

# CABINET

## 3 DECEMBER 2008

*Present :-* Councillor Anne Turrell (Chairman)  
Councillors Lyn Barton, Tina Dopson, Theresa Higgins,  
Martin Hunt, Beverley Oxford, Paul Smith and  
Tim Young

Date draft minutes published: 4 December 2008

Date when decisions may be implemented if not called in: 5pm 11 December 2008

All decisions except urgent decisions and those recommended to Council may be subject to call in. Requests for scrutiny of decisions by the Strategic Overview and Scrutiny Panel must be signed by at least one Councillor and counter-signed by four other Councillors (or alternatively support may be indicated). All such requests must be delivered to the Proper Officer by no later than 5pm on: 11 December 2008

### **38. Minutes**

The minutes of the meeting on 8 October 2008 were confirmed as a correct record.

### **39. Have Your Say!**

Mr Heaton addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2). He believed that the Customer Service Centre was inadequately staffed, although the staff that were employed were of very high calibre. He suggested that the Council seek advice from Lloyds TSB on the management of the Customer Service Centre, as they ran a very successful call centre. Councillor Hunt, Portfolio Holder for Communication and Customers, responded and praised the staff in the Customer Service Centre. He indicated that there was an ongoing review of the Customer Service Centre, in view of the demands being placed on it by the difficult economic climate. Staff were being reorganised so that resources were directed to where they were most needed. There were plans to introduce a Public Service Village in early 2009. A written response would be sent to Mr Heaton.

### **40. 2009/10 Revenue Budget and Financial Reserves**

The Head of Resource Management submitted a report a copy of which had been circulated to each Member and a copy of which appears as Appendix A to these minutes in the Minute Book together with draft minute 22 of the meeting of the Strategic Overview and Scrutiny Panel meeting of 4 November 2008.

Councillor Smith, Portfolio Holder for Resources and Business, introduced the report and stressed the impact of the economic climate on the Council's income. This would have an impact on the speed at which the Council could develop its services.

Councillor T. Higgins, Portfolio Holder for Culture, Tourism and Diversity, explained that the recommendation of the Strategic Overview and Scrutiny Panel that the Heritage Fund Reserve be reinstated into the 2009-10 budget would be considered as part of the budget process.

*RESOLVED* that:-

- (a) The current 2009/10 revenue budget forecast which at this stage showed budget gap of £264 000 and the forecast variables and risks be noted.
- (b) The action being taken to close the budget gap including the development of savings delivery plans be noted.
- (c) Revenue balances be maintained at a minimum of £1.7 million for 2009/10 as set out in the Risk Analysis subject to consideration of outstanding issues as part of the final budget report in January 2008 (Appendix D of the Head of Resource Management's report).
- (d) The current budget forecast for the current municipal year as set out in paragraph 9.6 of the Head of Resource Management's report be noted.
- (e) In respect of second homes the Council Tax discount applied be retained at 10% as set out at paragraph 11.5 of the Head of Resource Management's report.
- (f) In respect of long term empty properties the discount be retained at nil as set out at paragraph 11.5 of the Head of Resource Management's report.
- (g) The reinstatement of the Heritage Fund Reserve into the 2009/10 budget be considered as part of the budget process.

*REASONS*

The Council was required to approve a revenue budget in respect of the year 2009/10.

*ALTERNATIVE OPTIONS*

There were different options that could be considered and as the budget progressed changes and further proposals would be made and considered by Cabinet and in turn Full Council.

**Councillor Tim Young (in respect of his spouse being a member of Essex County Council) declared a personal interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(3)**

**Councillor Theresa Higgins and Councillor Anne Turrell (in respect of their**

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

**41. Essex County Council consultation on secondary schools in Colchester**

The Head of Life Opportunities submitted a report a copy of which had been circulated to each Member and a copy of which appears as Appendix B to these minutes in the Minute Book. Gareth Mitchell, Head of Life Opportunities, attended to assist the Panel.

Bob Russell MP addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2). He hoped that the Council would unanimously oppose the closures of Alderman Blaxill and Thomas, Lord Audley schools and that a named vote should be taken when the matter was considered by Council. He expressed support for the proposal put forward by Alderman Blaxill, Stanway and Thomas, Lord Audley schools to create a single school operating on three sites, commonly known as option 4. He was concerned that the consultation paper appeared to dismiss this idea before it had been properly considered.

Councillor Harris attended, and with the consent of the Chairman, addressed the Cabinet.. The closure of Thomas, Lord Audley school would rip the heart out of the local community. It would also increase the number of children having to undertake long journeys to school and impact on their ability to take part in after school activities. The senior management had worked hard to put the school on a sound footing and results were improving. He supported option 4 which he believed would bring long term benefits to future generations in Berechurch and also offer greater career choices to staff at the three schools.

Councillor Offen attended, and with the consent of the Chairman, addressed the Cabinet. He expressed concern that the County Councils preferred option would mean Colchester would no longer have any smaller secondary schools. A number of children thrived in smaller schools. There was little or no further room at Stanway or Philip Morant to take further pupils and if forced to take them, they would become too large. Option 1 would also impact particularly severely on service families, who deserved to be treated better. Ofsted had reported improvements in Alderman Blaxill and Thomas, Lord Audley and if option 4 was implemented, statutory targets on results would be met. Thomas, Lord Audley had recently been transformed and was now an effective school.

Councillor Naish attended, and with the consent of the Chairman, addressed the Cabinet in support of option 4. The closure of Alderman Blaxill and Thomas, Lord Audley would breakup the communities they served and friendships amongst pupils. The increased travel that would result would be contrary to the Council's policies on carbon management.

Councillor Dopson, Portfolio Holder for Performance and Partnership, stressed the importance of issues involved in the consultation and in view of this, it was recommended that the Cabinet's recommended response be referred to full Council for a wider debate. In discussion Cabinet considered that the response to the consultation

should address the following matters:-

- Further clarification on the further funding referred to in the consultation document and written guarantees as to when this money would be spent on secondary schools in Colchester.
- Colchester's secondary schools had a history of good partnership working and this should continue, regardless of the outcome of the consultation.
- Primary schools had largely been left out of the consultation process, and an ongoing dialogue with the primary schools should be encouraged, regardless of the outcome of the consultation.
- The closure of Alderman Blaxill and Thomas, Lord Audley should be opposed.
- Option 4, which was a local solution and in line with the principles of localism supported by the County Council, should be supported by Colchester Borough Council. This would effectively put on a formal basis what was already happening.
  
- The infrastructure at Sir Charles Lucas Art College was not fit for purpose, but it remained an important focus for the community. Replacement buildings for Sir Charles Lucas would be welcomed, on the basis that it would continue to serve the existing priority admission areas. It should also retain the existing number of parent governors and terms and conditions for staff.
- If as result of the consultation, Philip Morant needed to expand this could lead to the loss of open land at Norman Way. The Cabinet firmly opposed any such loss.
- The impact of the proposals in the consultation on transport and congestion in Colchester should be addressed, together with the impact of long journeys to school on children and families.

*RESOLVED* that:-

(a) The Cabinet recommend that the Council respond to the Essex County Council consultation on Secondary Education in Colchester in the following terms:

*"1. The Council welcomes the announcement that £100 million will be invested in the town's secondary school education, but seeks written clarification from Essex County Council as to:-*

(a) *how such a precise sum has been arrived at;*

(b) *what discussion have take place between Essex County Council and th Department for Children, Schools and Families;*

(c) *A guaranteed timetable of when money will be spent on secondary schools in Colchester.*

2. *Colchester Borough Council does not, however, support the closure of the Thomas, Lord Audley College at Monkwick and the Alderman Blaxill School at Shrub End because this would leave both these communities – and the whole of South Colchester – devoid of a local secondary school, and therefore supports an alternative proposal known as option 4, which would put on a formal basis what is already operating in practice, as follows:*

*That Thomas Lord Audley Collage, Alderman Blaxill School and the Stanway School should operate as one school on the three existing sites under the stewardship of an Executive Head as proposed by the existing governing bodies of the three schools.*

3. *Colchester Borough Council recognises any replacement for the current buildings at Sir Charles Lucas Arts College would be welcomed conditional upon:-*

(a) *a written guarantee stating categorically that such an establishment will be located at Greenstead, with a strong preference for the existing Sir Charles Lucas Arts College;*

(b) *pupils from the existing priority admissions area of the St Anne and St Andrew's Wards will be guaranteed places;*

(c) *there will be no reduction in the current number of parent governors;*

(d) *the existing terms and conditions of employment will be continued;*

(e) *it should be subject to democratic accountability in a similar way as all other secondary schools.*

4. *Colchester Borough Council notes that, for many years, secondary schools in Colchester have had a good partnership working arrangement. The Council*

*therefore seeks assurances that all education establishments providing secondary school education will be required to particulate in future partnership working arrangements.*

5. *Colchester Borough Council strongly opposes the loss of any open land a Norman Way, between Prettygate and Christ Church wards, for new buildings or car parking for Philip Morant School.*

6. *Colchester Borough Council supports the principle of the Government's aim and objectives of sustainable communities, safe routes to schools and reducing transportation and therefore observes:-*

(a) *that the three options put forward for secondary school reorganisation Colchester are, in some respects, contrary to government policies;*

(b) *will lead to increased traffic movements and traffic congestions on the town's already busy road system;*

(c) *the costs to parents of paying for transport for their children to attend school elsewhere will impact severely on family budgets so any changes which result in significant shifts in pupil populations should be accompanied by free bus routes;*

(d) *a reduction in the prospect for many pupils being able to participate in after school activities.*

7. *Colchester Borough Council urges residents to support a final outcome that is based on Option 4, for the reasons set above, and pledges to campaign to urge Essex County Council and the Department for Children, Schools and Families, to accept what is a Colchester solution for Colchester's secondary education needs.*

8. *Colchester Borough Council welcomes ~~any~~ ongoing dialogue with Essex County Council as the Local Authority over the future of secondary education and any resulting impact on primary schooling during the length of the consultation*

*process and beyond, regardless of the option(s) selected by Essex County Council.”*

(b) The Cabinets recommended response be referred to Full Council to gather the views of all Councillors prior to a formal response being submitted to Essex County Council.

(c) Responsibility be delegated to the Portfolio for Performance and Partnerships for responding to the consultation on the Council’s behalf following the debate at Full Council.

## **REASONS**

(a) The Portfolio Holder for Performance and Partnerships requested that the matter be referred to Cabinet to provide an opportunity for Cabinet to agree a recommended response to the consultation.

(b) As the district local authority, the Council recognised the importance of educational performance in improving the life opportunities of local children and young people.

(c) As a signatory to the Essex Local Area Agreement (LAA), the Council has agreed to ‘have regard’ to the LAA targets that relate to education. The Council was also working in partnership with other agencies towards the achievement of more local Life Opportunities targets relating to educational attainment through the Colchester Public Service Partnership. These targets were set out in Appendix 1 of the Head of Life Opportunities report.

(d) The Council was an active member of the Colchester Children and Young People’s Strategic Partnership (CYPSP) Board, the statutory partnership responsible for overseeing outcomes for children and young people in Colchester borough, including those that relate to educational attainment. The Council was represented on this important partnership by the Portfolio Holder for Performance and Partnerships and the Head of Life Opportunities.

## **ALTERNATIVE OPTIONS**

Cabinet could have chosen not to agree a recommended response and not to refer the consultation response to Full Council. To do so would have been to miss the opportunity for all Councillors to provide input to a consultation on options that would have a significant impact on the life of the borough.

The Council could have chosen not to respond to the consultation. To do so would have been to miss the opportunity to influence the provision of secondary education in Colchester borough in the future, something that has a material effect on the wellbeing and life opportunities of local children and young people.

## **42. Visual Arts Facility - firstsite:newsite**

The Executive Director (Ian Vipond) submitted a report a copy of which had been circulated to each Member and a copy of which appears as Appendix C to these minutes in the Minute Book.

Bob Russell MP addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2). Investment in the Visual Arts Facility (VAF), which was not loved by residents, was not a priority, given the economic climate. Concern was expressed at the level of professional fees, which now stood at £3.8 million. The option proposed was the least worst option open to the Council.

Dorian Kelly addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2). He considered that the VAF would bring economic benefits and prestige to Colchester, but there had been clear failings in the management of the project. A project manager and clerk of works should have been appointed. It was suggested that it might be more sensible to pay the loan back over a shorter period. However, even at the revised cost, the VAF was being delivered at a cheap price for an art gallery.

Andy Hamilton addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2). He considered that there was overwhelming public opposition to the VAF and expressed concern that the independent investigation into circumstances surrounding the construction of the VAF had not commenced yet. He did not have confidence that firstsite would be able to manage the VAF adequately. He noted that the Arts Council was facing cuts and may not be in a position to provide further funding to the project and the £2 million being sought may prove to be an underestimate of the costs required. In response, Councillor Hunt, Portfolio Holder for Communication and Customers, explained that the Council was committed to an independent investigation, but partners did not believe that it was appropriate for this to commence now. However, the project was now subject to rigorous scrutiny. Through the terms of the Agreement with the Arts Council, the Council was obliged to lease the VAF to firstsite, but following recent meetings he was optimistic that they had a robust and viable business plan.

Councillor Harris attended and with the consent of the Chairman addressed the Cabinet. He believed that the administration had inherited a badly managed project and was now in a very difficult position. He expressed concern about the impact of the further funding on the delivery of services to residents.

Councillor Naish attended and with the consent of the Chairman addressed the Cabinet to express concern about the provision of additional funding to the project, which could be better spent on services to residents.

Councillor Goss attended and with the consent of the Chairman addressed the Cabinet to express concern about the management of the project and in particular the decision to agree to unlimited liability for any cost over-runs.



Councillor Hunt, Portfolio Holder for Communication and Customers, and Councillor Smith, Portfolio Holder for Resources and Business, introduced the report and explained the background to the proposal for a further £2 million of capital be made available to the VAF project. It was emphasised that if this proposal was not agreed the alternative options were either to fund the project itself at a projected cost of £7.6 million, or to abandon the project which would mean that partners grants would need to be returned at costs of between £11.2 million and £15.2 million. The options faced by the Council were as a result of the previous administration's management of the project. Particular concern was expressed about proceeding with the construction of the VAF before a signed contract was in place and the decision in April 2008 to sign an agreement making the Council liable for any cost over-runs, when it was already clear that the project was in difficulties.

Councillor Tim Young, Portfolio Holder for Street Services, and Councillor Tina Dopson, Portfolio Holder for Performance and Partnerships, explained that the Labour Group had consistently opposed the proposal for the VAF on this site and would abstain from voting on this proposal.

*RECOMMENDED* to Council that a provisional sum of £2 million of capital be made available to the Visual Arts Facility (VAF) 'firstsite:newsite' project subject to a number of conditions as set out in paragraph 5.3 of the Executive Director's report and that the capital programme be amended to reflect the forecast additional cost (TWO ABSTAINED from voting).

#### *REASONS*

The project costs had overrun compared to the funding that had been made available from a number of funders. The funders of the project were each being asked to allocate further funding to this project and the Council needed to consider whether an additional sum of capital should be allocated to the project to ensure its completion.

#### *ALTERNATIVE OPTIONS*

The proposed recommendation was based on the funders jointly agreeing to find the required finance to finish this project. The Council could fund the completion of the project itself at a projected cost of £7.6m or it could decide that it did not wish to put further funding into the project. This would be likely to have meant that the other funders would seek the return of their original funding, if the intended purpose of their grants was not being achieved, at a cost of between £11.2m and £15.2m. This would also have left the Council with an unfinished and unusable building.

### **43. Office Accommodation Strategy - Purchase of Rowan House**

The Executive Director (Ann Wain) submitted a report a copy of which had been circulated to each Member and a copy of which appears as Appendix D to these minutes in the Minute Book.

Andy Hamilton addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(2). He did not believe that the Council had the necessary skills to manage the building and was concerned that the Council was borrowing a large sum to purchase a depreciating asset. In addition, Rowan House was only easily accessible to car drivers.

Councillor Smith, Portfolio Holder for Resources and Business, explained that this was a very prudent deal that would save the Council money and there would also be benefits for the Housing Revenue Account. Councillor Theresa Higgins, Portfolio Holder for Culture, Tourism and Diversity, explained that the Council remained committed to providing a town centre presence for face to face contact with customers.

*RESOLVED* that the Council should buy the freehold of Rowan House.

*RECOMMENDED* to Council that:-

- (a) The capital spend to buy the freehold of Rowan House be included in the capital programme.
- (b) Additional prudential borrowing be authorised to fund the purchase the freehold of Rowan House.

*REASONS*

- (a) The purchase of Rowan House made good financial sense as outlined in the financial implications of the Executive Director's report. It was cheaper to buy the building and fund the borrowing than to continue to rent. The Council would also own the asset.
- (b) It would also increase flexibility as the Council would hold the freehold.

*ALTERNATIVE OPTIONS*

- (a) The alternative option would be continue to lease. However, as shown in the financial implications of the Executive Director's report, it was cheaper to fund the borrowing needed to buy the building than to continue to pay rent.
- (b) The Councils overarching accommodation strategy was based on consolidating into a single office building. All options were considered. However as the Council was tied to the lease at Rowan House until at least 2014 and potentially until 2022, the only financially viable option was to remain in Rowan House, whether it was rented or owned.

#### **44. Borrowing Limits and Prudential Indicators**

The Head of Resource Management submitted a report a copy of which had been

circulated to each Member and a copy of which appears as Appendix E to these minutes in the Minute Book.

(a) *RECOMMENDED* to Council that changes to the Council's prudential indicators be approved in respect of borrowing of £8.182 million in respect of the proposed purchase of the freehold of Rowan House;

(b) *RECOMMENDED* to Council that changes to the Council's prudential indicators be approved in respect of borrowing of £2 million in respect of the firstsite:newsite project.

#### *REASONS*

The items at minutes 42 and 43 above set out proposals to make the following changes to the capital programme:

- Inclusion of £8.182 million in respect of the purchase of Rowan House;
- An addition of £2 million funded by the Council in respect of the firstsite:newsite project subject to certain conditions

Both proposals were made on the assumption that the capital cost would be funded through borrowing.

#### *ALTERNATIVE OPTIONS*

No alternative options were presented to the Cabinet.

### **45. Calendar of Meetings**

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

Councillor T. Young, Portfolio Holder for Street and Waste Services, explained that an additional Council meeting was proposed, as had been promised when they were in opposition, and this would provide an a further opportunity for the administration to be held to account.

*RESOLVED* that the calendar of meetings for 2009-10 Municipal Year be approved.

#### *REASONS*

(a) The Calendar of Meetings needed to be determined so that decisions for the year could be timetabled into the respective work programmes and the Forward Plan.

(b) Advance notice of the Calendar of Meetings needed to be made available to external organisations, parish councils and other bodies with which the Council works in partnership and to those members of the public who may wish to attend meetings of the council and make representations.

(c) The meeting rooms also need to be reserved as soon as possible so that room bookings can be made for private functions by private individuals, external organisations and internal Council groups.

#### *ALTERNATIVE OPTIONS*

The proposed calendar was based on the current meeting structure and frequency of meetings. It would have been possible to devise alternative proposals using different criteria.

### **46. Appointment of Deputy Mayor for 2009/10 Municipal Year**

Consideration was given to the appointment of the Deputy Mayor for the Municipal Year 2009-10.

Councillor Davidson nominated Councillor Lewis as Deputy Mayor for the 2009-10 Municipal Year. Councillor Hunt and Councillor T. Young both endorsed the nomination of Councillor Lewis

*RECOMMENDED* to Council that Councillor Sonia Lewis be nominated for appointment as Deputy Mayor for the Borough of Colchester 2009-10 Municipal Year.

### **47. Progress of Responses to the Public**

The Head of Corporate Management submitted a progress sheet a copy of which had been circulated to each Member and a copy of which appears as Appendix G to these minutes in the Minute Book.

*RESOLVED* that the contents of the Progress Sheet be noted;

#### *REASONS*

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

#### *ALTERNATIVE OPTIONS*

No alternative options were presented to the Cabinet.