

# Cabinet

**Grand Jury Room, Town Hall  
14 March 2012 at 6.00pm**

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

# Information for Members of the Public

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# COLCHESTER BOROUGH COUNCIL CABINET

14 March 2012 at 6:00pm

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

## AGENDA - Part A

(open to the public including the media)

### Pages

#### 1. Welcome and Announcements

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

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

- action in the event of an emergency;
- mobile phones switched 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 25 January 2012.

#### **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**

##### **i. Jubilee Projects 2012**

See report by the Chief Executive

#### **8. Housing and Community Safety**

<ul style="list-style-type: none"> <li>i. <b>Progress Report of the Colchester Local Housing Review</b></li> </ul>	<p><b>5 - 10</b></p> <p>See report by the Head of Strategic Policy and Regeneration</p>
<b>9. Communities and Diversity</b>	
<ul style="list-style-type: none"> <li>i. <b>Fundamental Service Review of the Sport and Leisure Service</b></li> </ul>	<p><b>11 - 75</b></p> <p>See report by the Head of Life Opportunities</p>
<ul style="list-style-type: none"> <li>ii. <b>Essex Family Project - Delivering in Colchester</b></li> </ul>	<p><b>76 - 82</b></p> <p>See report by the Executive Director</p>
<b>10. Street and Waste Services</b>	
<ul style="list-style-type: none"> <li>i. <b>A Countywide Traveller Unit for Essex</b></li> </ul>	<p><b>83 - 99</b></p> <p>See report by the Head of Environmental and Protective Services</p>
<b>11. Renaissance</b>	
<ul style="list-style-type: none"> <li>i. <b>A Review of the Current Public Transport Provision in the Borough</b></li> </ul>	<p><b>100 - 112</b></p> <p>See minute 29 of the meeting of the Strategic Overview and Scrutiny Panel of 10 January 2012</p>
<b>12. General</b>	
<ul style="list-style-type: none"> <li>i. <b>Progress of Responses to the Public</b></li> </ul>	<p><b>113 - 114</b></p> <p>To note the contents of the Progress Sheet</p>
<b>13. Resources and Heritage</b>	
<ul style="list-style-type: none"> <li>i. <b>Capital Programme</b></li> </ul>	<p><b>115 - 118</b></p> <p>See report by the Head of Resource Management</p>
<ul style="list-style-type: none"> <li>ii. <b>Digital Strategy: Renewal of CCTV Fibre Network</b></li> </ul>	<p><b>119 - 123</b></p> <p>See report by the Head of Strategic Policy and Regeneration</p>

**iii. Officer Pay Policy** **124 - 136**

See report by the Head of Corporate Management

**iv. Replacement of Roofs and Windows - The Mercury Theatre, Colchester** **137 - 140**

See report by the Head of Corporate Management

**14. Exclusion of the Public**

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

**COLCHESTER BOROUGH COUNCIL  
CABINET**

**14 March 2012 at 6:00pm**

**AGENDA - Part B**

(not open to the public or the media)

**Pages**

**15. Resources and Heritage**

**i. Replacement of Roofs and Windows - Mercury Theatre,  
Colchester**

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

See report by the Head of Corporate Management



## Cabinet

14 March 2012

Item  
**7(i)**

<b>Report of</b>	<b>Chief Executive</b>	<b>Author</b>	<b>Adrian Pritchard</b>
<b>Title</b>	<b>Jubilee Projects 2012</b>		<b>282211</b>
<b>Wards affected</b>	Not applicable		

**This report concerns the proposed budget allocation for a number of one off projects within 2012/13**

### 1. Decisions Required

1.1 It is recommended that:-

- (i) the budget allocations set out at Appendix A be added to the 2012/13 revenue budget and capital programme as appropriate.

### 2. Reasons for Decisions

2.1 The proposed additional budget allocations are designed to support a diverse range of projects in the whole Borough during 2012/13. They will help to meet the priorities for a number of customer groups and many of our strategic priorities in the new Strategic Plan. The proposals include opportunities for local groups and Councillors to receive funding that can make a difference to their local area linked to the localism agenda.

### 3. Alternative Options

3.1 Other opportunities for delivering this package of measures have been considered but the proposals are considered to represent a balanced approach for a range of customers.

### 4. Supporting Information

4.1 There is an opportunity to look at a range of additional items for the 2012/13 budget. The aim was to identify some diverse projects that would address priorities for a range of customers across the Borough. These will be one-off payments that can be used for capital or revenue projects, with no ongoing revenue costs. The detail of how the money will be used will be decided once the overall funding allocations have been agreed.

4.1.1 Funding for small business – An allocation of £20k is proposed to support small business. Businesses will be able to make bids for small grants against a set of criteria, to support their set up costs. We anticipate that an independent, external organisation will administer this on our behalf

4.1.2 Local community projects – A competition for the public and voluntary sector to make bids for small grants for local community projects. An allocation of £20k is proposed for these projects. Again, we anticipate that an independent, external organisation will administer this on our behalf.

- 4.1.3 Improvements for the bus station - The largest area of spend, £420k, is a contribution to improve the existing plans for the bus station. This has been identified as an area of public concern and this money will enable a range of additional and improved facilities to be put in place, improving the current planned facilities at the new bus station. There are a range of options which will be confirmed once the overall funding allocation is agreed
- 4.1.4 Heritage projects - There is an allocation of £100k for heritage projects. Consideration of a number of projects will be made.
- 4.1.5 Community Safety – Community Safety is also highlighted, with £100k of funding available for additional projects, recognising that this is one of the highest priorities for our residents.

#### *Delegated Ward Budget*

- 4.2. As part of developing the concept of community budgets under the localism agenda it is proposed that as a one-off all ward members 'receive' a delegated a budget of £2,000. These budgets can put to a range of uses and there is also the option for a number of Councillors to pool their individual allocation, up to a maximum of £12,000 to deliver larger scale projects.

## **5. Proposals**

- 5.1. It is proposed that:-

- (i) the sums set out at Appendix A be added to the 2012/13 revenue budget and capital programme as applicable
- (ii) the detailed arrangements for how this funding is used will be developed once the principles outlined in this paper are agreed.

## **6. Strategic Plan References**

- 6.1 A wide range of priorities will be supported across the diverse projects including:
- Improving opportunities for business and retail to thrive
  - Regenerating our Borough through buildings, employment, leisure and infrastructure
  - Supporting tourism, heritage and the arts
  - Enabling communities to help themselves
  - Engaging with the voluntary sector

Appendix A provides supporting commentary on how each of the areas proposed will support specific Strategic Plan priorities.

## **7. Consultation**

- 7.1 Appropriate consultation will be part of each of the proposals within this report. This will include the ward budgets proposals where councillors will be expected to follow good practice and consult with relevant local groups / stakeholders.

## **8. Publicity Considerations**

- 8.1 The ward budget scheme and grant funds will be advertised widely to ensure that the opportunity to benefit from these schemes and that value for money is achieved.

## **9. Financial implications**

9.1. It is proposed that the cost for these projects is met from balances. These are forecast to be higher than previously reported and if the proposals in this report are agreed, they will remain above the recommended level. An updated position on balances will be reported to Cabinet in the new Municipal year as part of the 2013/14 budget strategy.

9.2. The proposals set out in this report total £780,000 and are additional to the currently agreed 2012/13 budget.

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

10.1 As more specific proposals for projects are developed they will need to demonstrate that they meet equality and diversity criteria

## **11. Community Safety Implications**

11.1 The proposals include an allocation of £100k in respect of specific community safety projects.

## **12. Standard References**

12.1 There are no particular references to health and safety or risk management implications.

## Jubilee Projects for 2012

Project	Cost	Strategic Plan
Enhancing the bus station proposals	£420,000	Regenerating our borough through buildings, employment, leisure and infrastructure.
Specific community safety projects	£100,000	Working in partnership to help tackle health and crime issues.
Specific Heritage projects	£100,000	Supporting tourism, heritage and the arts.
Jubilee Grants Fund <ul style="list-style-type: none"> <li>• Small business start up fund</li> <li>• Competition for the public and voluntary sector to bid for a grant to undertake local community work</li> </ul> NB. These funds would be administered on our behalf by an independent organisation.	£20,000  £20,000	Improving opportunities for local business and retail to thrive.  Enabling local communities to help themselves.
Delegated budget of £2,000 per Borough Councillor	£120,000	Potentially a range of Strategic Plan priorities.
Total	£780,000	

14 March 2012

<b>Report of</b>	<b>Head of Strategic Policy and Regeneration</b>	<b>Author</b>	<b>Jeanette Smith</b>
<b>Title</b>	<b>Progress report of the Colchester Local Housing Review</b>		
<b>Wards affected</b>	All		

**This report is a progress report on the Colchester Local Housing Review.**

**1. Decision(s) Required**

- 1.1 To approve and sign off the first stage of the review process as carried out by the Colchester Housing Review Board.
- 1.2 To agree the chosen delivery models, an ALMO, outsourcing the management of the stock and management by the Local Authority, as recommended by the Colchester Housing Review Board for in-depth analysis.

**2. Reasons for Decision(s)**

- 2.1 The Housing Revenue Account (HRA) reform, which is happening at a national level, will redistribute back to stock owning authorities rent collected locally and give back local determination for their business plans in return for local authorities taking a part of the national HRA debt.
- 2.2 Cabinet has agreed to begin a review of the Local Housing arrangements which will cover all areas and activities within the Housing Revenue Account including the discharge of the landlord function and management of the housing stock.
- 2.3 The current Management Agreement between Colchester Borough Council and Colchester Borough Homes expires in March 2013 and there is a need to establish the arrangements beyond this date.
- 2.4 There needs to be a new focus for delivery which takes advantage of the new financial freedoms as well as recognising the tough economic times and reduction in public funding available at present.
- 2.5 The review will lead to a final recommendation for the future delivery of Colchester's Council Housing to Cabinet and Full Council in autumn 2012. This report is intended to provide an update on the progress so far and to agree progression to the proposed next stages.
- 2.6 In making this decision Cabinet will ensure that the success criteria of the review offer a long term more sustainable and resilient approach and model for delivery of the service in the future.

### **3. Alternative Options**

- 3.1 Not to adopt the recommendations. This would mean that the Council would not have a process to fully examine all options to deliver their ambitions for Council housing in Colchester in the future. The current Management Agreement expires in 2013. Not to adopt the recommendations would mean that there would be not be a full assessment of all the options and issues and opportunities for the future delivery of the landlord function and management of the stock.

### **4. Supporting Information**

- 4.1 Nationally, Local Housing Authorities have been reviewing how they currently provide their Landlord responsibilities in relation to housing management under the current funding regime and what models will best meet their strategic objectives under the Housing Revenue Reforms.
- 4.2 The funding reforms offer financial freedoms and flexibilities that have not been previously available to the Council.
- 4.3 Colchester Borough Council (CBC) owns 7204 properties (approximately 6240 social rented and 964 leasehold). CBC is the landlord and has legal duties towards its tenants and leaseholders. The properties are managed by and housing management services provided to tenants through an Arms Length Management arrangement with Colchester Borough Homes which was established in August 2003. This management arrangement was extended in 2008 for a further five years. Establishing Colchester Borough Homes meant the Council was able to take advantage of the Decent Homes funding programme and £35m capital investment for the housing stock was secured through this route. Decency (as defined by Government) across the stock has been achieved in December 2011.
- 4.4 Colchester Borough Council's current Management Agreement with its ALMO Colchester Borough Homes expires in 2013. It will be necessary to have a replacement Management Agreement or alternative delivery option in place to ensure that Colchester Borough Council continues to meet its responsibilities as a Landlord and in maintaining its housing assets.
- 4.5 At the request of Cabinet a Project Board has been established to lead the review and includes representatives from all political parties, CBH, CBC, Tenants and Leaseholders. The Project Board members are the Leader of the Council, Anne Turrell (chair), Councillors Nigel Chapman, Annie Feltham, Dave Harris, Gerard Oxford, Sonia Lewis and Tim Young (deputy chair), the chair of the CBH Board, Alison Inman, tenant board members Alan Blois and Michala Carey, CBC Chief Executive Adrian Pritchard, CBH Chief Executive Greg Falvey and Executive Director, CBC Ian Vipond.

The Project Board has met monthly since October 2011. Their role is to lead the review using the resources of the cross organisation Project Team and to make recommendations to Cabinet and Full Council on how the future service should be delivered

The Project Team meets bi-weekly to complete the tasks identified by the Project Board and to gather information necessary for the Board to make fully informed decisions, and to progress onto the next part of the review process.

4.6 The Project Board has developed the 'success criteria' which will drive the outcomes of the review. There are 5 themes for the Success Criteria these are:

- Asset - to attain a high quality and sustainable housing stock and to develop/increase the affordable housing base
- Customer – to provide more effective housing solutions, e.g. homelessness, housing options, private sector, to be committed to and deliver good quality customer service, to meet housing needs of customers; and to empower communities, build community capacity, provide incentives for self sufficiency and independence.
- Service –to be efficient, offer value for money and make best use of resources and to gain the involvement of tenants in delivery;
- Partners - to work with partners to increase housing supply;
- Finance – to use financial freedoms to develop and deliver a sustainable financial business plan which has a positive effect on the Council's overall financial position. To access external resources, funds and grants and to minimise financial risk/exposure and maintain Council's access to low-cost borrowing.

4.7 The landscape has changed considerably since the ALMO was established nearly ten years ago and more options for delivery are now available. The Project Board has considered 7 potential models for delivery, these were;

- an ALMO;
- Local Authority Management;
- Conventional Stock Transfer,
- Stock Transfer to Community and Council;
- Community based local company;
- Outsourcing; and a
- Tenant Management Organisation.

Information was provided to the Project Board on each model and an independent advisor was bought in to give further information on how some of these are working in practice. The Project Board then considered the strengths and weaknesses of each model against the success criteria and what it could deliver for Colchester.

4.8 Four of the delivery models were not considered viable when assessed against the success criteria. These were stock transfer to Community and Council, a Tenant Management Organisation, a Community Based Local Company and a Conventional stock transfer. Some of the key reasons for these models not being chosen were around the significant financial issues caused by stock transfer and the desire to retain ownership of the stock. These delivery models mainly involve a transfer of ownership in some form.

4.9 The Board selected three models to take forward for further analysis;

- an ALMO,
- Outsourcing the management of the stock,
- Management by the Local Authority.

These models were selected as they scored higher against the Success Criteria. These three delivery models will now undergo a detailed options appraisal.

## **5.0 Proposals**

5.1 That Cabinet approves the initial recommendations of the review from the Project Board which is to complete an in-depth appraisal of three future delivery models - an ALMO, Outsourcing and Local Authority Management with a view to bringing the final

recommended model for future delivery of the service to Cabinet and then Full Council in the autumn of 2012.

## 6. Strategic Plan References

6.1 Implementation of the recommendations will contribute to the 3 corporate objectives in its strategic plan.

- *To listen and respond* – **Success Criteria – Service**- Gain the involvement of tenants in delivery
- *Shift resources to deliver priorities* – **Success Criteria – Service** – Be efficient, offer value for money and make best use of resources
- *To be cleaner and greener* – **Success Criteria – Customer** – Meet housing needs of customers.

Implementation of the recommendations' will contribute to the 3 of the nine priorities for action of the above these are:

- *Community development* – **Success Criteria – Customer** – Empower communities build community capacity and provide incentives for self sufficiency and independence.
- *Homes for all* – **Success Criteria – Customer** – Provide more effective housing solutions
- *Healthy living* – **Success Criteria – Customer** – Meet housing needs of customers (ability to ensure warm, safe, secure and appropriate homes are provided.)

## 7. Consultation

The Council's housing stock is the Council's greatest asset therefore crucial to a successful outcome will be input from any interested parties whether that is service users, partners or stakeholders.

### 7.1 Staff involvement

All staff potentially affected by any changes will have the opportunity to have their say on the shortlisted options, and their views will be included in the report when the Council makes its decision in the autumn. Further consultation may be needed once the Council has made its decision, depending on how the chosen option will affect staff.

A monthly update is currently being provided to staff at CBH and CBC. The frequency of communication with staff will increase as the implications for the future delivery of the service become clearer.

### 7.2 Resident involvement

A 'sounding board' of tenants & leaseholders has already been established and will be involved in contributing their views on the proposals. They will be given training on the background to the review and how to evaluate the available options. All tenants and leaseholders will receive updates on the progress of the review and will have the opportunity to contribute their views on the options being considered, and these will be taken into account in the final report to Cabinet. There may need to be further resident consultation depending on the final option chosen.

The 'Sounding Board' will be involved in the cascading of information to other tenant and leaseholder groups and their feedback will be fed back to Project Board. They will be advised of each outcome of the Project Board meetings and the recommendations made to Cabinet and Full Council.

### **7.3 CBH Board and Members**

Monthly updates informing on the progress of the review are also sent to CBH Board members, Councillors and Parish Councillors. (This information is sent in hard copy to those not able to access the internet.)

7.4 Any recommendations will be pre-scrutinised by the Strategic Overview Scrutiny Panel prior to the recommendations being presented to Cabinet and Full Council.

7.5 Information will also be shared via CBH's news and views and an open email address for any tenant to contact the project team with their views etc.

### **8. Publicity Considerations**

8.1 A Communications Strategy has been developed by the Project Board to provide guidelines on audiences and what formats would best suit different parties. To support this, a Communications Plan has been produced that shows a timeline for communication events and key milestones through out the expected life of the project.

8.2 The above will ensure that the process for communications and publicity has identified authors to agree press and communication releases.

8.3 During the initial stages of the review it is intended that consultation will occur in stages with a variety of audiences. Phase one will include the tenant and leaseholder 'Sounding Board', staff of CBC and CBH, Board Members of CBH, Borough Councillors and local MPs it is expected that this will be completed by the 21<sup>st</sup> May 2012. Phase two once a preferred delivery model has been identified, will include all tenants, key stakeholders and partners. This phase will begin post the Board meeting on the 21<sup>st</sup> May and is expected to be completed by September 2012. Phase three is dependent upon the chosen delivery model and the need to complete a full tenant consultation. This will occur post the Full Council meeting on the 17<sup>th</sup> October 2012 if required.

8.4 At the end of this review Tenants and Leaseholders could potentially have a change of housing management or a different way of administering their services. Throughout the process their opinion will be sought and their concerns will be listened to and addressed. Any major proposed change in the way that the Council delivers the housing management service would need to go through consultation with Tenants and Leaseholders.

### **9. Financial Implications**

9.1 Cabinet will be aware of the national reform of the Housing Revenue Account (HRA), and the opportunities it provides to Councils. These include the resources to deliver greater investment in the housing stock and services to tenants, additional resources for projects such as the provision of new affordable housing, greater local accountability and long-term certainty.

9.2 Given the early stage of Colchester's Local Housing Review, it is difficult to quantify with any accuracy the financial consequences of the delivery models identified for further analysis. This information will arise from the detailed work to be carried out in the next stage, and will be fed into the final business case to be considered by Cabinet later in the year. However, it should be remembered that the HRA is (and remains under the reforms) a "ring-fenced" account, meaning that savings which might be achieved from adopting the future model would be retained within the HRA, and will be spent on the

Council's housing function, whether that be through enhanced services to tenants, greater investment to tenants homes, provision of more affordable housing etc.

- 9.3 Similarly to any savings that may result from this project, any additional costs will have to be met from the HRA. To that extent, a budget of £10,000 has been set-aside from existing resources in 2011/12, to meet the cost of any consultation and communication events incurred during the review. However, should the recommendation be to adopt a delivery model that is significantly different to the current arrangements, then the Council would be expected to undertake further tenant consultation, for which there would be an associated cost. As stated in the 2012/13 HRA Budget report considered by Cabinet on 25<sup>th</sup> January 2012, no provision has been made within next year's budget for any further consultation costs that might arise from this project. Should there be the need for additional resources, then these will be included for approval in the Report on the recommended delivery model in the autumn.
- 9.4 The review will ensure that the freedoms and flexibility offered through the reform of the Housing Revenue Account (HRA) system will provide the council with the ability to borrow to fund capital projects.

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

- 10.1 An Equality Impact Assessment has been completed for the project which shows no negative impacts. It is intended that once the project board has identified delivery models for further analysis that Equality Impact Assessments on the models will also be completed. <Q:\Housing & Environmental Policy\Shared Information\HRA Review\Equality and Impact Assessment all versions\HRA - Equality Impact Assessment - V1.doc>

## **11. Community Safety Implications**

- 11.1 There are no community safety implications

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

- 12.1 There are no particular health and safety implications attached to the decision

## **13. Risk Management Implications**

A risk assessment has been completed for the overall project it is intended that once the Project Board has identified delivery models for further analysis that independent risk assessments and Equality Impact Assessments will be completed on each of these models. Tenants and Leaseholders will be consulted continually throughout the project and the consultation outcomes will be presented to the Project Board for consideration.

## **Background Papers**

The Project Board Success Criteria  
The 7 delivery model templates

14 March 2012

<b>Report of</b>	<b>Head of Life Opportunities</b>	<b>Author</b>	<b>Gareth Mitchell</b> 506972
<b>Title</b>	<b>Fundamental Service Review of the Sport and Leisure Service</b>		
<b>Wards affected</b>	All		

**This report concerns the Fundamental Service Review of the Council's Sport and Leisure Service and the full business case arising from this review**

**1. Decision Required**

- 1.1 To approve the attached full business case resulting from the Fundamental Service Review of Colchester Borough Council's Sport and Leisure Service.
- 1.2 To agree the release of £1.621m from the Council's capital programme provision for Fundamental Service Reviews to fund the estimated capital costs set out in the Full Business case on page 40.

**2. Reasons for Decision**

- 2.1 The Sport and Leisure Service is undertaking a Fundamental Service Review as part of the Council's change programme. The current sport and leisure service delivers good overall levels of income and in recent years the service has reduced its net cost to the Council with relatively little investment in the facilities from Council resources, but there is evidence that this approach cannot be sustained. The 2011/12 service budget anticipates that the service will spend £5,155,600, earn £4,351,600 in income, leaving a net cost to the Council of £804,000.
- 2.2 The improvement in the service revenue budget outlined in this business case delivers the aspiration of a service that incurs no revenue cost, and provides an opportunity for the Council to invest in other strategic priorities or to address the projected deficit in the budget in future years, or a mixture of both. The price for exploiting this opportunity is capital investment in the first year of implementation. The sport and leisure service is one of the few services in the Council where capital investment can produce income growth directly for the Council.
- 2.3 The service is a large operational service that opens to customers 362 days a year, generally from 6am to 11pm, and on average there are 2,700 customer visits per day. Leisure World Colchester is a dominant feature in the borough's leisure landscape, and research conducted as part of this review demonstrates how much it is admired and appreciated. However, it has also been acknowledged as part of this review that the service has a limited level of insight into its customers, both from the point of view of customer satisfaction and of customer usage and demand, and that there are aspects of the current customer experience that need improvement.

- 2.4 In the summer of 2012, the “greatest show on earth” comes to London with the staging of the 2012 Olympic and Paralympic Games. The Council and its partners have been working hard for several years to secure a legacy from the Games for Colchester borough and its residents. This business case therefore seeks not only to address the challenges facing this service and its customers, but also to play its part in securing a legacy for Colchester from the Olympic and Paralympic Games by capitalising on the “afterglow” and increased enthusiasm for all things sport-related following the Games.

### **3. Alternative Options**

- 3.1 The alternative option would be not to approve the business case or to ask for changes to be made to the proposals set out in the business case. In either scenario, the delivery of improved customer excellence, and greater efficiency and effectiveness in the Sport and Leisure Service could be delayed or not delivered. The business case is the result of considerable research, analysis and consultation on the part of a core project team and other staff in the service and beyond.

### **4. Supporting Information**

- 4.1 This business case sets out an ambitious proposal to pursue a business growth and cost reduction agenda for this service, centred on the Council’s Leisure World brand that is clearly associated with Colchester Borough Council, which aims to:

- deliver a customer experience that sets the service apart and ensures high levels of customer retention
- capitalise on the projected growth in the borough population by maximising commercial opportunities
- increase levels of participation in sport and leisure activities by local people to improve their health and wellbeing
- improve the utilisation of a range of community facilities to address residents’ sport and leisure needs.

To achieve this, investment is required to support the income growth objectives and improve the customer experience.

- 4.2 This Fundamental Service Review has had sponsorship from the Portfolio Holder for Communities and Diversity and the Executive Director for Customer Excellence, and has built on the experience of previous fundamental reviews. It has used a core project team, comprising service and corporate resource, from March 2011 to January 2012 to produce this full business case.
- 4.3 The Executive Summary section of the business case on pages 3 to 9 provides an overview of the Fundamental Service Review and the proposals for the new service.
- 4.4 The Full Business Case for this review was subject to pre-scrutiny by the Strategic Overview and Scrutiny Panel at its meeting on 14 February 2012 and the minutes of the Panel’s consideration of this item are attached.

### **5. Proposals**

- 5.1 The overarching vision for the transformed sport and leisure service is for every borough resident to participate in an active lifestyle that will lead to them living a longer, healthier and happier life, and for the service supporting this vision to be delivered at no recurring revenue cost to Colchester Borough Council.

5.2 Fundamental Service Reviews have three drivers – customer excellence, efficiency and effectiveness - and the outcomes of the opportunities set out in this Full Business Case include:

### **Customer Excellence**

- A transformed customer experience making it easier to find information, book and pay for an activity and access the service
- Visibility of a wide range of leisure activities across the whole borough
- Staff with excellent customer skills across the service.

### **Efficiency**

- Use of new technology to reduce overheads and speed up customer transactions
- Increased multi-skilling across teams and locations
- Reduced cost base in key service areas.

### **Effectiveness**

- Remodelling of facilities, products and working practices to drive participation and income growth
- Building on the Council's Leisure World brand across the whole service to improve profitability
- Improved use of operational data and customer insight to drive service development.

5.3 The proposals are described in three distinct but closely-linked opportunities:

- customer experience
- community network and commercial hub
- business development.

5.4 This review builds upon the recommendations of its predecessors by looking at:-

- more opportunities for customers to serve themselves
- increased multi-skilling of staff leading to greater flexibility in service delivery
- maximising income-generating business opportunities
- reduction in staffing costs in parts of the service
- opportunities for external organisations to deliver elements of the service in a more effective and efficient way
- improving customer insight.

## **6. Strategic Plan References**

6.1 The proposals outlined in this full business case contribute to the broad aim in the draft Strategic Plan 2012-15 of "Creating opportunities for all its residents" and the following priority areas:

- Providing sport and leisure for all, alongside good quality green spaces and play areas
- Working in partnerships to help tackle health and crime issues
- Regenerating our borough through buildings, employment, leisure and infrastructure
- Supporting tourism, heritage and the arts
- Enabling local communities to help themselves.

The draft Strategic Plan 2012-15 is being recommended to Full Council for adoption at its meeting on 22 February 2012.

## 7. Consultation

- 7.1 Customers, staff, external stakeholders, other Council services and Unison have played an important part in the development of this business case. Please see section 7 of the business case for more information.

## 8. Publicity Considerations

- 8.1 This review has been driven using customer insight gained from using GovMetric, Mosaic and Touchstone project work, along with customer focus groups, to make sure the review will lead to services that offer a better customer experience at every level. The overall aim is make it quicker and easier for customers to access the service, to encourage more residents to use the service and to increase sports participation across the borough.
- 8.2 A communication plan has been developed as part of the business case and is included in the document as Appendix 3.
- 8.3 A news release has been issued to the local media to coincide with the publication of the Full Business Case.

## 9. Financial implications

- 9.1 The Executive Summary of the Business Case summarises the projected financial benefits and liabilities arising from implementation of this review as follows:

	<b>Year 1 2012/13 (£000's)</b>	<b>Year 2 2013/14 (£000's)</b>	<b>Year 3 2014/15 (£000's)</b>
<b>Net direct budget</b> (based on 2011/12 budget)	<b>804</b>	<b>804</b>	<b>804</b>
<b>Efficiency savings</b>	<b>(229)</b>	<b>(387)</b>	<b>(387)</b>
<b>Income growth</b>	<b>(41)</b>	<b>(481)</b>	<b>(676)</b>
<b>Investment required (revenue)</b>	<b>69</b>	<b>99</b>	<b>99</b>
<b>Repairs and Renewal provision</b>		<b>125</b>	<b>125</b>
<b>Projected net direct budget position</b> (based on 2011/12 budget)	<b>603</b>	<b>160</b>	<b>(35)</b>
<b>Total revenue savings</b>	<b>201</b>	<b>644</b>	<b>839</b>

- 9.2 The capital investment required to deliver this Full Business Case is estimated at £1.621m, consisting of building works at the Leisure World Colchester site, and implementation of new technology. The 2012/13 budget report recommended to Full Council includes a proposed capital programme provision of £2m to fund the investment required to support Fundamental Service Reviews. The budget report stated that Cabinet would propose the application of this budget as part of the consideration of an individual FSR business case. It is therefore recommended that £1.621m is released from this allocation to fund the estimated capital costs set out on page 40 of the Full Business Case.
- 9.3 Based on previous experience of investment in the sport and leisure service, the projected population increase in the borough and improved sales conversion from the business development capability mentioned above, the recurring revenue savings by year 3 above of £839,000 per year are projected to continue without further significant capital investment for 5 years beyond the implementation of the review.

This projection would result in total potential revenue savings over an 8-year period of £5.8 million.

<b>Total capital investment required</b>	<b>£1.621m</b>
<b>Total potential revenue savings over 8 years</b>	<b>£5.879m</b>

## **10. Equality and Diversity Implications**

- 10.1 The screening stage for an Equality Impact Assessment has been carried out, and is available [by clicking this link](#), or following this pathway from the homepage of [www.colchester.gov.uk](http://www.colchester.gov.uk): Council and Democracy>Policies, Strategies and Performance>Equality and Diversity>Equality Impact Assessments>Life Opportunities>Sport and Leisure Full Business Case.
- 10.2 This report is about the business case at a strategic level, and whether the principles identified in the business case should be developed further. Subject to approval of the business case, Equality Impact Assessments will be carried out as part of the implementation planning stage of the review. These will be an integral part of any changes to services - an assessment of any potential direct or indirect discrimination needs to be made alongside specific proposals as they are developed.

## **11. Other Standard References**

- 11.1 There are no specific Human Rights, Community Safety or Health and Safety implications at this point. As with Equality and Diversity above, the implications for these areas will be considered at the implementation stage.

## **12. Risk Management Implications**

- 12.1 The high-level risks associated with this review have been identified in section 6 of the business case and a risk register is included in the full business case as appendix 2.

## **Background Papers**

The business case with appendices is provided with this report. The Equality Impact Assessment screening document is available online (see 10.1) or in the Members' Room.

# Fundamental Service Review of Sport and Leisure Services

## Full Business Case

### “My Leisure World”

The overarching vision for the transformed Sport and Leisure service is for every borough resident to participate in an active lifestyle that will lead to them living a longer, healthier and happier life, and for the service supporting this vision to be delivered at no recurring revenue cost to Colchester Borough Council.

Fundamental Service Reviews have three drivers – customer excellence, efficiency and effectiveness - and the outcomes of the opportunities set out in this Full Business Case include:

#### **Customer Excellence**

- A transformed customer experience making it easier to find information, book and pay for an activity and access the service
- Visibility of a wide range of leisure activities across the whole borough
- Staff with excellent customer skills across the service.

#### **Efficiency**

- Use of new technology to reduce overheads and speed up customer transactions
- Increased multi-skilling across teams and locations
- Reduced cost base in key service areas.

#### **Effectiveness**

- Remodelling of facilities, products and working practices to drive participation and income growth
- Building on the Council’s Leisure World brand across the whole service to improve profitability
- Improved use of operational data and customer insight to drive service development.



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## Appendices

1. Alternative Service Delivery Options
2. Risk Register
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### 1. EXECUTIVE SUMMARY

The overarching vision for the transformed Sport and Leisure service described in this full business case is for every borough resident to participate in an active lifestyle that will lead to them living a longer, healthier and happier life, and for the service supporting this vision to be delivered at no recurring revenue cost to Colchester Borough Council.

The improvement in the service revenue budget outlined in this business case delivers the aspiration of a service that incurs no revenue cost, and provides an opportunity for the Council to invest in other strategic priorities or to address the projected deficit in the budget in future years, or a mixture of both. The price for exploiting this opportunity is capital investment in the first year of implementation. The Sport and Leisure service is one of the few services in the Council where capital investment can produce income growth directly for the Council.

The current Sport and Leisure service delivers good overall levels of income, but has a cost base that is high compared to other sport and leisure operations. In recent years the service has reduced its net cost to the Council with relatively little investment in the facilities from Council resources, but there is evidence that this approach cannot be sustained. The 2011/12 service budget anticipates that the service will spend £5,155,600, earn £4,351,600 in income, leaving a net cost to the Council of £804,000.

The service is a large operational service that opens to customers 362 days a year, generally from 6am to 11pm, and on average there are 2,700 customer visits per day. Leisure World Colchester is a dominant feature in the borough's leisure landscape, and research conducted as part of this review demonstrates how much it is admired and appreciated by local people. However, it has also been acknowledged as part of this review that the service has a limited level of insight into its customers, both from the point of view of customer satisfaction and of customer usage and demand, and that there are aspects of the current customer experience that need improvement.

In the summer of 2012, the "greatest show on earth" comes to London with the staging of the 2012 Olympic and Paralympic Games. The Council and its partners have been working hard for several years to secure a legacy from the Games for Colchester borough and its residents. This business case therefore seeks not only to address the challenges facing this service and its customers, but also to play its part in securing a legacy for Colchester from the Olympic and Paralympic Games by capitalising on the 'afterglow' and increased enthusiasm for all things sport-related following the Games.

This business case sets out an ambitious proposal to pursue a business growth and cost reduction agenda for this service, centred on the Council's Leisure World brand that is clearly associated with Colchester Borough Council, which aims to:

- deliver a customer experience that sets the service apart and ensures high levels of customer retention
- capitalise on the projected growth in the borough population by maximising commercial opportunities
- increase levels of participation in sport and leisure activities by local people to improve their health and wellbeing
- improve the utilisation of a range of community facilities to address residents' sport and leisure needs.

To achieve this, investment is required to support the income growth objectives and improve the customer experience.

The proposals are described in three distinct but closely-linked opportunities:

- customer experience
- community network and commercial hub
- business development.

These three opportunities are summarised as follows:

A **customer experience** that is the best in the sector, delivered by staff who have excellent customer skills and enabled by technology that delivers unrivalled access to activities in the borough including:

- A “myleisureworld” website where customers can go to obtain all the information they need, and where they can book and pay for their activities
- A personal leisure card/account providing a number of benefits for the customer and customer insight and marketing information for the service
- A range of self-service opportunities for customers both online and in the facilities themselves enabling faster access, high customer satisfaction and efficiency savings for the Council
- “Welcome host” staff at the entrance to Leisure World Colchester providing consistently excellent customer service and enabling increased sales opportunities through signposting and cross-selling.



A **community network** of facilities with a **commercial hub** at the centre. The community network of facilities and partnerships will provide local opportunities to participate in sport and leisure activities for the broadest range of customer groups, and the commercial hub at the Leisure World Colchester site on Cowdray Avenue will provide the commercial foundations for the Council’s service going forward.

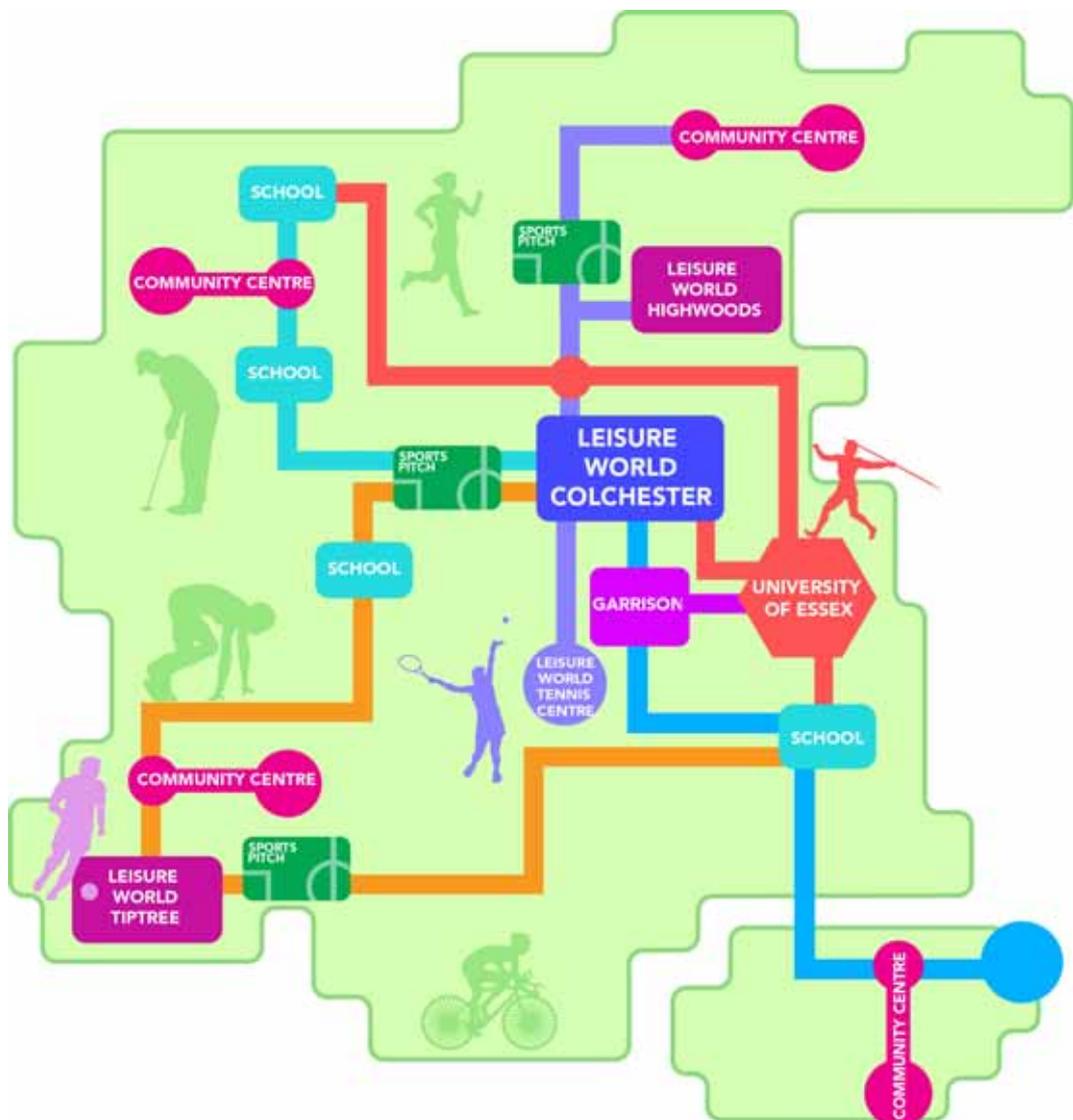
This opportunity includes enabling customers to find and book sport and leisure activities across the borough by internet, phone and in person through the bookings “brokerage service” featured in the customer experience opportunity.

This will open up under-utilised community facilities for customers to use, such as primary and secondary school halls and sports pitches, community centres and village halls, in addition to Council locations. It will also provide a service for partners who operate these facilities and a means to exploit unmet community demand through a flexible staffing model to run activities at other locations.

The Commercial Hub at the Leisure World Colchester site on Cowdray Avenue will deliver a high commercial return, high volume participation, will be family-orientated and will provide a range of relevant leisure opportunities of wide appeal.

This hub will be the commercial platform for the service - a place where families and groups of friends spend longer periods of time – getting fit, relaxing, socialising, eating and drinking, learning and playing. This will involve re-configuring the layout of the current building to drive profitability with a particular focus on opportunities to improve the contribution of the catering, events and retail aspects of the building.

This opportunity includes the restructuring of staffing arrangements at the Highwoods and Tiptree Sports Centres to reduce costs. Expressions of interest will also be sought from external operators to lease and manage the Colchester Tennis Centre and in parallel the potential for part of the site to be used for residential development will also be explored.



A **business development** capability that places the current sports development function at the heart of the service and focuses on increasing participation and generating additional revenue through:

- Improved insight into customer needs and wants using the information gathered through the customer experience.
- A clearer understanding of profitability across the service functions.
- A revised service pricing strategy realigned to mass participation and revenue generation.
- The promotion of targeted services and activities that meet customer needs and improve profitability in the Council's facilities.
- Conversion of sales leads generated at mass participation events into ongoing participation and income
- The operation of a bookings "brokerage service" for other community facilities in the borough.
- The development and promotion of new products and services.
- Bidding for external grant funding and commissioned services.

This business development opportunity includes proactive working with key partners in the community, such as schools, the Schools Sports Partnership, sports clubs, community organisations and NHS partners to deliver targeted projects to engage specific customer groups in sport and leisure activities.

The illustration on the opposite page shows this how this business development opportunity brings together marketing, income generation, wider participation, and converting those leads and contacts.



These three opportunities - customer experience, community network and commercial hub, business development - are explained in more detail in section 4 – The Future Service.

**Performance** against the objective of every borough resident participating in an active lifestyle will be measured using a scorecard including the Sport England Active People Survey data, customer usage data generated in the service and Department of Health profiles for Colchester. This scorecard will be developed as part of the review implementation plan.

The projected high-level **financial benefits and liabilities** resulting from these proposals are set out below:

	<b>Year 1 2012/13 (£000s)</b>	<b>Year 2 2013/14 (£000s)</b>	<b>Year 3 2014/15 (£000s)</b>
<b>Net direct budget</b> (based on 2011/12 budget)	<b>804</b>	<b>804</b>	<b>804</b>
<b>Efficiency savings</b>	<b>(229)</b>	<b>(387)</b>	<b>(387)</b>
<b>Income growth</b>	<b>(41)</b>	<b>(481)</b>	<b>(676)</b>
<b>Investment required (revenue)</b>	<b>69</b>	<b>99</b>	<b>99</b>
<b>Repairs and Renewal provision</b>		<b>125</b>	<b>125</b>
<b>Projected net direct budget position</b> (based on 2011/12 budget)	<b>603</b>	<b>160</b>	<b>(35)</b>
<b>Total revenue savings</b>	<b>201</b>	<b>644</b>	<b>839</b>

The capital investment required to deliver this full business case is estimated at £1.621m, consisting of building works at the Leisure World Colchester site, and implementation of new technology.

Based on previous experience of investment in the Sport and Leisure service, the projected population increase in the borough and improved sales conversion from the business development capability described above, the recurring revenue savings by year 3 above of £839,000 per year are projected to continue without further significant capital investment for 5 years beyond the implementation of the review.

This projection would result in total potential revenue savings over an 8-year period of £5.8 million.

<b>Total capital investment required</b>	<b>£1.621m</b>
<b>Total potential revenue savings over 8 years</b>	<b>£5.879m</b>

With an increasing scarcity of resources, funding a capital investment of around £1.6m is likely to involve consideration of options beyond simply the use of capital receipts.

Two examples would include consideration of availability and the ability to use Section 106 funds and also the option of borrowing to support the investment required.

For illustrative purposes, making the assumption that around £0.5m (which equates broadly to the cost of ICT and equipment investment) could be funded within the capital programme, then a borrowing requirement would be £1.1m.

The Council is able to borrow under the 'Prudential Code', and the example of an "invest to save" scheme such as this is a suitable use of these powers. Based on current interest rates and requirements to repay debt, the revenue cost would be approximately £50,000 in Year 1, rising to £120,000 in following years (this is based on a 15-year term), and these costs would be built into the corporate provision for costs of borrowing.

It is also proposed from year 2 of implementation onwards that a repairs and renewal provision of £125,000 per year is made from the revenue savings delivered to generate over time a fund which can be used for future investment in the service beyond the horizon of this full business case.

Further detail on these figures can be found on page 39 of this document.

In the absence of further investment in the service, we should expect the condition and attractiveness of the facilities to deteriorate over time, resulting in an increase in day-to-day maintenance costs, a reduction in the number of customers using the service and a consequential downward trend in income generated.

Alternative options for the delivery of the whole Sport and Leisure service have been considered and described in Appendix 1 of this business case, including the Council's recent experience of exploring Trust status for the service and the decision not to proceed down this route. This business case proposes alternative delivery of certain elements of the service which have been judged to be better delivered by others rather than externalisation of the service in its entirety.

The **key dependencies** which will enable successful implementation of this business case are:

- Financial investment in the service
- Implementation of new technology
- Improved customer insight
- Improved customer experience
- Staff incentive culture that is based on customer loyalty.

## 2. THE CURRENT SERVICE

### Summary

The Sport and Leisure service currently comprises:

- Ownership and operation of Leisure World Colchester on Cowdray Avenue
- Operation of Highwoods and Tiptree Sports Centre from premises owned by the host schools – The Gilberd and Thurstable
- Ownership and operation of Colchester Tennis Centre at Shrub End
- The Sports Development programme, which focuses on working with schools, clubs, the University, the Garrison and Colchester United Community Sports Trust to encourage participation and on securing a Colchester legacy from the 2012 Olympics.

The Council's Sport and Leisure offer is delivered through a mixed economy of owning facilities, operating school facilities for the community and leasing out Council assets for other organisations to manage on the Council's behalf. The 2011/12 service budget anticipates that the service will spend £5,155,600, earn £4,351,600 in income, which will leave a net cost to the Council of £804,000.

The current financial performance of the service suggests that it has so far been resilient to the effects of the economic downturn, although within the overall service there are business areas that are performing strongly (Lifestyles memberships, Aqua Springs) and areas that are performing less well (Events, Bar and Catering, Joint Use Sports Centres, Tennis Centre).

The Sport and Leisure service employs more casual staff than permanent staff and 95% of all staff work on a shift pattern, enabling the service to operate flexibly and for long opening hours. The 176 staff who have permanent contracts equate to 112 full-time equivalents (FTE) and the casual staffing budget is in the region of £500,000. This casual budget funds a wide diversity of staffing arrangements, with some staff working a couple of hours a week, some just in holidays, some work during their gap year or work for sport and leisure as secondary employment.

The Sport and Leisure service is consistently presented as one of the Council's services and "Leisure World" as a brand is an important asset for the Council. It has high levels of awareness and recall within the borough, largely due to the investment the Council has put into the service over the years. Customer research carried out as part of this review has confirmed the "iconic" status of Leisure World and the extent to which its facilities are admired and appreciated. In recent years the service has started to align all its sites under the 'Leisure World' brand, although it is acknowledged that customers still largely associate this brand with the site on Cowdray Avenue. This full business case seeks to capitalise on this brand value in order to build a wider sport and leisure offer for customers and to increase the dominance of the Leisure World brand locally.

The service contributes directly to the following priorities in the draft Colchester Borough Council Strategic Plan 2012-15:

- Providing sport and leisure for all, alongside good quality green spaces and play areas
- Regenerating our borough through buildings, employment, leisure and infrastructure
- Working in partnerships to help tackle health and crime issues
- Supporting tourism, heritage and the arts.

The service makes a key contribution to the wider health and wellbeing agenda, witnessed by the consistent NHS investment in the service over many years - over £150,000 over the past three years. Research has shown that if a million more people across the country played sport each week it would save the taxpayer £22.5 billion in health and associated costs.

### **A day in the life of Leisure World Colchester.....**

Leisure World Colchester has an average 2,700 visits per day and is open from 6am to 11pm (or later at weekends), every day of the year apart from bank holidays. The centre is only closed all day on Christmas Day, Boxing Day and New Year's Day.

To staff this operation means the morning cleaner starts at 5am and so the Centre Supervisor gets up at 3.45am to open the premises. There are two manager shifts and three supervisor shifts every day, on a rota basis. The number of staff in the building increases as more facilities open, for example when the Leisure Pool opens at 10am. About 40 to 70 duty staff are needed to operate the service. The building takes up to one hour to lock up.

At Leisure World Highwoods and Tiptree the agreements with host schools give the Council a right of use of particular facilities at their schools from 5.30pm on school days and all day on non-school days. Sport and Leisure staff are often present on site during the day on school days in order to take customer bookings, take deliveries and plan activity programmes. These operations have different systems and procedures to Leisure World Colchester.

Colchester Tennis Centre provides 22 courts, with a mixture of tarmac and grass surfaces and 6 are floodlit. The centre is open every day apart from a couple of weeks around Christmas, and the Council has staff on site all the hours it is open.

### **Current challenges**

- At peak times a number of the popular facilities within all of the Council's four sports centres are operating at full capacity
- Residents have a wide choice of venues and activities to spend their leisure time
- The Council has long-term agreements with host schools in respect of the joint use agreements
- The savings accrued from the changes to the Council's communications and marketing arrangements may impact on the service's ability to meet income targets
- The service has already sought to bring together the offer for customers under one clear "Leisure World" brand aligned to the Council and this needs further work to embed fully with staff and customers
- The fitness pool at Leisure World Colchester is the only community-use pool of its type and size in the borough
- There is a lack of detailed information collected about who our customers are and their use of our services
- Sport and Leisure has historically made Repairs and Renewals (R&R) provision each year to help meet the cost of the more significant work to repair, replace and maintain its buildings, plant and equipment. As the funds have been used, the balance has been diminishing to the point where the provision will run out at the end of 2011/12.

## Key partnerships/stakeholders

These are our main external contacts. The service engages with them in a variety of ways, which confirms the service is being operated in a mixed economy.

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>• NHS North East Essex</li><li>• Colchester Garrison</li><li>• University of Essex</li><li>• Thurstable School</li><li>• Sport England</li><li>• Essex County Council</li></ul> | <ul style="list-style-type: none"><li>• Colchester and Blackwater School Sports Partnership</li><li>• Colchester United Community Sports Trust</li><li>• The Gilbert School</li><li>• Colchester Rugby Football Club</li><li>• Colchester School of Gymnastics</li><li>• Jobserve Sports and Social Club</li><li>• Wivenhoe and District Sporting Facilities Trust.</li></ul> |
|---|---|

Sport England and the Colchester and Blackwater School Sports Partnership have contributed to the FSR process and been briefed as the review has progressed.

## Current customer numbers and flow of work

The service, including the Customer Service Centre, handles a total of 1,211,120 customer contacts a year. This is made up of 935,307 at Leisure World Colchester, 180,489 at our other sites and 83,511 at the Customer Service Centre.

The highest numbers of contacts for the service were at Leisure World Colchester with 589,013 users of non-swimming activities (such as Lifestyle members, Activa, aerobics, Aqua Springs and club activities) and 318,400 users for swimming.

The top three reasons why customers contacted the Customer Service Centre in 2010/11 were for bookings/payments (24,301), general sport and leisure enquiries (14,007) and Leisure Pool times (5,234).

The flow of work varies during the year with higher demand for services during school holiday periods and also in January. On average during opening hours the Customer Service Centre received 4,339 sport and leisure enquiries a month between March 2010 and February 2011. Enquiries peak at 5,732 in August with enquiries also exceeding 5,000 a month in July and January. Enquiries are below the average in March, May, November and December.

These trends are mirrored across Leisure World sites with demand exceeding capacity for swimming, resulting in swim times being limited to specific time slots during peak holiday times. At peak times, many customers are unable to find a parking space and waiting times and queues increase. The main summer holiday periods also see a downturn in membership levels as customers choose to put their memberships on hold or not attend during this period.

Consultation with staff and customers has highlighted a number of factors which are currently inhibiting the customer flow and the provision of a consistently high standard of customer service. Although 56% (46,825) of customers contacting the Customer Service Centre receive a recorded message containing service information, there is currently no provision for customers to book or pay online which means all other enquiries across the sites are handled by phone or face-to-face.

In addition, Customer Service Centre staff are unable to make bookings or take payments leading to double-handling as customers are passed through to Leisure World Colchester. Both the Customer Service Centre and Leisure World Colchester reception staff have also highlighted the limited availability of up-to-date information making it difficult to pass on accurate information to customers about cancellations, changes or availability of facilities.

Managing the flow of customers through Leisure World Colchester reception is also problematic. Both staff and customers have highlighted the challenges staff face in handling competing priorities with “customers coming at them from all directions” as they handle phone calls and deal with face-to-face customers at the same time. Peak times such as holidays or large events result in long queues increasing pressure on the service and causing frustration for customers.

### Financial performance

Sport and leisure services has performed well in recent years, despite the national economic position, with strong links and collaborations developed with local providers, clubs and other key partners.

Trading at Leisure World Colchester has been mixed with strong performance in the sale of Lifestyle memberships and entry into the Leisure Pool and Aqua Springs.

At the three other service locations trading has been mixed with certain facilities operating at capacity at peak times but operating below expectations from a financial perspective. Other areas of the business that did not perform as well as expected in 2010/11 are bar and catering at Leisure World Colchester, events at Charter Hall, the Tennis Centre, and Beauty Therapy at Aqua Springs.

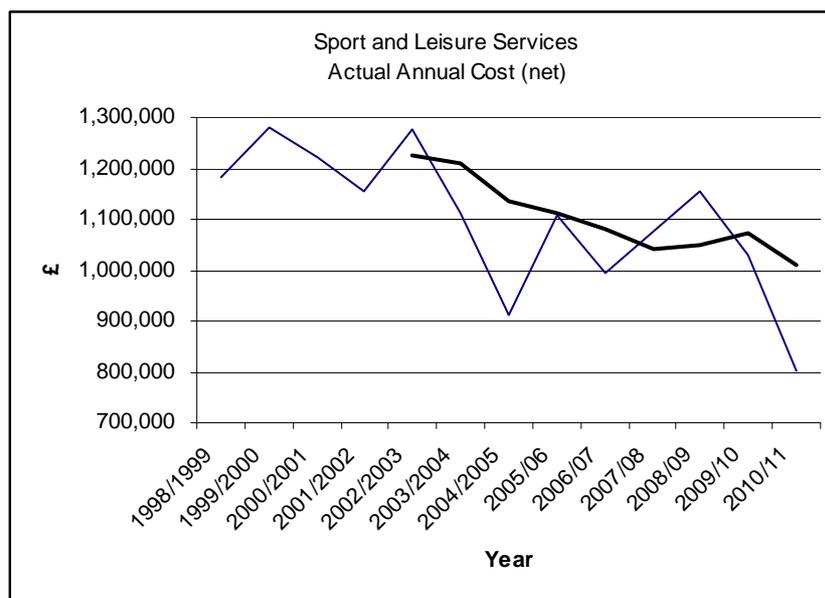
This table shows the actual cost of operating each functional area of the service in the 2010/11 financial year:

<b>Functional Area</b>	<b>2010/11 Outturn Net Expenditure £000s</b>
Leisure World Colchester	453.6
Leisure World Tiptree	124.5
Leisure World Highwoods	133.7
Leisure World Tennis Centre	21.9
Sports Development	36.3
Sport and Leisure Management	73.9
<b>Total</b>	<b>843.9</b>

The service employee budget equates to 60% of total expenditure. The other key features of the total expenditure budget are:

- National Non-Domestic Rates (NNDR) at Leisure World Colchester are £298,000 (6%)
- Energy and other utilities at Leisure World Colchester are £362,000 (7%)
- The cost of stock for resale or hire (equipment, materials, food and beverages) is 5%
- The cost of repairs and maintenance of buildings and grounds are also 5%.

The graph below shows the net cost of delivering the sport and leisure service and shows a clear reducing trend of net cost over the last ten-year period. The darker line represents the moving average net cost, and the lighter line shows the actual net cost.



### Key achievements

Some recent key improvements and successes which have been delivered by the Sport and Leisure service include:

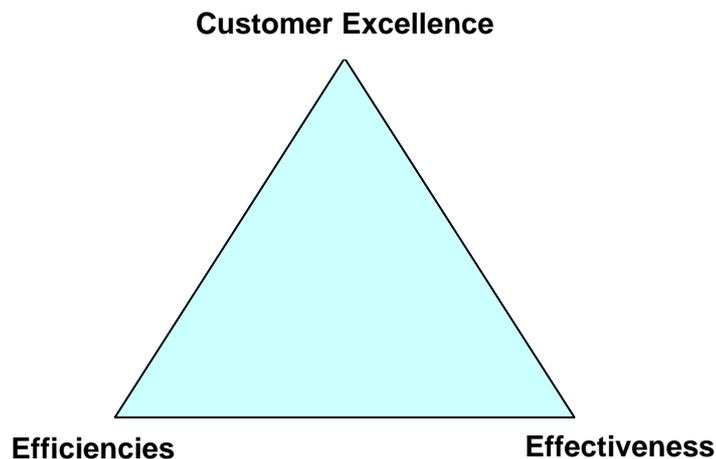
- Olympic work – the key role that the sport and leisure team play on the local Olympic partnership was highlighted at a recent scrutiny of the partnership by the Council’s Strategic Overview and Scrutiny Panel. The highlights of the Olympics work to leave a local legacy in Colchester are the provision of an Olympic and adidas-themed outdoor multi-sport play area called the ‘adiZone’ on Monkwick open space and the Sporting Champions athlete sponsorship scheme.
- The production company of the X Factor returned in 2010 for a finalist homecoming concert, which demonstrated their confidence in the Service to stage another successful event with a national audience.
- Zoggs shop - built in summer 2010 using an under-utilised area next to the Leisure World Colchester reception. The capital build was funded by the Council, and performance targets are already being met.
- The Tennis Centre achieved Beacon Status in 2010 from the Lawn Tennis Association in recognition of the quality of the coaching opportunities and the court provision.
- Fitness Pool refurbishment – with considerable funding from Sport England the main fitness pool had a refurbishment in summer 2009 along with ancillary changing rooms, spectator facilities, meeting spaces and air handling plant. This has had a significant effect on energy consumption, which has now had a positive effect on energy bills.
- In 2009 Leisure World Colchester achieved an “excellent” rating in the national QUEST accreditation scheme, placing it in the top ten sport and leisure facilities in the UK. The sport development service was also accredited by QUEST.

### 3. WHERE WE ARE AND HOW WE GOT HERE

Fundamental Service Reviews (FSRs) are an integral part of the Council's WayWeWork programme, which aim to use the experience of customers to drive change in the way our services are delivered.

Customer excellence, efficiency and effectiveness are the key drivers of any FSR.

Each of the three 'points of the FSR triangle' needs to be considered in terms of the benefits they offer, and this is addressed in this business case:



Each review to date has also had its own drivers, timescales, priorities, levels of engagement, and expectations.

The Sport and Leisure service is unique amongst the Council's services – it is a large high-profile operational service, open well beyond office working hours that earns significant levels of discretionary, demand-led income, and incorporates a high-maintenance asset base.

Learning from the experiences of previous reviews and then adapting the overall approach to suit the particular service being reviewed, therefore, is a critical part of the FSR programme. This will be evidenced by the adoption of the most appropriate delivery model or models for the service, and its successful implementation, monitoring and measuring of performance improvements.

This review has continued to build on the previous experience of customer engagement by testing initial concepts with customers and non-customers of the service through face-to-face and online focus groups. The Corporate Support Team has been deployed flexibly across the review as part of the wider project team resources. The input from external commercial resources has been targeted, and has been extended beyond the remits of other FSRs. The continuous development of FSR resourcing by building internal capacity has enabled access to a wider range of expertise – the core project team for this review, for example, included representation from outside the Sport and Leisure Service.

### 3.1 Business Insight

This section contains a summary of the insights gained during the review process in relation to 4 key elements:

1. **Customer insight** – customer profiles, current experience and future aspirations
2. **Performance** – Benchmarking, use of space within the service, trends in customer visits, the future of leisure – opportunities for change
3. **Local and national context** – Demographics and economic pressures, Sport England Local Sport Profile, a view of the sport and leisure provision landscape locally, Localism and Big Society, “Healthy lives, Healthy people”, changes in Equality and Diversity legislation
4. **Industry insight** – National Context for Sport, Leisure and Sport Market forecasts 2009-2013, Fitness Industry Confidence Survey.

### 3.2 Customer insight

#### Our customers

This section summarises the main insights we have gained from conversations with our customers about their current experience of the sport and leisure service, the use of customer profiling using both the Mosaic public sector and the Sport England profiling tools. We have also explored customers’ future aspirations for the service through the use of customer focus groups.

#### Customer profiles

The Mosaic and Sport England profiling tools were used to provide us with a detailed understanding of resident and customer profiles, their demographics, lifestyles and behaviour. These show that:

- More than 50% of all current Mosaic customer types were rated high or very high in their likelihood to self-serve. However currently 26% of current customers contact us via phone, 65% in person and only 5% via the web.
- Similar Mosaic types of customers are using all of our venues
- Many customers are receptive to online communication and using self-serve
- Preferences for accessing services and information varies from customer to customer, and communication channels need to be tailored to individual customers
- The knowledge gained from customer profiles could be used to cross-sell offerings to customers
- There is potential to use these tools to identify opportunities for increasing participation. For example, the 6 most likely groups (out of 19) to use the centre during the day make up 26.3% of the local population. Based on a total population of 180,000, this equates to 47,340 local people. If just 10% of these people came once per week for a year, this would equate to 236,700 visits per year.
- Many current customers are rated as not likely to use a gym. However, the profile for Colchester indicates that there is a large potential customer base for the gym product.

#### Customer experience

In March 2011 the views of 266 customers were gathered through online questionnaires, phone and face-to-face conversations. These highlighted high levels of satisfaction with staff knowledge (85%) and explanations given (85%) but lower levels of satisfaction for being kept informed (58%) and calls being returned when promised (25%).

Aspects which customers were satisfied with included:

- Fitness advice and knowledge of gym staff
- Friendly/helpful staff
- The “non-threatening environment”
- Good instructors
- Well-organised parties.

Aspects that customers were less satisfied with included:

- A mixed experience of customer service
- Difficult getting through on the phone and long queues in reception
- Quality and nature of facilities including cleanliness, crowded changing rooms and lack of private changing cubicles
- Equipment in need of repair
- Limited availability of equipment in Activa and badminton courts at peak times
- Limited availability of parking spaces at peak times
- Quality of catering facilities and variety of food available.

Customer ideas and suggestions which show a strong appetite for self-serve options:

- A fast-track system for Lifestyles members
- Better facilities for paying
- Being able to book and pay online or by phone.

Specific suggestions for other improvements include:

- A better queuing system in main reception and speedier service
- A simplified and more flexible class enrolment process
- Separate showers and changing facilities
- Cleaner facilities
- Improved supervision of swimming lanes
- Extended opening hours and more classes.

### **Customer aspirations – customer focus groups**

During July and August 2011 a series of focus groups were run with sport and leisure customers and residents who were not currently using the service. Topics explored with customers included their views of:

- The current Leisure World Colchester offer including Aqua Springs
- Their views and priorities for change and the ‘future offer’
- Options for the Leisure World Colchester site on Cowdray Avenue
- Proposed improvements to the customer journey including the introduction of a new Leisure World card and interactive website.

### **Options from the customer focus groups for meeting future needs**

- The variety of the current offer at Leisure World is right for now but a number of options or combined options should be considered for the future
- Improve the satellite locations (eg Tiptree and Highwoods sports centres)
- Reconfigure the interior of the Leisure World Colchester to make more efficient use of space as exemplified by more contemporary gyms and clubs
- Make use of the area around the periphery of this site (the river or the Castle Park) to provide extreme or alternative sporting facilities for athletics or less formal outdoor exercise
- Option to demolish and rebuild the Leisure World Colchester site appeared to be least favoured option
- Concern that that provision of opportunities to dwell longer in the building would exacerbate already crowded facilities unless separate entrances were used for Charter Hall and the wet/dry sports activities
- Most participants appreciated the benefits of reconfiguring the Leisure World Colchester entrance hall but also wanted to see the core offer improved.

## **Views on catering and retail**

In terms of catering and retail offers, customer observations included:

- Few branded offers for food outlets resonated with the groups other than amongst some of the teens and pre-family adults such as Subway or Nando's
- Preference for a more generic offer of healthy food and drink
- Source of newspapers, magazines or books and a more comprehensive sports equipment and clothing retail offer would be welcomed
- "Café Society" branded offer was mostly welcomed by parents with family and empty nesters/older singles
- An extended and reconfigured multi-functional reception and catering area would appear to meet the needs of most respondents
- If branded operators were to be considered, they would need to be compatible with a health and fitness environment.

## **Views on customer experience**

Creating an interactive system for booking activities and introducing an "Oyster" style user card for paying for bookings or services tended to be seen by the customer focus groups as a very logical next step – bringing the 21<sup>st</sup> Century to Leisure World Colchester.

Observations included:

- A need to understand how this would apply to casual as well as membership users
- Bundling of services wasn't seen as a major selling point
- The approach did appear to chime with respondents and once the concept of interactive website and "Oyster" style Leisure World card had been explained, the offers to and/or choices made by the user being refined by an initial profiling exercise were understood
- Being able to use the Leisure World card to book any activity at any of the Leisure World sites was also seen as an advantage
- There appeared to be less clarity about being able to book any sport or leisure activity in the Colchester borough or beyond through the Leisure World 'portal'
- Public transport access to the Leisure World Colchester site was raised as an issue by all groups.

## **Summary of findings from customer focus groups:**

- Leisure World and its facilities are seen as unique in the area (flumes, leisure pool and Aqua Springs)
- Different life stages have different but not totally opposing needs
- Teen boys wanted facilities to challenge them and push them further, parents of children still at home appeared to sign up to a greater provision of facilities to suit the needs of teens into adults
- Extreme sports were particularly attractive to teens and pre-family
- Older adults expressed dissatisfaction with the cleanliness of facilities, which although would not deter them from using the facilities would make for less positive advocacy
- Participants acknowledge the need for change, recognising the pressures on the facilities and the potential impact of additional growth in terms of the numbers of young families moving into the area. Improvements would be welcome.

### 3.3 Performance

#### Performance of Sports Facilities conducted by Essex Association of Chief Leisure Officers (EACLO)

A study of income, usage data and performance of sports facilities was completed based on 2009/10 data. The following information was sought from the 12 district councils in Essex - leisure provider, footfall, population and total Income.

Seven sport and leisure services in Essex are operated through an external provider, and five operated by an in-house team. Returns were received from seven of the authorities contacted. The results were as follows:

District	Footfall (number of visits)	Population	Footfall per head of population	Income	Income per user	Income per head of population
Braintree	951,019	142,100	6.7	£3,851,687	£4.05	£27.11
Maldon	333,379	62,500	5.3	£1,203,055	£3.61	£19.25
Colchester	1,098,397	174,000	6.3	£3,994,063	£3.64	£22.95
Chelmsford	1,276,974	167,100	7.6	£3,753,600	£2.94	£22.46
Tendring	791,722	147,600	5.4	£2,176,589	£2.75	£14.75
Rochford	636,984	83,200	7.6	-	-	-
Epping	1,119,275	123,900	9.0	-	-	-
<b>average</b>			<b>6.89</b>		<b>£3.36</b>	<b>£21.65</b>

This study demonstrated that:

- Colchester's income was the highest of the five councils submitting figures.
- Colchester's footfall per head of population is slightly lower than average, but income per user and per head of population are slightly above average.

In addition to the above data, a further comparison of the net cost of delivering sport and leisure services based on 2009/10 budgets was completed using Tendring, Braintree and Chelmsford as comparators.

Benchmarking activity is important as it gives a useful snapshot into comparative performance, but there can be many differences between councils in both the range and scope of sport and leisure services, and in the way that costs are accounted for. The data was therefore collected and discussed at face-to-face meetings to reduce the risk of invalid comparisons.

The net cost of delivering the whole sport and leisure service in 2009/10 in each of the councils was as follows:

Braintree	£1.346m
Colchester	£1.062m
Chelmsford	£1.454m
Tendring	£0.979m

If the footfall figures from the table above are applied to these net costs of providing the service, the resulting "net cost per user" numbers are:

Braintree DC	£1.42
Colchester BC	£0.97
Chelmsford BC	£1.14
Tendring DC	£1.24

## Current use of space within Leisure World Colchester

The table below shows usage for a recent 12-month period comparing actual bookings with the total potential bookings available for each space.

The Sports Hall and Charter Hall both have comparatively low levels of non-use at 34.4% and 31.9% respectively. The activity room and the squash courts have much higher levels of non use at 58.5% and 58.3% respectively. This reflects the clear peak and non-peak periods that provides an opportunity to develop the business at certain times of the day.

Usage from 1 April 2010 to 31 March 2011	Court bookings available per day	Courts bookings available per year	Actual court bookings in 2010/11	Actual court bookings (%)	Slots not in use (%)
Activity room	58	20,996	8,717	41.5%	<b>58.5%</b>
Sports Hall	140	50,680	33,222	65.6%	<b>34.4%</b>
Charter Hall	168	60,984	41,554	68.1%	<b>31.9%</b>
Squash Courts	88	31,944	13,309	41.7%	<b>58.3%</b>

### Daily and seasonal variations

- The spaces vary in both daily and seasonal usage. Both Charter Hall and the Sports Hall are subject to increasing use during the daytime in the holiday periods. (8.30am – 3pm for Charter Hall and 9am to 3.30pm for the Sports Hall).
- The activity room has a small number of additional activities during the holiday time, whilst usage for squash remains the same throughout the holiday periods.
- Both the Sports Hall and Charter Hall tend to be at their busiest between 5.30pm and 10pm, with the second busiest period from 8.30am to 12pm. Similarly both have quieter periods between 11.30am and 1.30pm and between 3.30pm and 5.30pm.
- The activity room is busiest between 9am and 12pm with its second busiest period between 6.30pm and 9pm. The use of squash courts is below 40% until after 5pm, with peak usage between 6pm and 8.40pm.

### Trends in customer visits

#### Leisure World Colchester, Cowdray Avenue

In 2010/11 992,698 visits were made to the site. 32% or 318,400 visits were for swimming, 59% or 589,013 were for dryside activities (such as the gym, clubs and societies, courses, aerobics and kids club) and spectators accounted by 7% or 85,285 visits.

Trends over the last four years 2007/8 to 2010/11 show:

An increase in visits for:

- The leisure pool by 8.6% from 148,282 visits to 161,037
- LEAP referrals by 24% from 7,210 to 8,943
- Dryside sports by 17% from 36,638 to 42,971
- Aerobics by 68% from 21,561 to 36,283.

A decrease in visits for:

- Dryside courses by 17% from 8,229 to 6,851
- Fitness pool by 1.6% from 71,299 to 70,132
- Aqua Springs by 11% from 66,720 to 59,217.

## Joint Use Sports Centres and Sports Development activities

In 2010/11 166,355 visits were made to our Joint Use Sports Centres, Community Outreach and Sports Development activities. 48% (80,667) of these visits were to Highwoods Sports Centre and 40% (65,730) to Tiptree Sports Centre.

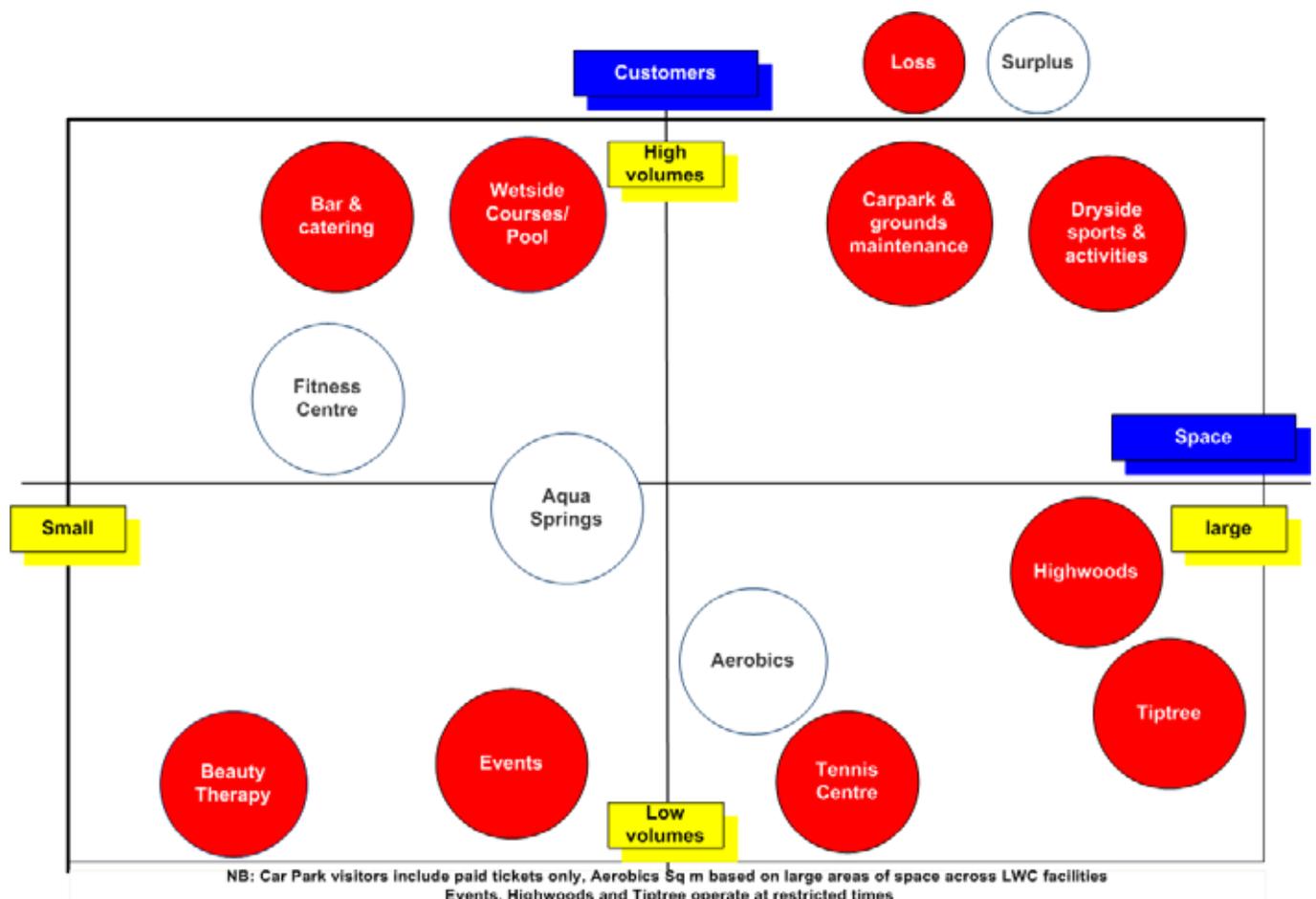
Trends over the last four years 2007/8 to 2010/11 show :

- An increase in visits to Tiptree Sports Centre of 10% from 59,391 to 65,730
- A decrease in visits to Highwoods Sports Centre of 11% from 91,340 to 80,667.

## Current customer volumes, space utilisation and profitability

The following illustration plots the volume of customer use against the amount of space used for each of the key operational areas of Sport and Leisure. It also shows whether the operational area is profitable or not, with overheads apportioned.

This illustration provides a helpful perspective on space utilisation across the service and what the bottom line financial impact of each area is.



## **Future of Leisure – the next big thing**

Sports and Leisure Management specialists FMG reviewed a summary of Leisure World Colchester's key performance data.

This independent review identified the following opportunities for change which included:

- Developing new attractions at Leisure World along the lines of extreme/non-traditional sport and leisure activity. Although Leisure World Colchester has a good mix of activities at present, another centre somewhere else, particularly given the population growth could provide the "extreme" activity
- Making savings and doing things more efficiently, particularly in terms of management overheads and cleaning
- Look to address unprofitable areas such as events, health and beauty, and bar and catering. Although income generation was generally strong, it is weaker in these areas
- Improving on the current facilities through investment - reception, café and retail, plus health and fitness.
- Considering new investment opportunities for the site to meet ambitions for Colchester as a regional/sub-regional destination
- Master planning the site as a leisure zone with cinema, ten pin, pool, health and fitness, restaurants and other related attractions.

### 3.4. Local and National Context

#### **Anticipating and responding to the borough's changing profile**

Colchester has become a major player in the region and sub-region over the past 15 years, securing significant public and private investment. With a thriving local economy, a growing and more diverse population, increasing visitor numbers and a wealth of amenities to offer, Colchester has also long been a centre for educational excellence and for the Army Garrison.

The borough is already the largest and fastest growing district in Essex, and the second largest district in the country. Looking ahead, the projected 21% population growth by 2021 is more than twice the national average.

Colchester needs to allocate and build a minimum provision of 17,100 homes between 2001 and 2021. Under current policies, 830 dwellings are expected to be built in the borough each year up to March 2021 and 855 per year for three years after March 2021 up to 2023/2024. This will mean an ever-increasing demand for sport and leisure activities of all types, from a much more diverse customer base.

#### **Facing the economic, demographic and environmental 'triple lock'**

At a national level, policy research highlights the importance of addressing the 'triple lock' of the economic, demographic and environmental challenges which face us. It says that councils must "think ahead and think big" about new approaches in how to deliver services and reduce costs.

The proposals in this business case seek to address these challenges by proposing an ambitious agenda for change for the service based on increased income and participation.

#### **National Context for Sport**

One of the key areas of focus for the Department of Culture, Media and Sport is around creating a sporting legacy from the Olympic and Paralympic Games, including:

"Encouraging competitive sport in schools ... is about transforming the places where people play sport, inspiring people to make sport happen at the local level and creating the sporting opportunities and challenges that give everyone the chance to become part of the mass participation legacy."

#### **Sport England strategy 2011-12 to 2014-15**

On 10 January 2012 the Secretary of State for Culture, Media, Olympics and Sport announced Sport England's strategy 2011-12 to 2014-15. Sport England is seeking a year-on-year increase in the proportion of people who play sport once a week for at least 30 minutes, particularly in the 14 – 25 year-old age group.

Some of the outcomes Sport England aims to deliver are:

- All 4,000 secondary schools in England will be offered a community sport club on its site with a direct link to one or more National Governing Bodies, depending on the local clubs in its area.
- County Sports Partnerships will be given new resources to create effective links locally between schools and sport in the community.
- All secondary schools who wish to do so, will be supported to open up, or keep open, their sports facilities for local community use and at least a third of these will receive additional funding to make this happen.

Three-quarters of sports halls and artificial sports pitches and a third of swimming pools in England are located in schools. However, many of these facilities are under-used – enjoyed by children during term time, but left dormant during the holidays or in the evening.

This FSR identified the opportunity to create a community network of facilities, enabling access by customers to sport and leisure activities across the borough through a bookings “brokerage service”. The aim is to open up under-utilised community facilities for customers to use, such as primary and secondary school halls, pools and pitches, as highlighted in the new Sport England strategy.

Sport England will make £10m of Lottery funding available to schools to enable them to open up their sports facilities for use by local communities and help to maximise the use of school pools, pitches and sports halls. This presents an even greater opportunity to increase levels of participation and improve the utilisation of community facilities than originally identified in the early stages of this FSR.

### **Sport England Local Sport Profile for Colchester**

The Local Sport Profile tool has been developed to help local authorities in England to generate a sporting profile for their area in the form of charts and tables, bringing together data on sporting participation and provision.

Colchester has a comparatively young population and has low unemployment with 5% of the economically active population not in work (compared to 7.7% nationally).

The population is growing comparatively rapidly - by 20,000 (11.4%) between 2009 and 2015, compared to 4.4% nationally. Both adult and childhood obesity are lower in Colchester than the national average, and life expectancy is higher in Colchester than the national average.

Using the 2007 Indices of Multiple Deprivation, Colchester is the 22nd most deprived borough out of 56 in the East, and 218th most deprived out of 353 in England.

According to the Active People Survey, Colchester residents are generally more active compared regionally and nationally. In 2009/10 the Colchester population had higher club membership, participation in organised competition and satisfaction levels, but had lower levels of volunteering and less people received coaching.

In 2009/10, 70.3% of respondents living in Colchester were either fairly or very satisfied with local sports provision. This is slightly higher than both the regional and national satisfaction levels.

The top five sports played in Colchester, according to the Active People Survey 3, were Swimming (13%), Gym (9%), Football (7%), Athletics (4%) and Tennis (2%). This is more swimmers, footballers and tennis players than the national average but less gym users and athletes than the national average.

Colchester makes up 3.3% of the regional population. Based on the percentage of different facilities available in Colchester compared to the facilities available in the region, we have an over-provision of artificial turf pitches, an under-provision of golf, ice, indoor tennis and skiing, and about the right provision of athletics, pitches, gyms, indoor bowls, sports halls and squash.

A higher proportion of facilities in Colchester are delivered by the education sector compared to regionally and nationally, with lower delivery by the local authority and the same delivery by the commercial sector.

Colchester's nearest neighbours, as defined by CIPFA, are Maidstone, Charnwood, Chelmsford and Huntingdonshire. Colchester is a third of the size (geographically) of Huntingdonshire and broadly the same as the other authority areas but has the highest population. It also has the most sports facilities. Colchester is the most deprived according to 2007 Indices of Multiple Deprivation, has the lowest rate of adult obesity and an average level of childhood obesity. Colchester is the equal most active (with Huntingdonshire) from the Active People Survey 3/4 dataset.

Overall the Sport England profile suggests that Colchester has an active population who are broadly satisfied with local sports provision. The participation rates are all the better given that the borough is not over-provided for with facilities, which suggests that good use is being made of the facilities that exist (for example, community use agreements relating to University of Essex and Garrison facilities).

The increasing population provides some challenges as there is evidence of a shortage of pools and sports halls at peak times already. However, this provides an opportunity for the service to generate more income as there are more residents to attract as customers.

As well as providing an important opportunity, this increased demand for sport and leisure activity will generate challenges in terms of capacity and assets. The review seeks to address this through a "mixed economy" including public, third sector, community and private sector delivery, as exists currently, but where the Council has an even stronger commercial foundation for its services, and where the Council plays a central and strategic role in the customer relationship through investment in technology and customer data processes.

### **Localism and the Big Society**

The Localism Act sets out a major shift away from centralisation, to "devolve power, money and knowledge to those best placed to find the best solutions, and diversify the supply of public services" as part of the Big Society initiative, including:

- **A General Power of Competence** - "allowing councils to do anything which is not specifically prohibited by law. This will set them free to innovate in response to local needs."
- **Community right to challenge** – "giving communities a right of challenge to run...get more involved in the delivery of public services and shape them in a way that will meet local preferences."
- **Community right to buy**, "to give communities powers to identify and bid for assets of value to them, from which they can deliver existing or new services. As well as empowering communities, this will diversify the providers of services and stimulate creative and imaginative new patterns of service and enterprise."
- **Neighbourhood Plans**, "to give local people more new rights to shape the development of the communities in which they live".

The opportunities identified in this full business case resonate well with this area of central government policy, and consideration of future delivery options for the sport and leisure service will include opportunities for greater community involvement.

## **“Healthy Lives, Healthy People“**

This White Paper outlines the government’s aim “to protect the population from serious health threats; helping people live longer, healthier and more fulfilling lives; and improving the health of the poorest, fastest.” The Department of Health’s modernisation programme aims to encourage people to look after their own health by eating well and exercising more.

The Department of Health’s evidence shows that:

- “About half of all deaths in this country are preventable.
- Changing adults’ behaviour could reduce premature death, illness and costs to society, avoiding a substantial proportion of cancers, vascular dementias and over 30% of circulatory diseases; saving the NHS the £2.7 billion cost of alcohol abuse; and saving society the £13.9 billion a year spent on tackling drug-fuelled crime.
- Taking better care of children’s health and development could improve educational attainment and reduce the risks of mental illness, unhealthy lifestyles, road deaths and hospital admissions.”

Research has shown that a million more people across the country playing sport each week would save the taxpayer £22.5 billion in health and associated costs.

The Council’s Sport and Leisure services will continue to have a major part to play in improving people’s health, and in achieving local health inequality priorities. There are also opportunities to work differently with NHS partners as the reconfiguration of the NHS moves forward, both with commissioner and provider organisations.

## **Equality and Diversity**

The developing agenda around equality and diversity nationally including the move from separation of different groups to inclusion, and the Council’s duty under the Equality Act 2010 to “foster good relations between those who have a protected characteristic and those who don’t” has significant implications for the delivery of the sport and leisure service and will have an important influence on the implementation of this business case.

### 3.5 Industry Insight

#### Leisure and Sports Market forecasts 2009-2013 – Leisure Industry Research Centre/Sport Industry Research Centre

This industry research shows that:

The recession is going to hurt primarily the sports equipment market, the sports travel market and consumer expenditure on spectator sports. Sports gambling and sports publications are also going to decline, but this is more because of the general trend than the specific economic circumstances.

The comment about sports equipment is substantiated by trading updates from companies such as JJB who have recently experienced tough conditions. Consumers will defend their participation rates, which may even increase despite the recession. As a result, the health and fitness market and participation sports will buck the economic trend. Expensive forms of participation, such as skiing will be hit badly.

This view has largely been confirmed by trading results of the Sport and Leisure business which has not suffered too badly from the recession. In terms of Leisure Market forecasts, during the period 2009/13 the market will increase by 9% in real terms, reaching £262bn in value. Home Leisure (photography, computers, toys and games) will increase by 16% in volume. Away Leisure will see growth of 6% in real terms, of which wine and cider, active sport and holidays overseas are the leading sectors in terms of overall growth rates.

It is expected that the London Olympics will boost the leisure sector significantly at the end of the forecast period. This will reflect not only rising sport participation levels and rising tourist numbers, but also rising sport and leisure investment associated with the Games.

The sports markets account for almost 2% of both Gross Domestic Product and employment and 2.5% of consumer expenditure. The sports market consists of the sports goods sector and the sports services sector. Consumer expenditure on sport in 2008 was £21.4 billion. The sports goods market accounts for 38.5% of all sport related consumer expenditure, whilst expenditure on sports services accounted for 61.5% of the total.

In terms of the breakdown of expenditure for sports goods; sports clothing and footwear is the largest segment at 20.5% followed by 7.7% on boats and 7.6% sport equipment. For sports services the largest segment of expenditure is sport gambling at 14.3%, sport TV and DVDs at 12.7%, health and fitness at 10.2%, participant sports at 9.1% and sport-related travel at 8.9%.

The two factors that will affect the long term growth of the market are sports participation and the London Olympics in 2012. The forecast growth for the period of 2008/13 is 7%. It is expected that sport gambling will increase by 4% due to the growth of online gambling, that TV and DVD will grow by 3.5%, spectator sports will increase by 3%.

## **Fitness industry confidence survey – Leisure-net Solutions Ltd**

In the fourth quarter of 2010, Leisure-net Solutions questioned 80 operators from all sectors about their current confidence levels in light of a much longer and deeper economic downturn than many people had expected.

The findings show that:

- In terms of their own businesses and the sector in general, operators' confidence remained relatively high. Most operators thought that primary income streams (membership and usage revenue) would hold up in 2011, but secondary spend might come under increasing pressure.
- The state of the economy was the biggest concern for most with declining retention levels and falling yields.
- Two big threats included the emergence of budget clubs/gyms with the associated implications for pricing and the impact of public sector funding cuts.
- The majority of operators did not foresee reducing planned investment in their facilities as being an option in 2011. Refurbishment rather than development was likely to be the order of the day.

## 4. THE FUTURE SERVICE

The three key opportunities identified by this FSR for the future of the service are:

- Customer Experience
- Community Network and Commercial Hub:
- Business Development.

Each opportunity is broken down by issue, solution and core changes. These are followed by a financial overview, and a summary of the changes and benefits to the organisation, at the end of this section.

### **Key Opportunity - Customer Experience**

#### **Issue**

In this age of an ever-increasing use of technology in our everyday lives, our customers expect us to offer a service which utilises modern up-to-date systems to provide a fast, efficient and effective service, and to offer a customer-facing service delivered by highly-trained, friendly and knowledgeable staff.

An excellent customer experience at any interaction within the sport and leisure service is the key to achieving the participation and financial outcomes of the review. Customer feedback on the current service is generally positive however there is evidence of inconsistency within individual sites and also across the locations.

The present systems in place do not offer the customer any form of self-service option whether online or on site, and the electronic information available to them is limited. Customers cannot find, book and pay for their leisure activities, without having to visit one of our Leisure World sites.

The existing leisure management system lacks robust, reliable reporting. This, together with the fact that various unconnected systems are used across the sites, leads to multiple customer records per customer, and the need for staff to collate income information – and increases the chance of both human and system errors.

We do not capture data for all of our customers. We therefore cannot offer rewards for loyalty or track customer activity, usage patterns and habits resulting in the inability to utilise opportunities for targeted marketing or joint working opportunities.

#### **Solution**

- To offer a one-stop “myleisureworld” website for customers to access all the information they need to fulfil their sport, leisure and active recreation needs.
- To offer a leisure account/card providing customers with personalised access to facilities and loyalty rewards to encourage repeat visits and to capture customer data to enable targeted offers and to increase customer insight.
- To invest in an integrated system that will deliver the needs of sport, leisure, retail and catering resulting in one database that is integrated with the corporate iConnect solution providing customers with the ability to use their loyalty and rewards across the business.

- The aspiration is to transform the quality of the customer experience at all points of contact. We will do this by investing in staff who will be ambassadors for the Leisure World brand and be equipped with the knowledge and skills to deliver consistent customer excellence. This will:
  - retain existing customers, improving “attrition” rates
  - build and enhance the Leisure World brand as one of the Council’s services and hence the Council’s reputation
  - increase the opportunity for building the overall business by generating new customers.
- To provide a welcoming, efficient, easy and fast entry for customers to access facilities and take part in activities.
- To enable customers to serve themselves both online and on site.
- To utilise the customer data captured by the “myleisureworld” website to introduce a robust marketing and reporting tool so we can analyse, monitor, track and target customer groups with general marketing, offers, promotions, loyalty, rewards and incentives to encourage repeat visits and subsequently increasing income and participation.
- To utilise technologies so that the “myleisureworld” website can provide community partners with a service where enquiries and bookings could be made on their behalf for facilities other than those operated by Sport and Leisure services.

### **Core Changes**

Better use of technologies in order to enable the customer to:

- register with the “myleisureworld” website to obtain discounts, rewards and enable use of self-service options
- use smart-card technology for fast-track options
- have access to a one-stop website giving information and advice on all their sport, leisure and recreation needs
- use self-service/fast-track kiosks
- make online bookings
- manage and make updates to their personal information
- carry out online searches to locate the activity at a time and date of their choice
- use other technologies available such as texts and smartphone applications to both access and receive information.

And enable the service to:

- better understand who our customers are and their needs
- improve the management of customers in the building
- gain better management information on performance and income in order to develop the service meet the needs of an ever-changing customer base
- integrate with iConnect to achieve the goal of “one customer, one record”.

To introduce customer “Welcome Host” roles for the front-of-house at Leisure World Colchester, providing first-class customer service, the ability to promote and sell new products and services and to provide administrative support.

These roles will be multi-skilled roles to ensure service continuity at busy and peak times, whilst allowing some flexibility in the needs of the roles. The aim would be to have staff with a range of skills on duty at Leisure World Colchester throughout the core opening hours of 9am to 8pm Monday to Friday and 10am to 4pm at weekends to ensure a full skill set is available to deal with all types of customer enquiry and need.

There are many examples of service industry and retail brands that place staff alongside product in equal measure of importance to the success of their business. The challenge of running a large-scale operation with staff employed on a permanent and casual basis also exists in other sectors, and the recruitment, training, development and performance framework needs to be suitable for the diversity of the workforce.

There will be a mix of skills, attributes and values required for staff to then add knowledge to. We are not prescribing a standard scripted response to specific enquiries or events. We are looking for staff to have the personal skills and attributes that, together with knowledge, will deliver a customer interaction that will be positive and consistent in the way it feels to the customer and the accuracy of the information given.

Some of the behaviour, attitude and skill level we would be looking for within staff include:

Presentable	Approachable	Positive	Expert where needed
Positive body language	Ownership	Do what you say on time	General level of skill
Good communicator	Proactive	Fair	Awareness of contribution to the overall picture
Interested	Involved	Consistent	Up-to-date knowledge

The opportunity for, and our commitment to, staff would include:

- Training
- Development
- Experience
- Progression
- Building an incentive culture based on customer loyalty.

The shift in customer experience toward excellence can be achieved through the training and development of staff who have the personal attributes required within a customer centric environment.

The business will be focused upon delivering a product and building a brand for the Council that is synonymous with an excellent customer experience - it will be the staff who will deliver this experience on a daily basis.

## **Key Opportunity - Community Network and Commercial Hub**

The Community Network of facilities and partnerships will provide local opportunities to participate in sport and leisure activities for the broadest range of customer groups, and the Commercial Hub at the Leisure World Colchester site on Cowdray Avenue will provide the commercial foundations for these services going forward.

### **Community Network**

#### **Issue**

Participation in sport locally is a long way off our aspiration of every borough resident participating in an active lifestyle. New facilities to promote increased participation are expensive to build and manage, however the borough has many sports facilities that are under-used or unavailable to the general public.

The Council's outlying facilities - the joint-use sports centres at Highwoods and Tiptree, and the Tennis Centre – all generate valuable sports participation to help achieve our participation aspirations but these facilities currently require financial subsidies which will hinder progress towards our aspiration of the service being delivered at no recurring revenue cost.

Our shared usage of both of the joint-use sports centres is governed by legal agreements with each of the schools involved. The agreement at Highwoods runs until 2044, at Tiptree until 2036. If the Council wished to withdraw from these arrangements, it would need to breach the agreements, with a potential liability for compensation. The Council currently pays approximately £56,000 per year under the terms of the agreement at Highwoods, and approximately £80,000 at Tiptree.

#### **Solution**

Use “myleisureworld” to offer a brokerage service to local facilities and customers. This will allow facilities such as village halls or schools with halls or sports pitches to promote spare capacity or manage all their bookings for a referral fee; and enable customers to find convenient sports activities or venues.

Reduce the subsidy required at the outlying facilities by taking advantage of the self-service technology proposed as part of this business case and reducing the number of staff required to operate the facilities.

### **Core Changes**

#### **Borough-wide network**

- Create a single point of access for customers to find and book sports and leisure activities over the internet using the “myleisureworld” IT infrastructure.
- Offer a ‘bookings brokerage’ service to community facilities such as primary and secondary schools; community centres and village halls; and parish councils. Offer two levels of brokerage depending on the nature of the need with an appropriate fee structure for each: a booking referral service and a complete booking management service.

The system software will help identify customer trends and new business opportunities, and we will use our own staff to run activities at some local facilities where unmet demand creates an opportunity to generate income.

### Joint-use sports centres

- Extend Lifestyles membership scheme to these locations to encourage greater use and greater cross-use of the different sites.
- Integrate the marketing of the activities at these sites with the rest of the service.
- Implement the Activa gym brand at these sites.
- Introduce self-serve kiosks and online bookings.
- Review activity programme to minimise or eliminate such change-overs during opening hours and hence reduce the need to rota casual staff.
- Centralise administrative support at Leisure World Colchester.
- Reduce the number of different staff roles and the overall staffing levels.
- Introduce new staff rotas, reducing the number of staff present at each time to two people, with occasional use of casual coaches and eliminating weekday-daytime working.

### Tennis Centre

Advertise for expressions of interest for an external organisation to take on a lease of the tennis centre and to operate the facility, maintaining and potentially increasing the valuable tennis participation that currently is delivered at this location.

The details of responsibilities and expectations would need to be agreed with the potential leaseholder, with the intention being to remove the financial risk to the Council from operating this facility without reducing participation levels.

In parallel with this the potential for a part of the tennis centre site to be used for residential development will also be explored.

## Commercial Hub

### Issue

Leisure World Colchester has a number of strengths that lends it to becoming a Commercial Hub for sport and leisure activity in the borough, for example, its location and the range of quality, flexible facilities and activities. Many of the facilities at Leisure World Colchester have spare capacity at certain times of the day, week and/or year. Conversely at peak times, parts of the centre can be so busy that the customer experience is not a positive one and income opportunities are being missed because facilities are full.

There are a number of specific issues that the review has considered:

- The 'Activa' fitness centre is reaching capacity at peak times, which is creating customer dissatisfaction, causing high "attrition rates" and means income from this profitable area of the business cannot be maximised.
- Charter Hall is the only 1,200 person capacity venue in the borough, and has the ability and flexibility to provide a good quality space for a range of different types of event. Individual events delivered in Charter Hall generally make a profit but in recent years the total income generated from all events has not been enough to cover the overheads required to deliver them.
- Food and beverage sales are not covering the cost to provide this service and there is a clear opportunity to improve income and profitability given the number of people who visit the site. The location of the centre's main catering outlet is far from ideal.
- Some other services offered are not generating as much income as they should and need a re-think. This particularly includes the artificial turf pitch and the beauty therapy service.
- The current layout of the reception is confusing for customers to use and makes managing queues difficult.
- The current pricing policy and structure does not reflect the current business as it is has not had a thorough review for many years.
- Many of the programmes (such as holiday activities and the pool) have evolved over time and the creation of a Commercial Hub provides the opportunity to check that the programmes are best meeting customer's needs whilst maximising income.
- Managing and delivering a building the size and complexity of Leisure World Colchester requires a number of support services in addition to the sport and leisure-related staff. These services have been market tested periodically and this review has provided an opportunity to confirm if services such as cleaning, catering, building and technical management could better be provided by others.

The location of the Commercial Hub has also been considered as part of the review. Two broad options present themselves – the current Leisure World Colchester location on Cowdray Avenue, or a new location elsewhere in the borough.

An appraisal of these two options has identified the current Leisure World Colchester site as the best location for the Commercial Hub given its central location, the range and condition of its facilities and the significant costs of building a new facility.

The output from the customer focus groups set out on page 17 includes concerns about public transport access to the Cowdray Avenue site. In parallel with the development of this full business case, work has been ongoing with local bus operators to address this issue. At the time of writing, one bus service has started along Cowdray Avenue, with a service linking Colchester town centre with Leisure World Colchester due to start imminently.

## **Solution**

- To reconfigure the spaces and the use of space, and review the pricing and the programming of Leisure World Colchester to create a venue where the main focus is on high-volume participation which generates enough profit to cover costs of the whole Sport and Leisure service.
- To offer services that meet customer needs and offer great value for money along with excellent customer service.
- To market-test the catering service with a view to outsourcing the delivery to an external organisation, improving the offer for customers at no risk to the Council.
- To provide a range of retail outlets that support customer visits so that a variety of relevant products are available for them to buy on-site.
- To encourage use at all times of the day, week and year and for customers to spend more time in the Hub and increase their levels of use of it.
- To maximise use and income generation of the facilities at Leisure World Colchester that are unique to Colchester, for example, the pools and Aqua Springs.
- To keep costs under control wherever possible, test if there are any better ways of delivering and managing the service, and constantly review the delivery of the service and the systems and processes that support that delivery.

## **Core changes**

- Redesign and enlarge the main reception and entrance to Leisure World Colchester to support the improvements to the customer journey and to accommodate a catering offer and larger retail space. As part of this redesign, remove two of the existing four squash courts and refurbish them to form part of the new front-of-house area.
- Extend the 'Activa' fitness centre into the adjacent activity rooms in order to maximise the opportunity for income growth from this facility.
- Refurbish the space currently occupied by the Classics Bar and Restaurant so that it can be used for delivering sport and leisure activity to support the aerobics programme and the other profitable activity that is being displaced from the activity hall by the extension to the fitness centre.
- Replace the Classics Bar and Restaurant on the first floor with a coffee shop/café in the reception area at the front of the building downstairs. Explore opportunities to outsource the catering service with a particular view to increasing secondary spend in the building.
- Offer opportunities for third parties to hire some of the spaces at Leisure World Colchester, potentially on a franchise basis, to increase income and/or remove risk – for example the artificial turf pitch.
- Review all programmes including for the pools, dryside activities and courses with a view to providing the popular activities that generate surplus income.

- Pro-actively pursue joint-working and integration with other local event venue providers both within the Council and externally and make changes to the structure of the events team in the service to reduce costs. Change the approach to programming events at Charter Hall to place more emphasis on financial return and participation.
- Increase levels of multi-skilling in specific staff roles to improve the efficiency of the service and adjust staff rotas to reflect changes in customer demand.
- Reduce the overall management capacity in the service focusing remaining capacity on business development, customer experience and sports participation.
- Continue to explore innovative solutions to further improve cleaning standards in response to customer feedback, within resources available.
- Reduce the provisions in the existing programme of Planned Preventative Maintenance and the level of investment in replacement of plant and refurbishments, and utilise the skills available in the service technical team to provide building maintenance services to other parts of the Council.

## **Key Opportunity - Business Development**

### **Issue**

Sports Development currently operates separately from the commercial side of Sport and Leisure. Its primary focus is increasing participation in sport and physical activity, not in generating income.

If a target of 100% participation is to be achieved, a comprehensive, attractive “something for everyone” sport and leisure offer has to be created, whilst recognising that the Council’s Sport and Leisure service cannot deliver all participation.

There is an opportunity to exploit the positive potential of fees and charges to encourage participation, generate income and create borough-based leisure packages that enable customers to enjoy a range of activities including arts, sports, retail and social opportunities.

### **Solutions**

- Capitalise on the increased interest in and enthusiasm for sport participation as a result of the 2012 Olympic and Paralympic Games by securing a legacy from the Games for Colchester borough and its residents through increased participation and increased income.
- Create a Business Development operation that will deliver mass participation and revenue generation to the Council’s Sport and Leisure service. This will be coordinated with the corporate work already in progress on building the Council’s broader business development capabilities.
- A full pricing and programming review will be carried out in the first year of the FSR implementation. This will be aimed at maximising market opportunities, while ensuring access for all sections of the community, linked to the introduction of the “myleisureworld” card/account. This review will help to ensure that prices and related programmes meet the objectives outlined in this business case, align with the Council’s Strategic Plan priorities and are based on some core principles, including:
  - Customers who can afford to pay are charged a fair price to reflect the value of the product on offer.
  - Target groups who find price a barrier to participation are charged a lesser amount for off-peak times.
  - Off-peak/low-usage charges are priced to encourage optimum use.
  - Introduction of a higher non-borough resident charge on some activities.
  - Tailored packages to encourage longer stays in this service and other Council and partner services.
  - Greater incentives for Council employees to use the service to address the organisation’s wellbeing objectives and to enable employees to be ambassadors for the service.
  - Increased partnership work with health partners to offer subsidised/free activities.
- Sports Development will become a Sports / Business Development “hybrid” and include a delivery and a sales conversion element. There will be a more focused sales strategy with greater emphasis on generating and converting leads at events.

- The Business Development team will help to shape the business using a range of management information including the customer data captured by the “myleisureworld” website. This will enable strategic business development, and inform programming and future plans of activity across the commercial hub, the community network and outreach projects.
- The Business Development team will continue to ensure close working with Schools Sports Partnership to encourage P.E. and out-of-school sport with particular emphasis being placed on communicating and advertising the Council's Sport and Leisure activities to thousands of young people.

## **Core changes**

### Business Development function

Establishment of a Business Development function with the following skillset:

- analysis, research and insight
- product development
- sales
- communication and marketing
- event planning, organisation and management
- partnership development.

The communications and marketing elements of this function will be performed corporately by the Council's Communications and Marketing Team.

### Information analysis

Analysis by the Business Development team of information provided by “myleisureworld” to:

- identify, evaluate, create, promote and sell new sport and leisure “products”
- develop strategy, market research and promote sport and leisure activities
- develop offers and marketing to encourage and increase participation and income (cross marketing, incentives etc) including links to national initiatives such as the Change4Life campaign.
- develop a process for managing the balance of participation versus revenue of activities, ensuring optimal use of space and maximum income.
- organise or support activities and events that have a potential follow-on income stream
- target funding and grants to enable increased participation
- identify partners to deliver activity where the Council doesn't and opportunities to work in partnership to deliver services.

### Community Coaches

Creation of a Community Coach programme. Grants awarded for coaches to gain coaching qualifications in return for a number of hours coaching time at events or activities.

### Working with schools

Links with schools strengthened via School Sports Partnership joint-working which will include:

- Targeted activity based on need
- Council Sport and Leisure activities and events being promoted to children and their families
- Introduction of “Sports for schools” vouchers
- In-service training (INSET) for teachers by coaches to assist in sustaining activity projects.

### Working with businesses

Explore opportunities with the local business community for tailored “workplace wellbeing” and Lifestyles membership offers and for sponsorship and advertising.

### Membership and pricing

Prior to the implementation of the pricing and programming review findings, the following will be introduced to capitalise on immediate opportunities:

- Adding new Lifestyles membership options that enable customers to “pick and mix” some activities
- Create a discounted member rate for “add-on” activities not included in customers’ membership package
- Create attractive pricing offers to encourage utilisation of facilities at low use periods
- Create Pay-As-You-Go packages to encourage combining of activities, leading to longer visits and increased income
- Improve corporate membership offer for Council employees increasing income, establishing “ambassadors” for the service in the community, and helping to improve employee health and wellbeing
- Develop a facility hire charging scale, offering reduced hire charges for well-organised sports clubs that have Clubmark accreditation
- Devise packages for day or ½ day visits that include other Colchester attractions
- Explore opportunities to develop offers in conjunction with, for example, Groupon, Tesco Clubcard
- Investigate opportunities for reciprocal advertising with partner organisations

The financial summary of these key opportunities – Customer Experience, Commercial Hub and Community Network, Business Development – is shown on the next page.

This is followed by a summary of the changes and benefits to the organisation arising from these key opportunities.

## Financial summary of key opportunities for the future service

	2012/13 £	2013/14 £	2014/15 £
<b>Efficiencies</b>			
<b>Community Networks</b>			
Leisure World Highwoods (@ 25% full year savings in first year)	26,000	102,000	102,000
Leisure World Tiptree (@ 25% full year savings in first year)	21,000	84,000	84,000
Leisure World Tennis Centre (@ 25% full year savings in first year)	1,100	4,300	4,300
<b>Commercial Hub</b>			
Changes to cleaning supervision and rotas	14,000	14,000	14,000
Altering the times that some pool features are available and increasing pool staff multi-skilling	40,000	40,000	40,000
Reducing levels of Planned Preventative Maintenance and investment in plant, building and equipment replacement and refurbishment and providing trades to the Council's Building Services	80,000	80,000	80,000
Restructuring of management arrangements	32,000	48,000	48,000
Changes in approach to sports hall set ups and equipment changeovers	15,000	15,000	15,000
<b>Total estimated efficiencies</b>	<b>229,100</b>	<b>387,300</b>	<b>387,300</b>

	£	£	£
<b>Income Growth</b>			
<b>Commercial Hub</b>			
Increase in income generated by extended Fitness Centre starting from the opening of the extended facility (assumed 1 Jan 2013)	48,000	284,000	473,000
Artificial turf pitch being leased to a private operator	23,000	23,000	23,000
Growth in use of pools (including lessons)	5,000	10,000	10,000
Increased income from retail sales and rental of retail space	6,000	12,000	18,000
Budget adjustment due to the difference between recent trading position and the budget of the Events programme at Charter Hall	(41,000)	(41,000)	(41,000)
<b>Business Development Team</b>			
Generating and conversion of sales leads at events		91,000	91,000
Enhancements to current Lifestyle Memberships		45,000	45,000
Increased off-peak usage		37,000	37,000
Improved CBC corporate membership offer		15,000	15,000
<b>Customer Experience</b>			
Sponsored website buttons		3,000	3,000
Poster advertising on lobby signs		1,800	1,800
<b>Total estimated additional income</b>	<b>41,000</b>	<b>481,000</b>	<b>676,000</b>

	£	£	£
<b>Investment required (Revenue)</b>			
<b>Business Development Team</b>			
Additional Business Development/Marketing capacity	(16,000)	(31,000)	(31,000)
Outreach enabling costs	(8,000)	(15,000)	(15,000)
<b>Customer Experience (IT support costs)</b>			
Leisure Management System	(10,000)	(20,000)	(20,000)
Self-service & Access Control	(7,000)	(14,000)	(14,000)
Integration & Website	(2,000)	(3,000)	(3,000)
<b>Other costs</b>			
Staff customer skills training	(16,000)	(16,000)	(16,000)
Pricing Strategy Review	(10,000)		
<b>Total estimated additional costs</b>	<b>(69,000)</b>	<b>(99,000)</b>	<b>(99,000)</b>

	£	£	£
<b>Investment Required (Capital)</b>			
Includes 15% fees, overheads, prelims and contingency @ 20%			
Extending the fitness centre into the activity rooms, including building refurbishment and new equipment	(449,000)		
Reconfiguring the Classics Bar and Restaurant into a space suitable for aerobics and other activity	(224,000)		
Refurbishing the entrance and main reception area into a new front of house area to improve the customer journey also featuring a catering outlet, retail opportunities. Converting 2 squash courts and building an extension onto existing forecourt area.	(746,000)		
Technology costs to support new improved Customer Experience including Leisure Management system, website, self-service & access controls as well as queue management systems	(166,000)		
Improvements to external site signage to improve footfall	(10,000)		
Installation of DDA compliant lift		(26,000)	
<b>Total capital investment</b>	<b>(1,595,000)</b>	<b>(26,000)</b>	<b>0</b>

## **Key opportunities – Summary of changes and benefits to the organisation**

The overarching benefit of the 3 key opportunities is that they combine to create and deliver a more efficient and effective flow of activities through the organisation. It is the combined impact of this new configuration and content of activities that will enable us to pursue the business growth and cost reduction needed to deliver our vision.

This is illustrated in the diagram on the next page.

**The current service** is characterised by limited customer insight and the need to improve the quality of management information; activities do not always join up leading to inconsistencies in staff knowledge and customer service. This makes it particularly challenging for the service to be responsive to changes in demand or changing trends in activities.

There is increasing pressure on the use of space in some areas such as Activa, whilst others such as Charter Hall and the Sports Hall are under-occupied. The layout at the front of the Leisure World Colchester building is restrictive; queues are common and frustrating for both customers and staff. Customers also find the layout of the building confusing.

The current separation between sports development and sales and marketing is restricting the commercial success of the service.

**The future service** is characterised by a much more streamlined approach to the flow of activities and strong links between each of the activities.

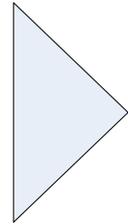
The whole business will be driven by comprehensive insight and management information. Sports development is replaced by Business Development, focusing on both commercial activity and increasing participation.

Multi-skilled staff will have the knowledge and skills to provide an excellent customer service and contribute to sales and marketing activity.

Customers will have a wide range of self-serve options, efficient and easy access to facilities, activities and personalised, timely information.

**Future service**

My Leisure World Business Development	Business Development	Business Development My Leisure World	Commercial Hub Community Network	My Leisure World
<b>Insight Business/customer</b>	<b>Business development</b>	<b>Sales and marketing</b>	<b>Utilisation and operational management</b> Resourcing Duty management Configuration and use of assets	<b>Self serve Welcome host</b>
<ul style="list-style-type: none"> <li>• Reliable and robust management information</li> <li>• Use of customer data captured by myleisureworld.com to introduce a robust marketing and reporting tool</li> <li>• Analyse, monitor, track and target customer groups with general marketing, offers, promotions, loyalty,</li> <li>• Use of rewards and incentives to encourage repeat visits to increase income and participation</li> <li>• One customer record</li> </ul>	<ul style="list-style-type: none"> <li>• Business development team with focus and skill set to deliver increased participation, identify and develop revenue generation</li> <li>• Use of customer trend data to identify and generate new business opportunities</li> <li>• Identifying income opportunities to meet demands</li> <li>• More focussed sales strategy to generate and convert leads</li> <li>• Insight and management information drive business development, activity plans and programming in line with business case objectives</li> <li>• Brokerage service for community facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Promote and sell new products and services</li> <li>• Multi skilled staff – increased flexibility</li> <li>• Extend lifestyles membership schemes</li> <li>• Integrated marketing activities – eg activa brand at all sites</li> <li>• Customer data captured by my leisureworld.com will provide a robust marketing tool</li> <li>• Customer profiling and usage trends will enable targeted marketing to increase participation and income</li> <li>• Cross selling to other CBC related leisure activities</li> <li>• Smarter communication and marketing using range of technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Joint use sites</li> <li>• Extend lifestyles membership schemes to joint use sites to encourage greater use</li> <li>• Implement activa brand and self serve options</li> <li>• Reduce number of staff roles and overall staffing levels</li> <li>• Reconfigure spaces and use of space to focus on high volume participation and generate enough profit to cover costs</li> <li>• Extend Activa fitness centre</li> <li>• Reconfigure and locate catering/coffee offer to ground floor</li> <li>• Reduce staffing levels and overall management capacity</li> <li>• Use of outside space for sports and leisure activities</li> </ul>	<ul style="list-style-type: none"> <li>• Efficient, easy and fast access to facilities and activities</li> <li>• Excellent customer service</li> <li>• Multi-skilled increasing flexibility</li> <li>• Myleisureworld.com gives one point of access for sport, leisure and recreation</li> <li>• Account card with personalised access and loyalty rewards</li> <li>• Smart card enables fast track entry</li> <li>• Self serve online and onsite – online bookings and fast track kiosks</li> <li>• Manage and update personal information</li> <li>• Access and receive information through a range of technologies</li> <li>• Improved access control</li> <li>• Promote and sell new products</li> </ul>



## 5. DECISION-MAKING AND IMPLEMENTATION

The decision-making route for this full business case is as follows:

- Scrutiny by Strategic Overview and Scrutiny Panel on 14 February 2012
- Final decision by Cabinet on 14 March 2012.

### Implementation

Once this formal decision-making route is complete, the review will move into the implementation phase and the Implementation Plan will be finalised to start from April 2012.

The implementation plan will be phased over a three-year period, but with staffing changes and other efficiency savings commencing in 2012. At this stage it is envisaged that a 90-day consultation period with staff will be required, meaning that staffing changes are unlikely to be implemented until the middle of the 2012/13 financial year.

Aside from staffing changes, the implementation phase will include the development, procurement and implementation of new technology, building works, and the training and cultural change necessary to deliver the customer experience ambitions.

The implementation plan will detail how this will be managed effectively to ensure the benefits to our customers can be delivered and efficiencies and income achieved as soon as possible in the implementation period.

## 6. RISKS

The following list of risks has been identified at this stage and an initial risk register identifying consequences, controls and probability of risks can be found at Appendix 2.

- time, skills and capability to deliver the change
- alignment of service ICT priorities and costs with those of the wider Council
- dependency on technology to deliver review objectives
- resource availability for planning, and then for implementation
- the effect on performance, income and customer service during transition
- the effect of increased fitness centre competition on achieving income targets
- securing the investment necessary to deliver review objectives
- creating the “customer focus/commercial edge” culture required to deliver review objectives
- impact of economic climate on forecasts for commercial income
- effectiveness of communications with a large dispersed staff group
- potential customer dissatisfaction with service changes and related negative media coverage.

This risk register will be developed to include potential costs and costs of risk reduction as part of the implementation phase.

## 7. COMMUNICATIONS

Staff have been involved and informed throughout the development of the full business case, with opportunities for them to engage with the review through:

- staff suggestion boxes
- a Facebook page
- posters in staff rooms
- regular staff newsletters
- face-to-face presentations
- meetings and e-mails.

Customers' perceptions and expectations have been researched through the use of various insight tools (see Section 3).

Other services within the Council have been involved at key stages including the workshop sessions and the initial business case.

There are regular consultation meetings with Unison, where all FSRs are discussed and feedback received.

Communication Plans for both internal and external audiences have been developed, and this work will continue throughout the implementation stage. Please see Appendix 3.

Sport and Leisure FSR  
Full Business Case

## Alternative Delivery Options for Local Authority Sport and Leisure Services

### Background and context

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Since the early 1990s local councils have had options for the outsourcing of sport and leisure services to external organisations.

The overarching vision for the Sport and Leisure FSR is for every borough resident to participate in an active lifestyle that will lead to them living a longer, healthier and happier life, and for the service supporting this vision to be delivered at no recurring revenue cost to Colchester Borough Council.

It is usual for the externalising of a sport and leisure service to result in an ongoing subsidy payment by the local authority to the external organisation.

These arrangements are usually managed through long term leases, with the local authority retaining the freehold of any premises and land and relinquishing operational management control to a third party. In many cases this means the local authority retains responsibility for certain elements of building maintenance.

### What are the different delivery models available?

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In recent years a complex array of different models have developed, some with only minor variations to their legal structure and others with more significant changes.

In broad terms, Councils choose to operate their sport and leisure services in one of the 3 sectors:

1. Private Sector – often large, national companies that operate the service on a commercial basis and with a subsidy paid by the local authority.
2. Public Sector – usually district councils operating their own services with a net cost to the council budget.
3. Third Sector – a number of generic terms are given to the organisations operating in this sector, for example Social Enterprises (defined as a business driven by social and/or environmental purpose), Trusts and Non-Profit Distributing Organisations (NPDO). As in the private sector, the local authority pays a subsidy to the third sector organisation. There are now some large organisations in this sector that operate over multiple local authority areas.

The way organisations within these sectors are structured varies; they can be privately owned (companies limited by shares, for example), publicly owned (local authority) or owned by its employees or by the community (mutuals or co-operatives, for example).

Charitable status gives organisations at least 80% relief on their National Non-Domestic Rates bill, and this is one of the main ways that local authorities benefit financially from outsourcing their sport and leisure services. In this scenario, non-charitable trading arms are needed to cover the non-charitable activity (such as food and beverage, events, beauty therapy).

## What are other Councils doing?

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### 1. National and Regional Picture

According to a recent Business In Sport and Leisure report, the mix of provision of sport and leisure services nationally is as follows:-

- 63% In-house
- 25% Trust
- 12% Private sector.

There are 47 unitary and district council's in the East of England - according to an Improvement East report in March 2011, the mix of provision in the region is as follows:-

- 28% In-house
- 36% Trust
- 36% Private sector.

### 2. Local Picture

Braintree and Maldon's sport and leisure facilities are managed by private sector operators. Chelmsford, Tendring and Ipswich operate their services in-house. Chelmsford were pursuing the trust option for its wider leisure services but decided in 2007 not to proceed with this project and remain operating in-house. It is thought that Tendring is again planning to externalise the operation of its sites, having decided in 2004 to cease its search for outside management of its leisure facilities.

## Previous Experience of Outsourcing in Colchester

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Plans to transfer the whole of sport and leisure services to a newly created non-profit distributing organisation (NPDO) were developed through 2005 and into 2006, but the transfer did not happen. There were a number of reasons for the transfer not happening, which serve to illustrate the issues involved in outsourcing services:

### I. Financial Savings for the Council

Savings from transferring the services to a Trust were to be achieved through charitable rate relief (@ 80% of the £300,000+ annual NNDR bill at Leisure World Colchester) and the VAT benefit for operating services as a not-for-profit distributing organisation rather than a Local Authority. However, these savings were partly offset by the additional running costs of the new company leaving a projected annual revenue saving of approximately £130,000.

Furthermore the operation at Leisure World Colchester included a significant proportion of potentially non-charitable activity including, events, catering, beauty therapy and Aqua Springs.

The Council agreed to meet the costs of the new company's tenant responsibilities for building management for the first 3 years of trading, which meant that it only had provisions within its Repairs and Renewals fund to meet the cost of 3 years.

### **Risks for the new company**

There were a number of concerns from the new company's perspective:

- It was not possible to produce a positive cash flow forecast for the new company for the first year of operation
- There was no contingency in their budget
- The company had no reserves or balances
- The newly-created board were not comfortable with arrangements in light of the above and asked the Council to provide some financial guarantees.
- The company agreed reluctantly to the split of responsibilities between landlord and tenant for building management but had no means of meeting the cost of its obligations.

Given those risks, it was possible that the transfer would not deliver any financial advantages, and the Council would lose effective control over the operations.

The cost of outsourcing sport and leisure services could range from £30,000 (for transfer to an existing organisation) to £200,000 for setting up a new company and effecting a transfer to it.

When the decision was made not to proceed with the transfer, the cost of providing the sport and leisure service was approximately £1.1million. The 2011/12 agreed base budget for the service is £804,000, which suggests there could now be less financial benefit to transferring the service. Also, the buildings and plant have aged, which could have a negative effect for the Council on the costs to meet its potential lease responsibilities.

### **Summary**

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Decisions to outsource for Councils should be based on clear organisational needs rather than for financial reasons.

Outsourcing can be a good option for Councils whose sport and leisure departments are operating inefficiently or when the overarching policy is one of external provision of services.

A number of local authorities which wanted a quick financial improvement and did not have a strong desire to keep full control of the service by operating in-house are likely to have already transferred their sport and leisure services.

The sport and leisure service in Colchester benchmarks well with other authorities and has reduced its net cost in recent years, from £1.15m in 2008/09. The Sport and Leisure FSR identifies further efficiencies that can be made over the next 3 years if capital investment is agreed.

A sport and leisure service the size and scale of Colchester's lends itself to a mixed economy of delivery, which has been at the heart of the Council's strategy for many years. The Council delivers two Joint Use Sports Centres in partnership with local schools, and has leased premises to local charities so they can deliver services on the Council's behalf (eg leasing Shrub End Sport and Community Centre to Colchester United Community Sports Trust, and Broad Lane Sports Ground to Wivenhoe and District Sporting Facilities Trust).

The FSR Full Business Case identifies a number of opportunities to extend this way of working by contracting with other partners to deliver parts of the existing service.

### Sport and Leisure Fundamental Service Review –Risk Register

These risks associated with the FSR as a whole are shown in section 6 of the Full Business Document.

RISK No.	AREA	RISK	CONSEQUENCE	CONTROLS	PROBABILITY
	Resources	The investment necessary to deliver review objectives not secured	Commercial Hub not created and therefore predicted income not generated	Options to prudentially borrow if no capital available	Low
	Resources	Wider Council ICT priorities and costs not aligned with those necessary to deliver the review objectives. No corporate ICT support to deliver the project. Failure to deliver systems integration and resulting process savings	New technology not implemented effectively	Corporate ICT team engaged at an early stage of the review and fully involved in the implementation planning. ICT Programme Board management of the corporate ICT Programme. Corporate ICT team restructure	Low
63	Resources	Reduced investment in repairs and maintenance at LWC leads to more breakdown of plant and equipment	Facilities taken out of action while repairs are completed, resulting in loss of income and customer dissatisfaction	Careful control of priorities for remaining budget	Low
	Resources / change management	Lack of time, skills and capability to plan and deliver the change	Poorly managed implementation of the project would affect ability to deliver the review objectives	Recruitment of service management team Staff training. Involving wider CBC staff in project.	Medium
	Procurement	The technology necessary to deliver review objectives can not be procured as specified and within budget	Improvements such as self-serve and customer accounts can't be delivered, which will limit ability to deliver some efficiencies and to deliver improvements in customer insight	Tender documents being sent to a range of potential contractors. Involvement of corporate ICT and Procurement Hub.	Medium

Appendix 2

Procurement	Tenders received for building work are over budget	Lack of investment to deliver all of the planned building improvements, which would impact on ability to meet the budget	Contingency sum included in initial estimates Professional input into initial estimates	Medium
Procurement	Lack of interest from external organisations to the advertising for expressions of interest	Unable to find a suitable alternative contractor to operate services so they remain in-house	Learn lessons from other CBC services experience of expressions of interest process	Low
Change management	Creating the “customer focus/commercial edge” culture required to deliver review objectives	Income targets not met and so revenue budget not met	Investment in staff training and development. Recruitment of service management team	Medium
Change management	Significant customer dissatisfaction with service changes and related negative media coverage	Reduced participation and levels of income  Customers don't 'buy-in' to the leisure card	Ongoing communication with customers as part of communications plan. Staff training to enable positive interactions with customers	Medium
Change management	Service performance is adversely affected by building work and the introduction of new working practices and technology	Reduced ability to operationally manage the service Reduced participation and income, and customer dissatisfaction	Ongoing communication with customers Staff able to discuss changes positively to customers	Low
Commercial focus	Increased local fitness centre competition in the town that adversely affects income projections	Would make it challenging to achieve the income growth proposed in the business case from expanding the Activa gym	Benchmarking and customer insight work Ensure that the offer, particularly Activa at LWC, remains competitive	Medium

Appendix 2

	Commercial focus	The impact of the wider economic climate has an effect on local people's disposable income	Reduced participation and Income – forecasts not met	Develop customer and business insight Conduct pricing review Ongoing responsiveness to pricing and programming	Low
	Communications	Inability to effectively communicate with the large, dispersed staff group	Impact on staff morale and therefore their ability to deliver excellent customer service	Implement Communications Plan, which includes various methods of communication to meet staff preferences	Medium

## Implementation Communications Plan

Throughout the Sport and Leisure FSR process ongoing communications have been taking place with staff. This has included staff suggestion boxes, a Facebook page, posters, a regular staff newsletter, face-to-face presentations/meetings and e-mails.

Moving forwards through the implementation process communication will form a vital part of the Sport and Leisure FSR. Communication activity will be segmented via Internal Communication and External Communication.

## Internal Communication Plan

Communications intended for:

- Sport and Leisure staff
- Other Colchester Borough Council staff
- Councillors.

Internal Communication Plan	
Key Message/Objectives	Method
<p><b>Approval of Full Business Case</b></p> <p><i>What happens next? The direction being taken...</i></p> <p>February 2012</p>	<ul style="list-style-type: none"> <li>• Sport and Leisure staff newsletter</li> <li>• Sport and Leisure Facebook updates</li> <li>• Face-to-face presentations for Sport and Leisure staff</li> <li>• E-mails to Sport and Leisure staff.</li> </ul>
<p><b>Proposed Staffing Changes</b></p> <p><i>What the new staff structure means? What you can expect from the process etc...</i></p> <p>February 2012 and ongoing</p>	<p><u>In addition</u> to official correspondence from HR...</p> <ul style="list-style-type: none"> <li>• Sport and Leisure staff newsletter</li> <li>• Sport and Leisure Facebook update</li> <li>• E-mails/face-to-face meetings for Sport and Leisure staff.</li> </ul>
<p><b>Year 1 Implementation</b></p> <p><i>Key milestones and changes</i></p> <p>Feb 2012 – Feb 2013</p>	<ul style="list-style-type: none"> <li>• Sport and Leisure staff newsletters</li> <li>• Sport and Leisure Facebook updates</li> <li>• E-mails/face-to-face meetings for Sport and Leisure staff</li> <li>• Information on HUB (staff intranet)</li> <li>• Update in Members' Information Bulletin.</li> </ul>

<p><b>Year 2 Implementation</b></p> <p><i>Key milestones and changes</i></p> <p>Feb 2013 – Feb 2014</p>	<ul style="list-style-type: none"> <li>• Sport and Leisure staff newsletters</li> <li>• Sport and Leisure Facebook updates</li> <li>• E-mails/face-to-face meetings for Sport and Leisure staff</li> <li>• Update in Members' Information Bulletin.</li> </ul>
<p><b>Year 3 Implementation</b></p> <p><i>Key milestones and changes</i></p> <p>Feb 2014 – Feb 2015</p>	<ul style="list-style-type: none"> <li>• Sport and Leisure staff newsletters</li> <li>• Sport and Leisure Facebook updates</li> <li>• E-mails/face-to-face meetings for Sport and Leisure staff</li> <li>• Update in Members' Information Bulletin.</li> </ul>

## External Communication Plan

Communications intended for:

- Customers of the Sport and Leisure Service
- Non customers of the Sport and Leisure Service
- Partners
- Media.

External Communication Plan	
Key Message/Objectives	Method
<p><b>Approval of Full Business Case</b></p> <p><i>'We're making some changes...'</i></p> <p>February 2012 and ongoing</p>	<ul style="list-style-type: none"> <li>• Press release to local media</li> <li>• Signage/Posters at each Leisure World site</li> <li>• Story on homepage of Leisure World website.</li> </ul>
<p><b>Year 1 Implementation</b></p> <p><i>Key milestones and changes</i></p> <p>Feb 2012 – Feb 2013</p>	<ul style="list-style-type: none"> <li>• Emails to Leisure World website newsletter subscribers (customers)</li> <li>• Email updates to partners</li> <li>• Press releases (where relevant).</li> </ul>
<p><b>Year 2 Implementation</b></p> <p><i>Key milestones and changes</i></p> <p>Feb 2013 – Feb 2014</p>	<ul style="list-style-type: none"> <li>• Emails to Leisure World website newsletter subscribers (customers)</li> <li>• Email updates to partners</li> <li>• Press releases (where relevant).</li> </ul>
<p><b>Year 3 Implementation</b></p> <p><i>Key milestones and changes</i></p> <p>Feb 2014 – Feb 2015</p>	<ul style="list-style-type: none"> <li>• Emails to Leisure World website newsletter subscribers (customers)</li> <li>• Email updates to partners</li> <li>• Press releases (where relevant).</li> </ul>

**Extract from the minutes of the Strategic Overview and Scrutiny Panel meeting on 14 February 2012**

**32. Fundamental Service Review of the Sport and Leisure Service**

**Councillor Jon Manning (in respect of being a member of Colchester Rugby Club) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

**Councillor Theresa Higgins (in respect of her membership of Essex County Council and her spouse being an employee of the University of Essex) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

**Presentation(s)**

Councillor Tina Dopson, Portfolio Holder for Communities and Diversity, Mr. Gareth Mitchell, Head of Life Opportunities and Mr. Simon Grady, Sport and Leisure Manager, attended the meeting.

Councillor Dopson introduced the Fundamental Service Review (FSR) for Sport and Leisure Services, and Mr. Mitchell and Mr. Grady gave a presentation detailing the work of the FSR.

Councillor Dopson said this was an overarching review that had started in March 2011. The review was undertaken in line with the Council's vision "for every borough resident to participate in an active lifestyle that will lead to them living a longer, healthier and happier life, and for the service supporting this vision to be delivered at no recurring revenue cost to Colchester Borough Council".

Councillor Dopson said the business case set out proposals to take a more commercial approach to delivering the service whilst seeking to increase local people's participation in sport. She also made it clear that the administration had given officers a strong political steer that it would welcome opportunities for certain individual parts of the service to be delivered by other organisations, but that the core of the service should remain part of the Council. The proposals would require capital investment of £1.621m, but would enable the Sport and Leisure Service to thrive and maximise sports participation across the borough.

Mr. Grady spoke about the size and scope of the Sport and Leisure Service, a large operation with a wide range of activities, sports and services provided at various locations including Leisure World Colchester, Leisure World Highwoods, Leisure World Tiptree and Leisure World Tennis Centre, the latter comprising 22 tennis courts, including 6 with floodlighting, all helping to provide an opportunity for customers to live a healthy active lifestyle.

Mr. Mitchell provided some context to the review, saying it was broken down into many parts, but overall the service is as close as the Council gets to delivering a demand-led retail service. The implementation of the Business Plan would enable a service of enormous potential, enabling contribution to the wider vision of improved health and wellbeing, at a time of population growth, and in the year of the London Olympic and Paralympic Games, that would see increased enthusiasm for all things sport-related.

The Business Case, like all previous FSRs, focused on Customer Excellence, Efficiencies and Effectiveness, and provided the three opportunities of an improved customer experience, a community network and commercial hub, and a business development capability. The customer experience would be the best in the sector, delivered by staff who have excellent customer skills, and enabled by technology that delivers unrivalled access to activities in the borough, including the “my leisure world” website, personal leisure card and account and a range of self-service opportunities.

Mr. Grady spoke about the community network of facilities and partnerships providing many local opportunities to participate for the broadest range of customer groups. A commercial hub at the Leisure World Colchester site would deliver a high commercial return, high volume participation, will be family orientated and provide a range of leisure opportunities of wide appeal.

The Community Network would provide a bookings brokerage service, unlock underused community facilities through new partnerships, give a cross-borough view of service provision, maintain participation and reduce costs at joint-use centres and would seek an external operator for the tennis centre as well as considering the potential for part of the tennis centre to be used for residential development to be explored.

The Commercial Hub would provide an extension of the Activa fitness centre. There would be a relocation of the catering provision to the front-of-house, a market testing of the catering service and the Classic Bar will be replaced with a multi-purpose activity room. There will be a reconfiguration of the reception area with the renting and leasing of space to external providers for guaranteed retail income, a refocusing of the events programme, staffing and management, and the implementation of repairs and maintenance efficiencies.

Mr. Mitchell said the business development capability will place the current sports development function at the heart of the service and focus on increasing participation and generating additional revenue through improved customer and business insight, a revised service pricing and programming strategy, the promotion of targeted services and activities, the development and promotion of new products and services and bidding for external grant funding and commissioned services

Built into the overall business case was a significant increase in income. An example of this increase is the financial projections for the extension of the

Activa fitness centre that had a projected increase in income of £567k per annum over a three year period.

The business case would achieve revenue savings of £839k by the end of year three, made up by £387k efficiency savings, £676k income growth and £224k revenue re-investment in the service. The recurring net revenue budget is £804k cost in 2011/12 and would move, based on these projections, to a £35k surplus in 2014/15. The total business case was reliant on a capital investment of £1.621m and the total potential revenue savings over 8 years could be in the region of £5.879m.

Councillor Ellis thanked Councillor Dopson and officers for presenting the report.

### **Have Your Say**

Councillor Pauline Hazell said her comments would focus on the possible sale of land for housing development at the Shrub End Tennis Centre. Given that the FSR business case seeks to play its part in securing a legacy for Colchester from the Olympic and Paralympic Games by capitalising on the increased enthusiasm for all things sport-related following the Games, it appeared to her to be illogical at this time to sell off tennis courts with little financial gain.

Councillor Hazell said any land sale would restrict any future development of the Tennis Centre and hinder the possibility of future indoor courts and all year round coaching, something that had been considered previously but not carried through. If the land was sold it would leave a less attractive commercial enterprise and it was counter-productive to reduce facilities in a borough with an ever increasing population.

In conclusion, Councillor Hazell said some residents are against the development, saying this will increase traffic congestion in an area of high volume traffic. Councillor Hazell was unsure about the ownership of the site and sought clarification on this point, and whilst she had no objection to placing the tennis centre outside of Council control, she believed that if the tennis centre was outsourced it would be better to do so in its entirety.

### **Open discussion**

Councillor Dopson said this was a large complex FSR with services provided through many combinations and permutations. Years ago this review would have been completed in a less transparent environment, without sharing the possible changes as outlined in the business case.

In regards to the Shrub End Tennis centre site, it was not an absolute that part of this site would be sold for development, but the report did say there was potential to do this and the idea would be explored further. The business case was an honest reflection of what will be considered and had not left out any of the ideas or potential changes that had been discussed as part of the

process. Councillor Dopson said it would be good if the local press could prompt all groups that would like to show an interest in the initiatives being considered to get in touch with Council officers within the Life Opportunities service group.

Councillor Cope thanked Councillor Hazell for raising the issue of the Shrub End Tennis Courts, asking that if some of the courts are sold for development where did that sit with the Council's health agenda. Councillor Cope also believed that if the development did go ahead, finding the right solution in terms of development size and impact would be very important.

Mr. Mitchell said the Council still retains a desire to maximise participation in tennis. The courts that would be considered for development are in a poor state of repair, and when modelling this alternative use of part of the site, it did not show that revenue would reduce as a result of losing these courts. Mr. Grady said officers have in recent times seen an increase in take-up of the tennis courts at the Leisure World Tennis Centre, but this is anecdotal, and with no comparative data from five years ago it is not possible to make a direct comparison. Officers believe there is more participation, but there still remain peaks (the "Wimbledon factor") and troughs in take-up. With an improvement in standards and facilities it is felt that the provision of tennis will not be hindered by the loss of the courts.

In response to Councillor Sykes, Mr. Mitchell confirmed that the decision to downsize the Shrub End tennis facility would not be taken without prior dialogue with potential external contractors. Officers will invite expressions of interest, and an exploratory look at the development opportunities will be undertaken in parallel. With the poor state of repair of the tennis courts in question, recent discussions clearly indicate the retention of the courts would mean additional investment to ensure their viability.

In respect of the effects of the review on staffing levels, Mr. Mitchell said the first step of the process was to seek cabinet approval for the business case, followed by a specific plan around the jobs process. Should the catering service be outsourced the staff affected by this change would most likely transfer to the external contractor through the TUPE arrangements. It was anticipated that the implementation of suggested core changes would require a smaller management structure and also provide an opportunity to reduce staffing levels at the Tiptree and Highwoods joint-use sports centres. Mr. Mitchell said there are currently more than 400 staff employed by the Sport and Leisure Service including over 200 casual staff. Although the human resources plan is not complete at this point in time, he anticipated that of the 170 permanent full and part-time staff in the service, approximately 12 posts will be removed from the overall staffing establishment, nearly half of which are currently vacant through natural wastage.

Mr. Mitchell said the review, undertaken in difficult times, naturally brought a feeling of uncertainty, but given the size of the service the anticipated scale of job losses is very small. The terms and conditions of staff will need to change, allowing for greater staff flexibility and new ways of working.

Councillor Sykes said the number of staff losses being reported in the local press was nothing short of scandalous, when the true figures could be far less. Mr. Mitchell said there was a great deal of work still to be done in terms of establishing the new terms and conditions and new job roles, and it would be misleading to give incorrect information before the detail is finally completed.

Councillor Quince said he was pleased the Administration was tackling this service and welcomed the presentation of the Sports and Leisure business case. That said he believed the scrutiny process was a farce, not a proper FSR, where two options, that of a Trust or Private Operator had not been considered, and asked why these options had not been considered.

Councillor Dopson said as mentioned in appendix 1 of the report, plans to transfer the whole of sport and leisure services to a non-profit organisation were developed in 2005-06, but the transfer did not happen. This option has been revisited and a benchmarking exercise both nationally and locally was considered (as detailed in appendix 1 of the report), but the decision taken by the Cabinet was based on organisational needs rather than for financial reasons. The Cabinet took the view that the potential savings as illustrated in the report are not enough to take the 'trust' option. It was felt important that to ensure continuity in some of the diverse services the Council currently provide the overall service should stay in the Council's control, though it was also accepted that some parts of the overall service will be better done by external companies. Responding to Councillors Quince and Ellis, Councillor Dopson said ultimately, and all options considered, it was a political decision to retain this service in-house.

Responding to Councillor Willetts later in the discussions, Councillor Dopson said where it is considered appropriate, internal services are outsourced to private companies and there are a number of examples within Colchester e.g. grass cutting, IT support. But having examined the possibility for the Sport and Leisure Service, it was decided due to the mixed economy, combined with the services the Administration wanted to retain in-house, that the overall service should stay in the Council's control. Councillor Dopson confirmed that no more testing on alternative delivery options was undertaken other than that described in appendix 1 of the report. The political decision was to keep the service in-house, that it was valued and there was a desire to see it improve and develop. Councillor Dopson said other Councillors are perfectly entitled to disagree. Councillors Quince and Ellis believed this was a lost opportunity, a flawed process that did not give consideration to other options. It was felt it would have been beneficial to examine in detail the 'trust' model at other local authorities.

Councillor Sykes said the 'trust' model had been examined and considered by the Administration on two previous occasions, in 2003/04 and 2005/06. On both occasions the model was rejected. Councillor Sykes said we are now being asked to consider if the proposals are reasonable, and there was not a necessity to consider the 'trust' model in any further review.

Responding to Councillor Manning, Mr. Mitchell said the Council's partnership with Essex County Council (ECC) was primarily around the Olympic and Paralympic Games with a whole programme of activities that will have a positive impact on local schools. Colchester also added greater value, at a strategic level, to the Active Essex Partnership, managed by ECC. Mr. Grady said Colchester remained a valued partner to local schools, with Colchester, through a joint-use partnership, being able to provide sport and leisure services at Leisure World Tiptree and Leisure World Highwoods outside of school time. These joint agreements are expected to continue with ongoing discussions around 'academy' considerations.

Mr. Grady said the University of Essex could be seen as a competitor as well as a partner. There needed to be a balance, recognising that the Council could not provide all sport and leisure for all the local population. Councillor Dopson said the new swimming pool at the University would compliment the Leisure World pools, providing a different but complimentary level of expertise.

In response to Councillors T. Higgins, Manning and Naish, Mr. Grady said the Council provides a wide range of sports at all the sports centres / halls, providing facilities in various geographic locations to attract residents within each catchment area. The Active Colchester website provides a Community Sports Network, a locally co-ordinated partnership for increasing participation in sport and physical activity. Mr. Mitchell said for any new residents to the area this provided a network of contacts and information to encourage their participation. Mr. Grady confirmed that there was full disabled access to the six floodlit courts at the Leisure World Tennis Centre, and there was one disabled parking bay adjacent to the courts. If this space is taken disabled visitors can park in the other vacant spaces.

Mr. Mitchell confirmed that the outsourcing of catering would be undertaken through the Council's procurement process. The Council will be very specific about the type of food and drink outlets and will look at all kinds of catering organisations to ensure the most appropriate form of catering provision is procured that fits with a healthy lifestyle.

Mr. Mitchell said that given the current economic climate there was a risk to the business case and this is noted in the review Risk Register. The service was currently exceeding its budget, and whilst some elements of the service are performing well, some are not, and we are seeking to improve poor performance and reduce costs in those areas as part of this review. The Sport and Leisure Service has so far proven to be quite resilient against the economic downturn and it was believed there was an opportunity to increase future income through improved customer service and a growing population. Mr. Mitchell said these are good reasons to be confident about the future of the service. In regards to on-line facilities, improved customer service skills and improved technology would enable front-line staff to give more time to help vulnerable customers who may need support accessing the service on-line. An ever increasing proportion of enquiries are made electronically, and this will be an enormous opportunity for people to communicate via on-line

and smartphones. Mr. Mitchell later confirmed that the Communications and Marketing Manager is currently looking at the potential of Smartphone Applications and how to take forward the wider digital strategy for Colchester.

Responding to whether it was felt the business case was trying to provide all things to all people, and whether the Council had got the balance right, Mr. Mitchell said what the service does well is to provide and manage multi-sport leisure facilities. Sports such as rugby, cricket and tennis are better provided by established external organisations and clubs. That said even within the service there will always be less profitable areas, but the business case provides an opportunity to deliver a range of activities for all members of society that would not be considered by other private profit-making organisations.

Mr. Mitchell said the national figure of £22.5bn savings in health costs from one million or more people across the country participating in sport was quoted from the Department of Health, a published piece of research, and included the saving in acute hospital costs and primary care interventions. A localised breakdown of the overall figure is not available.

In response to Councillor Willetts, Mr. Mitchell said the implementation plan will govern the way forward. It is felt that the investment in improved software technology will enable a reduction in the running costs of joint-use sports centres. Mr. Grady said the amount being saved by reviewing the planned preventative maintenance regime and adopting a more reactive and less proactive approach to maintenance of building and plant is £55,000. Officers had looked at the way plant maintenance was carried out and a more effective use of resources had enabled this reduction. Mr. Mitchell said the current service pricing has developed over a period of many years. The review will look at pricing in its entirety, including subsidies and off-peak incentives. It is anticipated that there will be income growth opportunities and pricing levels may need to be adjusted. The net effect will be better for the overall service. Mr. Mitchell confirmed that the take-up of memberships in the service by members of Council staff was low. Council staff are already entitled to a discounted membership package, but the proposals in the business case are to offer a more attractive offer to Council staff which would enable those staff members to be ambassadors for the service. The business case assumes 100 Council staff out of the 800-900 staff within the organisation take up this attractive offer, providing an additional £15k income for the service. This proposal would also help the Council to better fulfil its wellbeing responsibilities to staff.

Mr. Mitchell responded to Councillor Willetts by explaining that in the past satellite centres had been managed in a different way. Under the new approach, all centres would be brought together and managed in a single, unified structure. It was apparent prior to the FSR that there were opportunities to implement efficiencies, but that he had decided, rather than do a number of smaller reviews, to incorporate these opportunities into the overall FSR process. There was never any thought that “nobody was doing anything about inefficiencies”, it was purely a question of timing.

In response to Councillor Ellis (on behalf of Councillor Elliott), it was confirmed that the efficiency savings at Leisure World Tiptree will be through anticipated improvements in software technology, coupled with the opportunity to change shift patterns and improve changeovers. The savings would therefore predominantly, but not in total, come from a reduction in staffing levels.

Mr. Mitchell confirmed to Councillor Ellis that the capital provision of £1.621m would be “paid back” through recurring year on year increased income growth and reduced costs through the revenue budget, with no further capital investment needed for 5 years beyond the implementation of the business plan. Mr. Mitchell said he would speak to the Head of Resource Management with regards to any potential NNDR relief.

Councillor Ellis concluded the discussions by thanking the Panel for undertaking a good examination of the proposals. Councillor Ellis trusted that the quoted figures are correct and hoped it would be the revenue generator being reported.

Councillor Ellis thanked Councillor Dopson and officers for attending the meeting, presenting the review and responding to questions from the Panel.

*RESOLVED* that the Panel;

- i) Noted the Cabinet report “Fundamental Service Review of Sport and Leisure Services”, and asked the Cabinet to note and consider the comments from Members of the Panel.
- ii) Thanked the Portfolio Holder for Communities and Diversity and officers for attending the meeting, presenting the review and responding to questions from the Panel.

**14 March 2012**

<b>Report of</b>	<b>Executive Director</b>	<b>Author</b>	<b>Ann Hedges</b>
<b>Title</b>	<b>Essex Family project – delivering in Colchester</b>		
<b>Wards affected</b>	'Not applicable'		

**This report concerns the way in which we will deliver the Essex Family project in Colchester**

**1. Decision(s) Required**

- 1.1 To agree that the approach to Essex Family project in Colchester should be to engage the organisation Participle to support delivery.

**2. Alternative Options**

- 2.1 The Colchester steering group has looked at a range of alternative approaches that could have been taken, including other organisations that could have supported delivery. A workshop session held with steering group partners looked at the advantages and disadvantages of different models. The conclusion was that the model offered by Participle would deliver more quickly and that there was a demonstrated track record of success.
- 2.2 There are four other localities involved in the Essex pilot projects, each taking a different approach so that we can learn from across the spectrum what works and what needs improving.

**3. Background Information**

- 3.1 It is estimated that there are 120,000 troubled families in the UK and that support to each family costs the public sector anything from £75k to £250k a year. Taking the lowest estimate this equates to £9 billion a year. Troubled families have a range of problems including: parents not in work; diagnosed and undiagnosed mental health issues; children not in school; family involved in crime and anti-social behaviour.
- 3.2 A range of interventions have been tried over the years. Most recently the Family Intervention Projects have started to produce some positive results. We now need to learn from such interventions and move to the next stage of change.
- 3.3 Essex is one of 17 national pilots taking part in a programme to look for innovative solutions for troubled families. Colchester agreed to be one of five localities in Essex alongside Tendring, Basildon, Castle Point / Rochford, and Harlow. It is intended that we look for new ways of addressing the needs of families for better outcomes and that this would also help to deliver change in our organisations, reducing duplication and making savings.

- 3.4 It is estimated that there are around 280 families in Colchester that have complex needs and national estimates suggest that each family costs the public sector up to £250k a year to support. This means that in Colchester alone the cost could be up to £70m a year. It is also accepted that the outcomes for such families are poor; we do not on the whole solve their problems or help them change their lives. Research has demonstrated that most of the time spent by public sector is on administration and reacting to circumstances, with just 6% of time invested in strengthening the families. The Essex Family project sets out to change this.
- 3.5 A steering group has been formed in Colchester to lead this project, made up of a number of key partners; Police, Health, University of Essex, Essex County Council, Colchester Borough Homes, Police, PCT, Colchester Community Voluntary Service and Colchester Borough Council.

#### **4. Proposals**

- 4.1 The steering group are recommending that we use an organisation called Participle who have established a Community Interest Company to run a programme called Life. Participle started working with Swindon Council in 2009 to tackle the issues around troubled families and are now engaged on additional projects with a further three authorities. Their approach is radical and enables the public sector to throw out the rule books and work with families in a way that delivers for the families. The approach takes out bureaucracy and reinvests energy back into making change happen for the family, rather than form-filling for the system. They are seeing some very dramatic results, including savings. The approach not only changes the way of working with families but takes back findings into the public sector organisations to help influence culture change and streamline fundamental systems. More detail about how they work is contained at Appendix 1.
- 4.2 The Participle model has two elements:
- £150k over two years – this pays for their time to facilitate the change, provides a range of tools and processes that they have designed to make this happen. They also deliver training, not just to the small team directly working on the project, but with larger groups of staff and help with some of the thinking needed to embed the change. This would be funded from the money allocated by Essex County Council to the project. The families will also receive development in terms of the aims of the project.
  - A team of eight people seconded from a range of agencies to do the work on the ground. Discussions across partner agencies have indicated that we are all prepared to resource the team with appropriate professionals with complementary skills.
- 4.3 It is proposed that we now engage with Participle to progress this project. This is very specialised work and the model Participle have developed is unique. This is the only organisation that will follow this methodology.

#### **5. Strategic Plan References**

- 5.1 This project helps to deliver against a range of the new Strategic Plan priorities:
- Working in partnership to tackle health and crime issues
  - Giving local people the chance to improve their skills

- Supporting the more vulnerable groups
- Engaging with the voluntary sector
- Enabling local communities to help themselves
- Showing tolerance and changing behaviours to create better local communities

## **6. Consultation**

- 6.1 The work will include engagement with a range of stakeholders and the troubled families themselves will be at the centre of designing solutions.

## **7. Publicity Considerations**

- 7.1 This is a national issue and has been attracting significant media coverage.

## **8. Financial implications**

- 8.1 As mentioned earlier it is estimated that troubled families cost Colchester up to £70m a year. The work is intended to not only provide better solutions for these families, but also to deliver savings to all the public sector agencies.
- 8.2 There are costs in setting up the new way of working, but it is expected that these will be paid back through savings.
- 8.3 Participle ask for £150k over two years to bring their expertise and support to a team of people.
- 8.4 Essex has allocated money to each locality for the Essex Family project. In Colchester this is £96k for two years, a total of £192k. This money is only available to support the project and we must demonstrate through a business case how funding will deliver the specific outcomes of the project. It is not intended that this money is used for existing staff.
- 8.5 Two other funding pots are available to the project:
- 8.5.1 The Primary Care Trust has been successful in a bid for QIPP funding that they intend to invest in the project.
- 8.5.2 It has been agreed by all the partners from Colchester 2020, the Local Strategic Partnership that some of the money left in their budget when the group disbanded should be allocated to this. The sum is £35k.

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

- 9.1 This is an important project to support equality of opportunity for some of the most deprived groups in our communities.
- 9.2 An Equality Impact Assessment is available by following this link [Essex Family Project Equality Impact Assessment](#)

## **10. Community Safety Implications**

10.1 Success in this project will impact positively on community safety.

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

11.1 There are no particular Health and Safety implications

## **12. Risk Management Implications**

12.1 There are no particular risk management implications

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## The Life Programme: *An Introduction*

The Life programme represents a particular approach to working with the UK's most troubled families. Throughout 2010/11, the Life Programme has been subject to much media and government attention. Often positioned as a ground breaking new approach, in reality it is a common sense new application of resources, within systems that don't always work that way.

It is early days, but Life is designed to scale nationally, and is currently live in 3 locations. Life HQ, a social enterprise based in Participle's London office, manages the scaling process.

This document articulates the structure, impact and contents of the programme, based on repeated frequently asked questions.

**History** - Developed as a partnership between Participle and Swindon Borough Council and its partner agencies, Life was designed through a process of Participle's team spending 6 months living alongside 12 families, engaging with their lives and their social workers. Based on these real experiences, the Life Programme was designed with the families and front-line staff.

**Fundamentals** - The programme operates with the following key premises in mind:

- *Real Time* - The average front line social worker spends just 14% of their time with their clients. The Life Team workers aim to spend 80% of their time with their clients. This is achieved through technology and a specific programme structure;
- *Right Time* – Of the £250,000 spent on the most troubled families, of the ones in Swindon, there has been little change in their behaviour. The Life Programme invites families to participate, and allows them to choose which front line staff to work with, so all interventions are aimed at individuals willing to change, resulting in more immediate behaviour change, designed to last longer;
- *Resourceful Time* – All resources are focused on building capabilities within the families to lead a better life, free of state intervention. The programme is structured as a 4 staged, 12 step programme. Family and front line staff use Life Programme tools, technology and measures, that support the progression between the stages.

**Programme Details** - Whilst the Life Programme is a 12 step programme, divided in to 4 stages, based on established methodologies of human development, it is also a platform that works with specialists in areas such as addiction, abuse and other therapies, to solve deeper issues, as well as a platform that works with existing organisations focused on support such as employment.

- *Invitation* - Families join and commit to fundamental change;

- *Aspirations* - Meaningful plans for change are developed. These plans detail both external changes such as work and learning and family changes such as improving behaviour, caring for the home and each other;
- *Capabilities* - The families build the core skills that are needed to enact the plan, engaging in new opportunities (training and employment) and new activities;
- *Opportunities* - Cementing new social networks and ensuring longevity through establishing the families to live independently within the community.

**Scaling** - Life HQ, a social enterprise that received seed funding from the Department of Health and Local Government Association, is a team of 4 individuals working to support local authorities build their own Life Programmes. Owned and managed by Participle, Life HQ deals with all enquiries in to new Life Programmes.

**Life Teams** - At the heart of a Life Programme is the Life Team, between 8 to 10 frontline staff, seconded from other teams. Life Team members have come from housing, children services, probation, youth services police and other front line services. They are supported by a data lead. Having being seconded, they work to local safeguarding procedures. Having gone through a fully structured training programme, the Life Team remain committed to spending 80% of their time with the families. Families can choose which team members to work with, and so the Life Team keep in regular contact on the issues within each family.

**Training** – Life HQ staff have developed a detailed and intensive training programme. Each new LIFE team receives a series of intensive training workshops, and once the team is up and running there is an on-going programme of modular training. This training is delivered to new Life Team members, as well as members of other services working closely with the Life Teams in their location.

**Key Partnerships** - A strategic partnership with the NHS Tavistock and Portman Trust ensures we can bring on stream professional expertise as and when needed. Staff from the Tavistock and Portman Trust both support Life Team staff members, and engage with the families themselves in particular cases.

**Family Selection** - Whilst the starting point for the selection of Life Programme families takes into account the government criteria, the Life Programme also takes into account long-term, intensive and multiple service involvement (to evidence high cost) and the presence of multiple risk factors (to evidence high risk and need.) In short, most of our families are infamous amongst the support services and community, for both service use and lack of behaviour change.

**Tools & Materials** – In order that the families can progress through the programme, a series of tools have been developed for each stage in the programme. These simple, practical tools ensure that difficult conversations happen, plans are made and reflective change happens at all stages of the work. These Life tools, some digital, some paper-based, are gatekeepers between the stages, as well as inform the measures, and help with recording process amongst the families.

**Technology** – The Life Programme is able to achieve its objectives, in large part, because of a bespoke cloud based technology solution. The LifeBoard is an online platform that supports the programme through data capture (measurement and cost saving), timesheeting and digital tools, used by both families and Life team members. The LifeBoard has been designed to minimise bureaucracy and ensure that 80% of worker time is spent with the families, underpinning the cost savings Life Programmes deliver for partner authorities.

**Measurement** – The Life Programme was designed from the outset to scale and as such a robust measurement framework that documents social outcomes and financial savings, and the links between the two, underpins the work of every Life Team.

**Results & Savings**– As of January 2012, based on working with 78 family members – 10 children were not taken in to care, 13 children were moved off a child protection plan, 33% reduction in children services involvement, 88% reduction in police involvement with the families, 67% reduction in housing services involvement, 86% of children with poor or no school attendance showed improved attendance, 69% of adult family members engaged in work programme, voluntary work or education/training. Overall accumulative saving for the families in the programme: £769,964, representing an average saving of £96,245 per family.

**Costs to Date**- It costs £21,200 per family per year for a local authority to deliver the Life Programme (based on 8 full time members of staff, and their overheads). In addition, we require £8,300 per family, for the first 20 families, to help build and train the team. After the first 2 years, the cost per family drops because the team is established and can handle more families. We have already identified an average saving of £96,245 for each family in the Life programme to date. The average time a family member spends in the Life programme is 19 months, but this is reducing as the team get better skilled; As Life Programmes currently sit within Local Authority structures, the Local Authorities themselves are responsible for extracting the cost savings and for the pace at which families are referred into the programme.

14 March 2012

<b>Report of</b>	<b>Head of Environmental and Protective Services</b>	<b>Author</b>	<b>Karen Newman</b>
<b>Title</b>	<b>A Countywide Traveller Unit for Essex</b>		<b>☎ 507855</b>
<b>Wards affected</b>	All		

**This report concerns the establishment of a new Countywide Traveller Unit for Essex and Colchester Borough Council's participation in this partnership**

**1. Decision(s) Required**

- 1.1 To approve the Council's participation in the Essex Countywide Traveller Unit Partnership with an implementation date of 1 April 2012 for a minimum 3 year period.
- 1.2 To approve the delegation of responsibility for agreeing the final Partnership documentation to the Portfolio Holder for Street and Waste Services.

**2. Reasons for Decision(s)**

- 2.1 In 2010, Essex County Council (ECC) established a multiagency Gypsy, Roma and Traveller Project Group to address site enforcement (unauthorised encampments and unauthorised developments), safety on official, settled sites, and access to health, education and transport services. These issues are of particular importance to Essex as the county has the 2<sup>nd</sup> largest Gypsy, Roma and Traveller population in the country.
- 2.2 The project group consisted of partner agencies including the District, Borough and Unitary Councils, Essex Police, Essex County Fire and Rescue (EFRS), Primary Care Trusts (PCTs) and ECC. Here in Colchester, our link to this project was the Traveller Liaison Officer who sat on the Core Solutions Group and has been instrumental in shaping the proposed Essex Countywide Traveller Unit (ECTU).
- 2.3 The Group identified a number of drivers for change including:
  - a high number of unauthorised encampments in the county each year (around 300) and the resources required to effectively manage this,
  - the significant health inequalities experienced by Gypsy, Roma and Traveller communities (e.g. life expectancy is 10-12 years less than the rest of the population and 17.6% of Gypsy and Traveller parents will experience the death of a child compared with 0.9% of the rest of the population),
  - Gypsies and Travellers having the worst educational attainment of all ethnic groups, and
  - A disproportionately high number of incidents and fires on sites in comparison with other dwellings in Essex (234 fires across 230 sites last year).

2.4 The Group drew on best practice in considering a wide range of service delivery options and concluded that the formation of a single countywide multiagency unit, similar to that of the extremely successful Northamptonshire model, would be mutually beneficial to all partner agencies and would deliver an efficient, effective and consistent approach to service provision across Essex.

### **3. Alternative Options**

3.1 The Council's current activities and approach to the management of unauthorised encampments and developments cut across a number of service areas, drawing upon resources from:

- The Customer Service Centre and Monitoring Centre which receive and log customer service requests regarding unauthorised encampments both during and out-of-hours respectively,
- Environmental and Protective Services, which provides the customer interface and Traveller Liaison function in respect of unauthorised encampments on Colchester Borough Council owned land during office hours, and an out-of-hours response service that is limited to Environmental Health emergencies,
- The Parks and Recreation Service whose land is, from time to time, subject to unauthorised encampments,
- Street Services, which collects domestic waste accumulated by unauthorised encampments on Council land and undertakes the clean-up of sites once encampments have moved on, and Zone Wardens and Operatives who also serve as a point of contact, signposting members of Gypsy, Roma and Traveller communities and settled communities to other council services and agencies, and
- Legal Services who are responsible for securing hearing dates in the County Court for seeking possession of Council land from trespassers, prepare all the necessary court papers, pay the relevant court fee and present the case in court.

3.2 Whilst this approach has proven to be reasonably effective at a local level, the significant and acute impact upon Council services as and when unauthorised encampments occur and the resources that are required to provide a consistent and effective response to the management of unauthorised encampments on Council land are considerable and impossible to predict and therefore, plan for.

3.3 It is clear that the formation of the ECTU will prevent duplication, increase capacity of services and provide consistency across Greater Essex. The ECTU will also help improve quality of life for all residents and improve efficiency relative to current service provision.

3.4 Maintaining the status quo would result in a missed opportunity to develop a strategic overview as regards Gypsy, Roma and Traveller communities and missed opportunities as regards the pooling of resources which in itself will facilitate the provision of a consistent and effective response service to unauthorised encampments 365 days a year, a reduction in health inequalities, increased uptake of educational and social care services and the opportunity to foster community cohesion.

## 4. Supporting Information

- 4.1 The overarching objective of the ECTU is to increase uptake of mainstream provision thereby removing the need for specialist interventions for Gypsy, Roma and Travellers. The ECTU seeks to achieve this by:
- Proactively addressing unauthorised encampments and reducing associated spend,
  - Working with partners to facilitate an improved response to, and resolution of unauthorised developments, delivering improved outcomes and minimised costs,
  - Increasing GP registration rates,
  - Increasing school registration and attendance, and
  - Reducing the number of Fire and Rescue callouts to sites.
- 4.2 The key functions of the ECTU will be:
- The provision of a response service to unauthorised encampments on all publicly owned land 365 days per year,
  - Facilitating the prevention and resolution of unauthorised developments,
  - Effectively managing sites run by ECC (e.g. Severalls Lane)
  - Partnership working with GPs and PCTs,
  - Establishing links with schools and families living on sites to improve attendance and achievement,
  - The promotion of fire safety on sites and working with residents and agencies where serious risks exist,
  - Fostering community cohesion by promoting the culture and traditions of Gypsy, Roma and Traveller communities (as required by the public sector equality duty), and
  - Acting as a hub of information and intelligence, providing partner organisations with an accurate, strategic overview of sites and communities living on them.
- 4.3 The ECTU will deliver improved outcomes for communities and partner organisations including:
- A reduction in the number of unauthorised encampments,
  - Joined-up working resulting in early intervention and prevention of unauthorised developments and compliance with the range of statutory provisions covering this issue,
  - Mitigation of the sudden impacts on organisational capacity and resources as the ECTU will lead on unauthorised encampments and support the Council's work as regards unauthorised developments,
  - Improved community cohesion as the rights and responsibilities of settled and travelling communities are upheld,
  - Improved insight/knowledge of communities benefiting services across partner organisations e.g. safeguarding of children and neighbourhood policing,
  - Improved educational attainment,
  - Improved health of communities living on sites as a result of tackling health inequalities,
  - Increased potential for identifying and seizing opportunities for external funding, and
  - An improved reputation for all partners as a result of taking a joined-up, positive approach to a challenging set of issues.
- 4.4 The ECTU (to be hosted by ECC) will be delivered by way of the following 3 arms:

- Outreach and Enforcement – comprising 4 full-time equivalent (FTE) officers to be based at appropriate locations across Essex, to provide a consistent, co-ordinated and effective response service,
- Site Management – the existing ECC site management function will transfer into the new ECTU, and
- The Hub – consisting of the Head of the ECTU, administrative support and a dedicated Police Officer co-located and based centrally in Essex.

4.5 It is anticipated that the ECTU will deliver efficiency savings across Essex as outreach and liaison functions and resources will be pooled. Additionally it is expected that the ECTU will deliver reduced legal, bailiff and clean-up costs as enforcement issues would be tackled by taking a proactive approach.

4.6 The total annual benefits across Essex have been estimated in the region of £1,625,000, with £620,000 (38%) of these savings being realised by the Districts, Boroughs and Unitary Authorities

## **5. Proposals**

5.1 It is proposed that the Council enters into the ECTU partnership for a minimum 3 year period with effect from 1 April 2012.

5.2 In 2012/13, each Local Authority member (including ECC) will make a financial contribution to the ECTU of £7,181 to reflect the unit's costs of providing a comprehensive service for the management of unauthorised encampments.

5.3 Whilst the Partnership Agreement has yet to be finalised, it is proposed that each Local Authority member will be represented by one Cabinet member (nominated on an annual basis) and one nominated officer who will act as Link Officer to the ECTU and will represent the Council on an Operational Group.

5.4 Each Local Authority member will empower the ECTU to manage unauthorised encampments in their entirety on each Local Authority member's land, including the institution of legal proceedings.

5.5 Accordingly the implications for the Borough Council is that it will, via the Partnership Agreement delegate responsibility for dealing with all unauthorised encampments on Borough Council owned land to the ECTU.

## **6. Strategic Plan References**

6.1 The decision to enter the ECTU directly links to, and supports the Council's 2012-2015 strategic priorities of:

- Working in partnerships to help tackle health and crime issues,
- Showing tolerance and changing behaviours to create better local communities,
- Supporting the more vulnerable groups, and
- Tackling antisocial behaviour and using enforcement to support priorities.

6.2 Furthermore, this decision represents a significant investment in the Borough's current and future communities, as the partnership and its interventions, by way of tackling need, deprivation and inequalities, will deliver lasting social change and very real improvements to communities and the lives of people.

## 7. Consultation

- 7.1 All partners (Districts, Boroughs, Unitary Authorities, PCTs, ECFR and Essex Police) have been consulted and briefed through partnership meetings.
- 7.2 The project, from inception through to implementation has been developed by partners working together.
- 7.3 Regular updates have been provided to the Portfolio Holder for Street and Waste Services throughout the project.
- 7.4 Discussions between prospective partners remain ongoing.

## 8. Publicity Considerations

- 8.1 In December 2011, ECC issued a press release confirming that partners were in discussions with a view to establishing a new multiagency ECTU that would take a joined up, positive approach to improve outcomes for communities and reduce costs across the public sector. This press release highlighted that in establishing an ECTU, this would represent a step change in the way that the public sector works with the Gypsy and Traveller communities and that partners would be building on national best practice and applying it in a firm and fair way to ensure that the rights and responsibilities of all communities in Essex are equally upheld and respected.
- 8.2 Should the decision be taken to enter into the ECTU, a communications strategy will be developed to ensure that we build upon this message and communicate the benefits of this new way of working to the wider public in a positive way whilst also taking the opportunity to clarify the new arrangements in terms of roles and responsibilities and the customer interface.

## 9. Financial implications

- 9.1 Establishing a single, specialised Unit is more efficient than the current approaches taken by individual partners. As the Unit will be underwritten by ECC all costs in excess of the annual funding provided by Colchester Borough Council will be met by ECC. All accommodation costs will also be met by ECC. All partners will contribute to the funding of ECTU as outlined in the table below. The Partnership overseeing the ECTU will be responsible for setting the annual budget of the Unit.

Annual partner contributions to ECTU		
Authority	Required contribution (£)	Per authority (£)
Essex County Fire and Rescue Service	25,720	25,720
Essex County Council	131,336	131,336
PCTs (x5)	71,012	14,202.40
Police	75,000 – c. cost of one officer	75,000 – c. cost of one officer
Districts and Boroughs (x14)	100,534	7,181
<b>Total cost</b>	<b>403,602</b>	

- 9.2 Colchester Borough Council's financial contribution to ECTU in 2012/13 will be £7,181 and this reflects ECTU's costs of providing a comprehensive service for the management of unauthorised encampments.

- 9.3 As previously stated, the Council's activities around the management of unauthorised encampments and developments cut across a number of service areas and it is not therefore possible to ascribe a global cost to these activities given that service demand is also unpredictable in nature and can vary considerably from one year to the next.
- 9.4 In view of the above, and the estimated annual total saving of £620,000 which will be realised by the Districts, Boroughs and Unitary Authorities, it is considered that the decision to enter ECTU would represent an investment that will deliver long term savings for the Borough. Additionally, the commitment of an identified sum for a fixed period will provide a level of certainty as to the way in which the Council will respond to an unforeseen need, thus building resilience.

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

- 10.1 ECC as prospective host to the ECTU has undertaken a detailed and comprehensive Equality Impact Assessment which is appended to this report (APPENDIX 1).
- 10.2 As part of the development of this project, the Council will give further consideration to whether there are specific equality impacts which would affect the operation of the ECTU within the Colchester Borough area.
- 10.3 The decision to enter the ECTU will promote equality through increasing awareness of services, how to access them and by way of providing supported access to services where this is needed. The ECTU will also be in a position to encourage the uptake of services where current use is disproportionately low and particularly where this is resulting in poor outcomes and high consequential costs.
- 10.4 The ECTU will also help to improve community cohesion in the broadest sense by promoting understanding and by demonstrably upholding the rights and responsibilities of all communities.

## **11. Community Safety Implications**

- 11.1 The ECTU will implement a consistent approach to the management of unauthorised encampments which is visibly fair and proportionate in the action it takes which is understood by Travellers, members of the settled community and partner organisations.
- 11.2 The experience of the Northamptonshire Countywide Traveller Unit demonstrates that this approach can reduce the number of problematic incidents associated with encampments, benefit community cohesion, improve access to services and increase the number of encampments where enforcement action is not required.
- 11.3 Essex Police is a partner in the ECTU and the dedicated resource they have committed to provide (Police Liaison and Enforcement Officer) is critical to the unit. Providing a unique insight into the community, the Officer will be a link between communities, the ECTU and the Police. The development of expertise by the Officer will allow for consistent and fast decision making with regards to the use of Police powers. Additionally, the Officer will be in a strong position to help prevent any section of the community being unduly exposed to crime, disorder or nuisance, and as with the rest of the ECTU, will promote good relations between communities.

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

- 12.1 None

### **13. Risk Management Implications**

- 13.1 A decision to maintain the status quo could result in a lack of strategic overview and insight as regards Gypsy, Roma and Traveller communities. Equally, a lack of overview with regards to intelligence sharing and co-ordinated enforcement as a result of being on the “outside” of the partnership could potentially result in an increase in the number of unauthorised encampments on Council land and therefore an increase in the associated costs of managing such encampments.

## **Appendices**

### **Appendix 1 – ECC Equality Impact Assessment for the Countywide Traveller Unit**

#### Abbreviations:

ECC – Essex County Council  
ECTU – Essex Countywide Traveller Unit  
EFRS – Essex Fire and Rescue Service  
PCT – Primary Care Trust

Title of service being assessed	Countywide Traveller Unit
Directorate	Strategic Services/Place
Name and role of officer completing this assessment	Gwyn Owen, Senior Policy Manager: Children
Contact Telephone Number	Ext. 40276
Date Assessment Completed	05/07/2011

**1. Which equality strands have you included in your data collection/ analysis and consultations?**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Race and Culture | <input type="checkbox"/> Gender reassignment                                    |
| <input checked="" type="checkbox"/> Age              | <input checked="" type="checkbox"/> Pregnancy and Maternity                     |
| <input type="checkbox"/> Sexual orientation          | <input type="checkbox"/> Marital Status and Civil Partnership                   |
| <input checked="" type="checkbox"/> Disability       | <input type="checkbox"/> Religion and Belief                                    |
| <input checked="" type="checkbox"/> Carers           | <input checked="" type="checkbox"/> Socio- economic and/ or health inequalities |
| <input checked="" type="checkbox"/> Gender           | <input checked="" type="checkbox"/> Other (e.g. rural isolation)                |

**2. What are the key findings/ observations resulting from the data/ consultations? Please include all findings that demonstrate inequality...You may wish to record inequality issues for additional groups (for example rural isolation, financially disadvantaged etc) please do this using box g.**

a. Race and Culture

- Formal education is under accessed by some within the population
- Many Gypsy and Traveller families are mobile and this can impact on children's attendance at school and access to education

b. Age

- Data indicates that adult social care is significantly under accessed by the population
- School attendance is poor and Romany Gypsies and Irish Travellers have the worst formal education outcomes of all ethnic groups
- Transition rates from primary to secondary schools tend to be low within this community

c. Sexual Orientation

- This has not been explored in detail at this stage

d. Disability

- Data demonstrates that Gypsies and Travellers are subject to a range of health inequalities, including higher rates of disability and chronic long term conditions (where data exists)
- Adult social care is significantly under accessed by the population (link to age)

e. Carers

- Data indicates help for carers is under accessed

f. Gender

- Data and consultation responses indicate that there are very distinct gender roles within the community (i.e. women are identified as being the source of health advice and support, whereas men are expected to provide income). More work is required to explore this in greater detail.

g. Gender reassignment

- Not explored at all at this stage

h. Pregnancy and maternity

- This is a key issue for Gypsies and Travellers – 17.6% experience the death of a child compared to 0.9% of the rest of the population
- Formal medical advice and support before, during and after pregnancy is under accessed. This results in increased risks during pregnancy and important universal health services such as immunisations not being accessed

i. Marital Status and Civil Partnership

- Not explored in detail at this stage

<p>j. Religion and Belief</p> <ul style="list-style-type: none"> <li>• Not explored in detail at this stage</li> </ul>
<p>k. Addressing Socio economic and / or health inequalities</p> <ul style="list-style-type: none"> <li>• Many within Gypsy and Traveller communities are subject to economic disadvantage. This is linked to a decline in traditional economic activities, the challenge of identifying new economic opportunities – this is made more challenging by poor education outcomes</li> <li>• Gypsies and Travellers are subject to stark health inequalities. For example, they live between 10-12 years less than the population as a whole</li> <li>• Gypsies and Travellers are far more likely to have fire incidents in comparison with population as a whole. This represents a health inequality</li> </ul>
<p>l Other ( e.g. rural isolation)</p> <ul style="list-style-type: none"> <li>• Rural isolation is a critical issue especially for those living on sites without access to their own transport or public transport. This is an important issue as it inhibits access to services and limits economic opportunities</li> <li>• There is inconsistency in the way in which unauthorised encampments are resolved by authorities throughout the County.</li> </ul>

**3. We have a duty to promote equal opportunities and promote good relations between community groups as well as eliminate discrimination. Please list below any opportunities to promote equal opportunities or good community relations within your review area.**

Equality Group	Opportunity
Gypsies and Travellers	Equality of access/opportunity with regards to mainstream services (education and health in particular) Encourage uptake of services where current use is disproportionately low and particularly where this is resulting in poor outcomes
Gypsies and Travellers	Improved community cohesion in the broadest sense between those living on sites and the community as a whole by promoting understanding
Gypsies and Travellers	Implement a consistent approach to managing unauthorised encampments which is visibly fair and proportionate in the action it takes which is understood by Gypsies and Travellers, communities in the broadest sense and stakeholders such as local authorities. The experience of Northamptonshire demonstrates that this can reduce the number of problematic incidents associated with encampments, benefit community cohesion, improve access to services and increase the number of encampments where enforcement action is not required

**4. Adverse impacts and/or inequalities in policy or service delivery that need to be resolved or mitigated. It is likely that you will have more than one possible solution for each issue**

**a. Race**

Adverse Impact and/or inequality	Possible Solutions
Formal education is under accessed by some within the population	Unit to promote a range of education opportunities to the community as a whole. Unit to make clear links between gaining education and skills and the lifestyle opportunities they can provide. Unit will actively encourage the promotion and celebration of Gypsy and Traveller culture

**b. Age**

Adverse Impact and/or inequality	Possible Solutions
Data indicates that adult social care is significantly under accessed by the population	Unit will promote understanding of adult social care (including Direct Budgets) and its potential benefits. Unit will support access to social care and facilitate onsite assessments of need where required
School attendance is poor and Romany Gypsies and Irish Travellers have the worst formal education outcomes of all ethnic groups	Unit will support activities of existing services to improve attendance and achievement. Unit will work with communities to raise the profile of education and skills and support access to schools. If children are missing from education without any due reason, the Unit will make referrals to Education Welfare

**c. Sexual Orientation**

Adverse Impact and/or inequality	Possible Solutions

**d. Disability**

Adverse Impact and/or inequality	Possible Solutions
Data demonstrates that Gypsies and Travellers are subject to a range of health inequalities, including higher rates of disability and chronic long term conditions (where data exists)	Unit will support access to mainstream health services such as GPs and also work with PCTs to undertake specific interventions and campaigns either on or off site i.e. to increase immunisation rates
Adult social care is significantly under accessed by the population (link to age)	(See b. (age))

**e Carers**

Adverse Impact and/or inequality	Possible Solutions
Data indicates help for carers is under accessed	Unit to increase awareness of services, how to access them and to support access to these if required

**f. Gender**

Adverse Impact and/or inequality	Possible Solutions

**g. Gender reassignment**

Adverse Impact and/or inequality	Possible Solutions

<b>h. Pregnancy and maternity</b>	
<b>Adverse Impact and/or inequality</b>	<b>Possible Solutions</b>
Mortality rates of young children are far higher in Gypsy and Traveller communities than the population as a whole	Unit to work with GPs and PCTs to increase links with health services, early engagement with health services during a pregnancy and to maintain links following birth to ensure essential health tasks i.e. immunisations are undertaken
Formal medical advice and support before, during and after pregnancy is under utilised	See above
<b>i. Marital Status and Civil Partnership</b>	
<b>Adverse Impact and/or inequality</b>	<b>Possible Solutions</b>
<b>j. Religion and belief</b>	
<b>Adverse Impact and/or inequality</b>	<b>Possible Solutions</b>
<b>k. Addressing Socio economic and/ or health inequalities</b>	
<b>Adverse Impact and/or inequality</b>	<b>Possible Solutions</b>
Many within Gypsy and Traveller communities are subject to economic disadvantage. This is linked to a decline in traditional economic activities, the challenge of identifying new economic opportunities – this is made more challenging by poor education outcomes	Education and skills inequalities are addressed through the activities of the Unit and efforts of wider services. Unit to work with communities and wider services to ensure those eligible for benefits are aware and able to access them
Gypsies and Travellers are subject to stark health inequalities. For example, they live between 10-12 years less than the population as a whole	Health, education, skills and fire safety work by Unit is intended to address this over the long term
Gypsies and Travellers are far more likely to have fire incidents in comparison with population as a whole. This represents a health inequality	Unit to work with communities to ensure sites have fire safety plans, disseminate fire safety guidance and advice to all sites and to roll out gas cylinder exchange programmes to high priority sites
<b>l Other</b>	
<b>Adverse Impact and/or inequality</b>	<b>Possible Solutions</b>
Rural isolation is a critical issue especially for those living on sites without access to their own transport. This is an important issue as it inhibits access to services and limits economic opportunities	Where issues are identified, work with Passenger Transport to address these where this is possible
There is inconsistency in the way in which unauthorised encampments are resolved by authorities throughout the County.	Implement a consistent approach to managing unauthorised encampments through the CTU which is visibly fair and proportionate in the action it takes which is understood by Gypsies and Travellers, communities in the broadest sense and stakeholders such as local authorities

**5. You now need to complete the action plan. You need to prioritise the work that needs to be done. If you have found any adverse impact or discrimination that is illegal you must address these immediately and therefore they will be top priority in your action plans. The notes for guidance will help you to prioritise your other actions. If there are areas which you feel need to be looked at in more detail then the resulting action may be an additional EIA focussing on a specific area of concern.**

## IMPROVEMENT PLAN

Please list the actions that you need to take as a result of this assessment. Directors will need to decide how these actions will be prioritised.

Issue Identified	Issues taken from question 4	Action Required – agreed solution	Name of service /unit/ individual's work plan where action will be included.	Officers responsible – Directorate Lead and Action Lead	Details of Cost – inc. Resource & financial	By when
4 Race	<ul style="list-style-type: none"> <li>Formal education is under accessed by some within the population</li> </ul>	<ul style="list-style-type: none"> <li>Unit to proactively promote understanding of culture and lifestyle in its communications and contact with services and communities</li> <li>Unit to promote a range of education opportunities to the community as a whole. Unit to make clear links between gaining education and skills and the</li> </ul>	CTU workplan	TBC	CTU team resource	Commencing from April 2012

2 Age	<ul style="list-style-type: none"> <li>Data indicates that adult social care is significantly under accessed by the population</li> <li>School attendance is poor and Romany Gypsies and Irish Travellers have the worst formal education outcomes of all ethnic groups</li> </ul>	<p>lifestyle opportunities they can provide. Unit will actively encourage and promote community cohesion</p> <ul style="list-style-type: none"> <li>Unit will promote understanding of adult social care (including Direct Budgets) and its potential benefits. Unit will support access to social care and facilitate onsite assessments of need where required</li> <li>Unit will support activities of existing services to improve attendance and achievement. Unit will work with community to raise the profile of education and work skills and work with schools to address issues</li> </ul>	CTU workplan	TBC	CTU team resource	Commencing from April 2012
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3 Disability	<ul style="list-style-type: none"> <li>Data demonstrates that Gypsies and Travellers are subject to a range of health inequalities, including higher rates of disability and chronic long term conditions (where data exists)</li> <li>Adult social care is significantly under accessed by the population (link to age)</li> </ul>	<p>should they arise. If children are missing from education without any due reason, the Unit will make referrals to Education Welfare</p> <ul style="list-style-type: none"> <li>Unit will support access to mainstream health services such as GPs and also work with PCTs to undertake specific interventions and campaigns either on or off site i.e. to increase immunisation rates</li> </ul>	CTU workplan	TBC	CTU team resource	Commencing from April 2012
4 Carers	<ul style="list-style-type: none"> <li>Data indicates help for carers is under accessed</li> </ul>	<ul style="list-style-type: none"> <li>Unit to increase awareness of services, how to access them and to support access to these if required</li> </ul>	CTU workplan	TBC	CTU team resource	Commencing from April 2012

<p>5 Pregnancy</p>	<ul style="list-style-type: none"> <li>• Mortality rates of young children are far higher in Gypsy and Traveller communities than the population as a whole</li> <li>• Formal medical advice and support before, during and after pregnancy is under utilised</li> </ul>	<ul style="list-style-type: none"> <li>• Unit to work with GPs and PCTs to increase links with health services, early engagement with health services during a pregnancy and to maintain links following birth to ensure essential health tasks i.e. immunisations are undertaken</li> </ul>	<p>CTU workplan</p>	<p>TBC</p>	<p>CTU team resource</p>	<p>Commencing from April 2012</p>
<p>6 Socio-economic and/or health inequalities</p>	<ul style="list-style-type: none"> <li>• Many within Gypsy and Traveller communities are subject to economic disadvantage. This is linked to a decline in traditional economic activities, the challenge of identifying new economic opportunities – this is made more challenging by poor</li> </ul>	<ul style="list-style-type: none"> <li>• Education and skills inequalities are addressed through the activities of the Unit and efforts of wider services. Unit to work with communities and wider services to ensure those eligible for benefits are aware and able to access them</li> <li>• Health, education, skills and fire safety work by Unit is intended to</li> </ul>	<p>CTU workplan</p>	<p>TBC</p>	<p>CTU team resource</p>	<p>Commencing from April 2012</p>

	<p>education outcomes</p> <ul style="list-style-type: none"> <li>Gypsies and Travellers are subject to stark health inequalities. For example, they live between 10-12 years less than the population as a whole</li> <li>Gypsies and Travellers are far more likely to have fire incidents in comparison with population as a whole. This represents a health inequality</li> </ul>	<p>address this over the long term</p> <ul style="list-style-type: none"> <li>Unit to work with communities to ensure sites have fire safety plans, disseminate fire safety guidance and advice to all sites and to roll out gas cylinder exchange programmes to high priority sites</li> </ul>	<p>Passenger Transport</p>	<p>TBC</p>	<p>To be met through adapting existing resources where this is practicable</p> <p>CTU team resource</p>	<p>Commencing from April 2012</p>
<p>7 Other</p>	<ul style="list-style-type: none"> <li>Rural isolation is a critical issue especially for those living on sites without access to their own transport. This is an important issue as it inhibits access to</li> </ul>	<ul style="list-style-type: none"> <li>Where issues are identified, CTU to work with Passenger Transport to address these where this is possible</li> <li>Implement a consistent approach to</li> </ul> <p>CTU workplan</p>	<p>TBC</p>	<p>TBC</p>	<p>CTU team resource</p>	<p>Commencing from April 2012</p>

	<p>services and limits economic opportunities</p> <ul style="list-style-type: none"> <li>• There is inconsistency in the way in which unauthorised encampments are resolved by authorities throughout the County.</li> </ul>	<p>managing unauthorised encampments through the CTU which is visibly fair and proportionate in the action it takes which is understood by Gypsies and Travellers, communities in the broadest sense and stakeholders such as local authorities</p>				
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**Agenda item 11(i)**

**Extract from the draft minutes of the Strategic Overview and Scrutiny  
Panel meeting of 10 January 2012**

**Councillor Theresa Higgins (in respect of being a Colchester Tourist Guide) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

**Councillor Kim Naish (in respect of being a local private hire taxi driver) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

**Councillor Kim Naish (in respect of being a member of ASLEF) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

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

**29. A Review of the Current Public Transport Provision in the Borough**

The following people attended the meeting for the review of the provision of public transport in the Borough.

Rail Operators

Mr. Geraint Hughes, Partnership Manager, National Express East Anglia  
Mr. Cameron Jones, Abellio, Greater Anglia Franchise

Bus Operators

Mr. Julian Elliot, First Group  
Mr. Martin Evans, TGM (Colchester Network)  
Mr. Cliff Hussey, First Group  
Mr. John Kately, TGM (Colchester Network)  
Mr. Robert McGregor, Heddingham Buses

Portfolio Holders and Officers

Mr. Alan Lindsay, Principal Area Transportation Co-ordinator, Essex County Council  
Councillor Lyn Barton, Portfolio Holder for Renaissance  
Councillor Martin Hunt, Portfolio Holder for Street and Waste Services  
Ms. Lindsay Barker, Head of Strategic Policy and Regeneration  
Ms. Louise Parkin, Environmental Control Officer  
Mr. Paul Wilkinson, Transportation Policy Manager

## **Local Rail Operations**

### **Rail Operator Presentation(s)**

Mr. Geraint Hughes, Partnership Manager, National Express East Anglia (NEEA), gave an overview of rail transport in this area since 2008, providing details of train service improvements, station projects and partnership working.

Major investment to increase rail capacity had added rolling stock, forty seven four-carriage trains around the network between December 2010 and December 2011. It was anticipated that this additional rolling stock, strategically incorporated into the current network providing 3,000 additional peak period seats from Colchester to London Liverpool Street, would help reduce overcrowding issues. There were also additional journeys between Colchester and Colchester Town Station.

The main line between Colchester and London was two-track and where railway improvements are being made this does and will continue to cause disruption, e.g. at weekends due to major renewal programme.

As part of the National Stations Improvement Programme the area had seen major investment in the refurbishment of local stations undertaken in 2010, with major improvements made at Colchester Station £2.2m, The Hythe Station revitalised through Haven Gateway funding, showing a 14% increase in footfall since its reopening and Marks Tey Station £1.7m.

Mr. Hughes emphasised the importance of partnerships, working with the Colchester Travel Plan, and confirming the very good relationship between NEEA, Essex County Council (ECC) and Colchester Borough Council (CBC). Strategic Planning was undertaken in partnership, stimulating focus and development of local lines. Mr. Hughes thanked ECC and CBC for their continued support.

Mr. Cameron Jones, Abellio, spoke to the Panel, explaining that Abellio would be managing the Greater Anglia Franchise from 5 February 2012 for a contract period of two and a half years. The shortness of the contract agreement would put constraints on investment, though some adjustments and improvements would be implemented. The new contract from 2014 would be for 15 years and it was Abellio's intention to plan to be the rail operator in this region for the next 17 years.

Whilst major investment was not possible short term, Mr. Cameron said the current fleet of trains / carriages would be refurbished. Improvement in customer services is vital and all staff will receive 3-day Customer Service training. It was envisaged all staff will have PDA Blackberries to speed-up and improve communication between staff and customers, with information kiosks to be installed at all stations and staff encouraged to be seen more on the station platforms. Investment in secure cycle and car parking would continue and all mainline stations will receive major cleaning leading up to the

2012 London Olympics. Mr. Jones said dutch employees from Abellio's European franchises would be on-hand at the Olympics, experienced in rail travel and bilingual, later confirming to Councillor Naish that they would be employed in non safety-critical roles.

Investment in improvement payment technology and systems would include an extension of the Oyster Card system, ability to purchase tickets through mobile phones and additional staff selling tickets on trains. Mr. Jones emphasised the importance of investing time in community rail schemes, to increase dialogue and maximise the effects of the investments.

In so much as the train service was concerned, services in peak periods would be maintained at maximum capacity, though a more efficient use of off-peak empty trains and trains in general would result in a net decrease of 8 carriages at peak times. It was later confirmed to Councillor Frame that capacity could be increased by increasing the number of carriages to twelve, for some of their peak period services.

### **Have Your Say – questions to the rail operators**

#### Mr. Nick Chilvers

Mr. Chilvers said his daughter has been a rail commuter for twelve years, paying £4,500 per year for a season ticket. Mr. Chilvers asked whether anything could be done to improve the disruptions she experiences on some Mondays, when rail improvements on Sundays overrun.

In response to Councillor Naish, Mr. Chilvers said he believed the rail service provided now was about the same as previous years.

#### Mr. Peter Simpson

Mr. Simpson asked if the access via lifts for e.g. wheelchair and pushchair users, could be improved at the main Colchester Station to provide disabled access between all platforms.

#### Mrs. Paula Whitney

Mrs. Whitney asked whether the lost London to Peterborough service via Colchester could be re-instated, saving travellers the need to travel to Peterborough via London. Mrs. Whitney also said a lift closer to the north entrance of the main Colchester Station would improve immeasurably, access for the disabled, and those with pushchairs or heavy cases.

#### Ms. Jean Quinn

Ms. Quinn, a keen cyclist asked if there are any plans to increase the number of secure cycle spaces at both the Colchester North and Colchester Town Stations and are the lock-up cabins removed from the Colchester Town Station to be replaced.

## **Responses and general discussions**

Mr. Hughes said the objective for travel to London at peak times was to improve and increase capacity, with a need to introduce a timetable that eased congestion and encouraged individuals to consider changing travel patterns. Timetable information provides passengers with details on seating arrangements. It is part of the franchise agreement that the rail operator keeps overcrowding under constant review and Mr. Hughes said it was important that commuters experiencing problems should inform the rail operator accordingly.

Rail engineering and improvement work at weekends is undertaken by Network Rail and whilst both they and the operators continually monitor the effects of weekend work in terms of mid week disruptions, Network Rail are under continuous pressure to complete work and minimise the time railways are out of action. The interface between the operator and Network Rail needs to be closely managed and consistent, but the nature of the work suggests some overruns are unforeseen and often out of their control. Mr. Hughes later responded to Councillor Naish, saying that Network Rail do negotiate work improvement programmes with the rail operator, but works timetables can, due to unforeseen circumstances, overrun, even though every effort is made not to under-estimate the time to complete work.

With regards to lifts at the Colchester North Station, it was understood that an additional lift to the north side of the station would considerably improve disabled access, but this would be a serious piece of engineering work, very expensive, a probable long-term project for when the station undergoes major redevelopment. Mr. Hughes said the split of customers to the Station is a 50/50 split when entering by either the south or north entrances, and with disabled access available from the south side, customers who require a lift are encouraged to use the south entrance that now provides excellent disabled parking and access facilities. Mr. Hughes did however acknowledge Councillor Ellis's comment that more could be done to advertise 'Fair Access to Colchester' to users of the Station.

Mr. Hughes said the change in London to Peterborough Service was changed purely due to capacity and informed the Panel that an improved service to Peterborough was now available for Colchester users via the Ipswich Station interchange.

Mr. Hughes said the Colchester Travel Plan had resulted in a doubling of cycle users to Colchester Stations, resulting in an improved secure cycle parking facility being made available to the cyclists. The new facilities are under constant review and the current usage is between 70-80% of full capacity. Commuters are being asked not to lock their bikes to nearby railings but this continues to be an issue. An area close to the Magistrates Courts is currently being considered to increase secure cycle parking for users of the Colchester Town Station.

In response to Councillor Quince, Mr. Hughes acknowledged the problems with the lack of meaningful information being communicated to customers on trains and platforms, saying in places the problem was significant, that the operator was battling on a daily basis. Network Rail information relayed to customers was more often than not less efficient than information received by customers via iPhone. Mr. Jones recognised that the difficulty that would need to be addressed with the new franchise. The Government have stressed the need for the relationship between Network Rail and rail operator franchises needs to improve, and it was anticipated that Network Rail would decentralise its operation, providing more opportunities to manage at a local level, providing the impetus for the franchises to forge better relationships and improve services. Mr. Hughes later confirmed to Councillor Oxford that the new franchise was looking to improve Customer relations, providing greater communication of information valuable to ward newsletters.

Mr. Jones confirmed that deep cleaning of trains will occur at the point of service. It was also confirmed that 50% of all trains into London have Wi-Fi available, and whilst this could be improved, it would again require a large capital investment.

Responding to Councillor T. Higgins, Mr. Jones said he noted her point about the improvements needed to the ticket machine at the Hythe Station, and would take away and consider replacement with a new Ticket Vending Machine (TVM). Mr. Jones later confirmed that future ticketing will be more innovative, smart cards and ticketless transactions providing ticketless travel. Mr. Jones noted the points about improved links needed between Colchester North and Colchester Town Stations and the suggestion that having one bus journey directly from Colchester to London on Sundays disrupted by line improvements, would be better than the current system of an arduous combined rail/bus journey that went to London via all intermediate stations.

Mr. Hughes confirmed to Councillor C. Sykes that there was no link between the advent of the London Olympic Games and the change in the Anglia Rail Franchise, and neither was the current overhead line improvements linked to the Olympic Games, a schedule of work that was planned for completion by 2014, well after the conclusion of the Games. Mr. Jones said the rail users would see a big difference in customer services with the new franchise, though a short term contract would not enable large infrastructure investment. Mr. Jones confirmed that there is competition between the rail operators, and Abellio are competitors to National Express as well as Go Ahead and Stagecoach.

Responding to Councillor Willetts, Mr. Hughes assured members that the ECC / CBC was pro-active in its roll of lobbying the Government for 4-track railway and motorway access from London to East Anglia, and CBC was working in harmony with the rail operators. Mr. Hughes said Passenger Transport Executives (PTE) can be advantageous, but they have to make strategic decisions where funding can be a hurdle. Mr. Hughes felt it was best to improve services whilst continuing in the same vein. Car parking facilities at Colchester North was good, though on-going dialogue with the Local

authorities was imperative especially with regards to issues around on-street parking close to railway stations, and future growth in the area with the knock-on effect of additional commuters using car transport to local railway stations.

## **Local Bus Operations**

### **Have Your Say – questions to the bus operators**

#### Mr. Peter Simpson

Mr. Peter Simpson, a trustee of AGE UK Colchester addressed the Panel.

Mr. Simpson explained that Age UK Colchester is a local charity that provides help and support to the older members of the community. It is concerned that Councils do not seem to have any co-ordinated plan in the development of transport services within the Borough of Colchester. Older people form a significant percentage of any public transport population and, because of this AGE UK Colchester had carried out a great deal of research during the past twelve months.

It identified that as far as it was aware, there is no town of an equivalent size to Colchester that does not have a proper bus station. For each community their bus station is a hub for meeting and greeting; for catching inter-city, airport and holiday coaches; and for connecting with rural bus services. AGE UK Colchester are now in the final stages of producing a paper that makes specific recommendations for the location and style of a Colchester Bus Station and this will be sent to all Colchester Borough Councillors and the relevant Essex County Councillors in the next two weeks.

In conclusion, Mr Simpson said Age UK Colchester would be more than happy to work with members of Colchester Borough Council, Essex County Council, the Chamber of Trade, the bus operators and other interested parties in forming an advisory or steering group with the objective of developing ideas for bus station that would reflect the needs and status of the fastest growing borough in the United Kingdom.

In response to Councillor Willetts, Mr. Simpson did not believe the proposal for a linear bus park facility in Osborne Street was satisfactory, and could not see how such a limited facility would manage, and with poor access for people with disabilities.

#### Mr. David Mummery

Mr. Mummery said he was a regular bus user in Colchester and believed it was important for all the local public that the new bus station was a convenient, fully functioning facility, though sadly what was proposed was totally inadequate, and would make for becoming a laughing stock. Mr. Mummery said Colchester was promised a new electronic information system,

though the current system, not that old, does not work properly, casting doubts on whether an updated system would be an improvement.

In response to Councillor Naish, Mr. Mummery said ideally a new bus station would be sited as close to the main railway station as was possible.

#### Mr. Michael Allen

Mr. Allen said he believed the bus services were generally good, though the biggest impact on the effectiveness of the service was traffic congestion that above all other things needed addressing. Mr. Allen felt the new town centre initiatives should help the bus operators within the town centre.

As with other similar sized towns, Mr. Allen said Colchester should have up to date systems providing real-time information e.g. at Brighton. Mr. Allen believed the new bus terminal would create a greater conflict with bus / car traffic than the current location, asking the question as to whether there was any valid reason for reversing the decision to close the current temporary bus station.

#### Ms. Jean Quinn

Ms. Quinn said when she visited the firstsite building at the opening, looking out from the building you could see the movement of buses operating in the current temporary bus station and it appeared to work in harmony with the firstsite building, it seemed it was in the right place. A friend of Ms. Quinn, a local bus driver, felt the current bus station location was the ideal place. Ms. Quinn believed that given the current bus operations worked very well and bus users appeared happy with the current arrangements there was a good case for saying the argument to have the station remain in its current location had been won, and it was the Council's role to deliver what the residents want.

#### Mr. Andy Hamilton

Mr. Hamilton said the report "Operation of public transport in Colchester" justified relocating the bus station in only fourteen lines, a project that has caused huge disruption to the bus users and with no evidence given to support the relocation.

In respect of a new bus park facility, Mr. Hamilton said the report failed to show what consideration and conclusion was given to vehicle emissions in this semi-enclosed area, no provision of a mobility scooter service, no toilets though with a vague statement that the current NCP car park facilities are to be improved, unspecified improvements to the Vineyard Gate lift.

Mr. Hamilton said there remained many unanswered questions and no reasons given as to why the bus station had to be moved, believing that an efficient and attractive bus station could be built in the existing area.

At this point the Chairman drew a halt to Mr. Hamilton's speech, considering his comments to be unsubstantiated and vexatious.

Mrs. Paula Whitney

Mrs. Whitney said the heavy use of traffic in general in the town centre was causing congestion and poor air quality, and it was a fact that pollution kills more than accidents. Mrs. Whitney urged the Council to get to grips with these issues, and hoped the introduction of a 'car free High Street' would come as soon as possible, and start from 8 am, not the 10 am start as being considered.

Mrs. Whitney responded to Councillor Naish by saying only a mind set change would make the public move from car to public transport, but this needed to be encouraged by good quality reliable public transport.

Mr. Nick Chilvers

Mr. Chilvers said there was an ever increasing number of local people using the local bus service in Colchester, one of the fastest growing towns in England. Given this, Mr. Chilvers asked why the legal agreement could not be reopened and reconsidered in terms of relocating the bus station. Mr. Chilvers asked if Councillors are being obstructed by officers who will not budge on their plans, especially that one third of the open space in this locality was yet to be determined, stating where there is a will there is a way.

Mr. Chilvers asked the bus operators whether they shared the confidence of the ECC and CBC that the new facility in Osborne Street will work, without being a congestion, management and safety nightmare.

Mr. Chilvers believed there are safety and hazard issues with the new facility, trade and private vehicles in and out of Kwik Fit, Blue Badge motorists parking on yellow lines, delivery lorries heading for the Lion Walk Precinct and heavy pedestrian use. These issues surely merited an independent safety assessment, especially given the mayhem at stops outside Wilkinson's every afternoon because of heavy bus use at this time. Pay to use toilets was imperative in this location to avoid being hijacked by alcohol and drug users.

Mr. Chilvers urged the Panel to express to Cabinet that this was a half hearted effort, that will not work and the development should be halted until the development of the Vineyard Gate area.

Mr. Chilvers concluded by saying dedicated bus lanes for park and ride in the vicinity of Colchester North Station will cause gridlock for half a mile in all directions and the new High Street scheme should be halted until park and ride is introduced.

Councillor Laura Sykes

Councillor Sykes spoke about traffic congestion and bus services in the Stanway area, saying that with major new developments in the area, for example the largest J Sainsbury store in Europe, overall traffic levels are increasing, e.g. an increase in users in the under 50s age group, and whilst a free bus lane is helpful to bus users it will cause further congestion. Councillor Sykes felt that enabling the '65' buses to enter and exit the J Sainsbury car park would help users, relieve congestion and reduce litter and abandoned trolleys.

### Councillor Henry Spyvee

Councillor Spyvee believed the perception in the region was that Colchester people used public transport to a greater level than other towns in Essex, and wondered if this was the case, why it appeared only to receive second-hand bus replacements, whilst new bus replacements went to other similar sized towns. Was this because the overall bus service in the Borough was split between a number of bus operators, and wasn't the heavily polluted areas of the town centre in part due to, but not solely, Colchester running an overall older bus fleet than other towns. Councillor Spyvee believed the pollution problem in the Brook Street area was not helped by the large number of 'out of service' buses using this route.

Councillor Spyvee concluded by asking whether in the future time tabling information could be made available via i-phone.

### **Responses and general discussions**

Mr. Paul Wilkinson reminded the Panel that the November meeting had set the scene for relocation of the bus station facility to Osborne Street when given an update on the St Botolphs Regeneration project. Mr. Wilkinson said officers from ECC and CBC are working closely with all bus operators on the new site, taking account of the many issues raised by members of the public, and moving forward with proposals.

Mr. Alan Lindsay said the biggest issue for the town centre was congestion, and officers from ECC and CBC are working continuously on a lot of initiatives such as 'Cycle Town' and 'Town Centre Plan' to help resolve this problem. The failings of the current real time information displayed at the town centre bus stops was been investigated with a view of ensuring the failings will be addressed with regard to any new installations. Later in the discussions Mr. Hussey said congestion does impact on the bus operators and Colchester and Hadleigh are the worst towns in the region for congestion. Other similar ancient towns and cities like Oxford and York, with similar narrow town centre roads suffer with the same problems. Councillor Naish said this gave a clear message to the Cabinet, that reducing traffic congestion in the town centre must be a top priority.

Mr. Lindsay said the new site is, and will continue to be subject to stage by stage health and safety audits, and a bus stop will remain in Queen Street close to the current Bus Station. It was also confirmed that real-time

information via i-phone will be considered as part of the new real-time information system.

Councillor Lyn Barton said the main key to reducing congestion was to change people's travel patterns (PTP), and the good news was that passenger footfall and cycle travel to the Colchester train stations continues to increase. It was felt that a lot of separate but coordinated initiatives to reduce congestion would have a long-term larger impact on PTP.

Mr. Vipond, Executive Director, said in respect of the legal agreement for the current temporary bus station site, the land swaps for this regeneration area were negotiated and agreed in 2005-6 and fed into the St Botolphs Quarter Master Plan. Many of those agreements have now been implemented and are in force. The use of the land being questioned by members of the public and Councillors was agreed as educational land. Any changes like this would need the approval of the Secretary of State and suitable replacement land would be required as part of any change. That said officers believe there is no option to have these agreements renegotiated.

Mr. Hussey (First) said he would arrange to speak to Councillor Laura Sykes in reference to her query on the bus service in Stanway, though Mr. McGregor confirmed that J Sainsbury will not allow buses entry to their car park, wishing to take up all available space for car parking.

Mr. Kately said TGM (Colchester Network) are introducing six refurbished buses (one with a new engine) to the Colchester fleet, and as part of their Essex restructuring, are to employ a cleaning supervisor to ensure improvements in bus cleanliness. Mr. Elliot said First are to introduce ten refurbished buses to the local fleet, representing 16% of the entire fleet.

Responding to Councillor Willetts in regard to rural bus travel, Mr. McGregor (Heddingham Buses) said since deregulation the rural bus services had been hit because there are not enough users to increase revenues, and all the short fares that had previously been available once you entered the town centre are taken up by the other operators. Mr. McGregor also informed the Panel that two hour frequency services to rural areas are now essential, but increasing the frequency would be counter productive for the operators, with lesser income from thinner usage. Mr. Kately said bus operations are run on a commercial basis and if the operators do not make their income margins then the service has to be reduced, and he could not see the rural services improving unless there was some innovative collaborative work undertaken by the Councils and bus operators. Mr. Kately said there would also need to be life style changes against the operator's main competitor, the motor car. Mr. Hussey said there was no easy answer to improving rural bus services, that a lot of consultative work had already been undertaken though a lot of research and investment would still be needed to improve the situation. Mr. Hussey said all bus operators already operate as lean as they can just to maintain their current services.

In regards to Air Quality Management Area (AQMA) Mr. Hussey and Mr. Kately agreed all local bus operators want to work with the Councils to improve the current situation, though the impact, especially on the smaller operators would be significant as many buses in current use would not meet the European low emission standards. Mr. McGregor said in London large subsidies are paid out to the operators to contribute towards reinvestment in new vehicles. These subsidies are not available locally and new buses cost from £120k - £200k.

Responding to Councillor C. Sykes concerning the criteria for determining where, area or town, new buses are introduced Mr. Kately said it was based on where they are most needed. Mr. Hussey said they look at what services have the greatest need and depends on the circumstances at any one time. He confirmed the bus fleets in Colchester and Ipswich are of a similar age.

Mr. Hussey noted the request from Councillor Higgins, to have a direct route (one bus) from New Town to the General Hospital, given the mobility issues for many people visiting the hospital from this area and the need currently to have to make a service change to complete their journey. Mr. Hussey agreed to explore the suggestion and give it serious consideration.

In response to Councillor Frame and whether the new bus station provision would be adequate, Mr. McGregor said the bus operators would do all they could to make it work, though they would prefer to have the current bus station. Mr. Kately said lay over buses at night would return to their bus depot, and said he would look at the 'out of service' problem in Brook Street with a view to resolving. Mr. Hussey said ideally he would like a bus station, but nevertheless, he would work with all partners to determine the best facility at the proposed site and given the current constraints.

In regards to all buses being DDA compliant, Councillor Oxford said this was not the case for the 8/8a evening and weekend service at High Woods, and why in these circumstances couldn't S106 monies be made available to invest in public transport services. Mr. Kately said he would investigate the problem of service 8/8a and respond to Councillor Oxford. Mr. Lindsay said he will look into the section 106 issue and also respond to Councillor Oxford accordingly.

In what had been considered a very informative meeting, Councillor Chapman said he hoped any future meetings would be spread across 2-3 meetings to allow visitors and Panel Members a better, less hurried opportunity to present their cases and respond fully in the discussions.

### **Temporary Bus Station in Queen Street**

Mr. Vipond responded to Councillor Willetts who asked that Cabinet to reconsider the decision to relocate the bus station away from Queen Street to Osborne Street.

Mr. Vipond said as the Portfolio Holder for Renaissance had to the press and he had earlier in the discussions, it terms of legal agreements the decision had already been taken and a large part of the land currently occupied by the temporary bus station would, as part of the land transfer agreement, be given back for educational purposes. Mr. Vipond said even if the Administration wished to reverse this agreement is was not in their gift to do so. The policy, written into the Master Plan and upheld by this and the previous administrations, was to have the bus park provision in the Osborne Street location by the end of 2012.

Councillor Willetts said whilst he understood the legalistic view, he had not heard about any suggestion as to whether any consideration had been given to determine if alternative options could provide an opportunity to determine flexibility in the agreement.

Councillor Barton said the provision of a bus park in the Osborne Street locality had been part of the Master Plan since 2005, though the current Administration had explored the possibility of flexibility in the legal agreement. That said, there was no clear evidence that all bus users wanted a bus station in the town centre, a point later reiterated by Councillors G. Oxford and C. Sykes. The Portfolio Holder reiterated that the Secretary of State had granted permission for the land transfer, allowing the construction of firstsite, with land on the site of the temporary bus station transferred to the nearby school for educational purposes. Councillor Barton felt it was time to draw a line and move forward.

Whilst taking account of what had been previously mentioned, Councillor Quince asked whether the one third of the piece of land currently occupied by the temporary bus station, and set aside for phase II of the St Botolphs Quarter regeneration project, could be used for the new bus terminal. Councillor Barton said this could not happen as the significant amount of secured funding for the redevelopment of this area was agreed on the principle that there would be no bus station in this area.

Mr. Vipond reiterated that a change of the current legal agreement was not in the Council's gift. Mr. Vipond also pointed out that when officers are trying to deliver a regeneration area and everything the project entails, this all relies in some part to selling a vision of what will / will not be provided. Within the vision for the St Botolphs Masterplan, the hotel developers were happy to invest in this vision, but with a proposal that would not leave a bus station in the area. Mr. Vipond said officers are committed to, and continue to work on the new facility, endeavouring to find ways to deliver a bus station that is comparable to those in other similar sized towns. Mr. Lindsay confirmed that ECC officers also believe there is no possibility to change the current legal agreement. Councillor T. Higgins said the children from the local school, who will use this piece of land, should be allowed to do so without bus pollution.

Councillor Barton confirmed to Councillor Ellis that the new bus station would be phased in. Phase I would entail the initial introduction of the facility as

previously described, with phase II coming at the time of the Vineyard redevelopment.

Councillor Chapman said he was reassured about the relocation of the bus station, given the comments that the Hotel would not be developed if a bus station remained in that area, and the fact that the proposed bus park would be phased in, in stages, enabling the facility to be enhanced over time.

### **Air Quality Management Areas (AQMA)**

Following discussion by Councillors in regards to air quality emissions, Ms. Louise Parkin explained to the Panel that the Council had applied for further AQMAs. Further assessment of all AQMAs will be undertaken to ascertain what percentage of the overall pollution is produced for each mode of transport, and this work will be carried out over the next twelve months.

Ms. Parkin said it was important that this work was undertaken to better understand all the problems before any major action is taken.

### **Conclusions**

Councillor Frame suggested the Panel request the Cabinet to continue to promote and develop public transport travel in Colchester that will have the knock-on effect of reducing traffic congestion in the town centre.

*RESOLVED* that the Panel;

- i) Thanked all the public transport representatives, officers from Essex County Council and Colchester Borough Council and the Portfolio Holder for attending the meeting and contributing to the positive discussions.
- ii) Noted the report on the Operation of Public Transport in the Borough
- iii) Congratulated officers on their continued dialogue with the rail and bus operators as recognised by the operators during discussions.
- iv) Requested the Cabinet to continue to promote and develop public transport travel in Colchester that will have the knock-on effect of reducing traffic congestion in the town centre.
- v) Requested the Cabinet to consider if there would be any benefits to introducing a Travel Review Board for the purpose of inviting all public transport operators and user groups to periodical meetings.
- vi) Would consider a further review in 2012-13, after the introduction of the new bus station, and for the review to be split into a series of more manageable meetings.

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
Cabinet, 25 January 2012	Roger Buston, Andy Abbott, Joy Eustace, Bobby Hunt, Roy Cleary	Closure of Joyce Brooks House	Verbal response provided at the meeting by Councillor T. Young, Portfolio Holder for Housing and Community Safety, Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy and Performance and Councillor Smith, Portfolio Holder for Resources and Heritage.	25 January 2012
Cabinet, 25 January 2012	Angel Kalyan	Issues around the Council's response re previous query on potential maladministration, the Council's legal representation and the Council's handling of a data protection issue.	Verbal response provided at the meeting by Councillor Turrell, Leader of the Council and Portfolio Holder for Strategy and Performance and Adrian Pritchard, Chief Executive.	25 January 2012
Cabinet, 25 January 2012	Tim Oxton	The relocation of the bus station	Verbal response provided at the meeting by Councillor Barton, Portfolio Holder for Renaissance.	25 January 2012
Cabinet, 25 January 2012	Nick Chilvers	Communication issues	Verbal response provided at the meeting by Councillor Turrell, Portfolio Holder for Strategy and Performance.	25 January 2012

Council, 22 February 2012	Bobby Hunt, Roger Buston, Nick Simpson	Closure of Joyce Brooks House	Verbal response provided at the meeting by Councillor T. Young, Portfolio Holder for Housing and Community Safety.	22 February 2012
Council, 22 February 2012	Tim Oxton	Joyce Brooks House, Relocation of the Bus Station, Tennis Courts at Eudo Road	Verbal response provided at the meeting by Councillor T. Young, Portfolio Holder for Housing and Community Safety in respect of Joyce Brooks House.	22 February 2012
Council, 22 February 2012	Andy Abbott, Raph Piggott	Impact of the budget	Comments addressed during the course of the debate on the budget.	22 February 2012

**(ii) Petitions**

<b>Date petition received</b>	<b>Lead petitioner</b>	<b>Subject Matter</b>	<b>Form of Response</b>	<b>Date Completed</b>
25 January 2012	Rob Ellingham	To allow skateboarding and other street art activities at firstsite	Letter from Head of Strategic Policy and Regeneration to Lead Petitioner	21 February 2012

14 March 2012

<b>Report of</b>	<b>Head of Resource Management</b>	<b>Author</b>	<b>Steve Heath</b>
<b>Title</b>	<b>Capital Programme</b>		<b>282389</b>
<b>Wards affected</b>	Not applicable		

**This report concerns the Council's Capital Programme**

**1. Decisions Required**

- 1.1 To note the current position regarding the Capital Programme, and the forecast position of capital receipts.
- 1.2 To consider the anticipated overspend of £236k against current capital schemes, and re-allocate as appropriate.
- 1.3 To recommend to Council that the Temporary Accommodation Project is added to the Capital Programme, and agree the release of £400k required in June 2012.
- 1.4 To agree the release of £51.7k additional external funding for 2011/12 in respect of Disabled Facilities Grants.
- 1.5 To agree the release of £337k for part-funded schemes within the Capital Programme.

**2. Background Information**

- 2.1 Cabinet last considered the Capital Programme on 25 January 2012 as part of the 2012/13 budget report. At this meeting Cabinet agreed:
  - To release £200k to facilitate the use of the Capital Expenditure Reserve to fund the annual Minimum Revenue Provision in respect of the community stadium.
  - To recommend to Council that a provision of £2m be included in the Capital Programme in respect of support for fundamental service reviews.

**3. Capital Programme**

- 3.1 The capital monitoring report for Qtr 3 2011/12 that was reported to FASP on 28 February showed a total funded Capital Programme of £24.065m, and a projected spend for the year of £15.595m. The remainder of the funded programme is expected to be spent in 2012/13 and 2013/14.
- 3.2 The spending review also highlighted that there is a forecast net overspend on the Capital Programme of £236k in respect of the following schemes:

<b>Scheme</b>	<b>Over / (Under) £'000</b>
A12 Junction	205.0
Site Disposal Costs	25.0
Electronic Service delivery	6.9
Power Perfector Voltage Optimisation Equipment	(0.9)
<b>Total Net Overspend</b>	<b>236.0</b>

- 3.3 A review of resources available to support the Capital Programme has been carried out, and the following table provides a summary position. This shows that based on current projected capital spend and receipts, there is currently an excess of resources compared to the approved Capital Programme.

Detail	£'000	Note
Total available funds	1,436.4	Includes received receipts of £1.134m
Projected receipts for 11/12	1,127.5	Receipts which are confirmed but not yet received
Commitments / releases agreed this year	(1,174.8)	Amounts agreed by Cabinet
<b>Balance available</b>	<b>1,389.1</b>	
Forecast overspend on programme	(236.0)	See para 3.2
New releases proposed now	(400.0)	See para 4.2
Disabled Facilities Grants 2011/12	(51.7)	See para 4.3
Amount required in respect of 'unfunded' part of programme	(337.0)	See paras 4.5 – 4.9
<b>Total forecast balance on programme</b>	<b>364.4</b>	Surplus

- 3.4 Looking ahead there are projected receipts of £4.4m, most of which are currently expected to be confirmed within 2012/13. Against these likely available resources needs to be considered emerging capital requirements, some of which have been previously reported to Cabinet. These include remaining repair costs of Castle walls, the Vineyard Gate development and possible capital costs in respect of the food waste service. In addition, Cabinet agreed in January that a provision of £2m is included in the Capital Programme in respect of support for fundamental service reviews.

#### 4. New Releases

- 4.1 Within the above forecast there is £1.389m of unallocated resources available now to release. It is recommended that this is used for the priorities detailed below.

##### *Temporary Accommodation Review*

- 4.2 Cabinet of 2 December 2009 made a number of decisions to enable officers to implement the findings of a review of temporary accommodation. These included appointing Family Mosaic Housing Association to redevelop the temporary accommodation site at Ascott House. The total scheme costs were estimated at £4.5m, with the Council contributing £600k plus the land at Ascott House at nil value. This contribution is broken down as follows:

£'000	Details	Date
400	Due when Ascott House is completed	June 2012
77	Due when Bardfield House is completed	Q1 2013/14
123	Due when Friars Court is completed	Q3 2013/14

- 4.3 It is proposed that Cabinet recommend to Full Council that this scheme is added to the Capital Programme, and that £400k is released now to enable the first instalment to be made in June 2012. When the works are complete it is envisaged that some residual temporary accommodation units could be disposed of and generate capital receipts that will offset the Council's contribution.

##### *Disabled Facilities Grants*

- 4.4 CLG advised on 23 January 2012 that Ministers agreed top up funding for DFGs in 2011/12 totalling £20m. The Council's share of this figure is £51,667. This is in addition to the original 11/12 allocation of £434k that is already shown within the Capital

Programme. The additional allocation of £51,667 is shown within the total available funds figure above. It is proposed that this is also released into the Capital Programme.

- 4.5 The following paragraphs relate to existing schemes within the Capital Programme that all require additional resources during 2012/13. The release of £337k in respect of these schemes would ensure that the Capital Programme was fully funded.

#### ***Improving Life Opportunities***

- 4.6 It is proposed that the remaining unreleased monies of £55k for this scheme are released to enable the following projects that address crime and homelessness in borough to commence:

- Number plate recognition system x 2 to be located on Whitehall Industrial Park to deter/detect metal theft (£37k).
- Improvements to Open Road premises (kitchen and toilets) which will enable increased usage (£9k).
- Provide a disabled ramp, installation of gates and wet room in the April Centre which will increase usage (£9k).

#### ***Upgrade of CCTV Equipment***

- 4.7 The £96k of unreleased funding is required for the replacement of the digital video recording system, as well as some monitors and cameras that have failed. It should be noted that the purpose of this capital scheme is to ensure that the CCTV system remains operational, and it is separate to the proposals elsewhere on this agenda that relate to the renewal of the CCTV fibre network as part of the Digital Strategy.

#### ***Town Walls***

- 4.8 There is £86k of unreleased funding for expenditure on the Roman Walls. It is envisaged that this will all be required in 2012/13.

#### ***Castle Development***

- 4.9 There is unreleased funding of £100k relating to the Castle Development project. This represents part of the match funding for the project, which is already within the delivery stage.

### **5. Proposals**

- 5.1 It is recommended that:
- Cabinet agree the release of £236k anticipated overspend against current capital schemes (Para 3.2).
  - Cabinet recommend to Council that the Temporary Accommodation Project is added to the Capital Programme, and agree the release of £400k required in June 2012 (Para 4.2).
  - Cabinet agree the release of £51.7k additional external funding for 2011/12 in respect of Disabled Facilities Grants (Para 4.4).
  - Cabinet agree the release of £337k against schemes currently within the Capital Programme (Para 4.5 – 4.9).

### **6. Strategic Plan References**

- 6.1 The overall Capital Programme is to be reviewed in line with the objectives of the Strategic Plan.

### **7. Financial implications**

- 7.1 As set out in the report.

**8. Equality, Diversity and Human Rights implications**

8.1 Consideration is given to equality and diversity issues in respect of all Capital schemes. This is done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

**9. Risk Management Implications**

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

**10. Standard References**

10.1 There are no particular publicity, consultation or community safety considerations; or health and safety implications.

<b>Report of</b>	<b>Head of Strategic Policy &amp; Regeneration</b>	<b>Author</b>	<b>Nigel Myers &amp; Chris Dowsing</b> ☎ 282878
<b>Title</b>	<b>Digital Strategy: renewal of CCTV fibre network</b>		
<b>Wards affected</b>	Castle Ward/All Wards		

**This report concerns external investment in the Council's CCTV fibre network to enhance and maintain the core service and also to enable superfast broadband**

**1. Decision(s) Required**

- 1.1 To enter into an agreement to proceed, subject to due diligence, that will enable commercial investment in the Town Centre CCTV network to maintain and enhance the current CCTV service and to provide the opportunity for it to develop new, additional, monitoring services across the Borough.
- 1.2 To complete all due diligence (commercial, technical and operational) on ITS Technologies Ltd and/or any other provider to ensure they will provide the 'best value' as the fibre provider for this initiative.

**2. Reasons for Decision(s)**

- 2.1 To maintain and enhance the CCTV network and CCTV imagery
  - Saving the Authority an estimated expenditure of £80,000 in its renewal and upgrading
  - Allowing the network to expand its monitoring capacity within and beyond the Town Centre, so targeting areas of crime and disorder beyond the current network coverage, and
  - Opening up the potential for the CCTV network to provide monitoring of commercial property, schools and religious buildings,
- 2.2 To advance Colchester's Digital Strategy's aims and objectives by
  - Attracting inward investment of an initial £250,000 into the Borough
  - Providing greater competition in the broadband supply marketplace through creating another fixed network which permits all Internet Service Providers to use it
  - Enabling expansion to major new and unserved existing housing and commercial developments in the Borough, and
  - Generating an annual rental income for the Borough from commercial use of the renewed network.

**3. Alternative Options**

- 3.1 The alternative would be not to bring this asset to market creating a missed opportunity for the Council to obtain best value for its fixed assets and to realise the benefits outlined at 2.1 and 2.2 above.

## 4. Supporting Information

### 4.1 The CCTV need

- 4.1.1 Currently, Colchester Borough Council has an existing 5.5km CCTV network of ducting containing fibre cabling, originally constructed in 1997/1998. This fibre network in its current form has limited capacity for expansion and will require refurbishment to upgrade the capacity for future use. Essex County Council and Essex Police are existing tenants on the network which is used for CCTV and additional security measures (ANPR) in Colchester town centre.
- 4.1.2 An external technical audit of the network commissioned by the Council in January 2011 found that while the network is currently “fit for purpose” it is, however, at risk of degradation without specialist maintenance. The consultants FibreStream, recommended its replacement for CCTV purposes alone within 12-18 months.
- 4.1.3 The estimated cost of replacing the fibre network for CCTV purposes alone was put at approximately £80,000 by the consultants. However, the current fibre optic network uses analogue signalling and is ‘multimode’, that is, not suitable for the transmission of data over the installed system.

### 4.2 The Digital Strategy opportunity

- 4.2.1 Colchester Borough Council aspires to be the best connected authority in the East of England by 2013. To achieve this ambition Colchester will have accelerated the information of a holistic digital infrastructure enabling access to a superfast, affordable broadband service for all.

*‘All homes, business premises and mobile phone users will be able to connect to an affordable, high speed broadband network, offering at least 25Mbps download speed and 10Mbps upload speed by 2012 and 40-50Mbps download and 25-30Mbps upload bandwidth by 2013.’ Colchester Digital Strategy*

- 4.2.2 The Council’s Digital Strategy identifies the need for a hybrid approach to delivering the above target levels of connectivity in order to support the needs of residents, visitors and businesses for access to new IP applications and content provision for public, private and community needs. The Colchester Digital Strategy, adopted by the Cabinet in July 2011, recognised the need for private sector investment in digital infrastructure and to attract an ICT partner to invest in the Town Centre CCTV network to leverage the asset to enable the above vision to be delivered.

- 4.2.3 This intention was supported by the audit of the CCTV network undertaken by FibreStream which observed that the ducting could be re-purposed for a Next Generation Access network. Specifically:

*‘The majority of the Duct Network ....could be utilised to for a functional high capacity fibre optic data network but this would have to built with the current network undisturbed and new overlay cables installed into separated communications cabinets.*

*This could also house a replacement new distribution network for the CCTV system giving it a further 15 plus years of service and reducing the risks currently faced by the legacy network’.*

4.2.4 Fibrestream ascertained that the network can be used to interconnect a large community of digital based service, enabling services such as:

- Interconnection of carrier services at data centre locations providing a aggregation point for high bandwidth services this is commonly known as an internet exchange
- Public services network connecting NHS, Police, Council Services and other public sector service reducing costs operational costs to the public purse
- Delivering service to technology parks and innovation centres providing a hub for high bandwidth businesses
- Connecting residential locations to deliver Next Generation Access services to residents
- Delivery of E-Health to sheltered accommodation and residential homes
- Distribution of Wi-Fi hotspots to supply public access around Colchester providing information and support to tourists and residents
- Providing a medium for local news and support to transmitted to the general public
- Control of traffic flow systems
- Telemetry for emergency monitoring locations (flood protection and early warning)

4.2.5 Therefore, in order to contribute to correcting the “market failure” in the delivery of Next Generation Access broadband services across the Borough, investment is required in the town centre CCTV network. Through leveraging and refurbishing the existing town centre network assets, an urban NGA deployment will be enabled, supporting inward investment, encouraging the development of existing local businesses and tourism and, promoting Colchester as a ‘digital destination’. Colchester strives to deliver cost effective and efficient customer service and wants to be a pioneer in the region and a test bed for innovation, such as telehealth monitoring and telecare services.

## **5. Proposals**

- 5.1 ITS Technologies Ltd has been identified as the potential partner to deliver this investment in renewing the CCTV fibre optic network.
- 5.2 The solution ITS Technologies Ltd are proposing will assist the Digital Strategy vision for Colchester Borough Council to be realised by renewing the existing 5.5km fibre ring already present in Colchester town centre and extending this to key local sites, including business parks and hospitals . The network can also be extended to the wider community to enable Colchester Borough Council to migrate more services online, provide more accurate information to more residents and reduce costs of dealing with enquiries (“channel shift”).
- 5.3 The Council’s ownership of the ducting and fibre will be maintained and use of the renewed fibre will therefore be cost-free to the Borough.
- 5.4 Existing network users will migrate to the new refurbished and extended network wherever commercially viable for an initial 3 year period..
- 5.5 Specifically, ITS Technologies Ltd is offering to undertake refurbishment of the existing network, increasing the fibre count to a 96 core single mode fibre cable, enabling a better service to the residents and businesses of Colchester town centre both for CCTV purposes and for delivering enhanced broadband connectivity. The investment required for this refurbishment is considered to be approximately £250,000 of which £100,000 will be invested in renewal of the CCTV network.

- 5.6 As outlined in 1.2 there are a number of outstanding commercial, technical and operational issues to be resolved in order to ratify ITS Technologies Ltd as the fibre provider for the Council's CCTV network. The Street Services and Enterprise teams, together with other specialist Officers, will be working in collaboration to resolve these issues prior to securing the external investment for the Council's CCTV network.

## **6. Strategic Plan References**

- 6.1 The proposal will directly contribute to five of the nine Strategic Plan priorities: addressing older people's needs; addressing younger people's needs; enabling job creation; community safety; and congestion busting. This will be achieved by the use of emerging applications and technologies such as health telecare.

## **7. Consultation**

- 7.1 There is ongoing stakeholder engagement taking place with key partners – internal and external. Externally, the opportunity is welcomed by Digital Strategy partners – the Chamber of Commerce, University of Essex, Essex County Council and others.

## **8. Publicity Considerations**

- 8.1 A decision to proceed with the initiative will be publicised through a joint marketing protocol between CBC Communications and ITS Technologies Ltd. Using different channels following confirmation of this paper by the Cabinet. This will include the networks and partners listed in 7.1 as well as through the local media and CBC website. It is recognised that communications do need to be fully planned, coordinated and agreed by the CBC Communications and Marketing Team and the commercial partner.
- 8.2 It is also recognised that the commercial partner will implement its own marketing campaigns to stimulate and promote interest and demand for their products and services.

## **9. Financial implications**

- 9.1 There is no direct financial investment required of Colchester Borough Council to deliver the proposals outlined at 5.1. to 5.6 above.
- 9.2 There is a requirement for Colchester Borough Council to provide access to the 5.5 kilometres of CCTV ducting it owns and manages in return for a market-rate annual rental (revenue stream).
- 9.3 As stated above (5.2), the Council will own the network but ITS Technologies Ltd will have a licence to use it for data transmission purposes for a period of 5 years' exclusivity and with the opportunity for further renewal on the expiry of that agreement.

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

- 10.1 The proposal actively addresses digital exclusion and facilitates, among other benefits, telecare and telehealth applications using the TV as the channel for resident contact.
- 10.2 All businesses, partner organisations, grant recipients and other customers are treated equally and fairly. An Equality Impact Assessment for the current strategy has been completed and is available on the Colchester Borough Council website ([www.colchester.gov.uk](http://www.colchester.gov.uk)) by following this link:

(then click on Economic Development Strategy 2010 to 2015)

10.3 There are no specific human rights implications.

## **11. Community Safety Implications**

11.1 The initiative will maintain and enhance the core CCTV network which is a key means of delivering community safety within the Town Centre/Castle Ward. It will also extend the fixed network at very low cost to the Authority, enabling other and emerging crime “hot spots” to be covered.

11.2 New CCTV monitoring services could be possible over the network, including coverage of churches, educational establishments and commercial premises, potentially generating new revenue sources for the Authority while reducing crime and business costs.

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

12.1 There are no Health and Safety implications

## **13. Risk Management Implications**

13.1 There are some specific risk management implications which the procurement process has addressed, namely:

- Maintaining Council ownership of and access to the renewed network without cost
- Avoidance of creating a “closed access network”, through allowing other carriers and content suppliers to use the network;
- Due diligence on the proposed partner: track-record, financial robustness, capacity for innovation and partnership working
- Timing, resilience, robustness, scalability and continuing evolution of the solution/s adopted
- Agreed contract length with review periods and call-off

## **Background Papers**

Report to Cabinet of July 13<sup>th</sup> 2011, Head of Strategic Policy & Regeneration, “Colchester’s Digital Strategy”

**14 March 2012**

<b>Report of</b>	<b>Head of Corporate Management</b>	<b>Author</b>	<b>Mike Thurston</b> ☎ 282396 <b>Chris Reed</b> ☎ 282240
<b>Title</b>	<b>Officer Pay Policy</b>		
<b>Wards affected</b>	Not applicable		

**This report concerns the Council’s pay policy statement, and requirements introduced by the Localism Act 2011.**

**1. Decision(s) Required**

- 1.1 To recommend the adoption of the Council’s pay policy statement for 2012-13 by Full Council on 21 March 2012, and for it to be included in the Council’s policy framework.

**2. Reasons for Decision(s)**

- 2.1 The Localism Act requires “relevant authorities (including Colchester Borough Council) to prepare, approve and publish pay policy statements articulating their policies towards a range of issues relating to the pay of its workforce. These statements must be prepared for each financial year beginning with 2012/13 and must be approved by Full Council. The relevant authority must comply with its pay policy statement for the financial year in making its determination.”

**3. Alternative Options**

- 3.1 The only alternative would be not to approve the pay policy statement, but that would be contrary to the requirements of the Localism Act.

**4. Supporting Information**

- 4.1 Local authorities must now publish a pay policy statement for the financial year 2012-13 and subsequent years. A relevant authority’s pay policy statement must be approved by a resolution of that authority before it comes into force, with the first statement prepared and approved before 31 March 2012.
- 4.2 The Localism Act specifies a number of elements that must be covered by the statement including: the level and elements of remuneration for each chief officer, remuneration of chief officers on recruitment, increases and additions to remuneration for each chief officer, the use of performance-related pay for chief officers, the use of bonuses for chief officers, the approach to the payment of chief officers on their ceasing to hold office under or to be employed by the authority, and the publication of and access to information relating to remuneration of chief officers.
- 4.3 The Council’s pay policy statement has been extended beyond the statutory requirements relating to chief officers as shown in 4.2 above to include all officers employed by the Council, in the interests of openness and transparency.

- 4.4 Please see Appendix 1 for the Officer Pay Policy. Appendix 2 contains the data which sits behind the policy, and definitions of terms such as chief officers. These two documents form the Council's pay policy statement.
- 4.5 The statement covers all pay and benefits for every employee of Colchester Borough Council. There are no financial allowances or bonuses other than those mentioned.
- 4.6 The requirements of the Localism Act have been taken as an opportunity to bring together all relevant Council policies and information into a pay policy which applies to every employee (Appendix 1), and a supporting document which shows the mostly numerical data which sits behind it for the specific financial year (Appendix 2).

## **5. Proposals**

- 5.1 To approve the 2012-13 pay policy statement as shown at Appendix 1 and 2, and to recommend its adoption by Full Council.

## **6. Strategic Plan References**

- 6.1 The performance, remuneration and motivation of the Council's employees are key to delivering effective and efficient services to the public, in addition to the aspirations and priorities within the Strategic Plan.

## **7. Consultation**

- 7.1 The Council's pay policy statement is compiled by factual data relating to the existing, agreed pay and conditions of its employees. There have been no new decisions as part of this compilation of the statement and data. A copy has been provided to Unison, and there has been no comment to date.

## **8. Publicity Considerations**

- 8.1 The information contained with Appendix 1 and 2 will be publicly available on the Council's website, and in the Council's Statement of Accounts as appropriate.

## **9. Financial implications**

- 9.1 The pay policy statement provides transparency about the Council's approach to pay and benefits for its employees.

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

- 10.1 The Equality Impact Assessment is available to view on the Colchester Borough Council website by following this pathway from the homepage: Council and Democracy>Policies, Strategies and Performance>Equality and Diversity>Equality Impact Assessments>Corporate Management>Pay Policy – or [click here](#).

## **11. Other Implications**

- 11.1 There are no specific community safety, health and safety or risk implications.

## **Background Papers**

See end of Appendix 1 for the references and guidance used to compile the policy and data.

**Colchester Borough Council**  
**OFFICER PAY POLICY**  
**March 2012**

### Introduction

The purpose of this policy is to provide an open and transparent framework that ensures clarity, fairness and consistency in the remuneration of officers.

The Council will comply with this policy which covers all officers. It ensures that employees are paid on a fair and equitable basis in accordance with equality legislation.

Colchester Borough Council recognises the importance of administering pay in a way that:

- attracts, motivates and retains appropriately talented people needed to maintain and improve the Council's performance and meet future challenges
- reflects the market for comparable jobs, with skills and competencies required to meet agreed delivery and performance outcomes
- allows for a proportion of remuneration to be at risk, depending upon the delivery of agreed outcomes and results
- delivers the required levels of competence within an overall workforce strategy within approved budget parameters
- is affordable and transparent.

### 1. Pay strategy and framework

- 1.1 The Council determines the level of annual salary for employees, including chief officers, using an established job evaluation scheme. Jobs are independently evaluated, using this scheme, by experienced Human Resources staff and all employees have the right of appeal against their pay grade.
- 1.2 The pay grades and salary spines are shown in Appendix 2. This also takes into account changes in the level of statutory minimum wage. Each pay grade has a number of incremental points and employees normally progress up their pay grade by one increment on an annual basis, subject to satisfactory levels of performance (see also section 5 - rewarding performance).
- 1.3 The exception to this principle is where employees have transferred their employment to the Council and salary protection exists under the Transfer of Undertakings (Protection of Employment) legislation commonly referred to as TUPE.
- 1.4 The pay policy incorporates the Council's Equality and Diversity policy (website link [Equality and Diversity in employment - Colchester Borough Council](#)) and periodic equal pay audits will be conducted.

### 2. Pay review and annual increases

- 2.1 The Council supports the principle of collective bargaining and has a recognition agreement with the trade union 'Unison'. Negotiation and consultation is conducted at a local level in relation to levels of pay and benefits for all employees including Chief / Senior Officers (see definitions in Appendix 2). The Council therefore is not part of any national terms and conditions for local government employees.
- 2.2 Local negotiations around a pay review are conducted on an annual basis, and any increase is agreed taking into account inflationary factors, local salary levels and affordability. Any decision to increase salary levels for all employees has to be approved by the Portfolio Holder under delegated powers set in the Council's [Constitution](#).
- 2.3 The Council publishes its pay multiple (the ratio between the highest and lowest paid employees) and does not currently set a target for this.

### 3. Remuneration of Chief Officers

- 3.1 The remuneration of all officers is determined using the Council's job evaluation and performance management schemes.
- 3.2 The average value of Chief Officers' pay is shown in Appendix 2 together with the relationship to the lowest paid staff and other staff (referred to in the legislation as "the pay multiple").
- 3.3 The remuneration of all Chief Officers and Senior Officers will be published in the Council's [Annual Statement of Accounts](#) which also includes a wide range of financial information.

### 4. Other items in addition to salary

The Council pays the following additions to annual salary:

- 4.1 Overtime:  
This is paid to employees who are required to work in excess of their contracted weekly hours. All overtime is paid at plain-time rate derived from annual salary, and enhancements are not normally paid for working at weekends or public holidays. All employees on a pay grade of CMG5 or above are not entitled to receive overtime pay.
- 4.2 Unsocial hours working:  
The Council pays an allowance to employees who work unsocial hours which cover 24-hour shift working. Allowances are also paid to employees who undertake standby and call out duties. A small payment can also be made to 'front-line' employees who are required to work over the Christmas/New Year period.

4.3 Maternity and paternity:  
The Council has a policy that supports parents and provides some enhancement to the statutory maternity and paternity provisions. These enhancements are shown in Appendix 2.

4.4 Market forces supplement and mid-scale appointments:  
Where the Council is faced with difficulties in recruitment to and retention of specific jobs, as a result of market pressures and skills shortages, the Chief Executive is able to sanction the use of a temporary 'market forces' supplement, reviewed on a regular basis.

Where an individual is being recruited and has significant experience or skills in the role for which they are being employed, Heads of Service and above have discretion to appoint at any scale point (within the grade) above the lowest level.

4.5 Increases in responsibility:  
Temporary or permanent payments can be paid at the discretion of the Chief Executive to reflect operational needs and the level of additional responsibility.

4.6 Other:  
The Council only reimburses reasonable business expenses actually incurred and in line with the Council's travel and subsistence policy. Professional membership fees are reimbursed to employees at the rate of 50% of fees incurred and only one membership per employee is reimbursed.

External training costs are paid where they form part of agreed learning and development, and in line with the post-entry training policy.

There are no expense allowances or bonuses other than those mentioned within this pay policy.

### 5. Rewarding performance

5.1 The Council uses a performance management scheme to appraise the performance of all employees, including Chief / Senior Officers. Issues of poor performance can result in any annual increment being withheld. Where employees are rated as outstanding under this performance management scheme, a non-contractual payment can be made to recognise individual performance. The value of this payment is reviewed each year and agreed by the Senior Management Team, subject to affordability. The current value is shown in Appendix 2.

5.2 The Council also recognises the need to incentivise specific jobs whose role involves a proportion of sales or income generation. In such cases a reward package will be developed, which needs approval by Senior Management Team. The annual salary and incentive payment will be determined outside of the job evaluation scheme and will be risk-assured in relation to equal pay.

### 6. Pension

- 6.1 In accordance with statutory provisions, employees are offered membership of the Local Government Pension Scheme. The Council has a published pension policy and this policy applies to all employees including Chief / Senior Officers. It sets out the Council's decisions relating to discretionary powers allowed within the scheme.
- 6.2 The Council also supports the principle of flexible retirement whereby employees are able to gain access to their pension whilst continuing in employment, subject to the restrictions laid down within the scheme and in the Council's Pension policy. This approach allows the Council to retain skilled employees and to assist individuals in managing the transition to retirement.

### 7. Other financial benefits

The Council currently offers the following financial benefits to employees:

- 7.1 **Travel Plan incentives/charges:**  
In order to encourage employees to use 'greener' travel modes, which also help to reduce town centre congestion, the Council has developed a package of travel plan measures. These measures include a charge for car parking for employees based in the town centre, and discounts for the 'home to work' use of bus and rail travel. The current value of these charges and benefits are shown in Appendix 2.
- 7.2 **Salary sacrifice schemes:**  
The Council has adopted approved government salary sacrifice schemes which enable employees to have deductions from pay to purchase childcare vouchers or cycles for travel to work. These schemes are tax efficient for the employee and are cost-neutral to the Council.
- 7.3 **Long Service Awards:**  
The Council recognises the commitment of employees to public service and provides a gift to the maximum value of £250 for 25 years' service with the Council.
- 7.4 **Other allowances:**  
An allowance is paid for employees who volunteer to be designated First Aiders in the workplace. An allowance is paid to employees as a contribution towards broadband costs if they work at home on a regular basis using a PC. See Appendix 2 for the value of these allowances.

### 8. Recruitment

- 8.1 In accordance with the Council's [Constitution](#), appointments to Head of Paid Service (Chief Executive), Executive Directors, Heads of Service and the Chief Finance Officer, have to be approved by Cabinet.
- 8.2 All appointments are made in line with this pay policy.
- 8.3 The appointment of other Chief Officers and starting salaries within the grade must be approved by the Chief Executive.
- 8.4 The appointment of employees other than Chief Officers will be delegated to the appropriate management level, relevant to the vacant job. The starting salary within the pay grade range will be determined taking into account the skills and experience of the applicant and market pressures.
- 8.5 The Council does not restrict the re-employment of employees previously made redundant by either the Council or other Local Government. All applicants for vacancies are considered equally, based on their knowledge, skills and experience.
- 8.6 Full Council will be offered the opportunity to vote before large salary packages are offered in respect of new appointments. This level is set out in statutory guidance, and the current level is shown at Appendix 2.

### 9. Sick Pay

The Council applies the following sick pay scheme for all employees including Chief Officers.

<b>Service (years)</b>	<b>Full Pay (months)</b>	<b>Half Pay (months)</b>
During first year	1	*2
During second year	2	2
During third year	4	4
During fourth/fifth years	5	5
After five years	6	6

\* After completing 4 months' service

### 10. Payments when employment status changes

- 10.1 The Council operates a redundancy payment scheme which applies to all employees including Chief / Senior Officers and the Returning Officer. The scheme is based on the number of weeks paid under the statutory scheme, with an enhancement of 50% subject to a maximum of 45 weeks' pay.
- 10.2 **Pay Protection**  
The Council operates pay protection for a limited time period, within the terms of the redundancy policy. This applies when staff have their pay reduced as part of a process of re-deployment or job evaluation.
- 10.3 Where the Council is in dispute with an employee, the Council will make use of compromise agreements to settle disputes in appropriate circumstances. The use of these agreements and the value of any settlement will be determined by a consideration of factors such as the potential costs of litigation, the degree of risk at employment tribunal adjudications and any reputational impact. The decision to award a compromise agreement will rest with the Chief Executive or in the case of the Chief Executive with Cabinet.

### 11. Election duties

- 11.1 The Council has determined that the Returning Officer is the Chief Executive, and the remuneration is separate from the Chief Executive's salary. The Council has set the remuneration levels of employees who assist with local government election duties on a secondary employment basis. These levels are set by Essex County Council for county elections, and by central government for national and European elections.
- 11.2 The amount paid for election duties will vary depending on the number and type of elections which take place. The amount paid to the Returning Officer in the previous year is shown in Appendix 2.

### 12. Temporary staff and interim arrangements

- 12.1 The Council occasionally uses temporary agency or interim staff where it meets specific business needs and delivers best value. Levels of reward are determined by market rates.

### 13. Supporting Information

The following references have been used in producing this Pay Policy, along with the Council's existing Human Resource policies:

#### Legislation

- The Localism Act 2011 - [chapter 8 - pay accountability](#).
- The Equality Act 2010
- Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006
- Local Government Pension Scheme Regulations 2008
- Accounts and Audit (England) Regulations 2011.

#### Best practice guidance

Department for Communities and Local Government:

- [Openness and accountability in local pay: Guidance under section 40 of the Localism Act](#)
- [Code of recommended practice for local authorities on data transparency](#)

The Chartered Institute of Public Finance and Accountancy:

- [Code of Practice in Local Authority Accounting - paragraph 3.4.5](#)

Local Government Association

- [Pay Policy Statements - guidance](#).

#### Our website

[www.colchester.gov.uk](http://www.colchester.gov.uk) has a [section with more information about employment](#) at Colchester Borough Council.

#### Document Information

<b>Title :</b>	<b>Officer Pay Policy</b>
<b>Status :</b>	<b><i>Draft</i></b>
<b>Version :</b>	<b>Version 1</b>
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<b>Approval Date :</b>	<b>21 March 2012</b>
<b>EQIA :</b>	<a href="#">click here</a>
<b>Review Frequency :</b>	<b>Annual</b>
<b>Next Review :</b>	<b>March 2013</b>

**OFFICER PAY POLICY - Pay Data****1. Annual Salary scales****Salary spine**

<b>point</b>	<b>Annual salary (£.p)</b>	<b>point</b>	<b>Annual salary (£.p)</b>
4*	11,730.09	32	32,907.93
5*	11,730.09	33	34,175.53
6	11,951.02	34	35,352.03
7	12,625.28	35	36,528.55
8	13,372.92	36	37,705.05
9	14,168.64	37	38,928.36
10	14,872.02	38	40,151.68
11	15,620.93	39	41,374.96
12	16,369.85	40	44,416.15
13	16,727.85	41	47,457.35
14	17,088.40	42	50,498.54
15	17,443.88	43	54,550.54
16	17,801.90	44	58,602.51
17	18,159.89	45	62,654.51
18	18,512.87	46	66,706.47
19	19,049.24	47	70,758.45
20	19,585.64	48	74,643.44
21	20,122.00	49	78,528.45
22	20,658.38	50	82,413.41
23	21,194.76	51	86,298.42
24	21,774.16	52	90,183.39
25	23,500.97	53	94,068.41
26	25,270.78	54	98,434.13
27	27,040.60	55	102,799.83
28	28,151.34	56	107,165.55
29	29,262.05	57	111,531.25
30	30,372.77	58	115,896.97
31	31,640.35	59	118,239.85

\* Note these points are the national minimum wage for aged 18 and over  
The last pay increase was 1%, effective from 1 April 2010.

**Pay Grade range**

<b>Pay Grade</b>	<b>Salary spine point range</b>	<b>Pay Grade</b>	<b>Salary spine point range</b>
14	4 to 7	7	32 to 36
13	7 to 12	6	35 to 39
12	11 to 18	5	38 to 42
11	18 to 24	4	42 to 47
10	23 to 27	2	46 to 53
9	26 to 30	1	54 to 59
8	29 to 33		

**Apprentices**

The Council pays the national minimum wage for any employee on an apprenticeship contract.

## Colchester Borough Council Human Resource Policies

### 2. Pay relationship for Chief Officers

	Year 2011/12
Average pay for Chief Officers	£70,682
Average pay for staff other than Chief Officers	£23,325
Average pay for lowest paid staff	£12,580
Pay multiple of Chief Officer (Chief Executive) pay to staff other than this Chief Officer	5.12 to 1
Pay multiple of Chief Officers' pay to staff other than Chief Officers	3.06 to 1
Pay multiple of Chief Officers pay to lowest paid staff	5.62 to 1

Notes – please also see definitions of officers at section 7 below:

- Average pay is based on full-time equivalent annual salary plus additional payments for Chief Officers. It excludes election fees.
- 'Lowest paid staff' is defined as those paid on pay grade 14 (actual average pay) – see chart of pay grades on page 1. CMG14 is the lowest pay grade.
- Pay multiple - the ratio between the highest and lowest paid staff.

### 3. Additional payments for Chief Officers.

Returning Officer election fees paid to the Chief Executive:

Elections held	Amount paid	Year
Local Borough, Central Government referendum	£15,420.76	2011/12

### 4. Other pay additions and allowances

Maternity and Paternity pay:

In addition to the statutory provisions, the Council pay 20 weeks at half pay for mothers who go on maternity leave and subsequently return to work. Up to two weeks' paid paternity leave is granted to fathers.

Payment for outstanding performance:

This is set at £750 for full-time staff for 2011/12. See Appendix 1 for eligibility.

First Aid allowance:

£142.44 per annum.

Broadband allowance:

£132.00 per annum.

There are a small number of employees with protected overtime enhancements which cease in December 2013.

### 5. Travel Plan benefits and charges

Car parking charge:

£1 per day (due to increase to £2 in April 2013 and £3 in April 2014).

Home to work travel, in line with Travel Plan policy:

Bus season ticket discount 50% / train season ticket or 'bulk buy' discount 35%.

## Colchester Borough Council Human Resource Policies

### 6. Pension contribution rate

Employer rate is 11.8% for 2011/12. Employee rates for 2011/12 are:

Full time equivalent salary	Contribution rate per year
£0 - £12,900	5.5%
£12,901 - £15,100	5.8%
£15,101 - £19,400	5.9%
£19,401 - £32,400	6.5%
£32,401 - £43,300	6.8%
£43,301 - £81,100	7.2%
£81,100 or more	7.5%

### 7. Definition of terms used in the Officer Pay Policy and Pay Data documents

- Chief Officers – posts that require appointment by elected councillors - designated as Chief Executive, Executive Directors and Heads of Service within the Council's constitutional arrangements for appointment. It also includes the Section 151 and the Monitoring Officer where those roles are not performed by a Head of Service. These posts fulfil the criteria for Chief Officers as defined in [paragraph 43 Localism Act](#).
- Chief Officer – this is the Chief Executive.
- Senior Officers – any post with a salary of £58,200 and above, which is the Senior Civil Service minimum pay band ([paragraph 12 code of practice](#)).
- Senior Management Team – the Chief Executive, Executive Directors and Heads of Service.
- Large salary package – this is defined in statutory guidance and the current threshold is £100,000 ([paragraph 14 Localism Act guidance](#)).

#### Document Information

<b>Title :</b>	<b>Officer Pay Policy Appendix 2 Pay Data</b>
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<b>Review Frequency :</b>	<b>Annual</b>
<b>Next Review :</b>	<b>March 2013</b>

14<sup>th</sup> March 2012

<b>Report of</b>	<b>Head of Corporate Management</b>	<b>Author</b>	<b>Lee Spalding ☎ 282118</b>
<b>Title</b>	<b>Replacement of Roof and Windows – The Mercury Theatre, Colchester</b>		
<b>Wards affected</b>	<b>Castle Ward</b>		

**This report concerns the project to replace the existing roof and windows at the Mercury Theatre, Colchester**

**1. Decision(s) Required**

- 1.1 To agree to proceed with the project to replace the existing roof, and windows to the bar and circulation areas at the Mercury Theatre, Colchester.
- 1.2 To agree to fund the project from the Mercury Theatre Reserve and the New Theatre Trust funds.
- 1.3 To agree to place an order with the successful contractor to undertake the aforementioned works.

**2. Reasons for Decision(s)**

- 2.1 The existing roof and windows installed at the Mercury Theatre are original and despite historic and ongoing repairs are now well beyond their useful service life. Action is required to prevent further deterioration of the building fabric which if left unchecked could threaten the normal operation of the theatre.
- 2.2 The Council is committed to reducing its CO<sub>2</sub> emissions by 25% by the end of 2012 compared against the baseline FY 06/07, as outlined within the Council's Carbon Management Programme (CMP) Strategy and Implementation Plan (SIP) adopted by Cabinet in March 2008.
- 2.3 The replacement of the roof and windows at the Mercury Theatre will deliver a useful contribution towards the Council's Phase 3 CMP projects which are required to deliver the bulk of the balance of the Council's carbon reduction target.

**3. Alternative Options**

- 3.1 Decide not to undertake this project. However, this would inevitably result in further deterioration of the building fabric which in turn could threaten the Theatre's ability to remain open.

**4. Supporting Information**

- 4.1 Under the terms of the lease agreement that the Council has with the Mercury Theatre, the main building structure remains the responsibility of the Council as far as repairs and renewals are concerned.

- 4.2 The existing flat roof installed at the Mercury Theatre is original and therefore around 40 years old. The normal life expectancy for a flat roof is a maximum of 30 years and as such, despite various patch repairs undertaken by the theatre in recent years, the existing roof is in a very poor condition.
- 4.3 Furthermore, the existing roof is un-insulated (as was the norm when it was installed) and this is a major contributing factor leading to the notorious overheating of the theatre auditorium in summer and under-heating of the same in winter.
- 4.4 The new flat roof proposed for installation at the theatre will be insulated to modern building regulation standards and will go a long way to achieving more comfortable temperatures within the auditorium.
- 4.5 Similarly the floor to ceiling windows installed around the bar and circulation areas within the theatre are also original and therefore are single glazed units which are both draughty and extremely thermally inefficient, particularly the opening louvers between the fixed panes. The windows are also structural elements lending some support to the roof.
- 4.6 Again, the new windows will be built to current building regulation standards and therefore will be much more thermally efficient helping to regulate temperatures, particularly in the fully glazed bar area.
- 4.7 Collectively the replacement of the flat roof and windows will save an estimated 15 tonnes of CO<sub>2</sub> per annum equating to an annual energy saving of around £2.5k for the theatre (note that these are conservative estimates prepared by an external consultant as part of the project feasibility study and I expect that the actual savings will be higher).
- 4.8 Works will be undertaken such that the normal operation of the theatre is not inhibited and therefore there will be no loss of income to the theatre. To this end, it is proposed that the bulk of the works will be undertaken during the theatre's annual "dark period" between July and August 2012.
- 4.9 A project to deliver the aforementioned works has been developed by the Council's Framework Consultants NPS Ltd and five tenders were returned and opened in the presence of the Portfolio Holder for Resources Cllr Paul Smith on Monday 27<sup>th</sup> February 2012.

## **5. Proposals**

- 5.1 To place an order with the successful contractor for the works.
- 5.2 To agree that the cost of the project be shown in the capital programme and funded from the Mercury Reserve and the Trust funds.

## **6. Strategic Plan References**

- 6.1 The Council's vision as set out in its Strategic Plan is of "Colchester: a place where people want to live, work and visit." This vision is supported by three objectives - to listen and respond, shift resources to deliver priorities, and be cleaner and greener.
- 6.2 By undertaking the replacement of the roof and windows at the Mercury Theatre the Council will be ensuring that a popular community asset that draws visitors from both within and outside of the Borough remains open and in good repair, as well as contributing to the delivery of its CO<sub>2</sub> savings target thereby clearly demonstrating its commitment to being cleaner and greener.

## **7. Consultation**

- 7.1 The Mercury Theatre's Buildings Committee has been involved with the project from its inception to date and is provided with regular updates regarding progress at the Buildings Committee meetings. The engagement of the Mercury Theatre with this project is essential if disruption to the theatre is to be managed to an absolute minimum and to date both the Buildings Committee and other theatre staff have been fully cooperative and supportive.

## **8. Publicity Considerations**

- 8.1 Major works being undertaken to a prominent building such as the Mercury Theatre is likely to attract press attention and as such, a press release will be prepared in conjunction with the theatre detailing the works that are to be completed, the reasons for the same and the positive affect that these will have upon the building, and also confirming the programme for the works and that the normal operation of the theatre will be unaffected.
- 8.2 The delivery of the Council's CMP and CO<sub>2</sub> reduction commitment is also a good news story that has already had broad press coverage. It is intended that this will continue and press releases will be prepared as Phase 3 CMP projects such as the Mercury Theatre project are developed and undertaken, promoting both the Council's commitment to be cleaner and greener and also its aim to take a lead role within the Borough in CO<sub>2</sub> reduction initiatives.

## **9. Financial implications**

- 9.1. The need for this project was reported to Cabinet in July 2011 and it was agreed to progress the planned roof repairs to the Mercury Theatre and that this be included in the Capital Programme. Funding options for this project were also reported and it was agreed that a proposal would be made in due course.
- 9.2. In 1999/2000 the Council agreed to establish a Mercury Reserve. This was done as part of the recovery plan for the Theatre and specifically the need to improve the approach to the planned repairs and maintenance and investment. The purpose of the Reserve was reported as being to 'help provide for the major replacement of fixed equipment and fittings and the refurbishment of the premises, or part(s) of the premises or particular facilities, to ensure they are kept up to date in a competitive market place and to respond to new operating standards, trends of use and customer demands'. After an initial one off contribution the reserve has been added to annually.
- 9.3. The Council is the sole Corporate Trustee of the Colchester New Theatre Trust. The Mercury Theatre (and studio) is owned by the Trust and is leased to the Mercury Theatre Ltd. The lease specifies that the responsibilities showing that company is responsible for the vast majority of cost relating to the operation of the theatre and internal parts of the building with the Trust being responsible for the structural and exterior of the building.
- 9.4. Based on the tenders reported it is expected that the funds in the Mercury Reserve will not be sufficient to meet the full estimated cost of this project. It is therefore proposed that the reserve be used to fund this work with the balance met from the Trust funds.

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

10.1 Contractors that have tendered for the project have been asked a set of equality and diversity questions to ensure that they are fully committed to equality and diversity.

10.2 These questions included:

- Requesting that a copy of the contractor's equal opportunities policy (if they have one) is submitted along with their tender.
- Confirmation that they are able to fully meet the requirements that all local authorities have, i.e. a statutory duty to outlaw discrimination based on race, sexual orientation, disability, age, religion or belief, gender and human rights, as this duty extends to organisations carrying out functions or works on the council's behalf also.

## **11. Community Safety Implications**

11.1 None directly arising from this report.

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

12.1 Due to the nature of the works to be delivered, the project falls within the jurisdiction of the Construction Design and Management (CDM) Regulations 2007 and as such, the Council as the "Employer" has appointed a CDM Coordinator and Competent Designer as it is required to do to properly fulfil its obligations under the Regulations.

## **13. Risk Management Implications**

13.1 There are no major risks associated with this project. However, the project will have its own risk management plan to ensure that potential risks are identified and mitigated wherever possible.

## **Background Papers**

None.

