

# Cabinet

Wednesday, 30 January 2019

**Attendees:** Councillor Nick Barlow, Councillor Tina Bourne, Councillor Mark Cory, Councillor Martin Goss, Councillor David King, Councillor Michael Lilley, Councillor Beverley Oxford, Councillor Tim Young

Also in attendance: Councillors Barber, Hazell, Lissimore, G. Oxford, Scordis, Whitehead and Willetts

## No. Publication and Call in Arrangements

Date Published 31 January 2019

Date when decisions may be implemented (unless 'called in') 5pm 7 February 2019

NB All decisions except urgent decisions, those subject to pre-scrutiny and those recommended to Council may be subject to the Call-in Procedure.

Requests for the scrutiny of relevant decisions by the Scrutiny Panel must be signed by at least ONE Councillor AND FOUR other Councillors to countersign the call-in form OR to indicate support by e-mail. All such requests must be delivered to the Proper Officer by no later than 5pm on Thursday 7 February 2019,

## 320 Minutes of Previous Meeting

*RESOLVED* that the minutes of the meeting held on 21 November 2018 be confirmed as a correct record.

## 321 Have Your Say!

**Councillor Cory (in respect of his membership of North East Essex Clinical Commissioning Group) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).**

Sue Beecham, Molly Walker and Ale Vargas addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1) to express their concerns about the Essex County Council consultation on the library service. They stressed the value of libraries to students and the elderly and their role in combating social isolation. They also provided access to the internet for those who were not online.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, responded and stressed the need for libraries to be kept open. At its meeting in December 2018 the Council had passed two motions in support of libraries, requesting that the consultation be stopped and that central government provide more resources to local government to ensure the maintenance of such services. Libraries were a key public service, which could be accessed without charge and also played a vital role in the

provision of information to the public and as a meeting space for community groups.

Councillor T. Young, Portfolio Holder for Business and Culture, Councillor Bourne, Portfolio Holder for Housing and Communities, Councillor King, Portfolio Holder for Resources, Councillor B. Oxford, Portfolio Holder for Customers and Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, all expressed their support for the library service and their concern about potential closures. They encouraged residents to respond to the consultation, although concerns were expressed about the wording of the consultation questions. It was unrealistic to expect volunteers to take over the roles of professional librarians. The comments from the public speakers would be included within the Council's formal response to the consultation.

Alistair Heron addressed the Cabinet pursuant to the provisions of Meetings General Procedure 5(1) to express his concern about the Council's interaction with the Broad Lane Sports Ground. He queried why £10,000 was allocated in the Revolving Investment Fund in respect Broad Lane Sports Ground and why the Council was seeking to change the lease, which had been set up for the benefit of the community.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, responded and explained that he had become involved as a ward councillor for Wivenhoe. He explained background to the current position and stressed that his involvement was to ensure that Broad Lane Sports Ground was protected for sport and that all users of the site had a proper legal standing. Councillor Barlow, Portfolio Holder for Commercial Services, explained that the Revolving Investment Fund was used to secure external investment for the benefit of local communities. The Council was looking to develop the sporting facilities on the site, and not to develop the site for other purposes.

Barrie Cook addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1) to express his concern about the proposed development by Alumno in the Cultural Quarter. A mixed use development of retirement flats with boutiques for small businesses would bring greater benefits to the town centre and the housing market than student flats.

Councillor T. Young, Portfolio Holder for Business and Culture stressed that any development needed to comply with the Masterplan, the Local Plan and the emerging Local Plan, and that such a scheme would not have done so. The Alumno scheme was the only scheme that had been put forward that complied with these policies. The scheme would be determined by the Planning Committee in the near future.

Councillor G. Oxford attended and with the consent of the Chairman addressed Cabinet to highlight the change in arrangements for the disposal of sharp boxes, which meant that this was the responsibility of the borough council. Communication had been poor, and whilst the previous arrangements through pharmacies meant that a replacement box would be issued without charge, local authorities were able to charge for the service. Councillor Hazell attended and with the consent of the Chairman, addressed Cabinet to reiterate the concerns of Councillor G. Oxford and suggested that instituting a scheme whereby patients took the boxes to surgeries and pharmacies and the Council collected from there, which would reduce the burden on

the Council.

Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, explained that the new system had been introduced from 1 January 2019. Communication from the NHS to patients had been poor. The Council had the power to charge for the collection of medical waste since 2016. However, he had very recently signed a Portfolio Holder decision cancelling all charges for medical waste collection, and anyone who paid a charge since the introduction of the new arrangements would receive a refund. The new system was an improvement for patients as the waste would be collected and a new box issued from their home. Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, explained that he would ensure that the Clinical Commissioning Group were aware of the concerns that had been raised.

Councillor Willetts attended and with the consent of the Chairman, highlighted the poor appearance of the market. The gazebos used for the market stalls were in a poor condition and this detracted from the ambience of the town centre. They needed to be replaced or an alternative solution found.

Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, explained that the arrangements for the market were being looked at. The Council would listen to views and look at the options for the future delivery of the market.

Councillor Barber attended and with the consent of the Chairman, addressed Cabinet to express his concern about the booking of David Icke at Charter Hall. Whilst he supported free speech David Icke held some abhorrent views, which were shared by some on the far-right, and he was concerned that a publicly funded venue should provide a platform for him.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, and Councillor Barlow, Portfolio Holder for Commercial Services, responded and acknowledged his concerns. There was a balance to be struck between free speech and ensuring offensive views were not given a platform. Discussions would be held with officers to ensure clear procedures were in place.

Councillor Lissimore attended and with the consent of the Chairman, addressed Cabinet about the proposed changes in plastic waste collections which meant that a number of plastic products would no longer be collected as recycling. This would be difficult for residents to understand and for operatives to enforce. It was contrary to previous Council policies and initiatives.

Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, explained that this proposal was driven by a global problem with the market for recyclable plastic. There was no market for these types of plastic and therefore even if collected, they would not be recycled. If the decision was approved, there would be an extensive programme of communications to residents before the change was introduced. Councillor Bourne, Portfolio Holder for Housing and Communities, stressed that the residents had demonstrated that they were able to adapt to changes in collection processes and she was confident they would understand the reason for

the change.

Councillor Scordis attended and with the consent of the Chairman, addressed Cabinet. He supported Councillor Barber's comments on the booking of David Icke at Charter Hall. He suggested that one of the unused bowling greens on the Recreation Ground off Old Heath Road could be used as a safe space for walking dogs that could not be let off a lead. He also drew attention to a problem with waste and litter outside a newsagent and asked if the licensing system could be used to impose conditions on licensed premises to ensure litter outside their premises was cleared up.

Councillor Bourne, Portfolio Holder for Housing and Communities, indicated she would investigate the proposal for the bowling green. Councillor Liddy, Portfolio Holder for Planning, Public Safety and Licensing, explained that such conditions would be enforced, if they were on a licence. A ward councillor could call in a licence for review, if issues were arising from the premises.

### **322 Potential Housing Projects using Housing Revenue Account Borrowing**

The Assistant Director, Policy and Corporate, submitted a report a copy of which had been circulated to each Member.

Councillor Bourne, Portfolio Holder for Housing and Communities, introduced the report, together with the following reports on the ownership of new affordable housing sites, the housing revenue account estimates 2019-20 and the housing investment programme 2019-20. Taken together, the reports demonstrated that house building was a key priority for the administration. She explained that the abolition of the debt cap announced in November 2018 meant that the Council was now able to build new affordable homes and improve the existing housing stock. This report set out an ambitious programme of short, medium and long term aspirations for the development of housing of a type and tenure suitable for residents. These included phase 2 of the garage sites project which would lead to development of 35 units on old garage sites, the use of the Right to Buy Back, which would bring a number of previously Council owned properties back into Council ownership and a trial of "Airspace" modular units. In the medium term there would be a sheltered housing improvement programme and phase 3 of the garage sites. In the long term it was hoped that the government would trust local authorities to continue to provide housing to meet housing need, as they were best placed to understand the needs of their communities.

*RESOLVED* that: -

- (a) The Council should continue to explore further options but will now actively pursue viable development opportunities that are set out in the Assistant Director's report, from feasibility through to the completion of the relevant viable projects.
- (b) Colchester Amphora Housing Ltd (CAHL) and Colchester Borough Homes (CBH) be appointed to help the Council progress the projects as set out in the Assistant Director's report and advance the viable schemes through to completed delivery.

(c) It be noted that the Housing Revenue Account (HRA) budget and Housing Investment Programme (HIP) for 2019/20, as reported elsewhere on the agenda for this meeting of the Cabinet, have been prepared with the inclusion of financial provisions to continue to actively progress these projects over the 2019/20 financial period.

(d) These budgets should, in subsequent years, continue to include further provisions in order to continue to drive forwards the proposals that are set out in the Assistant Director's report for the short and medium term projects, that remain viable once the necessary due diligence is completed.

## *REASONS*

There is a national housing crisis and Colchester is no different to anywhere else in requiring more homes, especially with regard to affordable homes. This decision is required in order to make any further progress in advancing schemes and take the first decisive steps, following the abolition of the HRA debt cap, to deliver more affordable homes. To do so, a budget provision now needs to be made for the next financial year, within which time the feasibility works would be completed, consultation and engagement would need to take place, planning applications would be submitted, contractors appointed and possibly even commencement of some sites. This means that the Council needs to decide whether or not to commit to the exploration of this programme of development, which could see up to 350 homes delivered in total over the next 5 or 6 years (subject to how feasibility works evolve), in order that it is not avoidably delayed as schemes can progress.

Whilst these may not be the only steps that are taken over the next few years, a decision to pursue these does not prejudice further development opportunities coming forward and would allow for new affordable homes to be provided without delay, so that the community can benefit from them as soon as possible. The programme as set out includes short, medium and long term ambitions; making a sustainable programme of new affordable housing that can be further developed over time. It is an early statement of intent to deliver a significant number of affordable homes moving forwards.

There is an acute need for more affordable home in Colchester. "Affordable housing" is a term that includes social rented, affordable rented and intermediate housing. This is provided to eligible households whose needs are not met by the open housing market and whose eligibility is determined with regard to local incomes and house prices. The definition now originates from the National Planning Policy Framework (2018). Rents for affordable housing should be set in accordance with the Government's rent policy for social rent or affordable rent, at least 20% below local market rents (including service charges where applicable). Affordable housing should also include provisions to remain at an affordable price for future eligible households, or for any subsidy to be recycled for alternative affordable housing provision.

The homes that the Council creates will be used to accommodate people from our housing needs register. This means that the new homes address local need. The demand for this new affordable housing, and an illustration of why not acting is not an

option, is demonstrated by the figures on the housing needs register.

### *ALTERNATIVE OPTIONS*

The Council could decide not to pursue any of the projects at all; however this would not make the maximum use of the borrowing capacity that the Council has now been given, consequently missing an excellent opportunity to provide affordable housing for those most in need; which is a key priority of the Council as set out in the Strategic Plan. It would also mean that the Council may not be able to use the retained 1-4-1 Right To Buy receipts it holds, which must be returned plus interest to the Treasury if they are not spent within 3 years; whereby these developments should ensure that the Council would not need return any receipts for the foreseeable future due to the increased opportunities to reinvest them in new affordable homes, if delivered as planned.

The Council could decide not to pursue some of the individual projects identified in this report. However, at this time it is considered that all of the projects should be explored further and that the shorter term projects are all expected to be deliverable.

The Council could seek to identify alternative projects to those in this report. However, the project set out herein are those that have been identified as the most appropriate at this time. This decision does not rule out seeking further opportunities in due course and the additional borrowing, which under the prudential code must be affordable, would not prejudice any further borrowing for additional schemes that are identified in due course.

The Council could pursue the Airspace scheme without using HRA borrowing; however the “traditional” delivery model used by modular construction companies who build airspace schemes would return only a smaller percentage of the units to the Council to use as affordable housing, whilst most of the properties (which would be built by the developers at their cost) would be retained by the partnering company for them to sell or lease. As this does not provide as many affordable homes for the council it is not recommended during the few suggested pilot schemes, but could be revisited should a larger roll out follow. Whilst risk and cost is taken on by the Council from using the proposed 100% affordable housing model, this risk is being managed by use of a “pilot” to minimise implications until the chosen schemes can demonstrate their potential.

**323**

### **Ownership of the New Affordable Housing Delivered by Colchester Amphora Limited**

The Assistant Director, Policy and Corporate, submitted a report a copy of which had been circulated to each Member.

Councillor Bourne, Portfolio Holder for Housing and Communities, introduced the report, and highlighted that on each of the proposed sites, 30% affordable housing for rent would be secured. This would deliver over 100 affordable homes. It was no longer necessary to create a separate company to own these homes and it was proposed that Colchester Borough Council would be the landlord. They would then be let households awaiting homes on the Council’s housing needs register in accordance

with the allocations policy.

*RESOLVED* that:-

- (a) “Prudential borrowing” now available to the Housing Revenue Account (HRA) be used to purchase all of the completed affordable housing units that are delivered from the first programme of development by Colchester Amphora Housing Ltd (CAHL).
- (b) The Council enter into a Development Agreement with CAHL which will see all of the affordable housing units on their 4 sites be transferred to the Council, upon completion, at an appropriate market value for affordable housing.
- (c) Authority be delegated to the Assistant Director, Policy and Corporate, in conjunction with the Portfolio Holder for Housing and Communities, to conclude the final legal agreements and financial matters in respect of all of the above.
- (d) It be noted that completion of the Development Agreement shall be simultaneous with the conditional contract CAHL will enter into with the Council for the initial sale of the sites to the company that was agreed by Cabinet in October 2018.
- (e) It be noted that provision for the acquisition of the first affordable homes has been incorporated into the 2019/20 Housing Revenue Account budget also on the agenda for this Cabinet meeting and would then be included in subsequent budget setting processes in following years, as the new homes are delivered.

#### *REASONS*

The Council has an established desire to build new affordable homes. CAHL, as a development company, is the delivery vehicle that will build new homes in the Borough including over 100 new affordable homes on behalf of the Council. However, due diligence as part of the Company set up has shown it is not economically beneficial if CAHL hold any of the completed stock once the developments are built..

The Council already owns affordable housing stock, but was unable to borrow more money within the HRA due to policies that the Government introduced in 2015, and the Government imposed HRA debt cap. That meant that the Council could not finance development of affordable homes. However, there was a fundamental change in Government policy in October 2018; with the Government’s Autumn Budget providing a sudden announcement that the HRA debt cap was to be abolished with immediate effect, a response to recent feedback from Councils across the country (including Colchester) regarding the biggest barriers to affordable housing development. This significant relaxation on the restriction of HRA borrowing means that the Council can now utilise a new capacity to borrow so that it can purchase the completed stock as new Council-owned affordable homes.

#### *ALTERNATIVE OPTIONS*

The Council could set up a new wholly-owned rental holding company that would

acquire the affordable housing units. The newly established subsidiary company would secure the properties under Council control, although the stock would be owned by the company rather than the Council. Following the abolition of the HRA debt cap, this would now be a more complicated option that is now likely to be more expensive than a direct purchase by the Council. More detail is set out further below.

The Council could agree that CAHL could sell the rental units to a Registered Provider (RP) and generate a capital receipt. The Council would receive 100% nomination rights upon first let and a minimum of 75% on second let. However, the Council would not own the properties and has no control over the future disposal of them (one of the key aims from developing these sites), so it is not explored further herein.

The Council could agree that CAHL should retain the completed stock, but this would adversely affect the financial model for the development for both the company and, subsequently, to the Council.

### **324 Housing Revenue Account Estimates 2019-20**

The Assistant Director, Policy and Corporate, submitted a report a copy of which had been circulated to each Member together with the draft minute of the Scrutiny Panel meeting of 29 January 2019.

Councillor Bourne, Portfolio Holder for Housing and Communities, introduced the report and explained that the Housing Revenue Account (HRA) was a ring-fenced fund to protect the rent paid by tenants and ensure it was not used for purposes other than housing. The estimates included the management fee for Colchester Borough Homes and the housing investment fund for repairs and maintenance of the housing stock. The position of the HRA was more positive than in preceding years. Councillor Bourne thanked and paid tribute to the officers who prepared and monitored the HRA.

*RESOLVED* that:-

- (a) The 2019/20 HRA revenue estimates as set out in Appendix A if the Assistant director's report be approved.
- (b) Dwelling rents as calculated in accordance with central Governments rent policy (as set out in paragraph 5.7 of the Assistant Director's report) be approved.
- (c) The HRA revenue funded element of £6,723,000 included within the total management fee for Colchester Borough Homes (CBH) be approved (as set out in paragraph 5.14 of the Assistant Director's report).
- (d) The revenue contribution of £2,448,500 to the Housing Investment Programme included in the budget (paragraph 5.30 of the Assistant Director's report) be noted.
- (e) The HRA balances position in Appendix B of the Assistant Director's report be noted.
- (f) The Medium Term Financial Forecast (MTFF) set out at Appendix C of the Assistant Director's report and the 30 Year HRA financial position set out at Appendix

E of the Assistant Director's report, be noted.

### *REASONS*

Financial Procedures require the Assistant Director of Policy and Corporate to prepare detailed HRA estimates for approval by the Cabinet, setting the new rent levels for the new financial year.

### *ALTERNATIVE OPTIONS*

No alternative options were presented to the Cabinet.

## **325 Housing Investment Programme 2019-20**

The Assistant Director, Policy and Corporate submitted a report a copy of which had been circulated to each Member together with the draft minute of the Scrutiny Panel meeting of 29 January 2019.

Councillor Bourne, Portfolio Holder for Housing and Communities, introduced the report and explained that the Housing Investment Programme allocated £117 million into housing stock improvements. Attention was drawn to the proposals at Paragraphs 9.1 -9.12 of the Assistant Director's report which demonstrated the range and value of the work funded through the Housing Investment Programme.

*RESOLVED* that:-

- (a) The Housing Investment Programme for 2019/20 be approved.
- (b) The Capital Medium Term Financial Forecast (CMTFF) set out at Appendix A of the Assistant Director's be noted.

### *REASONS*

Each year as part of the process to agree the Council's revenue and capital estimates the Cabinet is required to agree the allocations to the Housing Stock Investment Programme. These allow for work to be undertaken to maintain, improve, and refurbish the housing stock and its environment.

Cabinet annually agree to accept a proposed 5 year Housing Investment Programme (HIP) in principle as the framework for procuring housing related planned works, improvements, responsive and void works and cyclical maintenance.

The proposed investment programme is linked to the Asset Management Strategy (AMS) and reviewed annually in the light of available resources and for each annual allocation to be brought to Cabinet for approval as part of the overall HIP report.

The Colchester Borough Homes (CBH) Board have considered the content of the

Cabinet report submitted and is now seeking approval for the 2019/20 Capital programme.

The Assistant Director's report seeks the release of funds under grouped headings as described in the AMS and supported by the Management Agreement dated 9th August 2013, which governs the contractual relationship between Colchester Borough Council (CBC) and CBH.

#### ALTERNATIVE OPTIONS

No alternative options were presented to Cabinet.

### **326 2019/20 General Fund Revenue Budget, Capital Programme and Medium Term Financial Forecast**

The Assistant Director, Policy and Corporate, submitted a report a copy of which had been circulated to each Member, together with the draft minute from the Scrutiny Panel meeting of 29 January 2019.

Councillor Barber attended and with the consent of the Chairman addressed Cabinet and urged it to withdraw the allocation of £450,000 for work on the Local Plan until the Sustainability Appraisal had been completed. The Council should not commit resources to what was not yet the preferred option. The transfer of further funds to North Essex Garden Communities would remove the Council's ability to oversee the process.

Councillor King, Portfolio Holder for Resources, and Councillor T. Young, Portfolio Holder for Business and Culture, responded and stressed that the allocation was necessary in order to maintain the Local Plan process and ensure that resources were in place to ensure that any work that was required could be completed to the necessary standard. Outcomes had not been pre-determined. The other authorities involved in the Garden Communities had also contributed and if this allocation was not made the project could collapse, which was not in the borough's best interests.

Councillor G. Oxford attended and with the consent of the Chairman addressed Cabinet and stressed that the allocation was prudent as it was not clear how the situation in respect of the Local Plan may develop.

Councillor Laws attended and with the consent of the Chairman addressed Cabinet about the Better Colchester campaign. A number of the billboard adverts were self-congratulatory or their relevance to Colchester or the Council was unclear.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, explained that Better Colchester was a wide marketing campaign involving a number of partners. It was also linked to the "Live Well" campaign so some of the messages were about health and wellbeing.

Councillor King, Portfolio Holder for Resources, introduced the report and drew Cabinet's attention to the minute from the Scrutiny Panel. He thanked officers for the hard work that had gone into preparing the budget. The budget needed to be seen in

the context of declining central government funding. This was a long-term trend that was accelerating. The Council had responded to this through a programme of efficiencies combined with creating opportunities for income and growth. As a consequence, the Council had strong balances and reserves, which would help if future settlements from government were challenging. The budget also provided investment in key services and work with partners, including policing and highways. It was a prudent and considered budget. It was acknowledged that an increase in Council Tax was an additional burden on residents but it was only the third rise since 2011. The generous Local Council Tax Support Scheme would be maintained to help those in need.

Councillor Cory and Councilor T. Young also expressed their support for the budget proposals and highlighted that in the context of the reductions in government funding the administration's radical approach to its delivery programme was the most efficient delivery method for services to residents.

*RESOLVED* that:-

- (a) It be noted that for the purpose of assessing the impact on balances the outturn for the current financial year is assumed to be on budget (see paragraph 6.4 of the Assistant Director's report).
- (b) The provisional Finance Settlement figures set out in Section 7 of the Assistant Director's report showing a cut to Revenue Support Grant of £275k be noted, meaning that there is no RSG in the 19/20 budget.
- (c) To note the figures for the business rates retention scheme and the arrangements for completion of the required return of estimated business rates income as set out at paragraph 7.8 of the Assistant Director's report.
- (d) The reduction in the New Homes Bonus grant be noted and that further reductions in later years are expected as set out in section 7 of the Assistant Director's report.
- (e) The cost pressures, proposed use of New Homes Bonus, savings and increased income options identified during the budget forecast process as set out at in section 8 and detailed in Appendices C of the Assistant Director's report be approved.
- (f). *RECOMMENDED TO COUNCIL* the 2019/20 Revenue Budget requirement of £20,206k (paragraph 8.24 of the Assistant Director's report) and the underlying detailed budgets set out in summary at Appendix E of the Assistant Director's report, and available background papers subject to the final proposal to be made in respect of Council Tax.
- (g) *RECOMMENDED TO COUNCIL* Colchester's element of the Council Tax for 2019/20 at £190.62 per Band D property, which represents an increase of £5.49 (2.97%) from the current rate noting that the formal resolution to Council will include Parish, Police, Fire and County Council precepts and any changes arising from the formal Finance Settlement announcement and final completion of the business rates NNDR 1. This will be prepared in consultation with the Leader of the Council.

(h) *RECOMMENDED TO COUNCIL* the following changes to Council Tax discounts and premiums:-

- To introduce a 28 day exemption of 100% Council Tax for empty and substantially unfurnished properties (Class C Dwellings)
- To increase the long term empty premium to the maximum amounts as stated in Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018

(i) The Revenue Balances for the financial year 2019/20 as set out at Appendix J of the Assistant Director's report be agreed and it be agreed that the minimum level be set at a minimum of £1,900k

(k) The updated position on earmarked reserves set out in section 10 of the Assistant Director's report be noted and the following be agreed:-

- Release of £185k use of parking reserve
- Contribution to balances in respect of redundancy costs.
- Contribution to the business rates reserve of £406k

(l) The reinstatement of balances in respect of the pensions deficit payment made in 2017/18 as set out in section 8.22 of the Assistant Director's report be agreed.

(m) It be agreed and *RECOMMENDED TO COUNCIL* that £100k of Revenue Balances be earmarked for potential unplanned expenditure within the guidelines set out at paragraph 12.3 of the Assistant Director's report.

(n) The Medium Term Financial Forecast for the financial years 2019/20 to 2022/23 set out in section 14 of the Assistant Director's report be noted.

(o) The position on the Capital Programme be noted and the Capital Strategy set out at Appendix O be approved and *RECOMMENDED to COUNCIL*

(p). *RECOMMENDED TO COUNCIL* the inclusion the increased capital allocations set out at paragraphs 15.5 to 15.7 of the Assistant Director's report.

(q) The comments made on the robustness of budget estimates at section 16 of the Assistant Director's report be noted.

(r) The 2019/20 Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy as set out in the background paper at Appendix P of the Assistant Director's report be approved and *RECOMMENDED TO COUNCIL*.

(s) The contents of the draft minute from the Scrutiny Panel meeting of 29 January 2019 be noted.

## *REASONS*

The Council is required to approve an annual budget.

The Assistant Director's report sets out supporting information and also statutory commentary about the robustness of the budget and the level of balances.

#### *ALTERNATIVE OPTIONS*

There are different options that could be considered as part of the budget within the constraints set out in the Assistant Director's report.

### **327 Northern Gateway Heat Network Project: Revised Delivery Structure to Retain Assets in Council Ownership**

The Assistant Director, Policy and Corporate, submitted a report a copy of which had been circulated to each Member.

*RESOLVED* that:-

- (a) The revised delivery structure set out in the Assistant Director's report for the Northern Gateway Heat Network project be approved.
- (b) Further work will be required to be undertaken to ensure that HNIP grant and RHI funding conditions are fulfilled; minimising the risk to both organisations.
- (c) The financial and risk implications for the Council arising from the revised structure be noted.

#### *REASONS*

To allow CAEL, when the project is complete and selling heat, to be able claim the Renewable Heat Incentive (RHI) and still use the BEIS HNIP Grant money in the construction and installation without any State Aid implications arising.

To ensure the programme of development remains on track to deliver the heat network infrastructure and to meet the BEIS funding milestones

To benefit from government revenue funding which supports low carbon developments such as the Northern Gateway Heat Network.

#### *ALTERNATIVE OPTIONS*

Various ways of delivering the project in two entities have been explored including setting up a new company for the infrastructure development and using one of the other CBC owned companies, but all other options have been discounted due to financial or risk reasons.

Not to agree the recommended revised structure would miss the opportunity to provide a sustainable funding stream into the project, which will add to viability of this ultra-low carbon scheme.

**Great Jobs**

Cabinet considered minute 301 from the Council meeting of 6 December 2018.

Councillor T, Young, Portfolio Holder for Business and Culture, thanked the other Group Leaders for indicating that they would have supported this motion at Council. The motion demonstrated the Council's support for good employment practices such as a fair wage, a safe working environment, guaranteed hours and access to union representation. There were benefits to employers from treating staff well, as they would work harder in return.

*RESOLVED* that the motion on Great Jobs be approved and adopted.

*REASONS*

The motion demonstrated the Council's support for good employment practices such as a fair wage, a safe working environment, guaranteed hours and access to union representation.

*ALTERNATIVE OPTIONS*

It was open to Cabinet not to approve or adopt the motion.

**Recommendation from Heritage and Tourism Task and Finish Group: First Capital of Roman Britain/Britain's First Roman City**

Cabinet considered minute 8 from the Heritage and Tourism Task and Finish Group.

Councillor G. Oxford attended and with the consent of the Chairman, addressed the Cabinet. As part of his mayoral legacy, a number of signs had received planning permission recently. He was content that the wording of "Colchester, Britain's First City" be used on these signs, as it was important a consistent and uniform approach was taken.

Councillor Laws, Chairman of the Heritage and Tourism Task and Finish Group, attended and with the consent of the Chairman, addressed the Cabinet. He stressed that he had an open mind on the wording of the strapline, and that it did not have to include a Roman reference. However, in the challenging retail environment, Colchester should play to its strengths and make the most of its Roman heritage, as York did with its Viking history.

Councillor T. Young, Portfolio Holder for Business and Culture, explained that the new strapline for Colchester; was "Colchester, Britain's First City". and he unveiled the new design for the logo. There was no need for further consultation and this would be used going forward. Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, and Councillor Barlow, Portfolio Holder for Commercial Services, expressed their support and their thanks to the Heritage and Tourism Task and Finish Group.

*RESOLVED* that Colchester's new strapline be "Colchester, Britain's First City" and this be used going forward without further consultation.

*REASONS*

A new strapline for Colchester was needed and the preferred wording reflected Colchester's heritage.

No further consultation on the issue was required.

*ALTERNATIVE OPTIONS*

Cabinet could have proceeded with the recommendation from the Heritage and Tourism Task and Finish Group.

**330 Central Support Futures Review**

The Assistant Director, Policy and Corporate, submitted a report a copy of which had been circulated to each Member.

Councillor King, Portfolio Holder for Resources, explained that the Central Support Service review was part of a wider review of all services, This was one of the ways the Council was responding to the budget pressures it faced. The process for the reviews was well established and was well managed. As well as providing efficiencies, it would deliver a more effective structure.

*RESOLVED* that the proposed changes and the financial savings set out in the Assistant Director's report be agreed.

*REASONS*

To ensure services are designed to be fit for the future and that adequate financial savings in relation to the services being reviewed are being achieved.

*ALTERNATIVE OPTIONS*

It was open to Cabinet not to agree the proposed changes, or to suggest changes to the proposals in the Assistant Director's report.

**331 Half Year 2018-19 Performance Report including progress on 2018-21 Strategic Plan Action Plan**

The Assistant Director, Policy and Corporate, submitted a report a copy of which had been circulated to each Member together with minute 195 of the Scrutiny Panel meeting of 11 December 2018.

Councillor King presented the report and explained that the Key Performance

Indicators were there to encourage good performance. Thirteen of the targets were at green, two were at amber and one was at red. The two amber targets needed to be seen in the context of high quality services and minor amendments had been made to the targets for the next municipal year. The presentation of the information in the report had been improved to make it easier to understand with further improvements to the presentation to be made in due course.

*RESOLVED* that:-

(a) The contents of the Half Year 2018-19 Performance Report and progress on the Strategic Plan Action Plan be noted.

(b) The Reporting Timetable covering 2018-2019, specifically the dates for setting KPI targets for 2019-2020, be noted.

*REASONS*

To review 'amber' and 'red' KPI performance for 2018 – 2019.

*ALTERNATIVE OPTIONS*

No alternative options were presented to the Cabinet.

### **332 Colchester High Street Pedestrianisation**

Cabinet considered draft minute 21 of the meeting of the Policy and Public Initiatives Panel on 9 January 2019.

Councillor G. Oxford, attended and with the consent of the Chairman, addressed the Cabinet, and suggested that whilst this offered an opportunity to improve air quality, care would need to be taken to ensure the public transport links were maintained, for instance by reversing the bus routes through the town centre. Alternative disabled parking provision would also be necessary, which would need to be provided on flat and level ground.

Councillor Scordis, Chairman of the Policy and Public Initiatives Panel, explained that the meeting at which this item had been considered had been lively with many useful contributions. It was proposed to take a step back and look at how the High Street should look in 10 years' time. A wide consultation would be needed to attract representation and views from all interested parties.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy explained that this approach demonstrated how the Council was listening to residents. It was accepted that this was a contentious issue and it was right to involve all parties. Pedestrianisation of the High Street need to be considered alongside congestion in Colchester. Councillor T. Young, Portfolio Holder for Business and Culture, stressed that the consultation would be meaningful and an integral part of the process

*RESOLVED* that approval be given to the Policy and Public Initiatives Panel to progress the next steps regarding options for Colchester High Street including

agreeing objectives, gathering baseline data and consultation with all stakeholders and the public

#### *REASONS*

This would provide an opportunity to prepare for an effective and informed approach including a wide ranging and meaningful consultation

#### *ALTERNATIVE OPTIONS*

It was open to Cabinet not to agree the recommendation in the meeting of the Policy and Public Initiatives meeting of 9 January 2019.

### **333 Nomination for Deputy Mayor 2019-20**

Consideration was given to the appointment of the Deputy Mayor for the 2019-20 Municipal Year.

Councillor, G. Oxford proposed Councillor Beverley Oxford for appointment as Deputy Mayor for the Borough of Colchester for the 2019-20 Municipal Year.

Councillor Cory, Leader of the Council and Portfolio for Strategy, indicated he supported the nomination and that he believed that Councillor Beverley Oxford, would be a great mayor.

Councillor Goss and Councillor T. Young, in their capacity as Group Leaders, indicated their support for the nomination.

*RECOMMENDED TO COUNCIL* that Councillor Beverley Oxford be nominated for appointment as Deputy Mayor for the Borough of Colchester for the 2019-20 Municipal Year.

### **334 Progress of Responses to the Public**

The Assistant Director, Policy and Corporate submitted a progress sheet a copy of which had been circulated to each Member.

*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.

**335 Motion of Thanks**

Councillor Cory, Leader of the Council and Portfolio Holder for strategy, indicated that Ann Hedges, Chief Operating Officer, and Sean Plummer, Strategic Finance Manager and Section 151 Officer, would shortly be leaving the Council after long and valuable periods of service. He asked that the Cabinet's thanks to both Ann and Sean be formally recorded

*RESOLVED* that the Cabinet's thanks to Ann Hedges and Sean Plummer for their long and valuable service be recorded.

**336 Minutes (Part B)**

**The Cabinet resolved under Section 100A(4) of the Local Government Act 1972 and the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012 to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.**

*RESOLVED* that the not for publication extract from the minutes of the meeting held on 21 November 2018 be confirmed as a correct record.

**337 Potential Housing Projects Using Housing Revenue Account Borrowing - Part B**

**The Cabinet resolved under Section 100A(4) of the Local Government Act 1972 and the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012 to exclude the public from the meeting for the following item as it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.**

This minute is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (Information relating to the financial or business affairs of a particular person, including the authority holding the information).