

**COLCHESTER BOROUGH COUNCIL
SCRUTINY PANEL
11 December 2018 at 18:00**

**SUPPLEMENTARY AGENDA
Part A**

(open to the public including the media)

5. Minutes

The Councillors will be invited to confirm that the minutes are a correct record of the meeting held on 27 November 2018 (attached).

SCRUTINY PANEL

27 NOVEMBER 2018

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

Substitutions Councillor Barber for Councillor Wood

Also present:- Councillor Bourne, Councillor Cory, Councillor King, Councillor Young

187. Minutes

RESOLVED that the minutes of the meeting held on the 16 October 2018 were confirmed as a correct record.

188. Strategic Plan Spending Priorities

Councillor Bentley (by reason of being an Essex County Council Cabinet member for Infrastructure and a Small Business Owner) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7 (5).

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, and Councillor King, Portfolio Holder for Resources introduced the Strategic Plan Spending Priorities report. The report requests that the Panel consider and comment on the Strategic Plan Spending priorities update report as submitted to Cabinet on 21 November 2018.

Councillor King provided the Panel with a summary of the report and provided responses to questions submitted in advance of the meeting by the Chairman. Councillor King informed the Panel that the budgets set for each project are the current best estimates, but they may be updated as the projects undergo further feasibility studies and input from partner organisations. Councillor King provided the example of Council newsletters, where the budget had altered from £50k to £35k as a result of further work. The Panel were also informed that additional project items could be identified as part of this work.

With regard to the £1.95m funding allocated for the Strategic Plan Spending Priorities, Councillor King explained that this was identified from three sources, £1m from New Homes Bonus, £634k from the business rate pool gain and £279k from the previous year budget underspend. It is anticipated that £1.5m will either be spent or committed during this financial year. Councillor King confirmed that in using these sources of finance that there

would be no impact on existing services and that the Council is a lean organisation that is well managed, prudent and ambitious.

In terms of the priorities identified, these relate to concerns raised by Councillors as well as members of the public. This had led to a focus on heritage, cleaner streets, tackling crime and community safety.

A member of the Panel raised concerns that the Transport for Colchester initiative was not the most effective use of resources for addressing the infrastructure issues in the Borough and questioned what had been achieved to date. Councillor Cory stated that conversations are taking place about sharing responsibilities and devolving powers from Essex County Council (ECC). Councillor Cory informed Panel members that £100k of funding had been allocated to the Local Highways Panel and that this had been match funded by ECC. There will also be a fresh look at fixing the link between the Town and the North Station Road, which will require partnership working with the County Council and Greater Anglia. Discussions have also taken place with the bus companies around Demand Responsive Transport and bike schemes have also been assessed. Councillor King highlighted that those Strategic Priorities which require powers to be devolved will take some time to progress, but with funding and officer time invested this will speed up the process.

Another member of the Panel asked for further information about the work with Essex County Council on the Strategic Plan for Transport and what the consultation would entail. In response Councillor Cory stated that the work would include working with Essex County Council and looking at information around housing numbers, rural bus services and following the local plan process and the rapid transit system. In terms of the consultation, this would be separate from pedestrianisation and with further information required following discussions with Essex County Council.

A member of the Panel questioned what was being done for businesses as part of the Strategic Plan Spending Priorities. The Panel member also questioned how the Council was looking to attract large business to the area and where they would be located if they were to be successful. In response to the question Councillor Young, Portfolio Holder for Business and Culture, stated support for businesses will be focused on providing new growth spaces for those companies that have outgrown the start-up business provision. Councillor Young stated that as part of this a space at St Botolphs is being assessed. Councillor Young confirmed that it can be difficult to attract businesses to Colchester as those moving outside of London tend to locate further away, even though there are close links to London, Stansted and Harwich. Councillor Young stated that it was likely that news about a larger business employing over 100 members of staff at the Northern Gateway will be announced soon. Councillor Young also stated that Colchester Borough Council is working with the Business Improvement District as well as other organisations and trying to make sure that Colchester stays above the average regional wage. Councillor Young informed the Panel that in terms of attracting people to Colchester, the Council were about to undertake a significant marketing activity in Liverpool Street Station. Councillor Young stated that it would take time for the results of the marketing activity to be reflected in the visitor statistics.

With regard to Air Quality and congestion, Councillor Cory confirmed that this will be something that the Council will need to discuss with Essex County Council. Councillor Cory confirmed that further information is being sought regarding the potential of living walls and where they could be situated. This may also be something that the Local Plan Committee could look at on a strategic basis. A member of the Panel highlighted that at a recent Policy and Public Initiative Panel meeting the use of living walls could create a canyon effect along streets and surrounding areas. It was also suggested that the funding for green walls should be renamed to just green initiatives. Councillor Cory stated that the Council will listen and learn from the investigations undertaken. In addition, Councillor Cory stated that the Council is one of the top at reducing its carbon footprint, with the most solar Panels on council owned buildings. The aim is to continue to do more through electric charging points and electric bike schemes.

With regard to pedestrianisation, a Panel member queried the cost of a potential consultation, which is not included in the report, but had been announced as £117k in the Colchester Gazette. The Panel member suggested that further conversations should take place between Colchester Borough Council and Essex Highways. Councillor King confirmed that £50k would be spent on the review process and £25k for a consultation, however these are indicative totals at this stage. The funding will also include an allocation for discussions to take place with Essex County Council. Councillor Cory highlighted that in looking at pedestrianisation it is important that the Council learns from previous attempts and is aware of the impacts of pedestrianisation on traffic flows and congestion. Councillor Cory stressed that the consultation needs to be genuine and wide spread.

In terms of funding for ultra-fast broadband in rural areas, Councillor Cory stated that ultra-fast broadband is in the town centre only at the moment. The current partner for delivering this has not been successful in improving the take up of connections. Councillor Cory stated that the Council has applied and received government funding for the projects and has the ability to expand the network to the Northern Gateway. Councillor Cory also stated that this forms part of the ICT strategy to spread the ultra-fast broadband across the Borough. Councillor Cory highlighted an example in Wivenhoe where the cycle path already has the ducting ready for improved broadband connection.

A member of the Panel highlighted the disparity between those priorities listed in the report that are located in the Town compared to those in rural areas. Councillor Cory stated that some projects that are not included in the report would be situated in rural areas. This includes creating a Colchester Orbital route, as well as heritage improvements in areas like Dedham, Wivenhoe and Tiptree. Councillor Cory also highlighted the Street Weeks and the Police Community Support Officer that would be based in rural areas. Councillor King highlighted that whilst there are a number of items that affect the Town Centre investment here would free up capacity elsewhere in the Borough. Councillor King also confirmed that the Cabinet discussed the importance of looking after the rural areas in the Borough.

With regards to the current agreed budgets for the Strategic Spending and the overspend for the newsletter, a member of the Panel questioned whether they could be confident that the rest of the budgets had not been overstated. Councillor Cory stated that the budgets

included in the report are the best current estimate at the time, it is likely due to further discussions with partners that costs will change further. Funding that has been allocated but not been spent can be put into other schemes as part of the spending priorities.

A Panel member expressed concern at the limited budget for heritage signage included in the report. Councillor Cory stated that signage needs to be improved for tourist and heritage sites and that the Council will be working with a number of partners to do this. A further question about where the signage would be located was raised to which Councillor Cory confirmed that this would be something the Heritage and Tourism Task and Finish Group would look into.

A member of the Panel raised concerns about the spend on Christmas trees for this financial year and questioned why there were six trees in total. In response Councillor Cory stated that an improvement in Christmas trees was something requested by members of the public. The idea was to bring a new level to the festivities in Colchester and the budget set outs provides the costs of the trees, lights and insurance. This would be reviewed again next year, possibly with the involvement of the private sector and a reduction on the level of funding required from the Council.

With regard to the funding for the deep clean of the Town Centre, a member of the Panel stated that the Town Centre should always clean and welcoming and questioned whether this would have been needed if the zones teams had improved funding. Councillor Cory stated that there had been an improvement in the Town Centre since the deep clean, which was needed following the long dry summer. Providing this investment prevents zones teams from around the Borough Council area having to come in from rural areas to clean. The spending priorities have also provided for additional equipment. Councillor Cory also highlighted that there was litter enforcement in place in the Town Centre.

Following this question, another member of the Panel requested a breakdown of spend per zone area for the past two years.

Members of the Panel acknowledged the hard work of the zones teams and welcomed the introduction of drinking water fountains, recycling bins in the Town Centre and investment in PCSO's.

Panel members considered and commented on the Strategic Plan Spending Priorities and some members suggested that the Cabinet should consider the spend on Christmas Trees and additional planters going forward. Some members also stressed their disappointment in the items coming to the Scrutiny Panel meeting after it had already gone to Cabinet as it did not provide an opportunity to review the spending commitments prior to agreement.

RESOLVED that;

- a) The Panel considered and commented on the Strategic Plan Spending Priorities update report as submitted to the Cabinet on 21 November 2018.

190. Finance Monitoring Report – April to September 2018

Councillor Coleman (by reason of being a Board Member of Colchester Borough Homes) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7 (5).

Councillor King, Portfolio Folder for Resources, and Darren Brown, Finance Manager (Business Partners) introduced the Financial Monitoring report. The report requests that the Panel consider the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the first six months for 2018/19, and to note the forecast budget overspend of £288k on General Fund.

Darren Brown provided the Panel with a summary of the report, which sets out the revenue monitoring position and Housing Revenue Account for the first six months of the financial year. Darren Brown informed the Panel that the General Fund is showing a net underspend against services of £337k, with the forecast outturn position for the General Fund a net overspend of £288k. In terms of income the Council is above targets in Domestic Waste Parking and Planning but has a shortfall in Sport and Leisure although this is forecast to improve in the second half of the year. Darren Brown also highlighted that many services areas within the Council are currently undergoing a review.

Darren Brown stated that further monitoring work would be conducted in quarter three with results reported to the Governance and Audit Committee in March, and a report coming to the Scrutiny Panel for the 2019/20 budget in January.

With regard to the Housing Revenue Account, there is currently a net underspend of £535k compared to the profiled budget for the same period. This is primarily due to lower expenditure on premises costs, supplies and services costs as well as more income than expected.

A member of the Panel questioned whether the Council's net outturn position would result in the level of reserves reducing and how the budget gap would be met. In response, Councillor King stated that the Council keeps an eye on its reserves and makes sure it's above the prudent level. Councillor King highlighted that the Council is in a similar position at this time of the year as it has been in previous years and that he expects the budget gap to reduce.

A further question was asked regarding the forecast position for next year, and how the Council was going to control costs going forward considering there have been increased costs in the Northern Gateway project. Councillor King confirmed that the budget forecast includes all elements of the budget, and reflects the pressures, costs and income. Sean Plummer stated that the 2019-20 budget report to Cabinet set out the current budget forecast. The report was based on an anticipated opening date of the sports park, which includes one off upfront costs. Sean Plummer also stated that there are other elements of the budget which will have a time lag, such as staff costs and uncertain elements such as if there is a delay to the opening of the sports facilities. In addition to this, there will be information included in the 2019-2020 budget, which includes assumptions of income and rate of costs for next year.

A further question was asked about how much of the New Homes Bonus was included within the base budget. Councillor King confirmed that the amount placed into the base budget was reducing each year. The breakdown of funding included £250k into the Revolving Investment Fund, £147k into affordable housing, £750k for the Sports Facilities at the Northern Gateway, £1m into the Strategic Spending Priorities, and the remainder into the base budget. Councillor King stressed the need to ensure that the Council doesn't take the New Homes Bonus funding for granted and that best practice for the use of the NHB varies across local government. Councillor King confirmed that some of the funding was being used for the base budget but other parts to support projects across the Borough.

A member of the Panel suggested that the Panel receive information about what the New Homes Bonus has been spend on. More information was requested about the usage of water that is under investigation. Darren Brown stated that further information as to why the water cost had increased could be provided after the meeting.

A member of the Panel questioned why there was a £45k shortfall in income for Sports and Leisure and questioned whether it was likely to improve towards the second half of the year. Councillor King stated that the forecast would include any adjustment for the second half of the year, and it is expected that the breakdown would improve. In response to a further question about why the income forecast was high, Darren Brown stated that each forecast is based on assumptions and information at the time and that take up and usage of the leisure facilities can change during the year. Councillor Cory stated that the high targets for Leisure World are in place as they are aiming for the service to be more commercial pushing income targets. Councillor Cory also highlighted that the shortfall in income is a small percentage of the total budget and that Leisure World is able to remove costs when required. Councillor Cory also highlighted his belief in the facility being publicly run, providing for a community aspect to the organisation that the private sector would not offer. Leisure World has been turned into a positive story which brings in income to the Council. A member of the Panel commented that the World Cup and weather during the summer may have impacted on the income for Sports and Leisure World.

A further question was asked with regard to redundancies in the organisation and whether the Council is prepared financially for the cost associated with this. In response Sean Plummer confirmed that an allocation of £0.5m is in place for potential redundancies during the year. Aside from this there are a number of staffing reviews taking place and it is anticipated that any redundancies through this process would be absorbed through service budgets, turnover and other funding streams. Currently it is not possible to predict the cost of the redundancies through the reviews.

RESOLVED that;

- a) The Scrutiny Panel considered the financial performance of the General Fund Services and the Housing Revenue Account (HRA) for the first six months of 2018/19
- b) The forecast budget overspend of £288k on the General Fund be noted.

191. Capital Expenditure Monitor 2018/19 – April to September 2018

Have Your Say!

Nick Chilvers

Nick Chilvers attended the meeting to speak on the Capital Expenditure Monitor report. He welcomed the investment in cleaning equipment and CCTV in the Town Centre and suggested that CCTV should be enhanced and extended to the arterial roads in Colchester.

With regard to the Northern Gateway Sports Hub, Nick Chilvers highlighted that this was a significant amount of money to spend on the project. Nick Chilvers questioned what Sports organisations would be moving in to the sports hub, whether neighbouring authorities had contributed to the cost of the facilities and whether Colchester residents would use it.

Nick Chilvers also commented on the Strategic Plan Spending Priorities and welcomed the introduction of recycling bins in the Town Centre, which he had spoken about at a Committee meeting two years ago. He also questioned why the Council had spent money on six Christmas trees rather than one centrally located tree.

Councillor King thanked Nick Chilvers for attending the meeting and confirmed that there would be a conversation going forward for next year's Christmas tree which may result in a centrally located tree. In terms of the Northern Gateway, Councillor King stated that the Council is a provider of services and this facility will provide a destination which people will want to visit.

Capital Expenditure Monitor 2018/19 Report

Sean Plummer, Strategic Finance Manager and Councillor King, Portfolio Holder for Resources introduced the report. The report requests that the Panel review the progress of the schemes included in the Capital Programme, the associated spent for the first six months of the financial year, the budget forecasts for 2018/19 and future years and the RAG rating for each scheme as defined by the relevant project manager.

Sean Plummer provided the Panel with a summary of the report and highlighted that this was a quarter two report, with current spending of the capital programme totalling £8.4m, and a forecast spend of £44.5m. Sean Plummer highlighted that the capital scheme includes a current overall net overspend of £150k as well as providing information about two schemes that had changed rating following a Red Amber Green (RAG) review. With regards to the second of these scheme, Sheepen Road Phase two, this is forecast to overspend, however there will be a return on the capital invested and there was an underspend on phase one of the project

Sean Plummer stated that the forecast net overspend will be reported to Cabinet at the meeting in January, which discusses the 2019/20 budget.

A member of the Panel questioned where the funding for the North Essex Garden Communities was from and whether this has been budgeted. Councillor King confirmed that it was an additional £100k drawn from two sources, £47k was already set aside for the North Essex Garden Communities and the remainder from the New Homes Bonus, which had been previously allocated to a land purchase that did not occur. Sean Plummer confirmed that the allocation for the NEGC went to the November Cabinet meeting for approval, which was after the publication of these reports.

A further question was asked how the money can be reallocated if it's not included within the budget to begin with. In response Sean Plummer highlighted that the allocation originally came from the Open Space provision budget which was part of the New Homes Bonus but no longer required. This does mean that the total programme is currently overspent by £50k, but there is a total of £1.3m within the capital programme that is unallocated, as well as a forecast of surplus capital receipts. This means that it is likely that this will be absorbed during the year.

Some members of the Panel highlighted that the information on the funding for the £57k should have referenced that it was for the North Essex Garden Communities rather than another scheme. Councillor King acknowledged the point made and stated that this would be monitored going forward. Sean Plummer informed Panel members that the precise information was included within the Cabinet report and that the minute would reflect the updated position.

Panel members welcomed the clarity and information included within the financial reports and thanked the Officers for attending the meeting.

RESOLVED that the Scrutiny Panel reviewed the progress of the schemes included in the Capital Programme, the associated spend for the first six months of the financial year, the budget forecasts for 2018/19 and future years and the RAG rating for each scheme as defined by the relevant project manager.

192. Work Programme 2018-19

Jonathan Baker, Democratic Services Officer, introduced the Scrutiny Panel Work Programme for 2018-19. The report requests that the Panel consider the note the contents of the Work Programme for 2018-19.

Jonathan Baker provided a summary of the upcoming meetings of the Panel. Jonathan Baker stated that there had been two items added to the January Panel meeting, which included the Waste and Zones Futures Review and Proposed Key Performance Indicator Targets for 2019-20. Jonathan Baker also confirmed that financial information requested by the Panel would be included in the budget report in January and that it was likely that an item on the North Essex Garden Communities would be brought to the Panel meeting in March at which the Arts Organisations will also be reviewed.

A member of the Panel questioned what the latest update was on the letters agreed to be sent to the bus companies. Jonathan Baker stated that following a delay in these being sent

out this has now been completed and suggested that once they had all been received that they are circulated to Panel members.

A further suggestion was made that the Panel could look at the Business Improvement District following the Christmas Period. In response Jonathan Baker stated that the Policy and Public Initiatives Panel were also looking to invite the BID to a meeting but on a separate issue. It was suggested that the Chairs of the two Committees could meet to discuss whether there is a joint piece of work that could be done. Another Panel member suggested that the Panel look at Air Quality in the next municipal year.

Jonathan Baker also informed Scrutiny Panel members that an additional meeting of the Crime and Disorder Committee had been arranged for 26 February.

RESOLVED that;

- a) The Panel considered and noted the contents of the 2018-19 Scrutiny Panel Work Programme.