

SCRUTINY PANEL

17 JULY 2018

Present: - Councillor Davies (Chairman), Councillor Coleman, Councillor Hayter, Councillor Luxford Vaughan, Councillor Scordis, Councillor Wood.

Substitutes: - Councillor Laws for Councillor Bentley

Also present:- Councillor King, Councillor Bourne

168. Minutes

RESOLVED that the minutes of the meetings held 16 April 2018 and 12 June 2018 were confirmed as a correct record.

169. Environment and Communities Futures Business Case

Richard Block, Assistant Director for Environment, introduced the Environment and Communities Futures Business case. The report requests that the Panel consider the proposed changes and whether they will result in services that are fit for the future and to scrutinise the financial savings proposed.

Richard Block provided the Panel with a summary of the report, and delivered a presentation providing information regarding the review. Richard Block explained that the review is at the formal consultation stage with staff, and that the Scrutiny Panel would also be able to input in the proposals.

Richard Block informed Panel members, that this report forms part of the wider set of future service reviews across the Council, which aim to design services that are fit for the future needs to the Council. The Environment and Communities teams have a total gross revenue budget of £2.38m and are currently managed by two Assistant Directors and three group managers.

As part of the future review a number of staff workshops were held to gather views on the futures review for Environment and Communities. This resulted in a number of key themes and ideas, which are included within the report.

In terms of the proposed new structure, this would see services involved in the role of health and wellbeing brought under the Assistant Manager for Communities and the Zones teams moved under the Assistant Director for Environment. This will ensure a balance

across the two areas and assist with working arrangements, such as the Zones team working with the waste teams. A further move is also proposed, with the Elections and Land Charges team moving from Environment to Customers. This restructure would also lead to a reduction of one of the Group Manager posts saving £65,000. Staff are currently being consulted on the new structure,

Richard Block stated that the restructure is based on encouraging different ways of working, using greater collaboration between services, and using ICT to free up resource. There are also opportunities for increasing income into the service, which are outlined in the report.

A member of the Panel questioned whether there would be demand for the re-inspection of food businesses. Richard Block confirmed that other local authorities provide this service and it is therefore expected that there would be a demand for such a service. Richard Block also confirmed that whilst there was no mandatory policy for food hygiene scores to be displayed, there are websites which provide the information to members of the public, which encourages restaurants to display the rating.

With regard to the additional pest control contracts this would be marketed through the Communications team and delivered by the staff and managers.

Some concern was raised with regard to the regulation of tables and chairs placed on the highway through a licensing scheme given that there may be business that already have them in place. Richard Block confirmed that the Licensing Committee would be required to agree the policy and that there would be a consultation with businesses. Richard Block anticipated that there would be 14 premises that would apply for such a licence.

A member of the Panel expressed some concern regarding charging for the start-up advice to food businesses. The Panel member felt that it may be better to provide signposting facilities, rather than charging them when they are first starting up.

Councillor Bourne addressed the Committee and highlighted that when Portfolio Holder briefings occur, Officers from the different areas attend and there is synergy with these areas of provision as well as projects that work together. Councillor Bourne also acknowledged that she was confident about the anticipated level of income and highlighted that there are already three externally funded posts within the teams.

A member of the Panel commented that whilst the report was positive, it would take time to assess whether the financial assumptions would be accurate.

RESOLVED that the proposed changes as part of the Environment and Communities Futures Business case be noted.

170. Implementation Plan to Introduce Plastic Recycling Collections to Flats

Councillor Sue Lissimore

Councillor Lissimore attended the meeting to have her say regarding the implementation plan for introducing plastic recycling collections to flats.

Councillor Lissimore asked a number of questions regarding the report and the process for implementing recycling in flats,

- What would happen if no alternative arrangements were made?
- How will implementation of recycling in flats be monitored?
- Would Zones teams be required to monitor the situation and do they have the capacity to do so with the current workload?
- What are the financial implications to the Council if flats recycling can only be part implemented?
- How many properties currently still do not have recycling?
- How is it defined what areas will be receiving the recycling service, will there need to be additional crews and will one vehicle be enough?
- Has there been engagement with houses of multiple occupancy?
- Are there landlords that the Council hasn't engaged with?
- Will the dates for collections be published and delivered to residents?

Richard Block

Richard Block, Director for Environment introduced the report, which requests that the Panel consider and note the implementation plan. Richard Block highlighted that this report follows on from the previous report submitted to Scrutiny where the Panel resolved that recycling collections provided to flats be increase, and that it be a similar service to that provided to other properties in the Borough.

The report provides the Panel with an update on the implementation of that scheme, and a timetable for the introduction of recycling. This follows the agreement at Cabinet that, where feasible, residents of flats are provided with collection of plastic recycling and that an additional refuse and recycling vehicle is provided to facilitate this.

Richard Block confirmed that as part of this process the vehicle has been sourced and the recruitment of staff is underway. A round table meeting has taken place with twelve landlords and managing agents as part of a focus group. Following on from this meeting, letters and surveys were provided to all the known managing agendas and registered social landlords to inform them of the Council's intention to recycle in flats and also to ask about the space available at the properties. To date, out of the 37 known organisations, responses have been received from 16 agents. This equates to 3,400 flats, out of which 3,183 would be suitable for plastics collection.

Richard Block confirmed that any agents or flats that had not responded would be provided with a site visit, as would those who have stated that there is no space for recycling bins. The next stage following this would be develop routes for collection of the plastic recycle.

With regard to communication this would be targeted to those in the flats, with the Councils communications team leading on this. The website would also be updated to reflect the new collection.

In terms of implementation, bins will be delivered on 17 September 2018, with the aim to make the first collections on 24 September.

Richard Block informed the Panel that a vehicle for collection from flats has been purchased, as current vehicles were already at capacity. It is intended that this new vehicle will also be used for trade waste collections and that Colchester Borough Council is in the tendering process to collect trade waste at the University of Essex.

In response to a question about what would happen if managing agents state that there is no space for bins at the flats, Richard Block confirmed that, if after a visit it is confirmed that there is not sufficient space, it would not be possible to provide a recycling solution for those flats. Following a further suggestion that if bins cannot be provided, whether plastic sacks could be used, Richard Block confirmed that there would be a challenge with this as there would need to be discussion about where they could be stored whilst awaiting collection. A Panel member suggested that plastic sack collection should remain an option for those flats that did not have space for recycling facilities, however other members expressed the view that the system should be set up correctly first before investigating other means of recycling collection.

A Panel member questioned whether, due to the limitations in space whether there would be a case for comingling the waste. Richard Block highlighted that comingling waste creates a number of other difficulties. This would require an additional vehicle to collect the comingled waste, and to ensure that it was efficiently used there would need to be enough locations which also comingled waste. There is also the issue that in comingling the waste, it significantly reduces the price of the recycled materials because it reduces the quality and increases the contamination rate to 15-25%. The Council would also need to pay a waste processing company to sort the material.

In response to a question about who would be paying for the provision of the recycling bins, Richard Black confirmed that the managing agents and registered social landlords would pay for the bins as they did previously.

With regard to the cost of the introduction recycling in flats, Richard Block confirmed that full additional costings of introducing the services were included in the Cabinet paper which went to the June meeting. The biggest cost would be the staff and the new vehicle. Ann Hedges highlighted the cost of the vehicle totalled between £120,000 and £140,000, but this would be offset as the vehicle would be used for additional trade waste contracts. Ann Hedges also highlighted that recycling credits received are currently higher than expected and that the costs of officer time haven't been included.

In response to a question as to whether this change would be more difficult than the previous alternations to the waste service, Ann Hedges stated that this is not more difficult than the previous changes but is part of the wider improvement to the waste service.

Implementing recycling in flats is more complicated in some ways due the targeted nature of rolling out the service, but also easier in other ways due to the smaller number of people involved. Following the implementation of flats recycling, the waste service will then look at those who need to be visited again to encourage to recycling following all the changes.

A member of the Panel questioned whether discussions had been held with other towns and cities that have flats and how recycling is implemented there. In response Richard Block stated that whilst discussions had not taken place so far, conversations will be undertaken when looking at the more difficult blocks of flats. Ann Hedges highlighted that there is difficulty in finding other authorities who recycle like Colchester as the majority of other Councils comingle.

Richard Block also confirmed that there would be no change to the collection frequency.

In response to a question about what would happen if landlords and management agencies refuse to include the new bins, Richard Block confirmed that this would be reviewed and highlighted that there would be demand from residents for this. Richard Block stated that further information on this could be provided by Councillor Goss at the next meeting.

RESOLVED that the considered and note the implementation plan.

171. Annual Scrutiny Report

Jonathan Baker, Democratic Services Officer, introduced the Annual Scrutiny Report. The report requests that the Panel consider and comment on the draft Annual Scrutiny Report and recommend the report to Council for approval on 18 July 2018.

Jonathan Baker explained that the report contains a summary of the work undertaken by the Scrutiny Panel during the 2017/18 municipal year, this includes prominent reviews and pre-decision Scrutiny.

Following discussions at the Scrutiny Panel Chairman's Briefing, Jonathan Baker informed the Panel of an amendment to a paragraph within the Annual report. The paragraph has been altered to strengthen the wording relating to governance procedures within the Council. Panel members agreed with the amendment and the Annual Scrutiny Report.

RESOLVED;

- a) That the third paragraph in the section entitled "Scrutiny Panel in 2017/18" be amended to read;
The low level of call-ins and matters of urgency on Scrutiny
Panel agendas suggest that the governance arrangements within the Council are working effectively.
- b) That the Panel considered and commented on the draft Annual Scrutiny Report.
- c) To RECOMMEND to COUNCIL that the Annual Scrutiny Report 2017-18 be noted.

172. 2019/20 Budget Strategy, Medium Term Financial Forecast and Budget Timetable – Scrutiny Panel Review

Sean Plummer, Strategic Finance Manager, introduced the report on the 2018/19 Budget Strategy, Medium Term Financial Forecast and timetable, which was agreed by Cabinet on 11 July 2018. The report requests that the Panel consider and note the strategy and refer any comments or concerns back to the Cabinet for further consideration.

Sean Plummer provided the Panel with a summary of the report and highlighted that the outturn position had already been reported to the Scrutiny Panel at its previous meeting. Sean Plummer provided the Panel with the latest updates on the current position, noting that there has been a saving due to a lower than budgeted for pay award, as well as a £2m contribution to the strategic plan priorities.

Sean Plummer stated that the context of the 2019/20 budget is one of continuing funding reductions. With regard to the Revenue Support Grant Funding, it is anticipated to be turning negative for 2019/20. In addition, the funding reforms for the Council mean that it will not be receiving as much funding as in the previous year.

With regard to baseline figures, this increases each year due to inflation. In terms of income, it is higher than expected, however there is a budget gap of £0.9m, following £0.5m of savings that have already been identified. Sean Plummer stated that at this point in the process it is not uncommon to report a gap in the budget. The 2019/20 budget also includes an assumption that the level of Council Tax would increase and that the New Homes Bonus was still used as part of the budget, however this is being reduced.

In terms of the medium term financial forecast, there continues to be budget gaps and speculation about the level of government grant as the four year settlement comes to an end in 2020/19. Sean Plummer stated that there is a reduction of £0.5m per year, but as yet there is no information about what will come out of the comprehensive spending review. Sean Plummer confirmed that they are still awaiting information from the Government with regard to business rate review and the level of income that is retained by the local authority.

Sean Plummer also confirmed that the level of reserves are at the recommended level.

Councillor King, Portfolio Holder for Resources expressed his thanks to the officers for the work on the 2019/20 budget.

A member of the Panel highlighted that the new strategic priority budget commitments that had been submitted to Cabinet had not been reviewed by the Scrutiny Panel. In response Councillor King apologised for not including this item on the Scrutiny Panel agenda. Councillor King confirmed that the Cabinet report provided a summary of the allocations for the new Cabinet priorities. Further information on this would be released in due course.

A further question was asked regarding whether the £500,000 savings are achievable. In response Sean Plummer highlighted that a number of futures reviews have been taking place which have a number of savings forecast, in addition there are a number of elements linked to the commercial companies which will present savings. There are also already agreed reductions in arts grants.

With regard to the risks and pressures and the potential grown in the Borough, a Panel member questioned whether costs associated with this were included within the budget. Councillor King stated that these will form part of the budget process and the assessment of the overall risk. Sean Plummer confirmed that going forward some assumptions within the budget may need to be refined, which could include demands on services. With regard to the Business Improvement District, the Council will need to pay the levy and this will need to be included going forward.

RESOLVED that the Panel considered and noted the 2019/20 Budget Strategy, Medium Term Financial Forecast and Budget Timetable.

173. Treasury Management – Annual Review 2017/18

Sean Plummer, Finance Manager, introduced the Treasury Management Annual Review 2017/18 report. The report requests that the Panel considers the Annual Treasury Management Review for 2017/18 and note the performance of the Council's treasury management advisors.

Sean Plummer highlighted that this report is brought to the Panel twice a year, with the half year review submitted to the Governance and Audit Committee. The report sets out the Council's borrowing activities up to the end of the previous financial year.

Sean Plummer highlighted that the Council undertook an additional borrowing of £5m during the year. These were undertaken from the Public Works Loan Board with a loan of three million over fifty years and other Local Authorities with a total of two million over four and a half years.

Sean Plummer informed the Panel that the Council's total debt outstanding at the end of March 2018 was £141.1m, £5m higher than at the end of the previous financial year. With regards to the borrowing there is both long term and short term borrowing in the capital programme.

Sean Plummer also highlighted that the report provides information on the investments and returns made. The investment strategy continues to reflect the Council's low appetite for risk and as of 31 March investments totalled £47.9m. The report also provided information relating to fixed interest rate loans and liquid funds.

The Panel thanked the officers for the work undertaken and presenting the report.

RESOLVED that;

- a) the Panel consider the Treasury Management Annual review 2017/18
- b) the Panel noted the performance of the Council's treasury management advisors.

174. Work Programme 2018-19

Councillor Davies introduced the Work Programme 2018-19, which requests that the Panel consider and note the contents of the work programme 2018-19 and consider the next stages of the bus review following the information gathering session held on 16 April.

Jonathan Baker informed the Panel that due to the number of items scheduled in the work programme, it has been necessary to move the August Scrutiny Panel meeting back one week and that the performance review of Colchester Borough Homes would need to be scheduled for a future or additional meeting. Panel members requested that when the performance of Colchester Borough Homes is reviewed, that Homelessness is also reviewed at this point.

With regard to the next stages of the bus review, Jonathan Baker suggested that the Panel may wish to write a letter to the bus operators, County Council and Community organisations to ask for responses to additional questions and further information.

The Panel also suggested inviting the Essex Police and Fire Commissioner to a future meeting of the Panel to provide input into the Fire and Rescue plan.

RESOLVED that;

- a) A draft letter to be sent to Bus Companies be brought to the next meeting of the Scrutiny Panel.
- b) An invitation be sent to the Essex Police and Fire Commissioner to attend a future Scrutiny Panel meeting.
- c) the Work Programme 2018-19 be noted.