

Scrutiny Panel Meeting

**Grand Jury Room, Town Hall, High Street,
Colchester, CO1 1PJ
Tuesday, 17 July 2018 at 18:00**

The Scrutiny Panel examines the policies and strategies from a borough-wide perspective and ensure the actions of the Cabinet accord with the Council's policies and budget. The Panel reviews corporate strategies that form the Council's Strategic Plan, Council partnerships and the Council's budgetary guidelines, and scrutinises Cabinet or Portfolio Holder decisions which have been called in.

Information for Members of the Public

Access to information and meetings

You have the right to attend all meetings of the Council, its Committees and Cabinet. You also have the right to see the agenda (the list of items to be discussed at a meeting), which is usually published five working days before the meeting, and minutes once they are published. Dates of the meetings are available here:

<https://colchester.cmis.uk.com/colchester/MeetingCalendar.aspx>.

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Access

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Scrutiny Panel – Terms of Reference

1. To fulfil all the functions of an overview and scrutiny committee under section 9F of the Local Government Act 2000 (as amended by the Localism Act 2011) and in particular (but not limited to):

- (a) To review corporate strategies;
- (b) To ensure that actions of the Cabinet accord with the policies and budget of the Council;
- (c) To monitor and scrutinise the financial performance of the Council, performance reporting and to make recommendations to the Cabinet particularly in relation to annual revenue and capital guidelines, bids and submissions;
- (d) To review the Council's spending proposals to the policy priorities and review progress towards achieving those priorities against the Strategic and Implementation Plans;
- (e) To review the financial performance of the Council and to make recommendations to the Cabinet in relation to financial outturns, revenue and capital expenditure monitors;
- (f) To review or scrutinise executive decisions made by Cabinet, the North Essex Parking Partnership Joint Committee (in relation to decisions relating to offstreet matters only) and the Colchester and Ipswich Joint Museums Committee which have been made but not implemented referred to the Panel pursuant to the Call-In Procedure;
- (g) To review or scrutinise executive decisions made by Portfolio Holders and officers taking key decisions which have been made but not implemented referred to the Panel pursuant to the Call-In Procedure;
- (h) To monitor the effectiveness and application of the Call-In Procedure, to report on the number and reasons for Call-In and to make recommendations to the Council on any changes required to ensure the efficient and effective operation of the process;
- (i) To review or scrutinise decisions made, or other action taken, in connection with the discharge of functions which are not the responsibility of the Cabinet;
- (j) At the request of the Cabinet, to make decisions about the priority of referrals made in the event of the volume of reports to the Cabinet or creating difficulty for the management of Cabinet business or jeopardising the efficient running of Council business;

2. To fulfil all the functions of the Council's designated Crime and Disorder Committee ("the Committee") under the Police and Justice Act 2006 and in particular (but not limited to):

- (a) To review and scrutinise decisions made, or other action taken, in connection with the discharge of those functions by the responsible authorities of their crime and disorder functions;
- (b) To make reports and recommendations to the Council or the Cabinet with respect to the discharge of those functions.

COLCHESTER BOROUGH COUNCIL
Scrutiny Panel
Tuesday, 17 July 2018 at 18:00

The Scrutiny Panel Members are:

Councillor Beverly Davies	Chairman
Councillor Kevin Bentley	Deputy Chairman
Councillor Phil Coleman	
Councillor Chris Hayter	
Councillor Andrea Luxford Vaughan	
Councillor Lee Scordis	
Councillor Barbara Wood	

The Scrutiny Panel Substitute Members are:

All members of the Council who are not Cabinet members or members of this Panel.

AGENDA
THE LIST OF ITEMS TO BE DISCUSSED AT THE MEETING
(Part A - open to the public)

Please note that Agenda items 1 to 5 are normally dealt with briefly.

1 Welcome and Announcements

The Chairman will welcome members of the public and Councillors and remind everyone to use microphones at all times when they are speaking. The Chairman will also explain action in the event of an emergency, mobile phones switched to silent, audio-recording of the meeting. Councillors who are members of the committee will introduce themselves.

2 Substitutions

Councillors will be asked to say if they are attending on behalf of a Committee member who is absent.

3 Urgent Items

The Chairman will announce if there is any item not on the published agenda which will be considered because it is urgent and will explain the reason for the urgency.

4 Declarations of Interest

Councillors will be asked to say if there are any items on the agenda about which they have a disclosable pecuniary interest which would prevent them from participating in any discussion of the item or

participating in any vote upon the item, or any other pecuniary interest or non-pecuniary interest.

5 Minutes of Previous Meeting

The Councillors will be invited to confirm that the minutes are a correct record of the meeting held on 16 April 2018 and 12 June 2018.

16 April 2018

9 - 22

12 June 2018

23 - 28

6 Have Your Say!

The Chairman will invite members of the public to indicate if they wish to speak or present a petition on any item included on the agenda or any other matter relating to the terms of reference of the meeting. Please indicate your wish to speak at this point if your name has not been noted by Council staff.

7 Decisions taken under special urgency provisions

The Councillors will consider any decisions by the Cabinet or a Portfolio Holder which have been taken under Special Urgency provisions.

8 Cabinet or Portfolio Holder Decisions called in for Review

The Councillors will consider any Cabinet or Portfolio Holder decisions called in for review.

9 Items requested by members of the Panel and other Members

(a) To evaluate requests by members of the Panel for an item relevant to the Panel's functions to be considered.

(b) To evaluate requests by other members of the Council for an item relevant to the Panel's functions to be considered.

Members of the panel may use agenda item 'a' (all other members will use agenda item 'b') as the appropriate route for referring a 'local government matter' in the context of the Councillor Call for Action to the panel. Please refer to the panel's terms of reference for further procedural arrangements.

10 Environment and Communities Futures Business Case

29 - 54

This report outlines proposed service changes and financial savings following a review of the services that make up Environment and Communities.

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|----|--|-----------|
| 11 | Implementation Plan to Introduce Plastic Recycling Collections to Flats | 55 - 58 |
| | This report provides an update to the Panel on the implementation plan to introduce plastic recycling collections to flats. | |
| 12 | Annual Scrutiny Report | 59 - 64 |
| | This report sets out the work of the Scrutiny Panel during 2017/18 and requests that the Panel recommend the report to Council for approval on 18 July 2018. | |
| 13 | 2019/20 Budget Strategy, Medium Term Financial Forecast and Budget Timetable – Scrutiny Panel Review | 65 - 94 |
| | The report on the 2018/19 Budget Strategy, Medium Term Financial Forecast and Timetable, as considered and agreed by Cabinet on 11 July 2018 is provided for the Panel's consideration. | |
| 14 | Treasury Management – Annual Review 2017/18 | 95 - 108 |
| | The Panel is asked to consider the Annual Treasury Management Review for 2017/18, and note the performance of the Council's treasury management advisors. | |
| 15 | Work Programme 2018-19 | 109 - 118 |
| | This report sets out the current Work Programme 2018-2019 for the Scrutiny Panel. This provides details of the reports that are scheduled for each meeting during the municipal year. | |
| 16 | Exclusion of the Public (Scrutiny) | |
| | In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972). | |

Part B
(not open to the public including the press)

17 **Treasury Management Annual Report 2018-19 - Appendix A -
Treasury Management Report**

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

SCRUTINY PANEL

16 APRIL 2018

Present: - Councillor Davies (Chairman), Councillor Arnold,
Councillor Coleman, Councillor Fox, Councillor Scordis,
Councillor Wood.

Substitutions:- Councillor Barlow for Councillor Hogg

Also present:- Councillor Scott, Councillor Smith

159. Minutes

RESOLVED that the minutes of the meeting held 13 March were confirmed as a correct record.

160. Bus Review

Councillor Fox (by reason being an employee of Community360) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7 (5).

Geoff Whybrow, Transport Representative, Tiptree Parish Council

Geoff Whybrow, Tiptree Parish Council Transport representative attended the Scrutiny Panel meeting to highlight his disappointment with public transport in Tiptree. Mr Whybrow stated that Tiptree was one of the largest growing villages in Essex and that the last bus back from Colchester Town Centre was at 7pm in the evening. This means that for those without a car they cannot access the evening economy and other facilities in Colchester Town Centre. This also causes significant issues for those attempting to return on the train from London.

Geoff Whybrow informed the Panel that an Essex County Council supported evening service between Tiptree and Colchester had recently been withdrawn. Despite user surveys conducted by Tiptree Parish Council highlighting the level of patronage it is not expected that the supported service will return. Geoff Whybrow reiterated that the Parish Council are disappointed at the withdrawal of the supported service and feel that something needs to be done to increase public transport provision in Tiptree.

Elizabeth Trellis, Transport Representative, East Donyland

Elizabeth Trellis attended the meeting as the Transport Representative for East Donyland Parish Council. Ms Trellis raised the issue of the shuttlebus that has provided a link to the standard bus service, following a road closure by Anglian Water in the Parish.

Ms Trellis informed the Panel that the bus provided was not access friendly and that stopping times had been incorrectly advertised. Accurate information regarding stopping times had been circulated through the village following a resident borrowing the schedule from the bus driver and photocopying the details.

Ms Trellis also highlighted difficulty with congestion at bus stops in Colchester Town Centre, which results in buses stopping in different locations to their allotted bus stop.

Heather Carnes

Heather Carnes attended the meeting to have her say regarding her disappointment of the withdrawal bus route 66a. Ms Carnes highlighted that the bus service had run for forty years, providing public transport to those residents on Barnhall Avenue, Mountbatten Drive and Abbots Road.

Heather Carnes highlighted that residents with access problems may not be able to walk to the nearest bus stop now this service has been removed. Heather Carnes stressed that residents want to see the bus service returned to the original route.

Nick Chilvers

Nick Chilvers highlighted that he was a frequent user of buses, and supported the return of the 66a route. Mr Chilvers questioned why the service was cut as it has inconvenienced a lot of residents in the area. For those with accessibility issues the nearest bus stop is now too far to get to. Mr Chilvers suggested that it would not require too much creative thinking between Essex County Council, Colchester Borough Council and First Bus to bring at least one service an hour to the 66a route. It was also highlighted that later in the year a new Lidl would be built on this route bringing additional passengers to the location.

Mr Chilvers questioned whether previous suggestions to improve the Town Centre, such as removing the uncontrolled pedestrian crossing on the High Street outside of the George Hotel and improving the curbs near bus stops to allow better access and prevent buses from sticking out into the road, would be carried out.

Mr Chilvers also requested that better information regarding the bus services be available at bus stops.

Cllr Rosalind Scott

Councillor Scott, attended the meeting and echoed many of the comments made about accessibility of the bus services and asked what further steps were being taken to make them more accessible.

Councillor Scott also highlighted the importance of public transport in being the answer to air quality issues and not the cause. Councillor Scott requested information on the number of buses that are now low emission and whether there were plans for electric buses or smaller and more frequent services that avoid major roads. She also suggested that air quality could become a condition of licensing buses.

Councillor Scott raised two further points. The first was related to the concern around traffic if garden communities are built and the requirement to make transport sustainable. The second point was regarding home to school transport in Wivenhoe which is still not meeting the needs of children or families in the community.

Bus Review – Information Gathering

Councillor Davies thanked those who attended to have their say. Councillor Davies, then welcomed the bus company representatives for attending the Panel. Councillor Davies highlighted that this is an information gathering session, with a further discussion occurring in the next municipal year. Attendees were then invited to provide a brief introduction to the Panel.

Anthony Comber, Business Development Lead, Arriva Buses

Anthony Comber stated that his role within Arriva was to work with business and Councils to develop enhanced solutions for bus services and develop how Arriva can move forward as a bus company. Anthony Comber gave apologies to the Panel from Arriva's Managing Director, Glen Shuttleworth who was unable to attend the Scrutiny Panel meeting.

Anthony Comber highlighted that Arriva is a Europe wide company that includes many different forms of transport, including ferries, trains and electric cars. Mr Comber mentioned a new Arriva click service that operates smaller vehicles in a zonal area. These services can be matched to different communities and deliver a better service to customers within that area.

Going forward, Anthony Comber confirmed that Arriva have introduced their first electric bus on the FastTrack route. Lots of different strands and technologies are now becoming available to make it easier to link public transport together and let people leave the car at home.

Tracy Rudling, Chief Executive, Community360

Tracy Rudling informed the Scrutiny Panel that Community360 is a charity and one of the projects within the charity is to run community transport in Colchester. The service is for those who are unable to access public transport for a number of reasons, such as rurality or disabled access. Community360 have a fleet of 5 minibuses and 35 volunteer drivers that transport people in their cars as volunteers. By the end of March Community360 completed a total of 50,000 accessible trips. Tracy Rudling highlighted that Community360 also provide opportunities for people to come together through befriending services as well as

excursion trips. The charity can provide the door to door service for those with access issues that are not able to get to the nearest bus stop.

In response to queries raised by those attending to have their say about accessibility, Tracy Rudling confirmed that Community360 provide this service in the Borough, and are able to take individuals to hospital appointments, therapy and social clubs.

Tracy Rudling informed the Panel that the Community360 website provides more information about the services available and that she would be happy to have any further conversations outside of the meeting. Moving forward, Tracy Rudling stated that further links with commercial operators would benefit the service and that they would hope to have these discussions in due course.

Steve Wickers, Managing Director, First Essex

Steve Wickers, provided the Panel with a summary of First buses in the region. The company operates a total of 80 vehicles, with 275 members of staff and 15 routes into Colchester. First Essex carry 8.6m passengers per annum, and covers a total of 6.2m miles. Steve Wickers confirmed that all buses within the fleet are Disability Discrimination Act compliant and that 17 buses in the fleet are of Euro6 diesel standard. A further 9 have been retrofitted to Euro5 level, and following a successful joint bid with Essex County Council and Arriva a further 7 buses will be retrofitted to Euro6 standard.

With regard to punctuality of the service, it currently stands at 91%. Steve Wickers highlighted that back office systems constantly monitor the service to make it more robust and sustainable. This can mean that bus times change or that different roads or resources are placed into the schedule.

First Essex work alongside other bus operators and Essex County Council as part of the bus blueprint. These meetings allows for discussions about the major issues occurring and to look for solutions. With regard to congestion Steve Wickers confirmed that this was getting worse and that action needed to be taken to reduce the congestion in the town centre and improve capacity for buses. Mr Wickers highlighted that this can be approached in innovative ways.

Deborah Fox, Head of Commissioning, Connected Infrastructure (Passenger Transport), Essex County Council

Deborah Fox confirmed that she would take the comments from those who attended to have their say back to Essex County Council. Ms Fox also welcomed the fact that a number of those attending to have their say were already local transport representatives. Local transport representatives from Parishes and other areas are invited to two meetings a year to meet with the bus operators and have their say.

Deborah Fox confirmed that Essex County Council fully supports a bus review in Colchester, and is keen to help people find solutions to help people get round Essex. Essex

County Council has a strategy called Getting Around in Essex, which details a number of proposals.

Essex County Council currently allocates £60m in funding for passenger transport services. This includes school services, £30m for discretionary passenger transport, £600,000 for Colchester Park and Ride and £1m for Community Transport across Essex. Essex County Council are also required to review any services that are withdrawn commercially to ensure that no area is left without a bus service. Ms Fox highlighted that this may lead to re-routing of services. Ms Fox also acknowledges that improvements could be made in the communication of these changes.

Ms Fox stated that there is a comprehensive bus network within Colchester, more than other areas of the county. Due to the number of operators in the area, this provides healthy competition and keeps fares low. The aim of the Essex County Council passenger transport team is to keep down costly levels of congestion, which currently cost Colchester an estimated £20m a year.

The Panel were informed that Essex County Council had been one of only 20 local authorities to secure funding from central government for bus retrofitting. Ms Fox confirmed that the County Council is continuing to look at Colchester for green bus initiatives and confirmed that the Park and Ride buses will be the first to be retrofitted.

Ms Fox explained to the Panel that there is an officer programme, incorporating all the bus operators in Colchester, called the Colchester Bus Blueprint. The Blueprint looks at 9 different elements including ticketing, business engagement and marketing. Ms Fox confirmed that members of the Panel would be welcome to attend a meeting if requested.

Ms Fox also informed the Panel of the formal bus quality partnership on route 88, between Colchester and Halstead, which is a legal arrangement and allows members of the public to transfer tickets.

Ms Fox confirmed that there is currently a lot of positive effort between operators and local authority officers. In response to Councillor Scott's query about garden communities, Ms Fox confirmed that Essex County Council are taking the mass transit of people very seriously.

Jeremy Cooper, Managing Director, Hedingham/Chambers (Go-Ahead Group)

Jeremy Cooper informed the Panel that Hedingham/Chambers were sold to the Go-Ahead group in 2012, and that he had been in his role for the past year, bringing experience from a previous role of growing passenger numbers.

Mr Cooper explained that Hedingham and Chambers run twenty buses into Colchester during the day. These include both school services as well as local authority supported services. The intention is to continue to develop the network, with the Sudbury link to be increased to every half hour during May. In addition a new service, with support from the County Council, to a village in West Mersea has been launched and has been successful.

With regard to the questions raised by those having their say, Mr Cooper stated that many of the issues relate to ensuring that there are enough paying people on the buses. This enables more buses to run and greater investment in the services. There is an opportunity going forward as 40% fewer young people have driving licenses than there were 40 years ago, which may be a way to increase bus patronage.

Improving passenger demand can be achieved by working together with the local authorities and bus companies through the bus blueprint. The blueprint also helps to highlight the effect of cheap car parking, roadworks and development on bus services and identify areas where further support is required. Mr Cooper highlighted the Essex roadwork permit scheme which ensures that bus companies are aware where routes may be disrupted in advance and can plan accordingly.

Councillor Davies, thanked the attendees for their contributions to the meeting. The Panel asked a number of themed questions relating to the objective as set out in the original scoping report.

Punctuality of Services

Members of the Panel raised queries relating to the punctuality of services and whether there had been a recent shortage of drivers that had punctuality issues.

In response, Steve Wickers, First Essex confirmed that they do not have a current shortage of drivers. Whilst there was a small shortage six months ago this did not affect service provision. Steve Wickers stated that over the year First Essex reached 91% punctuality, which includes the recent snowfall disruption, and the service completed 99% of the expected route mileage.

Mr Cooper, Go-Ahead, confirmed that Hedinghams and Chambers had been short of bus drivers in the past and had previously seen an ageing workforce. Hedingham and Chambers now use a bus drivers training school based in Clacton, which has resulted in the company employing a sufficient number of drivers.

Mr Comber, Arriva, confirmed that Arriva were not short of drivers and whilst there is an ageing workforce they are working hard to encourage younger people to become drivers and engineers. Arriva run two schools in the southern counties and there is a focus on apprenticeship schemes. With regard to punctuality as a whole, Colchester is one of the better depots in the Southern Counties area. Mr Comber highlighted that Arriva are currently trialling a scheme in Southend to manage services through bus tracking, which allows controllers to reassign buses as and when necessary for the benefit of the route and passengers. Mr Comber confirmed that the scheme looks to manage in front of the bus rather than behind it and is currently being launched in Colchester.

Increasing Bus Usage

In terms of increasing bus usage in Colchester Panel members suggested the use of Oyster style ticketing and contactless payments, which could increase the number of casual

bus users, as well as questioning what could be done to challenge old perceptions of bus service reliability and ease of use.

Julian Elliot, First Buses, highlighted that new technology has provided opportunities to challenge the perception of bus services as mobile applications can now provide users with accurate bus locations. This previously wasn't possible and led to uncertainty over whether buses would turn up. Mr Elliot also highlighted the need to make payments easier, which would remove barriers to usage. First Essex currently have a mobile ticketing application which assists with ticket purchasing, and contactless payments will be introduced in the near future, both of which will assist with speed of boarding. Mr Elliot stated that the contactless payments would still be in the form of a traditional bus fare rather than a daily capping system that is in place in London. Mr Elliot also highlighted that within the Borough there is a multi-operator Colchester Borough Card which is available to buy and use on different services. It was confirmed that through the Blueprint meetings, discussions on extending the Colchester Borough Card, and introducing additional types of product could be discussed.

Steve Wickers, First Essex, highlighted the difference between services provided in London and services provided outside of London. Mr Wickers informed the Panel that the congestion charge, in London, aids bus services in reducing congestion, which in turn increases the speed and reliability of bus services, and acts as a deterrent for car drivers. This makes bus services more attractive to use and increases patronage. Outside of London the commercial nature of the bus services means that bus operators need to work with local businesses, universities, hospitals and local authorities to ensure that the services can be profitable. Mr Wickers highlighted to the Panel that with new developments Section 106 funding can be available to ensure that bus services are set up for new residents to encourage bus usage and prevent travel habits changing. It was acknowledged that the perception of bus services is difficult to overcome, but that the service in the Colchester is good and working together with local authorities will improve this perception.

Mr Cooper, Go-ahead highlighted that a significant issue which reduces bus patronage is that buses do not have priority on the roads. Until priority is provided bus services will experience the same level of congestion and disruption as cars. The current priority scheme in place between the Town Centre and Colchester station has allowed for the introduction of a higher frequency of service between Sudbury and Colchester.

Mr Comber, Arriva, suggested that a longer term ambition is for multimode transport, that would benefit congestion, and potentially some form of public transport subscription system. Mr Comber stated that he would be happy to talk individually with Borough Councillors about what Arriva are planning to do, and confirmed that the Bus Blueprint meetings are moving ideas forward.

A member of the Panel questioned whether there was evidence that cheaper car parking affected the number of bus users. In response Jeremy Cooper, Go-Ahead, stated that in Folkestone when car parking prices were reduced by 30%, bus user figures reduced by 5% on the first day. Bus patronage then started to grow again subsequently due to the trend of

the increasing number of users. Mr Cooper also highlighted the Park and Ride service in Canterbury which uses the income from car parking charges in the city centre to fund the service, which keeps the fares low. In addition Mr Cooper highlighted the importance of influencing new residents or workers to use public transport rather than drive. Ensuring that there is a good offer for park and ride services and bus services assists greatly with this. Mr Cooper suggested that people were more put off by congestion in town centres than if car parking prices were raised.

Mr Comber, Arriva, suggested that cheaper car parking creates more congestion. If buses had priority into the town centre, which increased speed and reliability there would be an increase in the number of bus users. Mr Comber highlighted that new technology can provide innovative solutions for bus priority, for example keeping traffic lights green on bus lanes if the bus is running late. Mr Comber also informed the Panel about public transport in Limburg, Holland, where they are piloting a scheme to bring oyster cards and multi-modal transport to a community area.

Steve Wickers, First Essex, reiterated that buses are the best use of road space, which is constrained in Colchester. Providing bus priority allows for a quicker service and increased frequency. Mr Wickers highlighted that there are other towns and cities that have introduced bus only lanes which helps to avoid potential gridlock. Mr Wickers felt that the level of congestion is a reason why people visit other locations.

Councillor Lilley, Portfolio Holder for Public Safety and Licensing confirmed that the Council want people to use buses and to reduce congestion. Councillor Lilley highlighted that he receives regular e-mails regarding the cost of car parking in Colchester and that resident's may travel to Chelmsford or Braintree instead, which could impact on the town centre. Councillor Lilley highlighted that parking charges are similar to those in Ipswich and Chelmsford, and questioned whether bus operators have special offers for those visiting certain facilities in the town, like a number of car parks provide to entice more bus users.

Councillor Lilley also highlighted that the Council are looking to improve the current situation between the bridge on North Station Road and the roundabout to further improve the route into Colchester Town Centre.

A member of the Panel suggested that further bus priority could be provided into Colchester. It was also suggested that bus companies needed to share the responsibility of attracting new bus users and must work together to get people out of their cars and on to buses, particularly as Colchester is experiencing significant growth.

Mr Cooper, Go-Ahead, confirmed that all parties play a part in attracting new bus users and there may have been times where fares have been incorrect. Mr Cooper confirmed that bus operators do use special offers and test economics on bus services, and Hedingham and Chambers will be introducing new fares as part of a new mobile application. Mr Cooper explained that the reason for suggesting an increase in car parking charges is because this encourages people not to park, which reduces congestion, which subsequently makes fares

cheaper or provides a more frequent service. Changing this involves political consensus and partnership agreement.

Deborah Fox, Essex County Council, stated that there is more that could be done together to promote bus services. Promotion of services is included as a commitment within the bus blueprint, and whilst operators will have their own marketing strategies, there have been joint campaigns like 'Catch the Bus Week' in July. This campaign included have a presence in both the Town Centre and the University to highlight bus travel. Ms Fox also informed the Panel that following feedback from Park and Ride users additional promotional material was used to advertise the service in more traditional means, such as a billboard outside of Colchester station. Ms Fox also highlighted that certain aspects of the community are not regularly online and therefore leaflets, posters and adverts in the local press are also used to get the message across.

A member of the Panel also highlighted that fares for families can be quite expensive and may lead them to using the car rather than public transport.

Following a query regarding Garden Communities and the opportunity to encourage sustainable transport and use the most environmentally friendly buses, Ms Fox confirmed Essex County Council are looking at this. Ms Fox highlighted that a Cabinet member had expressed a thirty year vision on mass transit from garden communities and this is something that could be further explored by the bus review. Mr Cooper highlighted an example of FastTrack in Dartford which provides public transport links to a number of communities in Dartford Kent.

Deborah Fox also informed the Panel that new developments are monitored at Bus Blueprint meetings to assist in establishing new services as soon as people move into the new areas.

Reducing Emissions/New Buses

Panel members requested information on the different standards of diesel engines and whether there were plans in place to refresh and modernise the existing bus operator fleets.

With regards to emissions standards, it was explained that Euro6 is currently the best standard available, reducing the level of Nitrogen Oxides.

In response to a query about improving the current fleet of buses, Mr Cooper confirmed that there are vehicles in Hedingham and Chambers fleet that are over ten years old. Mr Cooper stated that they are keen to generate more bus users which would allow for more investment. Mr Cooper highlighted that working with the local authority to reduce congestion, which makes running buses expensive, and increasing car parking charges would assist generating more users and provide a business case for investment in buses.

Julian Elliot, Commercial Manager, First Essex, confirmed that 17 new buses had been brought into the fleet, and each year a certain number of new buses are brought into service in Colchester. Mr Elliot explained that it is a gradual process due to the expense of

renewing the fleet. The oldest buses in Colchester are being removed and replaced with more modern stock. Mr Elliot also highlighted that many of the buses now have Wi-fi services available for passengers.

Mr Comber, echoed the comments regarding the evolutionary process of bringing newer buses into different towns. Across the southern counties, Arriva, brought into a total of 80 new buses last year, with a further 40 buses during this year. Not all of the new stock have been earmarked as yet, so some may be coming to Colchester. Mr Comber also highlighted the difficulty in investment in new buses due to the cost of car parking in the Town Centre, which can be lower than a day ticket on the bus. Mr Comber understood the issues in the local market place and would like to see new products and services in the town, however this needed to have commercial viability.

Accessibility

A member of the Panel raised the issue of accessibility of the shuttle bus service that had been installed in East Donyland as a result of the Anglian water repairs. The member requested information regarding which company was responsible for providing the service.

Chris Seaman, Essex County Council, confirmed it is the responsibility of the company that is carrying out the roadworks. In this instance Anglian Water contacted Essex County Council to establish their options, which was to either work with First to provide a service or arrange one by themselves and they opted for the latter.

With regard to access to services, Tracy Rudling urged Councillors to pass the details of Community360 to any residents that have difficulty in getting out of their homes. Tracy Rudling highlighted that Community360 would help to find a solution to assist them in accessing the services they need.

Communication with Passengers and Councillors

In relation to communication about cancellations and complaints about buses a member of the Panel queried whether the bus companies and Essex County Council had direct contact lines.

In response, Essex County Council stated that there isn't a specific named individual, instead a contact centre is used due to the volume of queries received. There is also a passenger transport e-mail inbox, a bus passenger newsletter and a member enquiries system for Essex County Councillors. Essex County Council also have a live twitter feed that includes information as well as the local transport representative meetings which take place during the day and provide a direct opportunity to speak to the bus companies.

Steve Wickers, First Essex, confirmed that First have a call centre. This is placed outside of the local area, however due to the technology available providing real time information about bus services this information can be passed on to local residents. Members of the public can also use the mobile application to find out the location of buses in realtime, and there is a live twitter feed providing updates.

Jeremy Cooper confirmed that Hedingham and Chambers do have a contact number based in Colchester, which is available for a set number of hours during the day. With regard to service alterations and cancellations, the bus blueprint meetings allow for discussions on this. Mr Cooper also highlighted that Hedingham and Chambers would be launching an e-mail newsletter in the near future to inform local residents about any changes to services. Mr Cooper also highlighted that a draft timetable for Route 87, Colchester to Brighlingsea, was recently published on their website inviting public comment. As a result of comments received the timetable was revised twice.

Services in the Borough of Colchester

In response to a question regarding the issues at the High Street and Bus Station. Chris Seaman, Essex County Council, highlighted that Colchester is fortunate to have a high number and frequency of bus services, however due to limited amount of curb space, this can cause overcrowding at the bus stops. Mr Seaman also highlighted that due to new developments taking place around Colchester, it is likely that the number of bus services will increase. This will put further pressure on existing bus stops, and the Town Centre may struggle to accommodate that. Mr Seaman stated that discussions are underway with the Borough Council to establish what opportunities there are for additional picking up and setting down facilities, however it is too early to confirm whether there are any suitable locations that could be used.

Mr Cooper, Go-Ahead, highlighted that other areas in East Anglia have grouped the services in terms of destinations. Mr Cooper suggested that bus operators could discuss the distribution of buses in the Town Centre at future bus blueprint meetings.

With regard to rural services, Tracy Rudling, Community360 highlighted that the charity provides a high number of services in rural areas. Community transport provided by Community360 will also be launching in the Tiptree area in the near future, providing a public transport service for that area. Tracy Rudling stated that the charity currently has 35 volunteer drivers from across the Borough strategically placed across the rural areas, which helps to keep the amount of dead miles down.

In response to a question about how commissioning of supported services is undertaken by Essex County Council, Deborah Fox confirmed that commercial withdrawals are tracked and equality impact assessments conducted. Where it is feasible services are supported by Essex County Council funding. When commercial services are withdrawn, officers review whether the service could be re-routed, or altered to ensure it continues. There is also the possibility that community transport providers, such as Community360 or Essex County Council's CommunityLink would be able to provide certain services. Ms Fox stated that paying patronage on buses ensures that services keep running and that there are times when services cannot be supported. Deborah Fox highlighted that further information on this could be provided at the next stages of the Bus Review.

Councillor Davies highlighted that she would be keen to find out more information about the Bus Blueprint.

Closing Comments

Deborah Fox, Essex County Council

Deborah Fox provided further information about fares for Park and Ride following on from queries raised during the meeting. Feedback from customers suggested that a family fare should be introduced, and this has now been rolled out with two adults and three children costing £5. In addition, further offers have been made to local businesses buying a volume ticket from Essex County Council. This has been successful with Colchester General Hospital who have passed on a further subsidy to their staff. This then frees up spaces at the hospital for less able residents. Further work will continue with business to help to grow the Park and Ride service. Deborah Fox also highlighted that the Park and Ride service has a dedicated bus lane into the centre of Colchester.

First Buses

Steve Wickers, First Buses, thanked the Scrutiny Panel for the invitation to the meeting and for the comments and feedback provided, which shows that people are passionate about buses and see the value and the role they play. Mr Wickers highlighted that buses are very reactive to demand and that there needs to be a plan between partners to future proof for the growth of Colchester.

Simon Davies provided the Panel with information regarding the business model used in London, as Panel members had raised queries relating to the bus provision in London. Simon Davies stated that instead of bus operators needing to be commercially viable, they are paid a flat fee per mile for operating a service. Revenue from public transport provision is collected by Transport for London and then provided to bus operators. This allows for evening services, which would not be commercially viable outside of London, to operate. Outside of London it is necessary to incentivise people to use buses alongside a deterrent. Mr Davies highlighted the cost of parking in London and the difficulty in finding car parking spaces which acts as a deterrent.

Mr Davies also wanted to highlight that First Essex have worked with, and want to continue to work with community groups and estates to develop solutions and build and grow the network.

Jeremy Cooper, Go-Ahead

Jeremy Cooper thanked the Panel for the opportunity to discuss bus services in Colchester. Jeremy Cooper raised the issue of family fares which was raised in Have Your Say and highlighted that the industry does get this wrong at Off-peak time. Mr Cooper highlighted that a new discount would be on offer for the Sudbury service.

The issue of school travel was also raised during Have Your Say, and Jeremy Cooper commented that he would be happy to have a conversation about this after the meeting. Mr Cooper explained that in some cases school transport can provide the support required to ensure a rural bus route continues, due to children and young people paying the fares.

Anthony Comber, Arriva

Antony Comber stated that they are keen to work in partnership with the Council and businesses as there is a common problem that can be tackled together. Mr Comber highlighted that there are certain Business Improvement District areas that increase the levy to fund alternative transport measures. Other options could include using funds from car parking to invest into other forms of transport, such as a bike scheme. Removing people from cars into other modes of transport.

Mr Comber highlighted that there is a younger generation that do not have or want a car, and therefore public transport is attractive to them. With more environmentally friendly technology being developed this is becoming a potential areas of growth for bus services. Buses are one of the biggest alternative options for public transport, Mr Comber highlighted that a double decker bus can remove 75 cars from the road, if the bus was given priority on the roads passenger satisfaction in bus services would be even higher.

Mr Comber finished by highlighting that Councils, Local business and bus operators can work together to deliver services that reflect the needs of the community.

Scrutiny Panel

The Panel expressed their thanks to those who had attended the meeting and responded to queries raised. Councillor Davies explained that the next steps for the bus review would be discussed at the beginning of the next municipal year. Councillor Davies also thanked members of the public for taking their time to attend the meeting and have their say. Councillor Davies suggested that if anyone in attendance had any further comments that they should feed them in through their local councillors or direct to the Borough Council.

RESOLVED that;

- a) The Scrutiny Panel expressed their thanks for those who took their time to attend the meeting and respond to questions.
- b) the next steps of the Bus Review be established at the beginning of the next municipal year.

153. Work Programme 2017/18

Councillor Davies, introduced the Work Programme 2017/18. The report requests that the Panel consider and note the contents of the Work Programme for 2017/18.

Jonathan Baker, stated that an informal Scrutiny Panel date would be scheduled for the new municipal year.

Members of the Panel expressed thanks to officers in arranging the bus review. Councillor Davies highlighted that Colchester Borough Council was one of the only Boroughs in Essex to have arranged a review with multiple bus operators in attendance.

RESOLVED that the work programme 2017-18 be noted.

SCRUTINY PANEL

12 JUNE 2018

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

Substitutes: - Councillor Fox for Councillor Scordis

Also present:- Councilor Cory

164. Minutes

RESOLVED that the minutes of the meetings held on 27 March 2018 and 23 May 2018 were confirmed as a correct record. The minutes of the meeting held 16 April 2018, will be submitted to the next meeting for approval.

165. Financial Monitoring Report – End of Year 2017/18

Councillor Coleman (by reason of being a Director 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 Bentley (by reason of being a Portfolio Holder at Essex County Council with responsibility for the North Essex Parking Partnership) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7 (5).

Councillor Crow

Councillor Crow attended the meeting to talk about the pressures faced by high street retailers due to the growth of online shopping, leading to the closure of stores.

Councillor Crow questioned whether the Council would be able to provide assistance to small businesses and retailers trying to start up in the Town Centre. Councillor Crow suggested that the Council could use some of the business rates pool to create an environment where small businesses can succeed.

Councillor Davies thanked Councillor Crow for attending to have his say at the meeting.

Darren Brown, Finance Manager, introduced the Financial Monitoring Report End of Year 2017/18. The report requests that the Panel note the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the year 2017/18.

Darren Brown provided the Panel with a summary of the report, and highlighted that the position had improved since budget monitoring was last reported to the Governance and Audit Committee at the end of quarter 3. The general fund outturn position after carry forwards is an underspend of £0.1m. The total carry forward requests and other technical accounting adjustments totals £2.83m. The report also details the areas of significant income and expenditure for the Council, and provides commentary where there are budget variances. This information can then be used to assess the impact and whether it is a recurring issue and needs to be altered in future budgets. Darren Brown highlighted that as an example, there was a shortfall in planning income last year, and the budget in this area has been reduced for 2018/19.

Darren Brown highlighted that the 2018/19 budget was based on an assumed overspend of £200,000. As there was not an overspend by the end of the financial year, the better position within balances will be considered by Cabinet during the course of the year.

With regard to the Housing Revenue Account (HRA), this has a favourable variance of £816,000 following carry forwards. This is due to a combination of more income than budgeted, with regard to less rental and service charge income being lost from dwellings and garages than assumed, and less expenditure than anticipated with an underspend on premises costs and supplies and service budgets.

In response to the question raised by Councillor Crow under Have Your Say, Councillor Cory confirmed that whilst Councillor Crow had raised interesting proposals the difficulty is in anticipating the differing levels of money received from the rebate on business rates, which could alter such a scheme significantly each year. Councillor Cory highlighted that the business rates team are supportive to small business and restaurants in the town centre and are doing as much as possible. Councillor Cory highlighted the investment in the business centre and informed the Panel that £75,000 of business support grants are already provided to new companies. A member of the Panel suggested that there could be a contribution from the base budget for this rather than the business rates pool.

Following a query regarding what the new homes bonus would be spent on, Darren Brown highlighted some examples of the funding include £40,000 towards affordable housing elements, as well as contributions for Digital spokes and community hubs and community engagement projects which have been rolled forward. Councillor Cory also highlighted that the £100,000 private sector landlord initiative is part of a £3m bid to help the homeless in Colchester. A member of the Panel requested a written down breakdown of the commitments.

A member of the Panel also highlighted that the figures within the document had been changed due to the Council restructure and suggested that this makes it difficult to compare

between the years. In response Darren Brown stated that whilst there has been a Council restructure, the budgets are predominately the same, just grouped differently.

A query was raised about the overspend in commercial services. Darren Brown highlighted that the information is included within Appendix C providing further information about the different areas of spend. Darren Brown stated that this overspend had been previously reported to the Governance and Audit Committee as part of the budget monitoring, and would have been provided to the Trading Board as well.

In response to a question regarding the underspend on Bed and Breakfast and Homelessness Initiatives, Darren Brown confirmed that the money will be carried forward to next year's budget. Councillor Cory highlighted that this money forms part of the private landlords Cabinet policy which was finalised late last year. This work, to establish which private landlords are best to work with, is now underway. Councillor Cory also provided confirmation that this funding would be spent during the year.

RESOLVED that the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the year 2017/18 be noted.

166. Capital Expenditure Monitor 2017/18

Councillor Bentley (by reason of being Chair of Abberton Community Fund) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7 (5).

Steve Heath, Finance Manager, introduced the Capital Expenditure Monitor 2017/18. The report requests that the Panel review the level of capital spending during 2017/18 and forecasts for future years.

Steve Heath highlighted that the Capital Expenditure Monitor looks at capital expenditure during the year. This relates to the larger projects undertaken by the Council, such as the creation or enhancement of an asset and tends to take place over more than one financial year.

Steve Heath explained that the capital spending for the 2017/18 financial year totalled £16.8m, 85% of the projected spend for 2017/18 and an increase of £6m from the previous reported figure in quarter three. Steve Heath explained that as capital projects are usually planned across more than one year, any variances from the forecast position are unlikely to indicate any over or under spending against projects as a whole, but tend to relate to timing differences between anticipated payments and actual payments to contractors. Steve Heath confirmed that with regard to the capital programme there are no significant matters for the Panels attention.

In terms of the capital programme, Steve Heath explained that this had increased by £33.4m since quarter three, which is outlined in appendix 3. Steve Heath also explained the report includes information on the significant areas of capital expenditure during 2017/18 and that on 31 January 2018, Cabinet approved that a net underspend of £255k against

completed schemes should be reallocated. In terms of the performance of the Capital Schemes the Panel were informed that there are six schemes currently classed as amber.

A member of the Panel questioned the current level of borrowing on the authority. Steve Heath stated that as at the end of the last financial year the external borrowing totalled £141m. A sizeable amount of this relates to the Housing Revenue Account (HRA) reform, with a further sum for the decent homes programme. Steve Heath highlighted that due to the economic circumstances the Council adopted an approach of internally borrowing, which currently stands at £15m. Due to the recent favourable rates, the Council has taken a further £5m of external borrowing during this financial year. Steve Heath highlighted that there is a cost of carry which has to be considered against the long term financial savings. In response to a further question, Steve Heath confirmed that there is no cost pressure on the revenue account for the loans as the interest cost is around £6m, and the majority of this relates to the Housing Revenue Account and managed within the business plan.

A question was asked about why the Northern Gateway Sports Hub was categorised as Amber. Steve Heath explained that in terms of the Sports hub this is due to the size and complexity of the project. The total programme cost is £24m and as it is at an early stage the project is yet to go out to tender. The project also has numerous external funding sources. With regard to the Northern Gateway South, this is also amber due to the size and complexity of the project and that it is at an early stage. Steve Heath highlighted that planning consent had been recently awarded and that there had been additional expenditure on the site due to required drainage.

A query was asked about the Abberton Community Fund and whether there was any funding remaining. Steve Heath stated that the project is showing under completed schemes. If funding has been agreed, this moves in to the revenue stream and does not show any balances within the capital programme. Steve Heath stated that further information on this can be provided after the meeting.

A further question was raised with regard to the Northern Gateway and whether it is running behind time. Councillor Cory confirmed that there are a number of contracts being completed at this time, including seeds for the pitches and the draining which is occurring on the south and north side.

A member of the Panel questioned why the temporary accommodation listed as an additional part of the capital programme was not listed within the appendix. Steve Heath stated that the purchase of properties for use as temporary accommodation consists of funding from three different sources of funding, including £864k from right to buy capital receipts and £1.1m from the New Homes Bonus.

The Panel expressed their thanks to Steve Heath for the work undertaken over the years, and wished him luck in his new role outside of the Council.

RESOLVED that the Panel reviewed the level of capital spending during 2017/18, and forecasts for future years.

167. 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 steps for the bus review following the information gathering session held on 16 April 2018.

With regard to items that were discussed in the previous municipal year, the Panel discussed when a report on locality budgets would be brought back to the Panel. Jonathan Baker confirmed that this will be scheduled in at an upcoming meeting of the Panel with discussions taking place with report authors to arrange a suitable time. Further comments were made by Panel members regarding the bus review and wanting to ensure that the positive relationship established at the April meeting continued, with the possibility of inviting them back to the Panel during the year. Jonathan Baker highlighted that the April Scrutiny Panel meeting was the information gathering element of the bus review and that the Panel would need to establish whether it wanted to focus specifically on those areas discussed.

A number of other suggestions were raised by Panel members, including Homelessness, inviting the various organisations that provide support, as well as the Portfolio Holder to look at the strategy and the direction of homelessness prevention. Another suggestion regarding the High Street and future of retailing was proposed, which would look at what the Council can do to assist retailers and small businesses and whether the high street is focused primarily on retail or leisure. This could then link with the Business Improvement District if the vote was successful.

The Panel also discussed the potential of inviting the Police and Fire Commissioner to come and talk to the Panel and provide information about the current plans and direction. Pam Donnelly highlighted that this could provide an opportunity to input into the Fire and Rescue Plan which will soon be under consultation.

A proposal to review the Revolving Investment Fund budget and strategy was also made by a Panel member, following the cancellation of some of the Committee meetings. In response Councillor Cory highlighted that the RIF has scheduled public meetings during the year, however they only proceed if there are matters for consideration.

There was also a discussion around inviting the Portfolio Holder's to meetings to discuss their portfolio area and inform the Panel about the latest strategic developments.

The Panel were informed that a report on Waste and Recycling in Flats will be brought to the July meeting, which may lead to some rescheduling of the work programme in July and August.

Jonathan Baker highlighted the Scrutiny Panel scoping form, which ensures that, if the item is added to the work programme, reports are brought to the Panel including the information that was requested. Jonathan Baker agreed to circulate this to Panel members.

RESOLVED that the Work Programme 2018-19 be noted.

Report of	Assistant Director Environment	Author	Richard Block ☎ 506825
Title	Environment and Communities Futures Business Case		
Wards affected	All wards		

1. Executive Summary

- 1.1 This report outlines proposed service changes and financial savings following a review of the services that make up Environment and Communities.

2. Action Required

- 2.1 The Scrutiny Panel should:

- Consider the proposed changes and whether they will result in services that are fit for the future
- and
- Scrutinise the financial savings proposed.

3. Reason for Scrutiny

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

4. Background Information

Introduction

- 4.1 The senior management restructure which came into effect on 1 July 2017 included a clear intention to commence a series of service reviews to be known as “Service Futures”. These aim to drive out inefficiencies, progress further cultural change and take full advantage of our investment in Information Technology and more flexible ways of working.
- 4.2 A review of several services under the theme of “Environment and Communities” was commenced in January 2018. These services are currently led in different Group Management Teams by the Assistant Director - Communities and Assistant Director – Environment. Numerous links and potential benefits of bringing the services closer together had previously been recognised which is why the areas were reviewed together.

Services Reviewed

- 4.3 A range of services were in scope for this review and these are shown in the table below:

Service	Description	Budget/FTE's
Community Enabling	Work on a range of projects and activities often linked to supporting the most vulnerable residents (Warm Homes, Health and Wellbeing, Startwell, Older and Younger resident initiatives). Also linked to behaviour change, enabling and managing demand. Administer a range of grants and funding.	Gross and Net Budget £471,000 FTE 6.02
Community Safety	Support and co-ordinate the Community Safety Partnership. Deliver initiatives such as Crucial Crew for Younger and Older People; Community Days of Action; Domestic Homicide Review Co-ordination.	Gross and Net Budget £64,000 FTE 1.65
Lion Walk Activity Centre	Activity Centre for older people in the town centre which provides a range of activities aimed at increasing health and well-being and reducing social isolation. Also provides	Gross Budget £118,700 Net Budget £67,700 FTE

	meals and snacks throughout the day Monday to Friday.	2.54
Animal Services	Operate a statutory dog warden service to collect stray dogs & undertake proactive initiatives to promote responsible dog ownership (microchipping). Provide a pest control service for residential and commercial premises.	Gross Budget £64,900 Net Budget £22,700 FTE 2
Environmental Protection	Undertake statutory duties under various Acts to deal with public health concerns, district sanitation, statutory nuisance, infectious disease, accumulations, filthy & verminous premises, waste, water quality, atmospheric pollution, contaminated land, drainage issues and antisocial behaviour. Also deliver a responsive 'out of hours' regulatory service to respond to issues such as noise, statutory nuisance, premises licensing and health & safety.	Gross Budget £346,200 Net Budget £330,400 FTE 5.6
Private Sector Housing	Review housing conditions, undertake risk assessments and take appropriate enforcement action. Also undertake statutory duty to licence all mandatory Houses in Multiple Occupation. Provide financial assistance through Disabled Facility Grants to support vulnerable people to live independently and stay healthy, warm and safe in their own homes.	Gross Budget £297,400 Net Budget £252,600 FTE 9
Public Health	Coordinate activity to deliver improved health and wellbeing outcomes for Colchester. Support Essex County Council and	Gross and Net Budget £30,500 FTE

	Colchester Borough Council in delivering their shared public health ambitions including working to embed public health practice and collaboration to reduce health inequalities.	1
Licensing	Monitor and enforce the provision of alcohol, entertainment, late night refreshment and sex entertainment venues, gambling, personal licenses to ensure public safety. Also licence and enforce taxi and private hire drivers, riding establishments, pleasure boats, animal boarding, dog breeding, tattoo parlours and pet shops.	Gross Budget £186,100 Net Budget (£267,800) FTE 3.7
Food Safety and Health and Safety	Register and regularly inspect food premises and caravan parks. Investigate food complaints, infectious diseases, undertake food sampling and provide food hygiene courses. Investigate health and safety complaints and accidents.	Gross Budget £276,600 Net Budget £256,800 FTE 5.4
Building Control	Administer and enforce building regulations by working co-operatively with building owners, home owners, architects and developers to ensure buildings are safe, healthy and efficient to meet the standards set by the regulations. Respond to general building enquiries, notifications of unauthorised works, demolitions, and dangerous structures.	Gross Budget £393,072 Net Budget (£1928) FTE 7
Land Charges	Maintain an accurate and up to date Local Land Charges Register. Provision of statutory land and property search service to solicitors, home	Gross Budget £137,300 Net Budget (£206,600)

	owners and personal searchers on specific parcels of land or properties.	FTE 2.6
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- 4.4 These services have total gross revenue budgets of £2.38 Million. They are managed by 3 separate group managers. 2 of them report to the Assistant Director for Environment and 1 reports to the Assistant Director for Communities. The current structures of these services are shown at appendix 1.

Findings of Review

- 4.5 A series of staff workshops were undertaken, and these identified the following key themes/issues:

Theme
There is currently duplication and a lack of knowledge across services working to solve similar issues
There is not sufficient coordination and collaboration with other agencies with shared aims
A charge could be made for some services that are currently free
More intelligent use of data and joint tasking could mean more effective interventions
Some services have greater synergies with other parts of the Council
Opportunities to bid for external funding were being missed

- 4.6 Proposed solutions to respond to these themes and to generate budget savings are shown below.

Changes to Organisational Structure

- 4.7 It is proposed that a new management structure is created shown at appendix 2. This will bring together the services that deal with community safety and the night time economy under the same Group Manager. This will also result in overall number of Group Managers being reduced by 1 creating an estimated annual saving of £65,000.
- 4.8 It is also proposed that these services and those that play a key role in improving health and wellbeing are moved under the leadership of the Assistant Director for Communities. This is because there are many synergies and links across all these services which can be exploited by placing them in the same Group Management Team.
- 4.9 Zones would be moved under the leadership of the Assistant Director for Environment. No other changes would be made to Zones. This will balance leadership responsibilities across the Assistant Directors and allow better coordination and collaboration between Zones and Waste. The resulting structure will reduce duplication, improve co-ordination and provide greater resilience across the new Group Management Teams.
- 4.10 It is recognised that Zones also play a key role in community development and enabling. Strong and effective links need to be retained across the resulting

services to ensure this is not lost and both Assistant Directors are fully committed to ensuring this happens.

- 4.11 The new structure will assist with coordination and collaboration with other agencies by bringing both licensing and community safety together which are both key services requiring considerable external collaboration.

Improved targeting and tasking

- 4.12 It is proposed that a new tasking process is introduced with key staff sharing intelligence and data to effectively tackle issues. This will also involve Zones. Once more effective targeting of resources is developed, further staff savings may be generated although it is not possible to predict the levels at this stage.

Use of IT to free up resource

- 4.13 Because of the successful introduction of a new IT system in Land Charges, many processes have been removed. From April 2019 one post can be removed from this team contributing a saving of £14,000. This post has deliberately been filled temporarily eliminating the need for a redundancy and the associated costs. The same IT system will also facilitate a reduction in the resource required to complete Food Safety work generating a saving of £15,000 with no associated redundancy costs.

New/Increased Income

- 4.14 It is proposed to increase income from a range of services shown in the table below:

Service	Justification	Estimated annual income
Re-inspection of food businesses	To ensure businesses pay for the non-statutory service of an early rescoring inspection for their "score on the door"	£15,000
Increased commercial pest control contracts	Take on additional commercial pest control contracts (2 additional contracts per month) to cover a greater proportion of existing staff costs with income.	£5300
Pavement café licensing	Regulate tables and chairs placed on the highway through a licensing scheme	£3750
Licensing advice	To ensure businesses pay for non-statutory advice.	£6500
Start-up advice to Food Businesses	To provide additional regulatory advice to Food Businesses prior to start up.	£9000

Total		£39,550
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- 4.15 All estimated annual income figures in the above table are minimum amounts and are based on conservative estimates.

5. Equality, Diversity and Human Rights implications

- 5.1 No service reductions are being proposed which means there are no implications.

6. Strategic Plan References

- 6.1 The proposed structure will result in services that are far more effective in contributing to delivering the Wellbeing theme of the [Strategic Plan 2018-21](#) for the reasons outlined in this report.

7. Consultation

- 7.1 A formal consultation process is currently being undertaken with staff affected by these proposals to get their views on them. Staff workshops early on in the review also helped to inform these proposals.
- 7.2 A number of the services affected work closely in partnership with external stakeholders. These stakeholders will be consulted on the proposals once they have been adapted to take account of feedback from staff and Members.

8. Publicity Considerations

- 8.1 There are no publicity considerations.

9. Financial Implications

- 9.1 Reviews carried out under the Futures Programme make a key contribution to saving identified in the medium term financial plan. The table below shows the savings that would be generated from this review:

Description	Revenue saving (Annual)	One off costs
New Group Management Structure	£65,000	£27,000
Efficiencies created by IT	£29,000	0
New or increased income	£39,550	0
Total	£133,550	£27,000

10. Community Safety, Health and Wellbeing Implications

- 10.1 The proposed changes and structure will ensure the services that play a key role in delivering Community Safety, Health and Wellbeing are more closely

aligned. This will ensure even greater effectiveness in delivering objectives in these areas.

11. Health and Safety Implications

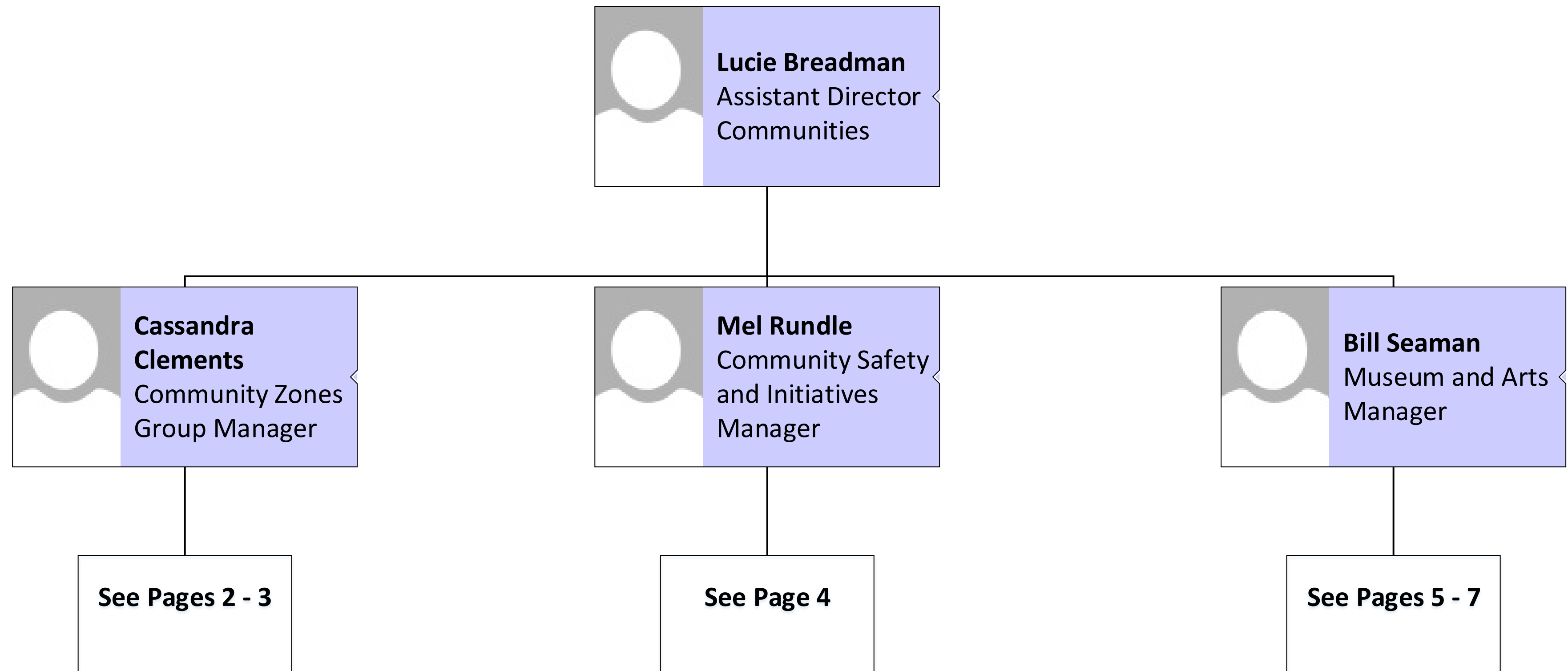
11.1 There are no health and safety implications.

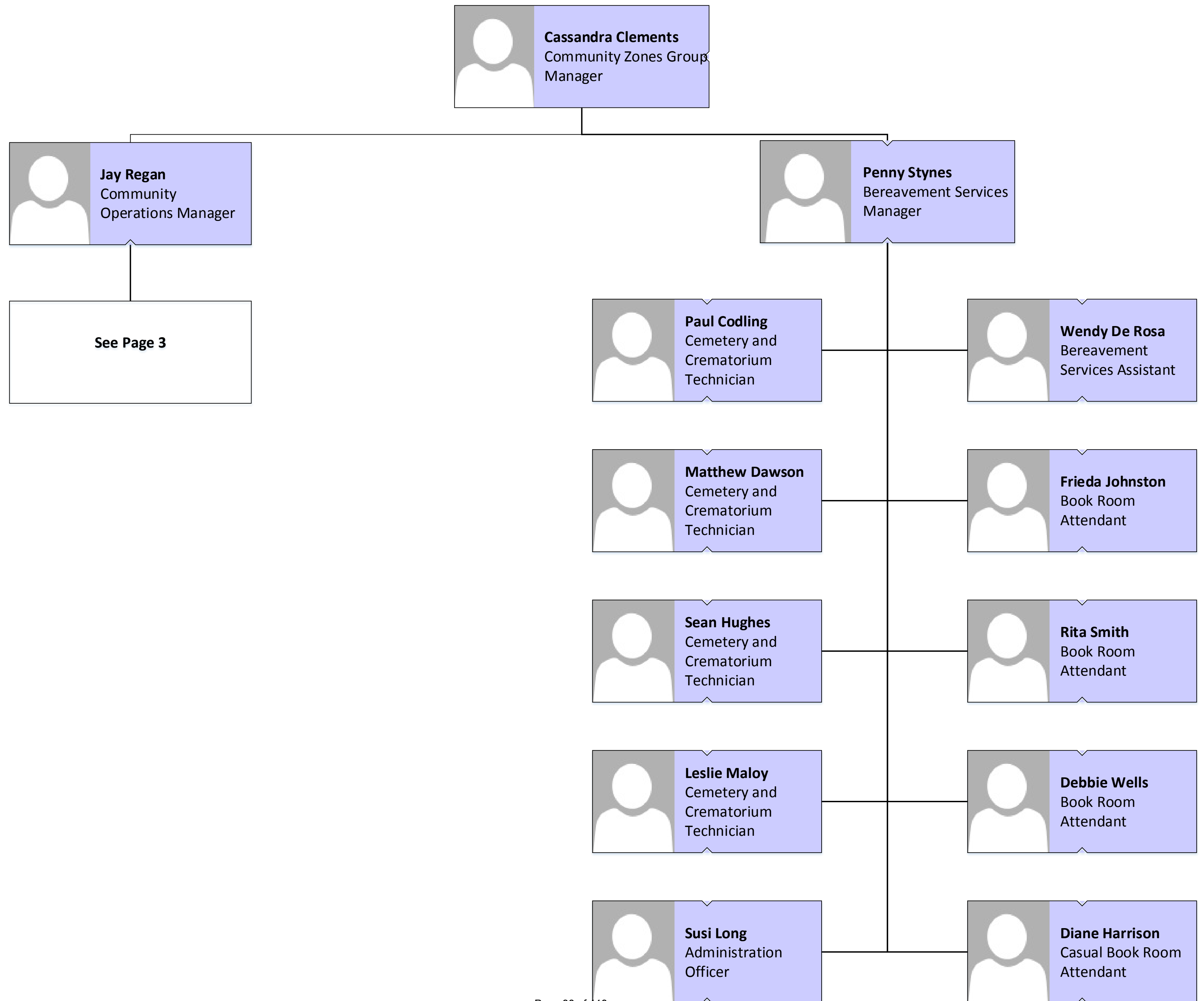
12. Risk Management Implications

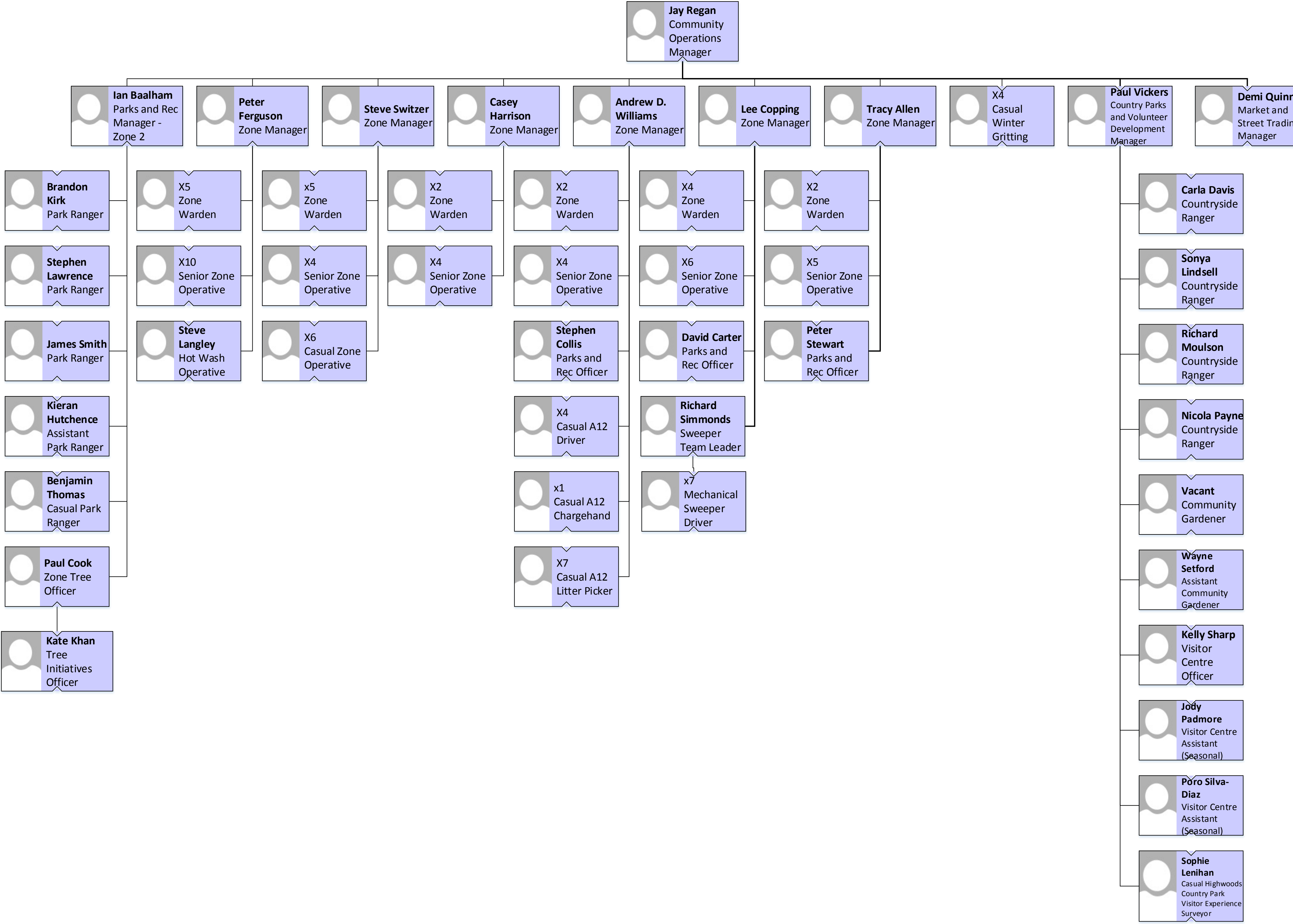
12.1 The proposals above will result in reduced overall management capacity but this is mitigated by the new structure creating greater synergies and alignment of services.

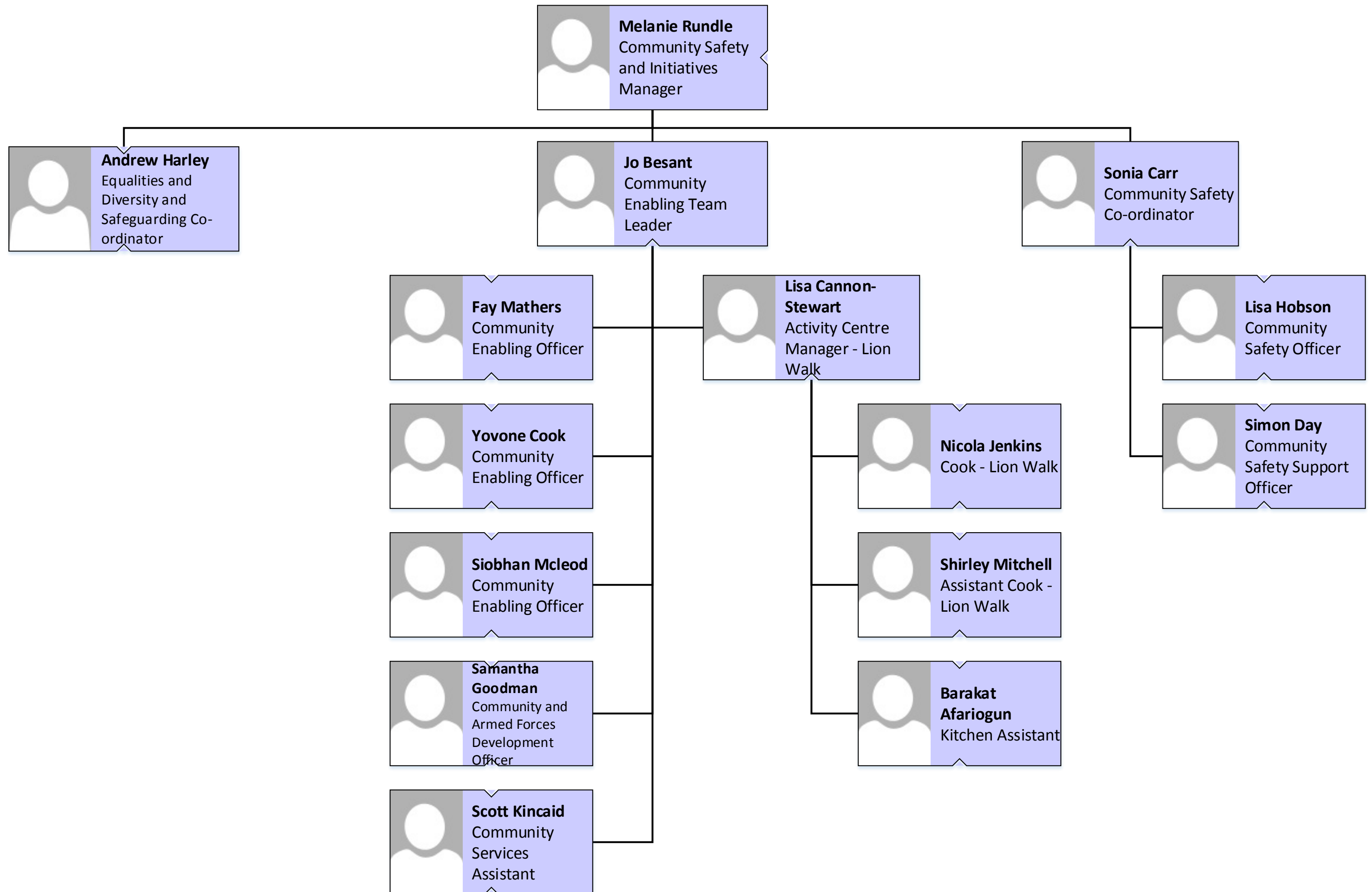
12.2 Some financial savings are reliant on the new Arcus IT system being delivered and operational by 2019/20 but this is mitigated through effective programme management of the project.

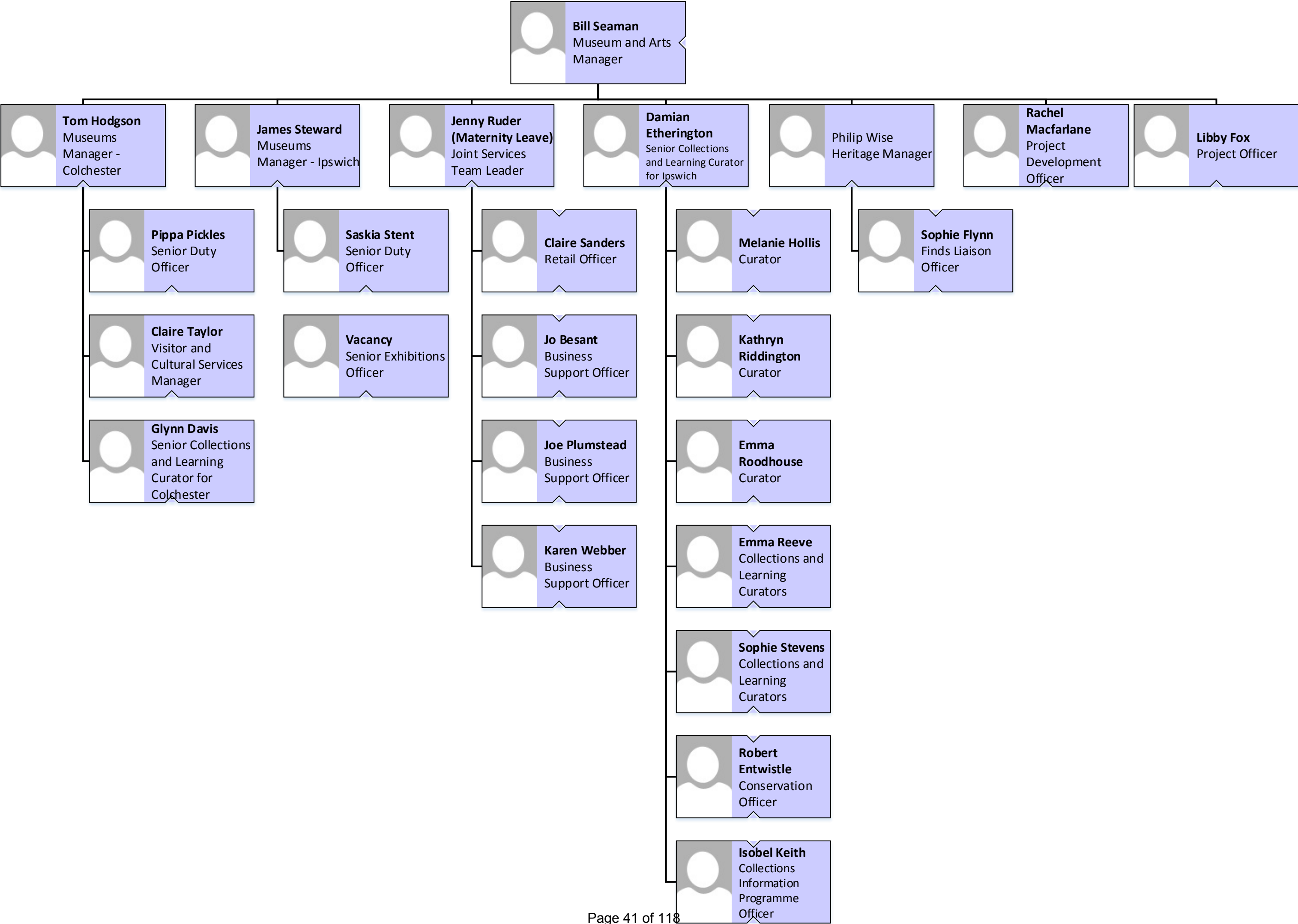
12.3 There is a risk that the level of new income referred to above is not achieved but estimates are minimum expected levels and based on the views of the Group Managers responsible for the Services.

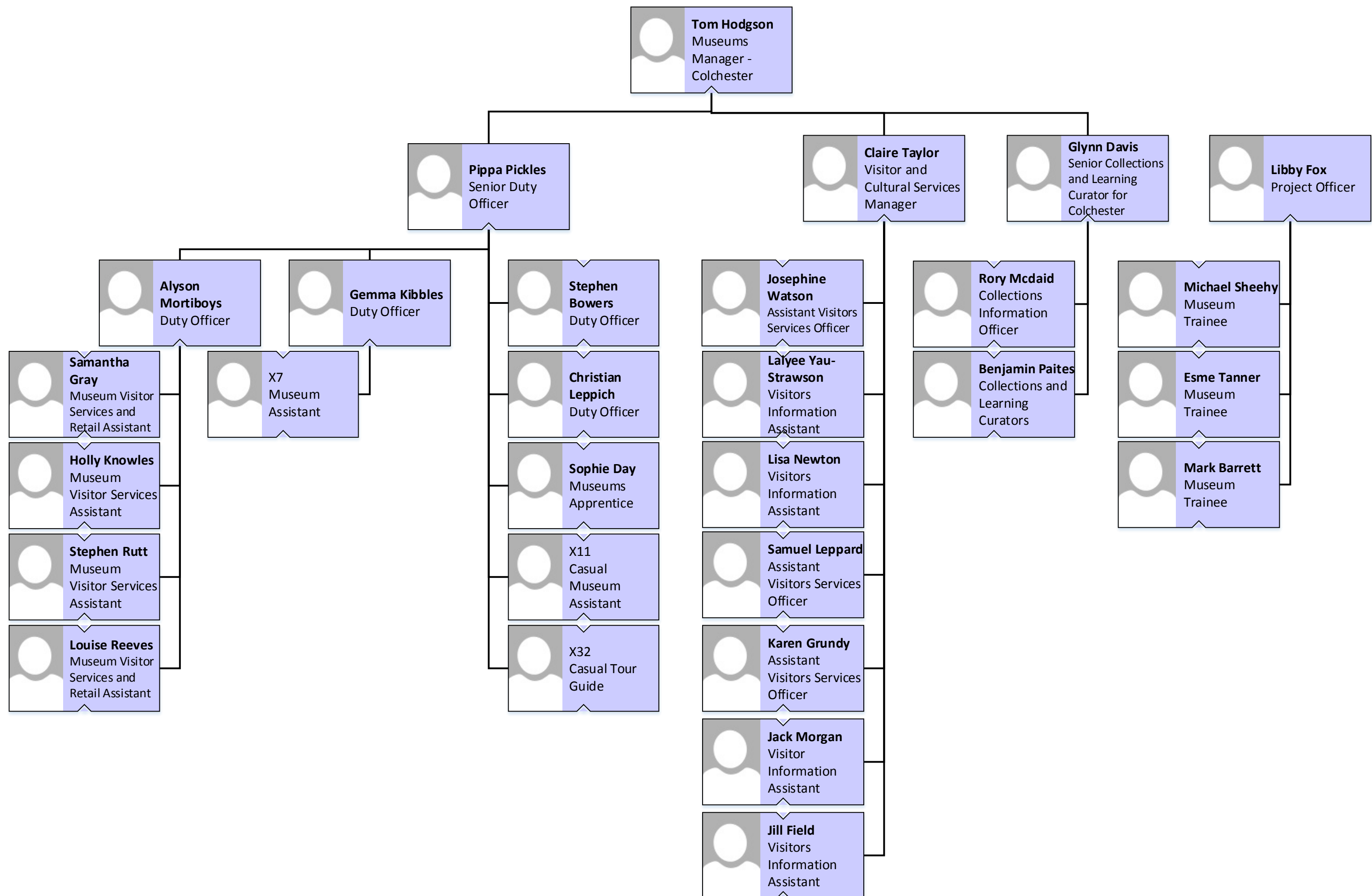


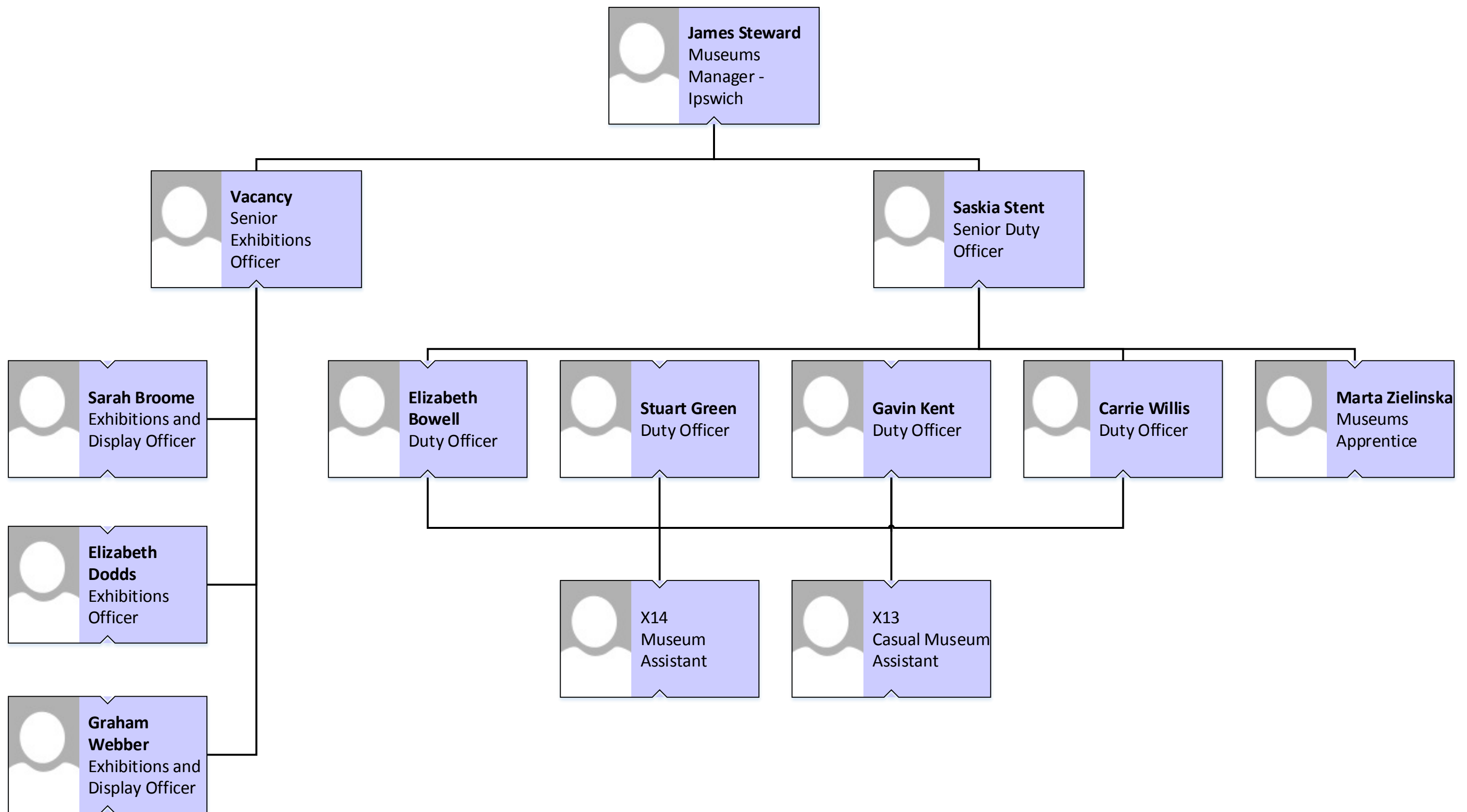






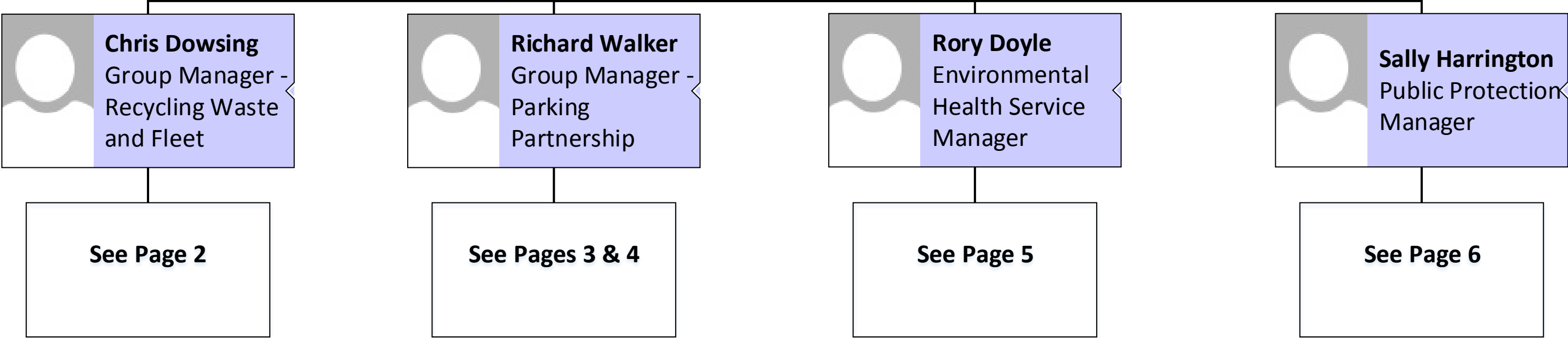


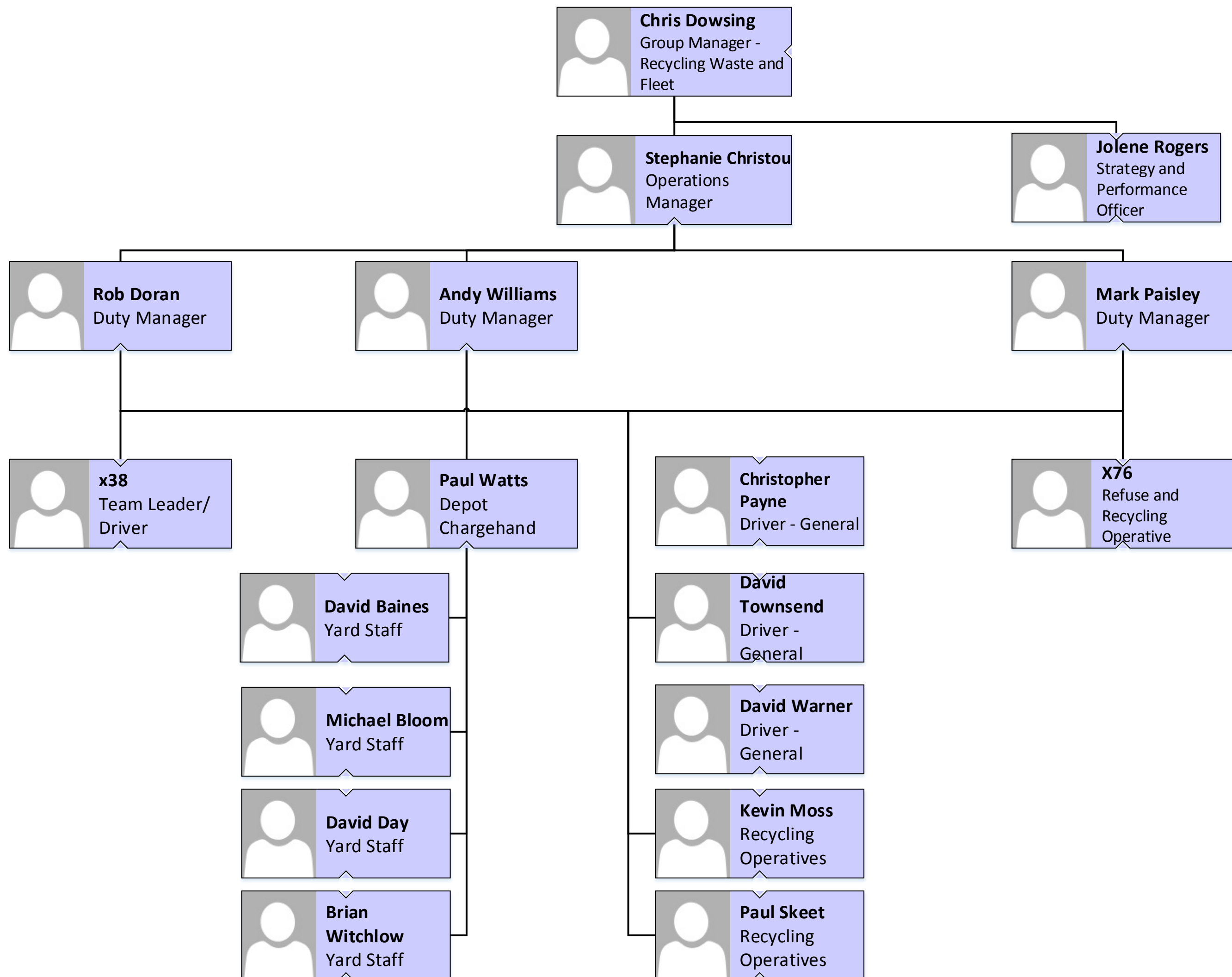


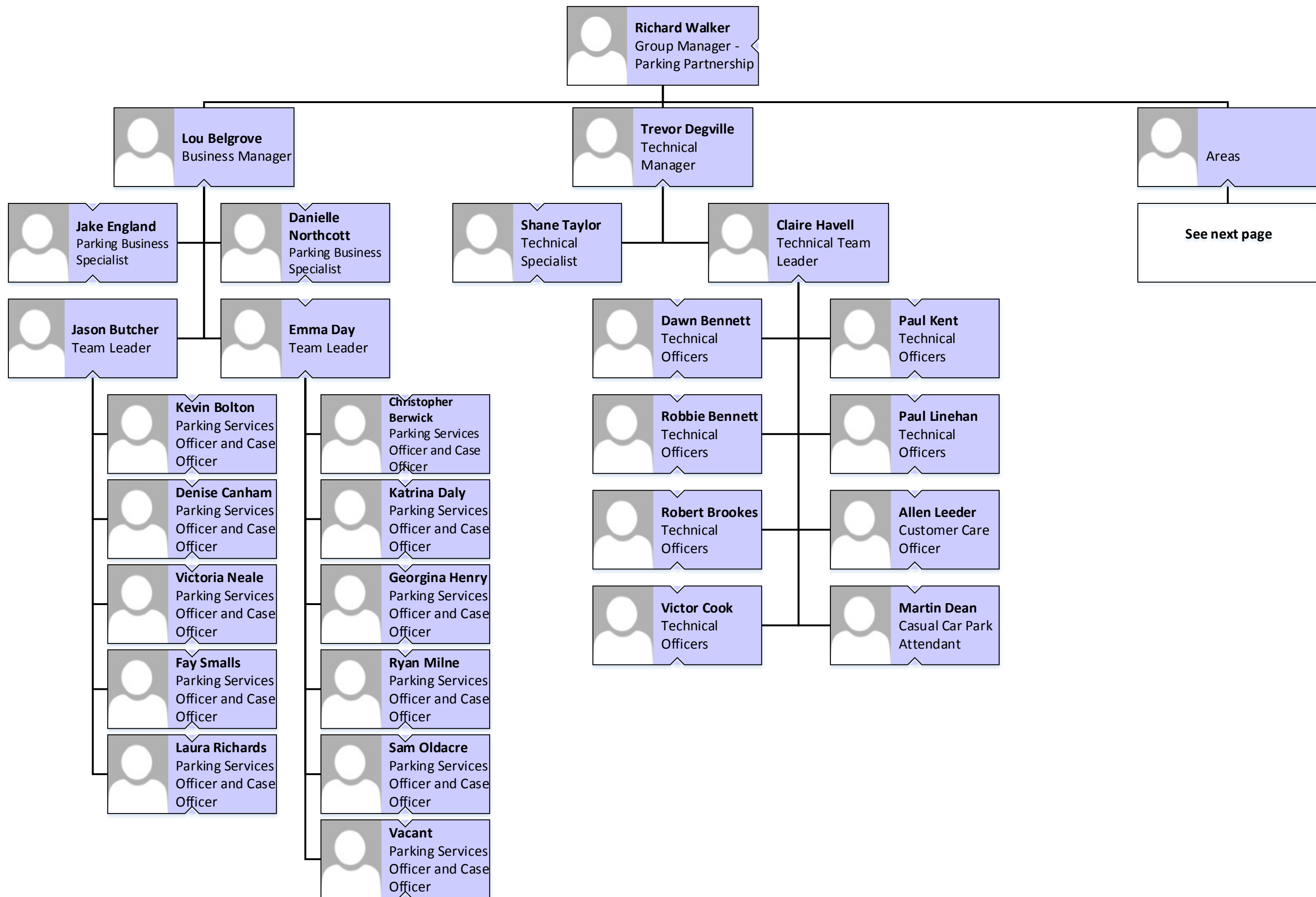


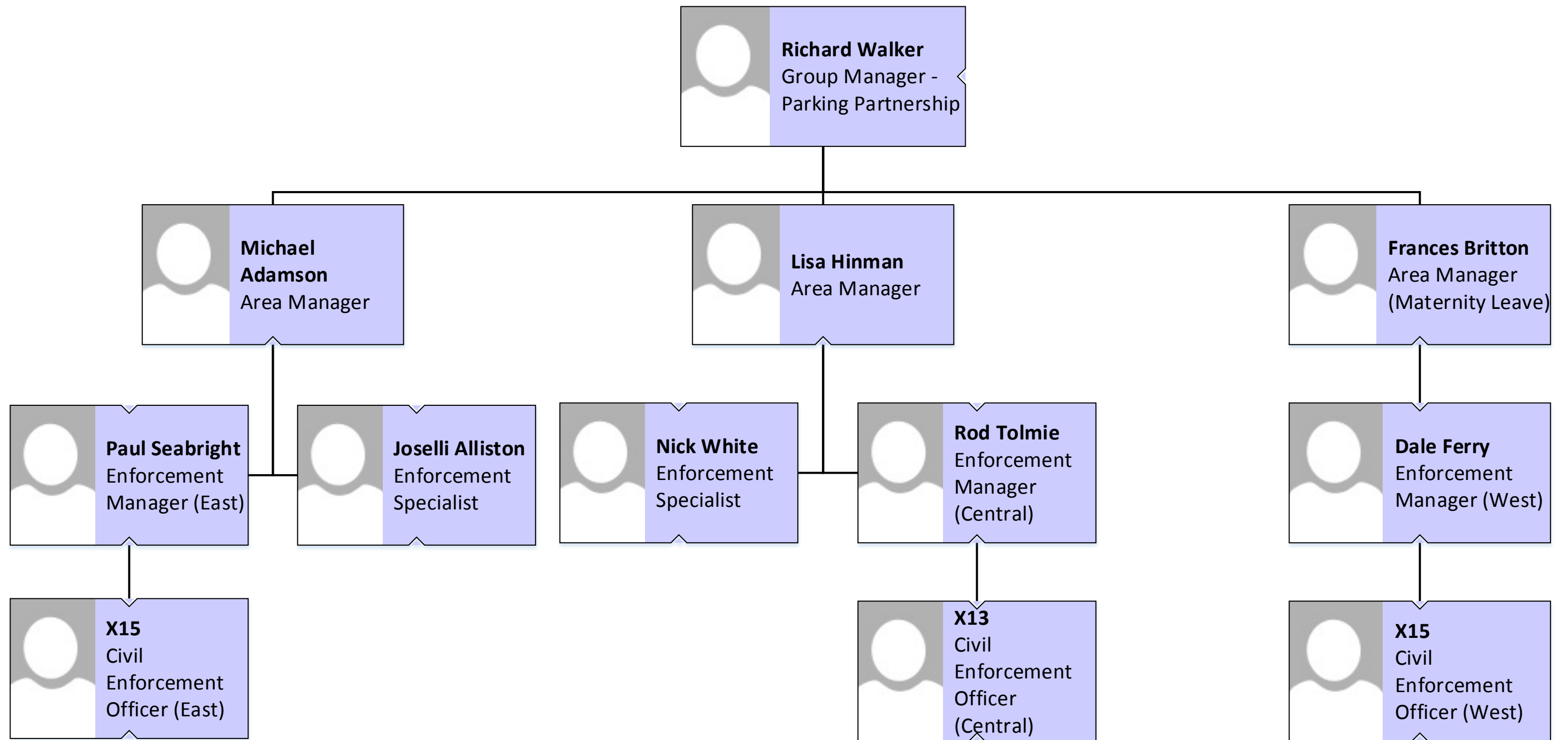


Richard Block
Assistant
Director
Environment











Rory Doyle
Environmental
Health Service
Manager



Anna Watson
Private Sector
Housing and Animal
Services Manager



Belinda Silkstone
Environmental
Protection
Manager



Emma Regan
Public Health
Improvement Co-
ordinator



Sarah Cheek
Elections Manager



Graham Foot
Private Sector
Housing Officer




Torben Wood
Private Sector
Housing Officer



Alison Morland
Private Sector
Housing Officer




Frances Moor
Health and
Housing Project
Officer



Keith Morland
Private Sector
Housing Officer




**Sophie Radcliffe
(Maternity
Leave)**
Grants
Caseworker




Naomi Ozieli
Private Sector
Housing Officer



**Stephanie Vella
(Maternity
Cover)**
Grants
Caseworker



Helena Russell
Private Sector
Housing Officer



Kevin Heath
Grants and Loans
Officer



Vincent Whyte
Private Sector
Housing Officer




Chris Cornish
Environmental
Protection
Officer



Colin Rand
Pest and Dog
Control Officer



David Martin
Environmental
Protection
Officer



Steve Hudson
Pest and Dog
Control Officer



Guy Milham
Environmental
Protection
Officer




**Matthew
Dawson**
Casual Stray Dog
Collection Officer




Leigh Newman
Environmental
Protection
Officer



Peter Ferguson
Casual Stray Dog
Collection Officer




Mary Rickard
Contaminated
Land Officer




Suzanne Hughes
Casual Stray Dog
Collection Officer




Sam Riley
Environmental
Protection
Officer



Steve Hudson
Casual Stray Dog
Collection Officer



X8
Casual Lead
Noise



X10
Casual Noise
Support




Ray Amesbury
Electoral Services
Officer




James Bennett
Electoral Services
Officer




Debbie Wells
Electoral Services
Assistant



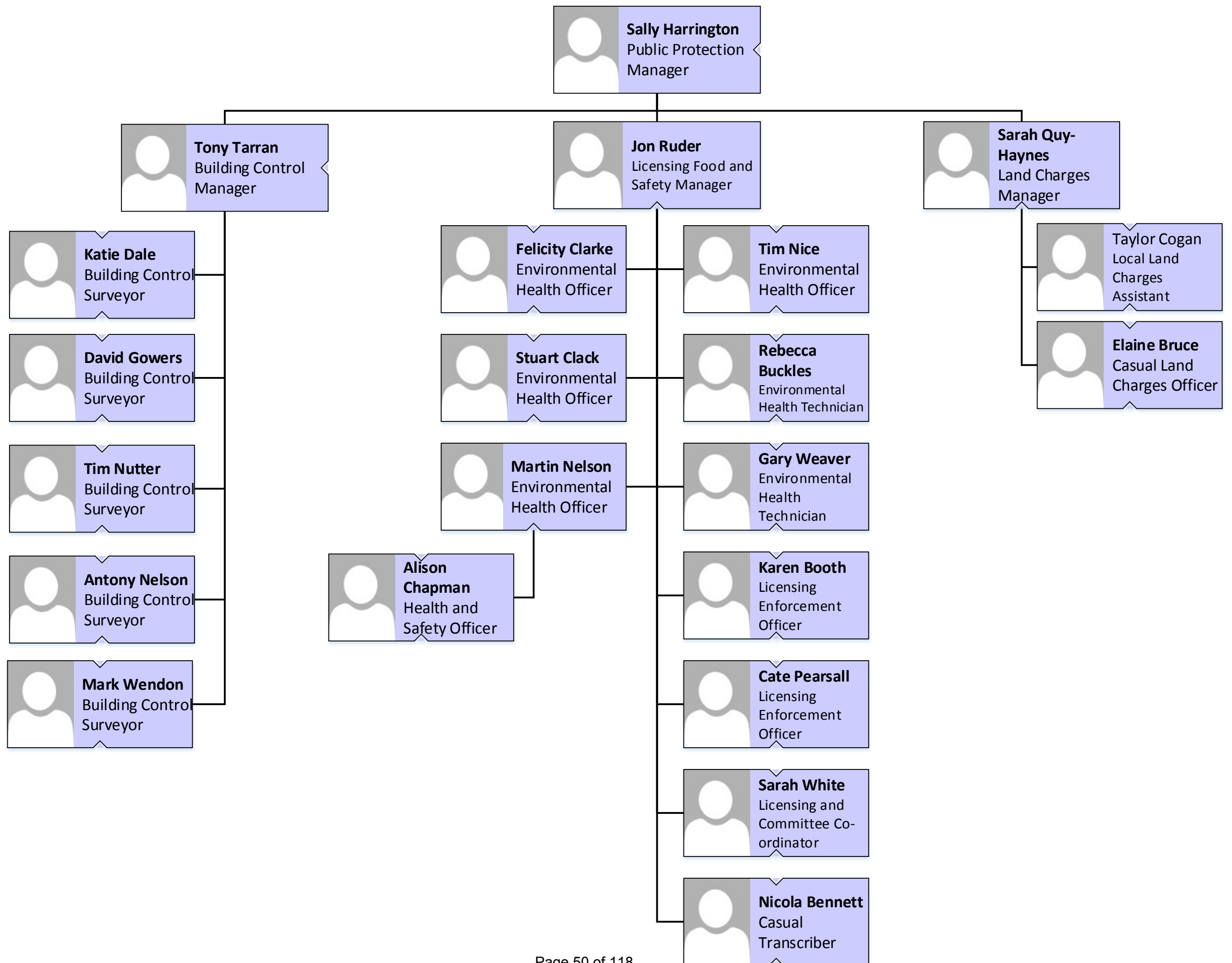
**Harley
Addington**
Casual Electoral
Services Assistant

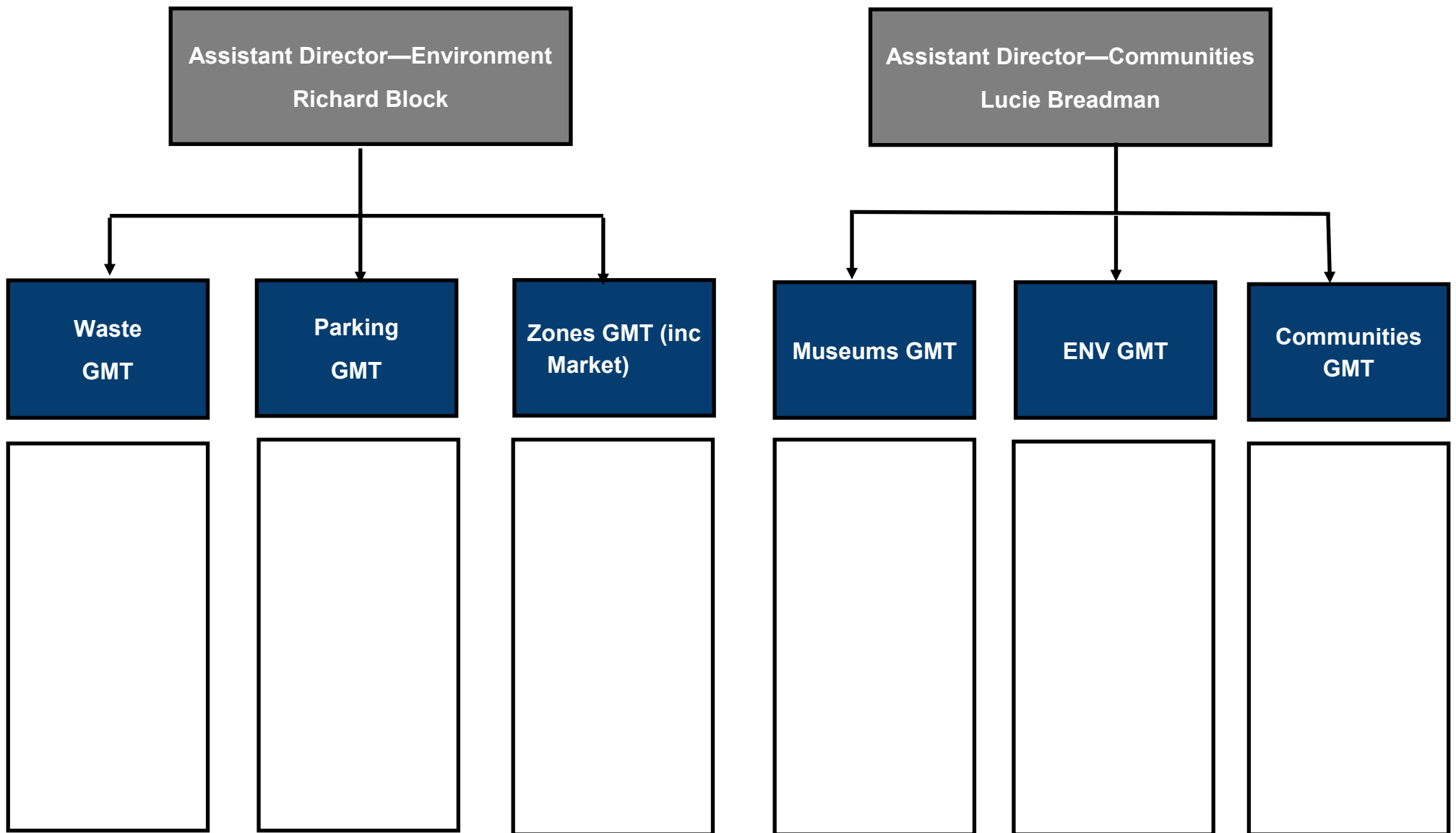


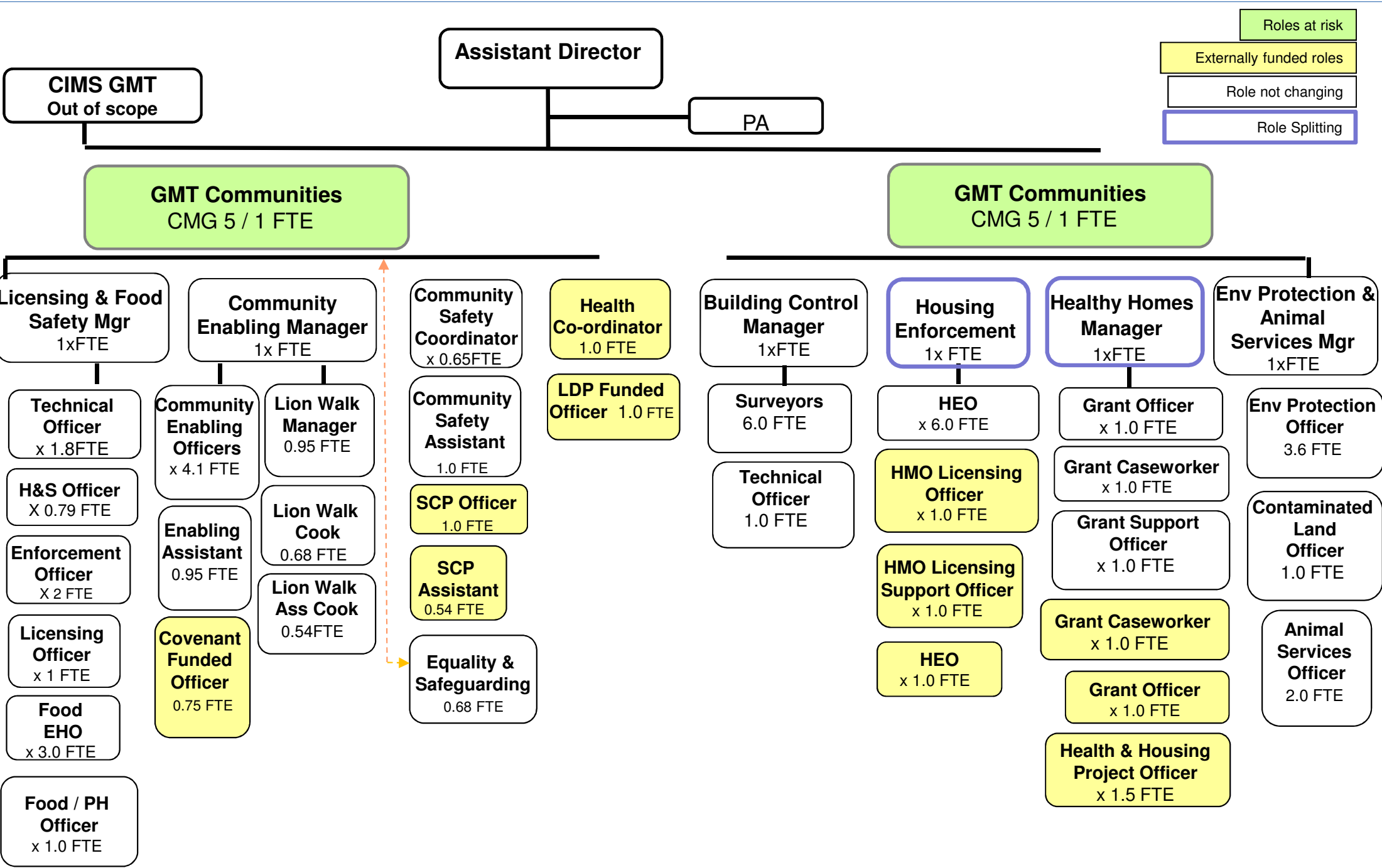
Diane Harrison
Casual Electoral
Services
Assistant



X25
Casual Elections
Canvasser







Report of	Assistant Director Environment	Author	Richard Block
Title	Implementation Plan to Introduce Plastic Recycling Collections to Flats		
Wards affected	All wards		

1. Executive Summary

- 1.1 This report provides an update to the Panel on the implementation plan to introduce plastic recycling collections to flats.

2. Action Required

- 2.1 The Scrutiny Panel should:

- Consider and note the implementation plan.

3. Reason for Scrutiny

- 3.1 To ensure all residents can recycle as much material as possible regardless of where they live to reduce the amount of residual waste produced in the Borough.

4. Background Information

Introduction

- 4.1 The Panel considered the recycling collections provided to flats in March 2018 and recommended to Cabinet that recycling collections provided to flats be increased, with the view to provide a service similar to that provided to other properties.
- 4.2 At the Cabinet Meeting in June 2018, Cabinet resolved that where feasible, residents of flats are provided with collections of plastic recycling and that an additional refuse and recycling collection vehicle is provided to facilitate this.
- 4.3 Since the Cabinet decision an implementation plan for introducing plastic recycling collections to flats has been developed and is being actioned.

Implementation Plan

- 4.4 Since the Cabinet meeting a recruitment process has been commenced for the additional crew to operate the new vehicle that will be used to provide plastic collections to flats. An additional collection vehicle has also been sourced and will be available when collections are due to commence.
- 4.5 An initial round table meeting was conducted on 22 June with some of the main Management Companies and Registered Social Landlords that manage flat developments in the Borough. This was chaired by the Portfolio Holder for Waste, Sustainability, Infrastructure and Transport and enabled views to be captured on how to best implement the new service. The outcome and slides from the meeting were sent to all Management Companies and Registered Social Landlords immediately after the meeting.
- 4.6 At the meeting it was agreed that Management Companies and Registered Social Landlords know the developments they manage well and would be best placed to survey communal bin stores to identify whether space exists to provide additional communal bins required to store plastic recycling. It was also agreed that the Council needs to be informed of any developments where bins won't fit so we are aware of these and can check there are no alternative arrangements that could be made to provide a collection service.
- 4.7 It agreed at the meeting that the Council should lead on communicating the new service and write directly to all residents of flats immediately prior to it launching. Management Companies and Registered Social Landlords agreed to provide postal addresses to all flats in developments they manage to facilitate this. They also agreed to use existing communications channels they have with residents to assist with communicating the new service. The Council will provide communications material to facilitate this.
- 4.8 All parties have agreed that the summer holiday period should be avoided as a time to when communicate and launch the new service.
- 4.9 Following the round table meeting the following implementation plan has been developed:

Task	Completion date
Letter sent to all Management Companies and Registered Social Landlords communicating Cabinet Decision and asking for bin stores to be surveyed.	26/6/2018
Communal storage bin procurement.	29/6/2018
Management Companies/Registered Social Landlords to survey bin stores, provide information on bin requirements and provide postal addresses for all flats under their management.	17/7/2018
Compare information to current flat information held, survey any outstanding blocks and review those that don't have sufficient storage space.	3/8/2018
Develop collection routes.	24/8/2018
Develop dedicated web page and marketing material with information on new service.	31/8/2018
Letter and targeted communications to all residents in blocks that are going to receive new service.	10/9/2018
Bins delivered to communal bin stores	17/9/2018
Collection service introduced	W/C 24/9/2018

5. Equality, Diversity and Human Rights implications

- 5.1 A full Equality Impact Assessment was undertaken prior to the changes to the Refuse and Recycling Collection Service in June 2017 and has been reviewed considering the new service.

6. Strategic Plan References

- 6.1 Further increasing the amount of waste that is recycled will contribute to the responsibility theme of the [Strategic Plan 2018-21](#) in that it will encourage recycling and reduce the amount of waste sent to landfill.

7. Consultation

- 7.1 The initial consultation with Management Companies of flats and Registered Social Landlords has demonstrated that continuing consultation is essential to effectively implement the new service.

8. Publicity Considerations

- 8.1 It will be essential to publicise any additional recycling collection services provided to flats so that residents know what material to recycle and how to store this whilst awaiting collection.

9. Financial implications

- 9.1 There are no further financial implications at this stage other than those highlighted in the previous report to the Panel.

10. Community Safety Implications

- 10.1 There are no implications.

11. Health and Safety Implications

- 11.1 There are no health and safety implications, over and above the existing implications for providing the refuse and recycling collection service to flats which are well managed through an established health and safety management system.

12. Risk Management Implications

- 12.1 There is a risk that not all management companies will respond with the information required within the timescales above. The collaborative approach taken will minimise this risk. A period for Council staff to survey outstanding bin stores has also been built in to the implementation plan to mitigate the potential impact of this.

Scrutiny Panel

17 July 2018

Item
12

Report of	Assistant Director of Policy and Corporate	Author	Jonathan Baker Tel. 282207
Title	Annual Scrutiny Report		
Wards affected	None		

This is a report setting out the work of the Scrutiny Panel during 2017/18

1. Executive Summary

- 1.1 This report sets out the work of the Scrutiny Panel during 2017/18 and requests that the Panel recommend the report to Council for approval on 18 July 2018.

2. Action Required

- 2.1 The Panel is asked to consider and comment on the draft Annual Scrutiny Report.
- 2.2 The Panel is asked to recommend this report to Council for approval on 18 July 2018.

3. Background Information

- 3.1 The Constitution states the Scrutiny Panel shall report annually to the full Council on its work and make recommendations for future work programmes and amended working methods if appropriate.
- 3.2 The purpose of the report is to inform the Council of the work undertaken by the Scrutiny Panel, and for the Council to form an opinion of the effectiveness of the scrutiny function. The final report will be submitted to full Council for consideration and approval following endorsement by scrutiny panel members.
- 3.3 This Scrutiny Report is a descriptive record of the scrutiny reviews undertaken by the Scrutiny Panel 2017/18.

4. Standard and Strategic Plan References

- 4.1 Scrutiny and challenge is integral to the delivery of the Strategic Plan 2018-2021 priorities and direction for the Borough as set out under the four themes of growth, responsibility, opportunity and wellbeing. Scrutiny was also an integral part of delivering the 2015-2018 strategic plan vision themes of a vibrant, prosperous, thriving and welcoming Borough.
- 4.2 The Council recognises that effective local government relies on establishing and maintaining the public's confidence, and that setting high standards of self governance provides a clear and demonstrable lead. Effective governance underpins the implementation and application of all aspects of the Council's work.

Scrutiny Panel Annual Report 2017-18

This Annual Report demonstrates the contribution made by the Scrutiny Panel at Colchester Borough Council.

Scrutiny Panel Role

The role of the Scrutiny Panel is to examine the policies and strategies from a borough-wide perspective and ensure the actions of the Cabinet accord with the Council's policies and budget. The Panel also reviews corporate strategies that form the Council's Strategic Plan, Council partnerships and the Council's budgetary guidelines, and scrutinises Cabinet or Portfolio Holder decisions which have been called in.

The Scrutiny Panel in 2017/18

The function of the Scrutiny Panel continues to be important, given the challenge of providing services with limited resources. This requires the Council to innovate and look for different ways to deliver the same level of service.

The success of Scrutiny Panel reviews depended on the involvement of Councillors, Council officers, expert witnesses and members of the public, and the Chairman of the Scrutiny Panel would like to thank everyone for their contribution to the work of the Scrutiny Panel in 2017/18.

The low level of call-ins and matters of urgency suggested Councillors continued to take a responsible approach to Governance.

Portfolio Holders have continued to regularly attend items on the Scrutiny Panel agenda that fall within their remit to take a lead on major reviews and to discuss policy, spending and performance.

During 2017/18, a new Scrutiny Panel scoping form was devised. The intention behind the form was to ensure there is a process for reviews to be requested. The form required information from Councillors around the objective of a review, timescales and the information that would be required within a report. Forms received would then be reviewed by the Panel before inclusion on the work programme. The form led to the Panel undertaking two reviews towards the end of the municipal year, one of which is still in progress.

Members are asked to consider whether the scrutiny and review process is a function that remains effective, ensuring the critical friend challenge to the executive policy and decision making that drives improvement in public services.

Prominent Reviews at Colchester Borough Council

The Scrutiny Panel held a number of reviews during 2017/18.

In September, an additional meeting of the Scrutiny Panel was arranged in order to receive a report providing an update on the Town Centre Public Space Protection Order and Advertising Boards. This followed an initial review that took place during the 2016/17 municipal year where the Panel requested further research into how the number of advertising boards in the town centre could be

reduced. At the September meeting, the Panel were invited to provide feedback to Cabinet members as part of the consultation process for a Town Centre PSPO. Discussions were had with regard to the area that the PSPO covered, the duration of the PSPO, the extent of the ban on advertising boards as well as comments on standardising forms of acceptable advertising for businesses.

The Panel also reviewed six month progress of the new in house ICT service in November 2017 and the current provision and future obstacles of refuse and recycling collections from flats on 27 March 2018. With regard to refuse collection and recycling in flats the Panel resolved that recycling collections provided to flats be increased, with the view to provide a similar service to that provided to other properties.

Two reviews during the year were requested using the new Scrutiny Panel scoping form. The first was a review of tourism marketing and the tourism experience. The report invited the Panel to review the work of the Council in marketing the Borough of Colchester to visitors, the current marketing campaign and the Council's wider role in delivering the tourism experience. The Panel were shown a number of videos of current marketing campaigns and informed about a new Sky TV advert that was due to be filmed.

The second review added to the Scrutiny Panel work programme following a request through the scoping form was to hold a review of bus services in the Borough. A formal scoping report was submitted to the Scrutiny Panel in September 2017, outlining the approach and objectives to the review. The original date for the review was scheduled for 27 February 2018, however due to severe weather this was rearranged for 16 April 2018. At the meeting, representatives of the main bus companies operating in Colchester attended as part of an information gathering session. The session was based around thematic questioning, covering issues around bus punctuality, increasing bus usage, communication with passengers, reducing emissions and services in the Borough of Colchester. This review is ongoing, and the next stages of the review will be determined during the next municipal year.

Pre Decision Scrutiny

Pre-scrutiny enables the Scrutiny Panel to examine an issue in depth, and make proposals to the Cabinet or portfolio holder in advance of that decision being taken.

The Scrutiny Panel each year undertakes pre decision scrutiny of the budget, which was put to the Scrutiny Panel on 30 January 2018 and the 6-monthly and year-end Performance Report and Strategic Plan Action Plan, which went to the Panel on 18 July 2017 and 12 December 2018.

As the then Strategic Plan came to an end during 2018, the Panel also pre-scrutinised the new Strategic Plan 2018-2021. The Panel raised a number of queries in relation to the Plan as well as a series of suggestions for elements that could be included.

The Scrutiny Panel were also invited by the Cabinet to consider and comment on the Combined Service Review – Customer Futures 2 report at its meeting on 7 November.

Partnership arrangements

A review of Colchester Borough Homes Performance 2016/17 took place at the meeting on 18 July 2017. The Colchester Borough Homes Chief Executive and Chair were in attendance as well as the Portfolio Holder with responsibility for housing. The Panel received a presentation on the performance of Colchester Borough Homes as well as information on the Homelessness Reduction Act.

As part of the Crime and Disorder Committee, the Safer Colchester Partnership was reviewed on 12 September 2017. The review provided information on the work of the Safer Colchester Partnership during 2016-17, the work of the Community Safety Support Officer and heard from the new Chief Inspector from Essex Police. The Panel thanked the representatives for attending the meeting and responding to members questions, and noted the contents of the report detailing the work of the Partnership.

Call-in

No valid call-in's were received during the 2017/18 municipal year.

Councillor Call for Action (CCfA)

There were no CCfA issues brought to the attention of Scrutiny Panel during 2017/18.

Decisions taken as a matter of urgency

There were no decisions taken as a matter of urgency during 2017/18.

Task and Finish Group

There were no Task and Finish Groups commissioned by the Scrutiny Panel 2017/18.

Schedule of meetings and reviews

Scrutiny Panel 2016/17

Councillor Davies (Chairman), Councillor Arnold (Deputy Chairman), Councillor Coleman, Councillor Fox, Councillor Hogg, Councillor Scordis, Councillor Wood.

13 June 2017	<ul style="list-style-type: none"> • Financial Monitoring Report – End of Year 2016/17 • Capital Expenditure Monitor 2016/17 • Creation of New Commercial Companies and Colchester Housing Development Company
18 July 2017	<ul style="list-style-type: none"> • Year End 2016-17 Performance Report including progress on Strategic Plan Action Plan • Review of Colchester Borough Council Performance 2016/17 • 2018/19 Budget Strategy, Medium Term Financial Forecast and Budget Timetable • Treasury Management - Annual Report • Annual Scrutiny Report
15 August 2017	<ul style="list-style-type: none"> • Meeting Cancelled
12 September 2017	<ul style="list-style-type: none"> • Safer Colchester Partnership (Crime and Disorder Committee)
27 September 2017 (Additional Meeting)	<ul style="list-style-type: none"> • Town Centre PSPO including A Board Update
7 November 2017	<ul style="list-style-type: none"> • Local Council Tax Support – Year 17/18 • Combined Service Review – Customer Futures 2 • ICT Service Update • 2017-18 Revenue Monitor period April – September • 2017-18 Capital Monitor, period April – September
12 December 2017	<ul style="list-style-type: none"> • Review of Waste Collection Strategy • Half Year 2017-18 Performance Report including progress and Strategic Plan Action Plan
30 January 2018	<ul style="list-style-type: none"> • 2018/19 General Fund Revenue Budget, Capital Programme and Medium Term Financial Forecast, Housing Revenue Accounts Estimate and Housing Investment Programme • Treasury Management Investment Strategy • Strategic Plan 2018-21

27 February 2018	<ul style="list-style-type: none"> • Bus Review – Meeting postponed due to severe weather
13 March 2018 (Additional Meeting)	<ul style="list-style-type: none"> • Vineyard Gate Briefing (Confidential)
27 March 2018	<ul style="list-style-type: none"> • Tourism Marketing update and discussion • Review of Waste and Recycling Collections for Flats
16 April 2018 (Additional Meeting)	<ul style="list-style-type: none"> • Bus Review

Report of	Assistant Director (Policy and Corporate)	Author	Jonathan Baker
			Tel. 282207
Title	2019/20 Budget Strategy, Medium Term Financial Forecast and Budget Timetable – Scrutiny Panel Covering Report		
Wards affected	N/A		

1. Executive Summary

- 1.1 The report on the 2018/19 Budget Strategy, Medium Term Financial Forecast and Timetable, as considered and agreed by Cabinet on 11 July 2018 is provided for the Panel's consideration.

2. Action required

- 2.1 The Scrutiny Panel is requested to consider and note the 2019/20 Budget Strategy, Medium Term Financial Forecast and Budget Timetable, presented to the Cabinet on 11 July 2018, and refer any comments or concerns back to the Cabinet for further consideration.

3. Reasons for Scrutiny

- 3.1 The review of the Council's Budget Strategy and Timetable is one of the responsibilities of the Scrutiny Panel, as set out under the Terms of Reference for the panel within the Constitution.

4. Standard and Strategic Plan References

- 4.1 Scrutiny and challenge is integral to the delivery of the Strategic Plan's priorities and direction for the Borough as set out under the four themes of growth, responsibility, opportunity and wellbeing.
- 4.2 Scrutiny is a key function to ensure decisions have been subject to full appraisal and that they are in line with the Council's strategic aims. The role of scrutiny is also important in helping to check that risks are identified and challenged.
- 4.3 The Council recognises that effective local government relies on establishing and maintaining the public's confidence, and that setting high standards of self governance provides a clear and demonstrable lead. Effective governance, of which scrutiny is a part, underpins the implementation and application of all aspects of the Council's work.
- 4.4 There is no publicity, equality and diversity, human rights, community safety, health and safety, risk management or financial implications in this matter.

Cabinet

11 July 2018

Item

Report of	Assistant Director, Policy and Corporate	Author	Sean Plummer ☎ 282347 Darren Brown ☎ 282891
Title	2019/20 Budget Strategy, Medium Term Financial Forecast and Budget Timetable		
Wards affected	Not applicable		

1. Executive Summary

- 1.1 This report sets out the budget forecast position for 2019/20 which shows a current budget gap of £0.93m. Information on the last year's outturn (2017/18) and current year (2018/19) are also provided.
- 1.2 The updated Medium Term Financial Forecast (MTFF) is set out including an updated position on general fund balances and risks and variables to the budget forecast.

2. Recommended Decision

- 2.1. To note the pre-audit outturn position for the financial year 2017/18.
- 2.2. To note the budget forecast, approach and timetable for the preparation of the 2019/20 budget.
- 2.3. To note the updated position in respect of balances and changes made to allocations.
- 2.4. To note the updated Medium Term Financial Forecast as set out at Appendix B.
- 2.5. To agree the change to the Housing Investment Programme as set out at para.8.2.

3. Reason for Recommended Decision

- 3.1 The Council is required to approve a financial strategy and timetable in respect of the financial year 2019/20, and a Medium Term Financial Forecast (MTFF) for the two subsequent financial years.

4. Alternative Options

- 4.1 At this stage in the budget process the main objective is to note the current position and to consider the approach to closing the budget gap. Alternative approaches to the budget strategy could be considered.

5 Background Information

Financial Overview 2017/18 and 2018/19

- 5.1. The Pre-Audit Outturn report for the year to 31 March 2018 was presented to the Scrutiny Panel on 12 June 2018.
- 5.2. The following table provides a breakdown of the end of year position showing an overall net general fund underspend after carry forwards of £79k:-

	Budget	Actual	Variance	c/f	Net
	£'000	£'000	£'000	£'000	£'000
Corporate & Democratic Core	(496)	(450)	46	-	46
Policy & Corporate	8,243	7,676	(567)	686	119
Executive Management Team	659	656	(3)	-	(3)
Commercial	452	1,013	561	-	561
Community	4,415	4,268	(147)	44	(103)
Customers	4,108	3,999	(109)	73	(36)
Environment	2,918	2,771	(147)	-	(147)
Sub-Total Services	20,299	19,933	(366)	803	437
<i>Technical / corporate items</i>					
NEPP (North Essex Parking Partnership)	(210)	(272)	(62)	62	-
CIMS (Colchester & Ipswich Museum Service)	1,164	1,193	29	(29)	-
Benefits	(984)	(1,288)	(304)		(304)
Net General Fund/HRA (Housing Revenue A/c)	4,340	4,367	27	-	27
Total Services	24,609	23,933	(676)	836	160
Pensions	(634)	(657)	(23)		(23)
MRP (Minimum Revenue Provision)	1,255	1,255	-		-
CLIA (net interest account)	747	726	(21)		(21)
Misc. items	-	37	37		37
Misc. Gov't grants	(87)	(162)	(75)		(75)
General service related items	332		(332)	175	(157)
Local Taxation - Business Rates	(4,938)	(5,920)	(982)	982	-
Local Taxation - Business Rates Pool	-	(834)	(834)	834	-
Total	21,284	18,378	(2,906)	2,827	(79)

- 5.3. When the 2018/19 budget was set, it had been assumed for planning purposes that the end of year position could *potentially* be an overspend of £200k. The outturn therefore improves the balances position. In summary, it means that balances are £520k above the recommended level. As shown in the following table.

	£'000	Note
Uncommitted / unallocated balances above 'prudent' level	441	Position when 2018/19 budget was set.
Outturn underspend	79	Position reported to Scrutiny Panel
Balances above agreed level	520	

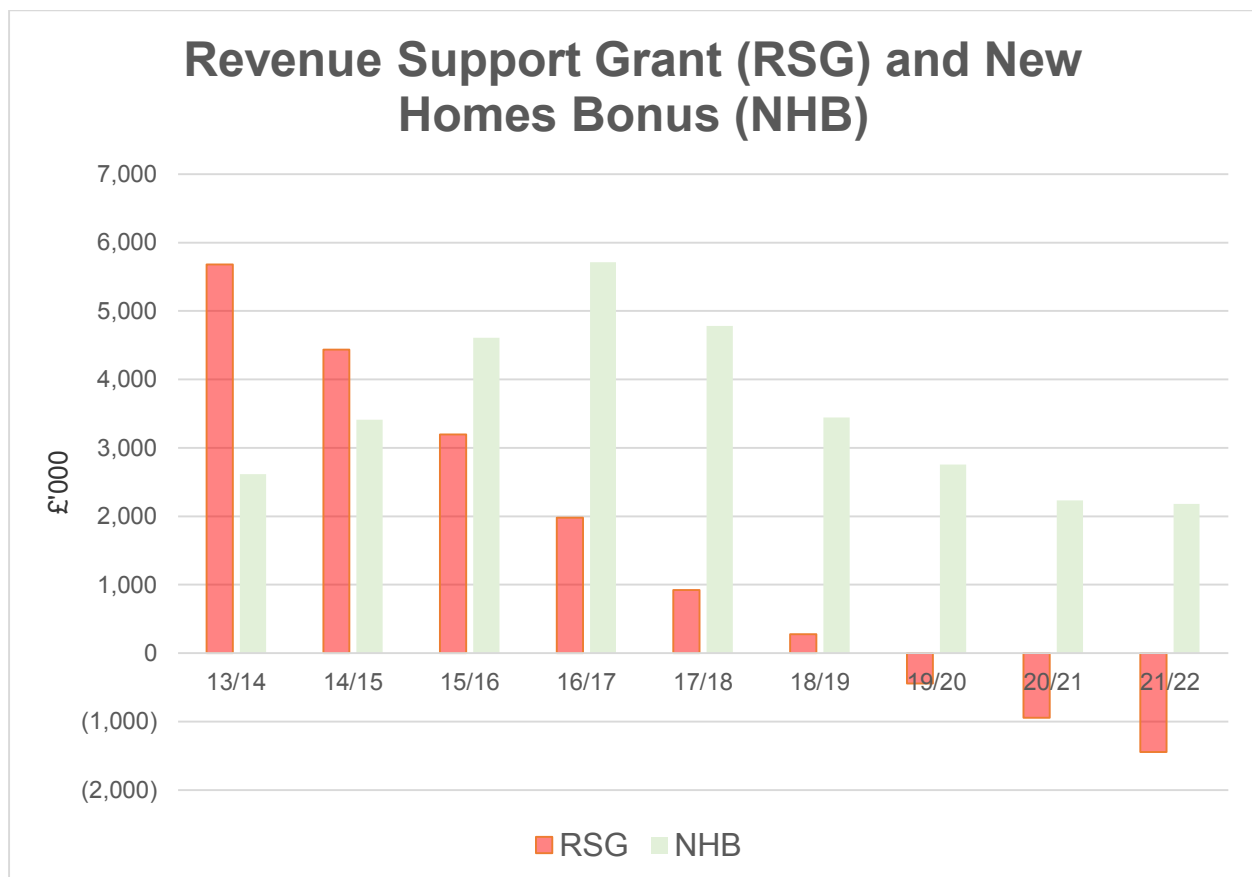
- 5.4. *Financial Year 2018/19*

At this stage in the financial year it is difficult to assess potential variances (both positive and negative). One area to highlight is that the agreed pay award for this year has been set at 1.5%. The budget provided for an increase of 2% and therefore there is a saving of c£100k. The overall position will be reported throughout the year to Scrutiny Panel and Governance and Audit Committee.

- 5.5. The separate report on this agenda sets out proposals to allocate c£2m to support delivery of strategic plan priorities. This includes £1.063m from the New Homes Bonus which was included in the budget to help deliver projects which support strategic plan priorities and also those which can deliver income to assist with managing future budget pressures.

Budget Forecast for 2019/20

- 5.6. Appendix B sets out a budget forecast for 2019/20 and a Medium Term Financial Forecast (MTFF) for the subsequent two years including the key assumptions. As part of the 4 year settlement agreement, the Government has previously set out provisional funding figures for 2019/200 which include the removal of all Revenue Support Grant. The Council is responding to the increasing budget pressures faced by identifying new ways of working to deliver savings and increased income. These issues provide the backdrop for considering the budget strategy for 2019/20. The graph below sets out the level of grant (Revenue Support Grant and New Homes Bonus) received since 2013/14 showing how government funding has reduced and is expected to reduce further.



5.7. The forecast budget gap for 2019/20 is £0.93m as shown in the following table.

	2019/20	Note
	£'000	
Base Budget	19,695	
One-off items	(500)	Adjustments to base budget for one-off items
Cost Pressures	1,166	Para 5.16 to 5.21
Savings	(516)	Para 5.23
Change in use of NHB for one off investment	(485)	Reduction in grant less reduced use of £200k for base budget.
Forecast Base Budget	19,360	
<i>Funded By:</i>		
Revenue Support Grant	446	Para 5.9
Business Rates Baseline	(4,290)	Para 5.9
SFA	(3,844)	
Increase in business rates income above baseline	(1,100)	Para 5.11
Business Rates Pooling	(200)	Para 5.14
New Homes Bonus	(2,758)	Para 5.29
Total Gov't grants & business rates	(7,902)	
Council Tax	(11,929)	Para 5.25
Contribution to Reserves	1,401	Re: pensions (para 5.17)
Total Funding	(18,430)	
Annual increase	930	

5.8. The key assumptions in respect of the 2019/20 forecast are:

Government Funding & Business Rates

- 5.9. The Settlement Funding Allocation (SFA) which comprises our RSG and business rate baseline figure has been cut by £0.524million (11%) in 2018/19. This reduction is in line with the 4 year funding settlement which the Council applied for and which was agreed by Government. The following table sets out the 4 year settlement, which ends in 2019/20, and a planning assumption of reduction of £0.5m for each of the next 2 years. **These show a total reduction in grant of £2.1million (35%), and specifically for next year's budget a reduction in funding of £0.59m.**

	4 year settlement					Assumption	
	Actual			Provisional			
	16/17	17/18	18/19	19/20		20/21	21/22
	£'000	£'000	£'000	£'000		£'000	£'000
Revenue Support Grant	1,978	920	275	(446)		(946)	(1,446)
Business Rates Baseline	3,960	4,041	4,162	4,290		4,290	4,290
Settlement Funding Assessment (SFA)	5,938	4,961	4,437	3,844		3,344	2,844
Reduction (£'000)		(977)	(524)	(593)	(2,094)	(500)	(500)
Reduction (%)		(16.5%)	(10.6%)	(13.4%)	(35.3%)	(13.0%)	(15.0%)

- 5.10. As has been previously reported, the Government proposes to allocate funding on the basis of the core resources available to local authorities, taking into account councils' business rates and council tax, as well as their Revenue Support Grant. It follows that some councils with less Revenue Support Grant in later years will need to **contribute** funding from the other elements of their settlement core funding in order to meet the overall reductions to local government funding set in the Spending Review. Where this is the case, the Government proposes to adjust the relevant councils' tariff or top up under the business rates retention scheme. The table shows that by 2019/20 there will be no more RSG and that a contribution of almost £446k will be required to be made.
- 5.11. The localisation of Business Rates was introduced in 2013/14. For 13/14 and 14/15 we had been broadly budgeting at the baseline level, but since the 15/16 budget additional income has been included. This is currently set at an increase of £1.1m above the baseline.
- 5.12. One of the main risks within the current scheme is that businesses can appeal their Rateable Value (RV), and get decisions backdated. This means there is a risk that we have to refund business rates in respect of previous years, and also the ongoing income may drop. To put some of this into context, over £7m has been paid in appeals since localised business rates was introduced and a significant number of appeals remain unresolved. We have made provision for appeals in our accounts, but this is an area which is impossible to predict.
- 5.13. Looking ahead, the budget forecast currently assumes no increase in our retained business rate income in 19/20. Throughout the year we will continue to monitor income levels and appeal decisions, and will revisit this assumption.
- 5.14. Since 2015/16 the Council has been part of an Essex business rate "pool". The rationale for this is that the pool provides an opportunity to keep a greater share of business rate income above the baseline. Based on figures provided as part of the 2017/18 closure of accounts there is an estimated gain of £0.834m, however, this is subject to change although at this stage this is not expected to be material. The 2019/20 budget assumes that we will use £200k from this to support next year's budget. It is too early to estimate any additional income that we might achieve from

this arrangement in 18/19, however, the MTFF assumes we will continue to aim to use £200k of any gain to support the 2020/21 budget.

- 5.15. The 2018/19 settlement included a formal consultation on a review of relative needs and resources with the aim of implementing a funding system in 2020/21. Alongside this, the latest phase of the business rates retention programme was announced, with an aim for councils to retain 75 per cent of business rates from 2020/21. Future budget updates will consider any proposals arising from this important review of local government funding.

Inflation and costs

- 5.16. For 2019/20 a planning figure has been included for general changes to “pay and prices” in line with the approach used in recent years. It will be necessary to review forecasts for specific areas including energy costs in due course and this is therefore subject to change. The allocation includes an adjustment to reflect that the pay award agreed for 2018/19 is 0.5% less than that allowed for in the budget and as such this provides an ongoing saving for 2019/20.
- 5.17. The next actuarial review of the pension fund will take place in 2019. No allowance has been included for any impact from this review, however, this will be considered in future updates of the MTFF. As part of the 2017/18 budget it was agreed that a one off payment would be made to cover the pensions deficit cost for the period 2017/18 to 2019/20. This is partly being funded from reserves which will be paid back during 2018/19 and 2019/20. This contribution to reserves is shown in the budget forecast for 2019/20.

Fees and charges income

- 5.18. It is evident that there has been a fluctuation in some income budgets over recent years and a number of budgets have been changed to reflect these revised assumptions. On this basis the MTFF assumes a broadly neutral position over the next three years.

Specific Cost Pressures

- 5.19. The 19/20 budget forecast reflects that the government grant being used to support the costs of food waste collection will run out. In addition an allowance is included for the forecast full year impact of the change in the community stadium rent. An assumption has been made that the income received from the Council Tax sharing agreement may reduce in 2019/20.
- 5.20. There remain a number of potential risks and pressures for which no allowance is currently made. These include:-
- an increase in interest costs which are currently being minimised through internal borrowing
 - demands on services including those arising from growth in the Borough.
 - an assessment of the potential revenue and capital impact of major projects such as Garden Communities and Northern Gateway sports project.
 - Costs to the Council relating to the BID
- 5.21. The above issues will be reviewed in the next budget update and consideration will be given to any need to make allocations in the 2019/20 budget forecast.

Growth Items

- 5.22. The budget assumes no allowance for any service growth. However, the 2019/20 budget proposals still include an allocation of the New Homes Bonus to support investment and this is considered later in the report.

Savings.

- 5.23. The 19/20 budget forecast includes just over £0.5m of savings and income This comprises the following:

- An additional dividend return from the Council's commercial companies and also an anticipated interest margin from lending to these commercial companies. (£181k).
- Sport and leisure business plan (£50k). The savings and increased income reflect the projections in the business plan agreed by Cabinet.
- Additional savings from the Customer Futures 2 review of £228k as agreed by Cabinet.
- The agreed second reduction of £50k from the arts grants budget
- The assumption that parish grants in respect of LCTS (Local Council Tax Support) will reduce in line with the Council's reduction in the SFA.

- 5.24. The MTFF includes forecast savings for beyond next year. These include projections for all the above areas and also assumptions in respect of increased income from the Council's commercial asset programme.

Council Tax

- 5.25. The Government's Spending Power forecasts assume an annual increase in Council Tax of £5 for Band D properties. The budget forecast and MTFF reflect this assumption, however, this does not represent a proposal. An allowance for an increase in Council Tax income through growth in the tax base of 1% pa is also included in the forecast.

Local Council Tax Support (LCTS)

- 5.26. The Local Council Tax Support Scheme (LCTS) for 2018/19 was approved by Full Council last year. LCTS replaced Council Tax benefits and, as has previously been reported, places a number of risks to the Council, such as:-
- *Recovery of Council Tax.* There is a risk of a lower level of collection of Council Tax, given that more people have to pay Council Tax.
 - *Recovery costs and resources.* The number of people paying Council Tax has increased and the impact on resources has to be considered.
 - *Demand.* Under the previous benefit scheme there was no direct financial impact on the Council of changes in the amount of benefit paid. Under the LCTS scheme the Government grant is a fixed sum and therefore any increase is borne by all of the major preceptors including Colchester.
- 5.27. The Government funding for LCTS is provided within the revenue support grant and retained business rates figures, which as explained earlier in the report is forecast to reduce further in 2019/20. Consideration will need to be given to the impact of this on any cost of the LCTS.

New Homes Bonus (NHB)

- 5.28. The 2018/19 NHB grant reflected the continuation of the changes to the methodology of the scheme introduced in 2017/18. These included:-
- From 17/18 the scheme has introduced a national baseline of 0.4%. NHB is only paid above this level.

- From 17/18 payments were made over 5 years rather than 6 and now, from 18/19, payments are only made over 4 years.

5.29. The final figure is a total grant for 2018/19 of £3.443m, a reduction of £1.34m. The budget forecast for 2019/20 and MTFF includes projections based on the changes already made to the NHB scheme and is based on an 'average' level of growth for future years. The following table shows a forecast grant next year of c£2.8m, a reduction of £0.6m on this year's grant.

	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000
Growth re 13/14	1,185	<i>nil</i>	<i>nil</i>	<i>nil</i>
Growth re 14/15	1,025	1,025	<i>nil</i>	<i>nil</i>
Growth re 15/16	553	553	553	<i>nil</i>
Growth re 16/17	533	533	533	533
Growth re 17/18 (est)		500	500	500
Growth re 18/19 (est)			500	500
Growth re 19/20 (est)				500
Total basic NHB	3,296	2,611	2,086	2,033
Affordable Homes Bonus	147	147	147	147
Estimated NHB	3,443	2,758	2,233	2,180

5.30. The budget forecast and MTFF assumes that the New Homes Bonus will continue to be used to support the base budget. Following consideration by Budget Group it is proposed that the base budget allocation will be reduced year on year by £200k to continue to reduce the risk of future changes to this grant. It is also assumed that the annual contribution of £250k to the RIF will continue and that the bonus paid for affordable housing will continue to be earmarked for housing. Cabinet has previously agreed to use £500k from the NHB to support the Northern Gateway Sports Project. These assumptions are set out in the following table.

	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000
New Homes Bonus	3,443	2,758	2,233	2,180
<i>Allocated to:-</i>				
Contribution to RIF	250	250	250	250
Affordable housing allocation	147	147	147	147
Base Budget	1,233	1,033	833	633
Allocation to CNG Sports Project	750	500		
Support for new schemes / projects	1,063	828	1,003	1,150
Total allocation	3,443	2,758	2,233	2,180

Summary of Budget Forecast

5.31. There are a number of significant budget risks and variables that will affect the 2019/20 budget process and these are set out within Appendix B. It will therefore be important to consider and respond to any changes in the budget forecast and this

will be reported to Cabinet throughout this year. The key areas to note include the items set out at 5.20 and any changes to government funding.

- 5.32. There is a forecast budget gap of circa £0.9m. This already reflects planned savings of over £0.5m. It should be noted that at this stage this gap could change based on a number of emerging factors.

Delivering the 2019/20 Budget

- 5.33. The Council's approach to the budget is that it is primarily driven by the Strategic Plan. We have adopted a number of different ways to identify savings or additional income to support Strategic Plan priorities and to meet a number of substantial cost pressures. The strategy for the last few years has been broadly based upon identifying opportunities to make efficiencies, mainly through the service reviews, maintaining and where possible increasing income and through exploring different ways to deliver services.
- 5.34. The Budget Group comprising Cabinet members and senior officers has operated for several years and continues to provide an overview of all possible budget opportunities, monitoring progress and taking relevant reports. Work has already started and has identified a number of possible options. These include:-

Service reviews

- A number of reviews have already started and the first of these, Environment and Communities, will be considered soon by Scrutiny Panel prior to Cabinet. Other reviews have also started including sport and leisure and corporate services.

Procurement exercises

- Cabinet has previously reports in respect of the fleet procurement exercise and savings from this will need to be quantified as part of the 2019/20 budget.

Other reviews and initiatives

- Previous reports to Cabinet have included consideration of the green waste proposals and again, work, to assess any saving will continue this year.

- 5.35. The Council's approach to budgets has always been to consider the longer-term impact of decisions. The budget process for 2019/20 will continue to reflect this by recognising that some service changes (reductions, income and growth) will often be delivered over a period longer than a year.
- 5.36. Appendix B sets out the proposed budget timetable and will include consideration of the capital programme.

Housing Revenue Account (HRA)

- 5.37. The HRA is a ring fenced account that relates to costs and income in respect of the Council's housing stock. The HRA budget and rent setting process is carried out alongside the General Fund budget and elements of the process are carried out simultaneously. The budget approach for the HRA will continue to be fully integrated within the General Fund budget process, with the final budget report and rent setting being included within the overall budget and Council Tax decisions.
- 5.38. HRA Self-Financing has been in operation since 1st April 2012, and Cabinet have agreed a 30 year HRA Business Plan which runs to 2043. This has assisted with financial planning and the outputs from this were reflected in the 2018/19 budget, which continues to take account of the Government's policy to reduce social

housing rents up to 2019/20. The 2019/20 budget will therefore be similarly developed within this framework.

6. Medium Term Financial Forecast

- 6.1. The Medium Term Financial Forecast (MTFF), as set out at Appendix A, shows a potential budget cumulative budget gap of a further c£1m by 2021/22. The key factors affecting the budget gap in later years include the assumed further reduction in Government funding, changes to the New Homes Bonus and the savings and additional income already identified. It should be noted that the 4 year settlement ends in 2019/20 and at this stage a reduction of £0.5m is assumed for each year.
- 6.2. The forecast needs to be viewed alongside the level of significant risks and uncertainty regarding a number of key factors that will impact on the Council's finances in the medium term. Most of the key risks outlined in the MTFF could result in recurring cost pressures for the Council. This will require recurring cost savings or additional income to be identified to minimise the escalation of these pressures.
- 6.3. The MTFF also shows that the Council continues to hold reserves and balances to support the Council's budgets. The position on these reserves will be reviewed during the year as the 2019/20 budget progresses.
- 6.4. In summary, the MTFF sets out what is likely to continue to be a challenging financial outlook with an ongoing level of uncertainty in future years. The budget process needs to establish that the Council's spending plans, in the medium term, are affordable and can be prudently financed.

7. Revenue Balances

- 7.1. When the 2018/19 budget was set it was reported that balances were forecast to be £241k above our recommended level of £1.9m. This took account of a potential net overspend of £200k. Having now reported the 2017/18 outturn position there are certain changes to report and proposals to make.
- 7.2. As reported earlier in this report and also to the last Cabinet meeting, the final outturn position was an underspend of £79k which was £279k less than the £200k assumed.
- 7.3. Various allocations within balances have been reviewed as part of the end of year accounts. These include residual budgets held within balances for various projects which are now complete or for which the sums are no longer required. These span a period of years and many are now complete or considered to be no longer required. These sums have been reallocated to the budget held for redundancy costs (including pension strain costs). With the series of service reviews in progress or planned and the level of costs incurred last year it is necessary to make appropriate provision for future costs.
- 7.4. As set out in the Medium Term Financial Forecast balances are now £520k above our recommended level. Proposals in a separate report on this agenda are made to allocate part of this surplus, alongside the New Homes Bonus and business rates pooling gain.
- 7.5. This is the first report in respect of the 2019/20 budget. The budget timetable sets out that the position on balances and other reserves and provisions will be reported later this year. It will again be necessary to review the risk assessment that informs

the recommended level of balances and detailed allocations. The scope and option of using balances to support the revenue budget will therefore be considered in future reports.

8. Capital Programme

- 8.1. This report does not include a full review of the capital programme. This will be carried out later in the budget process. However, there is one item to report.
- 8.2. The 2018/19 Housing Investment Programme (HIP) agreed by Cabinet at its meeting on 31 January 2018 included an initial allocation of £500k to potentially buy back properties offered to the Council under the right of first refusal provisions contained in the Right to Buy legislation. Cabinet has now agreed the principle to purchase up to 10 properties through this allocation, therefore it is necessary to increase the funding in the HIP to £2.2million to enable this number of purchases. This expenditure will be funded through the use of retained 1-4-1 Right to Buy receipts (up to 30% of total cost), with the balance of 70% coming from S106 commuted sums for affordable housing.

9. Strategic Plan References

- 9.1. The 2019/20 budget and the Medium Term Financial Forecast will be underpinned by the Strategic Plan priorities and will seek to preserve and shift resources where needed to support these priorities.

10. Financial implications

- 10.1 As set out in the report.

11. Equality and Diversity Implications

- 11.1 Consideration will be given to equality and diversity issues in respect of budget changes proposed as part of the budget process. This will be done in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.

12. Risk Management Implications

- 12.1 As set out in the report.

13 Consultation

- 13.1. The Council is required to consult on its budget proposals. A consultation exercise took place as part of the production of the Strategic Plan agreed by Council in February 2018.
- 13.2. The budget strategy and timetable aims to ensure that information is available for scrutiny and input from all Members on proposals in the process. The aim is that detailed information will be available prior to the final budget report being submitted to Cabinet and approval by Council in February 2019.
- 13.3. As has been the case in previous years the opportunity remains open for the leader of the opposition to meet with officers to assist with consideration of any alternative

budget proposals.

- 13.4. Furthermore, we will continue with the statutory consultation with business ratepayers and will meet with parish councils in respect of grant funding.

14. Other Standard References

- 14.1 There are no direct Publicity, Human Rights, Community Safety or Health and Safety implications as a result of this report.

Background Papers

Revenue and Capital Outturn reports to Scrutiny Panel – 12 June 2018

Budget Position for Cabinet – 6 June 2018

Medium Term Financial Forecast 2018/19 – 2021/22

1. Introduction

The Medium Term Financial Forecast (MTFF) sets out the Council's budget forecast for the next three years. The MTFF sets out:-

- A summary of the 2018/19 budget including an analysis of all service budgets
- The budget forecast for next three years including current cost pressures, growth items and assumptions regarding use of reserves.
- A list of key risk items for 2019/20 and beyond
- The current position on Council General Fund balances including the risk assessment for 2018
- The current position on all other reserves and balances will be produced as part of 2019/20 budget updates

The MTFF will continue to be updated during the year as the budget progresses.

2. 2018/19 Budget

The Council's General Fund includes all costs and income other than those in respect of the Council housing stock

Colchester's total net revenue budget for 2018/19 (net of balances) is **£17.6million**.

Net Budget (incl: New Homes Bonus and net movement on reserves)	£'000 17,617
Funded by:	
- Revenue Support	275 (2%)
- Retained Business Rates	5,262 (30%)
- Council Taxpayers (excl. parishes)	11,471 (65%)
- Collection Fund surplus	609 (3%)
	17,617

The following table sets out a summary of the 2018/19 budget including changes made from the previous year.

2018/19 Summary Budget

	<i>Adjusted Base Budget</i>	<i>One-Off Items</i>	<i>Cost Pressures</i>	<i>Technical Items</i>	<i>Total Savings</i>	<i>Detailed 18/19 Budgets</i>
		£'000	£'000	£'000	£'000	£'000
Corporate & Democratic Core	(496)	0	0		(7)	(503)
Executive Management Team	623	0	9		54	686
Community	5,595	(33)	205		(249)	5,519
Customers	3,440	(127)	111		(323)	3,100
Environmental (excl NEPP)	2,526	(20)	725		(535)	2,696
Policy & Corporate	8,009	(325)	932		(715)	7,901
Total General Fund Services	19,697	(505)	1,982	0	(1,775)	19,399
Technical Items						
<i>Corporate Items / sums to be allocated to services</i>						
Procurement Savings	(15)		15		0	0
Investment Allowance funded by NHB	2,872	0	0	0	(810)	2,062
Business Rates revaluation / inflation Index	15		(25)		0	(10)
Apprenticeship Levy	30		(30)		0	0
Waste Review	72	(72)	0		0	0
Comms / Marketing post for CCHL	0		45		0	45
Strategic Plan 17/18	100	(100)	0		0	0
Digital Challenge	70		0		(70)	0
Grounds Maintenance Savings	11		(11)		0	0
Digital Challenge - Post & Print	(5)		5		0	0
PV Panels / LACM (Carbon Management)	(20)		0		0	(20)

	<i>Adjusted Base Budget</i>	<i>One-Off Items</i>	<i>Cost Pressures</i>	<i>Technical Items</i>	<i>Total Savings</i>	<i>Detailed 18/19 Budgets</i>
		£'000	£'000	£'000	£'000	£'000
<i>Non-Service Budgets</i>						
CLIA (net interest)	538		1		(106)	433
Building Mtce. Plan Contribution	150		0			150
Minimum Revenue Provision	560		0		0	560
Pensions	5,108	(3,112)	(44)	(1,586)		366
Heritage Reserve & Gosbecks Reserve	3		(3)			0
General Fund /HRA /NEPP Adjustment	(3,275)		(15)		0	(3,290)
Total corporate / technical items	6,214	(3,284)	(62)	(1,586)	(986)	296
Total incl. corporate / technical items	25,911	(3,789)	1,920	(1,586)	(2,761)	19,695
<i>Funded by:-</i>						
Use of balances: re carry forwards	(77)	77	0	(63)		(63)
Use of balances	(422)	422	0	(73)		(73)
Contribution to balances	0	0	0	2,186		2,186
Use of balances for one-off Pension costs funding	(3,173)	3,173	0	0		0
Use of other Earmarked Reserves	(475)	475	0	(485)		(485)
Use of NNDR reserve	(489)	489	0	0		0
Use of S.106 reserve	(20)	20	0			0
Revenue Support Grant	(920)		645			(275)
Business Rates Baseline	(4,038)		(124)			(4,162)
Transition Grant	(88)	88	0			0
Business Rates Growth above Baseline	(900)		0	(200)		(1,100)
Business Rates Pooling	0		0	(200)		(200)
Council Tax	(11,015)		0	(456)		(11,471)

	<i>Adjusted Base Budget</i>	<i>One-Off Items</i>	<i>Cost Pressures</i>	<i>Technical Items</i>	<i>Total Savings</i>	<i>Detailed 18/19 Budgets</i>
		<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Collection fund Transfer	(48)	48	0	(609)		(609)
New Homes Bonus	(4,783)		0	1,340		(3,443)
Business Rates Deficit / (Surplus)	537	(537)	0	0		0
Total	(25,911)	4,255	521	1,441	0	(19,695)

3. Budget Forecast 2018/19 to 2021/22

The following table sets out the Council's budget forecast for the next three years including key assumptions.

	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000
Base Budget	25,911	19,695	19,360	19,152
One-off items	(3,789)	(500)	0	0
Cost Pressures	1,920	1,166	640	640
Growth Items	0	0	0	0
Savings	(1,821)	(516)	(523)	(222)
Change in use of NHB for one off investment	(940)	(485)	(325)	147
Pensions contribution	(1,586)			
Forecast Base Budget	19,695	19,360	19,152	19,717
<i>Funded By:</i>				
Revenue Support Grant	(275)	446	946	1,446
Business Rates Baseline	(4,162)	(4,290)	(4,290)	(4,290)
SFA	(4,437)	(3,844)	(3,344)	(2,844)
Increase in Business Rates above baseline	(1,100)	(1,100)	(1,100)	(1,100)
Business Rates Pooling	(200)	(200)	(200)	(200)
New Homes Bonus	(3,443)	(2,758)	(2,233)	(2,180)
Total Gov't grants & business rates	(9,180)	(7,902)	(6,877)	(6,324)
Council Tax	(11,471)	(11,929)	(12,407)	(12,907)
Collection Fund Deficit / (Surplus)	(9)	0	0	0
Business Rates Deficit / (surplus)	(600)	0	0	0
Contribution to / (Use of Reserves)	1,565	1,401	1,401	1,401
Total Funding	(19,695)	(18,430)	(17,883)	(17,830)
Budget (surplus) / gap before changes (cumulative)	0	930	1,269	1,887
Annual increase		930	339	618

	2019/20	2020/21	2021/22
	£'000	£'000	£'000
Cost Pressures			
<i>Inflation and specific cost pressures:-</i>			
General Inflation	540	640	640
Food Waste (net impact of loss of grant)	204		
Stadium rent	22		
IT costs (incremental cost of ICT strategy 2018)	150		
Council Tax Sharing Agreement	250		
Total cost pressures	1,166	640	640
<i>One-off adjustments:-</i>			

	2019/20	2020/21	2021/22
	£'000	£'000	£'000
Budget Carry forwards	(392)		
LDF	(30)		
CBH Inflation	(13)		
Wiring costs	(20)		
Additional Communications and marketing	(45)		
One-off adjustments	(500)	0	0
Total	666	640	640

Savings (incl. one off adjustments)			
<i>Efficiencies, income and service reviews</i>			
Sport & leisure	(50)	(58)	
Commercial Assets		(150)	(92)
Commercial Company assumptions	(107)	(135)	(130)
Customer Futures 2	(228)		
Assumed incremental lending to CCHL margin	(74)	(180)	
<i>Budget reductions agreed</i>			
Arts Grant	(50)		
LCTS grant to parishes	(7)		
Total	(516)	(523)	(222)

Change in use of New Homes Bonus for one off investment			
Reduction due to falling grant	(685)	(525)	(53)
Increase due to change in use for base budget	200	200	200
Total saving	(485)	(325)	147

Use of / contribution to Reserves			
Use of balances - pensions	(1,586)	(1,586)	(1,586)
Use of NEPP reserve	185	185	185
Total	(1,401)	(1,401)	(1,401)

New Homes Bonus Grant - Income			
Basic NHB	(2,611)	(2,086)	(2,033)
Affordable Homes Bonus	(147)	(147)	(147)
Total Grant	(2,758)	(2,233)	(2,180)

4. Risk Areas / Uncertainty

There are several key risk areas or areas where the outcome is uncertain which will impact on the budget forecast. The main areas are:-

Risk / Area of uncertainty	
Impact of EU referendum 'leave' result.	<p>At this early stage any impact from the "leave" decision is unclear. However, the uncertainty and risks include:-</p> <ul style="list-style-type: none"> • Any changes to the announced public sector funding levels including NHB • Any impact on the Council's business rates 'taxbase' • Any impact on the Council's treasury management costs arising from interest rate changes. • Any impact of economic climate on Public Sector funding
<i>Government Funding / Business Rate Retention Scheme</i>	<p>The MTFF includes the reduction in the 'SFA' for 2018/19 with a further reduction for the year after in line with figures included in the 4 year settlement. For the remaining two years a reduction of £500k pa has been assumed for planning purposes.</p> <p>From 2013/14 a proportion of the Council's core income that used to be provided by Government grant is now funded by the Council keeping a share of business rates income. This poses a new risk as well as a potential reward.</p> <p>The budget includes an assumption that in 2018/19 we will retain an extra £1,100k of business rates income above our baseline figure. The business rates revaluation took effect in 2017/18 and the risk and impact of business rate appeals remains an area of concern. With the planned changes to business rates retention still uncertain this remains a risk area for the Council's budget.</p>
<i>Welfare Reform (including Local Council Tax Support - LCTS)</i>	<p>Budget papers have previously set out some of the key risks associated with the implications of the Council having approved the LCTS scheme. The combined impact of the Government's welfare reforms and demands on Council services will need to be considered during the period of the MTFF.</p>
<i>Government grants and partnership funding</i>	<p>The Council's budget has changed over recent years with a greater emphasis on funding from both partner organisations and Government bodies. These funding streams can rarely be guaranteed and can therefore add to our cost pressures.</p> <p>Provision has been made in the 2018/19 budget for the New Homes Bonus based on the notified grant. Thereafter the MTFF assumes the grant will reduce based on proposals made by the Government. These grant reductions will reduce the funds available for one-off investment and this is assumed within the MTFF.</p>
<i>Pensions</i>	<p>In the 17/18 budget an allowance was built in for an increase in pensions costs based on the results of the actuarial review. In addition the budget allowed for the payment of the deficit for the next three years in one payment. This was partly funded from reserves which are being repaid in 18/19 and 19/20.</p> <p>In 20/21 it will be necessary to reflect the deficit costs resulting from the next actuarial review. The assumption in the MTFF is</p>

Risk / Area of uncertainty	
	that this is again funded in the same way as it has been in 17/18.
<i>Fees and charges and other income</i>	<p>As has been seen in the past few years we have experienced a number of pressures arising from changes in income levels. Looking ahead to 2018/19 and beyond it is difficult to estimate how income levels may continue to be affected. Some targets have been reduced in 2018/19 to reflect lower current income levels.</p> <p>The MTFF does include some additional income forecast from agreed business plans.</p> <p>The 2018/19 budget also includes the assumed dividend payment from Colchester Commercial Holdings Ltd (CCHL) with increases to this assumed for later years in the MTFF. This remains a risk to the Council's budget, especially given shortfalls in commercial trading activities incurred last year. This will be monitored closely during 2018/19.</p>
<i>Inflation</i>	<p>An allowance for general inflation including pay has been built into the 18/19 forecast and MTFF. The pay award has already been agreed for 2019/20 which helps to provide certainty in the budget for next year.</p> <p>Council's cost inflation is in general not directly linked to RPI and therefore we will continue to monitor the impact of inflation on all Council costs. Some of the main risk areas include energy, fuel costs and pay assumptions.</p>
<i>Use of reserves</i>	The budget position for 2018/19 includes proposals to use certain reserves mostly for one off items. The MTFF includes some assumptions in respect of reserves but these are mostly associated with the funding of the pensions deficit payment. It should be noted that the Cabinet is considering use of balances as a separate decision on this agenda.
<i>Legislation</i>	There are likely to be several items of new legislation over the life of the MTFF for which any available funding may not cover costs or which may impact significantly on the Council e.g. Universal Credit.
<i>Property review</i>	A review of our assets was carried out and a 5-year Building Repairs and Maintenance Plan produced. There will continue to be financial implications arising from this for both the revenue budget and capital programme and these will be considered in detail and included in the on-going updates of the MTFF. The 2018/19 budget forecast maintains the additional allocation of £150k in respect of planned repairs. Consideration is being given to whether this contribution needs to be increased for future years.

Risk / Area of uncertainty	
<i>Impact of growth in the Borough and demand for services</i>	A number of Local Authority services are directly impacted by the increase of population in the Borough, such as waste services, planning, benefits etc. As part of future budgets it will be necessary to consider whether there is a need for additional resources in these or other areas in order to maintain levels of service. A financial assumption has been made that the Council's programme of service reviews will assist in identifying efficiencies to cope with changes in demand, however, it will be necessary to ensure that future budgets allow for any cost pressures.
<i>Delivery of budget savings</i>	The 2018/19 budget includes c£2.8m of savings, increased income or budget reductions. The savings and income forecasts have been risk assessed and all are considered deliverable, however, the budget report considers the risk to delivering some of the income targets and if these cannot be achieved there is the risk in the MTFF of the ongoing impact. The MTFF includes further savings from the ongoing budget and service reviews and whilst these are currently considered to be on track to be delivered these will be reviewed as part of the 19/20 budget. As referred to earlier one of the main areas to consider is the assumptions linked to the Council's commercial companies.
<i>Net Interest earnings and investments</i>	The budget is influenced by a number of factors including interest rates and cashflow movements. The Council's strategy of internal borrowing has helped minimise our interest cost, however, it is recognised that this is not a long term approach and therefore there may be future cost pressures from any need to borrow externally. This is currently not reflected in the MTFF but will be considered as part of future budget updates.
<i>Capital Programme (incl. RIF)</i>	The Council's capital programme (incl. Revolving Investment Fund – RIF) has grown in recent years to reflect significant new schemes such as projects in the Northern Gateway area and lending to the Council's commercial companies. A number of these schemes include complicated funding arrangements that can give rise to short term cashflow costs. It is also important to note that there are projects under consideration by the Council for which ongoing funding has not been agreed. This includes areas where feasibility funding has been agreed in the RIF and also North Essex Garden Communities.

5. General Fund Balances – Risk Assessment

A risk assessment has been undertaken to determine the prudent level of general fund balances as part of the 2018/19 budget process. This has been carried out with reference to specific risk allocation sums held within balances

Historically we have maintained a strong level of balances and these have been used to:-

- Support the annual budget - particularly to fund one off items.
- Fund new initiatives identified during the year.
- Provide cover for cashflow and emergency situations.
- Provide flexibility and a resource for change management.

Risk Assessment

The results of the current assessment are summarised below.

Factor	Assessed Risk			Comment
	High	Med	Low	
	£'000	£'000	£'000	
Cash Flow	1,000			No change to current level
Inflation		100		
Investment Income	75			
Trading Activities and fees and charges		200		No change made for new company arrangements.
Benefits		200		Separate allocation also held in balances
New legal commitments			100	
Litigation		150		
Partnerships			100	
VAT Exemption Limit			450	Increased to £450k in 16/17 representing current impact.
Budget Process		150		Increased in 16/17 by £50k to reflect removal of contingency sums
Revenue impact of capital schemes			150	
Impact of Local Government Finance reforms	300			Maintained, given funds held in earmarked reserve and balances
	1,375	800	800	

	Risk	%	Minimum provision
High Risks	1,375	100	1,375
Medium Risks	800	50	400
Low risks	800	10	80
Sub total			1,855
Unforeseen factors			45
Recommended level			1,900

This shows the minimum level of balances be maintained at £1.9 million. It is then a matter of judgement whether it would be desirable to hold any further level of balances beyond this, or to seek to rebuild balances above this level to provide for future flexibility.

The main issues to mention concerning the assessment are: -

- The key reason for proposing to increase balances in 2013/14 was the new risks associated with major Local Government reforms such as the creation of a Local Council Tax Support Scheme and the local retention of business rates. This remains a key risk area.
- While the possible requirement to meet capital spending from revenue resources a potential risk it is no longer shown in the assessment as it is classed as "nil" because of the current level of funds held in the capital expenditure reserve and the introduction of the Prudential Code.
- Net investment income has been identified as a risk area. In last year's risk assessment this was classified as a "high risk" and due to the continuing uncertainty in the world economy this has been maintained.
- The assessment includes the risk that the VAT exemption limit will be exceeded with a consequent loss of recoverable VAT. Regular monitoring and active management of new schemes minimises this risk.

Implications

The risk assessment will be carried out at least annually as part of the budget process. While the current assessment indicates a minimum level it is important to recognise that there are implications of operating at this level. As noted above we have traditionally had a level of balances that have provided flexibility and enabled new initiatives to be considered outside the annual budget process. Operating at the minimum level requires an approach and a discipline to: -

- Ensure all spending aspirations for the coming year are assessed as part of the annual budget process. The continued development of the Medium Term Financial Forecast will assist in this.
- Recognise that it will not be possible to draw on balances to fund new discretionary initiatives identified in the year, however desirable they may be; an alternative source of funding would need to be identified.
- Realise future assessments could identify a need to rebuild balances
- Accept that the potential for interest earnings on balances will change depending on the level of balances held. (This will be reflected in the budget accordingly).
- Acknowledge that any balances desired for future flexibility/change management will need to be built up over and above the prudent level identified.

In addition it is acknowledged that it may be necessary for balances to fall below the recommended level. Balances are provided to mitigate unbudgeted cost pressures and as such at times they may be used to provide temporary support to the Council's budget.

6. General Fund Balances - Position

Balances					
	Allocated	Risk allocations	Unallocated	Total	Note
	£'000	£'000	£'000	£'000	
Opening balance 1/4/18	(2,322)	(844)	(2,420)	(5,586)	per 17/18 accounts
Reallocations				0	
Revised opening position	(2,322)	(844)	(2,420)	(5,586)	
<i>Budget Carry Forwards / sums held in balances:-</i>					
17/18 Service Budget c/fs (incl. NHB)	803			803	As reported to Scrutiny Panel June 18
Previous pooling gain c/f (contr'n to reserve)	216			216	
Business rates reserve c/f	982			982	
17/18 Business rates pooling c/f	834			834	As reported to Scrutiny Panel June 18. Proposals to use this reported to Cabinet July 18. £200k will also be used to support 19/20 budget.
Carry forwards held in balances	475			475	Agreed budget sums, such as New Homes Bonus which have not yet been moved to service budgets. These items have been reviewed and unused balances transferred to the redundancy allocation
Allocations in previous years c/f	143			143	Allocations against specific projects. This has been reviewed as part of closure and certain allocations no longer required have

Balances					
	Allocated	Risk allocations	Unallocated	Total	Note
	£'000	£'000	£'000	£'000	
					been transferred to the redundancy allocation.
Colchester & Ipswich Museum Service (CIMS)	38			38	Use of balances subject to decisions made by joint Committees.
North Essex Parking Partnership (NEPP)	223			223	
Redundancy costs	528			528	Costs have been incurred in 2017/18 with the balance c/f. Includes proposed allocation as shown above.
Council Tax Sharing agreement	271			271	Carry forward sum from previous years
Right to challenge - Gov't funding	46			46	Funds held against any issues.
Startwell	100			100	Agreed by Cabinet 12 October 2016.
Total carry forwards and allocations	4,659	0	0	4,659	
Proposed Use in 18/19					
Use of Pooling gain to support budget	200			200	As agreed in budget report 18/19
Funding one off costs	43			43	As agreed in budget report 18/19
Funding c/f to support budget	93			93	As agreed in budget report 18/19
Community Stadium - rent adjustment	500			500	Provision for one-off reduction in rent.
	836	0	0	836	
Pensions					
Contribution to reserves in 18/19 and 19/20	(3,173)	0	0	(3,173)	Reinstatement of reserves to fund one off cost.

Balances					
	Allocated	Risk allocations	Unallocated	Total	Note
	£'000	£'000	£'000	£'000	
<i>Use of balances in later years or risk allocations</i>					
Business rates / Welfare reform		172		172	Provision for impact arising from reforms.
Planning appeals (incl. legal, HR etc.) risk allocation		222		222	Sums held for costs associated with planning appeals.
Housing benefit - risk allocation		300		300	Agreed in 15/16 budget
Collection Fund - risk allocation		150		150	Agreed in 15/16 budget
Total later years allocations (incl. pensions)	(3,173)	844	0	(2,329)	
Uncommitted / unallocated Balance	0	0	(2,420)	(2,420)	
Recommended level			(1,900)	(1,900)	Proposed level
Surplus above recommended level	0	0	(520)	(520)	

2019/20 Budget Timetable	
Budget Strategy	
March – June (SMT and Budget Group)	Budget Group Meetings Agreed Update MTFF /Budget Strategy Review potential cost pressures, growth and risks Consider approach to budget Initial budget reviews started
Cabinet – 11 July 18	<ul style="list-style-type: none"> Review 17/18 outturn Report on updated budget strategy / MTFF Timetable approved
Scrutiny Panel – 17 July 18	Review Cabinet report
Detailed Budget preparation and Budget Setting Consultation	
Budget Group / Leadership Team regular sessions on progress / budget options now - December	Review budget tasks Consider delivery of existing budget savings Complete outturn review
Cabinet – 5 September 18 and /or 10 October 18	<ul style="list-style-type: none"> Budget Update Review of capital resources / programme
Cabinet – 21 November 18	<ul style="list-style-type: none"> Budget update Reserves and balances Agree fees and charges / budget changes Government Finance settlement (if available) Review in year budget position
Scrutiny Panel – 29 January 18	Budget position (Detailed proposals)
Cabinet – 30 January 19	Revenue and Capital budgets recommended to Council
Council – 20 February 19	Budget agreed / capital programme agreed / Council Tax set

Leadership Team to review budget progress during year.

Report of	Assistant Director, Policy & Corporate	Author	Steve Heath
Title	Treasury Management – Annual Review 2017/18		
Wards affected	Not applicable		

1 Executive Summary

- 1.1 Treasury management comprises all borrowing and investment activities of the Council. During 2017/18, the Council complied with its legislative and regulatory requirements, and all treasury activity was in accordance with the Prudential Indicators approved by Council in February 2017. The key indicators are shown below:

	31-Mar-17	31-Mar-18	31-Mar-18
	Actual	Original	Actual
	£'000	£'000	£'000
General Fund capital expenditure	11,390	10,974	9,038
HRA capital expenditure	10,705	11,288	7,967
Total capital expenditure	22,095	22,262	17,005
Capital Financing Requirement (CFR)	154,597	154,898	154,189
External Debt	136,094	139,204	141,094
Investments	(45,236)	(34,346)	(47,901)
Net borrowing	90,858	104,858	93,193

- 1.2 The borrowing strategy of continuing to 'borrow internally', was kept under review considering the long-term saving resulting from borrowing at very low rates. External borrowing increased by £5m during the year to total £141.1 million.
- 1.3 The investment policy reflected the Council's low appetite for risk, and the financial year continued the challenging investment environment of previous years. The Council's investments at the end of the year totalled £47.9 million.
- 1.4 The Council employ Link Asset Services to provide a consultancy service in respect of treasury management, to include advice on borrowing, investments, counterparty credit details and general capital accounting information.

2 Action required

- 2.1 The Panel is asked to consider the Annual Treasury Management Review for 2017/18, and note the performance of the Council's treasury management advisors.

3 Reason for scrutiny

- 3.1 The CIPFA Treasury Management Code of Practice requires the Council to produce three main reports each year, which are all required to be scrutinised and reviewed:
- the Treasury Management Strategy Statement.
 - the Mid-Year Treasury Management Report.
 - the Annual Treasury Management Review (this report).

4 Treasury Management Review 2017/18

- 4.1 The Annual Treasury Management Review 2017/18 is attached as a separate document.

5 Strategic Plan references

- 5.1 Prudent treasury management underpins the budget strategy required to deliver all Strategic Plan priorities.

6 Publicity considerations

- 6.1 **Appendix A** to the annual report is confidential.

7 Financial implications

- 7.1 Interest paid and earned on borrowing and investments is shown within the Central Loans and Investment Account (CLIA). Outturn figures for 2017/18 show a small favourable variance of £21k. This takes into account additional borrowing costs, which is offset by investment income being higher than budgeted due to the level of cash balances available.

8 Risk management implications

- 8.1 Risk Management is essential to effective treasury management. The Council's Treasury Management Policy Statement contains a section on treasury Risk Management (TMP1).
- 8.2 TMP1 covers the following areas of risk all of which are considered as part of our treasury management activities:
- Credit and counterparty risk
 - Liquidity risk
 - Interest rate risk
 - Exchange rate risk
 - Refinancing risk
 - Legal and regulatory risk
 - Fraud, error and corruption, and contingency management
 - Market risk

9 Other standard references

- 9.1 Having considered consultation, equality, diversity and human rights, community safety, and health and safety implications, there are none that are significant to the matters in this report.

Appendices

None

Background Papers

Annual Treasury Management Review 2017/18 (as attached)

Annual Treasury Management Review 2017/18

1 Introduction

- 1.1 The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2017/18. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.2 During 2017/18 the minimum reporting requirements were as follows:
 - an annual treasury strategy in advance of the year (Council 22 February 2017)
 - a mid year treasury update report (Governance & Audit Committee 28 November 2017)
 - an annual review following the end of the year describing the activity compared to the strategy (this report)
- 1.3 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
- 1.4 The Council confirms that it has complied with the requirement under the Code to give prior scrutiny to the annual treasury strategy by the Scrutiny Panel before it was reported to the full Council.
- 1.5 This report summarises:
 - Capital financing activity during the year;
 - Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement);
 - The actual prudential and treasury indicators;
 - The overall treasury position;
 - The Treasury Management Strategy for 2017/18;
 - The economy and interest rates;
 - Borrowing activity; and
 - Investment activity.

2 Capital expenditure and financing 2017/18

- 2.1 The Council undertakes capital expenditure on long-term assets. These activities may either be:
 - Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
 - If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.
- 2.2 The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	2016/17	2017/18	2017/18
	Actual	Original	Actual
	£'000	£'000	£'000
General Fund capital expenditure	11,390	10,974	9,038
HRA capital expenditure	10,705	11,288	7,967
Total capital expenditure	22,095	22,262	17,005
Resourced by:			
• Capital receipts	4,782	7,786	2,768
• Capital grants	2,277	1,399	2,928
• Capital reserves	6,187	7,239	5,195
• Finance Leases	849	0	230
• Revenue	6,490	3,814	4,593
New borrowing requirement	1,510	2,024	1,291

3 The Council's overall borrowing need

- 3.1 The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend. It represents the 2017/18 new borrowing requirement (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.
- 3.2 Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the Capital Programme, the Accountancy team organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLb] or the money markets), or utilising temporary cash resources within the Council.
- 3.3 The Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR. The total CFR can also be reduced by:
- the application of additional capital financing resources (such as unapplied capital receipts); or
 - charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).
- 3.4 The Council's 2017/18 MRP Policy (as required by CLG Guidance) was approved as part of the Treasury Management Strategy Report on 22 February 2017.
- 3.5 The Council's CFR for the year is shown below, and represents a key prudential indicator. It includes leasing schemes on the balance sheet, which increase the

Council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract.

	31-Mar-17	31-Mar-18	31-Mar-18
	Actual	Original	Actual
CFR	£'000	£'000	£'000
Opening balance	153,563	154,138	154,597
Add unfinanced capital expenditure (as above)	1,510	2,024	1,291
Add on-balance sheet leasing schemes	849	0	230
Write-off of finance lease creditor	0	0	(675)
Less MRP/VRP	1,325	1,264	1,254
Closing balance	154,597	154,898	154,189

- 3.6 Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.
- 3.7 In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2017/18. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	31-Mar-17	31-Mar-18	31-Mar-18
	Actual	Original	Actual
	£'000	£'000	£'000
Gross borrowing position	136,094	139,204	141,094
CFR	154,597	154,898	154,189

- 3.8 The **Authorised Limit** is the 'affordable borrowing limit' required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2017/18 the Council has maintained gross borrowing within its authorised limit.
- 3.9 The **Operational Boundary** is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.
- 3.10 The **actual financing costs as a proportion of net revenue stream** indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2016/17	2017/18
	£'000	£'000
Authorised limit	170,190	169,635
Maximum gross borrowing position	136,094	141,094
Operational boundary	143,530	140,537
Average gross borrowing position	136,094	140,075
Financing costs as a proportion of net revenue stream	12.02%	10.93%

4 **Treasury position as at 31 March 2018**

- 4.1 The Council's debt and investment position is organised to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting (as detailed in the introduction), and through officer activity detailed in the Council's Treasury Management Practices. At the end of 2017/18 the Council's treasury position (excluding finance leases) was as follows:

	31-Mar-17 Principal £'000	Rate/ Return %	31-Mar-18 Principal £'000	Rate/ Return %
Fixed rate funding:				
PWLB	101,594	3.80%	104,594	3.80%
LOBO	5,500	3.63%	5,500	3.63%
Market	9,000	4.28%	9,000	4.28%
Local Authorities	0	0.00%	2,000	1.02%
Stock Issue	20,000	8.79%	20,000	8.79%
Total debt	136,094	4.56%	141,094	4.46%
CFR	154,597		154,189	
Over/ (under) borrowing	(18,503)		(13,095)	
Investments - In house	45,236	0.47%	47,901	0.41%
Total investments	45,236	0.47%	47,901	0.41%

- 4.2 The maturity structure of the debt portfolio is shown below. It should be noted that for LOBO loans, the maturity date is deemed to be the next call date. They are therefore all shown as short-term debt:

	Approved Maximum %	31-Mar-17 Actual £'000 %		31-Mar-18 Actual £'000 %	
Under 1 year	15.0	5,500	4.0	5,500	3.9
1 - 2 years	15.0	0	0.0	0	0.0
2 - 5 years	15.0	20,000	14.7	22,000	15.6
5 - 10 years	15.0	700	0.5	700	0.5
10 - 20 years	30.0	10,500	7.7	14,300	10.2
20 - 30 years	30.0	36,000	26.5	36,000	25.5
30 - 40 years	40.0	35,694	26.2	35,394	25.1
40 - 50 years	40.0	18,700	13.8	18,200	12.9
Over 50 years	10.0	9,000	6.6	9,000	6.3
		136,094	100.0	141,094	100.0

- 4.3 All of the Council's investments were for a period of less than one year, and there was not any exposure to variable rates of interest.
- 4.4 The outturn position for the Central Loans and Investment Account (CLIA) is shown below. This shows the outturn position as being a small favourable variance of £21k.

CLIA	Budget £'000	Actual £'000	Variance £'000
Total Interest Paid	6,509	6,592	83
Less: HRA recharge	(5,616)	(5,661)	(45)
Total less HRA	893	931	38
Total Investments	(176)	(255)	(79)
Less: Item 8 credit	30	50	20
Total less HRA	(146)	(205)	(59)
Total CLIA	747	726	(21)

- 4.5 The CLIA comprises the Council's borrowing costs and investment income. It is difficult to predict and can be affected by several factors. The majority of the Council's debt is on fixed rates reflecting the longer-term nature of the borrowing decisions. Investments are generally made for shorter periods, making returns more variable. This mix is generally more beneficial when interest rates are high or increasing. It is important to add that the exposure to interest rate movements is regularly monitored to minimise risks to changes in returns. The reasons that have contributed to the above variances include:
- The variance against borrowing costs relates to the additional external borrowing that was taken on during the year. This is mitigated by a proportion of this cost being charged to the Housing Revenue Account.
 - The variance against interest income is as a result of a higher level of funds than was envisaged being available for investment, and the rates against some investments being greater than the budgeted figure. A proportion of this income was moved to the Housing Revenue Account, based on average HRA balances and investment returns.

5 The strategy for 2017/18

- 5.1 The expectation for interest rates within the treasury management strategy for 2017/18 anticipated that Bank Rate would not start rising from 0.25% until quarter 2 2019 and then only increase once more before March 2020. There would also be gradual rises in medium and longer term fixed borrowing rates during 2017/18 and the two subsequent financial years. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.
- 5.2 The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this was kept under review considering the long-term saving resulting from borrowing at very low rates, and to avoid incurring higher borrowing costs in the future. A cost of carry remained during the year on any new long-term borrowing due to the difference between borrowing costs and investment returns.
- 5.3 The investment policy reflected the Council's low appetite for risk, emphasising the priorities of security and liquidity over that of yield. The main features of the policy were that the Council will apply minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties, which also enables

diversification and avoidance of concentration risk. Investment decisions also applies the creditworthiness service provided by Link Asset Services, which combines data from credit rating agencies with credit default swaps and sovereign ratings.

- 5.4 The Council would only use approved counterparties from countries with a minimum credit rating of 'AA-'. The Council will consider longer-term deals if attractive rates are available within the risk parameters set by the Council. The suggested budgeted return on investments placed for periods up to 100 days during the year was 0.25%.
- 5.5 Investment returns remained low during 2017/18 but were on a gently rising trend in the second half of the year.
- 5.6 **Changes in strategy during the year** – the strategy adopted in the original Treasury Management Strategy for 2017/18 approved by the Council on 22 February 2017, was reviewed as part of the mid-year update report. There were no proposed changes to the strategy as a result of this review.

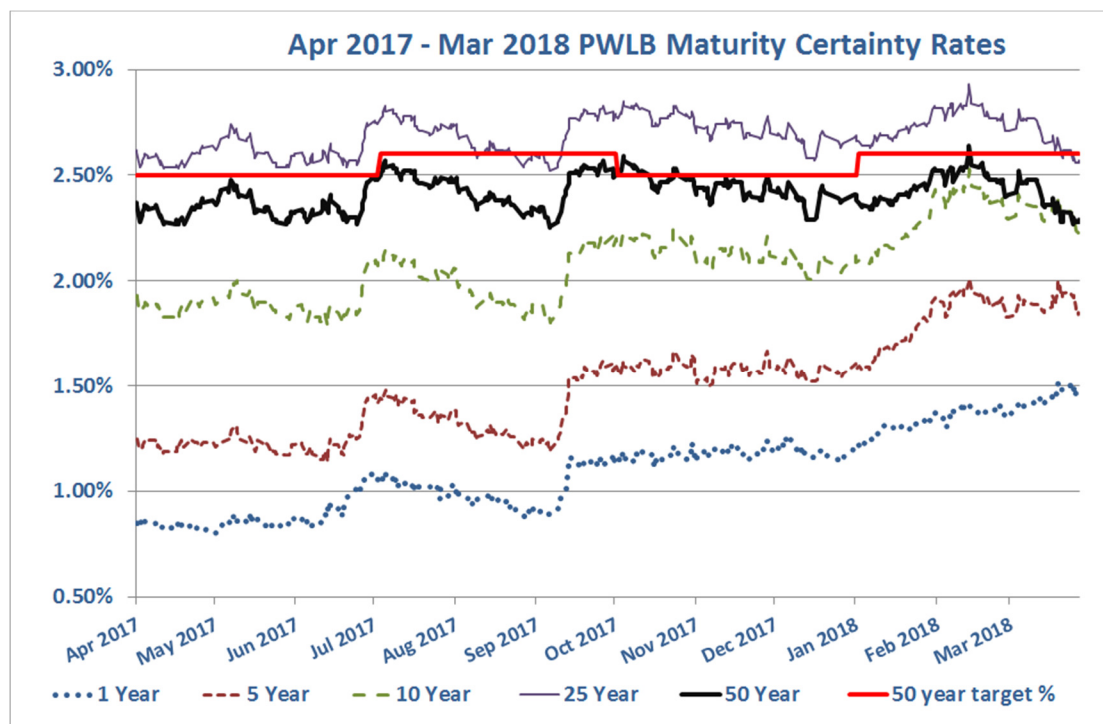
6 *The economy and interest rates*

- 6.1 During the calendar year of 2017, there was a major shift in expectations in financial markets in terms of how soon Bank Rate would start on a rising trend. After the UK economy surprised on the upside with strong growth in the second half of 2016, growth in 2017 was disappointingly weak in the first half of the year, being the slowest for the first half of any year since 2012. The main reason for this was the sharp increase in inflation caused by the devaluation of sterling after the EU referendum, feeding increases into the cost of imports into the economy. This caused a reduction in consumer disposable income and spending power as inflation exceeded average wage increases. Consequently, the services sector of the economy, accounting for around 75% of GDP, saw weak growth as consumers responded by cutting back on their expenditure. However, growth did pick up modestly in the second half of 2017.
- 6.2 Consequently, market expectations during the autumn, rose significantly that the MPC would be heading in the direction of imminently raising Bank Rate. The minutes of the MPC meeting of 14 September indicated that the MPC was likely to raise Bank Rate very soon. The 2 November MPC quarterly Inflation Report meeting duly delivered by raising Bank Rate from 0.25% to 0.50%.
- 6.3 The 8 February MPC meeting minutes then revealed another sharp hardening in MPC warnings on a more imminent and faster pace of increases in Bank Rate than had previously been expected. Market expectations for increases in Bank Rate, therefore, shifted considerably during the second half of 2017/18 and resulted in investment rates from 3 – 12 months increasing sharply during the spring quarter.

7 *Borrowing*

- 7.1 PWLB 25 and 50 year rates have been volatile during the year with little consistent trend. However, shorter rates were on a rising trend during the second half of the year and reached peaks in February / March. During the year, the 50 year PWLB target (certainty) rate for new long term borrowing was 2.50% in

quarters 1 and 3 and 2.60% in quarters 2 and 4. The table for PWLB borrowing rates below shows, for a selection of maturity periods, the movement in rates during the course of the financial year.



- 7.2 The Council's total debt outstanding at 31 March 2018 was £141.1m, which was an increase of £5m from the figure at the end of the previous financial year. Due to the low rates available, this resulted in the average interest rate on the Council's debt at the end of the year reducing to 4.46%.
- 7.3 The Council's approach during the year was primarily to use cash balances to finance new capital expenditure. This minimised counterparty risk incurred on investments, and maximised treasury management budget savings as investment rates were much lower than most new borrowing rates. However, due to the overall financial position and the underlying need to borrow for capital purposes, new external borrowing of £5m was undertaken from the PWLB and other Local Authorities. No new short-term borrowing for cash flow purposes was undertaken during 2017/18.

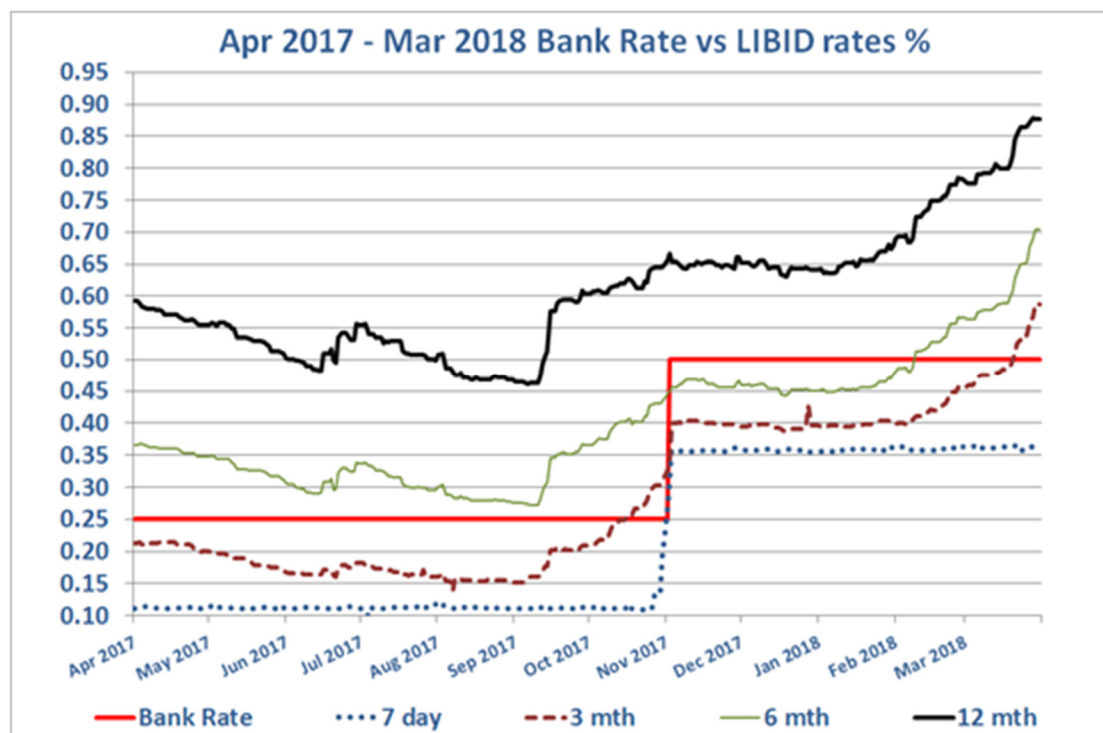
Source	Amount £'000	Duration (Years)	Rate %
Local Authority	2,000	4.5	1.02
PWLB	3,000	50.0	2.29

- 7.4 No rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

8 Investments

- 8.1 Investments rates for 3 months and longer have been on a rising trend during the second half of the year in the expectation of Bank Rate increasing from its floor of 0.25%, and reached a peak at the end of March. Bank Rate was duly raised from

0.25% to 0.50% in November 2017 and remained at that level for the rest of the year. However, further increases are expected over the next few years. Deposit rates continued into the start of 2017/18 at previous depressed levels due, in part, to a large tranche of cheap financing being made available under the Term Funding Scheme to the banking sector by the Bank of England; this facility ended on 28.2.18.



- 8.2 The Council manages its investments in-house, and its cash balances comprise revenue and capital resources and cash flow monies. The Council's investment policy is governed by MHCLG investment guidance, which was implemented in the Annual Investment Strategy approved by the Council on 22 February 2017. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.)
- 8.3 The investment activity during the year conformed to the approved strategy, the Council had no liquidity difficulties, and no institutions in which investments were made during 2017/18 had any difficulty in repaying investments and interest in full.
- 8.4 The Council's cash balances comprise revenue and capital resources and cash flow monies. The Council's core cash resources comprised as follows:

	31-Mar-17	31-Mar-18
Balance Sheet Resources	£'000	£'000
Balances	12,327	9,491
Earmarked Reserves	20,221	23,963
Provisions	2,195	2,628
Capital Reserves	2,119	2,004
Total	36,862	38,086

- 8.5 The Council's internally managed funds earned an average rate of return of 0.41%. The comparable performance indicator is the average 3 month LIBID rate (London Interbank Bid Rate – the rate charged by one bank to another for a deposit) (uncompounded), which was 0.286%.

	2016/17	2017/18
Details	%	%
Temporary Investments	0.55	0.43
Overnight and Deposit Account	0.38	0.39
Total	0.47	0.41
Benchmark (3 month LIBID)	0.32	0.29
Return as a % of the Benchmark	149.2%	143.4%

- 8.6 The Council had temporary investments totalling £47.9m outstanding as at 31 March 2018. Of this, £24.6m relates to fixed-term deposits that are due to mature during 2018/19, £13.3m is held in 'AAA' rated money market funds, and the remaining £10.0m is held in notice accounts. All of the deposits were made in accordance with the 2017/18 Annual Investment Strategy. A full list of investments held as at 31 March 2018 is shown in **Appendix A** (confidential).

9 Other Issues

Revised CIPFA Codes

- 9.1 In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued a revised Treasury Management Code and Cross Sectoral Guidance Notes, and a revised Prudential Code.
- 9.2 A particular focus of these revised codes was how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the Authority at a much higher level than can be attained by treasury investments. One recommendation was that local authorities should produce a new report to members to give a high level summary of the overall capital strategy and to enable members to see how the cash resources of the Authority have been apportioned between treasury and non-treasury investments. Officers will report to members when the implications of these new codes have been assessed as to the likely impact on this Authority.

Markets in Financial Instruments Directive II (MiFID II)

- 9.3 The EU set the date of 3 January 2018 for the introduction of regulations under MIFID II. These regulations govern the relationship that financial institutions conducting lending and borrowing transactions will have with local authorities from that date. This has had little effect apart from having to fill in forms sent by each institution dealing with the Council for each type of investment instrument used.

Abbreviations used in this report

ALMO	an Arm's Length Management Organisation is a not-for-profit company that provides housing services on behalf of a local authority. Usually an ALMO is set up by the authority to manage and improve all or part of its housing stock.
LAS	Link Asset Services, Treasury solutions – the council's treasury management advisers.
CE	Capital Economics – is the economics consultancy that provides Capita Asset Services, Treasury solutions, with independent economic forecasts, briefings and research.
CFR	Capital Financing Requirement – the council's annual underlying borrowing need to finance capital expenditure and a measure of the council's total outstanding indebtedness.
CIPFA	Chartered Institute of Public Finance and Accountancy – the professional accounting body that oversees and sets standards in local authority finance and treasury management.
CPI	Consumer Price Inflation – the official measure of inflation adopted as a common standard by countries in the EU. It is a measure that examines the weighted average of prices of a predetermined basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the basket of goods and averaging them.
ECB	European Central Bank – the central bank for the Eurozone.
EU	European Union.
EZ	Eurozone – those countries in the EU which use the euro as their currency.
Fed	The Federal Reserve, often referred to simply as "the Fed," is the central bank of the United States. It was created by the Congress to provide the nation with a stable monetary and financial system.
FOMC	The Federal Open Market Committee – this is the branch of the Federal Reserve Board which determines monetary policy in the USA by setting interest rates and determining quantitative easing policy. It is composed of 12 members- the seven members of the Board of Governors and five of the 12 Reserve Bank presidents.
GDP	Gross Domestic Product – a measure of the growth and total size of the economy.
G7	The group of seven countries that form an informal bloc of industrialised democracies – the United States, Canada, France, Germany, Italy, Japan, and the United Kingdom – that meets annually to discuss issues such as global economic governance, international security, and energy policy.
Gilts	Gilts are bonds issued by the UK Government to borrow money on the financial markets. Interest paid by the Government on gilts is called a yield and is at a rate that is fixed for the duration until maturity of the gilt, (unless a gilt is index linked to inflation); yields therefore change inversely to the price of gilts i.e. a rise in the price of a gilt will mean that its yield will fall.
HRA	Housing Revenue Account.

Abbreviations used in this report

- IMF** International Monetary Fund – the lender of last resort for national governments which get into financial difficulties.
- LAS** Link Asset Services, Treasury solutions – the council’s treasury management advisers.
- LIBID** The London Interbank Bid Rate is a ‘bid’ rate; i.e., the rate at which a bank is willing to borrow from other banks. It is the ‘other end’ of the LIBOR (an offered, hence ‘ask’ rate, the rate at which a bank will lend).
- MHCLG** The Ministry of Housing, Communities and Local Government – the Government department that directs local authorities in England.
- MPC** The Monetary Policy Committee is a committee of the Bank of England, which meets for one and a half days, eight times a year, to determine monetary policy by setting the official interest rate in the United Kingdom, (the Bank of England Base Rate, commonly called Bank Rate), and by making decisions on quantitative easing.
- MRP** Minimum Revenue Provision – a statutory annual minimum revenue charge to reduce the total outstanding CFR, (the total indebtedness of a local authority).
- PFI** Private Finance Initiative – capital expenditure financed by the private sector i.e. not by direct borrowing by a local authority.
- PWLB** Public Works Loan Board – this is the part of H.M. Treasury which provides loans to local authorities to finance capital expenditure.
- QE** Quantitative Easing is an unconventional form of monetary policy where a central bank creates new money electronically to buy financial assets, like government bonds. This process increases the supply of liquidity to the economy, and aims to stimulate economic growth through increased private sector spending, and return inflation up to target. This policy is employed when lowering interest rates has failed to stimulate economic growth and inflation to acceptable levels.
Once QE has achieved its objectives, it will be reversed by selling the bonds the central bank had previously purchased, or by not replacing debt that matures. The aim of this reversal is to ensure that inflation does not exceed its target once the economy recovers from a sustained period of depressed growth and inflation, and economic growth and increases in inflation are threatening to gather too much momentum if action is not taken to ‘cool’ the economy.
- RPI** The Retail Price Index is a measure of inflation that measures the change in the cost of a representative sample of retail goods and services. It was the UK standard for measurement of inflation until the UK changed to using the EU standard measure of inflation – CPI. The main difference between RPI and CPI is in the way that housing costs are treated. RPI is often higher than CPI.
- TMSS** The annual treasury management strategy statement report that all local authorities are required to submit for approval by the full council before the start of each financial year.
- VRP** A voluntary revenue provision to repay debt, in the annual budget, which is additional to the annual MRP charge, (see above definition).

Report of	Assistant Director of Policy and Corporate	Author	Jonathan Baker
Title	Work Programme 2018-19		 282207
Wards affected	Not applicable		

1. Executive Summary

- 1.1 This report sets out the current Work Programme 2018-2019 for the Scrutiny Panel. This provides details of the reports that are scheduled for each meeting during the municipal year.

2. Action Required

- 2.1 The Panel is asked to consider and note the contents of Work Programme for 2018-19.
- 2.2 The Panel is asked to consider the next stages of the Bus Review following the information gathering session held on 16 April 2018.

3. Background Information

- 3.1 The Panel's work programme will evolve as the Municipal Year progresses and items of business are commenced and concluded. At each meeting the opportunity is taken for the work programme to be reviewed and, if necessary, amended according to current circumstances.
- 3.2 Due to a significant number of items being on the agenda for the July meeting, there have been items rescheduled either to subsequent meetings, or will be rearranged to a suitable meeting date in the near future. This includes the Review of Colchester Homes Performance for 2017/18 which will be rearranged to a future date.
- 3.3 Due to the congestion in the work programme it is proposed that the August meeting of the Scrutiny Panel be moved back one week, which allows for the addition of the Locality Budgets item to be scheduled for August.
- 3.4 On 16 April 2018 the Panel held an information gathering session with a number of representatives of bus companies that operate in the Borough of Colchester. The session provided Panel members with an opportunity to question the bus companies and find out about their views on running services in Colchester. The Panel may now wish to consider what steps it wishes to take following the information gathering session to reach to objectives as set out in the original scoping document, agreed in September 2017. This could take the form of a letter from the Scrutiny Panel to the bus operators outlining the key lines of enquiry going forward and the next stages as agreed. A letter could be drafted, in discussion with the Chairman and Group Spokespersons, before being brought to the next meeting of the Panel for approval.

- 3.5 The Chairman of the Scrutiny Panel requested the inclusion of the Forward Plan of Key Decisions as part of the work programme for the Scrutiny Panel, and this is included in an **Appendix A**.

4. Standard References

- 4.1 There are no particular references to publicity or consultation considerations; or financial; equality, diversity and human rights; community safety; health and safety or risk management implications.

5. Strategic Plan References

- 5.1 Governance is integral to the delivery of the Strategic Plan's priorities and direction for the Borough as set out under the four themes of growth, responsibility, opportunity and wellbeing.
- 5.2 The Council recognises that effective local government relies on establishing and maintaining the public's confidence, and that setting high standards of self governance provides a clear and demonstrable lead. Effective governance underpins the implementation and application of all aspects of the Council's work.

Appendices

Appendix A – Forward Plan of Key Decisions – 1 July 2018 – 31 October 2018

Work Programme for 2018/19

Scrutiny Panel meeting - 12 June 2018
Scrutiny Panel Chairman's briefing – TBC
<ol style="list-style-type: none"> 1. Financial Monitoring Report End of Year – 2017/18 2. Capital Expenditure Monitor 2017/18
Scrutiny Panel meeting - 17 July 2018
Scrutiny Panel Chairman's briefing – TBC
<ol style="list-style-type: none"> 1. 2019/20 Budget Strategy, Medium Term Financial Forecast and Budget Timetable 2. Treasury Management – Annual Report 3. Environment and Communities Futures Business Case 4. Implementation Plan to Plastic Recycling Collection from Flats 5. Annual Scrutiny Report
Scrutiny Panel meeting -21 August 2018
Scrutiny Panel Chairman's briefing – TBC
<ol style="list-style-type: none"> 1. Year End 2017/18 Performance Report including the Strategic Plan Action Plan 2018-21 2. Locality Budgets
Scrutiny Panel (Crime and Disorder Committee) - 11 September 2018
Scrutiny Panel Chairman's briefing – TBC

1. Safer Colchester Partnership (Crime and Disorder Committee)
Scrutiny Panel – 16 October 2018
Scrutiny Panel Chairman's Briefing – TBC
1. Local Council Tax Support – Year 18/19 (Provisional)
Scrutiny Panel meeting - 27 November 2018
Scrutiny Panel Chairman's briefing – TBC
2. 2018-19 Revenue Monitor, period April – September 3. 2018-19 Capital Monitor, period April – September
Scrutiny Panel meeting - 11 December 2018
Scrutiny Panel Chairman's briefing – TBC
1. Half Year 2018 - 2019 Performance Report including progress on Strategic Plan Action Plan
Scrutiny Panel meeting - 29 January 2019
Scrutiny Panel Chairman's briefing – TBC
1. 2019-20 Revenue Budget, Capital Programme, Medium Term Financial Forecast, Housing Revenue Accounts Estimate and Housing Investment Programme (Pre-scrutiny of Cabinet Decision) 2. Treasury Management Investment Strategy
Scrutiny Panel meeting - 19 March 2019
Scrutiny Panel Chairman's briefing – TBC
1.

COLCHESTER BOROUGH COUNCIL

FORWARD PLAN OF KEY DECISIONS 1 August 2018 – 30 November 2018

During the period from 1 August 2018 – 30 November 2018* Colchester Borough Council intends to take 'Key Decisions' on the issues set out in the following pages. Key Decisions relate to those executive decisions which are likely to either:

- result in the Council spending or saving money in excess of £500,000; or
- have a significant impact on communities living or working in an area comprising two or more wards within the Borough of Colchester.

This Forward Plan should be seen as an outline of the proposed decisions and it will be updated on a monthly basis. Any questions on specific issues included on the Plan should be addressed to the contact name specified in the Plan. General queries about the Plan itself should be made to Democratic Services (01206) 507832 or email democratic.services@colchester.gov.uk

The Council invites members of the public to attend any of the meetings at which these decisions will be discussed and the documents listed on the Plan and any other documents relevant to each decision which may be submitted to the decision taker can be viewed free of charge although there will be a postage and photocopying charge for any copies made. *All decisions will be available for inspection at the Library and Community Hub, Colchester Central Library, 21 Trinity Square, Colchester and they are also published on the Council's website, www.colchester.gov.uk*

If you wish to request details of documents regarding the 'Key Decisions' outlined in this Plan please contact the individual officer identified.

If you wish to make comments or representations regarding the 'Key Decisions' outlined in this Plan please submit them, in writing, to the Contact Officer highlighted two working days before the date of the decision (as indicated in the brackets in the date of decision column). This will enable your views to be considered by the decision taker.

Contact details for the Council's various service departments are incorporated at the end of this plan.

If you need help with reading or understanding this document please take it to the Library and Community Hub, Colchester Central Library, 21 Trinity Square, Colchester or telephone (01206) 282222 or textphone users dial 18001 followed by the full number that you wish to call and we will try to provide a reading service, translation or other formats you may need.

*The Forward Plan also shows decisions which fall before the period covered by the Plan but which have not been taken at the time of the publication of the Plan.

KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD TO BE TAKEN	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers)	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
Request for Delegated Authority to appoint contractor for the redevelopment of the Mercury Theatre	No	11 July 2018	Cabinet (Cllrs Barlow, Bourne, Cory, Goss, King, Lilley, B. Oxford, T. Young) Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Ann Hedges Chief Operating Officer ann.hedges@colchester.gov.uk 01206 282202
Appointment of contractor for phase one of works at the Northern Gateway sports hub	Yes	11 July 2018	Cabinet (Cllrs Barlow, Bourne, Cory, Goss, King, Lilley, B. Oxford, T. Young) Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Holly Brett Holly.brett@colchester.gov.uk Commercial Programme and Resource Manager 01206 508830

KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD DECISION TO BE TAKEN	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers)	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
Budget Strategy and Allocation of New Homes Bonus for 2018/19	No	11 July 2018	Cabinet (Cllrs Barlow, Bourne, Cory, Goss, King, Lilley, B. Oxford, T. Young) Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Ann Hedges Ann.hedges@colchester.gov.uk Chief Operating Officer 01206 282202
Future Spend Priorities	No	11 July 2018	Cabinet (Cllrs Barlow, Bourne, Cory, Goss, King, Lilley, B. Oxford, T. Young) Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Ann Hedges Ann.hedges@colchester.gov.uk Chief Operating Officer 01206 282202

KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD DECISION TO BE TAKEN	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers)	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
Garden Communities – Approval of interim business plan and financial procedure rules for North Essex Garden Communities Limited	No	5 September 2018	Cabinet (Cllrs Barlow, Bourne, Cory, Goss, King, Lilley, B. Oxford, T. Young) Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Andrew Weavers Strategic Governance Manager Andrew.weavers@colchester.gov.uk 01206 282213
Western Approach Community Centre	Yes	5 September 2018	Cabinet (Cllrs Barlow, Bourne, Cory, Goss, King, Lilley, B. Oxford, T. Young) Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Joanne Besant Joanne.besant@colchester.gov.uk Community Enabling Team Leader 01206 506943

KEY DECISION REQUIRED	DOES DECISION INCLUDE EXEMPT INFORMATION (or information defined by the Government as Confidential)	DATE OF DECISION or PERIOD TO BE TAKEN	DECISION MAKER (title and name, including Cabinet, portfolio holders and officers)	DOCUMENTS SUBMITTED OR TO BE SUBMITTED TO DECISION TAKER TO CONSIDER (and from where they are available)	CONTACT DETAILS FROM WHICH DOCUMENTS CAN BE OBTAINED (name of the authors of the reports)
To approve the sale of 60 Creffield Road to Colchester Amphora Homes Ltd	Yes	5 September 2018	Cabinet (Cllrs Barlow, Bourne, Cory, Goss, King, Lilley, B. Oxford, T. Young) Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Lynn Thomas Housing Asset Manager - Lynn.thomas@colchester.gov.uk 01206 505863
Environment and Communities Futures Business Case	No	5 September 2018	Cabinet (Cllrs Barlow, Bourne, Cory, Goss, King, Lilley, B. Oxford, T. Young) Please contact via Democratic Services (01206) 507832 email: democratic.services@colchester.gov.uk	Cabinet report	Richard Block Assistant Director – Environment Richard.block@colchester.gov.uk 01206 506825

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