of the MTFF.
10	<i>Impact of growth in the Borough and demand for services</i>	A number of Local Authority services are directly impacted by the increase of population in the Borough, such as waste services, planning, benefits etc. As part of the budget it will be necessary to consider whether there is a need for additional resources in these or

Ref	Risk / Area of uncertainty	
		<p>other areas in order to maintain levels of service. At this stage no allowance for these areas has been provided within the MTFF. Fundamental Service Reviews (FSR) have been carried out or are being implemented on some of the key areas affected by growth and such as benefits, housing and street services. The financial assumption made is that these reviews will assist in identifying efficiencies to cope with changes in demand, however, this will be regularly reviewed.</p>
11	<i>Delivery of budget savings</i>	<p>The 2011/12 budget includes a number of budget targets including cross cutting reviews such as ICT and communications as well as FSR and other budget changes. The MTFF assumes these will be delivered as proposed.</p>
12	<i>Net earnings and investments</i> <i>Interest and</i>	<p>The budget is influenced by a number of factors including interest rates and cashflow movements. The treasury management strategy highlights the outlook for interest rates in the medium-term which points to continuation of unprecedented low levels into 2011/12. The MTFF currently assumes no further recovery in this area. This will be monitored and considered again as part of the 2011/12 budget. No further provision has been made in respect of the Icelandic investment impairment. The situation will be monitored and any changes reported and reflected in the MTFF.</p>

All these issues will remain as risks to be managed over the course of the MTFF.

TREASURY MANAGEMENT STRATEGY STATEMENT, MINIMUM REVENUE PROVISION POLICY STATEMENT and ANNUAL INVESTMENT STRATEGY 2011/12

1 *Introduction*

Background

- 1.1 Treasury management 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.”

Statutory requirements

- 1.2 The Local Government Act 2003 (the Act) and supporting regulations requires the Council to ‘have regard to’ the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Prudential Code and Treasury Management Code of Practice, and to set Prudential and Treasury Indicators for the next three years to ensure that capital investment plans are affordable, prudent and sustainable.
- 1.3 The Act therefore requires the Council to set out its strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act). This sets out the Council’s policies for managing its investments, giving priority to the security and liquidity of those investments.
- 1.4 The Department of Communities and Local Government (CLG) has issued revised investment guidance which came into effect from 1 April 2010. There were no major changes required over and above the changes already required by the revised CIPFA Treasury Management Code of Practice 2009.

CIPFA requirements

- 1.5 The CIPFA Code of Practice on Treasury Management (revised November 2009) was adopted by the Council on 17 February 2010. The primary requirements of the Code are as follows:
1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council’s treasury management activities.
 2. Creation and maintenance of Treasury Management Practices which set out how the Council will seek to achieve those policies and objectives.
 3. Reporting 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.
 4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Finance and Audit Scrutiny Panel.

Treasury Management Strategy for 2011/12

- 1.6 The suggested strategy for 2011/12 in respect of the following aspects of the treasury management function is based upon the treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury adviser, Sector Treasury Services. The strategy covers:
 - The economic background and prospects for interest rates
 - The borrowing strategy
 - The investment strategy
 - Prudential and treasury indicators
 - The Minimum Revenue Provision strategy
- 1.7 The Council's treasury portfolio position at 31 December 2010 comprised:

		Principal £m	Av. rate %
Fixed rate funding	PWLB	27.9	4.58
	Market	34.5	6.79
Gross debt		62.4	5.80
Overnight		2.0	0.73
up to 3 months		6.2	0.44
up to 6 months		8.0	0.49
up to 1 year		5.0	0.95
over 1 year		0.0	0.00
frozen		4.0	5.81
Total investments		25.2	2.80
Net debt		37.2	

Scheme of delegation

- 1.8 Full Council:
 - receiving and reviewing reports on treasury management policies, practices and activities
 - approval of annual strategy.
 - budget consideration and approval
 - approval of the division of responsibilities
- 1.9 Cabinet:
 - approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
 - approving the selection of external service providers
- 1.10 Finance and Audit Scrutiny Panel:
 - reviewing the treasury management policy and procedures and making recommendations to the responsible body
 - receiving and reviewing regular monitoring reports

- 1.11 The treasury management role of the Section 151 Officer:
- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
 - submitting regular treasury management policy reports
 - submitting budgets and budget variations
 - receiving and reviewing management information reports
 - reviewing the performance of the treasury management function
 - ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
 - ensuring the adequacy of internal audit, and liaising with external audit
 - recommending the appointment of external service providers.

Policy on the use of external service providers

- 1.12 The Council has appointed Sector Treasury Services as its external treasury management advisers. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2 Economic Background

- 2.1 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 strengthened against the US dollar and confidence has returned that the UK will retain its AAA rating.
- 2.2 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 is likely to have a knock on effect on consumer and business confidence and appears to have also hit the housing market as house prices started on a generally negative trend in mid 2010. Mortgage approvals are also at very weak levels and declining, all of which indicates that the housing market is likely to be very weak next year.
- 2.3 The outlook is for slow economic growth in 2011/12, although the Bank of England and the Office for Budget Responsibility are forecasting near trend growth (2.5%), which is above what most forecasters are currently expecting. Inflation has remained above the MPC's 2% target during 2010, but it is confident that it will fall back under the target over the next two years.
- 2.4 **Appendix A** draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. Sector's central view is that there is unlikely to be any increase in Bank Rate until the end of 2011. There is a downside risk to these forecasts if recovery from the recession proves to be

weaker and slower than currently expected. There are huge uncertainties in all forecasts due to the major difficulties of forecasting the following areas:

- the strength of economic growth in our major trading partners - the US and EU
- the danger of currency war and resort to protectionism and tariff barriers if China does not adequately address the issue of its huge trade surplus due to its undervalued currency
- the degree to which government austerity programmes will dampen economic growth and undermine consumer confidence
- changes in the consumer savings ratio
- the speed of rebalancing of the UK economy towards exporting and substituting imports
- the potential in the US for more quantitative easing, the timing of this, and its subsequent reversal in both the US and UK
- the speed of recovery of banks' profitability and balance sheet imbalances and the consequent implications for the availability of credit to borrowers
- the potential for a major EU sovereign debt crisis which could have a significant impact on financial markets and the global and UK economy
- Political risks in the Middle East and Korea

3 **Borrowing Strategy**

3.1 The table below summarises all new borrowing that has taken place in the current and previous financial years, together with estimates of future borrowing needs. This assumes that the Council will continue to borrow internally for the foreseeable future in respect of the purchase of Rowan House, additional funding for the Visual Arts Facility, the Business Incubation Centre, and new cremators. The Council's borrowing requirement is as follows:

	2009/10 £'000 actual	2010/11 £'000 probable	2011/12 £'000 estimate	2012/13 £'000 estimate	2013/14 £'000 estimate
External borrowing	62,400	62,400	62,400	62,400	62,400
Alternative financing arrangements	11,569	14,467	14,911	14,264	13,626
Replacement borrowing	0	0	0	0	0
TOTAL CFR (borrowing requirement)	73,969	76,867	77,311	76,664	76,026

3.2 Forecasts for new borrowing rates from the Public Works Loans Board (PWLB) are shown in **Appendix A**. The Council's borrowing strategy will give consideration to new borrowing in the following order of priority:

1. The cheapest borrowing will be internal borrowing by running down cash balances and foregoing interest earned at historically low rates. However, in view of the overall forecast for long term borrowing rates to increase over the next few years, consideration will also be given to weighing the short term advantage of internal borrowing against potential long term costs if the opportunity is missed for taking market loans at long term rates which will be higher in future years
2. PWLB variable rate loans for up to 10 years
3. Long term fixed rate market loans at rates significantly below PWLB rates for the equivalent maturity period (where available) and to maintaining an appropriate balance between PWLB and market debt in the debt portfolio.

4. PWLB borrowing for periods under 10 years where rates are expected to be significantly lower than rates for longer periods. This offers a range of options for new borrowing which will spread debt maturities away from a concentration in longer dated debt
 5. Preference will be given to PWLB borrowing by annuity and EIP loans instead of to maturity loans
 6. Rates are expected to gradually increase during the year so it should therefore be advantageous to time new borrowing for the start of the year.
- 3.3 In normal circumstances the main sensitivities of the forecast are likely to be the two scenarios noted below. The Council officers, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:
- if it were felt that there was a significant risk of a sharp FALL in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
 - if it were felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.

External v Internal Borrowing

- 3.4 This Council currently has a net debt of £37.2m. The general aim of this treasury management strategy is to reduce the difference between the gross and net debt levels over the next three years in order to reduce the credit risk incurred by holding investments. However, measures taken since 2008 have already reduced substantially the level of credit risk so another factor which will be carefully considered is the difference between borrowing rates and investment rates to ensure the Council obtains value for money once an appropriate level of risk management has been attained to ensure the security of its investments.
- 3.5 Over the next three years, investment rates are expected to be below long term borrowing rates and so value for money considerations would indicate that value could best be obtained by avoiding new external borrowing and by using internal cash balances to finance new capital expenditure or to replace maturing external debt. This would maximise short term savings.
- 3.6 The running down of investments also reduces exposure to interest rate and credit risk. However, short term savings by avoiding new long term external borrowing in 2011/12 will also be weighed against the potential for incurring long term extra costs by delaying unavoidable new external borrowing until later years when PWLB long term rates are forecast to be significantly higher.
- 3.7 The Council has examined the potential for undertaking early repayment of some external debt to the PWLB in order to reduce the difference between its gross and net debt positions. However, the introduction by the PWLB of significantly

lower repayment rates than new borrowing rates in November 2007, which has now been compounded since 20 October 2010 by a considerable further widening of the difference between new borrowing and repayment rates, has meant that large premiums would be incurred by such action and would also do so in the near term; such levels of premiums cannot be justified on value for money grounds. This situation will be monitored in case these differentials are narrowed by the PWLB at some future date.

- 3.8 Against this background caution will be adopted with 2011/12 treasury operations. The Head of Resource Management will monitor the interest rate market and adopt a pragmatic approach to changing circumstances, reporting any decisions to the appropriate decision making body at the earliest opportunity.

Policy on borrowing in advance of need

- 3.9 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be considered carefully to ensure value for money and the security of such funds. In determining whether borrowing will be undertaken in advance of need the Council will:

- ensure that there is a clear link between the capital programme and maturity profile of the existing debt portfolio which supports the need to take funding in advance of need
- ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered
- evaluate the economic and market factors that might influence the manner and timing of any decision to borrow
- consider the merits and demerits of alternative forms of funding
- consider the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use
- consider the impact of temporarily increasing investment cash balances and the consequent increase in exposure to counterparty risk, and other risks, and the level of such risks given the controls in place to minimise them

Debt Rescheduling

- 3.10 The spread between the rates applied to new PWLB borrowing and the repayment of debt has meant that PWLB to PWLB debt restructuring is now much less attractive than it was before. In particular, consideration would have to be given to the large premiums which would be incurred by prematurely repaying existing PWLB loans and it is very unlikely that these could be justified on value for money grounds if using replacement PWLB refinancing. However, some interest savings might still be achievable through using LOBO (Lenders Option Borrowers Option) loans, and other market loans, in rescheduling exercises rather than using PWLB borrowing as the source of replacement financing.
- 3.11 As short term borrowing rates will be considerably cheaper than longer term rates, there may be potential for some residual opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the size of premiums incurred, their short term nature, and the likely cost of refinancing those short term loans, once they mature, compared to the current rates of longer term debt in the existing debt

portfolio. Any such rescheduling and repayment of debt is likely to cause a flattening of the Council's maturity profile as in recent years there has been a skew towards longer dated PWLB.

- 3.12 The reasons for any rescheduling to take place will include the generation of cash savings and / or discounted cash flow savings, helping to fulfil the strategy outlined above, or enhancing the balance of the portfolio (maturity profile and/or volatility). Consideration will also be given to identify if there is any potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.
- 3.13 All rescheduling will be reported to the Finance and Audit Scrutiny Panel at the earliest meeting following its action.

4 Investment Strategy

Investment Policy

- 4.1 The Council will have regard to the CLG's Guidance on Local Government Investments and the 2009 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes. The Council's investment priorities are the security of capital and the liquidity of its investments.
- 4.2 The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite of this Council is low in order to give priority to security of its investments. The borrowing of monies purely to invest or on lend and make a return is unlawful and this Council will not engage in such activity.
- 4.3 Investment instruments identified for use in the financial year are listed in **Appendix B**. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

Creditworthiness policy

- 4.4 This Council uses the creditworthiness service provided by Sector. This service has been progressively enhanced over the last year and now uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moodys and Standard and Poors, forming the core element.
- 4.5 This modelling approach combines the credit ratings, with credit watches and credit outlooks from credit rating agencies in a weighted scoring system. This is then combined with an overlay of Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings, and sovereign ratings to select counterparties from only the most creditworthy countries. The end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for investments and are therefore referred to as durational bands. The Council is satisfied that this service now gives a much improved level of security for its investments and could not be replicated using in house resources.

- 4.6 The selection of counterparties with a high level of creditworthiness will be achieved by selection of institutions down to a minimum durational band within Sector’s weekly credit list of worldwide potential counterparties. The Council will therefore use counterparties within the following durational bands:
 - Yellow – 5 years (AAA rated Government debt)
 - Purple – 2 years
 - Blue – 1 year (applies to nationalised or semi nationalised UK Banks)
 - Orange – 1 year
 - Red – 6 months
 - Green – 3 months
 - No Colour – not to be used

- 4.7 Sole reliance will not be placed on the use of this external service. The Council will follow the approach suggested by CIPFA of using the lowest rating from all three rating agencies to determine creditworthy counterparties. This differs from the Sector creditworthiness service, which uses ratings from all three agencies in a risk weighted scoring system. In addition the Council will also use market data and market information, information on government support for banks and the credit ratings of that government support.

- 4.8 The Council is alerted to changes to ratings of all three agencies, movements in CDS and other market data on a weekly basis through the Sector creditworthiness service. If a downgrade or an extreme market movement results in the counterparty/investment scheme no longer meeting the Council’s minimum criteria, its further use as a new investment will be withdrawn immediately.

Country Limits

- 4.9 The Council has determined that it will only use approved counterparties from countries with a sovereign credit rating of ‘AAA’ from Fitch Ratings (or equivalent from other agencies if Fitch does not provide), as well as those from the UK. The list of countries that qualify using this credit criteria as at the date of this report is shown below. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

Canada	Denmark	Finland	France
Germany	Luxembourg	Netherlands	Norway
Singapore	Sweden	Switzerland	UK
USA			

Investment Strategy

- 4.10 The Council’s in-house managed funds are mainly cash-flow derived and there is a core balance available for investment over a 2-3 year period. Investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates. Current investments that mature during the 2011/12 financial year are listed below.

Principal Sums Invested for over 364 Days	Amount		
	£'000	Maturity	Rate %
Banks & Build. Socs.	1,000	Aug-11	1.70
UK Local & Police Authorities	2,000	May-11	0.72
	3,000		

- 4.11 The Bank Rate has been unchanged at 0.50% since March 2009. It is forecast to commence rising in quarter 4 of 2011 and reach 1.00% by the financial year end (March). However, there is a downside risk to the forecast if recovery from the recession proves to be weaker and slower than currently expected.
- 4.12 The Council will avoid locking into longer term deals while investment rates are down at historically low levels unless attractive rates are available within the risk parameters set by the Council that make longer term deals worthwhile. The suggested budget for investment returns on investments placed for up to three months during the 2011/12 financial year is 0.7%. This assumes that the Bank Rate starts increasing from November 2011. There is a downside risk to this forecast if the start of increases in Bank Rate is delayed even further.
- 4.13 For its cash flow generated balances, the Council will seek to utilise its business reserve accounts, 15 and 30 day accounts, money market funds and short-dated deposits (overnight to three months) to benefit from the compounding of interest.
- 4.14 The Council will report on its investment activity to the Finance and Audit Scrutiny Panel at the half-year stage, as well as at the end of the financial year as part of its Annual Report on Treasury Management. The Panel will also be informed of any other significant matters in the quarterly Capital Monitor reports.

Icelandic Investments

- 4.15 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 Council has followed the guidance issued by CIPFA detailing the impairments to be recognised in the accounts.
- 4.16 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.
- 4.17 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 £.

5 Prudential Indicators 2011/12 to 2013/14

- 5.1 Prudential and Treasury Indicators are relevant for the purposes of setting an integrated treasury management strategy. The first indicator is the adoption of

the CIPFA Code of Practice on Treasury Management. The original 2001 Code was adopted on 18 February 2004 and the revised 2009 Code was adopted by the full council on 17 February 2010.

- 5.2 It is a statutory requirement under the Local Government Finance Act 1992, for the Council to produce a balanced budget, to include the revenue costs that flow from capital financing decisions. This means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue caused by increased borrowing to finance additional capital expenditure, and any increases in running costs from new capital projects are limited to a level which is affordable within the projected income of the Council for the foreseeable future.
- 5.3 It is a statutory duty for the Council to determine and keep under review how much it can afford to borrow. This amount is termed the “Affordable Borrowing Limit”. The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is ‘acceptable’.
- 5.4 Whilst termed an “Affordable Borrowing Limit”, the capital plans to be considered for inclusion also incorporate financing by other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.
- 5.5 The Council’s Prudential and Treasury Indicators for 2011/12 to 2013/14 are shown in **Appendix C**.

6 *Minimum Revenue Provision Strategy*

Minimum Revenue Provision Policy Statement 2011/12

- 6.1 The Council implemented the new Minimum Revenue Provision (MRP) guidance in 2008/09, and will assess its MRP for 2011/12 in accordance with the main recommendations contained within the guidance issued by the Secretary of State under section 21(1A) of the Local Government Act 2003.
- 6.2 A proportion of the MRP for 2011/12 will relate to the historic debt liability that will continue to be charged at the rate of 4%, in accordance with option 1 (Regulatory Method) of the guidance. Certain expenditure reflected within the debt liability at 31st March 2011 will be subject to MRP under option 3 (Asset Life Method), and will be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.
- 6.3 The estimated life periods that are referred to in the guidance will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

- 6.4 As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

Interest Rate Forecasts

The data below shows a variety of forecasts published by a number of institutions. The first three are individual forecasts including those of UBS and Capital Economics (an independent forecasting consultancy). The final one represents summarised figures drawn from the population of all major City banks and academic institutions. The forecast within this strategy statement has been drawn from these diverse sources and officers' own views.

Individual Forecasts

Sector interest rate forecast – 6 January 2011

	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012	Jun 2012	Sep 2012	Dec 2012	Mar 2013
Base Rate	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.25%
3 month LIBID	0.60%	0.70%	0.80%	1.00%	1.25%	1.50%	1.75%	2.00%	2.50%
6 month LIBID	0.90%	1.00%	1.10%	1.20%	1.50%	1.80%	2.10%	2.40%	2.80%
12 month LIBID	1.40%	1.50%	1.60%	1.80%	2.10%	2.40%	2.70%	3.00%	3.20%
5yr PWLB Rate	3.30%	3.30%	3.40%	3.50%	3.60%	3.80%	3.90%	4.10%	4.30%
10yr PWLB Rate	4.40%	4.40%	4.40%	4.50%	4.70%	4.80%	4.90%	5.00%	5.10%
25yr PWLB Rate	5.20%	5.20%	5.20%	5.30%	5.30%	5.40%	5.40%	5.40%	5.50%
50yr PWLB Rate	5.20%	5.20%	5.20%	5.30%	5.30%	5.40%	5.40%	5.40%	5.50%

Capital Economics interest rate forecast – 12 January 2011

	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012	Jun 2012	Sep 2012	Dec 2012	Mar 2013
Base Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%
5yr PWLB Rate	3.20%	3.20%	3.00%	2.75%	2.75%	2.90%	3.00%	3.20%	3.40%
10yr PWLB Rate	4.75%	4.75%	4.25%	3.75%	3.75%	3.75%	3.75%	3.75%	3.90%
25yr PWLB Rate	5.25%	5.25%	4.85%	4.65%	4.65%	4.65%	4.65%	4.65%	4.75%
50yr PWLB Rate	5.30%	5.30%	5.20%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

UBS interest rate forecast (for quarter ends) – 6 January 2011

	Mar 2011	Jun 2011	Sep 2011	Dec 2011	Mar 2012	Jun 2012	Sep 2012	Dec 2012
Bank Rate	0.50%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%
10yr PWLB Rate	4.30%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%
25yr PWLB Rate	5.25%	5.30%	5.35%	5.40%	5.45%	5.50%	5.55%	5.60%
50yr PWLB Rate	5.35%	5.40%	5.45%	5.50%	5.55%	5.60%	5.65%	5.70%

Survey of Economic Forecasts

HM Treasury – December 2010

The current Q4 2010 and 2011 forecasts are based on the December 2010 report. Forecasts for 2010 – 2014 are based on 32 forecasts in the last quarterly forecast – in November 2010.

	Bank Rate	Qtr Ended		Annual Ave. Bank Rate			
	Actual	Q4 2010	Q4 2011	Ave. 2011	Ave. 2012	Ave. 2013	Ave. 2014
Median	0.50%	0.50%	2.00%	0.90%	1.60%	2.40%	3.00%
Highest	0.50%	0.80%	0.80%	2.10%	3.10%	3.60%	4.50%
Lowest	0.50%	0.50%	0.50%	0.50%	0.50%	0.60%	1.20%

Investment Policy

ORGANISATION	CRITERIA			MAXIMUM AMOUNT	MAX. PERIOD		
	Short-term	Long-term	Individual		Support Rating		
					1	2	3
Deposits with Banks and Building Societies (including unconditionally guaranteed subsidiaries)	Minimum F1+	AAA, AA+, AA,	A, A/B, B	£7.5m	2 years	2 years	
	Minimum F1+	Minimum AA-	Minimum B/C	£2.5m	1 year	1 year	
	Minimum F1	A+, A	A, A/B, B	£2.5m	6 mths	6 mths	
			B/C	£2.5m	3 mths	3 mths	
UK nationalised banks	F1+		E, F	£1m	1 year		
UK Government support to the banking sector**				£1m	1 year		
UK Local & Police Authorities				£10m	1 year		
Debt Management Agency Deposits				£10m	10 years		
Money Market Funds		AAA		£3m	60 days		
Multilateral Development Banks		AAA		£3m	1 year		
Investment schemes (e.g. bond funds)		AAA		£7.5m	5 years		

Other Limits:

- Sovereign debt rating of AAA only
- Country limit £10m
- UK limit £25m (Banks and Building Societies)
- Limit in all Building Societies £10m
- Limit of £20m in aggregate in non-specified investments
- Limit of 20% of investment portfolio with one count

** Where other criteria are not met. Banks eligible for support under the UK bail-out package are: Abbey (Santander), Barclays, HBOS (Lloyds), Lloyds TSB, HSBC, Nationwide Building Society, RBS, Standard Chartered.

Bank of Scotland, Clydesdale, Coventry Building Society, Investec Bank, Rothschild Continuation Finance PLC, Standard Life Bank, Tesco Personal Finance plc, West Bromwich Building Society, Yorkshire Building Society

Prudential Indicators

	2009/10	2010/11	2011/12	2012/13	2013/14
	Actual	Probable outturn	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Capital expenditure					
Non-HRA	9,581	15,428	13,758	806	0
HRA	3,391	6,486	4,778	4,868	4,958
Total	12,972	21,914	18,536	5,674	4,958
Ratio of financing costs to net revenue stream					
Non-HRA	5.47%	6.56%	8.12%	8.27%	8.25%
HRA	11.14%	10.71%	10.18%	9.83%	8.81%
Net borrowing requirement					
B/fwd 1 April	49,319	60,762	64,222	65,322	64,222
C/fwd 31 March	60,762	64,222	65,322	64,222	64,222
In year borrowing requirement	11,443	3,460	1,100	(1,100)	0
Capital Financing Requirement as at 31 March					
Non-HRA	23,086	25,984	26,428	25,781	25,143
HRA	50,883	50,883	50,883	50,883	50,883
Total	73,969	76,867	77,311	76,664	76,026
Annual Change in Capital Financing Requirement					
Non-HRA	(438)	2,898	444	(647)	(638)
HRA	0	0	0	0	0
Total	(438)	2,898	444	(647)	(638)
Incremental impact of capital investment decisions					
Council Tax (Band D)			£0.00	£0.00	£0.00
Housing Rents			£0.00	£0.00	£0.00

Treasury Indicators

	2009/10	2010/11	2011/12	2012/13	2013/14
	Actual	Probable outturn	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Authorised limit for external debt					
Borrowing		85,003	86,203	85,003	85,003
Other long term liabilities		0	0	0	0
Total		85,003	86,203	85,003	85,003
Operational boundary for external debt					
Borrowing		77,303	78,403	77,303	77,303
Other long term liabilities		0	0	0	0
Total		77,303	78,403	77,303	77,303
Actual external debt	62,400	73,843	77,303	78,403	77,303
Upper limit for fixed interest rate exposure			100%	100%	100%
Upper limit for variable rate exposure			50%	50%	50%
Upper limit for total principal sums invested for over 364 days			5,000	5,000	5,000
Maturity structure of new fixed rate borrowing during 2011/12					
	< 12 mths	1 - 2 yrs	2 - 5 yrs	5 - 10 yrs	> 10 yrs
Upper Limit	10%	50%	50%	70%	100%
Lower Limit	0%	0%	0%	0%	20%

Extract from the draft minutes of the Finance and Audit Scrutiny Panel meeting of 25 January 2011

2011/12 Revenue Budget and Medium Term Financial Forecast

Councillor Paul Smith, Portfolio Holder for Resources and Diversity, Councillor Tina Dopson, Portfolio Holder for Communities, Mr. Charles Warboys, Head of Resource Management and Mr. Sean Plummer, Finance Manager attended the meeting for this item.

Have Your Say

Mr. Nicholas Chilvers addressed the Panel, saying whilst he had no great issue with the Budget papers, he did have two areas of concern which he wished to discuss. Firstly, was his concern that one of the budget item savings was that of the loss of Anti-Social Behaviour / Street Care officers, that with the neighbourhood watch trimmed what impact would this have on the neighbourhoods in Colchester and what additional strain would it put on Street Wardens. In regards to enforcement, Mr. Chilvers asked that enforcement stopped being everybody's friend, and in his ward especially, he would like to see more fixed penalty noticed issued.

In respect of Leisure Services, Mr. Chilvers said as a result of increased charges for leisure activities, he would have to pay an additional ten pence, and asked that if the Council was to be vigorous in raising additional revenue then more realistic increases for leisure activities had to be made. Mr. Chilvers concluded by saying he was happy that Cemetery and Crematorium Services would remain with Colchester Borough Council.

Councillor Smith said he would pass on the comments of Mr. Chilvers to the relevant Portfolio Holder(s), though adding that he believed a lot of the issues raised would be dealt with through the Street Services Fundamental Service Review and the introduction of zonal working. Councillor Smith also referred members to the anticipated increased savings through increased income by targeting enforcement activity, as mentioned in appendix C of the Budget report.

Presentation - 2011/12 Revenue Budget and Medium Term Financial Forecast

Mr. Sean Plummer presented the report 2011/12 Revenue Budget and Medium Term Financial Forecast.

Mr. Plummer initially spoke about the current year's financial position, with an expected forecast outturn to be a small overspend of less than £200,000, and the 2011/12 revenue cost pressures as mentioned in section 4 of the Budget report and detailed in appendix B.

Mr. Plummer spoke about the savings and increased income, totalling £3.6m, detailed in appendix C and including savings identified through the fundamental service reviews.

A Government grant of £267,000 announced as part of the Comprehensive Spending Review (CSR), and equivalent to 2.5% of Council Tax Revenue would be paid to those Councils, including Colchester, who do not increase their Council Tax rate during 2011/12. It is anticipated that the Government will continue to pay this grant through the period of the CSR, and was not dependent on a “no increase” in the Council Tax Rate during the subsequent years of the CSR period. Later in the discussions, Mr. Plummer confirmed to Councillor Sykes that the grant of £267,000 relates to a no-increase in Council Tax for the year 2011/12 only, and that Colchester would receive the grant for the subsequent three years of the CSR irrespective of decisions made on Council Tax rates in these years.

Mr. Plummer explained that the forecast total expenditure requirement for 2011/12 was £20.26m, by comparison, far less than the 2010/11 figure of £25.67m.

In terms of Formula Grant, the finance settlement announced on December 13 2010 represented a decrease on the adjusted 2010/11 grant of 15.5%, with the Revenue Spending Power showing the same year on year decrease of 6%.

In respect of Grant Damping – Floors, it was explained that this scheme was designed to ensure no local authority receives a cut greater than a given level, and was a self financing system. Mr. Plummer said the cost to Colchester was £1.328m,

Following discussions on the Formula Grant (Revenue Support Grant) later in the debate, and in an effort for Panel Members to get a better understanding of the Formula Grant as reported in paragraph seven of the Budget report, Mr. Plummer was asked to circulate details of Colchester’s grant settlement and how this compared to other authorities, specifically the issue of the impact of damping (grant floors), the table showing Essex authorities and the ranking of authorities which has determined the floor banding.

Mr. Plummer concluded by saying the report was requesting the Cabinet to approve that the Revenue Balances for the financial year 2011/12 be maintained at £1.5m.

General discussions

In response to Councillor Naish, Councillor Smith acknowledged that with staff not going to receive a wage increase during 2011/12, coupled with a reduction in overtime payments, there was a risk of staff unrest. The Chief Executive had communicated to all staff that there would not be a wage increase in 2011//12, that any increase in wages would have a further impact on jobs.

UNISON had agreed to a no-increase in wages for 2011/12, but had not commented on future years.

Ms. Ann Wain, Executive Director, said Management are not happy with measures that erode real pay, and whilst UNISON was not happy with this situation, are content with the action taken. Staff had accepted the situation without too much debate, being exceptionally understanding of the circumstances. Ms. Wain said staff had been fully involved in the process to find savings, suggesting many different ways of working, and should be thanked for this, comments endorsed by Councillor Smith. It was confirmed that the Medium Term Financial Forecast included an assumption of a 2% pay award for 2012/13 and 2013/14.

In response to Councillor G.Oxford, Councillor Smith said it had been extremely difficult to forecast car parking income, for example allowing for the impact of the recent bad winter weather. Mr. Warboys said the forecast showed a reduction of £200,000 and therefore was lowering the risk.

Councillor Smith acknowledged the comments of Councillor Arnold, who spoke of the impact on income due to the permanent closure of certain car parks and the introduction of Park and Ride, and the likelihood that this scheme would not come about within the next eighteen months. Councillor Smith said once the modelling and subsequent analysis data from the Park and Ride Scheme are known, an exercise being undertaken by Essex County Council, this information could be made available for scrutiny by the Finance and Audit Scrutiny Panel.

In response to Councillor Willetts who asked whether staff would be effected by the reduction in the training budget and whether this would have an impact on the overall staffing strategy, Councillor Smith said clearly this was an issue that would become more apparent with time. That said, the Council was looking to do training in a variety of different ways, facilitating more in-house training and working in partnership with other neighbouring authorities to share facilitation and costs, that overall would reduce expenditure and provide value for money. Councillor Smith said there could be an impact, but the Cabinet believed the decrease was a fair amount.

Councillor Willetts asked whether the reduction in the Civic Offices and Facilities Management budget would affect the future running of the civic buildings. Councillor Willetts said he was recently unable to enter the Rowan House building to attend a meeting due to there being no hallkeeping presence, and was it a sign of what will happen in the future. Councillor Smith said again, there will be some impact through this budget reduction, and Councillor Willett's experience, though unfortunate, was a very valid point. Arrangements would however be put in place that enables Councillors to enter the building to attend evening meetings.

Councillor Smith confirmed the reduction in the Messenger and timed post delivery budget was due to the delivery of Councillor Pouches being done internally. But he questioned, given that Councillors have laptops, whether

the internal delivery was necessary. Councillor Smith said a non-delivery policy would not be imposed on Councillors, but said he would welcome comments from the Groups.

Councillor Smith explained that the reduction in the Communications budget related to the Council's Courier and that this would be provided on-line, and that would allow amendments to be made at little or no extra cost. Councillor Arnold asked, given the Courier was a reasonably well read document, would those residents without on-line facilities be left in the dark, a point of concern re-iterated by Councillor Naish. Councillor Smith said theoretically yes, there was some risk, though the feedback from residents was they did not value the newsletter, especially given the annual cost. It was pointed out that of the 800-900 responses, the majority of these had been received on-line. Ms. Wain said the Council will not be abandoning the paper copy of the newsletter completely. Residents would be encouraged to look on-line, though the need for some paper copies was recognised, for example, to have displayed in Council buildings, and there remained a small amount of money in the budget to cover this cost. Councillor Smith in response to Councillor Willetts said whatever the outcomes are to the publication of the newsletter, equal treatment would be given to residents in all parts of the Borough. Mr. Plummer confirmed to Councillor Lissimore that the cost reductions on the newsletter would not impact on the web site staff responsible for putting the newsletter on-line. Councillor Manning said there are many public buildings where residents can visit and go on-line and residents should be encouraged to make use of these facilities. Councillor Sykes said he had championed the Courier from the outset, but in terms of local issues, the Courier was at the bottom of the 'moans' list. Whilst Members felt the loss of the hard copy publication was unfortunate, some felt it was not needed. That said they all felt it was imperative that good communications and contact with all residents was retained. Councillor Smith endorsed these comments, saying Colchester Borough Council had a good reputation and the Cabinet would work to ensure this continued.

Councillor Smith, in response to Councillor Arnold who asked whether the last edition of the Courier would 'sign-off', a golden opportunity to explain the reasoning behind the publication ceasing, as well as communicating future on-one editions, said no, and whilst this was an excellent idea, the last edition had been signed-off and gone into production.

In response to Councillor Willetts on whether the reduction in opening hours of the Customer Service Centre was supported by usage profiles, and the concern of Councillor Naish, that this reduction in opening would hinder those who through work commitments need to use the facility before 9.00 am and after 5.00 pm, Councillor Smith said the reduction in hours had been supported by usage profiles, and the situation will be continually monitored and any problems addressed. Ms. Wain said the analysis had shown the number of visitors prior to 9.00 am and after 5.00 pm was incredibly small, so the impact was minimal and it was from this analysis that the judgement was made.

Councillor Smith responded to Councillor Willetts by saying the reduction in the Customer Excellence and marketing budget would not have a significant impact on Customer Excellence. Mr. Warboys said Customer Excellence is a core objective, built into and delivered through the Fundamental Service Review process. Ms. Wain said the Customer Excellence budget was for specific pieces of work and the cut represented 25% of the original budget. That said Customer Excellence was embedded in the organisation.

Responding to Councillor Arnold, Councillor Smith said the budget saving of £23,000 for Tymperleys was the annual cost to the Council for the maintenance and running cost of the building as a museum. Negotiations with local groups and organisations continue, to provide a charitable community venture, rather than a Council venture. Councillor Smith was not party to the negotiations, but understood they are going well and any formal proposal will form a Portfolio Holder decision but not likely to be taken before February's Full Council meeting.

Councillor Smith confirmed to Councillor Willetts that with regards to the Museums and arts (Museums), the standardising of museum closing times would mean all museums except the Castle would close on a Monday, in line with many national museums that close on one day a week, usually a Monday. Whilst he was not certain, Councillor Smith confirmed to Councillor Manning that he believed the Museums that usually closed on a Monday, would open on Bank Holiday Mondays.

Councillor Dopson, Portfolio Holder for Communities responded to Councillor Willetts to explain the increase to sports pitches charges was part of a flat level percentage increase in all lifestyle sport and leisure facilities, and was necessary although regrettable. Councillor Dopson said the closure of the Leisure World Crèche was also regrettable, but the facility had produced a budget deficit in 2010/11. Opening the facility up to a wider customer base had been considered for 2011/12, but this would only have increased the costs through the need for more staff. Councillor Dopson also confirmed that the increase in income from lunches and snacks at Activity Centres was needed. There had been no increase in food and beverage charges since 2009 and the percentage increase was in line with inflation and below 10%.

In response to Councillor Naish, Councillor Dopson said twelve new plots had been identified for beach huts and the additional income identified was from the ground rent from these locations. Councillor Dopson also confirmed that the increase in rental charges on beach huts put Colchester's rental charges in-line with neighbouring Councils at that time, though members were informed that subsequent to Colchester's decision a neighbouring Council had since increased their charges further.

In response to Councillor Lissimore concerning the introduction of a consistent charging policy for use of Kings Meadow for parking during events, Councillor Dopson said non charitable events will be charged for the use of Kings Meadow to offset the cost to the Council of maintaining the area. Ms. Wain said this was an opportunity to implement a consistent policy on

charging for all such areas although agreement was still to be reached on how the income will be generated. Councillor Dopson confirmed to Councillor Lissimore that Leisure World parking would be offered to visitors not using Leisure world, for example, town centre shoppers, but this would not be at times of high activity.

Councillor Smith confirmed to Councillor Arnold that the £100,000 arts grants saving represented a percentage cut to all three arts venues, with the same percentage cut to each.

Councillor Smith confirmed to Councillor Willetts that the £8,000 savings for the removal of the project budget and external printing costs from Community Street Wardens and reduction in Street Care Resources of £30,000 were on top of those savings identified in the Street Services Fundamental Service Review (FSR). Ms. Wain said this formed a decision taken prior to the FSR to help the in-year deficit. Ms. Wain also confirmed that a full risk analysis of the Street Services FSR has been undertaken alongside the implementation of the Business Case. Officers are very aware of the risks that are looked at in parallel with the implementation.

Mr. Warboys confirmed to Councillor Willetts that the £50,000 savings identified from the review of ICT resources was a review of how IT is delivered across the Council and was not part of the IT work of the FSRs.

Councillor Manning asked whether it would be possible to report progress against the individual saving options as noted in appendix C of the Budget report, preferably on a quarterly basis, as an appendix to the Financial Monitor. Ms. Wain said this was possible, though she confirmed two thirds of the saving options have already been completed and are now in place.

Councillor Smith, in response to Councillor Arnold acknowledged that the anticipated savings of £200,000 from the review of communications resources across the Council did appear ambitious, but this aspect of work had been identified in many services areas and the review had highlighted efficiencies by pooling the resources, with the economies of scale also providing an overall improvement in performance. There was a need to consolidate resources across a wide range of services, for example, one communication centre for all arts services.

In response to Councillor Arnold, Mr. Plummer clarified that the S106 Monitoring Reserve, as identified in paragraph 10.4 of the Budget report, was made up of contributions from S106 payments, and was a reserve that contributed to the S106 monitoring process. Mr. Plummer said without this reserve the monitoring work would continue, though at present there is sufficient money for the reserve to last for a further two years at the current level of spending.

RESOLVED that the Panel;

- i) Considered and noted the 2011/12 Revenue Budget and Medium Term Financial Forecast.
- ii) Requested the Head of Resource Management to consider the practicalities of reporting progress against the individual saving options as noted in appendix C of the Budget report, preferably on a quarterly basis, as an appendix to the periodical Revenue Expenditure Monitoring report.

Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2011/12

Mr. Steve Heath, Finance Manager, presented the report Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2011/12.

RESOLVED that the Panel considered and noted the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2011/12, to be considered by Cabinet and Full Council as part of the 2011/12 Budget report.

Budget Consultation with Business Partners

January 20th 2011, Grand Jury Room

Attendees:

Cllr Nick Barlow
Cllr Paul Smith
Bob Baggalley – COLBEA
Iain Wickes – FSB
Bryan Johnstone – Chamber of Commerce
Ron Levy – CORBA
Lindsay Barker – CBC
Sean Plummer – CBC
Nigel Myers – CBC

Apologies:

Ewan Dodds 2020
Wendy Bailey – destination Colchester
Paul Bentham – Lion Walk SC
Derek Ashbee – Culver Square SC
Tony Fisher – Severalls Business Group

Issues raised by Business Partners:

- 1) Will the empty premises business rates exemption continue?

No., Based on current information from April 1st 2011 empty premises with a rateable value (RV) of between £2,600 and £18,000 will have to pay.

- 2) Will the Small Business Rates Relief (SBRR) for businesses with a RV of <£18,000 continue?

Yes. All recipients of SBRR will automatically receive this providing they still qualify. In Colchester 92.2% of eligible businesses receive this benefit – the highest take-up rate in Essex.

- 3) Does Colchester Borough Council (CBC) still have significant exposure to Icelandic Bank debt?

It is currently anticipated that 95% of the outstanding investment of £4m will be recovered.

- 4) Is there the danger that the New Homes Bonus scheme to reward councils that deliver housing growth could lead to overdevelopment or the wrong kind of development?

CBC is cognizant of the need to balance the future needs of residents with housing growth. Achieving the future optimum housing mix and benefitting from the bonus scheme, the details of which remain unconfirmed, will be challenging.

Budget Consultation with Business Partners

- 5) Businesses do expect their Council to operate in a lean and efficient way as they do themselves. The Council should not apologise for making savings and cuts. Will CBC continue to focus on the 'bottom line'?

CBC will continue to look at ways of increasing efficiencies and driving out unnecessary costs. This process has been happening for some time with initiatives such as the Fundamental Service Review. So far a number of services have been through this process including Housing and Revenues and Benefits and it is now being implemented within Street Services.

Managing the cost pressures should also recognise that reducing services may have a significant impact on the most vulnerable people in society.

Solutions such as putting housing benefit applications online have benefitted both the applicants and CBC.

- 6) Large supermarkets impact hugely on retail in the town centre and take money out of the local economy. Can CBC not apply a levy on larger out of town retailers for their car parking?

There are legal issues with this approach which will be checked and communicated to our business partners.

The retail offer in the town centre remains robust. Colchester is in the UK top 50 retail centres and has recently seen some significant additions to the retail offer. The balance of multiples to independents remains healthily in favour of the latter. The Better Town Centre Improvement Programme is addressing wider issues such as public realm and transport. Business partners will have opportunities to contribute to this programme in 2011.

- 7) Can CBC do more to promote and encourage local businesses to access procurement opportunities in the public sector?

Accessing procurement opportunities online will be further improved by development in e procurement systems.

CBC will continue to raise awareness of this through its own communication channels to local businesses and networking events such as the FSB new member briefings.

The publication of Council expenditure >£500 will also be a potential source of useful information to businesses sourcing potential new business opportunities.

- 8) Why is there antipathy to CBC from some businesses – some local retailers for example did not want to participate in the Christmas Lights even though it was free and in their interest?

The Colchester Christmas Group clearly demonstrates that when local businesses work together with the Council it can achieve significant results that benefit all parties. This way of partnership working is being adopted

across a number of successful initiatives such as deploying funding to get long term unemployed young people into 6 month work placements. Initial

Budget Consultation with Business Partners

results indicate that over 50% of young people on this scheme have secured full time employment. Engagement and demonstrable delivery seen as the best antidote to antipathy.

- 9) In the future will Colchester be enabled to retain the business rates it pays?

Government proposals for the retention of local business rates are expected in Summer 2011 as part of a wider review of local government financing.

- 10) The Major Developers Forums organised by CBC are extremely useful to make professional contacts and to find out about recent developments and future thinking. Can CBC do more of these sorts of events?

CBC will continue to host and co host events that foster better networking, partnership working and realising new opportunities. A regularly updated programme of all business events in Colchester is now on the business pages of the CBC website.

- 11) What other issues or opportunities are there for businesses in Colchester?

- Bank lending still a major issue locally and nationally
- Lending where available impose excessive interest rates
- Focus of banks on sector loaded interest rates rather than being based on individual business cases
- Loss of local banking presence and decision making
- Ability/inability of the private sector to absorb public sector job losses
- Apprenticeship scheme proved to be effective – hope that this will continue and grow
- Concern about the Business Support White Paper and future delivery of business support & funding of same
- 2012 Olympics will bring economic benefits to Colchester particularly construction and allied trades
- FSB and local MP lobby of major banks operating in Essex



Cabinet

26th January 2011

Item

8(i)

Report of **Head of Strategic Policy and Regeneration** **Authors** **Lindsay Barker**
Darren Brown
John Rock

Tel: 282762

Title **Housing Investment Programme (HIP) 2011/12**
Wards **All**
affected

This report concerns the Housing Investment Programme for 2011/12

1. Decision(s) Required

- 1.1 To approve the allocation of new resources totalling £4.856 million to the housing investment programme for 2011/12.
- 1.2 To note the Medium Term Financial Forecast for Capital (MTFFC) as set out at Appendix A.

2. Reasons for Decision(s)

- 2.1 Each year as part of the process to agree the Council's revenue and capital estimates the Cabinet is required to agree the allocations to the Housing Stock Investment Programme. These allow for work to be done to maintain, improve, and refurbish the housing stock and its environment.
- 2.2 Members will be aware that following a full OJEU procurement exercise two contractors have been appointed by CBC to deliver our Capital Improvements Programme which is designed to include statistical decency by 31st December 2012. The contracts are commissioned for four years with the potential to continue for a further two years by one year extensions depending upon performance. Additionally, a further contract was let designed to meet our obligations to convert the current analogue signals provided through our communal aerial systems into digital in time for the switchover date in 2011. At the time of writing this report the digital conversion contract will be drawing to an end.
- 2.3 The CBH Board has not yet met to discuss and agree a 2011/12 Capital investment plan for submission to CBC for approval and funding. As such this report broadly seeks the release of funds under the same headings as described in the Deed of Variation but with approval and funding to support the continuation of the Capital Improvement Programme, the Adaptations Programme as the major allocations.

3. Supporting Information

- 3.1 This report is considered as part of agreeing the Housing Revenue Account estimates as the funding for the Housing Investment Programme (HIP), which covers capital investment in the housing stock, is very much linked to the overall level of resources for housing.
- 3.2 As part of the budget process for 2011/12 a Medium Term Financial Forecast for Capital has been produced for the HRA. This is shown at Appendix A and sets out predicted new resources along with a projection of where they will be spent for the period 2011/12 to 2013/14. Given the balance of unused resources resulting from the temporary suspension of the decent homes programme in 2008/09, it is planned to release these previously authorised resources as and when required, which will complement the new resources disclosed in the MTFF.

How is the HIP funded?

- 3.3. The HIP is funded from the following sources:
- Major repairs allowance (MRA)
 - Revenue contributions to capital (RCCO)
- 3.4 The MRA resources are directed for capital spending in specific areas, and can only be spent on works to council stock, and improving the community and environment. MRA is paid to the Council as part of the HRA subsidy settlement, and is calculated on the basis of stock numbers and an allowance per dwelling archetype. Therefore, the MRA figures for future years are based on assumed stock levels and estimated increases in allowances, but provide a reasonable estimate of the likely new resources available.
- 3.5 The Government has recently announced that the Reform of the Housing Revenue Account is likely to be implemented in April 2012, which potentially provides a significant increase in the level of capital resources available. However, given that the detail of the reforms have yet to be confirmed, for the purposes of this report the MTFF assumes a level of resources going forward based on the existing finance regime.
- 3.6 In the past we have contributed a significant amount from the revenue budget to support the housing capital programme. However in more recent years this contribution has been less, especially given the additional Decent Homes funding from the Department of Communities and Local Government. Given the pressures facing the revenue budget it is not considered appropriate at this time to make a Revenue Contribution to Capital (RCCO) to finance works to Council dwellings.
- 3.7 The estimated **new** resources in 2011 for 2011/12 are as follows:

	2011/12
	£'000
MRA	4,608
RCCO	0,248
TOTAL	£4,856

- 3.8 The estimated RCCO in 2011/12 is £248k. In recent years, this has been used to fund non-works programmes, such as Housing ICT and the capitalisation of costs associated with the Strategic Policy and Performance team. For 2011/12, no provision has been made within the RCCO to fund works required to Sewage Treatment Plants, as it is anticipated that the unspent balance of resources previously agreed for these works is sufficient to undertake the works to the remaining units that are planned to be transferred to Anglian Water.
- 3.9 The MRA for 2011/12 is estimated as £4.608m. Of this total sum, £4.530m has been set aside to fund the Capital Investment Plan which CBH will recommend to the Council for approval. The remaining £78k has been earmarked for capital expenditure on properties where the Council has a lease responsibility for maintenance and the management responsibility sits outside the agreements with CBH.
- 3.10 As previously stated, this report provides detail of estimated new resources. However, given there is a balance of MRA resources available which has arisen from the temporary suspension of the Decent Homes programme in 2008/09 it is intended as previously agreed to continue to support this programme to ensure delivery before 31st December 2012 and within the finances available.

4. Priorities for the Council

- 4.1 To use the new Colchester Housing Asset Management Strategy (AMS) as the basis for long term planning, provision and sustainability of Colchester borough Council's housing assets following Cabinet acceptance of the Strategy on 1 December 2010.
- 4.2 To allocate appropriate funding to CBH within the resources that are available to enable stock investment to proceed, improving housing conditions for our tenants.
- 4.3 To ensure delivery of decent homes' targets and programmes of work by December 2012 and to monitor delivery through CBH and to meet the switchover deadline in 2011 from analogue to digital reception.
- 4.4 To build upon current monitoring arrangements and ensure programme delivery and the effective targeting of resources particularly in respect of Decent Homes and Adaptations for the people with disabilities.

5. Proposals

- 5.1 The report sets out a summary of the proposed allocation of new resources for 2011/12 with the following comments setting out the basis for this allocation.

Improving Homes

- 5.2 **Decent Homes - £3.480 million** – This allocation acknowledges the work being done to allow the Decent Homes programme to continue, therefore this substantial proportion of the overall allocation is recommended.

- 5.3 **Aids & Adaptations - £0.500 million** - This continues to support the budget at historic levels. The proposed allocation achieves the requirement to adapt Council dwellings to meet the special needs of our tenants and also meet the high priority that Members put on this service to Council tenants. The allocation for 2010/11 was £0.500 million.
- 5.4 **Emergency Failures (statutory obligation) - £0.200 million** – This allocation supports the experience gained through the first period of the Deed of Variation and generally reflects the necessity to recognise capital works in the voids process. It is possible that this work will actually be spent using the contractual arrangements entered into with our new Capital Improvement contractors.
- 5.5 **Emergency failures structural works - £0.250 million** – As with the previous allocation this reflects experience gained through the first period of the Deed of Variation and is generally associated with premature failure of structural elements and in particular the continuance of the canopy replacement programme.
- 5.6 **Roofing Programme - £0.100 million** – This allocation supports the Asset Management Strategy in starting a new roof replacement programme.
- 5.7 **Non-Works Programmes - £0.248 million** – This is for the further development of the Academy Housing system, various other one off projects and also meeting the Council's technical strategic asset management role for repairs and maintenance capital projects.

6. Strategic Plan References

- 6.1 The strategic plan acknowledges the need to increase quality of life and tackle deprivation these being central components of a healthy and vibrant community in:
- Delivering Decent Homes to our tenants
 - Improving housing conditions
 - Reducing deprivation
 - Increasing our efficiency in making best use of e-government and technology.

7 Consultation

- 7.1 Members will be aware of the extensive consultation process which has been undertaken to arrive at a position where it has been possible to recommend the appointment of two contractors (Apollo and Mears) to deliver our Capital Improvement Programme and also the consultation process to appoint Campbell and Kennedy to deliver the Digital Switchover programme.
- 7.2 As previously stated this report sets out a broad allocation of resources and is submitted to meet the reporting timelines but will need to be subsequently revised in the light of the final survey findings and resultant cost to complete the Decent Homes programme and also the specific recommendations of the CBH Board when submitted although these will need to match the Deed of Variation headings.
- 7.3 It should also be noted that thorough consultation will be carried out with tenants and leaseholders affected by any works to properties or areas as a result of further exposure of work to competitive tender.

8. Publicity Considerations

- 8.1 Any housing investment has a significant impact on the quality of life for local people. As a consequence the targeting and effectiveness of the programme has huge interest for members and the public as a whole. It is recognised that ongoing publicity will need to be conducted particularly as the Decent Homes programme continues and updates will be publicised to the tenants in the areas remaining.

9. Financial implications

- 9.1 As set out in the report.

10. Equality, Diversity and Human Rights implications

- 10.1 The equality of all tenants has been considered when planning this programme, with a particular emphasis on people with disabilities being able to remain in their homes as a result of adaptations being carried out. Equality Impact Assessments have been produced where appropriate, in line with agreed policies and procedures.
- 10.2 Through the Housing Procurement Strategy within the AMS staff will ensure that all future procurement and purchasing documentation recognise, understand and support CBC and CBH policies with regard to equal opportunities, diversity and human rights.
- 10.3 Members will recall that during recent contract procurements, such as the Capital Improvement Programme, contractors were both evaluated and questioned at interview stage with regard to how they would deliver services to tenants from BME origins, with disabilities and other support needs. Contractors were aware of the need to tailor the service they provide to meet the individual needs of tenants.

11. Community Safety Implications

- 11.1 These are taken into consideration in delivery of the HIP programme.

12. Health and Safety Implications

- 12.1 CBH will be responsible for implementing the delivery of this programme in a manner that reflects Health and Safety legislation, although the Council does retain the responsibility to ensure that all procedures are in place and being implemented.

13 Risk Management Implications

- 13.1 Risk management will be considered as the programme is developed, particularly the issues around the completion of the Decent Homes programme.
- 13.2 However, there is a general awareness that some areas of expenditure may need to be increased in future financial years in order to maintain the fabric of the stock and the appearance of the areas.

HRA Capital Medium Term Financial Forecast – 2011/12 to 2013/14

Appendix A

Expenditure	Notes	2011/12 £'000	2012/13 £'000	2013/14 £'000
Decent Homes		3,480	3,550	3,620
Adaptations		500	510	520
Emergency Failures/Structural Works		450	460	470
Roofing		100	100	100
Stock Investment Sub - Total		4,530	4,620	4,710
ICT		140	140	140
SAMS		108	108	108
Other Works Sub - Total		248	248	248
Total Programme		4,778	4,868	4,958

Resources	Notes	2011/12 £'000	2012/13 £'000	2013/14 £'000
MIRA	Relates to new resources in the year.	4,530	4,620	4,710
RCCO		248	248	248
Total Funding		4,778	4,868	4,958



Cabinet

26 January 2011

Item
8(ii)

Report of	Head of Corporate Management	Author	Lucie Breadman 📞 282726
Title	Half yearly Performance Report including progress on Strategic Plan Action Plan		
Wards affected	'Not applicable'		

Members are invited to consider the performance report for the period up to end of September 2010 (which includes progress of our Performance measures and an update of progress of the Strategic Plan Action Plan).

1. Action required

- 1.1 To consider / comment upon the combined performance update, as at Appendix 1, for the period up to the end of September 2010 in relation to our Organisational performance measures and progress of the Strategic Plan Action Plan (SPAP) as at Appendix 2.
- 1.2 To note the changes for the remainder of 2010/11 now that central government has revoked the Comprehensive Area Assessment, some National Indicators, requirement for Local Area Agreement, and announced its intention to introduce a “single, comprehensive list” of measures to be reported with effect from April 2011.
- 1.3 Consider the comments from the Strategic Overview and Scrutiny Panel, as per section 5 below, following their review of the report on 14 December 2010.

2. Reasons for decision

Part of the Council's performance management framework includes the commitment to report our half yearly performance progress to Cabinet.

3. Background information

- 3.1 The council has agreed a number of key performance areas which it uses as part of its Performance Management Framework to help monitor progress and improvement of our priorities. This report provides an update of our Organisational measures along with a half yearly review of progress against our Strategic Plan Action Plan (SPAP). (See Appendix 1 & 2 attached).

4. Performance Summary

- Our overall basket of organisational performance measures shows that 64% of indicators are forecast to meet year end targets.
- 36% are showing amber alerts and as such are being monitored closely. None of our indicators are red, or forecast to not meet year end expectations.
- Monitoring of the actions within our Strategic Plan Action Plan shows that 74% of actions are progressing well and only 5% are not on target.
- The council has also received a number of awards and accreditations highlighted at the end of appendix 1.

5. Comments from Strategic Overview and Scrutiny Panel

The half year performance report including the SPAP update (as per Appendix 1 and 2) was scrutinised by SOSP on 14 December 2010.

Comments from the Panel were as follows:

- i) Commended and thanked staff for reducing sickness levels at a time of major change in working practices and reductions in staffing levels.
- ii) Requested the Portfolio Holder for Communities to write to the Essex County Council Portfolio Holder, if a review of primary school swimming lessons identifies schools not offering swimming lessons, to encourage the Portfolio Holder to ensure all schools are given that opportunity.

6. Strategic Plan references

This report provides an update of progress against the Strategic Plan Action Plan (SPAP) developed to support the delivery of the Councils agreed Strategic Plan Priorities.

7 Performance Reporting for remainder of 2010/11

Central government has announced further streamlining of the National Performance Framework. The Comprehensive Area Assessment (CAA) has gone and in October it was announced that National Indicators (NIs) will be replaced with a new, "single and reduced list" and consultation on this has commenced. Whatever the future expectations of Central Government, accountability to the public and our politicians will remain and as such evidence of progress, improvement and performance in priority areas, regardless of the 'name', will endure and need to be monitored and reported.

Some NI's have already been deleted and where we agree that these do not help monitor local priorities or provide effective data we have already removed them from our own Framework. The remainder do still require a national return and as such we will continue to monitor and report on them.

The DCLG announcement revokes all Local Area Agreement (LAA) local improvement targets, leaving councils and Local Strategic Partnerships (LSPs) free to amend, drop or keep any LAA targets they choose – with immediate effect. It also confirms DCLG will not be making any Performance Reward Grants against LAA targets. Colchester 2020 will clarify how it wants to move forward and what performance measures could be used in the future.

8. Consultation

The contents of this report do not have any direct implications with regard to consultation however the Strategic Plan and priorities were agreed following wide public consultation.

9. Publicity considerations

The National Indicators are a statutory requirement and our performance against them needs to be published on an annual basis.

The performance report contains key measures for National Indicators, Local Indicators and our SPAP many of which are used to monitor the performance of our services and as such these may be of public interest.

10. Financial implications

The financial implications of the action plans to deliver the national indicators form part of the budget setting process.

11. Equality, Diversity and Human Rights implications

The National Indicators were introduced by central government to improve the quality of life for local people across the country by using a consistent set of data. Thus progress and improvement of these and many of the actions within the Strategic Plan Action Plan (SPAP) support our aims of improving the lives and services for everyone in the Borough. Where required, specific Equality Impact Assessments (EQIAs) will exist for policies and activities rather than individual performance indicators or actions.

12. Community Safety implications

There are performance measures and actions within the SPAP which aim to improve community safety and as such this report provides progress updates in this area.

13. Health and Safety implications

This report has no direct implications with regard to Health and Safety.

14. Risk Management implications

We aim to deliver against the National Indicators, our local indicators and the SPAP as both form a key part of our performance framework and expectations around delivery of our priorities to the residents of Colchester Borough.

Background Papers

Not applicable.

1.0 Included in this Report

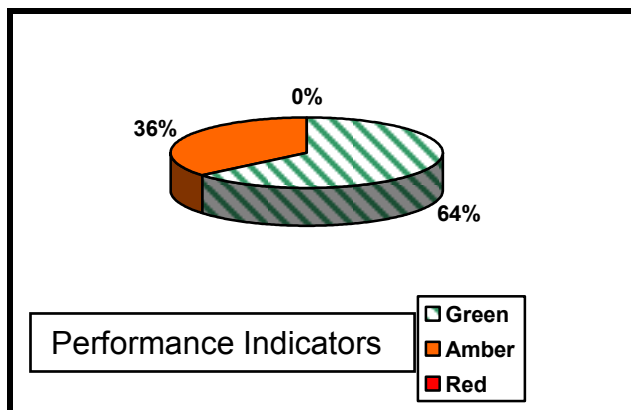
Performance Summary	Page 1
Progress of Key National Indicators	Page 2 - 6
Progress of our Local and Life Chances Indicators	Page 6 - 8
Progress of our Strategic Plan Action Plan	Page 9-10
Other Performance News	Page 11 -12

2.0 Performance Summary

The Council has agreed a number of key performance areas which it uses as part of its Performance Management Framework to help monitor progress and improvement. This report provides an update on our 'Organisational' and 'People' performance indicators along with a half-yearly review of progress against our Strategic Plan Action Plan (SPAP).

Overall the Council is on target with 64% of our organisational indicators and 74% of our strategic plan actions. None of our organisational indicators are red, which is an improvement on 9% at end Q1. Only 5% of our strategic plan actions are not on target (same as Q1).

The remainder of this report takes a more detailed look at these specific areas along with a summary of other performance areas at the end of the report.

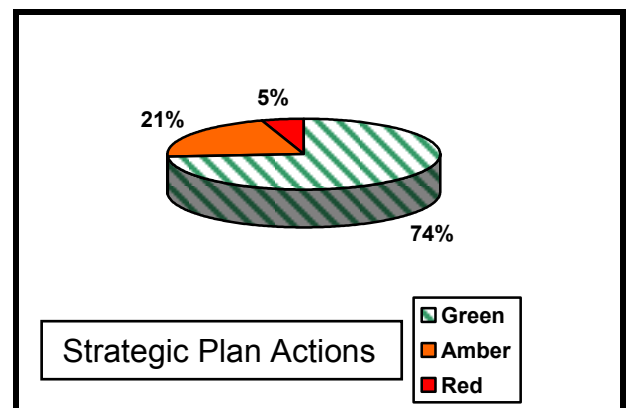


Organisational Indicators: As the graph above shows we currently have an overall position of:

- 0% of indicators failing (red)
- 36% of indicators at risk (amber)
- 64% of indicators doing well (green)

Strategic Plan Actions: The graph below shows we currently have an overall position of:

- 5% actions not on target (red)
- 21% of actions at risk (amber)
- 74% of actions doing well (green)



3.0 Progress of our Key Performance Indicators

The following table provides the latest data from our basket of Organisational performance measures that we monitor at a corporate level. Each indicator has its current performance against the target set for the year and a comment from the Head of Service in relation to progress or improvement.

Overall in this section performance is cautious and while no targets are predicted to fail at this stage, there are a number of Amber alerts where managers are reporting some possible risks. Some key areas to highlight:

- Despite the difficult climate we are on track to deliver our affordable homes target.
- Faith groups and local councils continue to work together effectively across North Essex. A 'Celebrating Faith' event is planned for 23 November.
- Planning performance for Major applications has suffered in the first half of the year but this situation has begun to improve, a trend that looks set to continue.
- 300 more properties have had decent homes work undertaken in the first half of the year.
- Progress against our cleanliness measures are positive with the number of flytipping incidents continuing to decline, recycling at an all time high and a pro active approach increasing incident reporting.

A number of National Indicators have been deleted following a review by central government, these include:

- NI 170 previously developed land vacant /derelict over 5 years – deleted as a NI from April 2010
- NI 179 value for money deleted as a NI in October 2010.
- NI182 satisfaction of businesses with LA regulation services – still a 2010/11 NI but local decision made to cease collation.
- NI 187 % of people receiving income based benefits living with low energy rating.

The Performance Indicator Table Results for Period April to September 2010

Indicator	Target 10/11	April to Sept 2010	Comments for Quarter 2- half year
ex-NI14 Avoidable contact	12.50%	9.30% GREEN	Work between CSC and service areas continuing to be progressed with particular attention being paid to information on the website and literature sent out to customers. Lead: Leonie Rathbone
NI 35 Building resilience to violent extremism	Level 3	On track to sustain level 3 GREEN	Good progress continues to be made with greater engagement with diverse faith groups across North Essex. A 'Celebrating Faith' event is planned for 23 November in the Moot Hall and greater cohesion has been achieved with Muslim women and children's

Indicator	Target 10/11	April to Sept 2010	Comments for Quarter 2- half year
			groups. Lead: Gareth Mitchell.
NI 154 Net additional homes provided	650	N/A Forecast AMBER	These figures are produced annually and are not available in year. Figures are likely to be lower due to current market conditions. Mid year estimate is 288 but these estimates are always difficult in relation to this indicator and should be treated with caution as the final figures can often vary considerably when verified by Essex County Council Lead: Lindsay Barker
NI 155 No. of affordable homes delivered (gross)	136	119 GREEN	Despite the difficult climate a further 70 affordable homes have been delivered in the last quarter bringing the total for the year to 119 which is more than was delivered at the same point in time last year (90) and is on track to achieving target. Lead: Lindsay Barker
NI 156 Number of hhs in temporary accomm	170	159 GREEN	The number of households in temporary accommodation at the end of this quarter remains at a level which already achieves this year's target. Lead: Gareth Mitchell
NI 157 Processing of planning applications v targets for 'major', 'minor' and 'other' application types	Major 65%	50% AMBER	Major performance in Q2 has lifted the half year 'major' performance from a low of 25% in Q1 to 50% over the two quarters. This has been achieved as a result of 3 principal planning officers returning from long term sick leave and their input starting to lead to a recovery + the use of the PPA approach (Planning Performance Agreements) taking a number of 'majors' out of the NI157 calculations. Performance should further improve provided new small scale majors continue to come in. National Targets : 60% Major / 65% Minor / 80% Others Lead: Bev Jones
	Minor 75%	75.7% GREEN	
	Other 93.5%	84.1% AMBER	
NI 158 % non-decent council homes	12%	n/a (annual target) GREEN	For the year to date 300 properties have had decent homes work undertaken and has included 190 kitchen replacements, 67 boiler/heating replacements, 7 bathroom improvements , 117 rewires, 44 new doors and 2 properties had window replacements. Survey work on 689 properties has also been carried out. The number of full refusals for the year is 34, part refusals 96 and there have been 18 survey refusals. Lead: Lindsay Barker
NI 159 Supply of	4150 (5 years)	4192 AMBER	Figures are currently being updated and will be available for the Q3 dashboard. These may show a

Indicator	Target 10/11	April to Sept 2010	Comments for Quarter 2- half year
ready to develop housing sites	@830)		lower supply due to the current housing market. Lead: Lindsay Barker
NI 160 tenants' survey	78%	78% GREEN	The status survey was completed in July 2010. The response rate of 52% was very good and overall the levels of satisfaction have risen by 2% since 2008. The CLG have confirmed that reporting on this NI will not be required in the future. Lead: Lindsay Barker
ex-NI 180 housing/council tax benefit entitlement Changes	25,000	9,536 AMBER	The number of benefit changes is not evenly profiled through the year, with many more arising in the second half. Therefore although the number of changes reported at Quarter 2 is less than half the annual target, we still expect to achieve the annual figure. Lead: Charles Warboys
NI 181 Time to process benefit new claims/change events	11days	18.35 days AMBER	Whilst the current processing time is above target, the new processes being introduced under the FSR are having a positive impact on current claims. Where complete information is provided the claim is now dealt with in an average of 6 days. Therefore the overall average time taken is constantly falling but the annual average will take a while to fully reflect this improvement. Lead: Charles Warboys
ex-NI 184 Food establishment in area, compliant with food hygiene law	n/a	92.4% GREEN	Indicator no longer used but results are recorded for information and are continuing to reach satisfactory levels. Lead: Colin Daines
NI 185 CO2 reduction from local authority operations	1064 tonnes	n/a – annual target AMBER	We are awaiting a deadline for submission of 2009/10 data which has been significantly delayed. The data collection processes are in place and we will await further instruction from DECC. The baseline year (2008) data shows the Council's carbon emissions to be 10,076 and the data collection this year will show whether we achieved our 09/10 target. The Council's Carbon Management Plan sets out projects to achieve carbon savings and identifies potential savings for 10/11 of 1064 tonnes CO ₂ .



Indicator	Target 10/11	April to Sept 2010	Comments for Quarter 2- half year
			Lead: Matthew Young
NI 186 CO ² reductions per head in CBC's area	0.2 tonne less per capita	n/a annual target Forecast GREEN	The data for this indicator is collected by and published annually by DECC. The results run on a two year delay therefore 2010 results equate to the year 2008 data. Between 2007 and 2008 Colchester achieved a 0.3 tonne reduction in CO2 per capita. When compared to the baseline of 2005 Colchester has seen a total reduction in CO2 per capita by 0.7 tonnes which is a reduction of 10.29%. Lead: Matthew Young
NI 188 Planning to adapt to climate change	Level 3	n/a annual target Level 2 Forecast GREEN	This is a process based indicator which is assessed annually. The Council achieved Level 2 for the year 09/10. Processes and action plans are in place to achieve Level 3 for 10/11 with the possibility of level 4 also being achieved in this year. This places Colchester in the upper performance quartile for all authorities. Lead: Matthew Young
NI 191 Residual household waste per household	459kg	240.55kg GREEN	This important indicator is on target to achieve a reduction again in the amount of residual waste being collected across the Borough. Whilst some of this will be as a result of the economic downturn as people buy less it also demonstrates that people are responding to the 'reduce' message as well as 'reuse' and 'recycle'. Lead: Matthew Young
NI 192 Household waste reused, recycled and composted	41.0%	42.67% GREEN	The current figures show that we are on target for achieving (or even exceeding) the 41% target. Although the garden waste tonnage is lower than the previous year, dry recycling tonnage has increased by approximately 5%. This is the highest figure achieved at the 6 month point by the Council Lead: Matthew Young
NI 194 Level of air quality – % reduction in NO _x and primary PM ₁₀ emissions through CBC's estate and ops	>2%	n/a – annual target AMBER	The data collection process is the same as for NI185. We have the processes in place and will await further instruction from DECC. Projects set out in the Carbon Management Plan will reduce air quality gases Nitrus Oxide (NO _x) and primary Particulate Matter (PM ₁₀) Lead: Matthew Young

Indicator	Target 10/11	April to Sept 2010	Comments for Quarter 2- half year
NI 195 Improved street and environmental cleanliness (levels of graffiti, litter, detritus and fly posting)	Litter 4%, Detritus 4%, Graffiti 2%, Flyposting 0%.	Litter 3%, Detritus 6%, Graffiti 3%, Flyposting 0% AMBER	<p>April to June results only. July to Sept results are not available until November. All figures are currently below or are in line with 10/11 targets.</p> <p>Litter levels are currently below annual targets, apportioned to several factors such as the campaigns being run which are increasing reporting levels and positive publicity around littering prosecutions.</p> <p>Detritus remains in line with annual targets and is expected to be met at the end of the financial year.</p> <p>The introduction of the graffiti team has been beneficial, leading to the removal of graffiti from all areas reported. Again publicity have seen reporting levels increase.</p> <p>Fly-posting levels are nominal due to the proactive removal regime currently in place.</p> <p style="text-align: right;">Lead: Matthew Young</p>
NI 196 Improved street and environmental cleanliness- flytipping	350	125 GREEN	<p>The introduction of the freighter service, good publicity around enforcement and a 24 hour turnaround in fly-tip removal has assisted in a gradual decline in the total number of fly-tips reported. Currently on course to meet the annual target set.</p> <p style="text-align: right;">Lead: Matthew Young</p>

4.0 Progress of our Local and Life Chances Indicators

We have a number of indicators that have been selected because they are relevant to local priorities and progress of these for the period up to the end of September is included in the table below and a summary of some key areas includes:

As above there is a mixed overall picture in this section, some very positive performance areas and some more cautious predictions at this half year stage. Some key areas to highlight:

- Re-let times for social housing has improved to an average of 22 days from 36 days this time last year.
- A proactive approach to managing payment of invoices is required, in services, to ensure that this performance does not slip.
- Collection of Council tax and business rates is predicted to hit targets at year end.
- Absence of staff is ahead of target at 7.5days against a target of 8days.

The Local and Life Chances Indicator Table Results for Period April to September 2010

Indicator	Target 10/11	April to Sept 2010	Comments for Quarter 2- half year
ex-8 Invoices paid on time	98.5% Amber	98.16% AMBER	Departments need to be aware that the target is still below the agreed % and receipting of invoices must be actioned once goods are delivered. Lead: Charles Warboys
ex-9 Council Tax collected	98.5%	64.10% GREEN	The target is an annual, accumulative one and progress to date is in line with last year when the targets were achieved. Lead: Charles Warboys
ex-10 Business Rates collected	98.7%	66.02% GREEN	The target is an annual, accumulative one and progress to date is in line with last year when the targets were achieved. Lead: Charles Warboys
ex-12 sickness rate (average working days /employee)	8 days	7.5 days GREEN	Performance remains positive in this area at the half way stage in the year. Lead: Lucie Breadman
ex-79a Benefit claims processed correctly	90%	88.65% AMBER	The FSR implementation is leading to many changes in processes within the Service. These are carefully reviewed for quality assurance purposes and good progress is being made to ensure correct benefits are paid out. Lead: Charles Warboys
ex-204 Planning appeals allowed against our decision to refuse	30%	46% AMBER	Analysis of appeal decisions since 1 April 2010 appears to show that inspectors have changed their approach when considering impact on the character of surroundings in that they are now more sympathetic if the site is already well screened. Previously the existence of screening was not justification to approve as flora dies or can be removed. Planning staff have been alerted to this trend and will have regard to the existence of good natural screening. This should reduce refusals. To put the % into context this relates to 9 – Dismissed / 6 – Upheld / 1 – Partially upheld / 1 – Withdrawn Lead: Bev Jones
ex-218b % abandoned vehicles removed in 24	98%	100% GREEN	Target to remove vehicles within 24 hours, following report to contractor met on all occasions, reducing the risk of further anti social behaviour

Indicator	Target 10/11	April to Sept 2010	Comments for Quarter 2- half year
hours			Lead: Matthew Young
ex-212 Average time to relet council houses	General Needs 28 days Sheltered housing 47 days Temp Accom 43 days	Total = 22 days - GREEN GN = 16 days S = 41 days Temp = 78 days	The overall combined position of 22 days is a significant improvement on the same period last year which was 36 days. This quarter's cumulative outturn for re-let times of both general needs and sheltered properties has improved and performance is currently better than target. Whilst the result for temporary accommodation is below target this is linked to the fact that there is currently less demand for temporary accommodation due to the improvement in performance in that area. Lead: Lindsay Barker
ex-213 Homelessness cases prevented % per 1,000 hhs	4%	2% GREEN	The number of cases where homelessness has been prevented during this quarter is 65 bringing the total number of cases for the year to 139. Whilst this is a slight decrease on the number for the same period last year (154) the reduction has not affected the % outturn and performance is on track to achieve target. Lead: Gareth Mitchell
Life Chances 10 Reduce Decent Homes gap	12	13 GREEN	Promotional work for Home Improvement Loans in New Town has taken place resulting in 13 applications so far. Lead: Gareth Mitchell
Life Chances 13 Reduce 'bad debt' evictions	30	4 GREEN	During the 2 nd quarter there were a further 3 evictions due to rent arrears bringing the cumulative total at mid-year to 4. We are still on track to achieve this year's target. Lead: Lindsay Barker

5.0 Progress of our Strategic Plan Action Plan

The Strategic Plan is focused on providing direction and vision for the aspiration for Colchester as a place for its people. We have developed an action plan to help delivery the strategic improvement priorities set out in the Strategic Plan.

Our strategic partners have been working with us, supporting and promoting the key themes linked to our strategic priorities through 'InfoPoint' on a monthly basis in the Customer Service Centre (CSC).

Appendix 2 to this report provides a table with all the current actions and their performance, in summary 71% of the actions are currently progressing on target with 24% at risk and only 5% currently in the red. Areas that appear to be having the most difficulty at the moment are related to partnership activities, specifically where funding has been reduced or is uncertain and this is perhaps unsurprising given the climate and CSR announcements, but disappointing none the less.

Some key areas to highlight from each of the priority areas include:

Addressing Older People's Needs

- Care Village Project : Plans for this are on hold due to remarketing of Layer Road and changes of availability of public funding.
- Special Forum held on 7 September to discuss housing issues for older people.
- In August the Community Alarms Team won an NHS contract which will monitor patients in their homes.
- Partners committed to Infopoint within CSC.

Addressing Younger People's Needs

- CBC judged to be "effective" and commended for its proactive approach to safeguarding children."
- Overall attendance improved through partnership project with Old Heath Primary school.
- Benefits advice being delivered to families at Children's Centres.
- 42 work placements have been achieved for local unemployed 18-24 year olds.
- 55 free activities or events provided attended by 1900 people.
- Training Fayre planned in November, 320 attendees.
- Leaflet drop in New Town to offer 1 to 1 support sessions for unemployed people.

Community Development

- Approximately £240k investment agreed and awarded to voluntary agencies helping us achieve our strategic priorities. Agreements in place and performance monitoring underway. Approx £50k of s106 for community facilities secured this year.
- Lease for community user of Forest Road Meeting Hall signed.
- Portfolio Holder report for the award of a grant and lease for Tiptree submitted.
- Employment Options event currently being planned with Job Centre Plus seconded staff member.
- Door-to-door promotional work started in September in super output area hardest hit by unemployment upturn to promote sources of support for job seekers.

Community Safety

- Significant reductions in both crime and ASB achieved in all 3 'Safer Colchester' pilot areas: Monkwick -16% Crime and 24% ASB; Tiptree - 42% Crime and 47% ASB; New Town - 16% Crime and 12% ASB.
- 2 Days of Action held so far (New Town and Mersea); involving large numbers of partner agencies and delivered tangible improvements to the target neighbourhoods.
- 15 NAPs meeting regularly and achieving progress against their action plan priorities.
- Dedicated graffiti team in place and 450 reports and clearance completed within target timescales.

Congestion Busting

- A12 junction is well ahead of schedule, with opening likely in early December 2010.
- Planning application from Essex County Council for new Park and Ride expected to be submitted in November 2011.
- High Woods Cycle path towards town centre has been upgraded.
- New secure cycle park installed at North Station.

Enabling Job Creation

- Creative Colchester strategy in development.
- Seven active inward investment leads secured.
- Redundant rural buildings brought into commercial use creating 6 holiday units.
- S.106 agreed on Sainsbury Development to address employment and skills issues.
- £1.7m of funding bids to be submitted in the current financial year.
- Increase in the % of working age population qualified to at least NVQ Level 3.
- Shell Step Scheme support placing 25 undergraduates into local companies.

Healthy Living

- Delivery of the NHS funded fuel poverty scheme continuing and 221 people given advice on accessing grants to better insulate their homes.
- Advice Line service extended to all-day coverage with PCT funding.
- 'Walking your Way to 2012' project launched. Achieved 2012 Inspire Mark.
- Mini Games staged in July at University of Essex and Urban Games took place at Highwoods Sports Centre in August, also achieved 2012 Inspire Mark.

Homes For All

- The number of people in temporary accommodation has reduced.
- Fundamental Service Review of Housing has taken place and been implemented.
- Decent Homes work has restarted with 300 homes improved.
- Continued priorities placed on improved enforcement activity in relation to Private Sector Housing to improve quality of life for occupants.

Reduce, Reuse and Recycle

- Recycling rates continue to improve.
- Glass collection commenced in June 2010 but uptake has been minimal and further promotion is required.
- 87% of schools in Colchester are now registered with Eco-Schools programme, compared to 3% five years ago.

6.0 Other Performance News - update as at October

6.1 Central Government Review of Local Authority Performance Arrangements

Having only recently embedded our current Performance Framework we are once again in the midst of a complete overhaul. Perhaps unsurprising given a change in Central Government following the May elections.

The Comprehensive Area Assessment (CAA) has gone and in October it was announced that National Indicators (NIs) will be replaced with a new, "single and reduced list" of all the data that local government will be expected to provide to central government. Whatever the future expectations of Central Government, accountability to the public and our politicians will remain and as such evidence of progress, improvement and performance in priority areas, regardless of the 'name', will endure and continue to be monitored and reported.

Some NI's have already been deleted and where we agree that these do not help monitor local priorities or provide effective data we have already removed them from our own Framework.

The DCLG announcement revokes all Local Area Agreement (LAA) local improvement targets, leaving councils and Local Strategic Partnerships (LSPs) free to amend, drop or keep any LAA targets they choose – with immediate effect. It also confirms DCLG will not be making any Performance Reward Grants against LAA targets. Colchester 2020 will clarify how it wants to move forward and what performance measures could be used in the future.

When taken along with the abolition of Comprehensive Area Assessment and the disbanding of the Audit Commission from 2012/13, the performance 'world' is undeniably changing – not least in terms of the availability of comparative data with other councils or NIs collated to a common definition. We appear to be moving from a system which is based on statutory, nationally-defined and audited measures to one which has more autonomy at local level, dependant on our own improvement and performance priorities.

6.2 Awards and accreditations for the Council as at Q2 2010/11 include:

CIPR East Anglia Silver PRide Award 2010	Communications team recognised as 'outstanding in-house PR team' by winning this silver award for the second year running.
Colchester District Business Awards	Finalists in the Education and Lifelong Learning category – awards ceremony 26 November.
NLPG and NSG Exemplar Awards	Colchester achieved a Gold Standard for the quality of the Council's Local Land and Property Gazetteer (NLPG).
LG Communications Reputation Awards	Communications team won a bronze certificate in the 'District Communications' category.
LEXCEL	Achieved the Law Society's practice management standard for the tenth consecutive year.
Collaborative working in Partnership 2010	Awarded to Essex HR Partnership for the development of 'Virtual Improvement Network Essex' (VINE).
LG Communications Reputation Awards	Our Communications Team achieved a bronze award, in the 'District Communications' category.
Customer Excellence Standard	Resource Management and Corporate Management have both achieved the CSE standard - which tests for service delivery, timeliness, information, professionalism and staff attitude.
SOCITM – Better Connected Website Survey	Our relaunched website is one of the highest rated local government sites in the UK – top 28%.
Council for Learning Outside the Classroom	Quality Badge for the Castle and Hollytrees for meeting the highest safety and learning standards.
Building Control team - survey	440 customers surveyed – every customer either 'very satisfied' (74%/79%) or 'satisfied'
Institute of Cemetery and Crematorium Management – annual survey	Colchester crematorium and cemetery achieved an impressive third place in the South East area, for providing high-standard burial and cremation services – and 13 th nationally.
Tennis Foundation – Beacon status	Our Tennis Centre at Eudo Road was selected as one of the first community sites to achieve Beacon status, which recognises the best community-focused tennis facilities.
Essex Tourism Awards	VisitColchester won 'Tourism Information Centre of the Year'.
Arts and Business Awards	Community Award - in recognition of the Council's work to deliver regeneration and local community engagement with the arts in partnership with the Venetian poles at Fortuna Park.
Green Flag Award	For high quality parks and open spaces - cemetery, Castle Park and High Woods Country Park
Rail Business Awards	'Highly commended' in the Integrated Transport Excellence category re the Station Travel Plan for Colchester Station.
Park Mark Award	An independent assessment of the security quality of car parks, under the Safer Parking Scheme.
CCR Credit Excellence Awards	Highly commended/runner-up in the collections category – only public sector team to reach the finals.
Anglia in Bloom	Castle Park won the best local authority floral display, with Colchester achieving silver-gilt in the small city category.

This information and further details are also shown on www.colchester.gov.uk in the [Council achievements - Colchester Borough Council](#) section.

This action plan remains a working document throughout the year, and updates and amendments will be added as required.

Addressing older people's needs

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Encourage take up of benefits by older people through Welfare Rights team	Increased incomes for residents aged 60+	Monitor Service Level Agreement with Age Concern Help older people access £600,000 extra income	March 2011	Matt Sterling	Service Level Agreement, and performance being regularly monitored. On track to achieve annual target.	Green
Continued support for quarterly Colchester 'Older People's Forum'	Clearer understanding of priorities for older people's services	Quarterly meetings held where actions on workplan are reported on and updated. Web pages created, promoted and updated with relevant information.	Mar 2011 Mar 2011	Matt Sterling	Regular quarterly meetings being held. Next due on Monday 25 October. Held special Older People's Forum on 7 Sep to discuss housing issues.	Green
Care Village Project following the assessment of older people's housing needs to prioritise investment	Improve perceptions of safety for citizens in later life Promote independence in the home Dispel the myth that people in later life are a burden	Agree procurement and secure partner. Agree design Seek capital and revenue funding working in partnership with the Homes and Communities Agency and Essex County Council	Dec 2011 March 2011 March 2011	Tina Hinson	Plans for this are on hold due to remarketing of Layer Road and changes of availability of public funding.	Red

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Complete a strategic review of accommodation for older people.	Support independent living for older people	Strategic review document Recommendations report to Portfolio Holder regarding the 6 council sheltered housing schemes under review. Implementation plan developed with CBH.	March 2011	Tina Hinson	Report drafted and scheduled for PRDP on 8 November	Green
		Increase the breadth of services available in relation to community alarms.	March 2011	Matthew Young	In August 2010 The Community Alarms Team won a contract from NHS for Telehealth which monitors COPD patients in their homes over Colchester & Tendring. Community Alarms also offer all equipment associated with the Telecare systems.	Green
Essex Safeguarding Adults Board audit / self assessment to be completed.	The council fulfils its responsibility to ensure the safety and wellbeing of vulnerable adults who access its services.	Self assessment submitted to Essex Safeguarding Adults Board highlighting current practice and gaps to enable action plan / training.	July 2010	Gareth Mitchell	Initial audit/self assessment submitted by deadline to Essex Safeguarding Adults Board.	Green

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Draw up an action plan of work around the University Partnership to increase the Mobilisation of the third sector.	Mobilisation of the third sector to support older peoples' needs	Action plan of joint work on this subject with the University	March 2011	Gareth Mitchell	Initial meeting held with University of Essex and Colchester Community Voluntary Services representatives to scope joint work.	Amber
Work with key strategic partners to develop a co-ordinated multiagency commitment to the Strategic Plan Priorities through Infopoint @Colchester	The Council works in partnership across the public sector to provide a single point of access to customers in relation to our Strategic Plan Priorities	Evaluation of Infopoint@Colchester strategy	March 2011	P Donnelly L Rathbone	Public service partners have committed to delivering their services on a weekly basis within the CSC. For example ECC (incl. Carers service) are present 3 days of every week. NHS runs mini health checks and provides falls prevention advice one morning of every week.	Green
Carry out food poisoning awareness initiatives to educate older people on health risks arising from poor practices.	Reduced levels of illness and deaths in older people due to food poisoning incidents. Less wastage of food and consequent savings.	Training sessions arranged in appropriate venues and guidance published in various forms.	March 2011	Colin Daines	Advice document is available on web-site and at CSC and presentations at our Activity Centres are being arranged.	Green

Addressing younger people's needs

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Work with key partners to ensure the safety and wellbeing of our Children	Safeguarding children is a priority for CBC and our partners when developing joint initiatives	Submission of Section 11 (Children Act 2004) audit to Essex Safeguarding Children's Board and presentation to the Board on CBC's safeguarding arrangements.	October 2010	Gareth Mitchell	Section 11 audit submission made to Essex Safeguarding Children Board on deadline. CBC judged to be "effective" and commended for its proactive approach to safeguarding children."	Green
		Proactive membership of and participation in the North East Essex Children's Trust Board's "Stay Safe" sub-group	March 2011		Proactive involvement of CBC Safeguarding Coordinator in sub-group established from inaugural meeting	Green
Increase collaboration between the council, local schools and their students	Effective communication and partnership working between CBC, local schools and students	Agree with CCYSP partners (including schools) a "Life Opportunities" target around primary school attendance	September 2010	Matt Sterling	This target was to improve attendance at Old Heath Primary school through a reward scheme. Overall attendance improved from 93% to 95%. We are now discussing a new target for Jan-July 2011 with 2 other primary schools.	Green

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Train a member of staff at each of the 11 Children's Centres in Colchester to deliver Benefits advice to families accessing these centres.	Increased income for those families who can access benefits.	Deliver training to designated member of staff in each Children's Centre. Provide advice to those workers.	Mar 2011	Matt Sterling	Over 50 training places delivered so far with further sessions organised. Advice Line for advisers extended to all-day coverage.	Green
Ensure the work on raising skills levels in the Economic Prosperity Strategy is focused on youth skills priorities	Provide younger people with the skills to enable them to compete effectively in changing economic conditions	Work with the North East Essex Education Business Partnership, including Heads of Schools and the Colchester Institute, to help ensure that the 14-19 agenda including the Diploma and Apprenticeship has the appropriate level of business engagement	March 2011	Nigel Myers	North East Essex Education Business Partnership was wound up in April 2010. Functions transferred to the local Area Planning Group which has an educational rather than a business engagement remit.	Red
		Deliver the Future Jobs Fund Project (88 work placements for unemployed people aged 18-24) in collaboration with partners	April 2011	Nigel Myers	42 work placements have been found for local unemployed young people aged 18 to 24 years old.	Green
To review swimming lesson provision in primary schools with the aim that by the age of 11 (Key Stage 2) every child has an opportunity to learn to	More local young people have the opportunity to learn to swim and more Primary School aged children attending	Complete a review of primary schools swimming lessons that identifies any primary schools not offering swimming lessons.	End of July 2010	Simon Grady	Action being delivered in partnership with Schools Sport Partnership (SSP). Due to change in	Red

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
swim at least 25m unaided	swimming lessons at Colchester Leisure World	Support those Primary Schools not offering swimming lessons to increase access to swimming lessons for their pupils (either during or outside of school).	December 2010		SSP manager, the review has started but not yet been completed. SSP remain committed to help deliver this work. Potential slippage in delivery of support to primary schools.	Amber
Organise a varied programme of subsidised or free activities on 50 days (including school holidays) in at least 5 different venues in the Borough to include: Castle Park adiZone St.Anne's MUGA New Town MUGA	More opportunities for young people to participate in sport and physical activity Increase number of venues where subsidised or free activities are available during main school holidays (Expanding Sport in the Park project from 2009/10)	External funding and partnerships agreed Dates for the activities agreed Activities agreed and planned	By end of March 2011	Simon Grady	55 free activities or events attended by almost 1900 people have been delivered at a range of sites across Colchester. Events included 'Sport in the Park' during school holidays in Castle Park, adiZone St.Anne's MUGA & Old Heath Rec Other highlights included the Urban Games at Highwoods Sports Centre and schools activities as part of the Tour of Britain.	Green

Community Development

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Develop a Programme to engage local communities in local decision making and service delivery.	Capacity building within Community for engagement with decision making	Maximise the opportunities for community engagement and consultation work through opportunities such as: <ul style="list-style-type: none"> The evaluation of the Safer Colchester project Academy in the Community Town Centre / Cultural Quarter and new communities in North Colchester Tour of Britain Olympics 2012 	Mar 11	Mandy Jones Matt Sterling	Community engagement work has been carried out to progress many of these opportunities including a detailed public survey for the Safer Colchester pilot and a public consultation for the town centre proposals.	Green
Engage residents and community groups in target wards to foster increased community spirit and achieve community priorities	Increased pride in community and reduced fear of crime Identification of possible opportunities provided by the Sustainable Communities Act 2007.	Grants agreed Grants awarded Apr 10 Monitor performance Funding process will begin again for the funding year 11-12.	Feb 10 Apr 10 Oct 10 and March 11 November 10	Matt Sterling	Voluntary Welfare grants for 10-11 awarded. Performance monitoring request being sent in Oct 10 11-12 funding round begins in November.	Green
Invest in voluntary sector organisations to direct work at our Strategic Plan priorities	The voluntary sector contributes work to achieve our strategic priorities					

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Work with communities to release resources from a range of sources to deliver tangible community provision using the community facilities audit	More community facilities	Development Team attended fortnightly by member of community development team Heads of Terms for Forest Road centre agreed and signed Heads of Terms for Tiptree Community Centre agreed and signed	Throughout 2010 May 2010 Jun 2010	Matt Sterling	Development Team attended regularly and s106 funding for community infrastructure being requested where appropriate. Forest Hall lease signed with Colne Housing. Tiptree Community Centre lease signed and contractor appointed.	Green
Support regular meetings of the Multi-Faith Forum	Better engagement of all faith groups in Colchester	Regular meetings are held where issues and information can be shared and solutions sought. New CHAIR from forum members is appointed to take group forward.	Mar 2011	Matt Sterling	Faith Forum meets every six weeks with membership increasing. North Essex Diversity and Faith event in November. New chair being appointed shortly.	Green
Review Equality Framework rating of 'Achieving' with a view to achieving 'excellent' level of the Framework in 2012.	Successful migration from Level 3 of the old Equality Standard to new Framework. Address gaps and aspire to 'excellent' standard by 2012 and by doing so providing Leadership and high standards	Access support from the EELGA to enable successful migration to the new Framework. Agree the actions required to enable excellent level assessment by 2012. Seek out and where	March 2011 October 2011 March 2012	Claire Holland	Improvement East has withdrawn the funding previously promised - and the East of England Equality and Diversity Network and Steering Group have ceased. But the Steering Group are due to discuss	N/A

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
	both internally and externally with regard to Equality and Diversity.	applicable adopt best practice. Consider 'peer review'	March 2011		working together with other authorities in the East. It is unclear at this stage whether authorities will go pursue 'Excellent' in 2012, due to the lack of funding and the increase in the IDEa assessment fees. The Equality and Diversity Officer is drafting a gap analysis of where we currently are on the framework to assess the estimated resources needed.	
91	Work with a wide range of statutory and voluntary organisations to deliver the projects in the action plans for the 'skills' and 'worklessness' Life Opportunities targets.	Take-up of numeracy, literacy, IT and ESOL training. 350 residents to attend an employment and training event with 60 to take up an offer.	Mar 2011 Mar 2011	Matt Sterling	Training Fayre to be held at the Old Library in November with target of 320 attendees and 50 to take up offer. Also: New Town North has been identified as the area with the highest number of new JSA claimants. This area was leafleted to encourage people to take-up 1-2-1 support sessions.	Green

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Work in partnership to acquire additional burial land to deliver the provision of a Jewish burial area and extension of the Anglican burial area	Acquisition of the land will meet the identified need from the Jewish community and provide a much needed extension to the Anglican burial area.	Land acquired Development of infrastructure needed for burial land (access etc) Development of defined Jewish burial area	March 2011 Post March 2011 dependant on acquisition date	Colin Daines	Report prepared setting out the various options available and seeking guidance on way forward.	Amber
Work with communities to increase positive and responsible dog ownership	Reduction in the incidence of dog fouling, strays and dog attacks	Roadshows, Educational and promotional events & communications School Education programme Increased enforcement Increased commercial activity in relation to sale of micro chipping service & dog waste bags	Ongoing	Karen Newman	The Animal Control Team has supported: <ul style="list-style-type: none"> the West Mersea Day of Action the Dogathon at High Woods Country Park RSPCA/Essex Police/CBC event at Old Heath Rec We have held micro-chipping events at: Gosbecks and Wivenhoe We have sold more than 90,000 dog waste bags! Work with Young People: 1 educational event at St Anne's primary school and 2 more	Green

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Deliver new Resource Centre within High Woods Country Park	Enhanced visitor facilities and increased community opportunities.	Negotiated tender price to deliver project within budget New resource centre	Agree development timetable May 2010. Project completion Dec 2010.	Bob Penny	<p>booked in for Broom Grove Infants and Juniors.</p> <p>Work with Parish & Town Councils:</p> <ul style="list-style-type: none"> 1000 A5 posters re dog fouling are being delivered in Rowhedge We attended a Wivenhoe Town Council meeting to educate and inform . 	Red

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Adoption of Colchester Allotment Strategy	Adopted allotment strategy	Clarity over future direction for allotment provision and management	Draft strategy for Allotment Association consultation June 2010 PFH Report August 2010.	Bob Penny	Draft has been prepared for PFH consideration. Consultation draft to be prepared for Policy Review Panel and Allotment Assoc consultation Nov 2010.	Amber

Community safety

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Reduce anti-social behaviour in wards in Colchester in line with Life Opportunities targets.	Anti-social behaviour is reduced in identified areas.	Regularly monitor work contained with the 'crime' Life Opportunities action plan.	Mar 2011	Matt Sterling	Promising results so far this year through the 'Safer Colchester' pilot with a reduction in crime and anti-social behaviour in the target areas.	Green
Co-ordinate a series of Community Days of Action to tackle crime and improve the quality of life in neighbourhoods	Reduced anti-social behaviour and fear of crime	3 days organised and delivered	Mar 2011	Matt Sterling	Days being delivered every four months; and generating positive feedback from residents and businesses. These days are now being followed by three months of intensive activity delivered by the Safer Colchester Project to reduce anti-social behaviour	Green

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Together with our partners further develop and sustain the development of 15 Neighbourhood Action Panels to ensure crime and quality of life issues are being actioned and resolved.	Reduced crime, anti-social behaviour and improve responsiveness of Police, CBC and ECC to local community issues.	15 panels serviced on a monthly or bi-monthly basis Evaluation of effectiveness of NAPs going forward	Mar 2011	Matt Sterling	and fear of crime. 15 NAPs continue to be delivered, with priorities being set by local residents and community leaders. Evaluation by Police underway.	Green
Embed the Community Street Wardens (CSW) role in the specific wards	The CSW is recognised by the community as a resource Community feels more supported and cohesive	Patrol rate increases Better informed daily tasking Increase in community activities Decrease in anti-social behaviour	Ongoing through to March 2011	Cassandra Clements	CSWs are clearly imbedded within their communities now and working well with local stakeholders and residents. Patrol rate target is 85% and has been consistently around 94% since April 2009. From Mar' 10 – Sept' 10 the CSW's have achieved 1,083 Community Activities. This large number is due to £7,000 of funding being secured from Child First.	Green

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Implement a new graffiti policy	Colchester is a more sustainable and clean Borough for all those who live, work and a preferred destination for visitors, business location and investment.	Racist and offensive graffiti cleared within 1 working day of report All zones cleaned once every 6 weeks Reports top Police every 6 weeks Graffiti bulletin board established	Ongoing through to March 2011	Dave McManus	Dedicated graffiti team in place since April 2010. Racist and offensive graffiti cleared within timescales. 450 reports and clearance to date all responded and cleared within 6 working days.	Green
Deliver message on Emergency Planning “warning and informing” the public of action to take in an emergency.	Greater awareness of public reflected by increased levels of response to Place Survey.	Public meetings and publicity aimed at delivering message.	March 2011	Colin Daines	Various publicity initiatives carried out and pending. Presentations given to Parish and Town Councils, Essex Almshouses Association and other groups. Focus on this subject will continue throughout the winter months.	Green

Congestion busting

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Work in partnership to release land and deliver the A12 junction, the Northern Approaches Road and the Busway.	Provide new access and release land for housing and economic development through delivery of the A12 Junction and relieve congestion around the North Station area.	Planning permission for 1 st phase of Severalls Delivery mechanism for NAR and the Busway	March 2011 March 2011	Paul Wilkinson Fiona Duhamel	A12 junction expected to be delivered on schedule for opening in Spring 2011. Discussions ongoing with partners to resolve outstanding issues re Severalls and associated infrastructure incl. NAR3 and busway. Phase 1 planning application still under consideration	Green
9 Consider a planning application and make available land to allow delivery of Park and Ride at North Colchester	Increase the attractiveness of the town centre as a place to live, work, shop and visit. Reduce greenhouse gasses produced by transport	Consider as a consultee the planning application to be made by ECC Agree heads of terms with ECC for lease of P&R site Provide support to ECC in order to secure funding	Spring 2010 March 2011 2010/11	Karen Syrett / Fiona Duhamel	Planning application to be submitted by ECC, November 2010, for determination in early 2011 by ECC. CBC have identified it as priority project in draft response to Integrated County Strategy and Local Investment Plan	Amber
Enhance existing and construct new cycle routes and create opportunities through	Increase the levels of people cycling. Improved cycle links	1km of Foot and Cycle paths improved across High Woods Country Park towards town	June 2010	Paul Wilkinson Bob Penny	High Woods Path through towards town centre has been upgraded.	Green - Delivery

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
<p>parks linking together existing routes using Cycling Town status and improve cycle security at rail stations to encourage residents to use bikes and train</p>	<p>across the borough</p> <p>Reduce greenhouse gasses produced by transport</p>	<p>centre.</p> <p>Support removal of 'no cycling' restrictions in certain subways and town centre streets</p> <p>Approve a new strategy for phase 2 of Cycle Town</p> <p>Identifying solutions where barriers to continuous cycle networks exist.</p>	<p>March 2011</p> <p>Oct 2010</p> <p>Agree delivery timescale with Planning Policy and ECC subject to Cycle town funding.</p>		<p>Consultation and publish changes to orders to be undertaken shortly. Crouch Street scheme linked to Better Town Centre Consultation (November 2010)</p> <p>Changes at national level have created uncertainty on future structure and funding of Cycle Town. CBC have identified initiative as a priority project for Integrated County Strategy and Local Investment Plan.</p> <p>Potential for byelaw changes to be handled in new way but further info is awaited from Central Govt. Byelaws that would require amendment have been identified and timescale is up to 12 months.</p>	<p>Amber - Strategy</p>

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Devise planning policy which ensures new developments incorporate walking, cycle routes and public transport services at the initial planning stages	Transport Strategy for Colchester included in LTP3 using LDF documents as a basis and A12 Corridor Towns DASTS study to inform strategy.	Updated Transport Strategy Document for Colchester for inclusion in LTP3.	LTP3 to be published by ECC by April 2011.	Paul Wilkinson	Outline of Transport Strategy included in LDF documents, Local Investment Plan and Integrated County Strategy. Changes in Central Government have resulted in review of transport policy and funding.	Green
Continue engagement in reducing vehicle congestion in North Colchester Business Park through employer- engagement events.	More people walking and cycling to work	Cycle to work challenge Launch of walk to work maps	May 2010	Paul Wilkinson	Challenge and walk to work mapping undertaken. LSP Travel Plan team continuing to work with North Colchester Business Park and Highways Agency	Green
Set up a travel behavioural change programme working with existing communities	Increase the number of people using alternative methods of travel to access schools, employment and the town centre	Workshop held with ECC and partners to identify priorities and actions for education, employment and residential developments	2010/11	Paul Wilkinson	Organisational changes at ECC have made a full workshop not possible. Meeting with key ECC staff to be held.	Amber
Commence changes to the town centre to reduce traffic and improve reliability of the bus	Increase the operational reliability of passenger transport	Consultation on changes to the town centre highway network	Autumn 2010	Paul Wilkinson / Fiona Duhamel	Design work underway to ensure consultation event as part of wider better	Green

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
operation	especially in the town centre.	Approve designs for Head Street public realm Commence delivery of measures to improve the public realm and transport	November 2010 January 2011		town centre programme engagement in October 2010	
Improve the environments in and around Colchester's Town station, and improve access to Colchester North station through the pilot Travel Plan	Develop the Town Square to complement the new Magistrates court Increase the number of people using alternative methods of travel to access the station and places of employment. Reduce greenhouse gasses produced by transport	Increase cycle parking at North Station Produce and distribute 'Travel to the station' guide to existing and new users Deliver Station Travel Plan's year 2 actions	May 2010 June 2010 March 2011	Fiona Duhamel Paul Wilkinson	Initial designs for Town Square completed ready for town centre engagement event in October New secure cycle park installed at North Station and operational in October 2010. Guide produced and available.	Green
To include 20mph as part of future transport strategy	Better local communities with safer streets and more people walking and cycling for local journeys	Agreement with ECC to commence community engagement Delivery of 20mph included in Transport strategy	Summer 2010 March 2011	Paul Wilkinson	Progress reported to Sept Policy Review and Development Panel. Decision that further lobbying of ECC required before commencing community engagement.	Green

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
LDF Preparation; Site Allocations DPD – submission November 2009, examination March 2010 and adoption August 2010.	Spatial planning plays a central role in the overall task of place shaping and in the delivery of land uses and associated activities.	Site Allocations DPD	Adoption October 2010	Karen Syrett	Site Allocations and Policies DPDs adopted Oct 2010	Green
Development Policies DPD - submission November 2009, examination June 2010 and adoption November 2010.		Dev Policies DPD	Adoption October 2010		NS and North Colchester. masterplans on hold awaiting transportation modelling work and go slow requested by LDF Committee	Amber
Supplementary Planning Documents due for adoption 2009 – 11.		NS Masterplan North Col. Masterplan Affordable Housing SPD	Adoption October 2010 Adoption October 2010 Adoption October 2010		AH SPD to be considered by LDF Committee in Dec 2010	Amber

Enabling job creation

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Exploit Colchester's strategic location between London, Stansted and the Haven Gateway ports to promote international trade, secure inward investment and major infrastructure projects	Colchester will have a below average level of worklessness	Create 50 new jobs through Foreign Direct Investment	March 2011	Nigel Myers	Work with East of England International to secure a Spanish scientific development company HQ which will result in 22 new jobs	Green

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
		Refresh 'Choose Colchester' inward investment promotion pack	September 2011		Review of inward investment promotion material underway	Amber
		Lobby East of England International to shortlist Colchester for all appropriate foreign direct investment enquiries	April 2011		Closer working with EEI has resulted in increasing the number of active leads and successful company location	Green
		Use culture led place marketing to attract inward investment	April 2011		Creative Colchester Strategy being developed by Tom Fleming Associates, draft for December 2010	Amber
		Review and formalise inward investment new working arrangements with partners	April 2011		On track with EEI. Awaiting formal response from Essex CC inward investment team	Green
		Secure 10 active inward investment leads	April 2011		7 active leads secured	Green
		Work in partnership with the Haven Gateway Wind Port Group to help realise the supply chain benefits	April 2011		Colchester companies identified for inclusion on renewable energy supplier list – ongoing	Green

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
		for Colchester resulting from this development			meetings with the Group and Hutchinson Ports to realise the development of a viable Harwich based Wind Port	
Ensure the availability of sufficient quality employment land via our planning process to meet the needs of our residents	The needs of local business are met within major development projects	Provide policy expertise to help secure additional 3.2 ha of employment land defined as being of high quality Convert 20 redundant rural buildings into commercial use	March 2011 April 2011	Nigel Myers	Policy input enabled target to be achieved Redundant rural buildings brought into commercial use creating 6 holiday units and 9 B1, A2 and B8 units	Green Green
Use planning gain and other funding streams to raise the number of apprenticeships and increase the take up of training and employment opportunities	The skills of the local workforce improved so people are able to compete effectively in changing economic conditions	Adoption of Supplementary Planning Gain proposal to utilise S.106 funding for the provision of training and apprenticeships Create in partnership with the North East Essex Area Planning Group an additional 100 company	March 2011 April 2011	Nigel Myers	Partly achieved through adoption of a planning gain SPD for Employment Land and Business Space. The draft SPD for Employment and Training has yet to form additional policy 'Crossing the Gap' placed on hold by the local APG CBC focus switched to	Amber Amber

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
		placements/apprenticeships as part of their 'Crossing the Gap' initiative	April 2011		future Jobs Fund and new funding streams	
		Secure agreement for the utilisation of s.106 funding to address employment and skills issues in the borough	April 2011		Achieved on Sainsbury development and Paxman development (£374,000)	Green
		Source, bid and secure additional funding streams to increase take up of employment and training opportunities in the borough	April 2011		Funding streams totalling £1.7m have had bid/will have bids submitted in current financial year	Green
		Secure funding and management arrangements for incubation and grow on space in North Colchester	March 2010	Nigel Myers/Fiona Duhamel	Completed for the North Colchester business incubator with a further £500k secured for Creative Incubator in the town centre	Green
		Influence and provide policy expertise for the development of additional incubation and grow on space at other sites such as Stane Park	September 2010		Potential sites identified for inclusion in the Colchester Investment Plan	Green

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Support the creation of new businesses by working in partnership with other agencies nationally and regionally to market Colchester as a preferred business location	Working closely with multiple sections of the business community a range of local initiatives will be delivered to benefit the local economy	Actively support campaigns such as National Enterprise Week in November to encourage the growth of self employment and business start up activity	December 2010	Nigel Myers	Local promotion and participation activities planned to support national campaign	Green
	Utilise LAA1 Reward Grant and partner contributions to increase the level of business start up particularly from those who are currently under represented in the business community	Promote Colchester through targeted trade publications using editorial rather than paid for advertising	April 2011		Successful delivery of agreed outcomes – final tranche of Performance Reward Grant funding has been withdrawn following budget cuts required by The Essex Partnership in June 2010	Green
	Review the existing Memorandum of Understanding with Business Link re new 3 year contract with EEDA which includes business support as well as inward investment and skills	Promote Colchester through targeted trade publications using editorial rather than paid for advertising	September 2010		Successful placement of copy in business and tourism publications	Green
			October 2010		The Memorandum of Understanding has amended to reflect the changing role of Business Link and its preferred supplier the East of England IDB	Green

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
<p>Raise the skill levels of the local workforce to obtain better paid employment by innovative collaboration with employers, educational institutions and other key partners</p>	<p>The skills of the local workforce improved so people are able to compete effectively in changing economic conditions</p>	<p>Work with LAA partners to increase the proportion of the working age population qualified to at least Level 3 or higher by 1%</p>	<p>November 2010</p>	<p>Nigel Myers</p>	<p>From Dec 2008 to Dec 2009 the percentage of the working age population qualified to at least Level 3 or higher rose from 44.5% to 47.7%</p>	<p>Green</p>
		<p>Use s.106 funding to provide NVQ 2 training for up to 150 residents to secure employment with Sainsbury's and Waitrose</p>	<p>April 2011</p>		<p>The Waitrose 'model' is currently being deployed for Sainsbury's training and recruitment programme for store opening in December 2010</p>	<p>Green</p>
		<p>Effectively signpost in collaboration with partner organisations skills and employment opportunities in the borough</p>	<p>April 2011</p>		<p>Improved signposting including revamped CBC Business</p>	<p>Green</p>
		<p>Implement the Colchester internship/company placement scheme with the University of Essex</p>	<p>April 2011</p>		<p>Support for the Shell Step Scheme placing 25 undergraduates in local companies</p>	<p>Green</p>
		<p>Work with the Colchester Business Group on initiatives to promote the Colchester offer to local</p>	<p>April 2011</p>		<p>Supported networking events and joint promotion activities</p>	<p>Green</p>

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Sustain and where possible strengthen the independent retail sector within the retail offering of the borough	Working closely with multiple sections of the business community a range of local initiatives will be delivered to benefit the local economy	and external companies including those in emerging sectors such as creative and environmental industries Work with the Colchester Town Centre Business Group to agree and implement projects in the town centre which will increase footfall and retail expenditure	April 2011	Nigel Myers	Ongoing projects including joint promotional activities and developing the digital infrastructure	Green
		Contribution to other Town Centre land place marketing initiatives to improve sense of place e.g. night time economy	April 2011		Being delivered through the Better Town Centre programme	Green
		Programme of coordinated events including the Christmas Lights and Colchester in Bloom	January 2011		Formed the Colchester Christmas Group to implement a full programme of Christmas events in 2010 2010 Colchester in Bloom and Anglia in Bloom delivered with destination Colchester	Green
Raise the awareness of local businesses of the	The skills and resilience of local	Delivery of presentations and appropriate literature	March 2011	Colin Daines	Various publicity initiatives carried out	Green

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
need to have adequate Business Continuity plans in place.	businesses improved so people are able to continue to trade after a major incident has occurred.	to local business groups and parish and town Councils			and are pending. Information on Business Continuity given to local business groups. Focus on this subject will continue throughout the winter months.	

Healthy living

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Work with wide range of statutory and voluntary organisations to deliver the projects in the action plans for the Local Area Agreement and 'Life Opportunities' targets on childhood obesity, smoking and teenage pregnancy.	Reduce levels of childhood obesity, smoking and teenage conceptions.	Regularly monitor work contained in the Joint CBC / NEE NHS work plan	Mar 2011	Matt Sterling	Joint work plan reviewed in September.	Green
Deliver the NHS funded fuel poverty scheme (Warm Homes 2)	Improved healthiness amongst target group	Fund heating and insulation work in 15 homes Report on pilot scheme outcomes	Mar 2011 Mar 2011	Matt Sterling	This target was achieved last year. We are using residual funding to help further residents.	Green
Deliver training element	Increased income to	Provide specialist	Mar 2011	Matt Sterling	Advice Line service	Green

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
of the Benefits Maximisation Project	deprived households	benefits training to health professionals			extended to all-day coverage using PCT funding	
Give advice to residents on accessing grants to better insulate their homes	Warmer homes and reduced fuel bills for residents aged 60+	Advise 500 people on better insulating and heating their homes	Mar 2011	Matt Sterling	221 people advised in the first 2 quarters	Green
Agree local priorities and an associated delivery plan in partnership with key local organisations as part of the Active Colchester Community Sport Network (CSN)	An effective co-ordinated approach to delivering local priorities Improve communication with key local partners, avoiding duplication and ensuring best use of resources	Agree priorities and a joint plan of action Deliver the plan	By end September 2010 March 2011	Simon Grady	First Meeting of Active Colchester CSN – Strategic group took place in June 2010. invited representatives from CBC, NHS NEE, University of Essex, Colchester United Community Sports Trust, Schools Sports Partnerships and Extended Schools. The group agreed to devote resources towards increasing participation in sport and active recreation, providing a strategic, joined-up approach to local sport encouraging partnership working and securing new investment into sport in Colchester.	Green

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Work with partners to deliver the London 2012 Partnership Plan	More people leading healthy, active lifestyles, reduced levels of childhood obesity and more adults participating in sport	<p>Launch 5 Olympic Themed Health Walks as part of Olympic Open weekend</p> <p>Organise a Mini Olympics at University of Essex for year 3 children. All 65 Colchester primary schools will have an opportunity to participate with 12 schools – 1 from each “family” within CBSSP – qualifying for final event.</p> <p>Organise Urban Games event to attract over 100 young people who may not be engaged by mainstream sports</p>	<p>July 2010</p> <p>July 2010</p> <p>August 2010</p>	Simon Grady	<p>‘Walking your Way to 2012’ project launched as part of Olympic Open Weekend in July. 5 walks from 2miles to 10miles linked to colour of Olympic Rings. Has achieved 2012 Inspire Mark. Four leader-led walks already taken place.</p> <p>Mini Games was staged in July 2010 at University of Essex.</p> <p>Urban Games took place at Highwoods Sports Centre in August. 2010 Attendance was 169. One of 6 events</p>	Amber

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Deliver a new Clubhouse facility on Abbey Field for use by local Athletics and Hockey Clubs.	More people participating in sport and physical activity throughout the year A legacy from the London Olympic Games in 2012	An agreed scheme Approval to release S299a money Planning Permission secured Building Contractors appointed New building completed	July 2010 Aug 2010 December 2010 March 2011 By end of December 2011	Simon Grady	Initial feasibility work undertaken by the Garrison suggests that a suitable clubhouse building could be provided for approx. £300,000.	Green
Encourage and support local food businesses to participate in "Healthy Eating" award scheme	Increased quality of products available to Colchester residents.	Increased number of Colchester food businesses achieving award.	March 2011	Colin Daines	Number of new award holders has increased to ten in 2010-11 from five last year.	Green
As Licensing Authority, use a combination of education and enforcement initiatives to reduce "binge drinking" by young people.	Reduced levels of consumption and incidents of serious drunkenness, and less impact on personal health.	Publicity campaigns around effects of excess alcohol consumption. Increased numbers of licence reviews for irresponsible sales.	March 2011	Colin Daines	Regular discussions with the Police about enforcement issues and taking forward findings of T&F group on the night-time economy. Colchester & Tendring	Amber

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
					DARG has refocused its activities onto alcohol issues and a range of public health initiatives are in progress.	

Homes for all

Action	Outcome	Outputs	Timescale	GMT lead	Update	RAG
Co-ordinate, provide and promote an advice service with partners to make sure people get all the help they need to remain in their own homes.	More people are able to remain in their own homes	Decrease accommodation to 170 households in order to achieve the Government's target of a 50% reduction the use of temporary accommodation. Review use of CLG Homelessness prevention fund Review SLAs with partner agencies Implement new Housing Services Structures Prevent at least 300 households from becoming homeless	Dec 2010 March 2011 June 2011 June 2010 March 2011	Matt Sterling	Number of people in temporary accommodation as at the end of August 2010: 165 New structure implemented: all staff in place.	Green

Action	Outcome	Outputs	Timescale	GMT lead	Update	RAG
Lead a review of private and publicly owned sites including rural exception sites to deliver new affordable housing across the borough.	Land assets are used efficiently to maximise the delivery of affordable housing. Public sector land is made available for affordable housing.	Final report to Portfolio Holder. Investment plan agreed	July 2010 March 2011	Karen Syrett/Tina Hinson	This piece of work has been incorporated into the local investment plan project. All of the Council's Garage sites have been reviewed and the first site has secured HCA funding.	Green
Implement Colchester's Local Development Framework, including a robust Affordable Housing Supplementary Planning Document to seek 35% of all new homes to be affordable on sites with 3 or more homes in rural areas and 10 or more homes in urban areas.	The Planning system is used effectively to deliver safe, secure, decent and affordable homes.	Affordable Housing Supplementary Planning Document approved October 2010. Participate in sub-regional review of affordable housing delivery against LDF targets.	October 2010 March 2011	Karen Syrett	SPD timetabled to go to LDF Panel on 13/12/10 This review would have fed into a regional piece of work. With the dissolution of regional structures the sub-region decided this was not a good use of its resources.	Green
Adopt a site allocations development plan document to ensure a 15 year rolling supply of housing sites.	The Planning system is used effectively to deliver safe, secure, decent and affordable homes.	Update the Strategic Housing Land Availability Assessment (SHLAA)	November 2011	Karen Syrett	Document adopted. Review of SHLAA underway	Green
Ensure that all Council homes meet the Decent Homes Standard.	Ensure that all Council homes meet the Decent	Restart decent homes programme	April 2010	Tina Hinson	Decent homes work has been restarted.	Green

Action	Outcome	Outputs	Timescale	GMT lead	Update	RAG
	<p>Homes Standard by December 2012.</p>	<p>Complete work to council homes which will deliver 226 new boilers 28 new heating systems 736 homes having new kitchens 280 properties receiving renewed electrical wiring 274 new doors fitted 38 properties receiving new windows in order to bring them up to the decent homes standard</p> <p>Works completed</p>	<p>March 2011</p> <p>December 2012</p>		<p>300 homes to date have had decent homes work carried out as at the end of September.</p> <p>This includes 25 new boilers 42 new heating systems 190 homes have had new kitchens (127 tenants have refused the installation and/or access to fit a new kitchen). 117 properties have received renewed electrical wiring 44 new doors fitted 2 properties received new windows. All of this work contributes to bringing them up to the decent homes standard</p> <p>We remain confident that the Decent Homes programme will be completed by December 2012.</p>	

Action	Outcome	Outputs	Timescale	GMT lead	Update	RAG
Identify private properties to target for improvement to the Decent Homes standard and seek external funding to deliver.	Prioritized risk based inspection of all properties in New Town with completed report.	Use street inspections and our neighbourhood modelling tool, Mosaic to target promotion of Home Improvement Loans within New Town ward 50 Properties in the private sector bought up to the decent homes standard.	October 2010 March 2013	Matt Sterling	Letters have been sent to residents in New Town North super output area promoting Home Improvement Loans.	Green
Encourage the return of empty properties to use.	A reduction in the number of properties on the council tax register empty for over 6 months in the borough.	Rewrite and implement the Empty Homes Strategy Implement opportunities in the TCHS Business Case Introduce a Landlords Accreditation Scheme.	March 2011 November 2010	Tina Hinson	As a result of the TCHS FSR the timescale for this has been incorporated in the to the 3 year implementation plan. This work is progressing through a Partnership with the Greater Haven Gateway sub-region and Essex County Council.	Amber
Improved enforcement activity in relation to Private Sector Housing Standards incorporating wider aspects of public health to improve quality of life for occupants	Improved quality and supply of housing stock in private ownership	Linked to recommendations of the Fundamental Service Review of the Housing Service Increased enforcement activity:	March 2011	Karen Newman	42 licences issued comprising 17 full and 22 draft licences 41 enforcement notices served 1 prosecution instituted - 1	Amber

Action	Outcome	Outputs	Timescale	GMT lead	Update	RAG
		<p>60 HMOs licensed</p> <p>30 Enforcement Notices served</p> <p>Prosecutions and works in default instituted for non-compliance</p> <p>Efficient inspection regime:</p> <p>200 inspections undertaken in response to enquiries for financial assistance</p> <p>50 inspections of Empty Homes</p> <p>400 inspections of homes considered for private letting under the homelessness schemes</p>			<p>successful prosecution</p> <p>0 incidences of works in default instituted</p> <p>80 inspections for financial assistance (grants & loans)</p> <p>0 empty property inspections</p> <p>64 Lettings Scheme inspections</p>	
Implement the review of the Council's temporary accommodation for people who are homeless	Improved temporary accommodation and support for people who are homeless and need short-term housing. Better outcomes for those people	<p>Submit bid for capital funding to the Homes and Communities Agency</p> <p>Secure revenue funding from Essex Supporting People.</p>	<p>July 2010</p> <p>July 2010</p>	<p>Matt Sterling/ Tina Hinson</p>	<p>Funding bid submitted</p> <p>Negotiations with Supporting People are ongoing.</p>	<p>Green</p>

Action	Outcome	Outputs	Timescale	GMT lead	Update	RAG
	housed in temporary accommodation.	If funding is agreed, secure planning permission for new purpose built temporary accommodation scheme on site of Ascott House.	Oct 2010		Planning application is being prepared.	
		Finalise transfer and/or disposal arrangements for remaining units of temporary accommodation.	March 2011			

Reduce, Reuse, Recycle

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Design and implement food waste collection trials	Food waste is being diverted from landfill	Less waste to landfill and increased recycling/composting percentage	Established by March 2011	Chris Dowsing & Dave McManus	This remains part of the work programme for the waste prevention and recycling options appraisal task and finish group. This will go forward along with the outcomes of the Street Services fundamental service review.	Amber

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Design and agree methods to strongly encourage participation in all waste minimisation and recycling schemes	Residents better informed about why they should recycle or compost; what materials are included and the methods used in Colchester	Less waste to landfill and increased recycling/composting percentage	Ongoing through to March 2011	Chris Dowsing	This remains part of the work programme for the waste prevention and recycling options appraisal task and finish group. This will go forward along with the outcomes of the Street Services fundamental service review.	Amber
Implement the key proposals in the new Street Care Strategy	Colchester is a more sustainable and clean Borough for all those who live, work and a preferred destination for visitors, business location and investment.	Less visible litter and detritus Fly posting removed within 24 hours of report Abandoned vehicles investigated within 1 working day of report Increase in a variety of targeted enforcement methods Increase in community involvement	Ongoing through to March 2011	Dave McManus	Operational improvements continue to be implemented and remains part of the overall Street Services plan while most strategic proposals have become part of the wider street services fundamental service review	Green

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
Develop the Trade Waste service and improve its viability	A viable and efficient Trade Waste service responsiveness to the needs of its customer with investigation into recycling opportunities	Reduction in net budget of £25,000 either by increasing income or reducing costs	Ongoing through to March 2011	Dave McManus	Glass collections commenced June 10 to provide businesses with additional recycling. Uptake has been minimal and current forecasts do not predict that the £25k reduction will be met. This area will be reviewed as part of the Fundamental Service Review.	Red
Agree and implement actions from the Energy Savings Trust (EST) one to one report	More sustainable services that reduce their environmental impact and contribute towards tackling climate change	A strategic action plan to improve the sustainability of service delivery across the Council.	Ongoing through to March 2011	Chris Dowsing	A review has been carried out across all services resulting in a report of key findings and recommendations which was presented to Leadership of Place team. An Action Plan has been developed and a new Sustainability Action Group has been formed to begin implementation and monitor progress.	Green
Implement the actions	Less emissions as a	Reduction in carbon	Ongoing	Chris	The Council reduced	Green

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
from the Local Authority Carbon Management Programme plan	result of the delivery of services either in energy consumption or transport	emissions of 25% by 2012 based on a baseline of 2006/07	through to March 2011	Dowsing	its Carbon Emissions by 987 tonnes in 09/10 compared to the 06/07 baseline. The Carbon Management Plan identifies projects to provide a further 1064 tonne CO2 savings for 10/11.	
Work with voluntary and charitable organisations to promote and enable the reuse of a range of household items and materials	More material is taken from the waste stream and diverted for reuse rather than being sent to landfill	Support is provided by the Council to voluntary and charities willing to engage in the reuse of materials	This will be an ongoing engagement with these groups to take advantage of opportunities as they arise	Chris Dowsing	The Council is working collaboratively with ECC and other districts and Boroughs to develop a county wide approach to reuse. An Essex waste prevention strategy and communications plan is being developed. This will be used to support and engage local groups.	Green
Work with the University	Better	Vision & Outcomes	Ongoing	Chris	A joint meeting has	Green

Action	Outcome	Outputs	Timescales	GMT lead	Update	RAG
to share knowledge and expertise around wider environmental sustainability	understanding of each others expertise areas Developing a joint vision & outcome	published	through to March 2011	Dowsing	been held with the University to discuss common approaches to environmental sustainability and to identify joint projects ideas. Key to this is the recruitment of a carbon change coordinator for the University to work alongside the Council's climate change officer to develop the vision and projects.	
Work with Eco schools to progress them through the stages of the national programme	Increase in environmental behaviours and initiatives led by Schools in their communities	Targets to be agreed with Portfolio Holder about numbers of schools achieving the various levels (MY/CD/VF)	Ongoing through to March 2011	Chris Dowsing	Five years ago only 3% of Local Education Authority (LEA) schools in Colchester were registered with the Eco-Schools programme; today 87% of Colchester LEA schools are working towards accreditation making Colchester the leading authority in Essex.	Green

Glossary of Terms

AH SPD	Affordable Housing Supplementary Planning Document
APG	Area Planning Group
A2	Change of use planning permission: A2 Financial and professional services - Financial services such as banks and building societies, professional services (other than health and medical services) including estate and employment agencies and betting offices
B1	Change of use planning permission: B1 Business - Offices (other than those that fall within A2), research and development of products and processes, light industry appropriate in a residential area
B8	Change of use planning permission: B8 Storage or distribution - This class includes open air storage
CBSSP	Colchester - Blackwater School Sport Partnership
CCYPSP	Colchester Children and Young People's Strategic Partnership
CLG	Communities and Local Government (Department of)
COPD	Chronic obstructive pulmonary disease
CSN	Community Sport Network
CSC	Customer Service Centre
CSWs	Community Street Wardens
DARG	Drug and Alcohol Reference Group
DPDs	Development Plan Documents
ECC	Essex County Council
EEl	East of England International
East of England IDB	East of England IDB Ltd (EEIDB) is a joint venture company
EELGA	East of England Local government Association
ESOL	English for speakers of other languages
EST	Energy Savings Trust
FSR	Fundamental Service Review
HCA	Homes and Communities Agency
IDeA	Improvement and Development Agency now Local Government Improvement and Development
JSA	Job seekers allowance
LAA	Local Area Agreement
LEA	Local Education Authority

LDF	Local Development Framework
LSP	Local Strategic Partnership
MUGA	Multi Use Games Areas
NAP	Neighbourhood Action Panel
NAR	Northern Approaches Road
NEE	North East Essex
NHS	National Health Service
NS Masterplan	North Station Masterplan
NVQ	National Vocational Qualification
PCT	Primary Care Trust
PFH	Portfolio Holder
P & R	Park and Ride
PRDP	Policy Review and Development Panel
SHLAA	Strategic Housing Land Availability Assessment
SLA	Service level Agreement
SSP	Schools Sport Partnership (
TCHS	Transforming Colchester's Housing Service(Fundamental Service Review)
T & F	Task and Finish

Agenda item 8(iii)

Extract from the minutes of the Standards Committee meeting on 26 November 2010

Revised Whistleblowing Policy

The Committee considered a report from the Monitoring Officer recommending that the Committee approve a revised Whistleblowing Policy.

Hayley McGrath, Risk and Resilience Manager, introduced the report and revised Whistleblowing Policy to the Committee. The most significant change was the extension of the policy to include whistleblowing by volunteers. It was confirmed that the Whistleblowing Policy would not be affected by the government's proposals for the Standards Framework.

The Committee welcomed the updated policy and noted that no allegation had been made under the policy since it had last reviewed the policy. It was suggested that the wording of paragraph 3.5 of the draft policy be amended to read:

"All concerns will be treated in confidence and the Council will use its best endeavours to protect your identity if you do not want your name to be disclosed."

RESOLVED that the revised Whistleblowing Policy be approved subject to the first sentence of paragraph 3.5 being amended to read:-

"All concerns will be treated in confidence and the Council will use its best endeavours to protect your identity if you do not want your name to be disclosed."

RECOMMENDED to Cabinet that the revised Whistle Blowing Policy be approved and referred to Council for inclusion in the Council's Policy Framework.

Colchester Borough Council

Whistleblowing Policy and Procedure

1. Introduction

- (1) Employees or Councillors are often the first to realise that there may be some form of inappropriate conduct within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances it may be easier to ignore the concern rather than report what may just be a suspicion of misconduct, but this can have serious consequences if wrongdoing goes undetected.
- (2) The Council is committed to the highest possible standards of openness, probity, accountability and honesty. In line with that commitment we expect employees, councillors and others that we deal with who have serious concerns about any aspect of the Council's work to come forward and voice those concerns.
- (3) This policy document makes it clear that employees and councillors can do so without fear of victimisation, subsequent discrimination or disadvantage. This Whistleblowing Policy and Procedure is intended to encourage and enable employees and councillors to raise serious concerns within the Council rather than overlooking a problem or 'blowing the whistle' outside. With the exception of employment related grievances, this policy will apply to any act of Whistleblowing, as defined by the charity Public Concern at Work to mean;" A disclosure of confidential information which relates to some danger, fraud or other illegal or unethical conduct connected with the workplace, be it of the employer or of its employees." Examples of these matters are given below in paragraph 2.2.
- (4) This policy and procedure applies to all employees, councillors, partners, volunteers and contractors. It also covers suppliers and members of the public.
- (5) These procedures are in addition to the Council's complaints procedures and other statutory reporting procedures. Officers are responsible for making customers aware of the existence of these procedures.
- (6) This policy has been discussed with the relevant trade unions and has their support.

REVIEW DRAFT

2. Aims and Scope of this Policy

2.1 This policy aims to:

- (a) encourage you to feel confident in raising serious concerns and to question and act upon concerns about practice without fear of recrimination.
- (b) provide avenues for you to raise those concerns and receive feedback on any action taken
- (c) ensure that you receive a response to your concerns and that you are aware of how to pursue them if you are not satisfied
- (d) reassure you that you will be protected from possible reprisals or victimisation if you have a reasonable belief that you have made any disclosure in good faith.
- (e) advise you of the support that the Council will provide if you raise concerns in good faith.

2.2 There are existing procedures in place to enable you to lodge a grievance relating to your own employment. This Whistleblowing Policy and Procedure is intended to cover major concerns that fall outside the scope of other procedures. These include:

- (a) conduct which is an offence or a breach of law
- (b) disclosures related to miscarriages of justice
- (c) health and safety risks, including risks to the public as well as other employees
- (d) damages to the environment
- (e) the unauthorised use of public funds
- (f) possible fraud and corruption
- (g) other unethical conduct
- (h) unacceptable business risks.

2.3 This concern may be about something that:

- (a) makes you feel uncomfortable in terms of known standards, your experience or the standards you believe the Council subscribes to; or
- (b) is against the Council's Procedure Rules and policies; or
- (c) falls below established standards of practice; or
- (d) amounts to improper conduct.

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3. Safeguards

Harassment or Victimisation

- 3.1 The Council is committed to good practice and high standards and wants to be supportive of employees and councillors.
- 3.2 The Council recognises that the decision to report a concern can be a difficult one to make. If what you are saying is true, you should have nothing to fear because you will be doing your duty to the Council and those for whom you are providing a service. In these situations you are a witness and not a complainant.
- 3.3 The Council will not tolerate the harassment or victimisation of any person who raises a concern. The Council's disciplinary procedures will be used against any employee who is found to be harassing or victimising the person raising the concern and such behaviour by a councillor will be reported under the Members' Code of Conduct.
- 3.4 Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary or redundancy procedures that already affect you if you are an employee.

Confidentiality

- 3.5 All concerns will be treated in confidence and the Council will use its best endeavours to protect your identity if you do not want your name to be disclosed. If investigation of a concern discloses a situation that is sufficiently serious to warrant disciplinary action or police involvement, then your evidence may be important. Your name will not however be released as a possible witness until the reason for its disclosure at this stage has been fully discussed with you.

Anonymous Allegations

- 3.6 This policy encourages you to put your name to your allegation whenever possible.
- 3.7 Concerns expressed anonymously are much less powerful but will be considered at the discretion of the Council.
- 3.8 In exercising this discretion the factors to be taken into account would include the:
 - (a) seriousness of the issues raised;
 - (b) credibility of the concern; and
 - (c) likelihood of confirming the allegation from attributable sources.

Untrue Allegations

- 3.9 If you make an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against you. If however, you make an allegation maliciously or for personal gain, disciplinary action may be

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taken against you, or if you are a councillor a complaint may be made under the Members' Code of Conduct.

4. How to raise a concern

- 4.1 As a first step, if you are an employee you should normally raise concerns with your immediate manager or their superior. This depends however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if you believe that your line manager or one of their superiors is involved, you should approach the Chief Executive, an Executive Director, the Monitoring Officer, the Head of Resource Management (in his/her capacity as the Council's Chief Finance Officer) or the Audit Manager.
- 4.2 Concerns may be raised verbally or in writing. Employees or councillors who wish to make a written report are invited to use the following format:
- (a) the background and history of the concern (giving relevant dates); and
 - (b) the reason why you are particularly concerned about the situation.
- 4.3 The earlier you express the concern the easier it is to take action.
- 4.4 Although you are not expected to prove beyond doubt the truth of an allegation, you will need to demonstrate to the person contacted that there are reasonable grounds for your concern.
- 4.5 Advice and guidance on how matters of concern may be pursued can be obtained from:
- Chief Executive, Adrian Pritchard ☎ 282211
Executive Director, Ian Vipond ☎ 282717
Executive Director, Ann Wain ☎ 282212
Executive Director, Pamela Donnelly ☎ 282212
Monitoring Officer, Andrew Weavers ☎282213
Finance Manager Audit and Governance, Elfreda Walker ☎282461.
- 4.6 You may wish to consider discussing your concern with a colleague first and you may find it easier to raise the matter if there are two (or more) of you who have had the same experience or concerns.
- 4.7 If you are an employee you may invite your trade union or a friend to be present during any meetings or interviews in connection with the concerns you have raised. If you are a councillor you may be accompanied by your group leader.

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5. How the Council will respond

- 5.1 The Council will respond to your concerns. Do not forget that testing out your concerns is not the same as rejecting them.
- 5.2 Where appropriate, the matters raised may be:
- (a) investigated by management, internal audit, or through the disciplinary process
 - (b) referred to the police
 - (c) referred to the Council's external auditor
 - (d) the subject of an independent inquiry.
- 5.3 In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle, which the Council will have in mind, is the public interest.
- 5.4 Some concerns may be resolved by agreed action without the need for investigation.
- 5.5 Within **five** working days of a concern being raised, one of the Officers named at 4.5 above will write to you:
- (a) acknowledging that the concern has been received
 - (b) indicating how it is proposed to deal with the matter
 - (c) giving an estimate of how long it will take to provide a final response
 - (d) informing you whether any initial enquiries have been made
 - (e) supplying you with information on staff support mechanisms, and
 - (f) informing you whether further investigations will take place and if not, why not.
- 5.6 The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the Council will seek further information from you.

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- 5.7 Where any meeting is arranged, off-site where appropriate, if you so wish, you can be accompanied by a union or professional association representative or a friend, or the group leader if you are a councillor.
- 5.8 The Council will take steps to minimise any difficulties, which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings the Council will arrange for you to receive advice about the procedure and will help you with the preparation of statements.
- 5.9 The Council accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, you will receive information about the outcomes of any investigation.

6. The Responsible Officer

- 6.1 The Monitoring Officer has overall responsibility for the maintenance and operation of this policy. That officer maintains a record of concerns raised and the outcomes (but in a form which does not endanger your confidentiality) and will provide an annual report on the operation of the policy to the Standards Committee.

7. How the matter can be taken further

- 7.1 This policy is intended to provide you with an avenue to raise concerns within the Council. The Council hopes you will be satisfied with any action taken. If you are not, and if you feel it is right to take the matter outside the Council, the following are possible contact points:

- (a) the Audit Commission hotline - 0845 052 2646
- (b) your local Citizens Advice Bureau
- (c) relevant professional bodies or regulatory organisations
- (d) the police
- (e) Local Government Ombudsman
- (f) the Council's Standards Committee.

- 7.2 If you are considering taking the matter outside of the Council, you should ensure that you are entitled to do so and that you do not disclose confidential information. An independent charity, Public Concern at Work, can offer independent and confidential advice. They can be contacted on ☎ 020 7409 6609 or by email at whistle@pcaw.co.uk

8. Questions regarding this policy

- 8.1 Any questions should, in the first instance, be referred to the Monitoring Officer.

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Report of	Head of Street Services	Author	Matthew Young
Title	A Joint Parking Service for North Essex		
Wards affected	All		

This report concerns the establishment of new Parking Partnership to deliver on and off-street parking services across the north of Essex

1. Decision Required

1.1 The Cabinet is asked to approve:-

- The signing of a Strategic Commissioning Agreement with Essex County Council (ECC) governing the establishment of a joint Parking Service for the north of Essex covering the borough and district areas of Braintree, Colchester, Epping, Harlow, Tendring and Uttlesford Councils, which is to be hosted by Colchester Borough Council and overseen by a Joint Committee. Due to timescales, the Cabinet is asked to approve the delegation of responsibility for agreeing the final document to the Portfolio Holder for Street and Waste Services.
- The signing of a Parking Partnership Joint Committee Agreement with the effective date of implementation of 1 April 2011, which details the Joint Committee arrangements, responsibilities and financial implications for the partner authorities. This will also include arrangements for the management and operation of Colchester's Car Parks. Due to timescales, the Cabinet is asked to approve the delegation of responsibility for agreeing the final document to the Portfolio Holder for Street and Waste Services.
- The dissolution of the existing Parking Partnership Joint Committee Agreement between Colchester Borough Council, Braintree District Council and Uttlesford District Council with effect from 31 March 2011, subject to the agreement of the above documents.

2. Reasons for Decision

- 2.1 There is a need for change to ensure that on-street Parking services in the Essex are effective and financially viable, particularly as the operating deficit across the County is predicted to reach in excess of £1m for this financial year.
- 2.2 Having served notice on all the Boroughs and District Councils to cease the current individual agency agreements with effect from 1 April 2011, Essex County Council wishes to develop a new way forward working in partnership with the district authorities through a new Partnership to deliver sustainable, efficient and effective on-street parking services.
- 2.3 Over the last six months an options appraisal process has been worked through by all authorities and this concluded that creating a Joint Parking Partnership service, similar to the model operated by Colchester, Braintree and Uttlesford Councils, would be the best solution.

- 2.4 This Partnership approach would meet both the County Council and district authorities' objectives, including improved quality of service and on-going financial savings. The Partnership would have the capacity and be able to supply off-street parking services too.
- 2.5 The setting up of the new on-street Partnership has modest one-off investment costs which will be borne by the County Council.
- 2.6 This issue was considered at meetings of the Leaders and Chief Executives Group during summer 2010. The recommendation to proceed with the creation of a joint service was agreed in principle, based on a detailed Options Appraisal Report.
- 2.7 This report has now been presented, with the County Council Portfolio Holder's support, and the Leaders and Chief Executives Group at their December meeting has agreed that it should be pursued using the Partnership model based on two geographical areas, one for the north of the County and one for the south.
- 2.8 Colchester Borough Council has been invited to be the lead authority for the north of Essex and has commenced negotiations with Essex County Council to agree a Strategic Commissioning Agreement. The Agreement will be for 7 years, with an option to extend for a further 4 years.
- 2.9 Following that a Partnership Agreement will have to be signed by all the participating borough and district authorities that will detail the arrangements of the service and set out each partner authorities' financial and operational responsibilities.

3. Alternative Options

- 3.1 The alternative of continuing with existing stand-alone arrangements in each district area has been judged unsustainable by the County Council as the client for the service. 12 separate independent parking services operations would require substantial additional investment and represents a last resort that would not be appropriate unless all other options were unacceptable.
- 3.2 The Cabinet should note that each district authority has no decision-making powers about on-street parking, this being in the gift of the County Council and already decided; the limit of the Council's remit being whether or not to join the new Partnership to influence the delivery of on-street parking services and additionally whether to transfer off-street parking functions.
- 3.3 Regarding off-street operations, the other option is for authorities to retain their own operations which could meet some objectives and in addition the benefits would be smaller than for the full joint service. Nevertheless, if one authority decides not to participate, it would be sensible to consider creating a joint service initially between the others, with the possibility of expanding later.

4. Supporting Information

- 4.1 ECC commissioned consultants Blue Marble to facilitate a working group made up of representatives from all boroughs and districts with the aim of developing a solution that ultimately provides the current level of service at no cost to ECC.

- 4.2 The preferred solution that emerged from the working group was a two partnership operation delivering the enforcement operation in the north and south of Essex with a lead authority taking ownership of each partnership. It was also recommended that the signs and lines and Traffic Regulation Order operation should be transferred into the partnership along with the relevant budget.
- 4.3 The preferred option is for a joint service for all councils in the north area, hosted by one authority and overseen by a Joint Committee governed by a Partnership Agreement. It would be run from a central office, with front-line staff based locally in each area. Each Council would retain responsibility for car park assets, and make decisions on its own local policy and strategy issues, although it may source advice and guidance from the Parking Partnership.
- 4.4 The main features of this Partnership are described in Appendix One to this report and the main points of the Partnership Agreement are set out in Appendix Two.

5. Proposal

- 5.1. ECC, via its own Board, will have a Strategic Commissioning Agreement with its Partnership Lead Authorities. This will be the main operating agreement for the new on-street services provided for the County Council by the lead authority.
- 5.2. There will be a Joint Committee established to carry forward the governance of the Partnership. The Joint Committee will consist of one member from each client authority. The chairmanship will rotate but the current proposal is that the lead authority will have a casting vote if this should be necessary to resolve disputes.
- 5.3. The Partnership lead authority will have an agreement with the client authorities; there will be two proposed sections to the Partnership Agreement documents, one for on-street services (yellow line and residential enforcement) and one for off-street (car park operations).
- 5.4. Each authority needs to make a decision about its off-street parking service. The restructuring of the on-street service will mean that it may not be viable to continue discrete off-street parking operations. If it is deemed appropriate to transfer its off-street operation, then each authority needs to take the decision of what functions to transfer.
- 5.5. The Partnership can suggest modules of work which may transfer, but each authority will need to consider its own stranded costs and overheads in doing so.

6. Strategic Plan References

- 6.1 Effective management of parking services facilities both on-street and off-street will indirectly help to influence the priorities of congestion busting and enabling job creation within Colchester's Strategic Plan 2009-2012.

7. Consultation & Communication

- 7.1 Any staff potentially affected by changes in service provision will be kept informed and consulted according to the Councils' established policies and procedures. Press releases and other publicity will be issued when the Councils take the decision to establish the joint service, and when the new service is launched.

8. Publicity Considerations

- 8.1 A marketing plan will be completed as part of the project.

9. Financial Implications

- 9.1 The financial implications are summarised in Table 1 (below) and Appendix 3, which shows the current level of spending on Parking Services, estimates of the contributions to overheads and contributions to the joint service to be made in the first three years.
- 9.2 Further savings and efficiency gains would be expected as a result of service development and process improvements in later years. New investment in the joint service would be expected to improve efficiency through self-service, improved software and other enhancements. The changes currently envisaged will be incorporated in a provisional three-year Business Plan.
- 9.3 The one-off implementation costs for the joint service are to be borne by Essex County Council and are estimated to be about £200k for changes to systems and processes, plus staff-related costs yet to be determined (depending on the numbers of posts affected by relocation or redundancy). It is hoped that staff-related costs would be small in practice; few staff are in posts that are planned to relocate, and redundancies would be minimised through redeployment as far as possible. ECC have confirmed that they will also cover these costs.
- 9.4 ECC are committed to covering the planned deficit in the first two years of operation, whilst the new service is fully set up and more efficient operations are put in place.
- 9.4 By signing up to the Partnership, authorities will take a share of the risk in the on-street fund if a deficit is made after year 2. However, the business plan shows that a surplus is planned which will be ring-fenced to be used on parking and traffic related issues. Authorities will also make contributions for any off-street parking services provided.
- 9.5 The funding contribution to the Parking Partnership for the provision of each district's off-street parking services shall be negotiated against the general calculation outlined in Appendix 3B.

Table 1. Financial implications of creating a joint parking service

For Colchester, will be:

- a new ring-fenced on-street account
- a separate fund for each off-street district/borough (which will net to zero)
- recharges for support functions
- the on-street fund in Colchester presently operates with a modest surplus. The individual services, with estimates of the future on-street service, showing where savings and efficiencies are to be made are shown in the Appendix.
- the off-street fund in Colchester provides a net income to the general fund, which will be maintained under the new arrangements.
- The on-street parking fund presently contributes around £200k to cover its share of Colchester's overheads. It is estimated that contributions to support overheads will increase marginally.

- Colchester will continue make operating contributions to the joint service for provision of its off-street service.
- Colchester will continue to receive an income from its own off-street parking operations.

10. Equality, Diversity and Human Rights implications

10.1 There are no direct equality implications in these proposals although the operation of the service will need to respect each authority's equality and diversity policies in delivering the service.

11 Legal Implications

11.1 Districts would remain statutory consultees of the Traffic Regulation Order (TRO) process.

11.2 Each Council will be required to join the Partnership and sign up to its Agreement (on-street) in order to take advantage of the benefits.

11.3 Each Council signing up would be required to take a proportionate and equitable share of the Partnership's risk.

11.4 Each Council would need to opt in to the Partnership their off-street operations if they chose.

11.5 Authority and delegation of functions to the Joint Committee will be necessary when opting in.

11.6 Epping has its own out-sourced contract which continues until September 2012. It is envisaged that this be allowed to continue to run its course, and as part of the Agreement to confer the Agency to Epping within its district in order for them to continue to administer the enforcement activity until the end of the contract.

12. Health and Safety Implications

12.1 There are no direct health and safety implications in these proposals although the new Partnership will need to ensure that risk assessments are current for all services provided in the new partnership area.

13 Risk Management Implications

13.1 Risks of creating a new service have been covered in the separate project management document and are available as a background paper.

Background Papers

- Risk Management Register
- County Council's Local Transport Plan (LTP) currently in its second edition (2006-2011)
- Operational Guidance to Local Authorities: Parking Policy and Enforcement document (published March 2008)

Appendix 1

Additional Information

The main features are as follows:

- **Management arrangements.** All the staff involved in parking activities in all authorities in each area would come under a single management structure. Given the relative size of the councils' teams, and the location of current management expertise, the joint service would be hosted by CBC, with its headquarters in Colchester. It is proposed that all posts involved in parking would transfer under TUPE to CBC.
- **Back-office operations.** The staff involved in these functions would be amalgamated into a single team based in Colchester, flexibly undertaking work generated in all six districts.
- **Parking warden teams.** These staff would continue to be based locally, with on-site supervision and remote management by a co-ordination team in Colchester. They would generally cover the areas where they currently deal with enforcement, although cross-boundary working would be undertaken whenever appropriate.
- **Car-park management.** Local arrangements for managing and operating town car parks (e.g. servicing ticket machines; providing information for the public) would also fall under the joint service where authorities opt in. However, the ownership and stewardship of each council's assets would remain as separate responsibilities, including maintenance and upgrading of facilities.
- **Strategy and policy.** Each council would retain responsibility for decision-making on policy issues such as car-park charges and opening hours. This would be informed by data, reports and advice from the joint service, including an overall strategic framework, modelling of car-parking charges and usage, and analysis of performance.
- **Systems and processes.** Present arrangements include independent back-office systems, separate contracts for the hand-held computers used by parking wardens, and different approaches to cash collection from ticket machines. These and other processes would be merged and streamlined to allow work for all partner councils to be handled efficiently together, yet still distinguished when necessary (e.g. for reporting numbers of cases by District, and allocating income).
- **Governance.** Proposed arrangements for the Joint Committee, and client-side responsibilities within each council are specified in the draft Agreement (below). This would include an annual meeting to approve the Business Plan prepared by the joint service, and the individual authorities would take decisions on their financial contributions.
- **Brand and identity.** The service would operate under the Parking Partnership identity, which allows scope to include individual district identifiers alongside, which preserves local relevance and a link to each of the Councils.
- **Service Development.** A joint service would spread the cost of investment in new opportunities. Certain Highways Authority responsibilities (maintaining the 'lines and signs' indicating parking restrictions, and making associated Traffic Regulation Orders) would be transferred to the joint service under an agency agreement. This would provide clarity and transparency for drivers seeking parking in Permitted and Restricted parking spaces, and would also help to improve the effectiveness of enforcement, because changes would be better aligned and challenges would be fewer and unambiguous.

- *Financial arrangements.* The finances of this option for on street parking are based on any additional expenditure by CBC (as the host of the joint service) over its own service being met by annual contributions from the partner authorities including commitment to a share of income into the Partnership, when they pass over their functions. It is anticipated that there will be savings compared to the costs of current operations, and the resulting surplus would be used to further develop parking and traffic related issues across the Partnership.

For off-street operations, in a year when there is an overall net saving compared to current costs, each council, with an additional share for the Partnership, would benefit by its proportion of the surplus. The Partnership would use this sum to cover contingencies, additional resource (if needed) and investment in the further development of the service. The partner authorities would each be able to direct an equivalent amount to other purposes.

This equality principle would be applied also in circumstances when the joint service generates improvements that save costs, and if significant special investment is required beyond the level covered by the annual contributions.

Practical arrangements for handling the Accounts relating to parking would be as follows:

- The Decriminalised Parking Enforcement (DPE) account would be combined into a single separate fund, and would be administered by the lead authority.
- Income from parking charges, permit fees and enforcement for off-street parking would be credited directly to the separate councils. (This includes cash in ticket-machines, automatic debits, cheques etc)
- Decisions about the contributions to be made by each council would be taken annually by the Joint Committee, on the basis of predicted costs
- A schedule would be established for regular (quarterly) payments from partner authorities.

Appendix 2

Main Points of Draft Agreement.

The Parking Partnership: Joint Committee Agreement

The Agreement covers a combined parking service for an initial period of 7 years, with an option to extend it for a further 4 years. Colchester Borough Council (CBC) will be the lead authority, providing baseline services for all authorities in the following:

- Back-office operations
- Parking enforcement
- Car-park management
- Strategy and development

The following are excluded from the Joint Service:

- Disposal/transfer of items on car-park sites
- Decisions to levy fees and charges at parking sites
- Changes to opening times of parking buildings
- Ownership/stewardship of car-park assets
- Responding to customers who contact the authorities directly

All staff involved in the client district authority's Parking Services will transfer to CBC employment under TUPE arrangements.

Service provision and financial contributions will be laid out in a rolling 3-year Business Plan, to be considered by the Joint Committee and recommended to the partner client authorities. Payments of agreed financial contributions will be made quarterly in advance.

- For off-street, this will include an agreed split of operating budget and share of income.
- For on-street this will be a joint benefit/risk share agreement

Colchester will maintain a ring-fenced Joint Parking Account for expenditure on the joint service and contributions received from each of the other partners for off-street and one for on-street. Income from car park charges and enforcement will be credited to the authority where it applies, less any agreed income contributions.

End of year surpluses/deficits greater than £100k will be eliminated by adjustment to the annual contributions.

The Joint Committee may seek capital funding from any or all of the partners to invest in service developments.

Partners will contribute equally to the costs of external audit, and will co-ordinate their internal audit requirements for the joint service.

The Joint Committee will comprise a number of Members (one from each authority), including Executive Members with responsibility for Parking and/or Resources and/or a member of a Policy Committee (as appropriate according to the operating style of the council) dealing with parking. Terms of office are not limited.

Each Joint Committee member will have a single vote. As the lead authority, Colchester will have a second, casting vote when required.

Support will be provided by a Clerk to the Committee, normally an officer within the joint service. The Committee will meet at least 3 times a year. The Chair and Vice-Chair will be appointed at the AGM, which will be the first meeting after 1 June. Chairmanship will be alternated between the partner authorities. Meetings will normally be open to the public and press, and the minutes will be published.

The Joint Committee will be responsible for

- Agreeing plans, strategies, and levels of service
- Managing the provision of services
- Recommending fees & charges, and financial contributions to the partner authorities
- Accounting to the County Council for the 'decriminalised' civil parking fund
- Functions under the Road Traffic Act 1991 (as amended), enforcement activity and operations under the Road Traffic Regulation Act 1984, Traffic Management Act 2004 and other legislation as appropriate
- Monitoring performance

Scrutiny arrangements within each partner authority will apply to the decisions of the Committee. The Agreement specifies criteria by which it can be terminated, and the arrangements that would then apply for financial liabilities, transfer of staff and disposal of assets and property. The Agreement will be kept under review, and a specific review will be carried out 2 years after its commencement.

Appendix 3
3A. Existing On-Street Parking Fund

2009/10	Braintree	Colchester	Epping Forest	Harlow	Tendring	Uttlesford	All
	£	£	£	£	£	£	£
<i>Expenditure</i>							
Management	6,852	42,176	48,694	22,600	64,899	10,627	195,848
CEO's & Supervision	113,002	334,563	148,506	132,910	206,869	78,916	1,014,766
Back Office	41,745	127,309	46,202	53,270	76,073	24,465	369,064
Central Support	15,952	81,512	28,431	37,960	50,740	16,842	231,437
Transport	11,880	28,497	17,885	2,710	28,624	3,109	92,705
Accommodation	2,230	13,512	30,795	3,460	6,089	2,806	58,892
IT	9,246	59,039	36,556	9,670	29,577	5,131	149,219
Other	9,052	75,996	147,776	27,450	49,061	9,919	319,254
Payments to ECC	17,388	3,393	3,393	14,110	26,068	12,002	76,354
Total Expenditure	227,347	765,997	508,238	304,140	538,000	163,817	2,507,539
<i>Income</i>							
Penalty Charges (PCN's)	114,457	597,760	399,822	168,243	209,164	61,200	1,550,646
Parking Permits/Season Tickets	30,146	230,920	39,820	37,402	6,651	15,298	360,237
Parking Charges (P&D etc)			128,194		3,390	4,584	136,168
Transfers from Off-Street Parking	10,000				23,955		33,955
Other		1,485	185	1,320	920	650	4,560
Total Income	154,603	830,165	568,021	206,965	244,080	81,732	2,085,566
Deficit / Surplus	(72,744)	64,168	59,783	(97,175)	(293,920)	(82,085)	(421,973)

Essex Car Parking Business Case: Summary North Partnership (Lead Authority: Colchester)

Budget item	Current costs 11/12 £k	New costs 11/12 £k	Savings £k	% change	Rationale and Assumptions *
Expenditure					
Management	201,723	158,892	42,831	21%	Group Manager, Parking Manager + support role. Assumed 85% of time spent on partnership
CEO's Supervision	1,045,209	1,050,500	(5,291)	-1%	Continuation of existing resources. Based on proposed staffing structure.
Back Office	380,136	286,202	93,934	25%	Assumes reduction in staff costs linked to efficiencies through IT proposals.
Central Support	238,380	198,431	39,949	17%	Assumed reduction in corporate overheads.
Transport	95,486	109,885	(14,399)	-15%	Allowance included for some additional transport costs.
Accommodation	60,659	60,795	(136)	0%	Costs broadly similar to existing.
IT	153,696	96,556	57,140	37%	Reduction in costs arising from rationalisation.
Other	328,832	293,776	35,056	11%	Based on costs linked to number of PCNs and number of officers. Based on experience of operating existing partnership.
ECC Payments	78,645	0	78,645	100%	Assumed nil
Total Exp	2,582,766	2,255,037	327,729	12%	
Income					
PCN's	1,550,646	1,550,646			No change in volumes / pricing assumed for 11/12
Permits season tickets	360,237	360,237			No change in volumes / pricing assumed for 11/12
Pay and display	136,168	136,168			No change in volumes / pricing assumed for 11/12
Total Income	2,047,051	2,047,051			
Surplus(deficit)	(535,715)	(207,986)	327,729		
Signs/lines					
TROs					
		See rationale			Assumed at this stage that ECC will reimburse all costs at actual spend.

Budget item	Current costs 11/12 £k	New costs 11/12 £k	Savings £k	% change	Rationale and Assumptions *
Implementation					
Transitional admin		0			
Project management		30,000			Budget to reflect dedicated staff time during project implementation.
Start-up costs		110,000			Costs relating to IT transfer / migration. Initial training, HR support etc
		130,000			Allowance for IT initiatives to support delivery of reduced revenue costs in back office etc
Total costs		270,000			

Risk mitigation						
Assumed all redundancy costs and pension strain costs will be met by ECC						
There is a potential for income to be increased over the period.						
Multi-year projections		2012/13	2013/14	2014/15	2015/16	2016/17
	Expenditure	2,209,936	2,187,837	2,187,837	2,187,837	2,187,837
	Income	2,149,404	2,256,874	2,302,011	2,302,011	2,302,011
	Surplus/(deficit)	(60,532)	69,037	114,174	114,174	114,174

* All Assumptions for 2011/12 reflect existing arrangements within Epping Forest District Council

3B. Business model for Joint Parking Partnership (off-street)

To be decided and agreed for those authorities wishing to join the partnership with their off-street parking operations.

The calculation of contribution (towards a net-to-zero fund after operating expenses are taken into consideration will be negotiated on the basis of:

The greater of:

- Either
100% of current budgeted or actual operating costs for 2010/2011 financial year adjusted for inflation for 2011/2012,
- Or
97% of operational costs plus a negotiated percentage of income, increased by inflation.

14 In either calculation the amount of contribution would be reduced by savings made in management overheads as a result of running the enlarged on-street partnership centrally.

The amount of contribution will be increased by inflation, year-on-year, with any surpluses being returned at the start of the fifth operating quarter, and each year thereafter

4. Letter of intent/authority from Essex County Council

Dear Charles

We are making good progress on the implementation of the parking partnerships and I was very encouraged by our discussion last week.

We both recognise that there are still a number of important issues to resolve, including the Strategic Commissioning Agreement, and ahead of the completion of that document I thought it would be helpful to write and confirm the key principles that we are working towards. These include:

1. Essex CC will delegate to two Partnerships (via a Joint Committee) the authority for on-street enforcement & charging, relevant sign & line maintenance and the power to make relevant traffic orders.
2. The agreement with the Partnerships will be for 7 years with an option to extension for a further 4 years up to a total of 11 years.
3. The Parking service will be delivered through two Partnerships, one for North Essex and one for South Essex. The North Essex partnership will be formed by Braintree, Colchester, Epping Forest, Harlow, Tendring and Uttlesford. Colchester will be the lead authority.
4. The Partnerships will be responsible for any financial surplus and/or deficit created by the parking operation following the first two years agreed arrangements. They will both start afresh with no deficit or liabilities.
5. In first year of operation i.e. 2011/12 the financial agreement between Essex CC and the North Essex partnership will include:
 - a. The funding of a £200k deficit put forward in the business case and a commitment to meet an acceptable but yet to be agreed deficit beyond this point
 - b. The funding of all redundancy costs as part of the set up of the new partnership operation – i.e. within the first six months of the partnership operation
 - c. The funding of essential implementation costs of circa. £100k
 - d. An arrangement for the transition of signs and lines and relevant traffic orders from Essex CC to the partnership. This includes both function and budget (an ingoing sum towards a plan to address the backlog and when we have a more informed understanding of the position a commitment to negotiate the resources needed to maintain the activity).
6. In addition, Essex CC will agree to the use of any surplus created in 2010/11 to pump prime the implementation – this may provide the partnership with additional finance of circa £90k.
7. There will be a further Business Plan agreed between us for 2012/13 – including the financial agreement.
8. The Partnerships will form a Partnership Board to provide governance for the service – this will have both political and operational involvement. The Partnerships will formalise an agreement between themselves to manage the car parking operation and its finances.
9. The Partnerships will determine the most appropriate model for delivering service including reviewing strategic options for example, the use of the private sector and the creation of a Local Authority trading company.
10. The commissioned service is not restricted to on street car parking. ECC may consider commissioning additional services through this model.

Continued...

I hope this is helpful and let me re-iterate my commitment to work in partnership in order to successfully have the new arrangements operational by 1st April 2011 and to continue in that spirit throughout the term of the agreement,

Paul.

Paul Bird

Director of Highways & Transportation
Environment, Sustainability and Highways
Essex County Council



Colchester

Cabinet

26th January 2011

Item
10(i)

Report of	Head of Strategic Policy & Regeneration	Author	Lindsay Barker Darren Brown ☎ 282253
Title	Housing Revenue Account Estimates 2011/12		
Wards affected	All		

This report presents the Housing Revenue Account (HRA) estimates for 2011/12 and the Medium Term Financial Forecast (MTFF) for 2011/12 to 2013/14

1. Decision Required

- 1.1 To approve the 2011/12 HRA revenue estimates as set out in Appendix A.
- 1.2 To approve dwelling rents as calculated in accordance with the rent restructuring formula (set out in paragraph 4.6).
- 1.3 To approve rents for garages (set out in paragraph 4.9).
- 1.4 To approve the initial 2011/12 management fee of £3,429,300 for Colchester Borough Homes (CBH), (set out in paragraph 4.18).
- 1.5 To note a revenue contribution of £248,000 to the Housing Investment Programme is included in the budget (paragraph 4.30).
- 1.6 To note the HRA balances position in Appendix B.
- 1.7 To note the Medium Term Financial Forecast (MTFF) set out at Appendix C.

2. Reasons for Decision

- 2.1. Financial Procedures require the Head of Strategic Policy and Regeneration to prepare detailed HRA estimates for approval by the Cabinet, setting the new rent levels for the new financial year.

3. Supporting Information

Key Issues for 2011/12

- 3.1 There are a number of key challenges facing the HRA budget for 2011/12, with further details being included within the main body of the report. However, in summary they are as follows. First, there is the expected loss of the benefit from the ALMO allowance contained within the HRA subsidy formulae. This has increased the amount of subsidy we have to pay to the Government by £1.1million. Second, there is the reduction in the amount of 'supporting people' grant the Council and Colchester Borough Homes receive from Essex County Council, who are setting their budgets in the context of significant cuts in public funding generally. This is expected to be in the region of £150K. Finally, Colchester Borough Homes, has been undertaking a fundamental service review, which it is expected will transform the way they deliver services to tenants and leaseholders on behalf of the Council, and deliver a more efficient and effective service. There will be financial implications once the implementation phase of this review is entered which will be from 2011 – 2013.

- 3.2 As part of the process for setting the 2011/12 HRA budget, it is necessary to revisit the 2010/11 position to forecast the predicted level of HRA balances along with identifying any risk areas or cost pressures which could have an impact in future years.

2010/11 Revised Housing Revenue Account

- 3.3 Appendix A shows the Revised Housing Revenue Account (HRA) estimates for 2010/11. There have been some amendments to the original budget for 2010/11 during the course of the current financial year. A reconciliation is therefore provided in the following table between the Original and Revised budget for 2010/11:-

Reconciliation between Original and Revised 2010/11 HRA Budget

	Budget 10/11	Commentary
	£'000	
Original Budget Surplus	(412)	Agreed 27 th January 2010
2009/10 Budgets c/fwd	146	Agreed by Head of Resource Management/Head of Strategic Policy and Regeneration
Use of HRA Balances	40	Release of funds earmarked to fund the CBH Fundamental Service Review
Revised Budget Surplus	(226)	

2010/11 Forecast Outturn Position

- 3.4 When considering the financial position of the HRA, in addition to the adjustments to the 2010/11 original budget shown in the above table, it is important to note the 2010/11 forecast outturn position. It is currently predicted that the HRA will be underspent by £176k compared to the revised budget for 2010/11. The table below provides a breakdown of this forecast underspend. In addition, commentary is provided on the major variations;

	Budget 10/11
	£'000
Employee Costs	60
Premises Costs	(100)
More Rental & Service Charge Income	(136)
Forecast 2010/11 Underspend	(176)

- An overspend of £60k on Employee costs is predicted for the year, which is a result of a higher level of one-off costs chargeable to the HRA following the Housing fundamental service review. The budget provision for these costs was set before the recruitment process to the new structure was completed, and therefore this represents the actual position.
- An underspend of £100k is forecast reflecting lower utility costs.
- More rental and service charge income of £136k is forecast primarily due to a lower number of void properties and garages than assumed within the budget.

Update on HRA Reform

- 3.5 The Government, in the recently issued Localism Bill, announced that it will formally scrap the HRA Subsidy system and replace it with a self-financing system, to come into force from April 2012. As anticipated, the Bill contains enabling clauses rather than any new detail about the terms of the settlement. Cabinet will already be aware of the proposals for a self-financing HRA, and the only apparent change since the consultation paper was issued revolves around the treatment of housing capital receipts. Originally, the proposals suggested that Councils would be able to keep 100% of any capital receipt, but the latest proposal is that authorities will continue to “pool” receipts, paying the Government a proportion of proceeds.
- 3.6 The Government has produced a timetable for the implementation of HRA Reform, which indicates that the detailed proposals for HRA reform will be made available in January 2011. There will then be a period of information gathering from Councils by CLG between June and October 2011, culminating in another consultation on the proposed final reform settlements between November 2011 and January 2012. It is planned that the details of the payment we would need to make to Government to leave the HRA subsidy system will be made available in January 2012, with a planned “go-live” date of April 2012.
- 3.7 However, on the basis that the detail of the proposals is not yet known, the MTFF shown at Appendix C has been produced on the basis of the existing HRA subsidy system. This will be updated as and when more information is published. In terms of impact, the major areas of expenditure affected by reform will be the subsidy payable and capital financing lines within the forecast. For planning purposes, all other areas are unlikely to be directly affected by the proposals.

4. 2011/12 Housing Revenue Account Budget

- 4.1 Appendix A shows the Housing Revenue Account (HRA) estimates for 2011/12. This shows a predicted HRA deficit of £93K which will be funded by a use of uncommitted HRA balances.
- 4.2 It should be noted that the MTFF included within the 2010/11 HRA budget cycle and considered by Cabinet on 27th January 2010 estimated a deficit for 2011/12 of £359K. Therefore, after taking into account the reduction in management costs, increased income and more subsidy payable than forecast, the 2011/12 deficit is broadly in line with what would be expected. Whilst this is a positive outcome, it needs to be considered within the context of the HRA MTFF set out in Appendix C.

Balances

- 4.3 The estimated balances for the HRA are set out in Appendix B. The anticipated level of the uncommitted HRA balance as at 31st March 2011 is £1,944K. The recommended prudent level of balance is £600k. Therefore, we are able to use part of the uncommitted balance to meet the budget deficit for 2011/12 as mentioned in paragraph 4.1.
- 4.4 The MTFF at Appendix C shows the uncommitted HRA balance decreasing in 2011/12 and 2012/13, then increasing in 2013/14. The outlook within the medium term forecast looks more stable compared to previous years, which is a result of the actions initiated by the Council to reduce costs. The main areas where this has occurred has been the fundamental service reviews within the Council’s Housing service and Colchester Borough Homes, the review of temporary accommodation and the ongoing review of budgets generally within the HRA. Given that the opportunities to increase income are limited as rent increases are set in accordance with National Government policy, then the actions taken have been necessary to provide a healthy level of balances, especially at a time when we are likely to be entering into a self-financing HRA regime, which brings with it some degree of exposure to risk, primarily around the area of treasury management. Therefore the level of balances held provides a good base as we prepare

to enter the new financing system. Furthermore, the reviews being undertaken by the Council on garage sites and sheltered housing could potentially lead to additional resources being required, therefore a contribution could be made from HRA balances if necessary.

- 4.5 A risk assessment has been undertaken to review the minimum prudent level of HRA uncommitted balance the Council should maintain. The results of this review are set out at Appendix D and show that it would be reasonable to retain the uncommitted balance at £600k.

Income

Housing Rents

- 4.6 2011/12 is the tenth year of transitional rent reform arrangements. The dwelling rents are set within Communities and Local Government (CLG) guidelines and so the annual increases in rents paid by tenants are set by reference to national Government policy. The average rent proposed for 2011/12 is £71.84 per week compared to a current average of £67.09, an increase of £4.75 (7.08%) per week. Given the potential for the rate of inflation (RPI) to vary in the short to medium term, and the Governments recent policy (for 2009/10 and 2010/11) of fixing guideline rents, it is difficult to anticipate future rent increases. However, modelling within the MTFF has been undertaken using reasonable estimates of inflation rates.
- 4.7 Sales of council houses under the Right to Buy scheme could possibly reach 10 in 2010/11 (14 sold in 2009/10 and 3 sold in 2008/09), which is in line with the number expected in the 2010/11 HRA budget. The level of sales has remained at a low level in the current financial year, even when compared to the average number of sales per year of 21 since 2005/06. The 2011/12 budget has been set assuming the sale of 10 properties, being broadly in line with the current level and reflecting the national picture of diminishing numbers.
- 4.8 The budget for 2011/12 has been set using the assumption that there will be a loss of rental income of 1.25% resulting from empty properties. This is consistent with the 2010/11 budget and is reasonable given the actual void loss in recent years.

Other Income

- 4.9 The rent proposed for garages for 2011/12 is £7.44 per week compared to £6.95 in 2010/11. Although these rents are outside of the rent reform arrangements this increase is in line with the proposed increase in dwelling rents, i.e. 7.08%.
- 4.10 There are a range of other fees and charges for services which are made to Tenants and Leaseholders, which are agreed by the Portfolio Holder for Housing and Community Safety. The budget for 2011/12 assumes that the demand for these services will remain the same as the current financial year.
- 4.11 With reductions nationally to 'Supporting People' funding and the removal of the ring-fence that used to protect this funding at County level, the Supporting People team at Essex County Council has reviewed the amount of supporting people grant they pay to providers. At the moment different providers are paid different amounts even though the service provided can be the same or very similar. The Supporting People team's proposal is that the cost per hour paid to providers of supported housing reduces and that the number of hours per person supported per week also reduces. All providers will be paid the same cost per hour. For sheltered housing the grant paid is to cover service users who claim housing benefit and are therefore deemed to be unable to pay the service charge for the support service. However, the cost charged to those not receiving housing benefit will also need to decrease in order to retain legality and equity.

- 4.12 When Supporting People was established and contracts agreed, CBH did not exist. The contract is therefore held by CBC. Rent and service charges are made by the Council as the landlord and therefore it has made sense for contracts to continue to be held by CBC. However, all funding received by CBC under these contracts is passed in total to CBH as part of the management fee to fund the service provision.
- 4.13 Essex County Council has calculated that the estimated reduction in grant funding for Colchester is £156k (27%), although this is not expected to be confirmed by the County Council until late January/early February when they set their budgets. It is anticipated that this level of reduction will be applied and the risk is that it could be greater. This approach was confirmed by the Supporting People Commissioning Body in December 2010. Therefore, to be prudent provision has been made within the 2011/12 HRA budget for this loss of grant income. However, no reduction has yet been made to the CBH Management Fee to compensate for this loss of income, given that the sheltered housing service delivered by CBH would need to be reconfigured to operate within the new funding levels, which the Council will need to work closely with CBH on. This work will follow immediately that the levels of reduction in funding are confirmed and changes in service provision will be subject to Portfolio Holder for Housing and Community Safety approval.
- 4.14 The de-pooling of services charges to individual tenants was implemented in 2008/09. There have not been any new service charges introduced for 2011/12, only an update of existing charges to reflect the actual cost of the services provided.

Expenditure

Service Transformation

- 4.15 As previously stated, CBH are undertaking a fundamental service review which will transform the way services are delivered in the future. The CBH Board will be formally approving the business case in January 2011, with an anticipated implementation date of May 2011. CBH has provided information on the level of ongoing savings they anticipate will result from the review, which are shown in paragraph 4.17 below.
- 4.16 The staff savings arising from Property Services largely relate to capital expenditure; therefore they do not produce a saving within the revenue account contained within this report. The staff savings relating to the management fee have been reflected in the 2011/12 budget accordingly, whilst it should be noted that some of this relates to the sheltered housing service which will be looked at further once the reduction in supporting people grant income is confirmed and it is known what level of saving will be required.
- 4.17 The FSR savings can be analysed to give an indication of the areas within the Councils HRA budget where the saving will be achieved, as shown below;

	Year 1	Year 2	Year 3
	2011/12	2012/13	2013/14
	£'000	£'000	£'000
Management Fee - Other	93	145	205
Management Fee - Sheltered	76	100	125
CBC Delegated	70	80	90
Property Services	61	85	100
Total Savings	300	410	520

Colchester Borough Homes Management Fee

- 4.18 The management fee payable by the Council to CBH is funded entirely from the Council's HRA. Other resources such as those for housing repairs and the capital programme are delegated to CBH to manage but do not form part of the management fee. The 2011/12 budget has increased by £63k to reflect the transfer of the Allocations function from the Council to CBH as part of the Council's Housing Fundamental Service Review (FSR). No provision has been made for inflation, given that a large proportion of the costs relate to staff for which there is no assumed pay award in 2011/12. The budget has been reduced to reflect the Year 1 efficiency savings arising from the FSR (£169k). The management fee will be adjusted as appropriate in response to the cut in Supporting People grant income from Essex County Council, once it has been confirmed what the reduction is and it has been decided how the future service will be structured.

Management Costs

- 4.19 The 2011/12 HRA budget includes £5,472,900 for management costs, a decrease from 2010/11 (£5,768,600). Management costs form a substantial part of the HRA annual expenditure, and they consist of budgets managed directly by the Council, as well as those which are managed on behalf of the Council by CBH. Further information along with an explanation for any material changes from the 2010/11 budget is given in the following paragraphs;
- 4.20 The budget for Employee costs has decreased by £420,900 for 2011/12 which primarily reflects the savings resulting from the fundamental service review, and a reallocation of budgets between Employee and Support Service costs.
- 4.21 The budget for Premises costs has decreased by £33,100 for 2011/12. This is primarily due to a reduction of £54,100 in the budget for Utilities, which is discussed further in the following paragraph. The budget for Grounds Maintenance has increased by £18,500 as provision has been made for an inflationary increase in accordance with the contract.
- 4.22 The budget for Utility costs for 2011/12 is £429,700 (compared to £483,800 for 2010/11). The majority of these costs relate to our Sheltered Housing schemes and Homeless Persons Units. The Council procures electricity and gas through the use of the OGC (Office of Government Commerce) which aims to purchase energy in bulk to secure efficiency in procurement. Utility costs can be recovered from tenants as a service charge and are included in the Fees and Charges report for approval by the Portfolio Holder.
- 4.23 The budget for Supplies and Service costs has reduced by £61,900. A review of all budgets has been undertaken which has resulted in savings in 2011/12.
- 4.24 The budgets for Third Party payments and Transfer payments remain largely unchanged for 2011/12.
- 4.25 The HRA receives a significant level of recharges from other Council services, along with a proportion of central support costs, such as Corporate and Democratic Core and Pension costs associated with the back-funding of the scheme. The total budget for 2011/12 is largely unchanged from 2010/11, apart from a reallocation of budgets between Employee and Support Service costs resulting from the fundamental service review.

Repairs and Maintenance

- 4.26 The 2011/12 Housing Investment Programme has been drafted and is included elsewhere on the agenda for approval. New capital resources totalling £4,856,000 have been determined. In respect of revenue, £4,791,200 has been included in the budget for repairs and maintenance of which £4,475,000 (£4,407,000 in 2010/11) is specifically for the planned and responsive works programme being provided by CBH.

Capital Financing Costs

- 4.27 The budget includes the statutory charges to the HRA for the interest costs of the Council's borrowing in respect of the housing stock. These charges have increased greatly in recent years, given the significant level of investment in the housing stock from the decent homes programme, although the budget for 2011/12 is at a similar level to 2010/11 which reflects the stability of current borrowing rates. Any variation in interest rates is offset by a corresponding adjustment to the financing element within the housing subsidy formulae. Given that the Council's Decent Homes borrowing approval has now been fully utilised, the level of HRA debt, and resultant interest costs, have stabilised and this is reflected in the MTFF.

Subsidy

- 4.28 The formula for calculating subsidy entitlement is largely unchanged for 2011/12, except that CLG has confirmed that decent homes borrowing costs for Round 1 and 2 ALMO authorities will no longer be reimbursed as a separate allowance within the subsidy formulae, but will be included within the HRA debt for subsidy purposes. In essence, this means that instead of being reimbursed at a fixed interest rate of 8%, in future we will be reimbursed at the actual average interest rate incurred by the HRA in the year. For 2011/12 this represents an increase of £1.1m in the amount of negative subsidy we have to pay to the Government. This has been expected and is in line with the provision that has been made in the MTFF in recent years. The summary HRA shown at Appendix A includes Government subsidy in respect of the Major Repairs Allowance (MRA). For 2011/12 this figure is £4.608million and has been taken into account when determining the 2011/12 Housing Investment Programme.

Revenue Contributions to Capital Outlay (RCCO)

- 4.29 The Council has continuously made revenue contributions to capital spending recognising the significance of targeting resources to invest in our Housing Investment Programme.
- 4.30 The revenue contribution included in the estimates is £248,000. Of this total, £140,000 has been provided for ICT, which is intended to support various projects. It is planned to produce a medium term ICT strategy for the HRA, which will link into the Councils corporate ICT priorities and will inform the level of resources that need to be included in the HRA going forward. The revenue contribution also meets the Council's technical strategic asset management role within the repairs and maintenance arrangements with CBH, and supports the continuing work on ICT projects required to support the HRA and the maintenance and repairs programmes.
- 4.31 As part of their fundamental service review, CBH has identified an ICT investment requirement of £220k. This is expenditure which is met from the Councils HRA capital programme and financed by a Revenue Contribution from the HRA. A breakdown of this amount is provided below;

- Mobile Working £80k
- Self-Serve Hardware £10k
- Scheduling Technology £90k
- Capita Improvements £20k
- Staff Development £20k

Risk areas and budget review process

4.32 Some of the key variables that may impact during the year are shown in the table below:-

Area	Comment
Rental Income	The budget makes assumptions on the future level of Right To Buy sales and void levels. These are to a certain extent demand led and due to the significance of Rental Income within the HRA, can have a significant effect on the level of the HRA balance.
Revenue Contributions to Capital (RCCO) / Prudential Borrowing	Capital Resources have been provisionally allocated for 2011/12 within the Housing Investment Programme report contained elsewhere on the agenda. If these resources prove insufficient, then options exist to finance capital expenditure from revenue or undertake prudential borrowing, dependant on affordability. At the time of compiling the budget, no allowance has been made for either of these options. Clearly, if one of these options was pursued, then there will be a requirement to find additional resources from the HRA.
Repairs and Maintenance	There is an on-going pressure on Responsive and Void repair budgets. Given that this area is demand-led, any additional costs will have to be met either from savings elsewhere or from balances.
Utility costs	The budget makes assumptions on future prices for Gas and Electricity that are consumed within the Council's housing stock, such as Sheltered Schemes, Homeless Persons Units and Communal entrances in blocks of flats. Given the volatility of utility prices recently experienced, there is a risk that prices could rise again, the cost of which would have to be funded from existing resources or HRA balances.
CBH Fundamental Service Review	The budget includes assumptions on the level of savings arising from the Fundamental Service Review at CBH. Given this has yet to enter the implementation stage, there is the potential for this to alter, which could have a consequential impact upon HRA balances.
2010/11 Outturn	An underspend of £176k is predicted for this year. Any variance on the forecast will either be a contribution to or from balances.

4.33 As shown in the table above several key variables have been identified. It is therefore essential that a programme of formal reviews of the HRA be set out to provide an opportunity to make changes to resource allocations during the year. The following schedule therefore sets out a suggested framework for these reviews.

Review	Comment
March 2011	Updated outturn forecast.
July 2011	Provisional pre-audit outturn / current year issues etc.
September 2011/ October 2011	Mid year review.
December 2011 / January 2012	Outturn review / Budget 2012/13.

Savings and Efficiencies

- 4.34 During the process of formulating the budget, officers have continued to review areas where savings and efficiencies can be made. A number of these savings have been built into the 2011/12 revenue budget and include;
- Review of CBC HRA budgets - £53K
 - Reduction in Utility budgets - £54K
 - FSR at CBH (Management Fee) - £169K
 - FSR at CBH (Delegated Budgets) - £70K
- 4.35 Given the pressure facing the Repairs and Maintenance budget in recent years, the Council and CBH will continue to work closely together to ensure that the cost reductions arising from the current service continue, and will explore further areas where savings and efficiencies may be achieved.
- 4.36 If the Government proposals for HRA self-financing were to not go-ahead, it should be recognised that there will be substantial financial pressures on the HRA in the medium to long term which will mean the Council working closely with CBH to identify areas where efficiencies can be made.

5. Supporting Information - Medium Term Financial Forecast (MTFF)

- 5.1 As part of the budget process for 2011/12 a MTFF has been produced for the HRA. This sets out the indicative budget position for the period 2011/12 to 2013/14. As previously mentioned, this has been produced on the basis of the existing HRA Finance regime, and does not reflect the potential introduction of HRA Reform from April 2012.
- 5.2 By nature the HRA is complex with a large number of variables. Therefore, the MTFF should mainly be viewed as indicative.
- 5.3 Appendix C sets out the MTFF for the period analysed by the main areas of expenditure and income. This shows that the level of uncommitted HRA balance is anticipated to be maintained above prudent levels to 2013/14. As previously mentioned, this is primarily attributed to the cost reduction actions taken, although it should be recognised that some of these have yet to be implemented, hence the MTFF being viewed as indicative. The recommended level of uncommitted balance on a risk based approach is £600k. There are several factors which can affect the forecast position, namely:-

➤ *Capital financing / ALMO allowance*

As previously mentioned, the additional benefit from the ALMO allowance has ceased from 2011/12 onwards. It is currently assumed within the MTFF that there will not be any further HRA borrowing undertaken within the next 3 years. This is because the MTFF is based on the current housing subsidy regime. If HRA reform comes into effect from 2012/13, then this would result in additional borrowing being undertaken within the duration of the MTFF.

➤ *Rental income*

Rent forecasts have been updated for anticipated changes as the Council moves towards rent restructuring. A key component of this forecast is assumptions on future inflation levels but the CLG have not given any guidance on rates to assume when undertaking modelling of future rent increases. Rental income remains one of the areas of the MTFF in particular which is subject to change. The assumptions on the number of Right To Buy sales and the level of anticipated rent lost through void properties have been updated to reflect recent activity, but once again these are areas which can significantly alter the forecast of Rental Income and are to a certain extent demand led.

➤ **Housing subsidy**

There are regular changes to the methodology used to calculate housing subsidy, especially in respect of Management and Maintenance allowances. Furthermore, the assumptions used by the CLG for increases in notional rent income can have a major impact on the level of subsidy received. The MTFF assumes inflationary increases for future years broadly in line with those for 2011/12. As this is an area that is subject to CLG policy it is extremely difficult to forecast and therefore can have a significant effect on the financial forecast.

➤ **Temporary Accommodation Unit Review**

A report detailing the proposals arising from the Review of Temporary Accommodation was considered at the Cabinet meeting of 2nd December 2009. Furthermore, a report detailing the units to be transferred and those to be disposed of; and the pre-planning costs was agreed by the Portfolio Holder for Housing and Community Safety in June 2010. It is currently expected that the anticipated savings arising from this review will be generated from 2012/13 onwards, and provision has been built into the MTFF to reflect this.

➤ **National HRA Reform/Self Financing**

As previously stated, the Government have indicated they intend to go-ahead with the proposals for HRA Reform. However, given that we have not been informed of the final details along with any new accounting arrangements, the MTFF has been completed on the basis of the existing financing system.

➤ **Fundamental Service Review at Colchester Borough Homes**

Provision has been made within the MTFF for the anticipated savings in 2011/12 and subsequent years based on information supplied by CBH, although clearly these assumptions will be subject to change given that the review has not been finalised and the implementation phase has yet to commence.

➤ **Reduction in Supporting People Grant**

Provision has been made within the MTFF for the estimated loss of Supporting People grant income in 2011/12 and subsequent years. This is however subject to confirmation from Essex County Council. No provision has currently been made within the MTFF for the reductions that will need to be made to the CBH Management Fee to compensate for this loss of income, given that it is likely to involve a reconfiguration of the sheltered service, which the Council will need to work closely with CBH on.

5.4 The MTFF provides a baseline position against which to make decisions as to the allocation of HRA resources and to determine the budget strategy. The MTFF will be updated on a regular basis.

6. Strategic Plan References

6.1 The revenue estimates presented here have been drawn up in accordance with the priority given by members to the services within the strategic plan.

7 Consultation and Publicity

7.1 With the potential consideration of service improvements that would lead to new service charges for tenants, it is anticipated that an appropriate amount of consultation will be undertaken during the course of the financial year.

8. Financial Implications

8.1 Are set out in this report.

9. Equality, Diversity and Human Rights Implications

9.1 This report has no specific human rights implications. Consideration has been given to equality and diversity issues in respect of any budget changes proposed as part of the budget process. This has been done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

10. Community Safety Implications

10.1 This report has no significant community safety implications

11. Health and Safety Implications

11.1 This report has no significant Health and Safety implications

12. Risk Management Implications

12.1 These have been taken into account in the body of the report.

Appendices

- Appendix A - Housing Revenue Account Estimates 2011/12
- Appendix B - HRA Balances Statement
- Appendix C - Medium Term Financial Forecast
- Appendix D - HRA Balances Risk Management Assessment

Background Papers

- None

COLCHESTER BOROUGH COUNCIL			
Revenue Estimates 2011/12			
Housing Revenue Account			
Summary			
2009/2010		2010/11	2011/12
Actuals	Expenditure & Income Analysis	Revised	Original
£000's		Budget	Budget
		£000's	£000's
	INCOME		
(21,124)	Dwelling Rents (Gross)	(21,509)	(22,964)
(715)	Non-Dwelling Rents (Gross)	(732)	(771)
(2,300)	Charges for Services and Facilities	(2,388)	(2,179)
(296)	Contributions towards Expenditure	(283)	(276)
(24,435)	Total Income	(24,912)	(26,190)
	EXPENDITURE		
4,346	Repairs and Maintenance	4,746	4,791
3,510	CB Homes Ltd Management Fee	3,584	3,429
5,398	Management Costs	5,871	5,473
102	Rents, Rates and Other Charges	131	119
2,367	Payment of Subsidy to CLG	2,623	4,737
99	Increased provision for Bad or Doubtful Debts	125	125
2,539	Interest Payable	2,477	2,488
6,954	Depreciation and Impairments of Fixed Assets	6,279	7,867
190	Amortisation of Deferred Charges	200	200
33	Debt Management Costs	49	91
25,538	Gross Expenditure	26,085	29,320
1,103	Net Cost of Services	1,173	3,130
(190)	Net HRA Income from the Asset Management Account	(200)	(200)
200	Amortised Premiums and Discounts	200	199
(24)	HRA Investment Income (including mortgage interest and interest on Notional Cash Balances)	(15)	(25)
1,089	Net Operating Expenditure	1,158	3,104
344	Revenue Contribution to Capital Expenditure	407	248
(2,524)	Transfer to/(from) Major Repairs Reserve	(1,791)	(3,259)
(1,091)	Deficit/(Surplus) for the Year	(226)	93
(1,518)	Deficit/(Surplus) at the Beginning of the Year	(2,609)	(2,835)
(1,091)	Deficit/(Surplus) for the Year	(226)	93
(2,609)	Deficit/(Surplus) at the End of the Year	(2,835)	(2,742)

Housing Revenue Account - Estimate Balances

	£'000
Balance as at 1 April 2010	(2,609)
Committed - Capital Spending in 2010/11 and onwards	1,067
Plus budgeted surplus in 2010/11	(226)
Plus Forecast underspend in 2010/11	(176)
<i>Unallocated balance at 31st March 2011</i>	(1,944)
Less Proposed Contribution from balances from 11/12 Budget	93
Estimated uncommitted balance at 31st March 2012	(1,851)
Recommended level of Balances	(600)
Forecast balances above prudent level at 31st March 2012	(1,251)

Note:

This forecast is on the basis that there are no further calls on balances during the remainder of the year and that the 2010/11 budget underspends by £176k, as currently predicted at this stage. Any deviation from this forecast underspend would either increase or decrease our uncommitted balances.

Housing Revenue Account – Medium Term Financial Forecast

Area	Revised Budget 10/11	Budget 11/12	Budget 12/13	Budget 13/14
	£'000	£'000	£'000	£'000
Income				
Housing Rents	(21,384)	(22,839)	(23,863)	(24,985)
Other Income	(3,403)	(3,227)	(3,287)	(3,348)
	(24,787)	(26,066)	(27,150)	(28,333)
Expenditure				
Repairs & Maintenance	4,746	4,791	4,882	4,980
Running Costs	9,585	9,021	8,874	8,964
Capital Financing	7,200	7,362	7,455	7,370
Subsidy Payable	2,623	4,737	5,729	6,685
RCCO	407	248	248	248
Contribution to Balances	0	0	0	0
Other	0	0	0	0
	24,561	26,159	27,188	28,247
Budgeted (Surplus)/Deficit	(226)	93	38	(86)
Forecast 2010/11 Underspend	(176)	0	0	0
Revised (Surplus)/Deficit	* (402)	93	38	(86)
Opening Balance	(2,609)	(1,944)	(1,851)	(1,813)
Committed Balance	1,067	-	-	-
(Surplus)/Deficit	(402)	93	38	(86)
Uncommitted Closing Balance	(1,944)	(1,851)	(1,813)	(1,899)

* It should be noted that it is currently forecast the HRA will be underspent by £176k in 2010/11, which will result in a contribution to balances. Clearly, if this level of underspend is not achieved, then there is the potential that the HRA balance will fall below our prudent levels.

Review of Housing Revenue Account Balances 2011/12

Risk Management Assessment

Factor	Assessed Risk		
	High £'000	Medium £'000	Low £'000
Cash flow (1% of £50m)	500		
Capital			
Inflation		75	
Emergencies		25	
Housing Subsidy			
New Spending		100	
Litigation			50
Partnerships			
	500	200	50

	Minimum Provision £'000
High Risk – 100%	500
Medium – 50%	100
Low – 10%	5
Sub Total	605
Other - say	-5
	600

26 January 2011

Report of	Head of Strategic Policy and Regeneration	Author	Tina Hinson
Title	Greater Haven Gateway Housing Strategy 2011-2015		
Wards affected	All Wards		

This report concerns the adoption of the Greater Haven Gateway sub-regional Housing Strategy.

1. Decision(s) Required

- 1.1 To adopt a new Housing Strategy for the Greater Haven Gateway (GHG) sub-region for 2011-2015.

2. Reasons for Decision(s)

- 2.1 The current GHG Housing Strategy will expire at the end of 2010. With significant changes to strategic direction and objectives, a new strategy is required. A new Housing Strategy for the sub-region will provide the eight Local Authorities and their partners with a clear statement of priorities for strategic housing related activities and the actions necessary to achieve change.

3. Alternative Options

- 3.1 Not to adopt a sub-regional Housing Strategy. Although the Council has its own housing strategy it does not fully articulate sub regional priorities. Whilst recent government changes have abolished regional structures sub regions remain well placed to deliver joint aims within a locality that is broader than individual authority boundaries. Although the creation of Local Enterprise Partnerships has changed the geography of partnership working, in Essex and Suffolk there is still a desire to deliver strategic outcomes through sub-regional partnerships.

4. Supporting Information

- 4.1 The Greater Haven Gateway Housing Partnership was established in 2004 and comprises of eight Local Authorities; Babergh; Braintree; Colchester; Ipswich; Maldon; Mid Suffolk; Suffolk Coastal and Tendring. It was formed to respond to the then Housing Corporation's (now Homes and Communities Agency) changes to distributing funding on a sub-regional basis and to assist the Haven Gateway achieve delivery of the Framework for Growth. The three values of the Haven Gateway are aligned to the core values of the Housing Partnership:
- Delivering through Partnership – particularly bringing private and public together.
 - Evidence-based – compelling arguments, rigorous research.
 - Adding value – strategic, skills-sharing, avoiding duplication.

- 4.2 The Housing Partnership also plays a key role in enabling the delivery of one of the Haven Gateway Partnerships key measures of success – affordable housing completions.
- 4.3 The previous sub-regional Housing strategy helped shape the work of the Housing Partnership and resulted in many achievements. Below are a number of successful outcomes from the previous sub regional strategy:
- ✓ Delivered 1,175 affordable homes of all tenures for people in housing need, exceeding Homes and Communities Agency targets for the sub-region for 2006-08.
 - ✓ Improved the way we assess the viability of sites and the ability of developers to provide affordable housing as part of planning obligations, by procuring the Three Dragons viability assessment tool (funded by Haven Gateway Partnership and Maldon and Braintree District Council's).
 - ✓ Improved access to affordable housing, by introducing a sub regional Choice based lettings (CBL) scheme with full sub regional mobility. This scheme has a Common Allocations Policy across all districts and participating housing associations, enabling a greater level of mobility across a wider geographical area. Customers are treated fairly and transparently within the sub-region when applying for affordable housing. This scheme is used nationally as an example of Good Practice;
 - ✓ Increased housing options when the Partnership secured £241k additional funding in March 2009 from Communities and Local Government and Department for Work and Pensions to deliver a sub regional Enhanced Housing Options Programme;
- 4.2 The GHG Housing Partnership has a proven track record of local authorities working together efficiently and effectively to achieve common goals and this will be of increased benefit in tackling current resource challenges.
- 4.3 The Housing Strategy was developed by the GHG Housing Partnership with an emphasis on involvement, consultation and listening to partners. The Housing Partnership led on the process of bringing together the evidence base for the Housing Strategy and directed the consultation and involvement before setting the priorities and developing the Implementation Plan.
- 4.4 Colchester has contributed robust data to the evidence base and strategy. Data and information relating to the delivery of affordable housing is based on actual sites. Many of these gained planning permission before the adoption of our Core Strategy and will therefore deliver levels of affordable housing below the 35% core strategy requirement. Colchester is the first local authority in the Greater Haven Gateway to have an adopted Core Strategy as well as Site Allocation and Policy Documents.
- 4.5 Appendix B contains the Implementation Plan which shows what the Partnership wants to do, how the Partnership will do it and how the Partnership will know it has achieved it. The Plan is structured under the headings of the five key strategic objectives.
- 4.6 The key strategic objectives and Implementation Plan were developed out of a workshop day with 70+ partners and wider stakeholders. Information about how partners and stakeholders influenced the strategic objectives and implementation plan is highlighted separately in the strategy document.

- 4.7 The GHG Steering Group will receive regular monitoring reports from each of the sub groups on their progress in delivering the Implementation Plan.
- 4.8 The Housing Strategy will be available electronically through each Local Authority's web site and the Haven Gateway web site and this will reduce the cost of a printed document.

5. Proposals

- 5.1 The Sub-regional Housing Strategy document outlines the GHG vision:

'Our vision is to build on the maturity of the GHG strategic housing partnership to work together on issues that benefit from a collaborative approach. Our focus will be on how we can share information, experience and services to increase value for money, harness economies of scale, improve efficiencies and the quality of services to benefit all our communities'.

- 5.2 The Sub-regional Housing Strategy also sets out our five key strategic objectives which are:

- Enabling the development of high quality and sustainable affordable housing in places where people want to live responding to local need.
- Improve the condition and use of existing housing across all tenures taking into account social and environmental factors that impact on quality of life.
- Maximise all customers housing choices and mobility using the full range of options available taking into account changing housing needs and demographics.
- Provide enhanced housing options based on an understanding of the links between health, well being, training, employment and housing to help prevent homelessness and support vulnerable people.
- Increase the capacity and skills of the GHG partnership by reviewing its effectiveness and improve communication with stakeholders to capitalise on opportunities to work together to maximise resources.

6. Strategic Plan References

- 6.1 The adoption of the sub regional Housing Strategy for the Greater Haven Gateway for 2011-2015 will contribute to the following Council objectives in its strategic plan:

- *Addressing older people's needs*
We will work with partners to ensure the very best health and wellbeing of our senior people by enabling them to live as independently as possible.
- *Homes for all*
We will work towards providing safe, secure, decent and affordable homes for all.

7. Consultation

- 7.1 An important aspect of the development of the GHG Housing Strategy has been contributions from partners and stakeholders. These have occurred in three ways: through an all day stakeholder workshop; a housing strategy sub group made of representatives from each Local Authority; and a four week consultation period on the draft strategy with partners and wider stakeholders.

- 7.2 The five key strategic objectives and resulting Implementation Plan were developed out of the workshop day with 70+ partners and wider stakeholders. Input from this event is highlighted separately in the strategy document.
- 7.3 Comments from the 4 week consultation period have been incorporated into the strategy, where appropriate.

8. Publicity Considerations

- 8.1 The GHG has a Communications policy and protocol which will be used to develop a press release publicising the launch of the GHG sub-regional housing strategy. The press release will be 'localised' for each Local Authority. The finished document will be put on each local authority's web site and the Haven Gateway Partnership web site.
- 8.2 The launch of the strategy will also be publicised in the quarterly GHG newsletter which is distributed to a wide range of stakeholders, partners and elected members.
- 8.3 Successes and achievements which result from the strategy will be publicised and communicated to stakeholders, customers, funders and the wider community through a wide range of media.

9. Financial implications

- 9.1 There are no financial implications which are not already allowed for in the approved budget.

10. Equality, Diversity and Human Rights implications

- 10.1 The GHG Housing Partnership has an Equality and Diversity sub group whose task it is to assess, monitor and evaluate the impact of GHG policies and projects taking into account all Equality strands.
- 10.2 The EqIA is available on the Council's web site on [EQIA Greater Haven Gateway Housing Strategy](#) and it will be reviewed according to the corporate timetable.

11. Community Safety Implications

- 11.1 There are no Community Safety implications in relation to the GHG Housing Strategy.

12. Health and Safety Implications

- 12.1 There are no Health and Safety implications in relation to the GHG Housing Strategy.

13. Risk Management Implications

- 13.1.1 There are no risks associated with adopting the GHG Housing Strategy. The risks related to not adopting it are the loss of opportunity to share information and experience; develop joint services to increase value for money; harness economies of scale; and improve efficiencies and the quality of services to benefit all our communities.

Background Papers

GHG Housing Strategy

Appendix A: Implementation Plan

Appendix B: Detailed evidence base presented under the heading of each strategic objective

Appendix C: Short description of each LA in GHG sub region

Appendix D: A list of stakeholders

Appendix E: A glossary of terms



Cabinet

Item
11(i)

26th January 2011

Report of	Head of Strategic Policy and Regeneration	Author	Karen Syrett 01206 506477
Title	Revision of the Local Development Scheme		
Wards affected	All		

This report concerns proposed revisions to the Local Development Scheme.

1. Decision(s) Required

- 1.1 Members are asked to agree amendments to the current Local Development Scheme (LDS) as recommended by the Local Development Framework Committee (the extract of the minutes of the meeting of the Local Development Framework Committee is at Appendix 2)
- 1.2 Cabinet are also requested to agree adoption of the document. Although there is a requirement to submit the LDS to Go-East they will no longer be commenting or suggesting revisions.

2. Reasons for Decision(s)

- 2.1 The plan making process is regulated by The Town and Country Planning (Local Development) (England) Regulations 2004 (and amendment 2008) which govern production of development plan documents. The Regulations are supported by Planning Policy Statement 12 (PPS12) which sets out government policy on local development frameworks.
- 2.2 The Government has stressed the importance of keeping Local Development Schemes up to date. The current LDS came into effect in 2008 and covered the production of documents that for the most part have been completed. It is therefore necessary to revise the document by including the review of adopted documents and the preparation of additional Supplementary Planning Documents. It has also become necessary to update the Statement of Community Involvement.
- 2.3 The recently published Localism Bill sets out the Coalition Governments intention to remove procedures on timetabling and monitoring but also states that local authorities will have to publish up to date information on what planning documents they are preparing.

3. Alternative Options

- 3.1 The Local Development Scheme (LDS) must be agreed and submitted to the Secretary of State. Consideration can be given to the timetable for the production of the various documents.

4. Supporting Information

- 4.1 The Local Development Scheme was first adopted in May 2005 and revised in 2006, 2007 and then again in 2008 following the publication of new regulations. It sets out which documents will form part of the Local Development Framework and the timetable for their preparation and review. The scheme is reviewed annually by the Council as part of the annual monitoring report. The review will;
- Show how the programme is being implemented against the set milestones
 - Indicate where new matters should be included
 - Provide an updated programme rolled forward for the following 3 years.
- 4.2 As is often the case with new processes unforeseen problems can sometimes arise. Previous revisions were made to the LDS because of changes to the original timetable. The reasons for these changes included, revisions to the timetable of the East of the England Plan, emerging good practice and increased familiarity with the new planning system. The purpose of this report is to explain further changes we now need to make to the Local Development Scheme and how we propose to take things forward. The revised LDS is attached in Appendix 1.
- 4.3 The Local Development Scheme sets out what documents we will prepare and when. These are shown diagrammatically in a project chart and details of each document included within the document itself. Below are the main proposed changes;
- Review of the Core Strategy commencing in 2012.
 - Review of the Site Allocations DPD commencing in 2012.
 - Proposed timetable for the preparation of an Area Action Plan for the Town Centre.
 - Review of the Statement of Community Involvement.
 - Preparation of a Charging Schedule for the Community Infrastructure Levy.
 - Revised timetable for the preparation of the following Supplementary Planning Documents;
 - North Colchester Development Brief,
 - North Station Master Plan,
 - Stanway Master Plan, and
 - Affordable Housing.

- Additional Supplementary Planning Documents (SPD) are proposed to add detail to policies on;
 - Sustainable Construction
 - Extending Your House
 - Cycle Delivery Strategy
- Updates to the evidence base, which will be necessary to undertake the review of the Core Strategy and Site Allocations.
- Changes to the text of the document to reflect the changes referred to above.

4.4 Although it is no longer a requirement of the Regulations to specify details in respect of Supplementary Planning Documents the Council has always done so to ensure transparency. It does however mean that we have the flexibility to prepare additional SPD if necessary without having to formally change the LDS. The Spatial Policy team are also intending to prepare a number of guidance notes which are not detailed in the LDS because of their non-statutory status.

5. Proposals

5.1 It is proposed that Cabinet agree the revisions to the Local Development Scheme and submission to Government. The LDS will come into effect when the Council receives an acknowledgement from the Secretary of State. Cabinet are also therefore asked to agree the adoption of the LDS following acknowledgement from the Secretary of State.

6. Strategic Plan References

6.1 The documents referred to in the Local Development Scheme will help achieve this strategic priorities of Homes for All, Job Creation and Congestion Busting.

7.0 Consultation

7.1 Public consultation will take place in accordance with the regulations as each document is produced.

8. Publicity Considerations

8.1 N/A.

9. Financial implications

9.1 Substantial costs are likely to be associated with the preparation, examination and adoption of the Review Core Strategy, Site Allocations DPD and Town Centre Area Action Plan. Associated with this is the additional cost of updating the evidence base. Costs for printing those documents to be prepared in 2011/12 are provided for within existing budgets.

10. Equality, Diversity and Human Rights Implications

- 10.1 An Equality Impact Assessment has been prepared for the Local Development Framework and is available to view on the Colchester Borough Council website by following this pathway from the homepage: Council and Democracy > Policies, Strategies and Performance > Diversity and Equality > Equality Impact Assessments > Strategic Policy and Regeneration > Local Development Framework.

11. Human Rights Implications

- 11.1 Such implications are considered through the process of preparing DPDs/SPD.

12. Community Safety Implications

- 12.1 N/A.

13. Health and Safety Implications

- 13.1 None.

14. Risk Management Implications

- 14.1 The adoption of Development Plan Documents and supplementary planning documents will reduce the risk of inappropriate development and clarify advice to landowners, developers, officers, Councillors and members of the public.

Background Papers

Local Development Scheme 2011

Local Development Framework Project Chart 2011 -15

LDS Programme	2011												2012												2013												2014												2015												
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
Core Strategy DPD																																																													
Site Allocations DPD																																																													
Colchester Town Centre AAP																																																													
Statement of Community Involvement																																																													
North Station Masterplan SPD																																																													
North Colchester Masterplan SPD																																																													
Stamway Masterplan SPD																																																													
Affordable Housing SPD																																																													
Sustainable Construction SPD																																																													
Extending Your House SPD																																																													
Community Infrastructure Levy CIL																																																													
Cycle Delivery Strategy SPD																																																													
Document preparation or amendments																																																													
Member approval																																																													
Public Participation Stage/Options																																																													
Publication Public Participation Stage																																																													
Submit to GO / SOS																																																													
P/E/R																																																													
Pre-hearing meeting/Examination /Report																																																													
Adopt document																																																													

Town and Country Planning (Local Development) (England) Regulations 2004 (as amended in 2008 and 2009)

17 - Public participation on Draft SPD	27 - Publication of a development plan document
18 - Consider representations on Draft SPD	28 - Representations relating to a development plan document
19 - Adoption of SPD	30 - Submission of documents and information to the Secretary of State
25 - Public participation in the preparation of a DPD	34 - Independent examination
26 - Public participation in the preparation of a statement of community involvement	36 - Inspector's Report and Adoption

**Extract from the minutes of the
Local Development Framework Committee's meeting
held on 2 December 2010**

Councillor Spyvee (in respect of his roles as Chairman of the Friends of the Roman Wall and the Council's Heritage Champion) declared his personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3).

27. Revision of the Local Development Scheme (LDS)

The Committee considered a report by the Head of Strategic Policy and Regeneration on revisions to the Local Development Scheme. The report set out the proposed changes to the Scheme which were required and the accompanying project chart detailed the proposed progress of each document. The Committee was requested to recommend to Cabinet that it be approved at its meeting on 26 January 2011 and submitted to the Secretary of State.

Karen Syrett, Spatial Policy Manager, and Laura Chase, Planning Policy Manager, attended to assist the Committee in its deliberations. In response to a comment from the Committee regarding the disappointing level of public participation, it was explained that it was intended to use different approaches to the consultation process to try and improve engagement with residents and the business community.

A member of the Committee commented that the LDS could include a Supplementary Planning Document on the Town Walls to provide planning support for the enhancement of the Town Walls. The Planning Policy Manager explained that it was intended to address the issue by including a policy in the Area Action Plan requiring development to have regard to the Town Walls Management Plan which would be prepared by the Museums Service with input from Planning and Tourism officers as well as stakeholders such as Friends of the Roman Wall.

Members of the Committee were generally supportive of the proposed timetable.

RECOMMENDED (UNANIMOUSLY) to the Cabinet that the Revised Local Development Scheme be approved and submitted to the Secretary of State.

PETITIONS, PUBLIC STATEMENTS, QUESTIONS

(i) Have Your Say speakers

Date of Meeting	Details of Member of the Public	Subject Matter	Form of Response	Date Completed
Council, 9 December 2010	Nick Chilvers	Colchester 2020	Verbal response provided by the Portfolio Holder for Housing and Community Safety at the meeting and written response sent by Portfolio Holder for Housing and Community Safety on 21 December 2010	21 December 2010
Council, 9 December 2010	Andy Hamilton	The Council's relationship with firstsite	Verbal response provided by the Portfolio Holder for Resources and Diversity at the meeting.	9 December 2010
Council, 9 December 2010	Owen Bartholomew	Essex County Council's decision to scrap the Bite card	Verbal response provided by the Leader of the Council and Portfolio Holder for Strategy and Performance at the meeting and written response sent by the Leader of the Council and Portfolio Holder for Strategy and Performance on 22 December 2010.	22 December 2010

Date of Meeting	Details of Member of the Public	Subject Matter	Form of Response	Date Completed
Council, 9 December 2010	Mr Wilders	Connexions	Verbal response provided by the Leader of the Council and Portfolio Holder for Strategy and Performance at the meeting and written response sent by the Leader of the Council and Portfolio Holder for Strategy and Performance on 22 December 2010.	22 December 2010
Council, 9 December 2010	Mr Wilkinson	Reinstatement of School Crossing Patrol on Lucy Lane South	Verbal response provided by the Leader of the Council and Portfolio Holder for Strategy and Performance and the Leader of the Conservative Group at the meeting and written response sent by the Leader of the Council and Portfolio Holder for Strategy and Performance on 22 December 2010.	22 December 2010
Council, 9 December 2010	Mo Metcalf -Fisher	Funding of Higher Education	Mr Metcalf Fisher indicated that he did not wish to leave his contact details so it was not possible to send a written response.	

Date of Meeting	Details of Member of the Public	Subject Matter	Form of Response	Date Completed
Council, 9 December 2010	Jimmy Chen	Funding of Higher Education	Written response sent by the Leader of the Council and Portfolio Holder for Strategy and Performance on 22 December 2010	22 December 2010

(ii) Petitions

No petitions received

26 January 2011

Report of	Head of Resource Management	Author	Michael Timmins
Title	Disposal of Layer Road Football Ground		
Wards affected	Shrub End		

1. Decision(s) Required

- 1.1 To agree the freehold sale of Layer Road Football Ground in accordance with the recommendations set out in Section 5 below.

2. Reasons for Decision

- 2.1 The property comprises an area of 3.63 acres (1.47 hectares) and is shown outlined on the attached Ordnance Survey plan (Appendix A).
- 2.2 This property has been vacant since mid-2008 when Colchester United FC moved to their new ground at the Community Stadium. Initial marketing of the site at that time resulted in an offer of £1.8Million on an unconditional basis but disposal of the site was frustrated when the preferred bidder subsequently reduced its offer by 33% and changed the basis of offer to being conditional on planning and to disposal on a plot by plot basis.
- 2.3 The property was then withdrawn from the market to enable the alternative option of developing an extra-care housing scheme on the site to be investigated in partnership with a suitably experienced provider of affordable housing. However, in the light of a significant reduction in the Homes and Communities Agency budget, with the strong likelihood of reduced capital funding being available in the future coupled with restrictions in revenue funding, reconsideration has been given to outright disposal.
- 2.4 The Council's Agents in the previous sale, Savills, were instructed to re-market the property, supported by an updated Planning Brief. This included policy changes related to a requirement for 35% affordable housing (up from 25%) and enhanced parking provision. Arising from the marketing programme, thirteen offers from nine bidders were received by the closing date of 12th November 2010. Of these, five offers were at, or above, a price considered by Savills to be acceptable in current market conditions in the light of the increased affordable housing requirement imposed since the earlier marketing. Offers that included affordable housing at less than 35% are not being considered further.

3. Alternative Options

- 3.1 Of the offers received one was not on a residential basis but was for the development of a multi-function sports facility featuring an enclosed stadium with 3G artificial turf, sports hall, fitness centre, sports bar, adaptable studio halls, bar and conference area, pro-shop and offices. The proposal was presented in the form of a 'letter of intent' on the basis of a 'token purchase price' only with no significant capital receipt. This report recommends disposal for residential development in view of the need to achieve a capital receipt, together with a requirement to provide affordable housing on the site.

3.2 Of the residential offers one was not conditional on Planning Permission. Acceptance of this offer would result in a reduction of approximately £400,000 in receipt compared to the best conditional offer but would result in an immediate sale without the need to await the outcome of a planning application, also without the risk of withdrawal of a conditional offer either if it failed to win a satisfactory Planning Permission or resulting from worsening market conditions during this period.

3.3 In the event that Cabinet decides against proceeding with any of the offers received, the feasibility of other options could be considered, or the site could be remarketed for alternative suitable uses.

4. Supporting Information

4.1 The residential development bids received are shown in summary tabular form - included as an exempt document (Appendix B) as it contains confidential financial information.

4.2 The residential development bids fall into three categories:

- (i) 6-conditional bids from three bidders at/below £1.8-Million
- (ii) 5-conditional bids from four bidders above £1.8-Million
- (iii) 1-bid on an unconditional basis offering early completion

It should be noted that a conditional bid will proceed by way of a 10% deposit (returnable in the event that the sale does not proceed) followed by a 6-9 month period whilst the developer's planning application is determined and then payment of the remaining 90%, less the verified Section.106 contributions.

4.3 Two of the bidders indicated that they would be prepared to enter into an agreement with the Council to offer 'overage' in the event that either the density proposed in their offer bid could be bettered or the properties sell for a price above their current estimate. These 'overage' provisions would be negotiated in the event that to achieve a sale requires underbids to be considered as reflected in paragraph 5.2 below.

4.4 Savills have advised that the deferment of capital receipts from those conditional on obtaining Planning Permission would incur a deferment cost (by not achieving a full immediate receipt) within a range from £30,000 to £40,000, in comparison with the unconditional offer.

4.5 The Council's Urban Designer has viewed sketch plans accompanying the bids and has advised that all but one of those in categories (ii) and (iii) above conform to the Planning Brief in terms of layout but expressed concern that they did not all meet current parking standards. The affected bidders were advised of this concern and have confirmed their confidence in their respective schemes' ability to meet parking policy requirements.

4.6 All residential bids except the unconditional offer were submitted subject to deduction of verified S.106 contribution costs. The differing housing mixes represented by the bids have been reported to Development Team and an estimate of S.106, etc. costs in each case obtained, shown in Appendix B. These relate to provision of on-site public open space, necessary highway provision, cycling provision, education requirements and community provision. These estimates will be subject to verification as part of the planning process and are provided at this stage to assist comparison between the bids.

5. Proposals

It is recommended:

- 5.1 That the site be offered in the first instance to the highest conditional bidder on the basis of their revised offer (Offer 7B in Appendix B.) which provides the policy level of 35% affordable housing.
- 5.2 That, in the event that Offer 7B does not proceed, or is unable to satisfy planning requirements, the site then be offered to bid Offer 6 in Appendix B. and thereafter, if necessary, to the remaining shortlisted bidders, subject to a minimum floor price of £1.8Million before deduction of Section-106 costs.
- 5.3 That the Head of Resource Management, in conjunction with the Portfolio Holder for Resources and Diversity, be authorised to settle final terms and consequential matters to complete the sale.

6. Strategic Plan References

- 6.1 The Council's vision, set out in its Strategic Plan, is "Colchester: a place where people want to live, work and visit", and is supported by three objectives - to listen and respond, shift resources to deliver priorities, and be cleaner and greener.
- 6.2.1 The generation of a significant capital receipt arising from this sale will contribute towards the funding of the capital programme and thus enable the Council to shift resources to deliver priorities, including the provision of affordable housing as a Council priority.

7. Consultation

- 7.1 The marketing of the property included local advertising. The Layer Road Residents Association has been kept informed of the situation and has been notified of receipt of offers. At this stage detailed plans from the bidders are in sketch form only and it is, accordingly, recommended that the Residents' Association be further consulted as part of the planning process following the selection of a preferred bidder.
- 7.2 The planning application for the developer's scheme will be advertised in the usual way inviting representations

8. Publicity Considerations

- 8.1 Publicity for the disposal has been conducted through a marketing campaign which included advertisement in the national property press and local newspapers, together with a direct mailing programme.

9. Financial implications

- 9.1 On the assumption that a sale is concluded with the highest bidder the transaction would result in a significant net capital receipt to the Council, the majority of which would be received in Financial Year 2011/12.
- 9.2 As part of project to build the Community Stadium it was originally proposed that the capital receipt from the sale of Layer Road would be used to reduce the cost of borrowing associated with the Stadium. However, based on the Cabinet decision in July 2009 in respect the Extra Care Village scheme the budget was adjusted to reflect the proposal to forego the capital receipt.
- 9.3. On this basis the capital receipt would be available to support the Council's capital programme including costs incurred on asset protection, security and marketing costs.

9.4. A small part of the site adjoining the eastern boundary is the subject of possessory title and also restrictive covenants relating to the preservation of historic non-residential uses for which the development may require indemnity insurance, the cost for which has been estimated by the Council's Insurer at between £5000 and £10,000.

10. Equality, Diversity and Human Rights implications

10.1 It is not considered that this financial transaction gives rise to any equality and diversity considerations in relation to gender, gender reassignment, disability, sexual orientation, religion or belief, age and race/ethnicity. The relevant Equality Impact Assessment can be found on the Council's Website at: [Home>Council and Democracy>Policies, strategies and performance>Diversity and Equality>Equality Impact Assessments>Disposals and Marketing](#)

10.2 This financial transaction does not result in any new policy nor in any major change to existing policies.

10.2 It is not considered that this financial transaction gives rise to a breach of human rights.

11. Community Safety Implications

11.1 Maintaining the stadium empty pending the sale has required the appointment of a security firm which carries out mobile patrols.

11.2 To minimise damage from vandalism and reduce the risk of unauthorised entry the Premises have been boarded (and where possible bricked) up and gates secured. All utility supplies to the site have been disconnected.

12. Health and Safety Implications

12.1 There is always a concern about the safety of trespassers breaking into vacant buildings. The security arrangements referred to above seek to mitigate this risk.

13. Risk Management Implications

13.1 There are not considered to be any significant risk management implications in relation to this transaction.

14. Sustainability

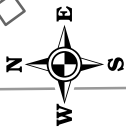
14.1 The former stadium was formed of open stands with poor quality office / administration accommodation at the front of the site. Disposal of the premises will allow the demolition of these energy inefficient buildings and their replacement with modern structures having greater potential for sustainability, taking into account new building standards and the requirement to reduce carbon emissions.

Appendices:

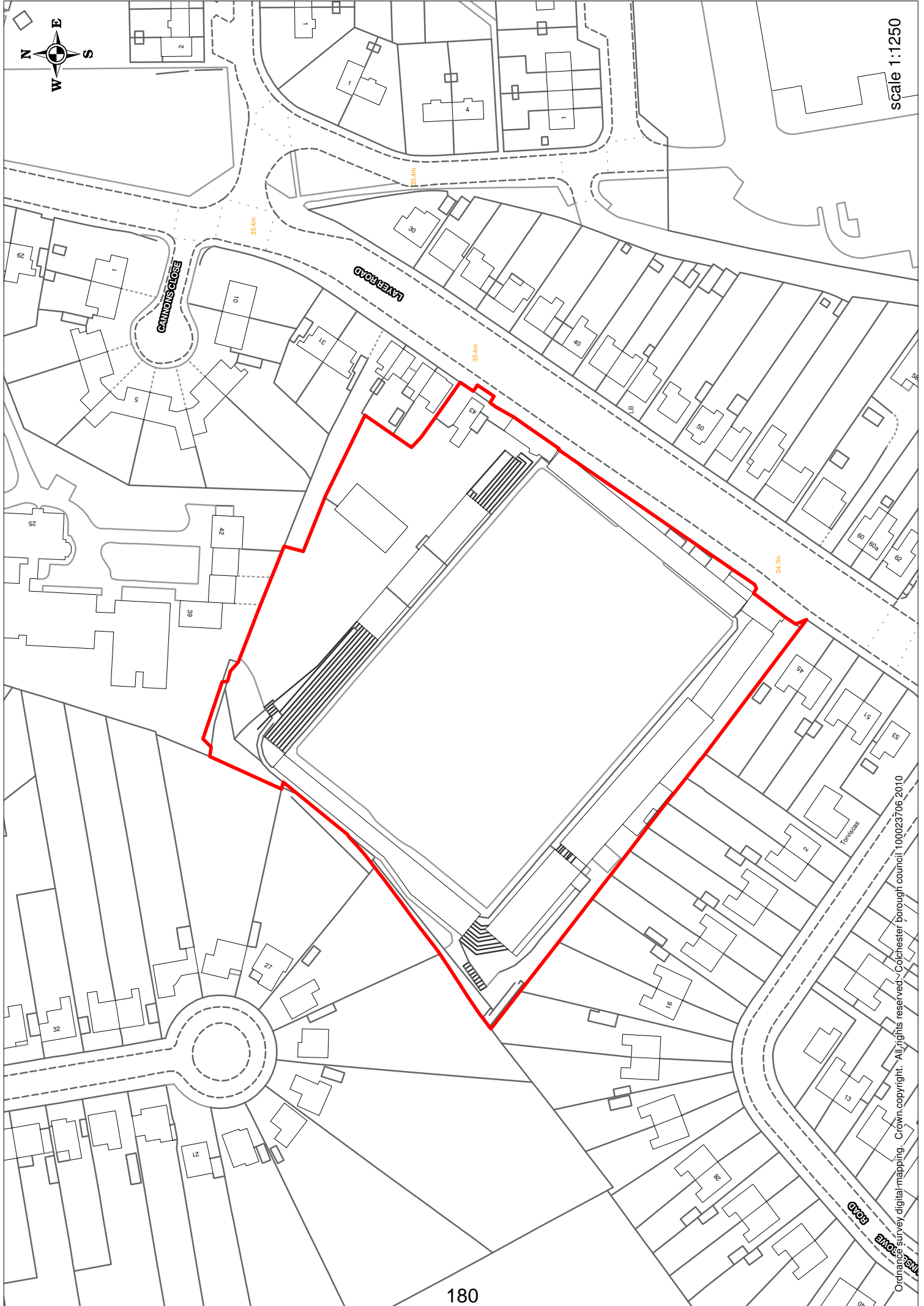
Appendix A. - Site Plan showing premises

Appendix B. - Schedule of Bids Received

NOT FOR PUBLICATION



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