

Cabinet Meeting

**Online Meeting, Virtual Meeting Platform
Wednesday, 08 July 2020 at 18:00**

The Cabinet deals with the implementation of all Council services, putting into effect the policies agreed by Full Council and making recommendations to Full Council on policy issues and the budget.

Information for Members of the Public

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You have the right of access to all meetings of the Council, its Committees and Cabinet which may be conducted remotely such as by live audio or video broadcast / webcast. You also have the right to see the agenda (the list of items to be discussed at a meeting), which is published on the Council's website at least 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>.

Occasionally certain issues, for instance, commercially sensitive information or details concerning an individual have to be considered in private. When this is the case an announcement will be made, the live broadcast will end and the meeting will be moved to consider in private.

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[Cabinet Have Your Say form](#)

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

COLCHESTER BOROUGH COUNCIL
Cabinet
Wednesday, 08 July 2020 at 18:00

The Cabinet Members are:

Leader and Chairman Councillor Mark Cory (Liberal Democrats)
Councillor Adam Fox (Labour and Co-operative)
Councillor Martin Goss (Liberal Democrats)
Councillor Theresa Higgins (Liberal Democrats)
Councillor David King (Liberal Democrats)
Councillor Mike Lilley (Labour and Co-operative)
Councillor Andrea Luxford Vaughan (Liberal Democrats)
Councillor Julie Young (Labour)

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.

Live Broadcast

Please follow this link to watch the meeting live on YouTube:

<https://www.youtube.com/user/ColchesterCBC>

1 Welcome and Announcements (Virtual Meetings)

The Chairman will welcome members of the public and Councillors to the meeting and remind those participating to mute their microphones when not talking. The Chairman will invite all Councillors and Officers participating in the meeting to introduce themselves. The Chairman will, at regular intervals, ask Councillors to indicate if they wish to speak or ask a question and Councillors will be invited to speak in turn by the Chairman. A vote on each item of business will be taken by roll call of each Councillor and the outcome of each vote will be confirmed by the Democratic Services Officer.

2 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.

Cabinet will consider a report on the options for the future of the North Essex Garden Communities Ltd and the three Local Delivery Vehicles (LDVs) following receipt of the Local Plan Inspector's letter.

The Chairman has agreed that the report should be considered as an urgent item as the Council as shareholder needs to confirm along with Essex County Council, Braintree District Council and Tendring District Council its agreement to the recommendation of the NEGC Ltd Board to commence the winding up of the Company. Any delay to this decision would mean that the Council would incur further additional costs if this item were to wait until the next scheduled meeting of Cabinet.

3 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.

4 Minutes of Previous Meeting

The Councillors will be invited to confirm that the minutes of the meeting held on 3 June 2020 are a correct record.

Minutes 03-06-20

15 - 28

5 Have Your Say! (Virtual Meetings)

Members of the public may make representations to meetings of the Cabinet. Each representation may be no longer than three minutes (500 words). Members of the public may register their wish to address the Cabinet by registering online by 12.00 noon on the working day before the meeting date. In addition a written copy of the representation will need to be supplied for use in the event of unforeseen technical difficulties preventing participation at the meeting itself. The Chairman will invite members of the public to make their representations at the start of the meeting.

6 Decisions Reviewed by the Scrutiny Panel

The Councillors will consider the outcome of a review of a decision by the Scrutiny Panel under the call-in procedure. At the time of the publication of this agenda, there were none.

7 Housing

- 7(i) **Housing Revenue Account: Financial Model and New Council Housebuilding Programme Update** 29 - 48
- Cabinet will consider a report providing an update on the current HRA finances since the commencement of the National Council Housebuilding Programme (NCHP). It explains improvements on the Council's borrowing assumptions before exploring new scenarios should the Council decide to undertake additional HRA borrowing in order to carry out even more housebuilding and improvement works. The report also summarises progress to date and concludes by giving some examples of the ways that additional housing could be delivered in order to provide more homes for local families on the housing needs register and also assist the economic recovery of Colchester.
- The report recommends that the Council should commence detailed work on some specific projects that could be started immediately in order to continue the current NCHP.
- 7(ii) **Award of Three Contracts for the Construction and Delivery of 24 New Affordable Homes at Four Sites Across Colchester** 49 - 54
- Cabinet will consider a report setting out the award of the first construction contract for the New Council House Building Programme: a "garage site" at Harding Close (Aldham). The report also seeks delegation of the further awarding of 2 subsequent contracts (at Buffett and Scarfe Way, Greenstead and at Military Road) currently within the procured stage, for the cumulative delivery of 24 new affordable homes.
- 8 **Waste, Environment and Transportation**
- 8(i) **Waste and Recycling New Strategic Priority** 55 - 74
- Cabinet will consider a report presenting proposals to generate income through a subscription Garden Waste charging model - 'Garden Club', which would include the introduction of wheeled bins, to safeguard the wellbeing of frontline staff handling garden waste.
- 9 **Communities, Wellbeing and Public Safety**
- 9(i) **Stanway Western Approach Community Facility** 75 - 94
- Cabinet will consider a report delegating authority for decisions on procurement and the award of contract and to authorise spend on the planned new community facility at Western Approaches, Stanway. The report also seeks approval for the release of section 106 funding for the project and invites Cabinet to recommend to Council that the project be included in the capital programme.

9(ii)	Request for Delegated Authority for the Award of a Contract for Parking Bay Sensors	95 - 98
	Cabinet will consider a report seeking delegated authority for the Portfolio Holder for Communities, Public Safety and Licensing for the award of the contract for the supply, installation and maintenance of parking bay sensors at various locations in Colchester and Clacton.	
10	Strategy	
10(i)	Review of Governance Recommendations	99 - 116
	Cabinet will consider a report setting out a number of recommendations relating to governance issues from the Policy and Public Initiatives Panel and the Governance and Audit Committee and takes forward some initial proposals previously agreed by Cabinet.	
11	Business and Resources	
11(i)	Covid 19 Finance Update	117 - 122
	Cabinet will consider a report providing an update on the observed and forecast impact of the Covid 19 crisis on the Council's finances.	
11(ii)	Financial Monitoring Report -End of Year 2019-20	123 - 144
	Cabinet will consider a report setting out the financial performance of General Fund Services and the Housing Revenue Account for 2019-20.	
11(iii)	Capital Outturn Year End 2019-200	145 - 154
	Cabinet will consider a report inviting it to approve the 2019/20 Capital Outturn.	
11(iv)	Member Development Group Annual Report 2019-20 and Renewal of Member Charter Status	155 - 186
	Cabinet will consider the Member Development Group Annual Report 2019-20 and a recommendation from the Member Development Group in respect of reaccreditation for Member Charter Status.	
12	Culture and Performance	
12(i)	Policy and Public Initiatives Panel Work Programme	187 - 188

Cabinet will consider a recommendation from the Policy and Public Initiatives Panel in respect of its work programme.

13 Commercial Services

13(i) Recommendation from Governance and Audit Committee - Colchester Commercial Holdings Ltd Dividend 189 - 196

Cabinet will consider a report from the Governance and Audit Committee in respect of the forecast dividend for Colchester Commercial Holdings Ltd for the 2020/21 financial year.

14 Customers

14(i) Amended Approach to the Supply of IT 197 - 200

Cabinet will consider a report inviting it to approve a change from leasing ICT equipment to buying it.

15 General

15(i) Progress of Responses to the Public 201 - 202

Cabinet will consider a report setting out how representations made under the Have Your Say! arrangements at meetings of cabinet and Council have been responded to.

16(i) Exclusion of the Public (Cabinet)

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 to exclude the public, including the press, from the meeting so that any items containing exempt information (for example 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 **Minutes - Part B**

Minutes 03-06-20 not for publication extract

- 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).

18 **Housing - Part B**

18(i) **Housing Financial Model and New Council Housebuilding Programme Updates - Part B**

Cabinet will consider a report accompanying the report in Part A of the agenda."

18(ii) **Award of Three Contracts for the Construction and Delivery of 24 New Affordable Homes at Four Sites Across Colchester - Part B**

Cabinet will consider a not for publication Appendix to the report in Part A of the agenda.

8 July 2020

Report of	Strategic Director Policy and Place	Author	Ian Vipond
Title	North Essex Garden Communities Ltd		☎ 282717
Wards affected	Not applicable		

1. Executive Summary

- 1.1 This report sets out the options for the future of the North Essex Garden Communities Ltd (the Company) and the three Local Delivery Vehicles (LDVs) following receipt of the Local Plan Inspector's letter ("the Letter") on 15 May 2020 and focuses on the following points:
- NEGC Ltd – structure and purpose
 - Winding up
 - Employment implications
 - Financial implications

2. Recommended Decisions

That Cabinet:

- 2.1 Notes the recommendation of the North Essex Garden Communities Ltd Board on 6th July 2020 to take all necessary steps to wind up the three Local Delivery Vehicles, namely Colchester Braintree Borders Ltd, Tendring Colchester Borders Ltd and West of Braintree Ltd, as set out in paragraph 4.29 below.
- 2.2 Approve, as Shareholder, that the Council take all necessary steps to wind up North Essex Garden Communities Ltd.

3. Alternative Options

- 3.1 Not to wind up the companies, however this is not recommended.

4. Background

- 4.1 Following the partnership working between Essex County Council (ECC), Colchester Borough Council (the Council), Tendring District Council (TDC) and Braintree District Council (BDC) (together known as the NEAs) approved the incorporation of the North Essex Garden Communities Ltd (the Company), and endorsed the formation of three Local Delivery vehicles (LDV) namely Colchester Braintree Borders Ltd, Tendring Colchester Borders Ltd and West of Braintree Ltd in November 2016.
- 4.2 Ownership of the three LDVs sits with the Company, with each council holding non-voting B shares in the relevant LDV for their areas.
- 4.3 The Company has been a great example of four councils working together across geographic boundaries and political lines with a shared aim to improve housing and infrastructure for residents and businesses. The company co-ordinated the groundwork

needed for a project unmatched in terms of scale and ambition in the UK, against a background of the governments Garden Communities Programme to provide new housing, infrastructure, jobs and services in sustainable settlements.

- 4.4 During the past two years NEGC Ltd has successfully secured £3.76m in grant funding from Government and supported NEAs in their successful A120/A133 HIF Bid and provided design input into the link road and Rapid Transit System.
- 4.5 The Company and the NEAs have helped commission work looking into improving standards for future housing delivery, jobs, creation of green and open spaces, and the infrastructure schools, shops, health, leisure and other facilities. A long-term economic strategy has been developed, and work with SELEP has been undertaken focusing on the central role Garden Communities have on their emerging Local Industrial Strategies.
- 4.6 The Company has showcased the potential of North Essex at various exhibitions, conferences and at networking events. This has created the North Essex Opportunity which promotes North Essex as a place to do business, to learn, to live and work. This work has helped to raise the profile of the region, and has supported growth across the area.
- 4.7 On 15 May 2020 BDC, TDC and the Council received the Planning Inspectors (the Inspector) Letter. The Inspector concluded that two of the three proposed Garden Communities (the Colchester Braintree Borders Garden Community and West of Braintree Garden Community) were not viable or deliverable and therefore the Section 1 Local Plan, in its current form, is not sound. The Inspector did however agree that the Tendring Colchester Borders Garden Community is viable and deliverable and the housing and revised employment targets in the Local Plan are also sound.
- 4.8 The master planning and preparatory work undertaken by the Company to date, especially on strategic conversations with stakeholders (such as utility providers) means that the work puts the Tendring Colchester Borders Garden Community in a strong position to progress efficiently.
- 4.9 Following the Inspectors findings, BDC, TDC and the Council have received the Inspectors modifications, which set out those modifications to the Local Plan that would be required to make it sound. The Inspector has set out two options on how BDC, TDC and the Council may proceed: 1) to consult on the main modifications to remove the Colchester Braintree Borders and West of Braintree Garden Communities from the Local Plan and other necessary 'modifications'; or 2) withdraw the plan. Each of the councils are considering the way forward on these through their respective governance processes.
- 4.10 However, with the removal of the West of Braintree and Colchester Braintree Borders from Section 1, the NEAs now need to consider the requirement for the Company going forward.

NEGC Ltd – structure and purpose

- 4.11 Having regard to the findings of the Inspector, the NEAs have determined that any future plans they may have, might be achievable without the use of the Company and/or through an alternative vehicle delivery model. There is no mechanism within the Shareholder Agreement for one council to leave the Company but in practice, this might be possible if the individual council offered up their shareholding. Consequently, the Shareholder

Agreement would require variations to reflect the new arrangement with the remaining three councils.

- 4.12 It is important to note that the Company was never set up to be the delivery vehicle, but was established to act as an oversight company of the three LDVs. If the Company were to have any future direct role in the delivery vehicle, the Articles of the Company would require substantive variation with the consent of the Councils, as Shareholders.

Company Liabilities & Resources

- 4.13 The Council has confirmed to the other NEA's that the only liabilities the Company has are those of the Managing Director's employment, no other staff are employed by the Company and all resources are engaged through contracts with consultants, with the Council as the contracting authority. These contracts can be individually reviewed with regards to the on-going requirements for the Tendring Colchester garden community.
- 4.14 The only contractual liability for the Company is the employment contract for the Managing Director, which will need to be determined through TUPE, dismissal or mutual agreement). Employment issues are set out in more detail below.

Winding up the Company

- 4.15 The A shares in the LDVs are held by the Company, practically this means that the LDVs should be wound up first. The Council is asked to note that this was due to be considered by the Company Board on 6th July 2020.
- 4.16 Should the decision to wind up the Company be approved by each council, the Company will be required to stop trading from the point of the resolution, except so far as is necessary for winding up, this will include resolving any employment issues.
- 4.17 The Directors of the Company will also be required to make a declaration of solvency if they think the Company can pay its debts. If they do this then the winding up is a *members'* voluntary liquidation. If they don't then the winding up becomes a *creditors'* voluntary winding up over which the Council as shareholder has little or no control.
- 4.18 There are consultation processes that will need to be followed as part of the winding up process. If another body had a continuing contract with the Company and was opposed to the closure of the Company, they would be in a position to make it a creditor's voluntary winding up, which would mean that the Shareholders would lose control of the liquidation. The possible types of continuing contracts include:
- Legal claims (by employees or ECC in its capacity as Essex Pension Fund)
 - Unpaid tax or NI contributions
 - Outstanding contractual liabilities
 - Pension liabilities depending on terms of admitted body status.
- 4.19 Should the Council proceed with the recommendations set out in this report, the next steps would be for the appointment of a liquidator. The liquidator has to be an insolvency practitioner (even if the Company Directors have made a declaration of solvency). The liquidator will call in all the assets and arrange for their disposal, before finally transferring the final balance to the Shareholders. Once this has done, the Company will formally be dissolved and ceases to exist 3 months later.
- 4.20 If the declaration of solvency cannot be given, or the insolvency practitioner concludes that the Company is not solvent, then it will become a creditor's voluntary winding up and the distribution is approved by creditors.

Employment

- 4.21 The NEAs are each guarantors and have guaranteed to underwrite the Company's liability in respect of its participation in the pension scheme. The guarantors indemnify the Administering Authority (ECC) against losses or deficits in the event that the Company cannot meet its liabilities. The guarantors are jointly and severally liable.
- 4.22 To obtain the pension liability information, an actuarial closing report would need to be commissioned. It is understood that this would cost £1,500 plus VAT. The last actuarial information is the March 2020 accounts closing valuation. In addition, Essex Pension Fund have indicated that while pension liability information can be made available, the information would need to be shared equally to all four guarantors due to the nature of ownership and their status in the scheme. If winding up the Company is approved, officers from each of the NEAs will work together to ensure that this information is obtained as part of the winding up process.
- 4.23 If the NEAs approve the decision to wind up the Company, the effect of that decision would result in the Managing Director of the Company being made redundant. The cost of this will be limited to statutory redundancy pay based on service with the Company only. The Company will be required to follow the statutory procedures for redundancy and/or reach an agreement to pay in lieu of notice etc.
- 4.24 Employees will transfer in cases where there is a relevant transfer of an economic entity. Whether TUPE applies in this instance will depend on a comparison of the activities undertaken by the Company and whether they are continued by another entity.
- 4.25 Currently it is not considered that TUPE will apply to the Managing Director or external contractors, but the actions of the Company and the Councils as the project progresses are important in this regard.
- 4.26 There is also an officer working on the project seconded from the Council. In the event there was no post for this employee to return, redundancy might arise.
- 4.27 The Company's project staff are retained via Hays and it is expected these can be terminated at short notice and no cost in addition to daily rates for work undertaken.

Changing Focus on Delivery

- 4.28 If the NEAs and the Company Board required the Company to remain it would require a change of focus of the Company to delivery. In such instances the following actions will be required:
- (a) Substantially amend the Company's articles and Shareholder Agreement or
 - (b) Utilise TCB LDV (an NEGC Ltd company) already in existence but not currently used or
 - (c) propose an alternative delivery model – which will require a decision to be made by the Council's following an options appraisal, this will involve ongoing financial contributions.

North Garden Communities Ltd Board

- 4.29 On 6 July 2020, the Company Board, consisting of representatives from each of the NEAs, met to consider the current position and agree the preferred options for the future of the Company and the three LDVs. At that meeting it was agreed that:
- (a) the Company would recommendation to the shareholders to cease operations of NEGC Ltd on 31 August 2020 and thereafter begin activities to close the company down;

- (b) agree the recommendation to the shareholders to consider the closure of the three LDV companies in line with NEGC Ltd closure; and
- (c) agree the recommendation to make the NEGC Managing Director post redundant as of 31 August 2020.

5. Options

- 5.1 The Councils have worked closely together to consider the options available to each of them as Shareholder, and the following options were identified:
- Option 1 - BDC exit and restructure to reflect an alternative purpose;
 - Option 2 – the Company continues to work on proposals for delivery models for the NEAs to decide upon, this requires substantial ongoing financial contributions;
 - Option 3 – the NEAs remain within the Company, but restructure to make it fit for purpose, this requires ongoing substantial financial contributions.
 - Option 4 – Close the Company and three current LDVs

6. Proposals

- 6.1 Following an evaluation of the current position, the options available and the issues identified within this report, option 4 is recommended.
- 6.2 For the Company to carry on with a view to becoming part of the delivery vehicle would require a company restructure and substantive variations to both the Shareholder Agreements and the Articles.
- 6.3 The Company has not expressed any interest in progressing with its existing company structure, which includes a LDV for TCB.
- 6.4 There are Value for Money considerations of continuing to use a limited company for the establishment of one Garden Community;
- 6.5 TCB garden community can still be delivered through alternative mechanisms and vehicles, and TDC and CBC will need to consider their options around this in due course.
- 6.6 The Company's only liability and resource is the Managing Director, all project and external resources have been commissioned through CBC.
- 6.7 There is a need to have careful consideration of the pension strain and TUPE implications, if the Company continues to trade with a view to establishing different delivery models.

7. Financial Considerations

- 7.1 The garden community project had reserves of £883k at 2019/20 year-end. It is expected that these funds would be exhausted by 30 September 2020 if the project continued in its present form. It should be noted that if the decision is not made by the Shareholders in July, the Company is likely to remain beyond existing financial contributions.
- 7.2 The Company is an admitted body of the ECC Superannuation Fund. As at the 2019 valuation the fund had a deficit of £100k. This deficit would need to be cleared in the event that the Company ceased to be an admitted body. The redundancy and winding up costs

for NEGC Ltd should be ringfenced at this stage to ensure that the Company can meet its liabilities going forward.

- 7.3 The winding up costs of the Company are estimated at £150k, the greater part being to ECC pension fund for the deficit set out above.
- 7.4 The winding up costs can be met within the funds currently held by the Council in the garden community project reserve. Any balance remaining will be carried forward for use in any delivery vehicle or returned to the respective council's as agreed between the partners.
- 7.5 The table shows NEGC project expenditure to 31 March 2020.

NEGC 2014/15 to 2018/19 All £k	14/15	15/16	16/17	17/18	18/19	19/20	Total
NEGC expenditure	66	92	752	1,647	2,322	2,001	6,880
NEGC income including non-CBC contributions		-704	-1,248	-1,594	-1,609	-1,619	-6,774
CBC Contributions		-38	-250	-250	-100	-350	-988
Deficit/(-surplus)	66	-650	-746	-197	613	32	-883
Cumulative Reserve	66	-584	-1,330	-1,527	-914	-883	

8. Legal Implications

- 8.1 If the Council determine that the Company should be wound up, there are a number of procedural steps that the Council will be required to follow. Officers from each of the NEAs will work together to ensure that these are undertaken accordingly.
- 8.2 As Shareholder the Council is entitled to make the decision as to whether the Company should be wound up by passing a special resolution under the Company's constitution.
- 5.3 The Shareholders' Agreement states that such a resolution must not be passed without the consent of all the NEAs. In support of this, each of the councils are proceedings with a similar report through their respective governance process during July.

9. Strategic Plan References

- 9.1 The manner in which the Council governs its business is an underpinning mechanism in the Council's Strategic Plan aims to set out the direction and future potential for our Borough.

10. Publicity, Equality, Diversity and Human Rights, Consultation, Health, Wellbeing and Community Safety, Health and Safety and Risk Management, Environmental and Sustainability Implications

- 10.1 None.

CABINET 3 June 2020

Present: - Councillor Cory (Chairman)
Councillors Fox, Goss, Higgins, King, Lilley, Luxford
Vaughan and J. Young.

Also in attendance: - Councillors Barber, Dundas, G.
Oxford and T. Young

453. Moment of Reflection

The Chairman opened the meeting with a moment of reflection for those who had lost their lives in the Coronavirus pandemic together with those impacted by the current disturbances in the United States and expressed support for the “Black Lives Matter” campaign.

454. Minutes

RESOLVED that the minutes of the meeting held on 11 March 2020 be confirmed as a correct record.

455. Have Your Say!

Andy Hamilton had submitted the following written submission to the Cabinet pursuant to the provisions of paragraph 5(1) of the Remote Meetings Procedure Rules:-

For decades Spring Lane Nursery has been abandoned by its owners Colchester Council. Yes, the concrete forecourt is used by the council gardening contractor but the 2.5 acres beyond is unused. Over the years I have wanted to see the land used to supply bedding plants for public areas. After support from a councillor I visited Spring Lane Nursery on November 27th 2019 and met Parks and Recreation officer Steve Collis. Unfortunately since then he has not responded to emails to steve.collis@colchester.gov.uk.

Using my own garden I grow about 2000 bedding plants twice a year for six public areas and since lockdown, elderly neighbours isolating and four care homes. I offer spare plants to anyone planting up public areas. In this hot weather I use 200ltrs/week of stored rainwater. I have run out of space and need more land to propagate bedding plants. I have the funds to replace the greenhouses at the Spring Lane Nursery and the occasional winter floods would not be a problem.

Unfortunately Colchester in Bloom has become inactive and declined to register as a charity. I setup my charitable company Lexden Sanctuary and am applying for registration at the Charity Commission. I would be willing to lease or buy Spring Lane Nursery land using the shared concrete forecourt for access. My page is <https://www.facebook.com/Blooming-Colchester-564285567085224/>

The advantage of volunteer grown bedding plants is that it saves public funds used for expensive commercially grown plants. Also a reserve could be kept to replace those lost to theft or vandalism.

Councillor Lilley, Portfolio Holder for Communities, Public Safety and Licensing, responded and explained that whilst the Council had hoped to help Mr Hamilton, the site had not proved suitable for Mr Hamilton's needs. The site suffered from floods and waterlogging, and the Woodland Project used the site for storing trees. In addition the front of the site was used as a turning circle.

Councillor G. Oxford attended and with the consent of the Chairman, addressed the Cabinet. He considered that one of the significant contributory factors towards illness and injury of refuse crews, was that the "black sack" routes, which were the majority, serviced 1600 properties, whilst wheeled bin routes serviced 1200. This led to black sack routes often not being completed. All routes should be reduced to 1200 properties, which would reduce sickness levels and ensure all routes were completed. Highwoods members had been inundated with reports of missed collections. Refuse crews would also then have the capacity to collect recycling unrestricted.

Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, explained that staff welfare was the Council's primary concern. All staff were given appropriate training. Performance in respect of the completion of rounds was good and was improving. Routes were recalibrated when new housing were added. There was evidence that sickness absence and muscle injuries were more common on black sack routes. Wheeled bin routes had slightly less properties in view of the longer time it took to service each property. Recycling was usually unrestricted apart from garden waste: limits had only been introduced as part of the response to Covid 19. Collection options would be looked at as part of a review of the service. He was happy to discuss further with Cllr G. Oxford.

Councillor T. Young attended and with the consent of the Chairman, addressed the Cabinet to express his concern that Colchester Institute would not be renewing its lease on the Minories. The Minories was one of Colchester's finest historic buildings, built in the Tudor period and with many other historical connections. He called on the Council to do all it could to work with partners and the Victor Batte-Lay Foundation to ensure that the Minories remained open. Arts organisation generally had an important role to play in the Council's recovery from Covid 19.

Councillor J. Young, Portfolio Holder for Culture and Performance, explained that she had been in touch with the Victor Batte-Lay Foundation today and had asked for a meeting with officers to discuss the situation and see how the Council could assist. It was an important building in a strategic location in Colchester and should be valued and protected

for future generations. The arts organisations had played a vital role in the response to coronavirus, particularly in respect of supporting mental health.

Councillor Mark Goacher had submitted the following written submission to Cabinet:-

I have three questions to raise tonight. Firstly could you provide the viewing public with a full explanation as to why an application has not been made for the government's scheme to move to all electric buses in one town. Given that Colchester Borough Council and Essex County Council have been working together on this.

Secondly, what are you proposing to do about the high levels of air pollution in Brook Street, East Street, East Hill, Mersea Road and other areas post Covid 19? What plans are in place for the 'new normal' to encourage cycling, walking and less car use and to ensure there is not a return to toxic air in congested streets?

Thirdly, regarding item 9ii, could you please refrain from negotiating to lift the covenant on the former bus station land. Given that CBC opposed the Alumno development at the inquiry, to then negotiate to get the covenant lifted would be an absurd paradox and frankly bizarre. It would create the impression of two-faced manoeuvring.

Councillor Goss, Portfolio Holder for Waste, Environment and Transportation, explained that the Council had considered making an application under the government scheme on electric buses. However, it was not suitable for Colchester as it would require the whole fleet to be made electric. It would also require considerable infrastructure such as charging points. If a more appropriate scheme became available, an application would be made. In terms of air quality, the Council continued to work with Essex County Council. Monitoring showed that levels were below dangerous levels. The issues in respect of the covenant on the bus station were responded to in minute 461.

456. Election of Deputy Chairman

Councillor J. Young was elected Deputy Chairman of Cabinet for the 2020-21 municipal year.

Councillor Fox (in respect of his employment by Community 360) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5) and Councillor Luxford Vaughan (in respect of her membership of Wivenhoe Town Council and a family member of Wivenhoe Cricket Club) declared a pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

457. Council response to Coronavirus

The Assistant Director, Corporate and Improvement Services, submitted a report a copy of which had been circulated to each Member together with a copy of the resolution from the Scrutiny Panel meeting of 1 June 2020.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, briefly outlined

how well the Council had responded to the coronavirus crisis and invited the Chief Executive to introduce the report.

Adrian Pritchard, Chief Executive, stressed the profound effect that the coronavirus crisis had on communities, businesses, families and individuals. The initial response had been to use the Council's resources to implement government policies and directives, such as introducing closures and restrictions, whilst still maintaining key services. The Council had also been required to adapt and introduce new services and ensure government support schemes reached those in need. The work of the Council had been organised into four cells: Organisation, Communities, Businesses and Housing and the report set out the work undertaken by each cell. Of particular note were the way the organisation adapted quickly to deal with the situation, with new working patterns and the maintenance of key services to residents, whilst taking on new challenges. Partnership working had been key and the development of the OneColchester with partners over recent years had paid dividends. The Council had paid over £30m in government grants and support to over 2000 businesses. It had worked with the BID and Colbea to ensure businesses were supported. The Council had protected rough sleepers and prevented a widespread outbreak of coronavirus amongst this vulnerable group. Through Colchester Borough Homes it had provided support to vulnerable residents whilst tackling anti-social behaviour where it had occurred. Where necessary decisions had been taken using emergency and urgency provisions.

Tribute was paid to the way officers throughout the Council had responded to this unprecedented situation.

Councillor J. Young, Portfolio Holder for Culture and Performance, highlighted the important role volunteers had played in helping the community and the work of the arts organisations in providing resources to help residents and maintain mental health. Councillor King, Portfolio Holder for Business and Resources, explained that in terms of the support to businesses, the focus on intelligence and engagement had proved invaluable. The widening of partnerships and networks had also been vital. Financial support had been directed to businesses quickly and it had adopted a sensible and permissive approach to complex rules.

Councillor Fox, Portfolio Holder for Housing, explained that the work of Council and Colchester Borough Homes officers to support vulnerable residents was as important as those key workers who were applauded each week. A herculean effort had been made to protect the homeless and they had been provided with accommodation in hotels and in Elfreda House. The response had shown how well prepared the Council had been. Councillor Lilley, Portfolio Holder for Communities, Public Safety and Licensing, stressed how well the Council had responded when compared to other authorities, and praised the work of the police and the sensible way they had enforced legislation and guidance on social distancing.

Councillor Cory endorsed the report. It provided detailed information and showed a commitment to openness and transparency. The recommendations from the Scrutiny Panel on 1 June 2020 were also welcomed.

RESOLVED that

- (a) The contents of the Assistant Director's report be noted.
- (b) The recommendations made by the Scrutiny Panel on 1 June 2020 be agreed.

REASONS

To update Cabinet of the Council's initial response to the Coronavirus pandemic including decisions taken under Urgency Provisions.

ALTERNATIVE OPTIONS

No alternative options were proposed.

Councillor King (in respect of being the Council's representative on the board of North Essex Garden Communities Ltd) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

458. Covid 19 Budget Changes 2020-21 and Budget Strategy 2021-22

The Assistant Director, Corporate and Improvement Services, submitted a report a copy of which had been circulated to each Member together with the resolution from the Scrutiny Panel meeting on 1 June 2020.

Councillor Dundas attended and with the consent of the Chairman, addressed the Cabinet. He expressed his thanks to officers for their work in addressing the financial impact of coronavirus. It was hoped that the reality would be better than the forecast. In terms of the recommendations from the Scrutiny Panel. In respect of paragraph 2.5, it was felt that as drafted this could be misinterpreted and the proposed rewording made the position clearer. Further consideration should be given as whether it was appropriate to refer this issue to Full Council at its meeting on 15 July 2020.

Councillor King, Portfolio Holder for Business and Resources, responded and explained that he was comfortable with the changes proposed by the Scrutiny Panel. The Council had an obligation to its partners and needed to meet its commitments. There was now some clarity on the situation as the Inspector had reported, and that there did not seem to be a valid reason to delay Council's consideration of the matter further. He would continue to discuss and work with all groups on the issue. Councillor Luxford Vaughan indicated that there were issues about the quality of the work undertaken by NEGC Ltd and it was important that more details of the Shareholder Agreement should be made available so that the Council could understand its obligations. Councillor King explained that he understood the need for value for money. The sums involved were comparatively small compared to the Council's budget and the overall sums involved in the Garden Communities project. The issue needed to be considered with partners. The Shareholder Agreement would be circulated, together with a commentary.

Councillor King introduced the report and stressed the gravity of the unprecedented financial crisis arising from coronavirus. This was a financial as well as health emergency and the country was facing a severe recession or depression. There remained considerable uncertainty and the report set out the best estimate of the position for this

financial year and the strategy for 2021-22. All income sources, costs and reserves had been looked at and a number of approaches modelled. A prudent approach was being taken. Income was likely to halve this year and recover slowly. Debt levels would rise and calls for support would rise. Whilst the government had provided considerable support so far, going forward the Council could not rely on this. Therefore the Council would need to call on its reserves in order to maintain a balanced budget this financial year. This was only possible due to the prudence exercised in previous years. Whilst the challenge faced was huge, it was not insurmountable. Cabinet was looking at a programme of transformation to enable a balanced budget to be brought forward for

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, thanked Councillor King and the Council's finance officers for the way they had responded to this crisis. He hoped central government would appreciate the scale of the difficulties and deliver the necessary support. Councillor Fox, Portfolio Holder for Housing, highlighted that the contribution from central government towards the rehousing of the homeless during the crisis was less than 10% of the costs. Central government needed to change its priorities and support local communities.

RESOLVED that:-

- (a) The recommendations made by the Scrutiny Panel at its meeting of 1 June 2020 be approved.
- (b) The likely impact on the 2020/21 budget be noted.
- (c) The use of £6.692m of reserves in 2020/21 to cover Covid-19 costs be agreed.
- (d) The use of £0.500m New Homes Bonus in 2020/21 to cover Covid-19 costs be agreed.
- (e) The Budget Strategy for 2021/22 as set out in Section 11 of the Assistant Director's report be agreed.

RECOMMENDED to COUNCIL meeting of 15 July 2020 the release of the 2019/20 NEGC contribution of £350k as set out in Section 12 of the Assistant Director's report.

REASONS

The Assistant Director's report enables the Council to address the forecast budget pressure in 2020/21 and begin the 2021/22 budget process.

ALTERNATIVE OPTIONS

The Council is obliged to balance its budget on an annual basis. There are no alternatives to the use of reserves in 2020/21 to balance the budget.

459. Council Recovery Programme (Covid 19)

The Assistant Director Place and Client Services submitted a report a copy of which had been circulated to each Member.

Councillor King, Portfolio Holder for Business and Resources, introduced the report and explained that it set out the next steps for the recovery of the borough. It set out thematic cross cutting work on service delivery and support to business. The Council needed to ensure that its decisions were focused on the impact they would have on recovery, with particular emphasis on the economy and employment.

Councillor J. Young, Portfolio Holder for Performance and Culture, highlighted the importance of “building back better”, and of continuing to build on partnerships that had been strengthened by the response to coronavirus. Councillor Fox, Portfolio Holder for Housing, stressed the importance of housing and jobs in the recovery phase, and the role garden communities could play in providing these.

RESOLVED that:-

- (a) The contents of the Assistant Director’s report be noted
- (b) The approach outlined in the Assistant |Director’s report be adopted by Cabinet.

REASONS

To facilitate the progress on developing a plan and undertaking the prioritisation and resource allocation necessary to enable to recovery from Covid-19.

ALTERNATIVE OPTIONS

A number of options were considered in relation to development of the ‘cell’ areas (or areas of work), with the option described in the Assistant Director’s report being favoured as it was felt to reflect the broad areas of work needed to sustain recovery and aligned to existing Council priorities.

460. Appointment of UKPN for Utility Works Relating to “The Energy Centre” and Associated Developments at the Northern Gateway South Site.

The Assistant Director, Place and Client Services, submitted a report a copy of which had been circulated to each Member.

RESOLVED that:-

- (a) UKPN be appointed to proceed with the design and installation of the mains power infrastructure to the Colchester Northern Gateway South Site, noting the financial information in the related confidential report.
- (b) The contract award be approved as an exception under the Contract Procedure Rules.

REASONS

The works are part of a planned programme of projects that connect to deliver a key growth area, and a strategic priority, in the Colchester Northern Gateway. The works are comprised of two elements; “Contestable” and “Non-Contestable” works; the latter can only be undertaken by UKPN, as typically these would be connections to their sub-stations. Whilst the “contestable” works could be procured via the open market, the Council’s agent, Colchester Amphora Trading Limited (CATL) recognise a benefit in using the same contractor to undertake both elements of the works.

The appointment of UKPN for all the works would have benefit of consistency, including for insurance purposes and to allow for the mains installation, testing and commissioning under one contractor. Using one contractor would allow any potential connection issues or problems (if any) to sit within one contract; providing clarity over the responsibility of that one contractor to resolve any issue, should they arise.

ALTERNATIVE OPTIONS

Not to use one contractor, and to tender the works. This would delay the works and could introduce avoidable risks; with no guarantee of a tender return, or any financial gain.

461. Update on Commercial Opportunities in the Town Centre - Matters Related to Alumno Development at Queen Street, Colchester

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

Councillor Barber attended and with the consent of the Chairman, addressed the Cabinet. He noted that the Council’s contract with Alumno required it to use its best endeavours to support its development. This could lead to a situation where after using its appropriation powers, the Council could be obliged by Alumno to use powers under section 203 of the Housing and Planning Act to override third party rights, in particular Essex County Council’s covenant on the site. He sought clarification on the Council’s position on this matter and whether discussions had been held with Alumno on the use of section 203 powers.

Councillor King, Portfolio Holder for Business and Resources responded. In the course of the debate it was clarified that the contract required the Council to use reasonable endeavours, rather than best endeavours. This would be confirmed in writing to all councillors. This was a much less stringent requirement. The intention was to secure third party access for construction purposes. The Council would act reasonably in its discussions with Essex County Council and was not under any pressure from Alumno.

Councillor Crow had also submitted the following written submission to the Cabinet:-

I’m extremely concerned that under cover of the global coronavirus crisis, that has seen so many of Colchester’s residents following the government’s restrictions and locking down for months in their homes, the Council has been pressing ahead with plans to build hundreds of student rooms in the former bus park.

The Council is well aware by now of just how unpopular this scheme is, yet we now learn

that they plan to use tax payers' money on legal action to remove the restrictive covenant that was put in place to prevent just such a development.

There has been no prior mention of this in public, instead it has been learned about from tonight's agenda.

I find it extraordinary that our local authority could be considering this kind of legal action against another local authority, and at tax payers expense, at any time, let alone when it is set to suffer millions of pounds in losses due to the global pandemic.

It has been alarmingly clear over the past several months that the council has got itself into an unholy mess over this extremely unpopular student rooms development on such an important town centre site, and in its desperation not to fall foul of its agreement with the developer will stop at nothing to push it through, all for a paltry income of £4000 a year. And Colchester's taxpayers will pick up the bill and pay a further price once these unwanted buildings are shoehorned into the site and the opportunity to create something of value in the promised Cultural Quarter is lost for generations.

Councillor King explained that there was no intention to use legal powers to sue Essex County Council. They were the Council's partners and the Council hoped they would deliver what was agreed, but it was their decision. The development would develop a long derelict site which would unlock the area. It would be a statement of confidence and would bring footfall and jobs. In terms of Councillor Goacher's comments made under Have Your Say, the Council had supported the decision of the Planning Committee to refuse the application at appeal. However, once the Inspector had allowed the appeal, it was right for the Council to proceed and fulfil the obligations to which it was contracted to.

RESOLVED that:-

- (a) The commencement of informal negotiations with various rights of way holders surrounding the Alumno development be noted.
- (b) Authority to agree that final terms and completion of the variation of rights of way holders be delegated to the Strategic Director, Policy and Place and the Portfolio Holder for Business and Resources.
- (c) It be noted that a subsequent report will be submitted to Cabinet, if required, seeking approval to appropriate the land for planning purposes under the provisions of section 122(1) of the Local Government Act 1972.

REASONS

The Council is contractually obliged by the Agreement for Lease between the Council and Alumno Student Developments Ltd to use reasonable endeavours to negotiate and complete agreements with all rights of ways holders and if required, seek approval to appropriate the land under s122 of the Local Government Act 1972.

ALTERNATIVE OPTIONS

No other options were presented as the Council is under a legally binding contract to negotiate with rights of way holders and submit a Cabinet report for appropriation if required.

462. Colchester Positive Parking Review: Parking Strategy Pre-Consultation Draft

Minute 250 of the Scrutiny Panel meeting of 28 January 2020 was submitted to Cabinet a copy of which had been circulated to each Member.

Councillor Lilley, Portfolio Holder for Communities, Public Safety and Licensing, indicated support for the recommendations of the Scrutiny Panel. He also indicated that the Council was working with the BID on parking and there were plans to increase the amount of time given for parking without increasing the fee, and to increase the free parking time for blue badge holders by two hours.

RESOLVED that:-

- (a) Consideration be given to ways to influence shop opening times to ease congestion at current peak times.
- (b) CCTV coverage be extended across all car parks.
- (c) A wider study and report on modal shift be commissioned
- (d) Consideration be given to pursuing devolution of the Park and Ride scheme.
- (e) Consideration be given to ways to manage expectations and provide education on the trade-offs involved between car park pricing, congestion and air quality.
- (f) Paragraph three of the foreword to the 'Easy-read Summary' be deleted.

REASONS

As set out in the Scrutiny Panel minute.

ALTERNATIVE OPTIONS

It was open to Cabinet not to agree the recommendations from the Scrutiny Panel.

463. Public Initiatives

Minute 50 of the Policy and Public Initiatives Panel meeting of 4 March 2020 was submitted to the Cabinet, a copy of which had been circulated to each Member.

RESOLVED that the Policy and Public Initiatives Panel be given approval to investigate ways for the Council to reduce anti-social uses of fireworks and that this be added to its work programme for 2020/21.

REASONS

Concern was expressed about the environmental and social impact of fireworks, particularly on animals.

ALTERNATIVE OPTIONS

It was open to the Cabinet not to agree the recommendations from the Policy and Public Initiatives Panel.

464. Gosbecks Archaeological Park

Draft minute 48 of the Heritage and Tourism Task and Finish Group meeting of 2 March 2020 was submitted to the Cabinet, a copy of which had been circulated to each Member.

Councillor J. Young, Portfolio Holder for Culture and Performance, thanked the Heritage and Tourism Task and Finish Group for their work. Greater use of the Gosbecks site was supported. The resources required to fulfil the recommendations would need to be considered alongside the other calls for resources that the Council faced.

RESOLVED that:-

- (a) Consideration be given to further investigation of the archaeological site and its significance, in partnership with a suitable Higher Education partner
- (b) The need for further development of the archaeological site at Gosbecks Park be recognised and consideration be given to improving the heritage value of the park by the addition of facilities including a small visitor centre.

REASONS

As set out in the minute from the Task and Finish Group.

ALTERNATIVE OPTIONS

It was open to the Cabinet not to agree the recommendations from the Heritage and Tourism Task and Finish Group.

465. Appointments to Revolving Investment Fund Committee, Outside Bodies and Council Groups

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

RESOLVED that:-

- (a) The membership of the Revolving Investment Find Committee for the 2020-21 municipal year be as follows:-

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy
Councillor Higgins, Portfolio Holder for Commercial Services

Councillor King, Portfolio Holder for Business and Resources
Councillor J. Young, Portfolio Holder for Culture and Performance

(b) The representatives to the various external organisations and Council groups listed in Appendix A of the Assistant Director's report be appointed for the 2020-21 municipal year, with such appointments to cease if representatives cease to be members of the Council during the municipal year.

(c) To authorise the Leader of the Council to make a determination, where a nomination is deemed to be in dispute, if a vacancy occurs or if an appointment needs to be made to a new organisation during the course of the municipal year.

(d) The reports about the work undertaken by appointees to external organisations in 2019-20, as set out in Appendix B of the Assistant Director's report be noted.

REASONS

The Revolving Investment Fund Committee is a sub-Committee of Cabinet and therefore appointments to the Committee must be made by Cabinet.

It is important for the Council to continue to make formal appointments to certain organisations and council groups such as those with statutory functions, our key strategic and community partners and groups with joint working arrangements. These groups have been identified in Appendix A of the Assistant Director's report.

ALTERNATIVE OPTIONS

No alternative options are proposed other than to authorise the Leader of the Council to make a determination where a nomination is deemed to be in dispute.

466. Progress of Responses to the Public

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

RESOLVED that the contents of the Progress Sheet be noted.

REASONS

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

ALTERNATIVE OPTIONS

No alternative options were presented to the Cabinet.

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

defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

467. Minutes – Not for Publication Extract

The not for publication extract from the minutes of the meeting of 11 March 2020 were confirmed as a correct record.

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

468. Appointment of UKPN for Utility Works Relating to the Energy Centre and Associated Developments at the Northern Gateway South

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

8 July 2020

Report of	Assistant Director(s) Place & Client / Corporate & Improvement Services	Author s	Andrew Tyrrell / Darren Brown ☎ 282390 / 282891
Title	Housing Revenue Account: Financial Model and New Council Housebuilding Programme Updates		
Wards affected	All Wards		

1. Executive Summary

- 1.1 This Council has an established and clear ambition to provide more new affordable homes for our community. At the Cabinet meeting on 30 January 2019 a “New Council Housebuilding Programme” (NCHP) was established to deliver 350 additional affordable homes over the next 5 years. This report provides an update on the current HRA finances since the commencement of the NCHP. It explains improvements on our borrowing assumptions before exploring new scenarios should the Council decide to undertake additional HRA borrowing in order to carry out even more housebuilding and improvement works. The report then summarises progress to date and concludes by giving some examples of the ways that additional housing could be delivered in order to provide more homes for local families on the housing needs register (and also assist the economic recovery of Colchester).
- 1.2 The report recommends that the Council should commence detailed work on some specific projects that could be started immediately in order to continue the current NCHP. It also suggests that some sample testing of other general ideas should be conducted through broader feasibility work designed to explore the viability of potential future options for additional house building over a longer period. Finally, it concludes that any feasible options would feed into a planned review of the HRA Business Plan and Asset Management Strategy that was due to start in 2021, but that effectively starts now.
- 1.3 Apart from the already established desire to increase the provision of affordable housing for the benefit of our residents, and improve existing homes for our tenants, there is also an opportunity for the Council to act as a catalyst to economic recovery, as well as lead in its climate change role. Housebuilding usually immediately reduces whenever an economic crisis occurs (seen after the 1987 stock market collapse, the 9/11 tragedy in 2001, and the 2008 banking crisis). The last “dip” saw a 2-year national decline before taking 10 years for UK housebuilding to return to pre-crisis levels in 2018. As the Covid-19 pandemic continues to affect the global economy we will potentially see the biggest impact of all over the next few years.
- 1.4 All parts of the housing market were affected, from the supply chains, storage and distribution, contractor resources and the ability to work on site, even viewings, sales and lettings were unable to take place for a period. 7% of UK employment is related to construction, with circa 60% working for small to medium sized businesses (that have less than 100 employees). If this type of dip were to occur, reduced household incomes and resultant spending could then indirectly affect others as housing construction has the third highest economic spend “multiplier” in the UK with just over £2 recirculated for every £1 invested. Social housing is even more beneficial to the local economy; with

every £1 invested in new affordable housing generating £2.84 in the wider economy. Colchester could have thousands of residents affected directly and indirectly by these housing issues.

- 1.5 Locally, the success of long-term recovery can be greatly affected by the initial response; a positive response now could ensure the Borough will be comparatively better positioned in 5 or 10 years. This kind of housebuilding programme could facilitate economic recovery by creating the right conditions for more homes to be built, encouraging investment and employment, and creating more affordable homes for the local community.

2. Recommended Decision

- 2.1 To note the positive changes to the 30-year HRA financial model since the commencement of the 2019 “New Council Housebuilding Programme” as set out in the report.
- 2.2 To agree that, given the improved position of the HRA, additional proposals to increase and extend the “New Council Housebuilding Programme” that are described broadly in this report should be explored through provisional feasibility work in the manner that is described herein, in order to sample test the viability of different affordable housing delivery methods.
- 2.3 To agree that the more specific options identified for further phases of the “garage sites” and “sheltered housing”, “targeted acquisition(s)”, “town centre site” and “acquisitions” should be actively pursued and taken forwards as soon as practicable; and through to their completion and future occupation wherever they remain considered viable.
- 2.4 To agree to make financial provision in the Housing Revenue Account (HRA) New Council Housebuilding budget for 2020/21, up to £4.585million as set out in Section 10 and the accompanying Confidential Part B Report; and to agree that future financial provisions should be included within the annual budget setting processes as required to continue to drive forwards the viable proposals and create a “pipeline” of housing development from 1 April 2021 onwards.
- 2.5 To agree that work should commence on a new HRA Asset Management Strategy and 30-year HRA Business Plan in 2021, which any progressed options will form a part of, and that these plans will come into effect from 1 April 2022.
- 2.6 To delegate authority to the Assistant Director Place & Client Services, in consultation with the Portfolio Holder for Housing to appoint Colchester Amphora Homes Ltd (CAHL) and Colchester Borough Homes (CBH), where required, to help the Council progress any housing projects as set out herein.
- 2.7 To approve additional HRA expenditure in 2020/21 of up to £4.585million as set out in paragraph 2.4, section 10 and the accompanying Confidential Part B Report, and delegate authority to the s.151 Officer to determine the split of funding of this additional expenditure between additional HRA borrowing and HRA revenue funding, which will be reported to Members as part of the regular financial monitoring of the HRA and Housing Investment Programme throughout the financial year.

3. Reason for Recommended Decision

- 3.1 There is a national housing crisis and Colchester is no different to anywhere else in requiring more homes, especially with regard to affordable homes. The Council is already starting to tackle this issue directly through its housing company, Colchester Amphora Homes Ltd, and through borrowing within the HRA to deliver the “New Council Housebuilding Programme” (NHCP), both of which are beginning to deliver homes for local residents in 2020. The Council appears on course to meet its ambition to deliver 350 new affordable homes over 5 years set in 2019. However, this decision is required in order to make further progress in advancing more schemes; continuing to provide a pipeline of affordable housing delivery that will run over a longer period.
- 3.2 The proposals to increase housebuilding considers the positive changes to the borrowing rates available to the HRA that have improved its current business modelling for the NHCP. With the improved business model position, additional borrowing is affordable and more attractive, being absorbed prudently in financial terms. The budget provisions need to be made for any meaningful work to be undertaken before April 2021, in order to explore options, with only those that are then assessed to be viable to be taken forwards to planning and construction phases.
- 3.3 Even when the 350 homes target was set in 2019, the current NHCP was agreed on the basis that these may not be the only steps that were taken over the next few years, and this decision to pursue further schemes again demonstrates the Council’s commitment to delivering high quality affordable homes for the local communities that would otherwise remain on our housing needs register.

4. Alternative Options

- 4.1 The Council could decide not to pursue individual projects, or not to pursue any of the projects at all; however this would not make the maximum use of the borrowing capacity that the Council has, consequently missing an excellent opportunity to provide even more affordable housing for those most in need; which is a key priority of the Council as set out in the Strategic Plan. Whilst not all of the ideas may prove to be feasible or viable, it is too early to make an informed decision on this without undertaking some investigative work.

5. Background Information

5.1 Context

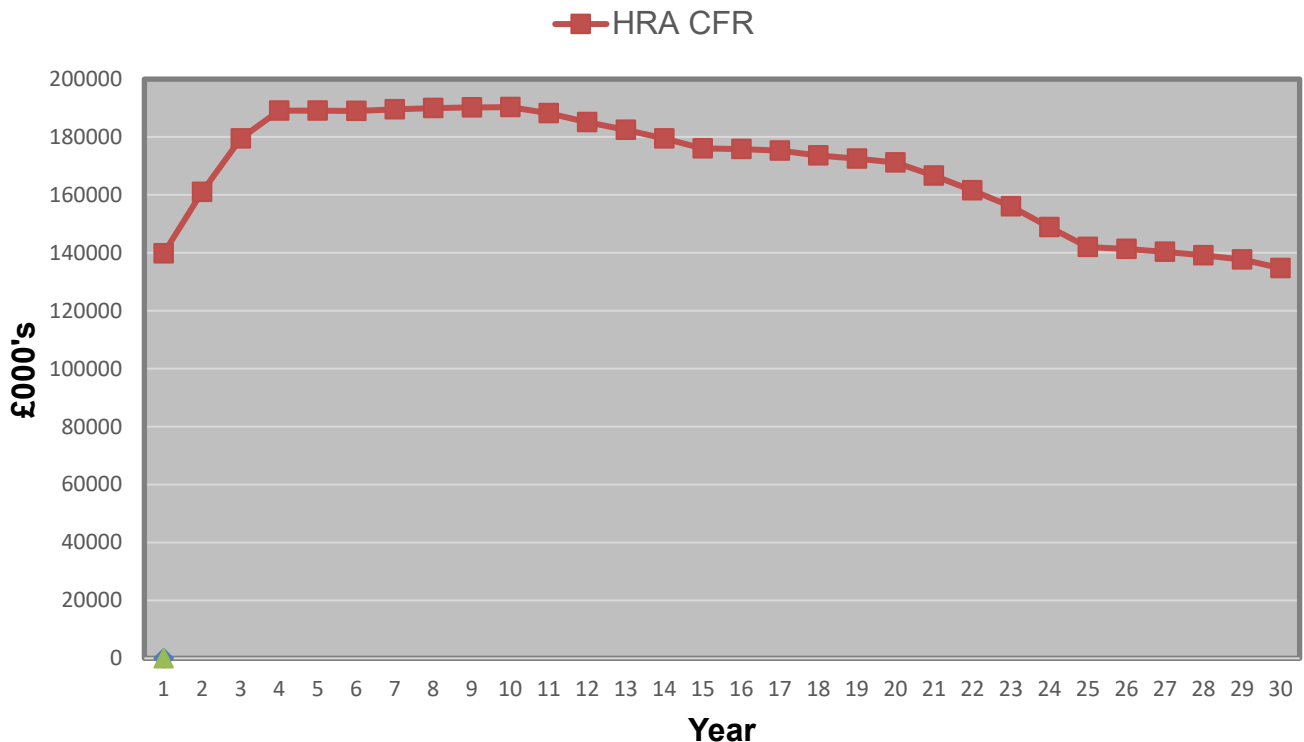
- 5.1.1 The Council has a Housing Revenue Account (HRA); a statutory ring-fenced landlord account that includes income from Council's affordable housing rental income, which can only be spent in return on affordable housing. "Affordable housing" is a term with a definition that now originates from the National Planning Policy Framework (2018) and includes social rent (usually around 60% of market rent), affordable rent (no more than 80% of market rent) and intermediate housing. It is provided for eligible households whose needs are not met by the open housing market and whose eligibility is determined against published criteria and national legislation and guidance.
- 5.1.2 The HRA has a 30-year Business Plan to ensure finances are managed strategically over a long period, supporting debt and ensuring that expenditure can be maximised in a prudent manner.
- 5.1.3 There is also an Asset Management Strategy that allows a planned approach to maintaining the existing stock. Every year works to maintain and improve the affordable housing stock is undertaken within a continuous Housing Investment Programme (HIP). Simplistically, this means that the rent the Council receives from its housing stock is reinvested to maintain and enhance the quality of that stock for the benefit of tenants. The HIP includes elements such as fire doors, windows, kitchens, bathrooms, boilers replacement and adaptations for disabled residents amongst many other elements.
- 5.1.4 In addition to investing in existing stock, the HRA can also invest in building or acquiring extra housing stock (which in turn increases the income back in to the HRA via additional rents). The HRA can support investment through prudential borrowing, as long as it is affordable over the long term (similar to typical mortgage arrangements); informing, and informed by, the 30-year HRA Business Plan mentioned above.
- 5.1.5 In January 2019, following changes to national policies on rent reduction and debt caps, this Council agreed a "New Council Housebuilding Programme (NCHP) to create 350 new affordable homes over 5 years.

5.2 HRA Financial Modelling

- 5.2.1 At its meeting in January 2020, Cabinet considered the 30-year HRA financial model as part of the 2020/21 HRA Revenue Estimates report. This set out the existing levels of borrowing within the HRA, and also planned to borrow over the next 5 years to support the Housing Investment Programme. The HRA can afford to undertake development and acquisitions through use of Right-to-Buy (RTB) receipts and prudential borrowing. "Prudential borrowing" is now the only constraint on HRA borrowing, and means that the total amount of debt the HRA can hold is no longer subject to a cap. Instead, the Council's borrowing must conform to the Prudential Code; that borrowing must remain "affordable".
- 5.2.2 This was also covered in more detail within the 2019/20 Housing Revenue Account and Housing Improvement Programme Budgets, and Treasury Management Strategy, as reported to Cabinet on 30 January 2019; but in essence it means that if the amount borrowed to build can be serviced and repaid from the rental income generated from the properties it creates then it will be affordable over the long-term. The measure of an authority's HRA debt is the Capital Financing Requirement (HRA CFR). Our opening HRA debt on 1st April 2020 is £130.933million. As the HRA debt cap has been abolished by Government, the only constraint on borrowing now is that it is affordable under the prudential borrowing code.

5.2.3 The following graph shows the debt profile that was generated by the 30-year financial model in January 2020. This works on the principle that once all of the costs of managing & maintaining our housing stock have been met, and the interest costs of our HRA borrowing have been paid, any residual income can be used to repay debt. It is important to state that this is an indication of the ability to repay debt, as what actually dictates whether debt is reduced is where the Council actually repay loans as they mature.

Debt Profile - Original Base Position



5.2.4 The above debt curve is consistent with a business plan for the HRA where a significant level of new build/stock acquisitions etc are being undertaken. In the early years, debt increases and then levels out around mid-way through the plan, then starts to reduce in the second half of the plan as rents have increased sufficiently to enable repayment of debt. The above debt curve shows HRA debt in Year 30 at circa £134m.

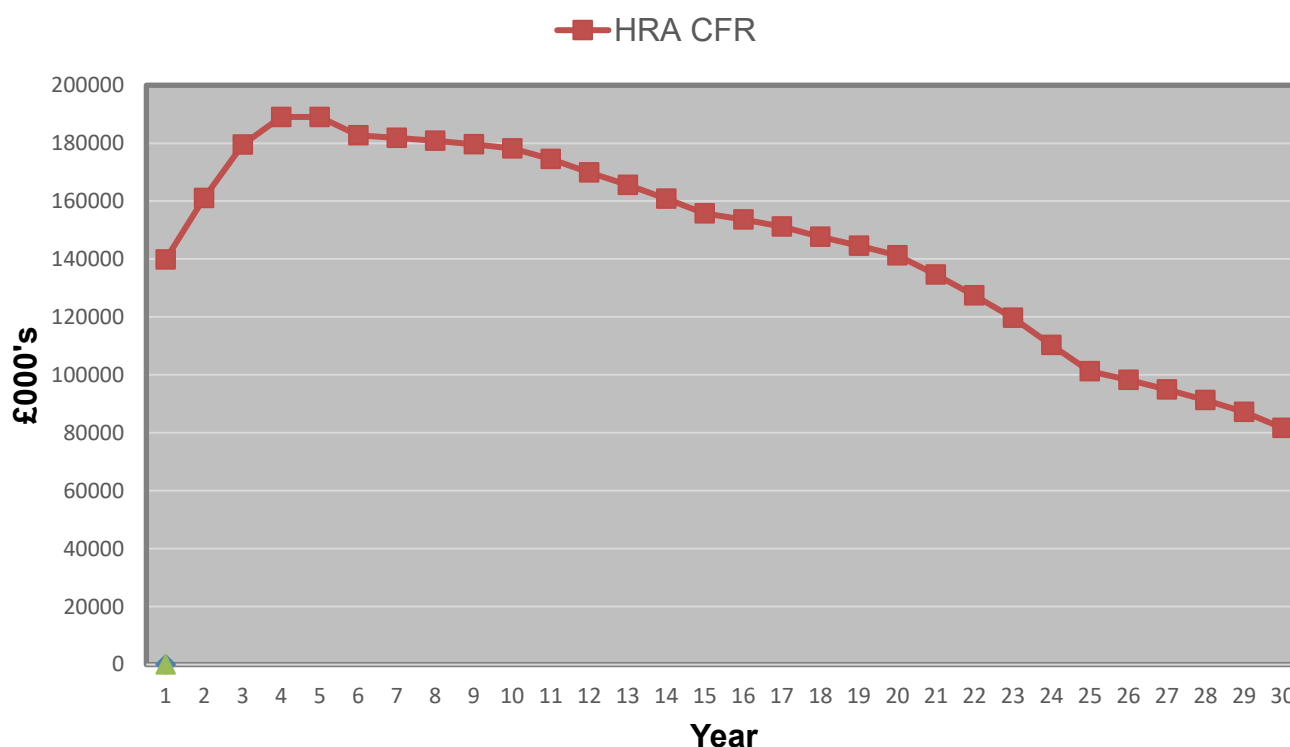
5.2.5 The assumption in the 30-year model on any future borrowing undertaken to support the NCHP was that it would be at an interest rate of 3.5%. It should also be noted that there is no statutory duty to provide for the repayment of HRA debt, although the Council is statutorily responsible for self-managing its long-term indebtedness.

5.3 Borrowing Rate Changes

5.3.1 In the March 2020 budget, the Government announced a 1% reduction in PWLB borrowing rates for the HRA, in a drive to stimulate the housing sector. It is not clear how long the 1% reduction will be in place for, but the prudent assumption for planning purposes is that we would be able to borrow for the HRA over a 50 year period at an interest rate of 2%.

5.3.2 The following table is the Original Base Position 2020/21, updated for the reduced interest rate payable assumption of 2% on new borrowing. This clearly shows that based on all other assumptions remaining the same, that the reduction in interest rate assumptions reduces HRA debt in Year 30 to circa £82million.

Debt Profile - Revised Base Position

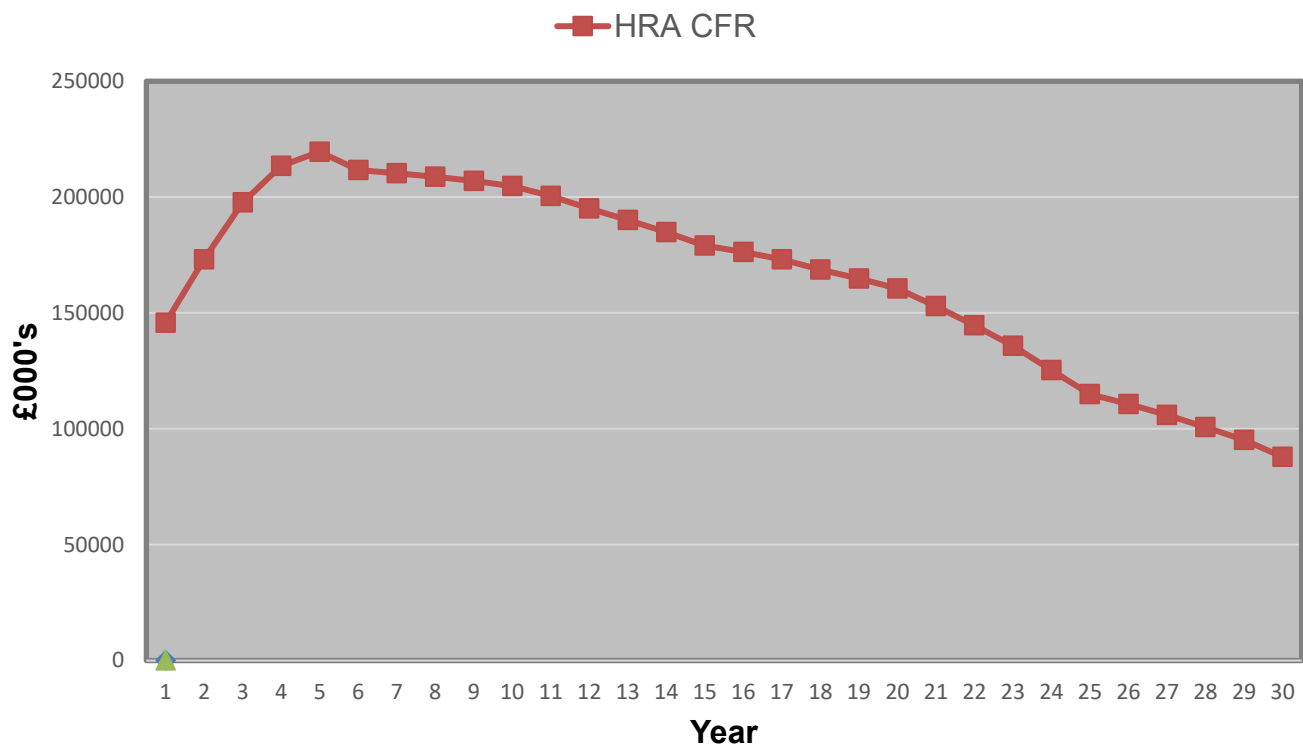


5.4 Indicative Scenarios for Further Borrowing

5.4.1 As set out in this report, there are a number of options that will be explored to increase the supply of Council Housing, utilising the cheaper HRA borrowing currently available. Further proposals will be modelled and included in the relevant financial years' budget setting cycle. However, to give an indication on the likely impact additional borrowing would have on the HRA debt curve and the affordability of the additional investment, 3 scenarios which purely deliver additional units have been modelled at the reduced interest rate assumption. These are additional borrowing of £30million, £40million and £50 million over the next 5 years. Each scenario assumes the cost of £200k per unit, that social rent is charged, and all other assumptions are unchanged.

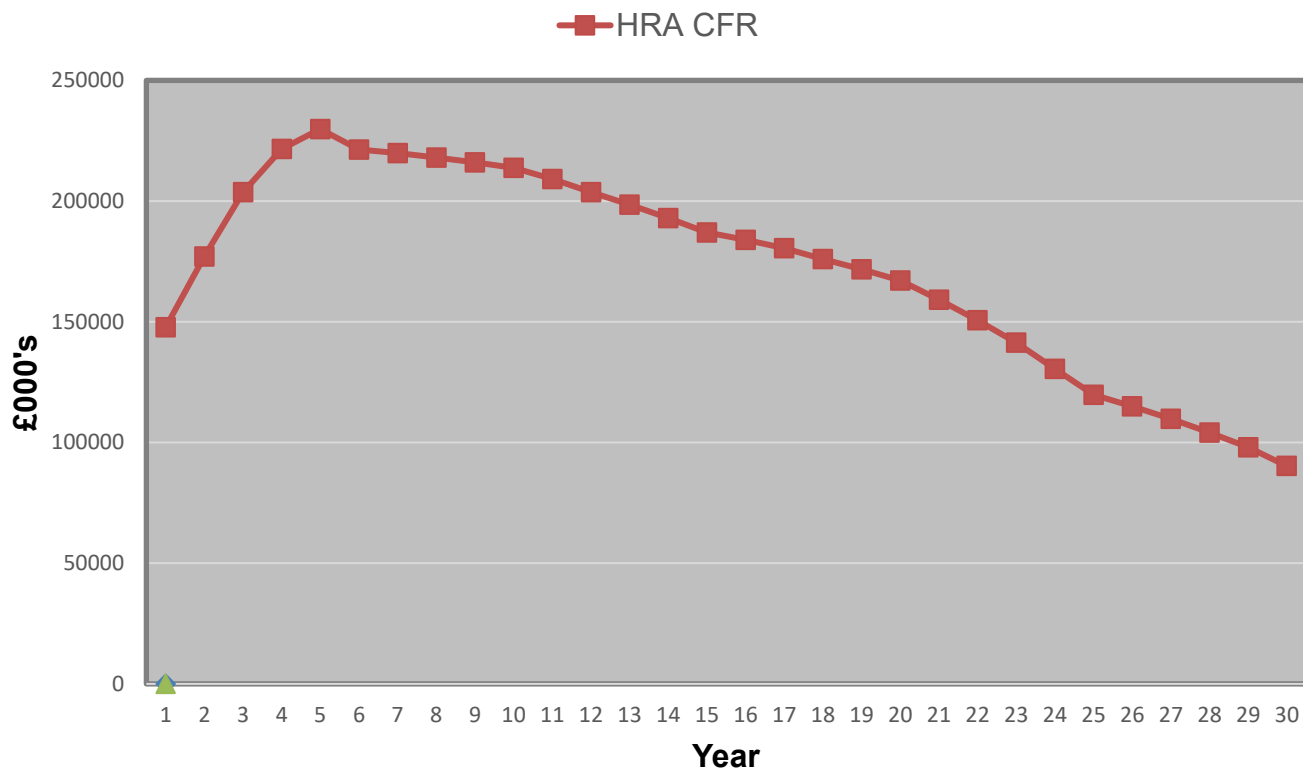
Scenario 1

Debt Profile - Extra £30m (150 units)



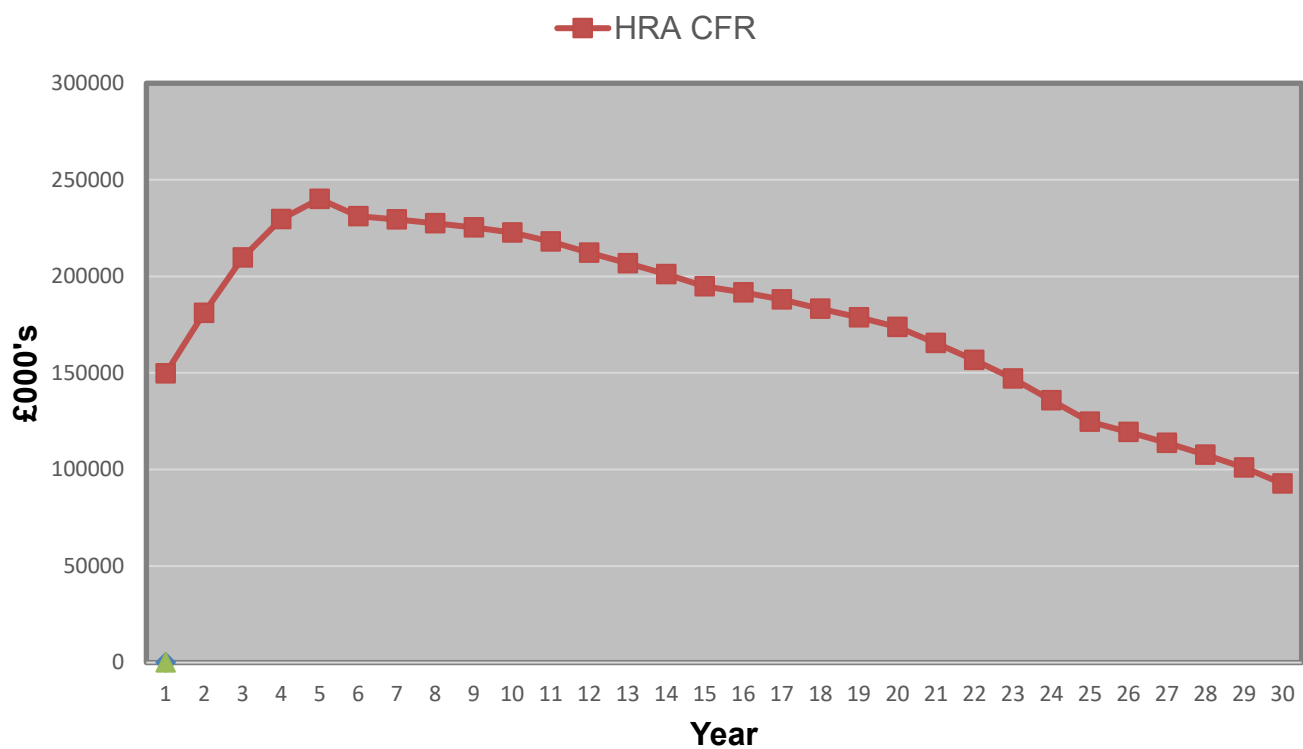
Scenario 2

Debt Profile - Extra £40m (200 Units)



Scenario 3

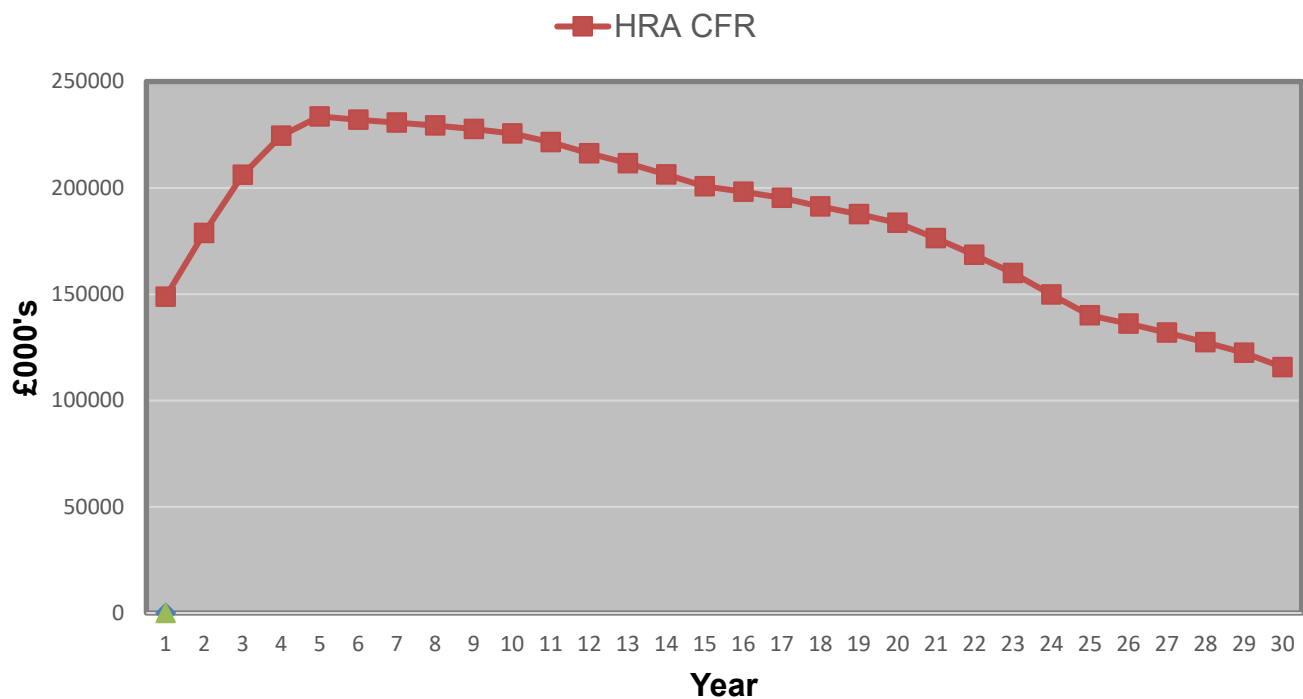
Debt Profile - Extra £50m (250 Units)



5.4.2 However, not all of the potential investment would create additional numbers. Some will generate better quality replacement housing, improve the life expectancy and reduce the carbon footprint. The graph below therefore shows £50m of additional expenditure, but where only £30m of the additional investment increases stock numbers.

Scenario 4

Debt Profile - Extra £50m (150 Units)



- 5.4.3 The above graph demonstrates that a mixture of stock increasing investment and stock improvement investment can be balanced whilst not increasing the overall debt in the original base position over a 30-year period. The following table then sets out summary information on the 3 indicative scenarios modelled, and their indicative resultant impact upon the 30-year HRA model, compared to the revised base position shown at paragraph 5.3.2.

		Variation to Base Position			
		Scenario 1	Scenario 2	Scenario 3	Scenario 4
	Base Position (reduced interest rate assumption)	£30million additional investment over 5 years (150 units)	£40million additional investment over 5 years (200 units)	£50million additional investment over 5 years (250 units)	£50million additional investment over 5 years (150 units)
Peak Debt Year	Year 5	Year 5	Year 5	Year 5	Year 5
Peak Debt	£189million	£220million	£230million	£240million	£234million
Debt at Year 30	£82million	£88million	£90million	£93million	£116million

5.5 Update on the Existing New Council Housebuilding Programme Progress

- 5.5.1 The Council's Client Team is managing the NCHP in partnership with the Housing Strategy Team, Finance, Colchester Amphora Homes Ltd (CAHL) and Colchester Borough Homes (CBH). The table below shows how the Council is currently forecasting that it will meet the target to deliver 350 new affordable homes by 2024:

Project	Number of Additional Homes
Military Road	8
Garage Sites "Phase 2"	16
Elfreda House	5
Acquisitions 2019/20	35
Acquisitions 2020/21	34
Acquisitions 2021/22	34
Acquisitions 2022/23	33
Acquisitions 2023/24	33
CAHL "Phase 1" Sites	122
Garage Sites "Phase 3"	30
Total	350

- 5.5.2 The redevelopment of the vacant site at Military Road is providing 8 new affordable homes, (6 no.) 1 and 2-bed flats and 2 mews houses. The contract for this development is being tendered across July and August and will result in new homes being commenced in November 2020. The homes should meet “Secure by Design” accreditation and all have parking and garden/amenity areas. The ground floor flats are also designed with adaptability for accessibility, including additional weight bearing walls for future lifting equipment that could be needed. As with all of the HRA-led schemes the properties are also being designed to meet “Future Homes 2025” principles to promote the Council’s leadership in the climate change agenda, helped by energy efficient design and renewable energy sources.
- 5.5.3 The “Phase 2” garage sites are delivering slightly more complicated sites than the “Phase 1” sites. The original 5 sites all remain “ongoing” projects, although 2 sites will take longer to bring forwards (and will come alongside a “Phase 3”. Nonetheless, 3 sites have been successfully navigated through feasibility work, public consultation, planning applications and they are now at procurement stages (see other report on this same Agenda).
- 5.5.4 Hardings Close will be the first site to commence; a scheme for 4 houses scheduled to start on site in September 2020. Two 2-bed and two 3-bed houses will be ready in Aldham for April 2021 for local families on the housing needs register.
- 5.5.5 At Buffett Way (Greenstead) development will bring another 6 homes, all 2-bed flats. This, and the nearby site at Scarfe Way, are being combined into a single contract for construction, now tendered and at bids evaluation and scoring stage. Scarfe Way adds another 6 x 2-bed units to make a contract for 12 homes to be ready for occupation by families by June 2021.
- 5.5.6 The Council has then been reinvesting RTB receipts and borrowing in order to increase the supply of affordable housing in Colchester through the acquisition of former Council homes. The NCHP 5-year delivery plans include budget provisions that resulted in 35 homes in 2019/20, already having created new homes to benefit families from the housing needs register. This year’s acquisitions are already in progress.
- 5.5.7 Conversely, the innovative exploration of “Airspace, a form of rooftop development on top of existing flat roofed apartment blocks, has been closed. Whilst there are some recent, and emerging, examples of modular construction to create an additional storey on the roofs of existing occupied buildings, the exploration of this idea in Colchester has raised some current issues. Other Local Authorities, following on from Colchester pioneering work, have also found challenges because the Housing Associations and private developers who have so far delivered the successful schemes operate under slightly different rules. Whilst it is still possible for the Council to pursue these schemes, it was decided that other alternatives were more effective for the time being, and progress of other Local Authorities is being monitored to see if they can deliver the first Council-built “Airspace” scheme as the National Planning Policy Framework is still promoting this idea.
- 5.5.8 The learning about our property from exploration of “Airspace” has been useful to inform the redevelopment proposals at Elfreda House (and will be useful for future works) where the Council has reinvigorated the previous programme of works to make our sheltered housing stock “fit for the future”. The refurbishment of several sheltered housing schemes at property such as Enoch House and Worsnop House saw them converted into self-contained flats (from bed-sit) with fitted kitchens and bathrooms that are fully adapted to Part M accessibility requirements. Past schemes had also incorporated energy efficiency measures that benefitted residents; including photovoltaic electrical

generation systems, solar hot water heating systems and triple glazed windows and doors.

- 5.5.9 In January 2019, picking up from the previous plans to focus on sheltered housing schemes which still contain bedsit accommodation, redevelopment of Elfreda House was kick started to create a completely new “fit for the future” sheltered housing development. Since then, the Council and CBH have been working in partnership to rehome the current tenants, with only 3 now remaining at the property. The building is temporarily providing emergency “shield” accommodation for people during the coronavirus lockdown. It will still be vacated by the end of the year as planned.
- 5.5.10 With demolition due in March. A planning application is about to be submitted for the finalised design so that a new sheltered housing facility will be ready for 2024; consisting of 36 residential flats that comply with Approved Document M of the Building Regulations as “Category 2: Accessible and adaptable dwellings”. In order to achieve a significant reduction in net Carbon emissions, the design and construction of the building is to be in accordance with the Future Homes Standard 2025, have dementia-friendly features, and Smart Homes technology.
- 5.5.11 Also progressing are the Colchester Amphora Homes Ltd (CAHL) “Phase 1” sites. The Councils housing company has also tendered its first scheme, at Creffield Road. Planning permission was gained for 6 Flats and 2 houses there, where 2 of the properties will be owned by the Council for affordable rent mixed with 6 private market homes sold by CAHL (with all profit returned to the Council to reinvest in its public services). The planning application for Mill Road, part of the Colchester Northern Gateway (south), is currently expected to obtain planning permission in September and will deliver 105 affordable homes. St Runwald Street then follows, having been through several design consultations, and now subject to RIBA Stage 2 viability evaluations, before proceeding.
- 5.5.12 In order to maximise the opportunity that HRA borrowing now brings, and home as many families as possible, and increased number of new affordable homes can be delivered over a more sustained programme beyond five years. A number of options could be explored, and (also to help the town economy recover) now is considered to be a good time to evaluate how the Council could increase its plans and build or acquire more homes.
- 5.5.13 Where the Council undertakes feasibility work, this generates some external work and consultancy in the form of some of the required specialist surveys (arboricultural, archaeological etc), before leading to construction contracts that can bring significant boosts to local contractors, who employ workers who then consequently create “secondary” spend in the local economy. Where acquisitions occur, this creates income for estate agents, surveyors and solicitors (as an example. In all cases, the outcome is more affordable homes that benefit the local population who find themselves on the housing needs register who need good, affordable, housing.

5.6 Additional New Affordable Housing via Acquisitions

- 5.6.1 The best “immediate” solution to create new homes (to benefit local families in this financial year) is to increase the Council’s acquisition of properties through the HRA. The Council is already committed to another 4 years of acquisitions to a set budget that remains constant over that period. The availability of properties coming forwards is more than adequate, and value for money is evident from the first year of purchases. It is therefore proposed that acquisitions could be increased.

5.6.2 If the Council increased the acquisitions budget by the amount detailed in the accompanying confidential report, it could potentially purchase up to 40-45 properties this year (at market values that vary with each property and over time), compared to the planned 30-35. Should the Council then wish to increase the annual acquisitions budget further from 2021/22, this could result in even more properties in subsequent years but would also require an assessment of the resource implications needed to deliver greater numbers from within the Council and CBH. This assessment can be prepared in time for the annual budget setting process, which will see the HRA budget for 2021/22 agreed in January.

5.7 Additional New Affordable Housing via Garage Sites and Other “Incidental Spaces”

5.7.1 The January 2019 Cabinet agreement requested that as soon as the “Phase 2” sites had been advanced; the Council should progress the “Phase 3” of the garage sites concept. A sum for early work, of £30k, was provided in the 2019/20 budget and initial desk top work commenced in January 2020 to identify potential sites that may also be possible in future, looking at over 180 sites. Increasingly, these are sites that were previously considered to be more challenging, but the Council can utilise the continued learning from phases 1 and 2; being increasingly well-placed to identify sites, understand probable issues, how it may (or may not) overcome some of the challenges and how realistic they may be.

5.7.2 The Council has already demonstrated that building on garage sites that are under-used releases land for a better use and makes more efficient and effective use of assets that the HRA already owns. Small infill sites have been demonstrated to make a valuable contribution to communities, improving neighbourhoods, reducing anti-social behaviour and providing much needed affordable housing. “Phase 2” is now realised some high-quality homes built to Future Homes 2025 principles (ample space, good energy efficiency, renewable energy sources, parking, amenity areas etc).

5.7.3 the ongoing early desk-top exploration work to create a list of sites with potential now needs to be advanced though more detailed work including other internal Council services before site survey work that is required to progress the schemes. There are currently 7 identified sites that can potentially accommodate more than 2 dwellings (though work continues) and as such it is estimated that circa 30-35 properties may be achieved across these sites if detailed feasibility proves fruitful. Design concepts can now be carried out in order to refine their potential. Schemes that then appear viable would be consulted upon and subject to a planning application.

5.7.4 The first 30 homes on Phase 3 would meet the target set to build 350 new homes in five years provided these are delivered by 2024, which is entirely realistic. A budget of £100k would be needed to pursue these in 2020/21 and then further budget, including construction budgets, would be set in the normal annual budget setting process. More sites would then be added as the current work concludes, with a Phase 3 and 4 structure should this be necessary.

5.7.5 There remains the potential for the Council to explore further sustainability agenda role modelling, to proactively provide some Part M compliant adaptable properties that are adaptable, as well as modern methods of construction in order to provide a proportionate mix of 1, 2 and 3 bed properties that reflects our local affordable housing needs.

5.7.6 The Council has instructed CAHL to act as lead development manager on the new garage site projects, working in partnership with the CBH design team. To progress further now, these arrangements would be continued to explore options alongside the Councils own services and some external consultancy will be required. The combination

of the two Council owned companies, working on behalf of the Council, brings together staff experienced in delivering garage site development, and will see a wide range of services provided including; concept scheme design and costings for the development, developing planning applications, managing construction on site and working with the Councils tenant services teams to ensure local consultation is undertaken.

5.8 Additional New Affordable Housing via Sheltered Housing Sites

- 5.8.1 From the 2011 and 2017 Sheltered Housing Reviews it is already known that there are 2 sites that have the next highest priority need for refurbishment or redevelopment, and then 3 others that also have some substandard accommodation. There is a scheduled review due in 2022 and this review could be brought forward to explore how the top 2 priority schemes may be redeveloped.
- 5.8.2 It is possible that the 2 highest priority Sheltered Housing scheme may focus primarily on creating better accommodation, without generating additional housing numbers as these sites would require larger individual units to remove bedsit accommodation. This makes a net loss in units possible unless acquiring more land. However, modernising the stock has its own benefits, ensuring that existing assets continue to offer an excellent service and home to our tenants.
- 5.8.3 The Council has the opportunity to reconsider how best to use its sheltered housing stock and make it “fit for the future”. This could result in options to change the use, or to combine development plans (whereby some sites expand, and others reduce as a collective package that maintains numbers but improves quality across the whole stock). The priority will be to pursue a modernisation and improvement programme with all options having been considered for the next highest priority sites that were identified in previous reviews.
- 5.8.4 Previous schemes have demonstrated that the consultation period for this can take time. Therefore, it is anticipated that any preliminary work, consultation and engagement will need to be factored into any development aspirations, and that, even if work was started soon to initiate this, any finished works may not be completed until 2025 or 2026.
- 5.8.5 Issues that have prevented refurbishment since 2011 remain (overall design and layout of the buildings do not provide effective provision of self-contained accommodation), but land acquisitions were not previously explored, and this may increase sites capabilities. It is important to do so as every previous scheme that has been undertaken has resulted in increased popularity, better living experience feedback, fewer voids and more bids when units do become available via the Gateway to Homechoice lettings system.
- 5.8.6 Apart from the many benefits that we have seen from other refurbishment or redevelopment projects at Sheltered Housing sites, the risks of not doing work remain that the problem will not otherwise solve itself and modern living will become increasingly difficult, in addition to the increasing potential of failing heating systems, lifts, increasingly high cost of repairs outstanding.
- 5.8.7 The Council should undertake initial feasibility. It should also consider conditions surveys of 16 properties to prepare for consideration of carbon reduction measures. Should the feasibility prove that it is not possible to develop the sites in an economical way then an informed decision could be taken over alternative options that may include disposal of the sites or a change in the type of accommodation available (and alternative sheltered provision elsewhere).
- 5.8.8 The proposal herein would be that CBH are appointed to undertake feasibility work as outlined above and in the Part B Report. Work would be designed to explore options, set

realistic timelines and present budget proposals for the Council to consider in due course. This does not commit to undertaking any of the schemes beyond feasibility phases at this time.

5.9 Additional Affordable Housing via “Targeted” Acquisitions and/or Changes of Use

- 5.9.1 The above indicates that the Council could increase its proactive “targeted acquisitions” that could also be used in order to try and compile larger development sites around existing assets in order to increase redevelopment opportunities; or “leaseholder free” properties that are then easier to redevelop. The option to target acquisitions would also include strategies such as purchasing vacant units (where this does not adversely affect the wider area) that may become available with changing markets trends.
- 5.9.2 In the same manner, other land holders could also be approached directly in order to proactively ascertain if land acquisition opportunities can be identified, including larger estate holders in the borough. It may be possible to establish new partnerships working to bring forward housing and make the best use of land and finance between public sector organisations.
- 5.9.3 This could also include the private sector, with the Council contacting housebuilders who may require more certainty over sales in order to commence sites. In this scenario, the Council may be able to “bulk buy” new homes that represent value for money and meet the required specification, providing a supply of additional affordable homes. This would benefit developers who are concerned about the market, and have either ceased or slowed construction, potentially reducing jobs. The Council would buy “off plan” and therefore be able to influence matters early, and guarantee an early sale upon completion, effectively as a “cash buyer” that helps the developers manage their own cashflow and risk, securing employment. The Council could make initial approaches quickly, if agreed herein, to understand this market better.
- 5.9.4 Similarly, where targeted acquisitions could obtain premises that could have a change of use to residential purposes, the Council should consider putting these units into more effective and beneficial use where this does not come at a detriment to the broader area, and its economy. This would often be preferable to empty units that could now potentially remain vacant for a longer period due to the changes to different economic markets that coronavirus has inflicted upon every town and city.
- 5.9.5 The Council could monitor the market for properties that become available that are suitable for conversions, potentially using permitted development rights for changes from office to residential, retail to residential, and or other flexible uses allowed under national planning legislation.
- 5.9.6 There are currently 2 specific land acquisitions that have been identified that would unlock housing development. If these opportunities are to be actively pursued, then budget is recommended for the 2020/21 financial year to target them (at market value). Moving forwards, budget would need to be requested as and when an opportunity arises.

5.10 Additional New Affordable Housing via A “Town Centre Site”

- 5.10.1 The Council previously agreed to pursue a variation to a leasehold deal that would remove some restrictions on the use of a building by the Council. This deal is currently being negotiated between solicitors; however, should it conclude successfully then the Council could consider converting the premises to create additional affordable homes.

5.11 Additional New Affordable Housing via Estate Regeneration and Greenfield Sites

- 5.11.1 The January 2019 decision also identified that the Council would also evaluate and progress some of the incidental and open space sites that it owns (then estimated to occur in 2023-2025). This work could now be commenced in 2020 with a small sample of 2 sites tested in order to explore potential development benefits and disbenefits, potential layouts, specifications/standards and cost effectiveness. Whilst left-over parcels of open spaces or smaller/irregular shaped plots on estates could be explored, for reasonable numbers to be returned on any one site this would involve considering some larger sites. This poses more challenges, but work could be undertaken to identify feasible sites and select 2 sites as the viability examples.
- 5.11.2 Also tying in with Asset Management Strategy work, there is potential to explore regeneration of some of our older estates. This would entail redevelopment of specific sites in order to modernise and improve the quality of homes, increase their energy efficiency and reduce their energy consumption. This is also likely to form a package of additional works in the HIP that are extra to ongoing investment, as a tool to stimulate the local construction economy.
- 5.11.3 However, estate regeneration would be a larger-scale project that would require consideration and consultation; eventually leading to scenarios that may combine differing mixtures of refurbishment or complete redevelopment. It may also require combination with targeted acquisitions, aimed at leaseholders and buy-to-let landlords in order to include any sold properties and maximise the economies of scale of holistic redevelopment.
- 5.11.4 It is proposed that two estates are selected as samples to test the benefits and disbenefits of estate regeneration, including some planning, design and layout work that can be costed to test the economic viability of a sample scheme. This information would then inform any future strategy. Again, older property may present more opportunities for redesign and sustainability enhancements for modern living, which could help with the Council's carbon reduction ambitions. Therefore, whilst this type of development would be long-term and ambitious, it could produce significant enhancement of parts of Colchester over many years.
- 5.11.5 Estate Regeneration could also be undertaken at a smaller scale by exploring areas where there is the opportunity to build in larger gardens, especially where several HRA-owned sites are adjacent to one another. There may also be a small number of sites that could provide "hidden homes" a term for properties that other Council have created by converting former laundry areas, storage buildings and other outbuildings that are already found on their estates. As no work has been undertaken on this it would need to be explored.

5.12 Additional New Affordable Housing via Further CAHL "Phase 2" Sites

- 5.12.1 The Council would still look to use HRA funds to secure ownership of the affordable housing as part of any future CAHL developments. This would continue to see development where the Councils HRA-funded house building forms a part of a larger mixed-tenure schemes. This would continue to encourage social cohesion and integration at the completed sites. As sites come forwards with plans, part of their feasibility work should include not just the physical design, but also the design of the delivery methods, and business model (which could be varied from that used on Phase 1 sites). The Phase 2 CAHL sites will begin some planning in 2020 and come forwards from there as part of the Business Plan for Colchester Amphora Homes Ltd, which the Council needs to agree shortly, for the period 2021-2024, as the current Business Plans mature in March.

5.13 Asset Management Strategy and 30 Year Business Plan

5.13.1 Work on the HRA Asset Management Strategy and 30 Year Business Plan will commence as soon as possible and be ready for use in the HRA budget setting process for 2022/23, which will come to Cabinet in January 2022. The Portfolio Holder for Housing will be kept informed and updated on these projects as they progress. As well as working with Colchester Borough Homes on this project there will be consultation with Cabinet, Portfolio Holder, partners and tenants and leaseholders. Reviewing these documents will allow the Council to take account of any programmes brought forward from this report and those previously agreed. It will also offer an opportunity to review and evaluate the green revolution and carbon footprint of our stock.

6. Equality, Diversity and Human Rights implications

6.1 The proposals are considered to have an overall positive impact on protected groups, and they will have a positive impact on the availability of housing in Colchester, especially the availability of affordable housing. Maximising the supply of new homes is part of the Council's commitment to improving communities and our town as a place to live. In implementing the recommendations, the Council will have due regard to its Public Sector Duty and will continue to work to tackle discrimination and inequality and help to create a fairer society, improve housing choice and social mobility (including for protected groups). The proposals will help to improve the housing conditions and life chances of people with protected characteristics, including homeless people, low-income households, people with disabilities and families on the housing needs register. They will therefore have a positive impact on Equality and Diversity.

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6.2 Further Equality Impact Assessment information can be found [here](#)

7. Strategic Plan References

7.1 The following Strategic Plan References are relevant:

Growth: Ensuring all residents benefit from the growth of the borough

- Help make sure Colchester is a welcoming place for all residents and visitors

Responsibility: Encouraging everyone to do their bit to making our borough even better

- Promote responsible citizenship by encouraging residents to get involved in their communities and to identify solutions to local issues

Wellbeing: Making Colchester an even better place to live and supporting those who need most help

- Encourage belonging, involvement and responsibility in all the borough's communities
- Create new social housing by building Council homes and supporting Registered Providers
- Target support to the most disadvantaged residents and communities

8. Consultation

8.1 The required planning applications for projects would be subject to public consultation with residents at, adjacent or nearby to any individual sites involved. All of the new build projects would be subject to planning consultation requirements.

8.2 Other consultation and engagement would be undertaken in regard to the individual projects as appropriate. On previous garage redevelopment sites additional consultation was undertaken, for example attending Parish Council meetings in Aldham prior to submission of the planning application, and this would be continued over future sites.

8.3 Sheltered housing projects would require consultation with tenants as early as possible. The Council has legal duties to consult that would be met. Elfreda House has demonstrated how well this could be undertaken, with all residents being rehomed without objections and CBH and CBC working together with families of more vulnerable tenants. Many of these are looking forwards to having the chance to return to a fit for purpose modern development. Consultation would also involve residents and businesses adjacent and nearby the sites.

9. Publicity Considerations

9.1 None specific to this report. Individual schemes will require different publicity once progressing.

10. Financial implications

10.1 A detailed breakdown of the costs is given in the confidential Part B Report. However, the total amount required is £4.585m. The proposals in this report have a combination of capital and revenue implications which are set out in the following paragraphs.

10.2 The main capital considerations of the proposals revolve around capital expenditure and funding. These can be summarised as:

- Capital expenditure on purchasing/building dwellings
- Capital expenditure on converting dwellings/remodelling
- Undertaking prudential borrowing to fund capital expenditure
- Potential Use of 1-4-1 retained Right to Buy reserve to partially fund expenditure
- On-going capital improvements to additional properties (for example kitchens/bathrooms etc)

- 10.3 The main revenue considerations of the proposals revolve around the day to day running of the dwellings, and servicing of any additional borrowing undertaken. These can be summarised as:
- Additional rental income from properties built or purchased.
 - Additional management and maintenance costs
 - Interest cost resulting from any additional borrowing undertaken
 - Provision for the repayment of debt
- 10.4 It is proposed that the approach taken is consistent with that previously, which is to seek approval from Cabinet for the indicative proposals, and then include detailed financial implications in the Housing Revenue Account (HRA) estimates and Housing Investment Programme (HIP) reports agreed by Cabinet in January each year. This approach has the benefit of being able to see the impact of the proposals on the overall financial position of the 30-year HRA model, determine affordability and ensure the long-term sustainability of the HRA.
- 10.5 It should also be noted that given the scale of some of the projects already underway it is likely that we will fully utilise our retained 1-4-1 RTB receipts reserve; which means it would be unlikely that we would repay any receipts plus interest to the Government in the future. Indeed, there is the highly likely potential that we could need to borrow up to 100% of scheme costs in future years. As previously indicated, this would be considered annually as part of Cabinets approval of the Housing Revenue Account (HRA) estimates and Housing Investment Programme (HIP).
- 10.6 After 5 years a property in the HRA can be subject to the Right to Buy. Whilst the Right to Buy is a government scheme that enables council tenants to buy their home, since 2005, any tenant who has bought their council home has to give the Council first refusal to buy it back if they wish to sell it within the first 10 years (in typical property covenants). In addition, the Council does not have to conclude a right to buy request unless the sale is for the market value of a property. For any new build/acquisition, cost floor rules apply, meaning the Council cannot sell the property for anything less than it has spent building, acquiring and maintaining it for the first 15 years. This offers the Council some protection for the first 15 years. The proposals herein therefore also mean that any Right to Buy receipt could be reinvested in replacement and/or additional stock without delay.
- 10.7 It is proposed that the 2020/21 additional expenditure outlined in paragraph 10.1 be funded from a combination of new borrowing, using existing HRA budgets and a proportion of the HRA balance. The final split of funding is to be delegated to be determined by the Councils S151 officer and will be reported to Members as part of the regular financial management of the HRA and Housing Investment Programme throughout the financial year.
- 10.8 Whilst the proposals within this report mean an increase in the level of the Councils HRA debt, it should be noted that in each of the 4 Scenarios set out in section 5.4, the modelling shows that surpluses within the Business Plan are available to reduce debt over the 30 year period. The main risk to this position is Government rent policy, although prudent assumptions have been used. The other risk that potentially exists relates to interest rate increases, but any additional borrowing would be through fixed rate long-term loans, which would mean certainty on borrowing once undertaken. Should interest rates increase in the short to medium term, then the affordability of additional borrowing yet to be undertaken would be considered as part of the relevant budget setting cycle, as is currently the practice.

11. Health, Wellbeing and Community Safety Implications

- 11.1 There are no specific implications but generally the proposal aims to promote positive health and well-being for our residents.
- 12. Health and Safety Implications**
- 12.1 There are no specific concerns related to proposals outlines herein.
- 13. Risk Management Implications**
- 13.1 There are two broad categories of risks; local and national. Local risks offer some degree of control and influence, revolving around prioritising HRA spending in a period of change. National risks relate to Government policies the Council cannot control, but that can have a major impact.
- 13.2 Locally, prioritising new council housebuilding should not be at the cost of current stock modernisation and repair. HRA finances and resources are used for maintaining and improving the existing stock, as a priority, and therefore new council housebuilding needs to be achieved without harm to current or future maintenance programmes. This risk is being managed by a coordinated and collaborative approach between key stakeholders, considering the budget implications over short, medium and long-term periods.
- 13.3 Another locally managed risk will be development process issues. For example, skills, land supply, site development, funding, planning, commissioning and construction costs. There are some obstacles to overcome in undertaking housebuilding, but the Council would mitigate these risks by working with CAHL and CBH as we evolve and develop an expanding housebuilding programme.
- 13.4 Sites are often small, neglected, vacant or constrained sites held in the HRA account. They may have issues that affect the viability of development (for example clearance and decontamination costs, size and shape, surroundings) that affects the achievable numbers and design of new units. This is why further feasibility work is proposed to identify the issues and costs involved to develop sites, and why it is important that a decision is taken to undertake this work without delay. Until feasibility work is complete, and sometimes beyond, there remain hidden risks that we cannot uncover until we start to progress concepts through to design and build.
- 13.5 For reasons related to the above, obtaining planning permission can be challenging, especially if there are objections from the local community. This can be mitigated as far as possible by early engagement with our Planning Services, and consultation with affected residents. Again, this is why a decision is required, because that will allow exploration with tenants and residents to be planned and undertaken.
- 13.6 Similarly, commissioning and procuring construction can be difficult. Some sites may not be attractive to builders and, in addition, construction costs have been rising over recent years. It may not be possible to receive satisfactory prices to build the schemes once approved. However, the proposals herein will seek to attract interest by evolving attractive and exciting schemes.
- 13.7 Nationally, the Government is known to be rethinking the right-to-buy policy, and contemplating other ideas, so the future is uncertain. The cumulative effect of numerous welfare changes in policies that affect the HRA are still becoming apparent too. Recent years have shown how much things can change with the 'bedroom tax', the benefits cap, direct payment of benefits to claimants, the roll-out of universal credit and the freezing of benefit rates for 4 years from 2016/17 before the more recent positive changes through the debt cap abolition and move away from further rent reduction.

14. Background Papers

14.1 None

8 July 2020

Report of	Assistant Director Place & Client	Author	Andrew Tyrrell
			282390
Title	The Award of 3 Contracts for the Construction, Delivering 24 New Affordable Homes at 4 Sites Across Colchester.		
Wards affected	New Town and Christ Church, Lexden and Braiswick, Greenstead		

1. Executive Summary

- 1.1 The Council agreed (at Cabinet on 30 January 2019) ambitious plans to deliver a “New Council Housebuilding Programme” that delivers 350 extra affordable homes over 5 years. Since that time several different schemes have been explored. This report sets out the award of the first construction contract for a “garage site” at Harding Close (Aldham) and seeks delegation of the further awarding of 2 subsequent contracts (at Buffett and Scarfe Way, Greenstead and at Military Road) currently within the procured stage, for the cumulative delivery of 24 new affordable homes.
- 1.2 These contracts would all require approval by Cabinet due to estimated costs, as each of the 3 contracts will be over £500,000. The 2 later contracts would be delegated to the Portfolio Holder for Housing in order to ensure that they can be awarded in a timely and efficient manner over the summer months between Cabinet meetings. The construction of all of these sites would then commence between September and November 2020, with all 24 homes ready for the first beneficial use of families on our housing needs register between April and July 2021.
- 1.3 The contracts have been, and are being, progressed at this time in order to assist with the economic recovery of the construction industry. Where some ceased procurement of new contracts in the first couple of months of lockdown, this Council proactively engaged with local contractors to gain market feedback that suggested that the early supply of potential work was important to them, and that Covid-19 impacts did not affect their ability to price works and make bids. This has been evidenced by the high level of interest (20 companies) and the number of bids received (9).

2. Recommended Decision

- 2.1 To award a contract for the construction of 4 homes at Hardings Close, Aldham to the top-scoring contract at the value set out in the confidential Appendix A.
- 2.2 In the event of any issues with the top-scoring contractor in 2.1 above, to award the contract to the next best-scoring contractor, at the value set out in the confidential Appendix A.
- 2.3 To delegate authority to the Portfolio Holder for Housing to award a contract for the construction of 8 affordable homes at Military Road.

- 2.4 To delegate authority to the Portfolio Holder for Housing to award a contract for the construction of 12 affordable homes at Scarfe Way (6 homes) and Buffett Way (6 homes), Greenstead.
- 2.5 To delegate authority to the Assistant Director Place & Client Services, in consultation with the Portfolio Holder for Housing, to agree and implement all consequential contractual, legal, financial or other related matters for each of the above contracts once awarded and through to completion and occupation of the new homes.
- 2.6 To commit to the (previously agreed) budget provisions required in 2020/21 and 2021/22 to deliver all 3 of the construction contracts and deliver the 24 new affordable homes.

3. Reason for Recommended Decision

- 3.1 The Council has committed to deliver 350 new affordable homes over 5 years between 2019 and 2024 and these contracts deliver part of that commitment. The first contract has been through the full tender evaluation process and should be awarded to allow the works to commence in a timely manner, in line with milestones and project delivery objectives previously agreed by the Council. The subsequent contracts are still within the tender process but will shortly be ready to award.
- 3.2 The design and specification of each of the sites has met the required planning regulations and planning approval has been granted. They have then undergone detailed technical design phases prior to procurement. The contracts deliver much needed affordable homes to an agreed budget that is sustainable within the Housing Revenue Account.
- 3.3 The first contract will be awarded to a local company after a fair and open tender process. The Council has not delayed its procurement for the housing contracts in order to ensure it plays a leadership role in timely opportunity to offer employment to the local economy that is particularly important at this time due to the impact of Covid-19.

4. Alternative Options

- 4.1 Not to agree the first contract and/or the request for delegated authority to appoint the forthcoming contractors; however, this would delay any award of a contract, which would in turn introduce delays to the project and delivery of affordable homes. This would not be consistent with previous intentions, or the strategic priorities of the Council and would result in more people remaining on the housing needs register, waiting for high quality affordable homes.

5. Background Information

- 5.1 Colchester Borough Council has ambitious plans to deliver up to 350 new Council owned homes by 2024. Delivery of these homes are through a wide range of initiatives and working with its wholly owned company Colchester Amphora Homes Limited (CAHL) and Arm's Length Management Organisation (ALMO) Colchester Borough Homes (CBH).
- 5.2 All 4 sites (Hardings Close, Buffett Way, Scarfe Way and Military Road) have met the necessary planning regulations and the design and specifications have all been given planning approval. The schemes represent high quality affordable housing, with adequate internal spaces, garden areas, energy efficiency, renewable energy sources, and parking. The schemes are being designed to meet the Future Home 2025 principles.
- 5.3 The contracts are being procured following a Public Procurement Directive 2105 compliant tender process and in accordance with the Councils Contract Procedures and Procurement Strategy.
- 5.4 The table below shows the milestones in regard to the tenders for each site.

Milestones	Hardings Close	Military Road	Buffett Way and Scarfe Way
Issue of tender pack	27/04/20	08/07/2020	18/05/20
Deadline for receipt of tenders	05/06/20	15/08/2020	26/06/20 (originally) Extended by 1 week until 03/07/20
Evaluation of bids	06/06/20 – 30/06/20	16/08/2020 – 18/09/2020	04/07/2020 – 14/08/2020
Notifications	Award via this cabinet Report	PfH Delegated Authority to Award – Circulation, Signature & 10 Day Call in	PfH Delegated Authority to Award – Circulation, Signature & 10 Day Call in
Award of contract	July 2020	September 2020	August 2020

- 5.5 The above shows that the bid process for Hardings Close has closed, and evaluation has been undertaken in time to award a contract to a named contractor herein. There were 20 initial expressions of interest in this contract, which resulted in 9 bids being received. The scoring for the 9 bids is discussed in the confidential Appendix A, which contains sensitive financial information. However, the bids are close to the estimated budget for this project. Cabinet can therefore decide to award the contract.
- 5.6 The bid process will have closed for Buffett Way and Scarfe Way at the time of this Cabinet meeting, but the preferred contractor would not be known as the evaluation process has only just commenced. Therefore, Cabinet is asked to delegate authority to the Portfolio for Housing and Communities to enter into a contract so that this can be concluded over the summer, and work can start on site without delay, prior to the next Cabinet meeting in September.
- 5.7 The table also shows that the procurement process for Military Road will conclude towards the middle of September. Therefore, Cabinet is asked to delegate authority to the Portfolio Holder for Housing and Communities to enter into a contract so that this can be concluded as soon as possible thereafter.
- 5.8 Robust controls and monitoring arrangements will be put in place for these new contracts. Formal monthly monitoring will be attended by the Council, CAHL and CBH. These measures will include progress against the agreed programme, monitoring of expenditure against agreed budgets and the quality and standard of the build. The Client

Team have had these measures throughout the projects to date, and the working groups with CAHL and CBH are well-established now.

- 5.9 On all 3 contracts, they will be CBC contract overseen by the Client Team. CAHL will continue to manage the project on behalf of the Council, whilst during the construction phases CBH will take on the roles of Technical Design and Contract Administrator, which will include managing day to day issues/arrangements of the contract on site as the main point of contact for the contractor. The properties will all be owned by the Council's HRA and will be managed upon completion by CBH as the Council's ALMO (as with our existing affordable housing stock).

6. Equality, Diversity and Human Rights implications

- 6.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 6.2 The recommendations will have no disproportionate impact on any protected group. The Equality Impact Assessment for the CBC Procurement Strategy can be found here.

7. Strategic Plan References

- 7.1 The activities to be completed under the contract to be awarded will contribute to the following Strategic Plan references:

GROWTH... Ensuring all residents benefit from the growth of the borough

- Help make sure Colchester is a welcoming place for all residents and visitors
- Ensure residents benefit from Colchester's economic growth with skills, jobs and improving infrastructure

OPPORTUNITY... Promoting and improving Colchester and its environment

- Promote initiatives to help residents live healthier lives.

WELLBEING... Making Colchester an even better place to live and supporting those who need most help

- Target support to the most disadvantaged residents and communities.

8. Consultation

- 8.1 The projects have developed overtime and statutory planning consultations have been carried out as per national planning policy guidance. Over and above the statutory consultation neighbours were written to for all of the sites detailed. For Hardings Close a local Parish Council meeting was also attended, whilst the Parish Council were also invited to attend a meeting at Rowan House in the earlier design stages. At Military Road, officers visited neighbours in person and liaised on issues prior to design work commencing.

9. Publicity Considerations

- 9.1 The procurement process will include publicity of the opportunity to tender for these contracts. There will be positive publicity opportunities related to the award of a contract and the future commencement on site.

10. Financial implications

- 10.1 The development sites are being funded via the Housing Revenue Account (HRA). The funding for which has already been approved by Cabinet as part of the 2020/21 Housing Investment Programme report in January 2020.
- 10.2 The first contract tender process has concluded within budget and it is estimated that the subsequent 2 contracts will also be within forecast budgets. The schemes therefore represent value for money and the cost of any additional borrowing within the HRA will be serviced by the new properties created. See other report on this Agenda for more detail about the 30-year HRA debt model, and the economics of housebuilding (capital costs/debt/rental returns).

11. Health, Wellbeing and Community Safety Implications

- 11.1 It is broadly expected that communities where these works will take place will be positively affected by the completion of the works by improved buildings and estates.

12. Health and Safety Implications

- 12.1 Contractors bidding for these works are expected to demonstrate a strong track record and high level of competence in managing Health and Safety through the procurement process. Health and Safety will be managed on a daily basis by the contractors, although the Council retains its CDM responsibility with the Client and has ultimate responsibilities.

13. Risk Management Implications

- 13.1 A risk register will be created by the winning contractor and actively managed throughout the project. CAHL also have their own risk register that they manage on behalf of CBC as project managers.

14. Environmental and Sustainability Implications

- 14.1 All of the schemes will be designed to Future Homes 2025 principles, which includes energy efficiency in the building design and incorporates opportunities for renewable energy sources to heat or power the properties, including heat pumps and solar PV. These will be the most sustainable properties the Council has built, surpassing the previous benchmark set by the "Phase 1" garage sites that were built to the (now defunct) Code for Sustainable Homes level 4.

8 July 2020

Report of	Chief Operating Officer	Author	Rosa Tanfield & Rory Doyle
Title	Waste and Recycling New Strategic Priority	☎	507855
Wards affected	All Wards		

1. Executive Summary

- 1.1 The Council's Covid-19 Recovery Programme has prioritised the need to immediately identify new sources of income to meet the significant saving requirements set out in the budget strategy agreed at Cabinet in June, arising from increased costs and loss of income across a wide range of service areas. Furthermore, the current waste and recycling operating model carries risks in relation to staff wellbeing and a lack of service resilience to external factors, exacerbated during the Covid-19 crisis and ongoing restrictions.
- 1.2 This report presents proposals to generate income through a subscription Garden Waste charging model - 'Garden Club', which would include the introduction of wheeled bins, to safeguard the wellbeing of frontline staff handling garden waste.

2 Recommendations

- 2.1 To introduce an optional subscription service for garden waste collection, using wheeled bins to support staff wellbeing for suitable properties, and cease free collections of garden waste, to help meet the Council's savings requirements post Covid-19.
- 2.2 To delegate to the Chief Operating Officer in consultation with the Portfolio Holder for Waste, Environment and Transportation the procurement of the appropriate number of wheeled bins, equipment and other capital expenditure as outlined in this paper.
- 2.3 To approve the inclusion of £1.149m in the 2020/21 Capital Programme for wheeled bin purchase (£909,450) and vehicle adaptations (£240,000) as set out in Section 9 of this report.

3 Alternative Options

- 3.1 Retain the current garden waste collection service. To continue as per the existing operating model. This will increase the Medium-Term Financial Forecast pressure in 2022/23 by a further £1.050m and this option provides no additional income or efficiency opportunities. The Council will accept the limited ability to improve performance and retain current levels of risk associated with staff wellbeing, financial sustainability, and service resilience to external factors such as Covid-19.

- 3.2 Stop the collection of garden waste for all residents. Garden waste collection is a non-statutory service. Stopping the service would reduce expenditure by approximately £1m and will contribute to balancing the Medium-Term Financial Forecast. However, the Council will see a decrease in the recorded amount of recycling that the Borough produces, as residents look to either dispose of the garden waste within residual waste (black bags/bins) ending in landfill; an increased risk of fly tipping; and or an increased level of garden waste taken to the Household Waste Recycling Centres. It will also not provide any additional income opportunity and there may be increased revenue costs required to manage any increase in fly-tipped waste.
- 3.3 Provide a Garden Waste Collection Service. As set out in the report, but with no additional offers, services or added value. This option would be to provide a simple chargeable garden waste collection service only, for those wishing to use the service, which would be renewable annually, as set out in this report.

4 Background

- 4.1 The UK's waste hierarchy sets out five steps for dealing with waste ranked according to environmental impact. Waste prevention (reduction), which offers the best outcomes for the environment, is at the top of the hierarchy followed by re-use and then recycling. The Waste (England and Wales) Regulations 2011 create a legal requirement for Councils to take account of the waste hierarchy.
- 4.2 In addition to these environmental imperatives, Colchester Borough Council, like many local authorities faces a serious financial situation. As a result of the Covid-19 pandemic, June Cabinet approved a revised Medium-Term Financial Forecast which sets out a £3.187m budget gap in 2021/2022. It is imperative that the Council continues to facilitate better waste reduction and improves recycling in ways that are financially sustainable in the longer term.
- 4.3 Under the terms of the Environmental Protection Act 1990, Colchester Borough Council is classed as a Waste Collection Authority, and as such, under section 45(1) has a statutory duty to collect household waste from all domestic properties within its administrative area. Under Section 46(4) of the Environmental Protection Act 1990, the Council has specific powers to stipulate:
- The size and type of the collection receptacle(s)
 - Where the receptacle(s) must be placed for the purpose of collection and emptying
 - The materials or items which may or may not be placed within the receptacle(s)
- 4.4 The collection of garden waste is a discretionary service not a statutory service.

5 Impact of the previous waste strategy

- 5.1 In December 2016 Cabinet agreed a new Waste Strategy and a series of changes to the way in which the Borough collects waste and recycling. The decisions taken included the introduction of wheeled bin collections for specific areas of the Borough with one wheeled bin for residual waste and a second optional bin for garden waste.
- 5.2 The changes introduced created two principal methods of collection:

- Wheeled bin collections for specific areas of the Borough; one for residual waste (180 litre) collected fortnightly and a second optional bin for garden waste (240 litre) also collected fortnightly. Residents were able to opt out of having the second bin for garden waste if they had no requirement for garden waste to be collected.
- Residual waste in all other areas collected in black sacks, 3 sacks fortnightly. The size of black sacks limited to 60 litres, so that three equates to 180 litres. Garden waste collected in white sacks, on alternate weeks. White sacks for garden waste provided free of charge with a limit of 4 sacks throughout the year to match the capacity of a 240-litre wheeled bin.

5.3 Wheeled bins were introduced to the following wards in June 2017 after consultation with ward members:

- Mile End
- Greenstead
- Old Heath & The Hythe (excluding The Hythe and Rowhedge)
- Shrub End – particularly the Garrison areas.
- Stanway
- Berechurch

5.4 The changes resulted in 11,932 properties receiving wheeled bin collections in June 2017. Since that date a further 1,007 properties have been added to that number, so the current total is 12,939 properties. 12,241 wheeled bin properties currently opt for a garden waste collection. The additional properties added are mostly new build properties in Mile End.

5.5 57,556 properties in the Borough are still receiving refuse collections using black sacks and garden waste using reusable bags. Over the last 3 years of delivering the revised Waste Strategy, the following issues can be evidenced and summarised:

Issue	Impact
Staff sickness levels	Crews that work on black sacks/garden waste bags have higher level of sickness (11 days per FTE) as a result of Musculoskeletal Injury than those working on wheel bin rounds (8 days per FTE)
Missed bins	Analysis of the levels of missed bins from both forms of collection identify that it is higher on sack rounds than on wheeled bins (e.g. refuse wheeled bin produced 8.21% of reported missed bins but represent 18.35% of the population.)
Health and safety issues	Research has consistently proven that the level of musculoskeletal injuries associated with using wheeled bins are lower.

6. Impact of Covid-19

6.1 The Covid-19 pandemic has had a significant impact on the Council's ability to sustain waste and recycling collections as a result of a significant reduction in staff numbers and the requirement to mitigate the risk of infection spreading throughout the workforce.

6.2 Ahead of and during the lock down period there was a requirement for stringent social distancing measures and so a number of changes were made to the delivery of services, including the pausing and altering of some services.

- 6.3 Refuse and recycling collections have posed a challenge because over 100 staff start work from the Shrub End Depot at the same time of day and then need to sit in very close proximity in collection vehicles. Numerous additional measures have been put in place to protect and support staff members during this period; from the staggering of start times, adapting crewing out areas and providing additional protective equipment.
- 6.4 Despite these measures the service had to be adapted and some recycling collection frequencies reduced. Government guidance on workplace social distancing has required the avoidance of crowding and minimisation of opportunities for the virus to spread by maintaining a distance of at least 2 metres between individuals. This is not possible with a fully manned refuse collection vehicle which requires a driver and 2 or 3 loaders to deliver the normal service. During the peak of the outbreak, to run a full service would have exposed our staff to an unacceptable risk to their health which is why crews in vehicles were reduced and recycling collection frequencies reduced.
- 6.5 From week commencing 22 June 2020, all services, except for textile collection, have been operating and residents are able to place out their waste and recycling material as per their original calendars.
- 6.6 This period of significant and fast operational changes has enabled the team to review and assess services, along with testing alternative models of delivery. It is clear that any measures that can be taken to simplify the operational model for the service would improve service resilience and staff wellbeing.
- 6.7 As set out in the Budget Strategy report elsewhere on the Agenda, the Council's finances are coming under extreme pressure as a result of the Covid-19 pandemic. It is expected that there will be a significant use of one-off reserves of up to £8.350m in 20/21 and 21/22. Losses are also forecast in funding from Business Rates, Council Tax as well as from income earning facilities such as Sport and Leisure, Car Parking, Museums etc. The following table sets out the Medium-Term Financial Forecast reported to June 2020 Cabinet.

Revised MTFF (£m)	20/21	21/22	22/23	23/24	24/25
Service costs	23.877	31.202	24.089	24.299	24.589
Covid Impacts	10.112	-7.978	-1.417	-0.700	0.000
Business rates	-5.885	-4.913	-4.956	-5.000	-4.544
Council tax	-12.448	-11.146	-13.029	-13.748	-14.508
Other funding	-6.925	-2.945	-2.940	-2.944	-2.944
Use of reserves	-8.731	-1.033	1.625	1.250	1.250
Savings to find	0.000	3.187	3.372	3.157	3.843

7. New Proposal for Managing Garden Waste

- 7.1 Whilst the Covid-19 pandemic has had a significant impact on the services delivered by the Council, this has also been an opportunity to review, evaluate and gain better insight into service delivery, to focus on priorities and ascertain the true value of the services. The review in relation to garden waste aimed to achieve:
- Improve the health and wellbeing of residents
 - Reduce the environmental impact across the whole of Colchester

- Enable residents to be proud of Colchester and its Council

7.2 In order to achieve these aims, the proposal work towards the following objectives and principles:

- *Colchester is an attractive place to live and visit*
 - Improve customer access to services online
 - Job done right first time and without duplication
 - Optimise systems and technology effectively
 - Improve performance management
 - Develop opportunities to promote Colchester and its green spaces
 - Provide opportunities for communities to be involved in their local areas
- *The Council can adapt to housing growth*
 - Good reporting and monitoring of the services to inform decision making and investment
- *The Council has capacity and resilience*
 - Build financial sustainability
 - Develop income generation to ensure core costs are balanced
- *Staff are healthy, well and engaged*
 - Protect and support the health and welfare of staff
- *The Service is more energy efficient and contributes to reducing climate impact*
 - Enable residents have greater ownership of their waste
 - Enable residents have options in how they manage their waste

8. Garden Waste Collection

8.1 The collection of garden waste is a discretionary service that does not need to be provided by the Council. It is proposed that the Council provides an 'opt in' paid for subscription service for the collection of garden waste. This is seen as a sensible alternative to providing the free service, and one which is provided by most (reportedly 65%) UK local authorities. Crucially, this would create a significant and sustainable new revenue stream that will contribute towards future investment in our services, as well as contributing to the savings required to balance the Council's post-Covid budget. Without this proposal, the Council will need to find significant additional savings from other Council services and quite possibly curtail or cease the service offered in any case. Unlike other UK local authorities, it is proposed that the Council provides a value-added subscription service, as described further in the report.

8.2 With the implementation of the new service residents will have the following choices:

- **Opt in to the new garden waste collection service (Garden Club).** Residents joining at launch will pay £25 in Season 1 and renewal of their annual subscription in Season 2 (April 2021) for a full year will be £50 (equivalent £1 per week). Residents joining after launch will pay a fee depending on which time of year they join as set out in 8.7 below.
- **Join Garden Club with a neighbour.** Residents can join garden club with a neighbour(s) and share the costs. The bin/s will be collected from the kerbside of the registered property and the registered property will be able to enjoy the additional benefits being offered by the Garden Club, sharing these with their neighbour(s).

- **Compost at home with a subsidised composter.** The Council has joined with Love Essex and getcomposting.com to be able to offer Colchester residents access to specially priced environmental products, where a garden composter is a little as £9.50, or cheaper if purchasing two. The products are made from 100% percent recycled plastic, including plastics collected by Councils, as well as industrial waste such as old gas pipes, old wheeled bins and car bumpers.
- **Setting up a community composting scheme.** There are currently no known community composting schemes in Colchester, however it is proposed that a grant fund could be developed, and working with the Community Engagement team, develop the opportunity for groups to set up a community composting scheme. Additionally, the Love Essex Fund, offers microgrants of up to £500, to help organisations and individuals to support residents in reducing their household waste. The next round of funding will be in Autumn 2020.
- **Take waste to the Household Waste Recycling Centres**
- **Pay to dispose of the garden waste privately**

8.3 Given the range of alternative options available to residents and financial savings the Council is required to make, it is proposed that, in introducing the subscription service, the current free collection of garden waste will cease.

8.4 Unlike other Council-run chargeable garden waste collection services which charge solely for a collection service, Colchester residents could opt to join the 'Garden Club' (working title). The Garden Club membership will entitle the household to:

- Garden waste collected on a fortnightly basis
- Garden Club Member exclusive offers, such as:
 - Invitation to talks and demonstrations by specialists such as Park Rangers, Landscape Designers, Tree Officers.
 - Seeds and gardening starter packs
 - Exclusive invitations to planting or project openings/launches,
 - Garden Club Member only events
 - Membership of the new Garden Club Facebook group
 - Preview/pre-booking, before public release for:
 - e.g. 'Trees for Years' or other special events
 - Special offers in association with private sector organisations, such as local garden centres (and other offers/deals as can be negotiated).
 - Regular newsletters providing seasonal advice

8.5 In order for this service to be successful, it is essential that the processes and systems are clear and simple to provide a seamless service. The following sets out a summary of the main elements of the proposed Garden Club service.

8.6 **Launch** - To support the launch of the new service in October 2020, it is proposed that a special one-off price is offered to residents of **£25**. This will include both the set-up fee and membership until March 2021. Residents will be able to sign up to an expression of interest as part of the communication and marketing campaign that is being developed and then officially sign up from September 2020, through to the end of March 2021 (Season 1).

- 8.7 **New customers (after launch)** - Residents wishing to join at Season 2 for April 2021 will be required to pay a 'one off' half price set-up fee of **£12.50** (to purchase and deliver the bin to the property) and they will pay a membership fee relevant to the period in which they sign up as set out below. Residents wishing to join after this period, will then be required to pay a 'one off' set up fee of **£25**:

Sign up between:	Cost
Beginning April – end June	£50 membership fee
Beginning July – end September	£37.50 membership fee
Beginning October – end December	£25 membership fee
Beginning January – end March	£12.50 membership fee

- 8.8 **Existing Garden Club Members** - Garden Club members will be required to renew their membership annually (**£50**). Residents will be contacted throughout February and March to encourage them to renew ahead of the start of the new year in April.
- 8.9 Residents may opt to have more than one garden waste bin, at an additional **£50** per annum per bin (plus **£12.50** cost of supplying the extra bins, if all additional bins are ordered at the same time).
- 8.10 Benchmarking across other local authorities has been carried out and the results are provided in Appendix A. This demonstrates that the costs set out are comparable with those in nearby authorities.
- 8.11 It is proposed that the sign up and renewal process will be completed online, with support provided by the Customer Services Centre as required. All communications to the customer will be via the email address registered at sign up, including the membership offers and deals set out above.
- 8.12 A form of staged payment will be made available to those customers requiring it, from April 2021.
- 8.13 Residents in receipt of certain benefits will be entitled to a reduction in the sign-up fee from April 2021, making the sign-up fee **£7.25** initially and **£12.50** (half price) if signing up beyond April 2021.
- 8.14 **Use of wheeled bins** - The previous introduction of wheeled bins to certain areas of the Borough has provided valuable data to help develop proposals. Implementing wheeled bin collections for garden waste through this project will help improve staff wellbeing and performance. However, there are some areas of the Borough where it may not be practical or suitable for wheeled bins. These areas would need to be retained on a garden sack collection service (either compostable or reusable sacks, that will be supplied as part of the Garden Club membership). The criteria used to determine whether a property is suitable for a wheeled bin are:
- Properties situated on a steep slope may not be suitable
 - Properties accessed by several steps may not be suitable
 - Properties where storage of wheeled bins prevent access to the boundary or safe presentation for bin collections may not be suitable (for example terraced houses directly fronting the street)
- 8.15 **Garden waste collection** - Collection days in Season 1 (October 2020 to March 2021) will remain the same but will be reviewed. Any changes to collection days will be communicated to households that subscribe from the beginning of the new Season. Bins

will be emptied on a fortnightly basis; 25 collections across 50 weeks of the year excluding 2 weeks at Christmas/New Year.

- 8.16 Customers who already have a wheeled bin for garden waste, will be issued with a sticker to be placed on the bin to indicate that they are signed up. Customers who do not have a wheeled bin for garden waste will have one delivered. It may not be a new bin, but it will have been checked and cleaned prior to delivery. The Council may choose to collect existing wheeled garden waste bins from those properties that have not signed up to the service. These would then be cleaned and reissued to customers who have signed up.
- 8.17 Garden waste will only be taken if it is presented in the bin i.e. 'side waste' will not be taken.
- 8.18 The volume and tonnage of garden waste collection is varied depending on time of year and how much rain there is. There are generally increased loads from the start of the growing season in April through to late October after the leaves have fallen. The following table shows totals (kg) collected each calendar year.

Year	Kerbside green waste total (kg)
2018	9,609,540
2017	9,889,140
2016	9,175,640
2015	8,804,100

- 8.19 Following the changes to the service during the Covid-19 pandemic, and the re-introduction of the collection service, the crews have completed two collection cycles since. The weights are set out in the table below, but it should be noted that the first cycle is not representative of the usual amounts collected per cycle (i.e. 2 weeks).

Cycle	Totals (Kg)
1	1,276,040
2	578,120

- 8.20 Based on feedback from other authorities, it is projected that:
- 50% of all residents with a free Garden Waste collection today will want to subscribe – this would result in around 35,000 customers for Colchester (estimated over the next three seasons)
 - 25% of the current Garden Waste will be Composted either at home or via an ECC Recycling Centre
 - 25% of Garden Waste will likely end up in the Black Wheeled Bin

9. Financial implications

- 9.1 The proposals for the introduction of the Garden Club include a range of financial implications, including one-off and ongoing costs, and a requirement for capital investment.

9.2 Revenue Implications

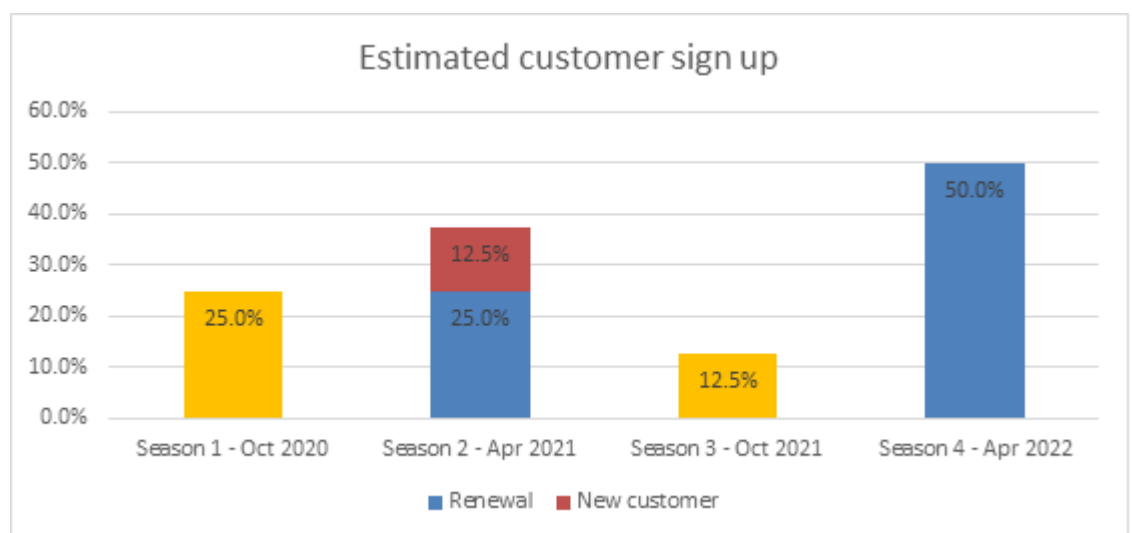
- 9.3 The ongoing revenue implications of the changes set out in this paper primarily revolve around income, supplies & services costs and financing costs.

- 9.4 To deliver sustainable changes, there are additional ongoing costs associated with resource to process financial reconciliation, staged payments, administration, delivery of compostable or reusable bags and contact support for the Garden Club. There is a saving in relation to the purchasing and distribution of re-useable garden sacks.
- 9.5 To deliver the changes there will be several one-off revenue costs incurred. These will include:
- Systems and support development (including online and digital systems)
 - Project support and management
 - Communications and marketing campaign
 - Dedicated Neighbourhood Wardens who will be required as additional temporary resources to accommodate the project requirements.
- 9.6 Any one-off costs of implementation incurred will be met from the Garden Club service income in the year. One-off costs are forecasted at £307,000 in 2020/21 and £118,000 in 2021/22.

9.7 **Garden Waste income**

- 9.8 Income has been estimated with take-up achieving a membership of 50% of all eligible residents by October 2021, renewing in April 2022, in a staged approach. The modelling has been based on the following assumptions and represented in the table below:

- **Season 1** (October 2020): 25% (17,600) of eligible residents will sign up to the new service at £25 (for 6 months)
- **Season 2** (April 2021): Existing members will renew at £50. An additional 12.5% (8,800) new residents signing up for the year (Half price £12.50 sign up and membership fee at £50) (for 12 months)
- **Season 3** (October 2021): An additional 12.5% (8,800) eligible residents will sign up to the new service at £25 sign up and membership fee at £25 (for 6 months).
- **Season 4** (April 2022): All Members (representing 50%) will renew at £50 membership fee



Yellow indicates those customers paying 6 months service

- 9.9 Following new customers signing up in Season 1, 2 and 3, it is expected that 50% of eligible residents will have signed up and will be renewing regularly. As a result, income is forecast to be higher comparably in 2020/21 and 2021/22 than in 2022/23, as there will be

no new customers paying the set-up fee from 2022/23. From 2022/23, the forecast assumes income will be stable at circa £1.6m.

- 9.10 In anticipation that a concession option will be developed, an allowance for this has been made.
- 9.11 The Council currently receives £287,000 of green credit claim income. Forecasting has allowed for a reduction of 50%, however it is not expected that the reduction will be this significant on the basis of the feedback and experience of other local authorities.
- 9.12 The following table sets out the estimated revenue implications of the proposals contained within this report.

Table of Revenue Implications			
	2020/21	2021/22	2022/23
Revenue implications	£000s	£000s	£000s
Recurring Expenditure			
Financial reconciliation and stage payment processing	18	46	48
Delivery services	1	1	1
Customer Contact Centre and administration processing	88	153	156
Print and communications	42	76	88
Saving of purchase of hessian sacks	(13)	(27)	(27)
Purchasing of compostable sacks	27	54	54
Financing costs (Minimum Revenue Provision and Interest)	29	154	154
Total expenditure	192	457	474
Income			
Garden Club Membership income (net of concessions)	(991)	(1,845)	(1,625)
Recycling credit income (reduced from non-take up)	72	144	144
Total income	(919)	(1,701)	(1,481)
One-off costs			
Systems development and support	103	14	-
Project Management	72	31	-
Operations & Comms	132	73	-
Total one-off costs	307	118	-
Overall Net Revenue Impact	(420)	(1,126)	(1,007)

9.13 Capital Implications

- 9.14 The capital expenditure requirements of the proposals will include the costs of the purchase of bins and an additional vehicle. It is estimated that this will require capital expenditure of circa £1,149,000 as set out in the table below. The modelling in this report

assumes a 50% take up of eligible residents to the Garden Club (and thus requiring wheeled bins for garden waste), the proposal sets out 60% take up within the capital programme to ensure sufficient resources are approved by Cabinet, should they be required.

Capital Requirements			
Item		Unit Cost (£)	Total (£)
Purchase of bins	Allowing for 60% take up of residents (42,300) requiring a garden waste bin	21.50	0.909m
Adaption of existing fleet	8 vehicles	0.030m	0.240m
Total Capital Provision			1.149m

10. Timetable for service changes

Date	Action
29 June	Scrutiny Panel papers published, proactive comms
30 June	Cabinet papers published
7 July 2020	Scrutiny Panel special meeting (tbc)
8 July 2020	Cabinet decision – press release announcing consultation
July/August 2020	Online ‘expression of interest’ launch for residents
August 2020	Communication and marketing campaign launched
September 2020	Garden Club sign up launched – Season 1
October 2020	Commencement of Garden Club service – Season 1
April 2021	Commencement of Garden Club Service – Season 2

11. Equality, Diversity and Human Rights implications

- 11.1 A detailed [Equality Impact Assessment](#) has been completed to establish the implications of introducing the services as outlined. The outcome of the assessment demonstrates that there will be limited impact for residents, apart from certain households on a low income.
- 11.2 This impact will be mitigated by introducing a concessionary fee for set up costs and a phased payment method for new customers joining mid-year. In addition, there are multiple alternative options for residents opting not to subscribe to the service.
- 11.3 The Council will continue to support residents who may have difficulty accessing our services, by way of assisted collection schemes and/or direct support from officers, where necessary.
- 11.4 Not all residents benefit from the current garden waste collection service. Fundamentally, the proposal to charge a subscription fee ensures that income is generated from users of the service, rather than the cost being met from the general Council Taxpayer. As a minimum, charges will be reviewed annually as part of the budget and service planning

process. Residents may continue to dispose of garden waste free of charge at the Household Waste Recycling Centre (HWRC) operated by Essex County Council.

12. Strategic Plan References

12.1 The proposals specifically support the Strategic Plan 2018-21

Responsibility

- The Garden Club promotes responsible citizenship by encouraging residents to get involved in their communities and to identify solutions to local issues through either sharing the service or exploring community composting.
- The proposal in this paper is fundamentally designed to encourage re-use and recycling to reduce waste to landfill

Opportunity

- The Garden Club is an example of an initiative to help residents live healthier lives, and the introduction of wheeled bins for garden waste will support our staff to do so, many of whom are residents

13. Consultation

- 13.1 The Council's Covid-19 Recovery Programme has intensified the need to immediately identify new sources of income to meet the significant budget pressure as set out in the budget strategy agreed at Cabinet in June and set out elsewhere in this report. The current waste and recycling operating model also creates risks to the Council in relation to staff wellbeing and the lack of service resilience to external factors as set out in this report.
- 13.2 This paper will be subjected to pre-scrutiny at the Council's Scrutiny Panel meeting on 7 July 2020 and the Panel's recommendations will be made available to Cabinet in considering this report.
- 13.3 An online 'expression of interest' programme will be launched throughout July and August enabling residents to register to receive more information about the service and to express an interest for signing up. This will provide an opportunity for officers to gain customer insight to further inform the service design and delivery, and gauge potential uptake.

14. Publicity Considerations

- 14.1 The waste and recycling service serves every household every week and changes will need to be clearly communicated. Given the level of change we need to use many different communication mechanisms to make sure every household hears about and understands the changes. A full communications plan, as outlined below, will be developed and put in place.
- 14.2 The main roll-out of the Garden Club communications strategy will start in September 2020. This will be for the promotion of the Garden Club and the main objective is to encourage residents to subscribe to the service via the website, although there will be substantial messaging around encouraging those that do not want to sign-up, to compost at home.
- 14.3 In September, a Garden Club leaflet will be distributed to all households in the borough that currently receive a garden waste kerbside collection (around 70,500 properties). This will be supported with messaging on a variety of channels including the creation of a

promotional video, digital advertising on Facebook, a vinyl banner on the fencing at the Shrub End Recycling Centre, e-newsletter articles, social media posts, press releases and internal communications.

- 14.4 On a resident's penultimate free collection day in September, a large 'luggage' tag will be attached to their garden waste sack or wheelie bin. This tag will let the resident know that it almost their last free collection and contain a strong call to action to take up a Garden Club Subscription.
- 14.5 On sign up to the Garden Club, members will receive a digital 'Welcome to the Garden Club' leaflet.
- 14.6 The vehicle livery on vehicles will be updated for ongoing promotion of the service.
- 14.7 For consistency of message, all artworks would have a matching look and feel and encourage online sign-up.
- 14.8 Previous changes in the waste service give a set of lessons learned about which methods of communication are most effective and these will be reflected in the communications plan.
- 14.9 Although there is likely to be initial public concern about the introduction of a paid for subscription service, experience from other Councils demonstrates that public concern dissipates soon after introduction. Concern can also be mitigated by clearly communicating the improvements overall to customer journeys. Residents who opt to subscribe to the discretionary element of the service will have access to additional benefits promoted to Garden Club members including, access to events, tutorials, retail vouchers/offers etc.
- 14.10 Colchester will be the only local authority in Essex offering additional benefits to residents as part of a 'paid for' collection.

15. Health, Wellbeing and Community Safety Implications

- 15.1 Residents homes and their local environment are a key determinant of health. A high performing waste and recycling service contributes to and positively influences perceptions of place and the local environment.
- 15.2 Improving health and wellbeing in communities is a key priority for the Council. Garden Club will act as an enabler and encourage residents to explore nature and green open spaces. This links to existing campaigns delivered by the Council with and alongside community partners including the Woodland Project, #ParksAtHome and Grow you Own at Home.

16. Health and Safety Implications

- 16.1 A full review of Health and Safety requirements as a result of any changes to the waste service will be undertaken to ensure compliance with all relevant legislation. This will include specific training for waste staff in new equipment required specifically bin lifting equipment.
- 16.2 Research has consistently proven that the level of musculoskeletal injuries associated with using wheeled bins are lower and levels of sickness amongst staff on existing wheeled bin collection routes are on average 3 days lower per FTE.

17. Risk Management Implication

- 17.1 Take up of the Garden Club subscription service is difficult to project accurately and is a risk factor but experience from other local authorities who have implemented similar changes suggests that the scheme will be popular. As such there is a confidence in the projections (50% participation rate) set out in this paper and that these are realistic and achievable.

Risks	Mitigation
Reputational Damage from residents and ward councillor complaints	Garden waste charging is normal for 65% of councils and not charging would mean £1m more would need to be found from other services, if possible, with potentially more difficult consequences. Member briefings will help everyone understand and communicate the reasons for the decision.
Environment Bill is enacted and requires garden waste collections	The Bill passed its second reading in early March has been delayed but may not prohibit charging. If so, and if enacted, this new burden would need to be funded. Unlikely to take effect within MTFF period.
Residents do not receive information about the changes.	Dedicated communications campaign with commercially savvy marketing
Low income households are disadvantaged	Scheme is optional of course but a concession on the sign-up fee will be made possible. In addition, a form of staged payment will be made available for those unable to make a one-off annual payment.
Increased vehicle movements and fuel consumption	With approximately 50% of households estimated to join the Garden Club, overall vehicle mileage is likely to be similar. Light EV Fleet procurement underway and heavy fleet Replacement (mid 2020s) will be zero tailpipe emissions.
Staff do not get behind the change	An important driver for these proposals is employee wellbeing and our staff engagement suggests this will be popular.
Reintroduction of stringent social distancing measures	It will be essential that the Garden Club service is delivered as best it can, as it will be a paid service. As it is estimated that the number of customers who sign up to the service will be phased, the risk of not delivering the service will be low, as capacity will be available within the current levels. Officers will continue to implement learning from the previous pandemic response, control measures to protect staff maintained as per waste industry guidance.
Supply requirements affected by future spike in infection rates and any subsequent lockdown measures at key points in	Officers will implement learning from the previous pandemic response, control measures to protect staff maintained as per waste industry guidance.

the timeline (October 2020 and Spring 2021).	<p>Early, clear and robust communications to the public about the effect on the delivery at key points will be undertaken</p> <p>There will be robust project management through the Waste & Recycling Project Board and subsidiary specialist and operational working groups.</p>
Income is not sufficient to cover service costs	<p>Expenditure has been modelled on an uptake of 35k households generating £1.75m gross income.</p> <p>Quarterly and monthly data of uptake and income will be closely and carefully monitored.</p> <p>Budget management will separate the service from the rest of the Service budget, in order that the expenditure and income can be monitored carefully.</p>
<p>Reduction in recycling rate</p> <p>Increased amount of garden waste disposed of at Household Waste & Recycling Centres</p> <p>Increased amount of garden waste fly-tipped across the Borough</p> <p>Increased amount of residual waste and associated disposal costs</p>	<p>Recycling rates will be monitored closely and alternative methods to improve CBCs recycling may need to be implemented</p> <p>Service enhancements will be supported by comprehensive communications campaign to engage with residents and the local media, communicating the service and charges to encourage residents to register.</p>
Customer Services/Web not able to accommodate the demand for application and payments.	Customer Services and Digital Services teams have been involved from early planning, processes requirements have been specified and agreed.

18. Environmental and Sustainability Implications

- 18.1 The Council's environment and sustainability ambitions set out clear steps to reduce carbon emissions and reduce waste in the Borough (e.g. through reduced fleet emissions associated with discretionary waste collection and by increasing composting at source).
- 18.2 It is anticipated that these service changes and the enhanced promotion of home composting through Garden Club tutorials and events will see the amount of green waste collected reduce. This is line with evidence from several Boroughs where chargeable garden waste schemes have already been introduced. This generally shows that whilst some garden waste tonnage might be 'lost', significant negative impact on the recycling rate is unlikely.
- 18.3 The existing free garden waste collection draws in material that could be composted at home, meaning that the total amount of waste collected is inflated. Whilst free garden

waste services are an 'easy' way to increase recycling rates, there is no environmental benefit, as the extra material needs to be moved and processed, creating additional environmental impacts. In line with the waste hierarchy it is better to avoid the need for this waste to be collected and treated in the first place.

Appendix A

LA	2020/21	
	Garden Waste Charge	Method of collection
Basildon	£0	Weekly - 240L standard or 180L available With food waste
Babergh/Mid Suffolk	£5 set up cost £52.50 per year	Wheeled bins only
Braintree	£0	240L fortnightly wheeled bin
Brentwood	£52.50 per year for hire of garden bin £3.26 for a roll of 10 garden sacks	1.240 litre bins & biodegradable sacks (rolls of ten)
Castle Point	£6.20 for 20 sacks or £33 for a 240 l bin	Weekly collection with no winter break - bin or sacks
Chelmsford	£0	Fortnightly collection - 240L standard
Harlow	£42.00 p/a + £30 set up fee for new customers only. Ad-hoc now only accepting compostable sacks purchased @ £19.00 for roll of 20.	Fortnightly bin or sacks
Ipswich	£0	Fortnightly
Maldon	£25 set up cost £46.00 online or direct debit.	March – November, fortnightly Dec – Feb suspend for 2 weeks following Christmas 240 L Wheeled Bin only not all properties eligible
Southend	£0	240L or sacks
Tendring	£75 for the first year (includes £25 set up fee) £50 per year thereafter	Fortnightly with 2-week Christmas break Wheeled bin only
Thurrock	£0; but charge for wheelie bin replacements: <ul style="list-style-type: none"> • £36 for a new wheeled bin • £18.50 for a new wheeled bin if you are aged 60 or over • £18.50 for a new wheeled bin if you receive certain 	Weekly

	benefits – proof of entitlement will be needed	
Uttlesford	£46 for online and cash/cheque payments, £40 for Direct Debits and a 25% reduction if in receipt of LCTS. New customers also required to pay £22.50 for a garden waste bin	Bin (bi-weekly with a break of 4/5 weeks over the Christmas period)) Wheeled bins only
West Suffolk	£42 per year	26 collections year Wheeled bins only

Item 8(i) New Strategic Priority - Draft recommendation from the Scrutiny Panel meeting of 7 July 2020

RECOMMENDED to CABINET that: -

- (a) A pause be taken on the proposal to introduce changes to the garden waste collection service;
- (b) Further exploration be made of the five-point response to Budget Recovery agreed at the June Scrutiny Panel meeting, including the forensic understanding of statutory and non-statutory service provision by the Council;
- (c) A cross-party Task & Finish Group be set up to review waste service costs and implications and to include representatives of all party groups;
- (d) Cabinet continues to lobby central government for a long-term financial settlement for the benefit of this council's finances and its residents.
- (e) Ward councillors be consulted on any proposed changes to the use of wheelie bins and specifically as to the identification of geographical areas where wheelie bin usage would or would not be appropriate.

Report of	Assistant Director of Communities	Author	Joanne Besant ☎ 6943
Title	Stanway Western Approach Community Facility		
Wards affected	Stanway		

1. Executive Summary

- 1.1 Section 106 (s106) contributions for a new community facility have been requested from a number of housing developments in the vicinity of Western Approach, Stanway. A site within the country park off Western Approach Stanway, has been designated for the development and provision of a community space. Details of the financial contributions totalling approximately £1.8m and specific developments are within **Appendix 1**. To date, contributions of £1.2m have been received. Further contributions are expected. These contributions under the S106 agreements are solely dedicated to the development of a Community Facility for Stanway and need to be included in the Council's Capital Scheme 2020/21.

2. Recommended Decision

- 2.1 It is recommended that the Assistant Director of Community is assigned delegated authority on this project to authorise spend, and make decisions related to procurement and the award of contract in consultation with the Portfolio Holder for Communities, Wellbeing and Public Safety subject to confirmation that all the s106 funding are received, and the successful tender remains within budget.
- 2.2 The estimated cost of the facility totalling £1.8m is recommended to Full Council for inclusion in the Council's capital programme.
- 2.3 That approval is given to release the s106 funding detailed in Appendix 1 for this project once all sums are received.

3. Reason for Recommended Decision

- 3.1 To shorten the decision-making process relating to s106 spend on delivering a new community facility at Western Approach, Stanway.
- 3.2 To ensure the capital costs are included in the Council's capital programme.

4. Alternative Options

- 4.1 If delegated authority is not assigned, the project could fall behind timescales resulting in the loss of s106 funds.

5. Background Information

- 5.1 The growing number of housing developments around Stanway continue to put pressure on the existing community facilities and evidence from public consultations identified a shortfall in community facilities and a local provision of community activities. Additional space is required resulting in applications for section 106 contributions for community facilities. A s106 agreement is in place dedicated to the development of a community facility for Stanway and land has been identified as part of the Country Park off the Western approach Bypass.
- 5.2 Public consultations have taken place to establish the need and design requirements for a new community facility. Results indicate the need for a community facility that would offer space for a number of community activities, including sports and wellbeing. A further consultation took place in February 2020, where initial concept designs were shared with members of the public, Councillors and potential tenants. This gave the project team (CBC and Colchester Amphora) an opportunity to ensure the new facility meets the current and emerging local need in Stanway and provides a sustainable community asset for the area.

6. Equality, Diversity and Human Rights implications

- 6.1 Not required for this recommended decision.

7. Strategic Plan References

- 7.1 The delivery of the new Community facility supports each theme of the Strategic plan – growth, responsibility, opportunity and, wellbeing. The facility will provide residents and community group with an opportunity to improve their health & wellbeing by offering sport and wellbeing activities, alongside use of the green open space surrounding the site. There is an opportunity for growth, attracting visitors and space for partners to deliver services to residents.

8. Consultation

- 8.1 A total of four public consultations have taken place to ensure residents, Councillors, community groups, potential tenants are engaged in the process of developing a new community facility for Stanway. Two public consultations took place in the summer of 2019 and residents also had the opportunity to feed into the project via an online survey. In February 2020, an information session was delivered to the Portfolio Holder for Communities, Wellbeing & Public Safety, Ward Councillors and Architects, followed by two information events for residents. CBC's Research & Engagement Team attended all consultation events to gather information and feedback from residents. Responses from these consultations were analysed and are presented in report format **Appendix 2**. These findings have been used to inform the design and purpose of the new community facility.

9. Publicity Considerations

- 9.1 CBC communications team are supporting the project team to publicise the development of the new community facility.
- 9.2 Tenders were advertised accordingly, and the correct process was followed to appoint Barefoot & Giles as architects for the project.

- 9.3 Ward Councillors and Stanway Parish Council have been updated throughout the process and their input has been considered.

10. Financial implications

- 10.1 Although this project is entirely funded by s106 contributions, there may be a financial implication for the Council should the project not complete on time, resulting in the loss of s106 contributions.
- 10.2 A contingency fund of 10% - 20% of the total construction costs is built into the overall budget, making allowances for any additional features and work needed on the build.
- 10.3 The project management fees of 5% charged by Colchester Amphora are paid from the £1.8m budget.
- 10.4 A second paper will be shared with Cabinet looking at the option of a freehold arrangement with the Parish Council, which will alleviate any future revenue and maintenance costs to the Council.

11. Health, Wellbeing and Community Safety Implications

- 11.1 The site sits alongside the Country Park providing residents and visitors with an array of positive health and wellbeing opportunities. There are no health and wellbeing implications identified.
- 11.2 The community asset will be of great value to the Stanway community, enabling them to have access to additional support, services, activities and groups, which may not be included in the current offering in the area. Examples of this could be virtual health services, benefit and debt advice services, uniformed groups, sports and recreation such as badminton or table tennis. The community would gain an asset which is modern, fit for purpose and extremely inviting. It would empower communities to take ownership of a local asset, create a sense of belonging for some of our most isolated residents and strengthen community pride in the area. This flagship facility would provide enhanced health and wellbeing opportunities, for all residents and visitors.
- 11.2 The current crossing on the Western Approach Bypass is a community safety concern. The current crossing is fit for its current purpose but will not be suitable once the community facility is built and open to public. Residents raised a concern at the public consultation highlighting that the crossing is not suitable and will act as a deterrent for people wishing to walk or cycle to the site. Further discussions are underway with Essex Highways.

12. Health and Safety Implications

- 12.1 No Health & Safety implications for this decision

13. Risk Management Implications

- 13.1 s106 contributions need to be committed and spent within the time limits specified by each individual. The agreement for the first of these contributions will expire in 2023, therefore this money needs to be committed by this time or we could be subject to clawback by the developer. There are financial risks if only a portion of the s106

contributions are received in full. In these circumstances the project will need to be reviewed.

14. Environmental and Sustainability Implications

14.1 No environmental and sustainability implications identified for this decision

Appendices

Appendix 1 – s106 financial contributions

Appendix 2 – Public Exhibition Feedback

Application No	Site Address	Amount Received	Amount Released	Communities remaining
111153	54 New Farm Road, Stanway Colchester CO3 0PG	£ 3,975.13	£ -	£ 3,997.12
111547	11 Millers Lane, Stanway Colchester CO3 0PS	£ 517.89	£ -	£ 517.89
120387	Pilgrims, Heath Road, Stanway Colchester CO3 0QZ	£ 725.26	£ -	£ 727.72
151479	Lakelands Development, Parcel NE2, Church Lane, Stanway	£ 63,519.90	£ -	£ 63,519.90
152826	Land to the east of Warren Lane & West of Dyers Road, Warren Lane, Stanway	£ 141,873.83	£ -	£ 141,873.83
172272	Land to rear of "Field House", Dyers Road, Stanway, Colchester	£ 60,546.21	£ -	£ 60,546.21
COL/94/0304/O/COL/02/0980	Church Lane, Stanway	£ 339,027.00	£ 122,000.00	£ 334,611.50

145494	Wyvern Farm, London Road, Stanway, Colchester	£ 810,208.57	£ -	£ 800,000.00
		£ 486,013.90	£ -	£ 486,013.90

£ 1,891,808.07

Current financial status - £1,891,808.07 allocated for Stanway Community Centre - £328,244.00 is still to be received.

181859	Land North of Wyvern Farm	£ 165,000.00	£ 165,000.00
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172049	Land West of Chitts Hill	£ 163,244.00	£ 163,244.00
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Stanway Community Facility

Public Exhibition Feedback



Prepared by:
Daniel Barton
Research and Change Officer
Colchester Borough Council

Introduction

Members of the public were invited to share their feedback on the building designs for the new Stanway Community Facility. An online questionnaire was available from 31 January to 21 February, in addition to two face-to-face exhibition events which were held at Stanway Village Hall on Saturday 7 and Wednesday 12 February 2020.

The exhibition events were attended by approximately 45 individuals, and the online questionnaire received 31 responses.

The data collected has been analysed and presented below:

Q1a. What activities would you be interested in joining at the new community facility?

Respondents to the online questionnaire and those who attended the face-to-face exhibition events were given a list of activities and asked which of these they think they would attend at the new community facility.

The activities listed were those recommended by Sports England, who's standards the building has been designed to.

(Online questionnaire results)



(Exhibition event results)

Yoga	6	Short mat bowls	2	Gymnastics	1
Parties and social events	4	Table tennis	2	Conferences / meetings	1
Badminton	3	Aerobics / keep fit	2	5-a-side (softball)	1
Dances groups and activities	3	Craft groups	2	Other	5
Martial arts	2	Concerts / shows / discos	2		

Overall 'aerobics / keep fit' and 'parties and social events' were the most popular activities with 15 people selecting these respectively. The next most popular activity was 'concerts / shows / discos' chosen by 13 people.

Q1b. Other answers

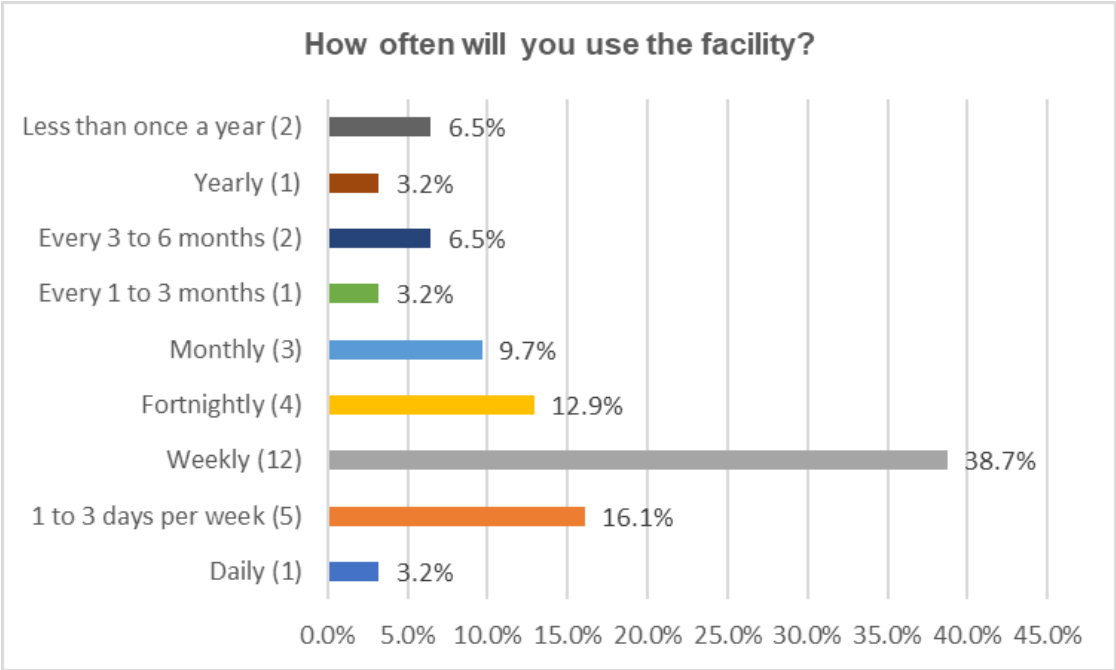
In addition to the above results, respondents who completed the online questionnaire were also asked if they had any other suggested activities. The following comments were made:

- *“Cycling”*
- *“Meeting rooms provided by a local community group such as Stanway U3A”*
- *“Uniformed groups”*
- *“Children’s activities”*
- *“Family picnics and play areas”*

Q2. How often do you think you will use the new community facility?

Respondents who completed the online questionnaire were asked how often they would use the new facility. 38.7% of respondents (12 people) stated that they would use the building ‘weekly’. A further 16.1% (5 people) said they would use the site ‘1 to 3 days per week’ and 12.9% (4 people) said they would use it ‘fortnightly’.

Only 3.2% (1 person) and 6.5% (2 people) said they would use the site ‘yearly’ or ‘less than once a year’ respectively.

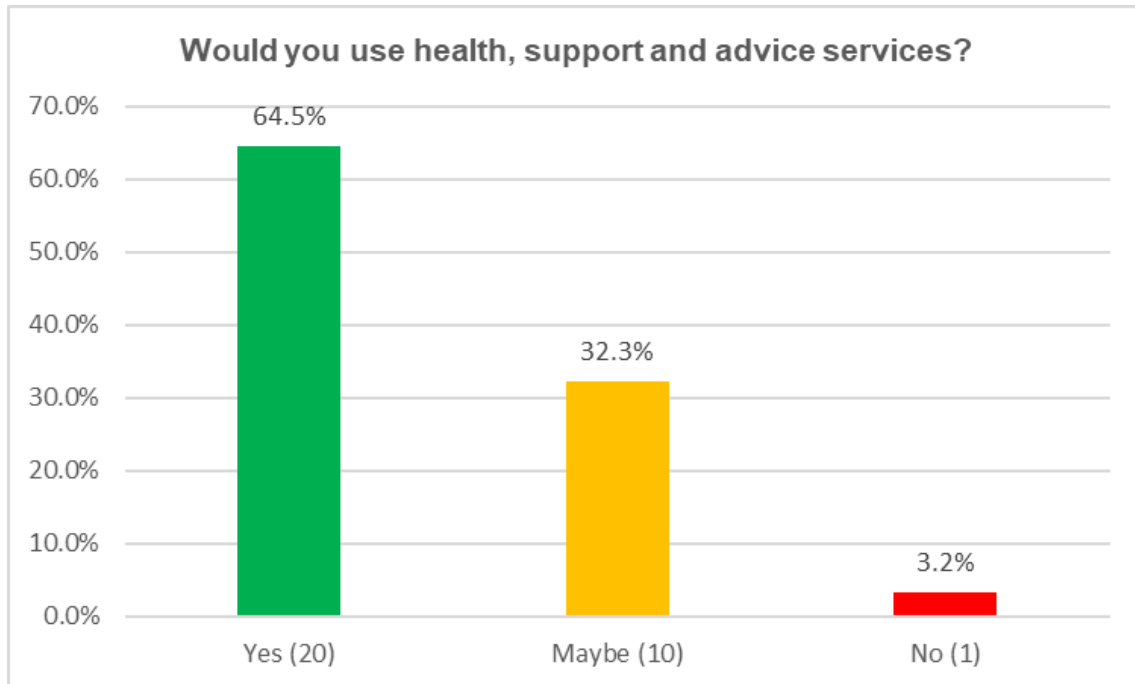


In addition, attendees of the face-to-face exhibition events were also asked how often they would use the new facility. This was conducted via the use of voting jars and counters. The results were as follows:

Often – 8 People
Sometimes – 10 People
Not at all – 0 People

Q3. Would you use health, support and advice services if these were available at the new Stanway community facility?

Respondents of the online questionnaire were asked if they would use 'health, support and advice services' if these were made available at the new facility. 64.5% (20 people) said 'yes' they would, 32.3 (10 people) said 'maybe' and the remaining 3.2% (1 person) said 'no'.



Q4. Do you have any comments about our plans for the site or how you and your family may use this?

The below comments were left by those people who completed the online questionnaire form. There were a variety of topics and suggestions left, however the number of 'car parking spaces' and 'a road crossing' were reoccurring themes.

At the face-to-face exhibition events, several attendees also raised concerns with what they consider to be a 'lack of car parking spaces', however they were advised that parking provisions have been based on the Essex Highways Parking Standards.

- *"There need to be safe crossing points on the Western Bypass for accessing the facility on foot as well as adequate parking onsite"*
- *"A board game group"*
- *"My wife and I are both in our late 60's and would welcome the opportunity to use modern purpose built facilities that are nearby. We currently have to use our car to go to any activity"*
- *"Needs to be easily accessible by foot easily and directly. Ideally needs a green man crossing installed, but as a minimum a zebra crossing. Also need to deal with the speeding in the area (a known problem with police regularly positioning themselves there), using permanently installed speed cameras"*
- *"I would like to see more outside play areas for teenagers"*
- *"A similar facility to Great Notley would be ideal at this site"*
- *"Looking forward to the country park and some of the games, and a slowdown of the Stanway bypass, to let people cross the road safely"*
- *"The lack of car parking spaces will be a capital issue; try to incorporate a circulatory layout it helps with the peak drop off / collection times"*
- *"Include a bouldering wall"*
- *"Having been part of the discussion groups, I endorse all that has been put forward with the layout requiring major changes. The storage pods on the external wall, how vermin free noting the proximity of the wild ground of the country park"*
- *"Facilities around dog agility"*
- *"Community café"*
- *"Hope there will be bike racks"*
- *"There is definitely not enough parking being provided"*

- *“Not enough provision for smaller groups”*
- *“Younger people need outside provision for skateboarding and bikes (learning to ride safely)”*
- *“Outdoor exercise equipment for older people possibly with a canopy”*
- *“Picnic areas with tables and benches”*
- *“I run a local dance company and would be interested in renting the space or be involved in managing the facility”*

About you?

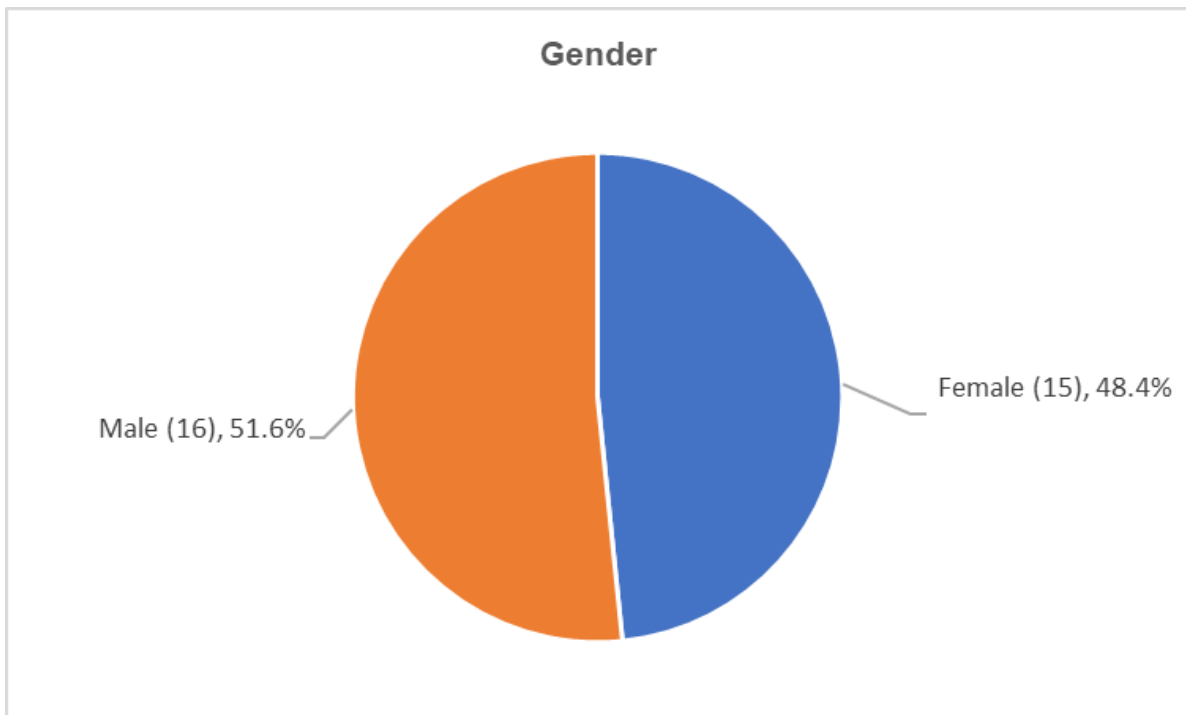
Respondents to the online questionnaire were asked some demographical questions to help understand who had completed the form, these were as follows:

A. Where do you live?

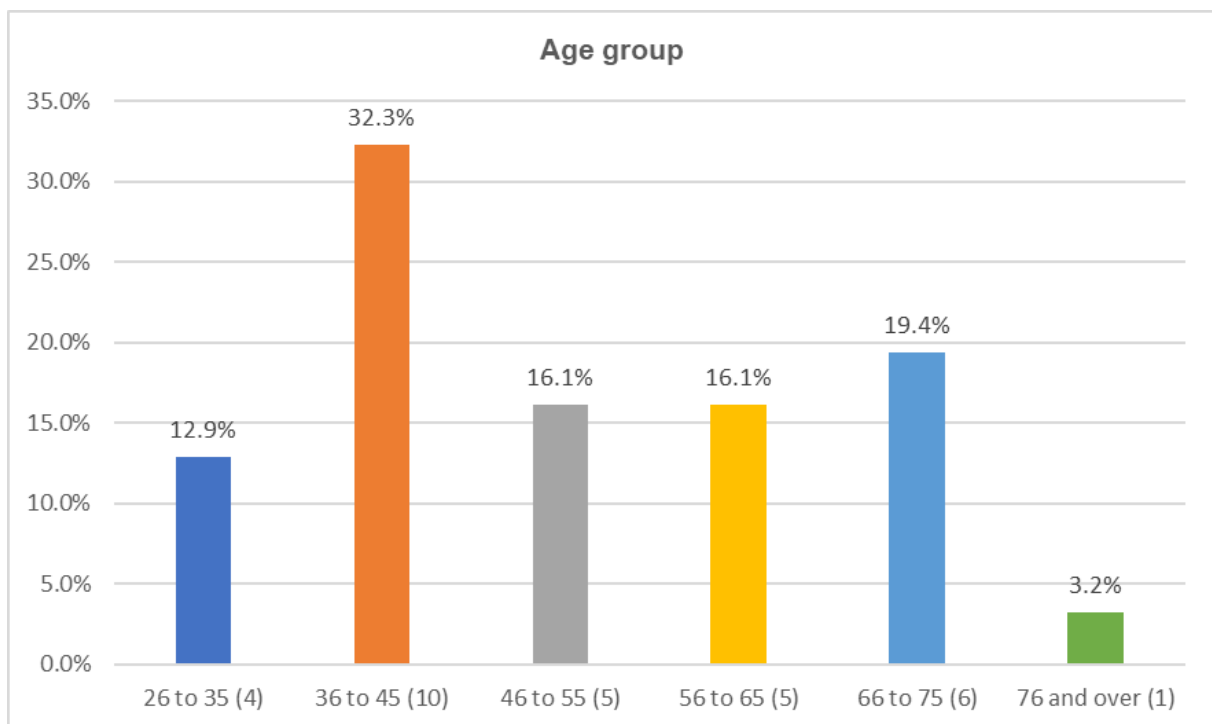
The below maps show the location of the postcodes that were left:



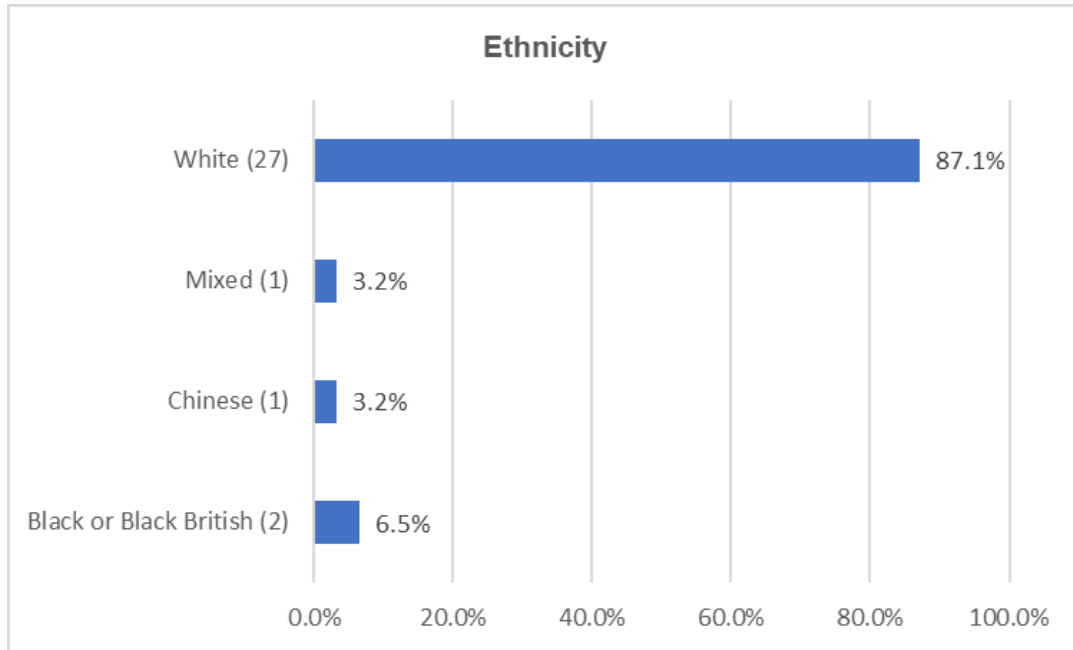
B. What is your gender?



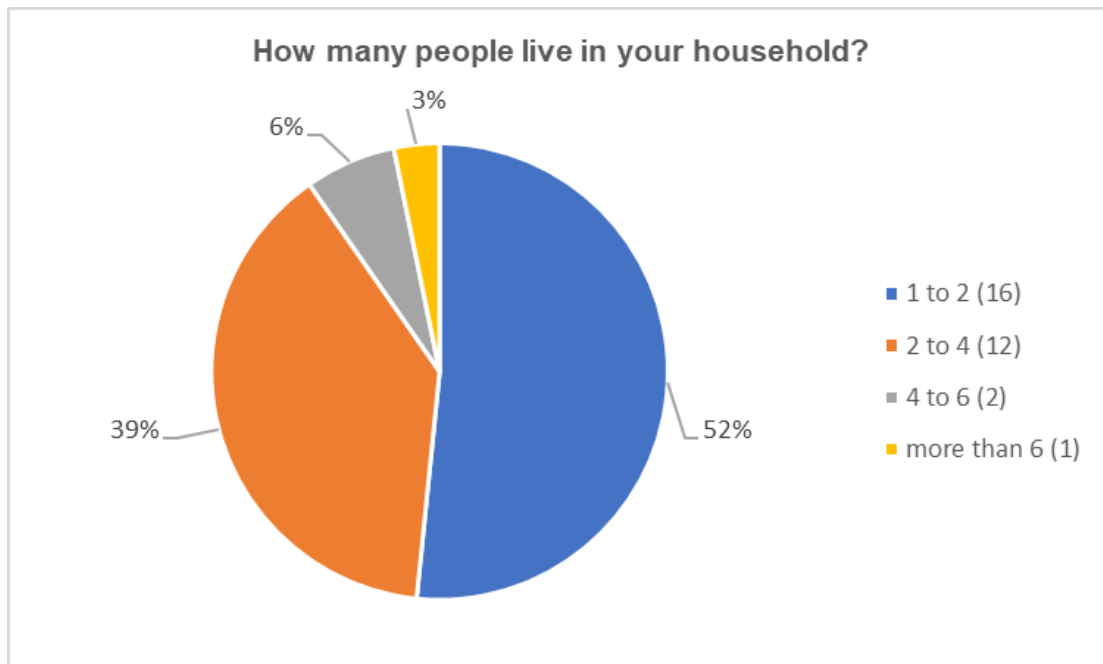
C. What is your age group?



D. What is your ethnicity?



E. How many people live in your household?



8 July 2020

Report of	Assistant Director for Environment	Author	Jason Butcher ☎ 282901
Title	Request for Delegated Authority for the Award of Contract for Parking Bay Sensors		
Wards affected	All wards		

1. Executive Summary

- 1.1 The North Essex Parking Partnership has been exploring technologies which will help provide more efficient ways of carrying out its parking enforcement duties, whilst seeking to provide a service to motorists using the public highway. Parking bay sensors is a technology that has been predominantly used in car parks, however the benefits can be extended for use in an on-street environment.
- 1.2 Benefits include improved enforcement accuracy; the ability to gather data that is otherwise difficult to collect and being able to display parking bay availability to motorists online or through a smartphone app.
- 1.3 A contract proposal from Essex Highways and Ringway Jacobs is being finalised however it is clear that the full-life contract value will exceed £500,000.
- 1.4 The report seeks delegation of powers to the Portfolio Holder for Communities, Wellbeing and Public Safety to approve the award of this contract to avoid further delay in the implementation of this scheme.

2. Recommended Decision

- 2.1 To delegate authority to the Portfolio Holder for Communities, Wellbeing and Public Safety for the award of the contract set out in this report, for the supply, installation and maintenance of parking bay sensors at various locations in Colchester and Clacton.

3. Reason for Recommended Decision

- 3.1 Initial funding for this project, which is coming from the North Essex Parking Partnership surplus funds, was approved by the Joint Parking Committee in January 2020.
- 3.2 We are unable to bring the decision to this meeting of Cabinet as there are more details to be finalised with Essex Highways. Traffic management will be a requirement and it is expected that being able to award this contract and to proceed with the project as quickly as possible will be beneficial in the current climate.

4. Alternative Options

- 4.1 Not to delegate the powers requested as this would delay the decision and impact the ability to commence the scheme. The time/benefit balance would therefore suggest that delegation to the Portfolio Holder would be more effective and efficient use of Council resources, without introducing risks.

5. Background Information

- 5.1 Colchester Borough Council is the lead authority for the North Essex Parking Partnership. As such it has the responsibility for all contractual arrangements that facilitate on-street parking-related traffic management as delegated to it by Essex County Council. This Partnership, for the benefit of this request, includes Tendring District Council.
- 5.2 A Joint Parking Committee governs the Partnership and meets quarterly, making required decisions affecting the strategies and policies as required.
- 5.3 The Partnership has built up a surplus fund since it was formed in 2011 and the Joint Parking Committee has approved several projects in order to make use of this surplus. This includes the bay sensor pilot scheme to cover various locations in Colchester and Clacton-on-Sea.
- 5.4 Essex Highways, facilitated by their contract with Ringway Jacobs, are due to submit a proposal to CBC for the delivery of this project. This would include project management, traffic management, supply and maintenance of bay sensors.

6. Equality, Diversity and Human Rights implications

- 6.1 Implications for Equality, Diversity and Human Rights will be considered in all contract awards.
- 6.2 The bay sensor system will be installed in Blue Badge Holder bays and this will enable customers to locate and check the possible availability of parking bays before they leave. This will help reduce the time needed in finding parking spaces and would seek to reduce possible congestion and improve air quality through reducing unnecessary journeys.

7. Strategic Plan References

- 7.1 This decision is part of delivering against responsibility and wellbeing priorities in the Council's Strategic Plan 2018-21:
 - Growth - Help make sure Colchester is a welcoming place for all residents and visitors

8. Consultation

- 8.1 No consultation is planned.

9. Publicity Considerations

- 9.1 Communication with affected residents and businesses prior to works taking place will be necessary.
- 9.2 Parking bay suspensions will be necessary and will be advertised according to the required procedures, 10 days prior to works taking place.

10. Financial implications

- 10.1 The budget to support this project was agreed by the Joint Parking Committee in January 2020. Additional revenue budget will be used to further support the project in years 2 to 5 and the resource savings this will facilitate will ensure this is financially viable for the Partnership.

11. Health, Wellbeing and Community Safety Implications

- 11.1 It is broadly expected that communities where these works will take place will be positively affected by the completion of the works. Businesses may be aided through the increased turnover of customers as parking will be better managed.
- 11.2 Blue badge holders should be able to find parking more easily and the increased turnover in spaces through better enforcement should assist in this.

12. Health and Safety Implications

- 12.1 Ringway Jacobs and Essex Highways demonstrate a strong track record of adhering to health and safety legislation. The proposed works include traffic management which will be designed to mitigate any risk to motorists or pedestrians whilst works take place.

13. Risk Management Implications

- 13.1 None expected.

14. Environmental and Sustainability Implications

- 14.1 Sensors will assist journey planning of residents, visitors and businesses. It is hoped that journey times and congestion on roads will reduce as availability of some parking spaces will be available online and through a smartphone app.

8 July 2020

Report of	Monitoring Officer	Author	Andrew Weavers ☎ 282213
Title	Review of Governance Recommendations		
Wards affected	Not applicable		

1. Executive Summary

- 1.1 This report pulls together a number of recommendations relating to governance issues from the Policy and Public Initiatives Panel and Governance and Audit Committee to Cabinet. This report also takes forward initial proposals previously agreed by Cabinet.

2. Recommended Decisions

- 2.1 To agree the contents of this report.
- 2.2 To recommend to Full Council:
- (a) the proposals contained in paragraphs 5.1 (b), 5.3, 5.4 and 5.7 of this report; and
 - (b) that in accordance with the provisions of Section 17 of the Local Government and Housing Act 1989 the appointments to the Governance and Audit Committee and the Environmental and Sustainability Panel for the remainder of the municipal year shall not be on a Group basis and membership shall be as detailed in this report.

3. Alternative Options

- 3.1 Not to make the changes suggested in this report however this is not recommended.

4. Background

- 4.1 The Policy and Public Initiatives Panel at its meeting on 4 March 2020 considered a report entitled "Review of Political Management Arrangements". Minute 52 of the meeting is attached at Appendix 1 of this report. The recommendations were as follows:

RECOMMENDED to CABINET that the Cabinet and Leader model of political administration be retained, subject to the following enhancements: -

- (a) *Additional training and briefings on the budget setting process, to be provided for all councillors.*
- (b) *Cabinet to bring a motion to Full Council to decide whether to raise questions to Cabinet Members up the agenda.*
- (c) *Cabinet to acknowledge the importance of the Scrutiny Panel and advocate that the Panel exercise their powers to a greater degree, produce more recommendations and be assertive in their role as a 'critical friend'*
- (d) *Cabinet to request that the Scrutiny Panel consider re-introducing regular Portfolio question and answer sessions.*

- 4.2 The Governance and Audit Committee at its meeting on 10 March 2020 considered a report entitled “Review of Meetings and Ways of Working Update”. Minute 204 of the meeting is attached at Appendix 1 of this report.

RECOMMENDED to CABINET that the potential benefits of webcasting public meetings be considered further

- 4.3 Cabinet at its meeting on 11 March 2020 considered and agreed recommendations from the Scrutiny Panel on future arrangements regarding the governance of Task and Finish Groups meeting (minute 435 refers).

(d) The Conservation and Environmental Sustainability Task and Finish Group be succeeded by a sub-committee or panel of Cabinet, and further consideration be given to the terms of reference, membership and reporting arrangements of such a Panel.

- 4.4 In addition Cabinet agreed that there should normally only be one Task and Finish Group in operation at any one time. The Heritage Task and Finish Group at its meeting on 2 March 2020 concluded that the Group had completed the task set for it and resolved that it should be dissolved.

- 4.5 Cabinet at its meeting on 11 March 2020 also considered and agreed recommendations from the Alternative Methods of Service Delivery Task and Finish Group (minute 443 refers). In particular;

“(g) A Policy Development Panel (or equivalent) be tasked with looking at ongoing opportunities for alternative models of service delivery, including mutuals and cooperatives, with a specific review of the grounds maintenance contract in good time prior to contract renewal.”

- 4.6 Additionally the Policy and Public Initiatives Panel at its meeting on 17 June 2020 considered a report entitled “Approach to the Council and Panels Work Programme 2020-21”. Minute 59 of the meeting is attached at Appendix 1 of this report. The recommendation to Cabinet was:

“RECOMMENDED to CABINET that approval be given for the Policy and Public Initiatives Panel to investigate the potential use of different methods of service delivery, specifically with regard to the provision of the grounds maintenance service.”

- 4.7 The Revolving Investment Fund (RIF) Committee has ensured the recycling of capital receipts into profitable, income-producing development schemes and regeneration / economic growth projects. Due to the macro-economic uncertainty caused by the Coronavirus pandemic, and the Council’s ambitions for recovery investment and the provision of more affordable homes, the RIF Committee chairman has requested a review of the Committee’s work programme and terms of reference.

5. Proposals

- 5.1 With regard to the recommendations from the Policy and Public Initiatives Panel; Cabinet concurs that the Leader and Cabinet model be retained for the reasons mentioned at the meeting.

(a) Additional training and briefings on the budget setting process, to be provided for all councillors.

This is agreed and will be factored into the Members’ training programme.

- (b) Cabinet to bring a motion to Full Council to decide whether to raise questions to Cabinet Members up the agenda.*

Cabinet acknowledges that this is an important part of full council meetings and as this is a matter for full council to determine, Cabinet refers this accordingly.

- (c) Cabinet to acknowledge the importance of the Scrutiny Panel and advocate that the Panel exercise their powers to a greater degree, produce more recommendations and be assertive in their role as a 'critical friend'*

Cabinet acknowledges that scrutiny plays an important role in Executive arrangements in holding the Cabinet to account and scrutinising decisions. It is for the Scrutiny Panel to determine their methods of working and Cabinet concurs with the recommendation.

- (d) Cabinet to request that the Scrutiny Panel consider re-introducing regular Portfolio question and answer sessions.*

The Scrutiny Panel has the ability to call Portfolio Holders before it, to hold them to account and to scrutinise their decisions. If the Panel could accommodate this suggestion within their work programme then Cabinet would support it.

5.2 With regard to the recommendation from the Governance and Audit Committee -

"that the potential benefits of webcasting public meetings be considered further"

This has largely been overtaken by events and the introduction of remote virtual meetings as a consequence of the Coronavirus pandemic. Whilst it was the ambition of the Council to eventually commence live webcasting, events have meant that we have had to introduce remote virtual meetings at pace. The decision to use Zoom has proved successful and the benefits of this method of broadcasting Council meetings have been evident and is the way forward irrespective of whether we need to continue with remote meetings. As we gradually emerge from the lockdown and social distancing and numbers permitted in gatherings change, we will keep this under review. It is worth remembering that the regulations that permit local authorities to hold remote meetings expire on 6 May 2021 and the Government will be reviewing whether they are extended. Until then remote meetings will remain the only way that the Council can conduct formal decision making for the foreseeable future.

5.3 Cabinet at its meeting on 5 June 2019 agreed the formation of the Conservation and Environmental Sustainability Task and Finish Group. With environmental and sustainability issues being at the forefront of the Council's agenda it is now appropriate following the decision of Cabinet at its 10 March 2020 meeting for the Task and Finish Group to be succeeded by a formal Panel which would be politically balanced and meet in public to take forward the Council's ambitious environmental agenda. Attached at Appendix 2 is the suggested membership and terms of reference of an Environment and Sustainability Panel. It is proposed that Full Council endorse its membership and terms of reference. The membership would comprise 3 Conservative, 2 Labour and 2 Liberal Democrat councillors. It has also been agreed that Councillor Goacher would be offered an additional seat on the Panel. Attached is a revised membership of all Panels and Committees.

5.4 Cabinet at its meeting on 10 March agreed to take forward the recommendation from the Alternative Methods of Service Delivery Task and Finish Group in its concluding report that a Policy Development Panel (or equivalent) be tasked with looking at ongoing opportunities for alternative models of service delivery, including mutuals and

cooperatives, etc. This is also broadly reflected in the recommendation from the Policy and Public Initiatives Panel of 17 June 2020. It is proposed that the Policy and Public Initiatives Panel be renamed Policy Panel and its terms of reference be as set out at Appendix 2. No changes are being proposed to its membership.

- 5.5 In the light of the resolution by the Heritage Task and Finish Group that it be dissolved, Cabinet formally agrees that the Group be dissolved and offers its thanks for the work done by Members and Officers.
- 5.6 In considering the RIF Committee, it is proposed that recommendations for the future governance of the Council's major capital investments is brought back to Cabinet in September, once the Council's economic recovery programme is more settled and the nature and purpose of the Council's RIF under 'new normal' conditions has been ascertained. Meanwhile RIF programmes and projects will be monitored and overseen alongside the General Fund and HRA capital programmes.
- 5.7 The terms of reference for the Governance and Audit Committee and the Scrutiny Panel have been revised and updated and are attached at Appendix 2. The only substantive change is the inclusion of monitoring of capital and revenue which the Governance and Audit Committee has been undertaking but was omitted from its terms of reference.
- 5.8 Following the resignation of Beverly Davies as a councillor, the Council is required to review the political balance across all Panels and Committees. The Council will have to carry a vacancy as we are currently not permitted to hold any by- elections for the foreseeable future. As and when a by- election has been held, the political balance will be required to be reviewed again. There are no implications to the political balance of any Panels or Committees.

6. Strategic Plan References

- 6.1 The manner in which the Council governs its business is an underpinning mechanism in the Council's Strategic Plan aims to set out the direction and future potential for our Borough.

7. Publicity Considerations

- 7.1 All changes to the Council's governance arrangements will be included in the Constitution which is published on the Council's website.

8. Financial, Equality, Diversity and Human Rights, Consultation, Health, Wellbeing and Community Safety, Health and Safety and Risk Management, Environmental and Sustainability Implications

- 8.1 None.

Membership of Panels and Committees Municipal Year 2020/21

Cabinet (8 seats)								
Group representation: Lib Dem 5, Labour 3								
Members: Mark Cory Julie Young Adam Fox Martin Goss Theresa Higgins David King Mike Lilley Andrea Luxford Vaughan			Portfolio Strategy (and Leader of the Council) Culture and Performance (and Deputy Leader of the Council) Housing Waste, Environment and Transportation Commercial Services Business and Resources Communities, Wellbeing and Public Safety Customers					
Governance and Audit Committee (7 seats)			Licensing Committee (11 seats)			Local Plan Committee (9 seats)		
Group Representation			Group Representation			Group Representation		
Lib Dem	2		Lib Dem	3		Lib Dem	2	
Con	3		Con	5		Con	4	
Lab	2*		Lab	2		Lab	2	
High	0		High	1		High	1	
Members: Nick Barlow Paul Dundas Mark Goacher Sam McCarthy Chris Pearson Dennis Willetts Barbara Wood *To note that the Labour Group has agreed to relinquish one seat to Cllr Goacher (Green).			Members: Lyn Barton Roger Buston Helen Chuah Simon Crow John Elliott Dave Harris Mike Hogg Patricia Moore Beverley Oxford Barbara Wood Tim Young			Members: Lewis Barber Nick Barlow Tina Bourne Phil Coleman Andrew Ellis Chris Hayter Patricia Moore Beverley Oxford Lee Scordis		

Membership of Panels and Committees Municipal Year 2020/21(continued)

Planning Committee (9 seats)			Policy Panel (7 seats)			Scrutiny Panel (including Crime and Disorder Committee) (8 seats)		
Group Representation			Group Representation			Group Representation		
Lib Dem	2		Lib Dem	2		Lib Dem	2	
Con	4		Con	3		Con	4	
Lab	2		Lab	2		Lab	2	
High	1		High	0		High	0	
Members: Lyn Barton Helen Chuah Pauline Hazell Brian Jarvis Cyril Liddy Derek Loveland Jackie Maclean Philip Oxford Martyn Warnes			Members: Christopher Arnold Sam McCarthy Phil Coleman John Jowers Derek Loveland Lee Scordis Martyn Warnes			Members: Kevin Bentley Tina Bourne Paul Dundas Chris Hayter Mike Hogg Sam McCarthy Lorcan Whitehead		
Environment and Sustainability Panel (8 seats)								
Group Representation								
Lib Dem	2							
Con	3							
Lab	2							
High	0							
Members: tbc Agreed to allocate additional seat to Cllr Goacher (Green)								
Independent Remuneration Panel								
David Priest Richard Aldridge Amanda Westbrook								

Appendix 1

Extract from the minutes of the Policy and Public Initiatives Panel meeting of 4 March 2020

52. Review of Political Management Arrangements

Andrew Weavers, Monitoring Officer, introduced the report which provided information on the Cabinet and Leader model, the Committee System model, their advantages and disadvantages and the history of political management arrangements at the Council since 1972.

The Council had operated the Committee system model from 1972 until 2001 when, in the wake of the Local Government Act 2000 and a subsequent consultation process, the Council had adopted the Leader and Cabinet model. The Local Government and Public Involvement in Health Act 2007 had required local authorities to reconsider their political management arrangements and introduced the 'strong leader' concept, investing the leader with executive powers. The amended Leader and Cabinet model was again chosen following a public consultation.

The Localism Act 2011 reintroduced the option for local authorities to adopt an updated version of the Committee system model, and it was noted that any decision to move to a Committee system would be based on that model, rather than the original 1972 version.

The Panel were notified that all but three local authorities in Essex operated the Leader and Cabinet model. Assurance was given that the Monitoring Officer keeps the current constitution and management arrangements under review and recommends any changes which they feel to be beneficial.

The Monitoring Officer explained the differences and similarities in the committees that are found in the two different models of management arrangements. Under the Committee system, service committees took decisions that were made by Cabinet or Portfolio Holders operating under the Cabinet and Leader model. The Cabinet and Leader model incorporated a statutory duty to operate an oversight and scrutiny committee, whilst this is optional under the Committee system model (if opted for, it holds the same powers as under the Cabinet and Leader model but operates as a committee of Council).

It was highlighted that a major benefit of the Cabinet and Leader model was the expedited decision-making which could be carried out, especially if a scheme of delegation to individual portfolio holders had been opted for. Authorities which did not opt to adopt such a scheme required more frequent meetings if they are to consider all executive decisions and still avoid a slowing of their executive decision making. It was stressed that decisions under this model still needed to be taken in line with the principles of openness and accountability, allowing opportunities for challenge where necessary.

The roles of the Policy and Public Initiatives Panel and task and finish groups at the Council were described.

The Monitoring Officer advised that, in his view, the current political management arrangements were fit for purpose and helped the Council in achieving timely decision making. It was, however, open to the Panel to consider what recommendations they might wish to make.

The Panel were informed of the preparatory work which would be necessary in the event that a change to adopt the Committee system model were to be considered by the Council. A significant amount of officer time and resource would be needed to scope and explore such a move, and the cost of this could not be estimated until initial plans and details are first set in place to guide this work. Should such a move be proposed, there would be no statutory duty to

consult on a change to the Council's political management arrangements, however it was the Monitoring Officer's strong advice that public consultation should be carried out before deciding upon such a change.

It was noted that adoption of the Committee system model would necessitate a review of councillors' allowances.

Councillor Tim Young attended and, with the permission of the Chairman, addressed the Panel to pay tribute to Alderman Ken Cooke and his work and contribution to Colchester, and to speak on the Cabinet and Committee models for political management.

Councillor Young informed the Panel that he had had experience of both systems whilst serving as a councillor at this Council. He noted certain drawbacks of the Committee system model, including slow decision making, inefficiencies, not always getting to the heart of issues, committees splitting on party lines and the greater power of officers to set agendas. The system did involve more members in decision making, but did not necessarily give wider experience or power to councillors.

In comparison, Councillor Young posited that the Cabinet system was preferable, but that improvements could be made in the way that the Council operates this system in Colchester Borough. One example given was a recommendation that the operation of the Scrutiny Panel be strengthened and operated more in the style of a select committee, giving backbench councillors more power and involvement. It was noted that the Licensing and Planning Committees provided opportunities for backbench councillors to gain experience of decision making and the exercise of powers. The Committees currently in operation were working, but Councillor Young gave the view that their operation could be further improved.

Commencing the Panel's deliberations, Councillor Arnold explained that he had requested that the different forms of political management arrangements be discussed following requests from Colchester's High Steward, Sir Bob Russell, that the Council consider whether to return to using the Committee system model. Sir Bob was a former councillor who had served for many years on the Council and had experienced the Committee system model.

Councillor Arnold clarified that he was not advocating a return to the 'old' style of Committee system but had concerns at some of the effects of operating under the Cabinet and Leader system. These included a perceived lack of transparency and information sharing regarding actions by the administration, as evidenced by recent work conducted with Citizens' Advice, of which opposition councillors were unaware, and by a perceived lack of information on the North Essex Garden Communities Project. Much work had been carried out by portfolio holders without backbencher councillors being informed. This made it more difficult for backbench councillors to hold the administration to account and to properly conduct scrutiny of decision making.

Councillor Arnold ventured that there was now less briefing on portfolio holder actions and reduced opportunity to question members of the Cabinet, with the 'Questions to Cabinet Members' item now at a lower/later position on the agenda for Full Council meetings, which could give the impression that it is seen as being less important.

It was argued that the Committee system model allowed new councillors an opportunity to learn processes, get to know officers and build relationships. The current Cabinet model was described as preventing this, with decisions often being discussed in private Leadership Team meetings and only given minimal discussion in the ensuing public Cabinet meeting. In comparison, the Committee system ensured that decision making occurred in public and allowed for greater transparency.

The Panel discussed the report and the views proffered. A Panel member gave the view that the current Cabinet and Leader arrangements were more positive for allowing quicker decision-

making, although there could be difficulties. Support was given for the suggestion that the Scrutiny Panel should play a bigger, more activist role, including an increase in call ins by councillors.

A Panel member stated that their experience was that members of Cabinet were open to discuss issues with, and provide information to, councillors from all political groups, and that councillors should request this if they wished to discuss any matters under consideration by the administration.

A further member of the Panel, through their personal experience, agreed with the view that the Committee system that had previously been in operation was somewhat vague and slow to operate.

Building on this, another Panel member gave their experiences and noted that there had been successes under the previous Committee system, such as the completion of a full property audit, and the establishing of the Colchester Women's Refuge, and that wider discussions had been possible on issues and decisions. However, the member viewed any potential move to a future Committee system as being expensive, requiring a torturous process, and be difficult to produce a system which commanded support across the Council Chamber. This led to the suggestion that the Cabinet and Leader model should be retained, but with improvements, such as a strengthened Scrutiny function, greater information sharing with backbench councillors and more transparency around executive decision making.

The Chairman summarised the positives and negatives which had been ascribed to the two different types of political administrative arrangements possible for the Council to operate. The Committee system model was generally seen as less efficient, could provide more involvement for members but also could potentially put more power into the hands of officers. The Committee model was seen as being more transparent and enabling decision making and discussion in public, however a return to this model was seen by some members as being expensive and complex.

The Cabinet and Leader system had strengths and drawbacks, but the potential for a more active and activist Scrutiny Panel was highlighted and recommended. More transparency from Cabinet and better communications with councillors and the public were also recommended, alongside the provision of better opportunities for councillors to question Portfolio Holders. Decision making could be explained more fully to councillors and the public, with more information to be provided to opposition groups on the Council, especially with regard to the Council's commercial bodies and partnerships.

The Monitoring Officer summarised the themes raised as relating to three key issues of transparency, communication and scrutiny. He noted that, regarding North Essex Garden Communities Ltd, the minutes of their Board meetings were published on the company's website. The Monitoring Officer also notified members that Full Council can move and approve a motion to change the order of Council meeting agendas, to have questions to Cabinet Members occur earlier in meetings.

The Panel were informed that the current Scrutiny Panel possessed all due statutory powers, and it was suggested that the Panel should explore and exercise the powers which it already possessed, including the making of more recommendations. A Panel member raised concern that the scheduling of items for Scrutiny Panel consideration currently appeared to be heavily officer-led, and that the Scrutiny Panel needed to be more assertive in laying out its work programme.

The Monitoring Officer agreed that transparency of Portfolio Holder decision making was an issue that had been identified and asked if the Policy and Public Initiatives Panel may wish to make a recommendation regarding this. A potential change could be to revive briefings of the

Scrutiny Panel by Portfolio Holders. Members agreed that this could be a positive way to give backbench councillors an opportunity to learn more about each portfolio.

The Panel discussed the budget-setting process for the Council and agreed that it would be beneficial for training and briefings for all councillors on the budget process would be desirable and would allow for effective scrutiny of budgets and the proposal of meaningful amendments. More training would result in better debate and challenge. One member noted that it was currently possible to ask for officer assistance in understanding subjects such as budget setting, however it was agreed that additional training sessions would be a positive thing.

RECOMMENDED to CABINET that the Cabinet and Leader model of political administration be retained, subject to the following enhancements: -

- (a) Additional training and briefings on the budget setting process, to be provided for all councillors.
- (b) Cabinet to bring a motion to Full Council to decide whether to raise questions to Cabinet Members up the agenda.
- (c) Cabinet to acknowledge the importance of the Scrutiny Panel and advocate that the Panel exercise their powers to a greater degree, produce more recommendations and be assertive in their role as a 'critical friend.'
- (d) Cabinet to request that the Scrutiny Panel consider re-introducing regular Portfolio question and answer sessions.

Extract from the minutes of the Governance and Audit Committee meeting of 10 March 2020

204. Review of Meetings and Ways of Working Update

Richard Clifford, Lead Democratic Services Officer, introduced the report, updating the Committee on developments since the 2016 Review of Meetings and Ways of Working, noting the work to improve use of technology and public access. Digital agenda use and new arrangements for 'Have Your Say' sections had been introduced and were detailed in the report. Audio-streaming was now routine for most formal meetings and was being accessed by the public in sometimes considerable numbers. It was also used by the media.

The Lead Democratic Services Officer highlighted the work underway to explore options for video-streaming, with potential costs and considerations detailed within the report, relating to one provider under consideration, Public-i. Estimates of costs had been based on a 60-hour contract, covering the Council Chamber for Full Council and Planning Committee meetings, which had been identified as the two bodies whose meetings garnered the greatest public interest. Benefits of the service included improving accessibility of meetings, an ability to link it to CMIS and the addition of a transcription service. This would help the Council meet its duties regarding new accessibility regulations due to come into force in September of this year, and would increase remote viewing of meetings, consistent with work to address the Climate Emergency declared by the Council.

Video-streaming would require fixed cameras to be installed in the Council Chamber, and it was confirmed that Public-i has experience of doing this in heritage buildings. Public-i had indicated that they would be willing to brief members further on the details and benefits of this system.

The Chairman gave a summary of the initial 2016 Review, which had been instigated to explore ways to improve accessibility and the way that members operated. A public consultation had been carried out to gain views. Streaming had been a popular idea, and the Chairman considered video-streaming to be the next step. The updated 'Have Your Say' arrangements had

generally been found to be successful, with the chance for public speakers to follow up after receiving an answer. It was queried how this might be opened up further for residents.

A Committee member agreed with the value of increased broadcasting of meeting and gave the view that any video-streaming arrangement should cover Cabinet meetings, which were a prime focus of important decision making within the Council. This would require camera coverage of the Grand Jury Room as the usual venue for Cabinet meetings. It was member's view that the Council would have capital available to allow for video-streaming in the Council Chamber and Grand Jury Room. The Chairman and members agreed that this was a valid point and that video-streaming from the Grand Jury Room should be included in any contract, if it was to continue to host Cabinet meetings. An additional suggestion was made that a 'mobile' broadcasting facility should be sought, to allow for coverage of meetings in the Moot Hall, which would include the more-important Planning Committee meetings, which drew a large amount of public interest.

It was suggested that the Council could establish a YouTube channel to carry meeting footage, amongst other types of video. It was also queried as to the expected remaining life expectancy of the current audio amplification and broadcasting systems and whether it would be prudent, if these were due for replacement in coming years, to replace them at the same time as installing video facilities.

Amanda Chidgey, Democratic Services Officer, highlighted the audio-streaming statistics which showed that Full Council and Planning meetings attracted the largest audiences, and which had led to the recommendation to prioritise these meetings for video-streaming. The use of cameras in the Grand Jury Room would involve more issues, as the room was used for a multitude of purposes, and the cameras and tables would need to be carefully set prior to each meeting to ensure coverage of meeting proceedings. It would be possible to hire a mobile system via Public-i, which would also enable broadcasting from the Moot Hall, but would increase the cost. Some local authorities were already developing solutions using YouTube. This was also under consideration and could be integrated with Public-i.

Approval of the ability for members of the public to have a one-minute follow-up to responses to their 'Have Your Say!' participation in meetings was echoed, although concern was raised that the 'Have Your Say!' item on meeting agendas often overruns the 15 minutes allocated by the Council's constitution. Whilst the general view was that it is important not to curtail the public's right to speak, the time taken on this section of meeting agendas at Full Council often had the effect of pushing councillors' questions to Cabinet to a much later time, or to prevent these questions at lengthy meetings where a guillotine motion is called to end proceedings. The importance of councillors' questions was stressed in relation to their role in holding administrations to account, although one member considered them to be of limited use, due to their partisan nature. It was noted that the Committee could review the 'Have Your Say!' provisions within the Constitution and Meeting Procedure Rules.

Another Committee member spoke in defence of maintaining the greater engagement of 'Have Your Say!' with the proviso that a point may come where speakers intending to make similar points may need to be asked to choose which should speak, to avoid repetition. It was suggested that a wide-scale review of arrangements to ensure accountability should be considered.

The discussion of meeting arrangements led to one Committee member giving the view that use of the Council Chamber should be minimised, on the grounds that the Chamber was not suitable for effective meetings, with cramped seating, minimal desk space and obstructive microphone/speaker units. Amanda Chidgey, Democratic Services Officer, agreed and noted that none of the Town Hall meeting rooms were entirely adequate, especially regarding access for those with mobility difficulties.

In response the Monitoring Officer clarified that a 15 minutes total meeting limit for 'Have Your Say!' had formed part of the Meeting Procedure Rules of the Constitution for a considerable time,

with the caveat that the Chairman of a meeting had absolute discretion on limiting or extending the time for contributions from the public. The importance of not stifling public participation was stressed and the Committee was informed that, with regard to improving arrangements for councillors' questions at Full Council, a recent meeting of the Policy and Public Initiatives Panel had recommended that these questions are scheduled earlier in the agenda of Full Council meetings.

It was queried whether a return to holding Portfolio Holder briefings and question and answer sessions was possible. It was further suggested that an annual meeting could be set for Cabinet, to be devoted entirely to 'Have Your Say!' contributions, and/or to hold a Cabinet 'Have Your Say!' meeting on a Saturday. The Monitoring Officer informed the Committee that the Policy and Public Initiatives Panel had recently recommended that the Scrutiny Panel return to scheduling Portfolio Holder scrutiny sessions in its Work Programme.

The Lead Democratic Services Officer provided an update on the use of digital agendas for Committee meetings. Trials of this had commenced in 2017 and had then been rolled out to all Committees which met in the Grand Jury Room, becoming widely accepted. A significant saving had been achieved on printing costs and the use of digital agendas had helped to show the Council's commitment to modernising its ways of working. Officers agreed that it was important to likewise modernise the Council Chamber to make it fit for digital working. Work on this could be possible alongside the installation of a new audio-visual system and could involve charging points, better desk space, improved microphones and an electronic voting system.

The Committee noted the need for a comprehensive solution to modernise the operation of meetings and to better-equip the Council Chamber. The use of digital agendas was welcomed, but it was noted that some members struggled with digital working and that, where needed, hard copy agendas must be available for those who requested them.

A concern was voiced that members currently did not have rooms in the Town Hall that permitted informal and private conversations to be held. The Portfolio Holder for Business and Resources agreed that, if the Council was to invest in improved facilities, value for money must be maximised by the consideration of a number of alternative options. The Committee were informed of current developments regarding plans to modernise the use of rooms at the Town Hall. The conversion of the current Liberal Democrat group room into a room for all councillors had been deferred by Planning Committee and the Members' Development Group would consider the plans for re-allocating Town Hall rooms further, so as to ensure this works best for councillors, for use by the public, including commercial clients, and to keep the collegiate standard required for the Council to maintain its Charter Status for Elected Member Development.. The Committee stressed the importance of the duty of care to maintain and use the Town Hall for the public good.

RESOLVED that the Committee noted the progress on the recommendations arising from the Review of Meetings and Ways of Working.

RECOMMENDED to CABINET that the potential benefits of webcasting public meetings be considered further.

	Membership	Terms of Reference
Environment and Sustainability Panel	8 Councillors	<ol style="list-style-type: none"> (1) To acknowledge our “Climate Emergency” and translate aspirations into actions. (2) To explore methods of conservation of natural habitats and bio-diversity, whether through adapting existing practices and places or creating new ecologically diverse environments with sustainable practices built in. (3) To encourage renewable energy generation and carbon footprint reduction in both the public and private sectors across the borough. (4) To encourage environmental stewardship focusing on carbon footprint reduction by examining air quality, water quality, plastic and waste reduction and renewable energy generation in both public and private spheres across the Borough (5) To monitor and regularly report to Cabinet and Full Council upon progress and implementation of the Council’s Climate Emergency Action Plan and its goal to be net carbon neutral by 2030.

	Membership	Terms of Reference
Policy Panel	7 Councillors	<ol style="list-style-type: none"> (1) To proactively identify issues and legislative changes that may require review and improvement and to seek Cabinet’s agreement as to whether and how they should be examined. (2) To review strategies and policies (with the exception of matters within the remit of the Environment and Sustainability Panel) at the request of the Cabinet and to make recommendations back to Cabinet for decision. (3) To review issues at the request of a Portfolio Holder and to make recommendations back to the Portfolio Holder for decision. (4) To consider initiatives for review from members of the public and to recommend to Cabinet only those initiatives that are within the Council’s control and likely to be deliverable are included in the Panel’s work programme. (5) To investigate the potential use of different methods of service delivery including mutuals and co-operatives, specifically with regard to the provision of the grounds maintenance service.

	Membership	Terms of Reference
Governance and Audit Committee	7 Councillors	<p style="text-align: center;">Accounts and Audit</p> <p>(1) To consider and approve the Council's Statement of Accounts in accordance with the Accounts and Audit Regulations.</p> <p>(2) As part of the Council's governance arrangements, to consider the findings of the annual review of governance (which includes a review of the effectiveness of the system of internal audit) and approve the signing of the Annual Governance Statement by the Leader of the Council and the Chief Executive in accordance with the Accounts and Audit Regulations.</p> <p>(3) To have an overview of the Council's control arrangements including risk management and in particular with regard to the annual audit plan, the audit work programme and progress reports and to make recommendations to Cabinet as appropriate.</p> <p>(4) To review the Council's external auditor's annual audit letter.</p> <p style="text-align: center;">Miscellaneous regulatory matters</p> <p>(5) To make recommendations to Council on the Council's functions contained in Parts D (elections), E (name and status of areas and individuals), F (making, amending, revoking , re-enacting or enforcing byelaws) G (promotion or opposing local or personal bills), of Schedule 1 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended).</p> <p>(6) To determine Community Governance Reviews.</p> <p>(7) An overview of the Council's complaint handling procedure and Local Government and Social Care Ombudsman investigations</p> <p style="text-align: center;">Shareholder Committee for Colchester Commercial (Holdings) Limited</p> <p>(8) Consider and review the activities and financial performance of: Colchester Commercial (Holdings) Limited and its subsidiary companies i.e. Colchester Amphora Housing Limited, Colchester Amphora Energy Limited and Colchester Amphora Trading Limited</p> <p>(9) Receive, review and recommend to Cabinet Colchester Commercial (Holdings) Limited's business plans (including its subsidiary companies) annually and to review performance including delivery of the dividend</p> <p>(10) Monitor, challenge and make recommendations to Cabinet regarding Colchester Commercial (Holdings) Limited and its subsidiary companies.</p> <p>(11) Make recommendations to Cabinet on how it should exercise the functions flowing from its ownership of shares in Colchester Commercial (Holdings) Limited and its subsidiary companies.</p>

		<p>(12) Recommend the constitution and appointment of the Board of Directors of Colchester Commercial (Holdings) Limited to Cabinet</p> <p style="text-align: center;">Standards</p> <p>(13) Promoting and maintaining high standards of conduct by Members and Co-opted Members of the Council.</p> <p>(14) Advising the Council on the adoption or revision of the Members' Code of Conduct.</p> <p>(15) Advising and assisting Parish Council(s) and Councillors to maintain high standards of conduct.</p> <p>(16) To receive referrals from the Monitoring Officer into allegations of misconduct in accordance with the Council's assessment criteria.</p> <p>(17) Receiving reports from the Monitoring Officer and assessing the operation and effectiveness of the Members' Code of Conduct.</p> <p>(18) Advising, training or arranging to train Members and Co-opted Members on matters relating to the Members' Code of Conduct.</p> <p>(19) Assisting Councillors and co-opted Members to observe the Members' Code of Conduct.</p> <p>(20) To create a Hearings Sub-Committee to hear and determine complaints about Members and Co-opted Members referred to it by the Monitoring Officer.</p> <p>(21) To conduct hearings on behalf of the Parish and Town Councils and to make recommendation to Parish and Town Councils on improving standards or actions following a finding of a failure by a Parish or Town Councillor to comply with the Code of Conduct.</p> <p>(22) To inform Council and the Chief Executive of relevant issues arising from the determination of Code of Conduct complaints.</p> <p>(23) Advising the Council upon the contents of and requirements for codes/ protocols/ other procedures relating to standards of conduct throughout the Council.</p> <p>(24) To grant dispensations after consultation with the Independent Person pursuant to Sections 33(2) (b), (c) and (e) of the Localism Act 2011.</p> <p>(25) To hear and determine appeals against refusal to grant dispensations by the Monitoring Officer pursuant to Sections 33(2)(a) and (d) of the Localism Act 2011.</p> <p>(26) To make recommendations to Council regarding the appointment of Independent Persons in accordance with section 28 (7) and (8) of the Localism Act 2011.</p> <p style="text-align: center;">General</p> <p>(27) Review of the Constitution including governance issues around formal meetings, processes and member training and to make recommendations to Council.</p>
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	Membership	Terms of Reference
Scrutiny Panel	8 Councillors	<p>(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):</p> <ul style="list-style-type: none"> (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 business plans of Council owned companies in the context of the Council's strategic plan and scrutinise their performance at year end and to make appropriate recommendations to Cabinet; (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 off-street 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;

		<p>(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):</p> <p>(a) To review and scrutinise decisions made, or other action taken, in connection with the discharge by the responsible authorities of their crime and disorder functions;</p> <p>(b) To make reports and recommendations to the Council or the Cabinet with respect to the discharge of those functions.</p>
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8 July 2020

Report of	Assistant Director, Corporate & Improvement	Author	Paul Cook <input type="checkbox"/> 505861 Darren Brown <input type="checkbox"/> 282891
Title	Covid-19 finance update		
Wards affected	All		

1 Executive Summary

- 1.1 The report updates the observed and forecast impact of the Covid-19 (coronavirus) crisis on the Council's finances.
- 1.2 A revised assessment is provided of the impact on the 2020/21 budget.
- 1.3 The report sets out further work on the Budget Strategy for 2021/22.

2 Recommended Decision

- 2.1 To note the likely income impact on 2020/21 set out in Table 1.
- 2.2 To agree the revised 2020/21 Amphora dividend forecast of £226k as set out in Section 6.1
- 2.3 To agree the use of £0.250m New Homes Bonus in 2020/21 to cover the Council's Planning Policy development costs as set out in Section 8 of this report.
- 2.4 To approve progress on the Budget Strategy for 2021/22 as set out in Section 9 of this report.

3 Reason for Recommended Decision

- 3.1 The report enables the Council to address the forecast budget pressure in 2020/21 and continue the 2021/22 budget process.

4 Alternative Options

- 4.1 The Council is obliged to balance its budget on an annual basis. There are no alternatives.

5 Income

- 5.1 Since June further analysis has been undertaken on income forecasts, partly based on actual figures for April and May, leading to a potentially reduced income loss in 2020/21, from £9.392m to £9.152m. This is set out in Table 1. These figures are for information at this stage and it would be premature to revise the MTFF reported in June. A corporate economic downturn provision of £500k has been made. This reflects the increasing number of commentators forecasting a slower economic recovery.
- 5.2 No revisions have been made to council tax and business rates forecasts at this stage as at least 3 months evidence is required.

Service	Budget	Loss July
Car parks	-3970	2993
Commercial Rents	-2864	980
Sport & Leisure	-3808	2898
Recycling Credits	-1512	540
Bereavement Services	-1362	0
Planning	-1227	0
Trade Waste	-512	260
Museums	-479	174
Building Control	-455	50
HB Overpayments	-450	0
Interest Receivable	-300	300
Court Fees	-277	0
Events (Amphora forecast dividend loss)	-300	300
Land Charges	-177	157
Premises Licensing	-158	0
Taxi Licensing	-109	0
Corporate Economic Downturn Provision	0	500
Grand Total	-17960	9152

6 Colchester Commercial Holdings Limited (CCHL) Dividend 2020/21

- 6.1 23 June 2020 Governance and Audit Committee recommended to Cabinet a revised forecasted dividend of £226k for the 20/21 financial year as an achievable dividend given the effects on the businesses as a result of the Covid 19 pandemic. Colchester Amphora Trading Ltd (CATL) is particularly impacted and the forecast losses are predominantly due to Coronavirus legislation preventing events from being held, due to limitations on mass gatherings, other specific events (such as weddings) and requirements for social distancing.
- 6.2 This represents a dividend loss of £300k compared to the budgeted dividend of £526k. The CCHL group of companies is working to reduce the dividend loss if possible and income projections for 2021/22 and beyond are being monitored for any additional impacts in the MTFF period.

7 NEGC Ltd

- 7.1 The current vehicle for the Local Authorities is NEGC Ltd, the shareholders Braintree, Colchester and Tendring District and Essex County Councils. Pending a decision by the shareholders on the future of NEGC Ltd, their work continues for now, focused on the Tendring Colchester Borders (TCB) project supported by the Planning Inspector for which a Housing Infrastructure Funded (HIF) approval has been provided for related road and rapid transport improvements.
- 7.2 At its meeting on 3 June 2020, Cabinet recommended to 15 July 2020 Full Council the release of the outstanding £350k 2019/20 contribution to NEGC. Any such contribution should now be seen in context of the shareholder review and any change and transition that may follow. As a shareholder Colchester will be obliged to meet their share of such costs taking account of any carry costs incurred in the 'banker role' played by this Council on behalf of all of the Local Authorities.

8 Planning Policy Development Funding.

- 8.1 The MTFF includes £500k in 2020/21 for garden communities and related planning work. It is proposed that pending review of the revised scope of work, the delivery vehicle and the role and contribution of the partners, that an initial £250k is transferred to the Planning Policy Team.
- 8.2 In accord with the 13 February 2020 Full Council such an allocation needs a further vote and approval in Full Council. The funding will enable the delivery of a Strategic Growth Development Planning Document (DPD) for the Tendring Colchester Borders Garden Community. The Council(s) want to lead this work, to ensure that this provide a strong policy underpinning for subsequent detailed planning development, consistent with the garden community principles as endorsed by the Local Authorities. Early stages of such work will include the commissioning of evidence base studies, sustainability appraisal, transport modelling and a heritage impact assessment.
- 8.3 Cabinet is accordingly asked to recommend to 15 July 2020 Full Council the release of £250k of the 2020/21 contribution for internal purposes, not to be transferred to NEGC Ltd, but for the Planning Policy team.

9 New Strategic Priorities and Recovery

- 9.1 The commitments made to deliver New Strategic Priorities (NSPs) are being reviewed considering the Council's objectives for Covid-19 Recovery and revised budgetary position. Recommendations for the Waste and Recycling NSP project are being made separately on today's Cabinet agenda.

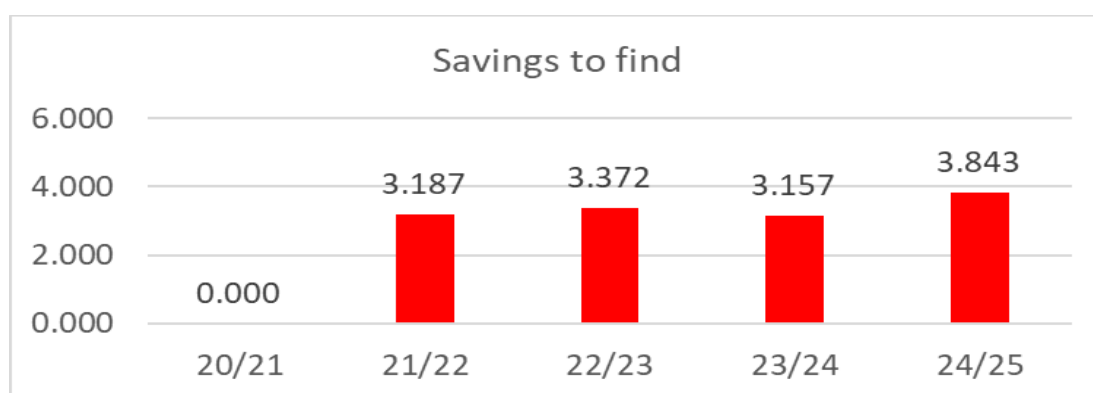
10 Budget Strategy

- 10.1 At Housing, Communities and Local Government oral questions in the House of Commons 16 June 2020, the Minister for Regional Growth and Local Government, Simon Clarke, stated that the Government was working on a "comprehensive plan to ensure financial sustainability of councils this financial year". This was in response to a question which highlighted LGA analysis of the MHCLG financial information returns that councils could need up to £6 billion to cover the cost of coping with the pandemic.
- 10.2 This confirmation of a comprehensive plan appears to be a positive indication that the Government is planning to address the ongoing financial challenges councils

face this financial year as they lead communities through the COVID-19 crisis. However, until firmer details are announced it would not be appropriate to revise the MTFF reported to 03 June 2020 Cabinet

- 10.3 As it is an early stage of the financial year, there is no justification for modifying the challenging budget gap identified in previous reports.

Revised MTFF (£m)	20/21	21/22	22/23	23/24	24/25
Service costs	23.877	31.202	24.089	24.299	24.589
Covid Impacts	10.112	-7.978	-1.417	-0.700	0.000
Business rates	-5.885	-4.913	-4.956	-5.000	-4.544
Council tax	-12.448	-11.146	-13.029	-13.748	-14.508
Other funding	-6.925	-2.945	-2.940	-2.944	-2.944
Use of reserves	-8.731	-1.033	1.625	1.250	1.250
Savings to find	0.000	3.187	3.372	3.157	3.843



- 10.4 The Budget Strategy agreed at 3 June 2020 Cabinet is now being taken forward.

- 10.5 This is a cross-cutting, thematic approach working across the organisation and with partners to develop options within each theme that could contribute to meeting the 2021/22 budget gap shown in 9.3.

- 10.6 The themes are set out below. Each is being led by one of the Council's Assistant Directors, who will be working closely with all services to develop their proposals. Interdependencies between themes will also be considered to ensure added value and avoid unintended consequences.

- **PRIORITIES** – clarifying the Council's priority outcomes in line with the Strategic Plan, Covid-19 recovery objectives and budget position.
- **COMMERCIAL** – increasing income from fees and charges and identifying new sources of income, including through the Amphora trading companies
- **EFFICIENCY** – optimising the efficiency of Council services and processes, committing to 'digital by default' and exploring opportunities for innovation.
- **SERVICE PROVISION** – reviewing the operating model for all Council services, securing better value for money from our spending and pursuing shared services.
- **COMMUNITY** – reducing dependency on Council services by further developing existing successful partnerships with communities and the voluntary sector.

- 10.7 The strategy is looking at all the work the Council undertakes to ensure it can maintain and continue delivering essential services for Colchester. Proposals will be brought back for Cabinet to consider in October this year.

11 MTFF Consultation

- 11.1 The budget strategy and timetable ensure that information is available for scrutiny and input from all Members. The Leader of the Opposition has been offered the opportunity to meet with officers to assist with consideration of any alternative budget proposals.
- 11.2 The normal statutory consultation with business ratepayers and parish councils will take place.

12 2019/20 Outturn

- 12.1 The 2019/20 revenue outturn is an overspend of £197k due to Covid-19 income shortfalls. A detailed report is included on this Cabinet agenda.
- 12.2 A detailed report on the 2019/20 capital programme is included on this Cabinet agenda.

13 Financial implications

- 13.1 As set out in the report.

14 Environmental and Climate Change Implications

- 14.1 All budget measures will be assessed for their likely environmental impact, reflecting the Council's commitment to be 'carbon neutral' by 2030. Environment and Climate Change is an essential cross-cutting theme in the Council's post-Covid recovery planning.

15 Equality and Diversity Implications

- 15.1 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.

16 Risk Management Implications

- 16.1 Extensive modelling work has been undertaken to understand the impacts and variables arising from the crisis. Staff and support costs are evidence based but will be subject to transformation work.
- 16.2 Further government support should be provided and will be sought by lobbying and in discussions with MHCLG but is uncertain.
- 16.3 Leisure and commercial income is very dependent on events beyond the Council's control, on lock-down, the return of consumer confidence, and impacts due to the severity and duration of the macro-economic downturn and recovery.

16.4 Modelling has been undertaken with service managers to assess the potential range of impacts before adopting the assumptions described within the report.

16.5 All the above and other significant uncertainties and risks will have to be managed. Further material change is likely to budget assumptions and the actions needed to ensure a balanced budget.

17 **Other Standard References**

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

Report of	Assistant Director Corporate & Improvement	Author	Paul Cook ☎ 505861 Darren Brown ☎ 282891
Title	Financial Monitoring Report – End of Year 2019/20		
Wards affected	Not applicable		

1. Executive Summary

- 1.1 This report sets out the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the year 2019/20.

2. Action required

- 2.1 Cabinet is asked to note the financial performance of General Fund Services and the Housing Revenue Account (HRA) for the year 2019/20.

3. Reason for Recommended Decision

- 3.1 The report enables Cabinet to review the outturn position.

4. Alternative Options

- 4.1 The Council is obliged to report its outturn position. There are no alternatives.

5. Background

- 5.1 The revenue budget position was last considered by Governance and Audit Committee on 10th March 2020. This was as at Quarter 3, and showed a projected net underspend of £86k against the General Fund, although it recognised that there remained a number of potential changes to the forecast, meaning that it was expected the outturn would be “within the budget”. The Housing Revenue Account was being forecast to be on budget.
- 5.2 The draft accounts for 2019/20 have been published on the Council website and this report has been prepared using these figures, which are still subject to external audit.
- 5.3 All the information presented in respect of General Fund Services shows the position based on net ‘direct costs’. The review of the Housing Revenue Account is different in that it shows all costs, both direct and indirect.

6. General Fund – End of Year Position

- 6.1 In total the General Fund outturn shows a net deficit after carry forwards of £0.197m. A number of the factors contributing to this position have been identified and reported during the year. Clearly one significant factor that occurred towards the end of the financial year, that was not reflected at the Quarter 3 forecast, was the outbreak of the Coronavirus pandemic. Some of the key messages behind this deficit figure are that:
- There have been one-off unforeseen/unbudgeted costs (e.g. redundancy costs) and service-demand cost pressures that have contributed to the outturn position.
 - The main service income lines show £0.489m more income compared to the budget, although the majority of this relates to the Rowan House lease surrender which will be carried forward to support future years budget pressures as agreed in the 20/21 budget.
 - There are a number of one-off technical items which have mitigated the cost pressures in-year, including miscellaneous Government Grants, year-end banking adjustments and a review of the required level of Insurance provision.
 - Loss of income in the last two weeks of the financial year due to the Covid-19 lockdown is estimated to be £0.320m, due to a near-total reduction in Car Parking and the closure of key income generating services including Sport & Leisure and Museums.
- 6.2 The following table summarises the outturn position for each Service, the effect of the requests for carry forward into 2020/21, and a breakdown of the outturn position against the main non-service areas.

	Actual	Budget	Variance	c/f	Net
	£'000	£'000	£'000	£'000	£'000
Corporate & Democratic Core	(328)	(264)	(64)	-	(64)
Policy & Corporate	7,894	8,416	(522)	1,234	712
Executive Management Team	717	662	55	-	55
Community	1,241	1,818	(577)	484	(93)
Customers	3,767	4,194	(427)	144	(283)
Environment	5,648	5,690	(42)	691	649
Total Services	18,939	20,516	(1,577)	2,553	976
NEPP	(54)	(68)	14	(14)	-
CIMS	1,029	1,029	-	-	-
Benefits	(551)	(464)	(87)		(87)
General Fund / HRA	6,641	6,485	156		156
HRA Contingency (cost shown above)	(2)	83	(85)		(85)
Pensions	779	802	(23)		(23)
MRP	1,504	1,728	(224)	224	-
CLIA	473	636	(163)	163	-
Provision for Bad Debts	(33)	(266)	233		233
Misc & Banking Adjustments	(118)	-	(118)		(118)
Misc Gov't grants	(192)	-	(192)	76	(116)
Insurance Provision	(156)		(156)		(156)
General service related items	33	872	(839)	534	(305)
Business Rates	(2,892)	(3,336)	444	(444)	-
Business Rates Pool	(1,024)	-	(1,024)	1,024	-
Collection Fund	(882)	(604)	(278)		(278)
Total (all)	23,494	27,413	(3,919)	4,116	197

6.3 The above table shows approved carry forward requests and other technical accounting adjustments totalling £4.116m. The key items include:

- £1,236k in respect of specific 19/20 New Strategic Plan Priorities items within services
- £380k New Strategic Plan Priorities 19/20 funding for Feasibility/Scoping works
- £580k in respect of business rates (including £1,024k in respect of the pooling gain).
- £224k gain on MRP due to timing, and £163k gain from net interest earned/paid.
- £87k in respect of funding allocated for Local Development Framework (Core Strategy) and Community Infrastructure Levy (CIL)
- £343k in respect of New Homes Bonus Affordable Housing element.
- £129k in respect of NGW Sports running costs
- £117k for supporting Development of Transport Strategy
- £89k in respect of Northgate implementation, and back-scanning and indexing project.
- £405k linked to the Rowan House lease surrender, which Cabinet agreed to carry forward to support futures years in the 20/21 final budget report.

6.4 The following table provides an alternative view of the outturn position, and gives a breakdown by major expenditure and income variances.

Draft Outturn Summary:-	£'000	£'000
<i>Cost Pressures:-</i>		
• Electoral Services backdated VAT liability and pension strain costs	122	
• Northern Bid Grant	55	
• Net Neighbourhoods (Recycling credits/Employee & Contractor costs/Materials)	611	
• Net Place Strategy (local plan costs)	156	
• Planning (cost of planning appeals / software licence)	221	
• Governance (net overspend across employee costs, printing & postage / insurance & audit re-tender savings)	67	
• Finance (recruitment and agency costs / finance system upgrade costs)	93	
• ICT (net overspend on maintaining legacy systems, and across IT costs generally)	53	1378
<i>Less income:-</i>		
• Car Parking	63	
• Sport & Leisure <i>net</i> shortfall in income	362	425
<i>Underspends / income gains:-</i>		
• Council Tax Sharing Agreement	(56)	
• Planning income	(109)	
• NEGC 19/20 contribution following Full Council decision	(350)	
• Corporate Asset Mgt (Cleaning contract, Business rates, Utilities, net PPM and R&M works, more income from Flood Works Grant and CBH Management Fee)	(137)	
• Court Fees recovered within Council tax	(104)	
• Net Customer Solutions (mainly DWP / New Burdens income)	(179)	
• Net Customer Experience (Employee and IT costs, less land charges income)	(116)	
• Bereavement (Employees/Grounds Mtce/Materials/Income)	(90)	(1,141)
<i>Corporate / technical items</i>		
• Net Benefits gain	(88)	
• Business Rates prior year adjustment	(278)	
• Provision for Bad Debts increase	233	
• Year-end review of insurance provision	(156)	
• Miscellaneous receipts and year-end banking adjustments	(118)	
• Various service related and misc. technical items	(116)	
• Misc Govt grants	58	(465)
Total	197	197

Service Budget Position

- 6.5 **Appendix A** details final direct expenditure and direct income for each service (excluding Benefits, NEPP & JMC), and **Appendix B** breaks this down by subjective group.
- 6.6 **Appendix C** details all budget variances analysed between expenditure and income, including the agreed carry forwards against each area to provide some context. The majority of the more significant variances have been reported to Scrutiny Panel and Governance & Audit Committee during the year.
- 6.7 The overall position on services shows an overspend compared to the forecast underspend reported at Period 9. The largest changes include less income from Sport and Leisure and Car Parking, more income than forecast from Customer Solutions and Local Taxation and NNDR and Planning. There has been less expenditure within Bereavement services, Customer Experience and Commercial & Investment than forecast, with more net expenditure than forecast on Neighbourhood Services, Electoral Services and Place Strategy.
- 6.8 Appendix B highlights there is a total underspend of £1.118m with more income of £0.459m. Additional income received primarily relates to the Rowan House lease surrender which will be carried forward to support future years budget pressures as agreed in the 20/21 budget.

Technical / corporate items

- 6.9 In addition to Service budgets it is necessary to review the corporate and technical items in the budget. A number of these are one off such as:-
- £224k gain on Minimum Revenue Provision (MRP) due to timing, and £163k gain from net interest earned/paid, as a result of a lower level of new borrowing required for the capital programme and higher average interest rates achieved on investments. These will both be carried forward to support future years.
 - £233k cost from an increase in the provision for bad debts.
 - Income of c£192k from ad hoc Government grant (including £76k towards Covid-19).
 - £118k gain from year-end banking adjustments & misc. receipts.
 - £156k one-off gain from reducing amount held in Insurance provision following a year-end review.
- 6.10 In respect of business rates there is an in-year deficit of £0.4m which mostly reflects anomalies with the accounting for business and timing between years, a £0.2m adjustment relating to 18/19, and provisional pooling figures show we will receive £1.0m from the business rates pool. Therefore a net £0.6m has been transferred to the Business rates reserve. The Medium-Term Financial Forecast assumes that £200k of the pooling gain will be used to support the 21/22 budget.

Summary and impact on future years

- 6.11 Outturn variances are discussed with relevant service managers and the overall position is considered by Senior Management Team. One important issue is to consider the extent to which any budget variance is likely to be a recurring issue, and if so, has the 20/21 budget been adjusted to reflect this. Service managers are reviewing all outturn variances and any recurring issues will be addressed as part of the 2021/22 budget strategy.

- 6.12 Measures to respond to Covid-19 during March have clearly had an impact on the outturn position. Cabinet have considered the potential financial impact of the Coronavirus pandemic in recent meetings, and this will be continually reviewed and monitored throughout the new financial year.
- 6.13 The 2020/21 budget was based on the assumption that the 19/20 outturn would be “on-budget”. The final outturn therefore reflects a worse position than assumed, however General Fund balances are currently £269k above our prudent recommended level, therefore funding is available to fund the outturn position.

7. Housing Revenue Account

- 7.1 **Appendix D** sets out the pre-audit revenue outturn for the Housing Revenue Account (HRA).
- 7.2 The outturn position is showing a net deficit of £258k compared to a budgeted deficit of £191k for the year, an adverse variance of £67k. Carry forward requests total £228k. The outturn variance needs to be considered in the context of the forecast outturn position at Period 9, which was predicting the outturn position would be on budget, which was also reflected within the 2020/21 HRA budget setting papers considered by Cabinet at its meeting on 29 January 2020.
- 7.3 The revenue outturn position also needs to be considered alongside the outturn position for the Housing Investment Programme (Capital) shown elsewhere on the agenda. Given there was some slippage of capital expenditure into 2020/21, we have used more actual available revenue resources to fund the 2019/20 Housing Investment Programme (Capital) than originally assumed in the budget, and this has meant we have not had to undertake any additional HRA borrowing in 2019/20. This means we have avoided additional borrowing costs in 2019/20. The outturn position has arisen as a result of variances in several areas, and has been split between service and non-service elements.

Service Areas

- 7.4 We received £285k more income than budgeted. This primarily reflects the net impact of less rental & service charge income being lost from dwellings and garages than assumed within the budget, through a combination of voids and the level of Right to Buy sales. It also includes the loss of assumed income as a result of the decision to not go ahead with the HEYLO scheme. In addition, the HRA earned more interest on its balances and reserves, similarly to the gain by the General Fund reported in paragraph 6.9.
- 7.5 There was less expenditure than anticipated in a number of areas, the major ones being as follows; There was a net underspend on Premises costs, primarily due to less expenditure on the repairs and maintenance budget, higher utility costs, less expenditure on Council Tax on void properties, along with underspends on other CBH delegated budgets such as grounds maintenance work. There was also less expenditure as a result of the decision to not go ahead with the HEYLO scheme. There was a general underspend across most Supplies and Services budgets, and a higher contribution to our Bad Debts Provision than budgeted, reflecting the amount of write-off's during the year and the level of rent arrears at the year-end. The HRA receives recharges from a number of services and given the outturn within these areas, there is a resultant impact upon the HRA. Carry forward requests of £228k have been approved.

One-Off/Technical Items

- 7.6 As a result of the underspends and additional income in the HRA this financial year, we have been able to use these additional revenue resources to make an additional revenue contribution to fund the 2019/20 Housing Capital Programme. This has meant we have been able to minimise new borrowing, and therefore forego additional interest costs.
- 7.7 The HRA balance at 31st March 2020 is £4,306k. However, £2,706k of this balance is currently committed to future years in order to fund revenue expenditure committed to during 2019/20, together with future contributions to the Housing Investment Programme (Capital). This leaves the uncommitted HRA balance at £1,600k, which is the recommended minimum prudent level of balances. The level of balances at the year-end is in line with the estimate used when the 30-year HRA Business Plan was agreed by Cabinet in January 2020.
- 7.8 The HRA is a “ring-fenced” account which means that any underspend or overspend in a given year must be retained within the HRA. The effect of the 2019/20 outturn position will need to be reflected within the Medium-Term Financial Forecast (MTFF) for the HRA to establish the level of resources for future years. This will be reviewed as part of the forthcoming budget process for 2021/22.

8. Strategic Plan references

- 8.1 The priorities within the Strategic Plan are reflected in the Budget and Medium-Term Financial Forecast.

9. Financial implications

- 9.1 As set out above.

10. Risk management implications

- 10.1 Risk management is used throughout the budget cycle, and this is reflected in the strategic risk register. The 2019/20 revenue budget report that was approved by Council in February 2019 detailed a number of potentially significant risk areas that had been identified during the budget process. In addition, Assistant Directors identify a number of both positive and negative risk areas during the year.

11. Other Standard References

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

Background Papers

None

Actual Outturn Expenditure and Income by Service Area – Direct Costs only

		Actual Outturn		
	Area	Spend	Income	Net
		£'000	£'000	£'000
	Corporate & Democratic Core	278	(606)	(328)
	Total	278	(606)	(328)
	Executive Management Team			
	EMT	717	-	717
	Total	717	-	717
	Community Services			
	Assistant Director - Communities	142	-	142
	Licensing & Food Safety	493	(537)	(44)
	Community Safety	241	(16)	225
	Environmental Health Services	551	(88)	463
	Building Control	387	(401)	(14)
	Community Initiatives	1,409	(564)	845
	Private Sector Housing	456	(85)	371
	Bereavement Services	686	(1,497)	(811)
	Cultural Services	563	(84)	479
	Colchester Museums	69	(484)	(415)
	Total	4,997	(3,756)	1,241
	Customer Services			
	Assistant Director - Customer	137	-	137
	Customer Business	987	(466)	521
	Local Taxation & NNDR	480	(774)	(294)
	Customer Solutions	1,230	(237)	993
	Customer Experience	2,150	(288)	1,862
	Electoral Services	875	(327)	548
	Total	5,859	(2,092)	3,767
	Environment Services			
	Assistant Director - Environment	139	-	139
	Neighbourhood Services	11,753	(3,579)	8,174
	Car Parking	1,141	(3,806)	(2,665)
	Total	13,033	(7,385)	5,648

		Actual Outturn		
	Area	Spend	Income	Net
		£'000	£'000	£'000
	Policy and Corporate			
	Assistant Director Policy & Corporate	147	-	147
	Finance	974	(117)	857
	ICT	1,895	(275)	1,620
	People and Performance	748	(166)	582
	Governance	2,904	(248)	2,656
	Place Strategy	1,986	(926)	1,060
	Planning	1,380	(1,325)	55
	Housing	3,124	(1,972)	1,152
	Communications	746	(182)	564
	Garden Communities	2,032	(1,965)	67
	Sub-Total	15,936	(7,176)	8,760
	<i>Company Related:-</i>			
	Client - Commercial Company	1,963	(393)	1,570
	Corporate Asset Management	1,918	(331)	1,587
	Commercial & Investment	369	(3,976)	(3,607)
	Sport & Leisure	4,152	(4,568)	(416)
	Total	24,338	(16,444)	7,894
	Total (all)	49,222	(30,283)	18,939

End of Year – Subjective Analysis

Account Description	Actual £'000	Budget £'000	Variance (fav) / adv £'000
By Subjective Group			
Employees	24,033	24,087	(54)
Premises Related	7,440	7,750	(310)
Transport Related	1,574	1,621	(47)
Supplies & Services	10,694	11,093	(399)
Third Party Payments	5,055	5,494	(439)
Transfer Payments	423	293	130
Capital Financing Costs	5	4	1
Subtotal Expenditure	49,224	50,342	(1,118)
Government Grant	(2,700)	(2,562)	(138)
Other Grants & Reimbursements	(5,852)	(5,611)	(241)
Customer & Client Receipts	(21,493)	(21,470)	(23)
Income-Interest	(240)	(183)	(57)
Subtotal Income	(30,285)	(29,826)	(459)
Total General Fund Services	18,939	20,516	(1,577)

Major Outturn Variances

Note: Underspends and additional income variances are shown in brackets.

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
Executive Management Team					
EMT	55	-	55		<ul style="list-style-type: none"> There were overspends due to cost of Northern Bid Grant (100%) this will convert to a loan and become repayable to the Council upon a successful ballot, recruitment costs (100%), and employee costs due to the implementation of locally determined pay awards in accordance with the Councils agreed pay strategy (0.6%), these are partially offset by an underspend on consultancy costs (87%).
Community					
Assistant Director Communities	2	-	2		<ul style="list-style-type: none"> Employees overspend absorbed by salary savings. £2k overspend mainly on subscriptions and IT costs (1.6%).
Licensing and Food Safety	(8)	1	(7)		<ul style="list-style-type: none"> £2k underspend on staff travel (21.5%). £18k overspend on Legal and Veterinary fees offset by £15k Research underspend (3.5%). £3k underspend on shellfish testing and water sampling (58%). Small net shortfall in income relating to Food Safety for Re-inspections and Advice services (98%) offset by more Licensing Income (5%).
Community Safety	(259)	-	(259)	247	<ul style="list-style-type: none"> The underspend primarily relates to Spending Priorities funding carry forward of £247k for additional resource to the Police, Rural Toolkit and Com. Safety post funding. Employees un underspend of £8k (7.1%) for previously vacant Community Safety Officer post.

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
Environmental Health Services	3	8	11		<ul style="list-style-type: none"> £6k overspend mainly on casual staff costs (1.5%) offset by savings under Animal control – dog boarding (45%). £8k shortfall in overall Animal control income (12.7%).
Building Control	(4)	(1)	(5)	6	<ul style="list-style-type: none"> Employees overspend of £5k (1.5%) offset by £2k (16.4%) underspend on staff travel. £6k unspent Software Licence budget which is also a carry forward. Small gain in income of £1k (0.3%)
Community Initiatives	(131)	-	(131)	113	<ul style="list-style-type: none"> Employees underspend of £19k (5%) due to savings on a vacant post that has now been filled by the appointment of an apprentice. Carry forwards of £113k include £5k for PH co-ordinator salary, £6k of Startwell and Windrush base budget and £102k of Priority spending.
Private Sector Housing	(73)	83	10		<ul style="list-style-type: none"> Employees underspend of £86k (15.6%) due to HMO vacant post and savings in Healthy homes. £3k savings on staff travel (55%). This is offset by a £15k (88%) overspend on Legal fees. £83k less income on HMO Licenses, Redress penalty scheme and Legal Notices (50%).
Bereavement Services	(135)	2	(133)	43	<ul style="list-style-type: none"> Employees underspend of £19k (8.5%) due to a vacant post, which has now been filled. £80k underspend on grounds (22%) due to delay in works yet to be carried out. £20k (18%) underspend on Premises running costs such as electricity, water, cleaning. £7k net underspend in Assisted Funerals (26%). This is offset by £9k one off cost for a new music system. Small shortfall in income of £2k (0.1%). Underspend of £43k requested as a carry forward for Cemetery tarmacking and memorial materials.

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
Cultural Services	(76)	28	(48)	43	<ul style="list-style-type: none"> Underspend on overtime and casual staff costs (3%) plus payments to coach companies (41%) offset by IT Licences overspend (77%). Shortfall in events sale income (3%). There are carry forwards for Spending Priorities funding of £43k for Lighting Scheme, Arts Centre and Cultural Events
Colchester Museums	(18)	2	(16)	32	<ul style="list-style-type: none"> Priority funding carry forward request of £25k for Heritage live and Security at St Botolphs. Strategic plan funds carry forward of £8k for Roman Circus. There is an overspend on staff and business development costs (51%) Small shortfall in income on Admissions.
Colchester and Ipswich Museums (CIMS)	31	(31)	-		<ul style="list-style-type: none"> CIMS is a ring-fenced budget. Overspend is offsetting more income giving a ZERO Net position. Small overspend on salaries due to relocation costs. Overspend relating to the installation of a new CCTV system in Heckworth and some extra Exhibitions costs (1.2%) Large additional water bill of £43k in the Castle, which is currently being investigated, had been rolled over to 2020/21 seeking resolution with the water company. £12k (7.5%) additional retail income and £13k (58%) more income from hire and Events plus small interest income.
Customer					
Assistant Director - Customer	(2)	-	(2)		<ul style="list-style-type: none"> Forecast underspend on employee costs due to a reduction in PA costs (1.7%).
Customer Business	(53)	51	(2)	24	

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
					<ul style="list-style-type: none"> The variances relate to the MacMillan budget following the early termination of the contract (31/12/2019). Underspends on employee costs and shortfall of income due to less costs to be reimbursed. Unbudgeted income from the Town Centre BID totalling £12k (100%). Carry forward request of £24k MacMillan funding to offset future employee costs in 2020/21.
Local Taxation & Business Rates	(21)	(108)	(129)		<ul style="list-style-type: none"> Underspend on employee costs of £19k due to a delay in recruiting into a fixed term post (4%). The additional income relates court fees recovered within Council Tax £104k. The year-end debt adjustment was lower than expected (45%).
Customer Solutions	(47)	(152)	(199)	20	<ul style="list-style-type: none"> Underspends on employee costs of £46k mainly in the Customer Support area due to vacant posts (5%) and IT software licences £46k (32%) partially offset with an £20k overspend on training costs (214%) following team restructures. Unbudgeted expenditure of £28k on Hub security costs (100%) which is partially reimbursed. The majority of the additional income relates to DWP/New Burdens £128k (182%) within Benefits Processing and partial reimbursement of Hub security costs from ECC and CBH. £21k (100%). Carry forward request of £20k to fund Community Support Employment officer post within Customer Support.
Customer Experience	(318)	102	(216)	100	<ul style="list-style-type: none"> Following a procurement exercise for a replacement of legacy systems, Northgate's Assure product is the preferred supplier. The requirement for licenses was reduced for 19/20 resulting in an underspend of £168k (75.61%). Implementation of Northgate began in March 2020 so carry forward requests have been made for the majority of the unspent IT monies to assist in the delivery of the replacement system.

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
					<ul style="list-style-type: none"> Net underspend within the Contact & Support Centre (12.8%) and the Web & Digital Development team (5.75%) is due to Management team secondments and special unpaid leave. Land Charges income was £98k less than the budget (32.78%).
Electoral Services	373	(251)	122		<ul style="list-style-type: none"> The net variance relates to a VAT liability from 2016-2019 (£55k) 100% and staff pension strain costs (100%).
Benefits – Payments & Subsidy	(4,490)	4,402	(88)		<ul style="list-style-type: none"> HB payments and the main DWP subsidies were lower than the 2019/20 budget set for both private sector & housing tenants producing a net overspend for these areas of £188k. The final settlement for the 2018/19 claim was £107k less than accounted for in last year. The LA Error Incentive income claimed is 63k higher than budget. The cost of homelessness was overspent by £207k, but this is offset by £201k funding from CBC Housing (Policy & Corporate Services). DWP administration grant received in year was £72k higher than the budget set. Increased levels of recovery of HB overpayments have resulted in £326k more income collected than assumed in the budget. The overall level of debt is falling because of Universal Credit, and the bad debt provision has been reduced and accounted for within the Technical Services area.
Neighbourhoods					
Assistant Director Neighbourhoods	(3)	-	(3)		<ul style="list-style-type: none"> An employee underspend is due to a reduction in the PA's hours.
Neighbourhood Services	41	(97)	(56)	667	<ul style="list-style-type: none"> Following negotiations with ECC with regards to additional Food Waste credits, Recycling Credits achieved £218k more than budget (15.81%.) This is partially offset by a shortfall in Market & Street Trading (41.88%) and Trade Collections (9.05%)

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
					<ul style="list-style-type: none"> £219k overspend on Agency Staff for Domestic Waste Collections (7.07%) Clear sacks and Recycling Kit stock levels were monitored against demand all year which resulted in a £63k overspend, purchasing for kit did slow down as a result of the introduction of a Voucher for all Kit. Following a global downturn in the value of recycled paper £139k additional contractor costs were incurred (73.35%). A £92k overspend has been included to represent vehicle hire costs incurred from 2017 to 2019 which are currently being disputed. Underspends mainly relate to the following carry forward requests: Colchester Woodland Planting, Works on the High Street, Spending Priorities including Additional Zone Resources and Signage.
Car Parking	(48)	63	15	24	<ul style="list-style-type: none"> Underspends of £34k against the Middleborough Car Park service charge (50%), £13k on NNDR costs (1.6%), £24k on spending priorities funding for car park cleaning and repairs and maintenance (48%) offset by overspends on equipment costs of £22k (73%). A net shortfall of £63k income across parking with a shortfall on P&D of £155k (4.25%) offset with gains on Season Tickets of £21k (36.5%) and PCN's of £66k (38.5%). The sudden downturn in income reflects the Covid-19 lockdown closing most town centre workplaces. Carry forward request of £24k spending priorities funding for additional car park cleaning and repairs and maintenance.
North Essex Parking Partnership (NEPP)	243	(203)	40		<ul style="list-style-type: none"> NEPP budgets are ring-fenced and operate within budget, with the surplus being transferred to the Decriminalised Parking Reserve at year-end.
Policy & Corporate (incl. CDC)					
Corporate & Democratic Core	(8)	(56)	(64)		<ul style="list-style-type: none"> Underspend on Audit costs (20%) offsetting overspend on Banking Transaction Charges (5%) and parish council grants (2.8%) More income from Council Tax Sharing Agreement (10%).

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
Assistant Director Policy & Corp	(10)	-	(10)		<ul style="list-style-type: none"> Underspend on salaries due to change of Assistant Director (7%) and service training budget (20%) offsetting small overspend across supplies and services (128%).
Finance	93	(14)	79		<ul style="list-style-type: none"> Overspends on employee costs due to recruitment costs and agency costs to cover vacant posts, slightly offset due to vacant posts (6%), unbudgeted costs due to the ABS system upgrade (22%), overspends on asset valuation fees (58%) and subscriptions (119%). Income received from CCHL for extra support (100%).
ICT	105	(52)	53		<ul style="list-style-type: none"> Overspends across supplies and services mainly on management and consultancy costs to maintain legacy systems (110%) and across IT costs (20%) offset partially by underspend on employee costs mainly due to vacant posts (3%) and mobile phone new bundle purchase not needed until 20/21 (75%). More income received from CBH for ICT offsetting extra costs incurred (53.6%) and more income due to back dated street naming income (104%).
People & Performance	(42)	28	(14)	37	<ul style="list-style-type: none"> Underspends on payroll inter authority payment mainly due to it starting from June 19 (17%), staff travel plan (23%) offsetting overspend on management and consultancy due to the implementation of the BCE shared payroll service, following agreement of the business case (55%), central training (27%) and early retirement pension strain (100%). A carry forward has been requested for the unspent Spending Priorities funding for Healthy Organisation. Spend has been committed and items purchased but delivery has been delayed due to lockdown. Less income from staff car parking since changing to Mipermit (32%).
Governance	28	39	67		<ul style="list-style-type: none"> Overspends on corporate postage (58%), across employee costs mainly due to not having had sufficient vacant posts in year to achieve the budget target for vacancies (1%), casual staff due to

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
					<p>Hallkeepers at events cover (13%), members printing costs (137%), civic events (18%) and Legal books and periodicals due to changing over to online subscriptions (91%), offsetting underspend due to re-tender of the insurance contract (3%) and Audit Contract (9%)</p> <ul style="list-style-type: none"> £20k income pressure from Rowan House restructure target that will not be received (100%), less income from Legal Fees (22%) and from CBH for postage costs (53%).
Place Strategy	(476)	(1)	(477)	633	<ul style="list-style-type: none"> Underspends mainly relate to the following carry forward requests: Affordable Housing element of New Homes Bonus, Transportation Spending Priorities Funding, Climate Emergency Spending Priorities Funding, Orbital Spending Priorities Funding, CIL and LDF. These are offsetting an overspend relating to Local Plan costs (148%). Small income variance.
Planning	198	(109)	89	23	<ul style="list-style-type: none"> Overspend due to planning appeal costs (100%) and software licences (74%). Carry forwards have been requested relating to the remaining New Homes Bonus Funded Heritage project and Town Wall Spending Priorities Funding. More income received from planning fees (9%).
Housing	210	(178)	32		<ul style="list-style-type: none"> There was a small net overspend on B&B/homelessness initiatives (1%). Less income from temporary accommodation properties.
Communications	(127)	7	(120)	119	<ul style="list-style-type: none"> Carry forwards have been requested relating to the spending priorities posts and marketing budgets. Underspend across marketing budgets (26%) offsetting overspend on licences due to one off previous years spend (64%). Less income than budget from roundabout advertising (50%).
Client – Commercial Company	6	-	6		<ul style="list-style-type: none"> A small overspend due to a one-off contribution towards shared legal costs.

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
Corporate Asset Management	(126)	(28)	(154)	17	<ul style="list-style-type: none"> Underspends on cleaning contract due to re-tender coming in less than budget (9%), NNDR due to revaluation (50%), Town Hall utilities (41%), street lighting electricity and repairs (60%) and corporate PPM (31%) offsetting overspend on corporate R&M (14%) and unbudgeted works to Council Chamber in Town Hall (100%). Carry forwards have been requested relating to fixed wiring PPM and water fountains spending priorities funding. More grant was received for flood works than spent (17%) and a saving was made on the CBH Management Fee for the Engineering team (34%)
Commercial & Investment	27	(460)	(433)	405	<ul style="list-style-type: none"> Commercial properties ended up £8.5k underspent against budget by year end. The outturn income is in-line with the budget. Within this position there is a £100k shortfall in relation to a Northern Gateway site due to the revised planning consent applied for, and a net £19k surplus on a geared ground rent site as previous years rent reconciliations were finally agreed up to the end of December 2019. These have been offset by a number of smaller gains totalling c£180k from various North Colchester sites; properties in Vineyard/Osborne Street and miscellaneous legal and survey fees charged over the year The outturn also reflects a net overspend of £22k (20%) from other miscellaneous service areas. These include £20k on a delayed European project; extra legal advice on regeneration areas offset by underspends on an old economic initiative budget £9k (36%) and surplus DCMS revenue funding in relation to the digital broadband project. There is a carry forward of £405k which was reflected in the 20/21 Budget report agreed by Cabinet in January, which relates to a leasehold surrender.

Service Area	Variance			Carry Forwards	Comment
	Spend £'000	Income £'000	Net £'000	£'000	
Sport and Leisure	(257)	619	362		<ul style="list-style-type: none"> The cost pressures this year included increased superannuation costs and unbudgeted maternity cover, these were however, off-set by several underspends in service which included employee savings of £64k (2.4%) due to in year general vacancies; utility costs, which include final Smith Bellerby estimates, of an overall £85k (15%) - electricity £33k (17.25%); £24k (11.6%) on gas and water a total £17k (11.9%). Savings on Supplies and Services £70k (11.8%) and Third Party payments £23k (35%) due to savings on Highwoods re-charges. It should be noted that Coronavirus issues did not result in any savings during this period. An income shortfall of £619k (11.9%). £230k of this overall shortfall was a direct result of closure of facilities on 19th March due to the covid-19 lockdown. The shortfall is broken down as follows: Lifestyles membership sales of £157.7k (12.7%), Pools £160k (12.5%), Aqua Springs £50k (10.4%), Catering £86.3k (24.6%), Parking £33k, Welcome Zone (Zoggs) Sales £34k, Swimming Lessons £31k, Dryside Activities £21k, Highwoods and Tiptree JUSC £24k, Aerobics £15k, Fitness Centre £14k and Beauty Therapy £2k.

Current Period – March 2020			
End Of Year 2019/20	Actual for Year £'000	Budget for Year £'000	Variance (under) / over £'000
Account Description			
HRA - Direct & Non-Direct			
EXPENDITURE			
Employees	222	179	43
Premises Related	6,566	6,838	(272)
Transport Related	1	0	1
Supplies & Services	1,062	1,097	(35)
Third Party Payments	3,528	3,545	(17)
Transfer Payments	229	188	41
Support Services	3,346	3,444	(98)
Capital Financing Costs	28,418	27,728	690
TOTAL EXPENDITURE	43,372	43,019	353
INCOME			
Other Grants & Reimbursements	(176)	(129)	(47)
Customer & Client Receipts	(29,901)	(29,782)	(119)
Income-Interest	(145)	(31)	(114)
Inter Account Transfers	(12,892)	(12,887)	(5)
TOTAL INCOME	(43,114)	(42,829)	(285)
TOTAL NET - HRA	258	190	68
<i>Technical Items:-</i>			
Carry Forwards		(228)	228
OVERALL - POSITION	258	(38)	296



Cabinet

8 July 2020

Item
8(iii)

Report of Assistant Director – Corporate and Improvement Services

Author Paul Cook
☎ 505861
Mark Jarvis

Title Capital Outturn 2019/20

Wards affected Not applicable

1 Executive Summary

1.1 This report sets out the Council's capital programme performance against budget for the financial year 2019/20. The capital programme covers both General Fund services and the HRA Housing investment Programme. The capital programme also includes the Revolving Investment Fund (RIF).

1.2 Capital expenditure was £46.233m against a revised programme of £53.401m.

1.3 Capital programme revisions to reprofile underspending schemes and make new allocations for 2020/21 and later financial years are included in the budget update elsewhere on the Cabinet agenda.

2 Recommendations

2.1 To approve the 2019/20 Capital Outturn.

3 Reason for Recommended Decision

3.1 The Capital Programme is a key element of service delivery.

4 Alternative Options

4.1 None

5 Background Information

5.1 It should be noted that the capital programme mainly consists of schemes with spending planned across several years. Financial variances within a single financial year may occur due to one or more factors including:

- Delays in the progress of schemes
- Changes in the timing of payments
- Changes to scheme design
- Additional costs

5.2 Capital spending for 2019/20 totalled £46.2m. This represents 87% of the projected budget.

5.3 2019/20 expenditure at the summary level was

- Housing Revenue Account £15.6m
- Revolving Investment Fund £19.0m
- General Fund excluding RIF £11.6m

- 5.4 The 2019/20 capital outturn does not include new budgets identified in the Council's Capital Strategy including New Strategic Priorities and 100 Homes as these do not affect the 2019/20 outturn. They will be included in reports for 2020/21.
- 5.5 Comments on amber rated projects are set out in the Appendix. These are subdivided into the key project management domains of timing, cost and complexity.
- 5.6 In comparison 2018/19 capital expenditure was £25.1m. This was 81% of programme.
- 5.7 The five schemes with largest underspends in 2019/20 are as below:

Scheme	£000 Variation	Reason
Colchester Northern Gateway – Sports Park	(1,166)	Variance is a timing issue and a revised project cashflow is being developed.
HRA Purchase of Properties	(992)	4 properties planned for completion in 19/20 delayed due to Covid-19. Funding has been carried forward to 20/21 for when they complete.
Housing Improvement Programme	(949)	Underspends across various workstreams including Emergency Capital and Capital voids. There is a carry forward request for Sheltered Fire Doors.
Colchester Northern Gateway South	(721)	Works started on site in June, so variance is a timing issue.
HRA - Council House New Build	(651)	Timing of projects means costs will carry over into the next financial year.

- 5.8 Other significant underspends
- 5.8.1 Town Centre (£479k) – now spending in 2020/21.
- 5.8.2 Mandatory Disabled Facility Grants (£478k) – new system being introduced.
- 5.8.3 Colchester Northern Gateway Heat Network (£306k) - delayed in achieving planning permission by one year and installation and testing overrun by 3 months.
- 5.9 Within the heading “Other Projects” the Garrison Gym project overspent by £13k. This overspend has been funded from capital receipts as part of the financing of the 2019/20 capital expenditure.
- 5.10 There are some other small overspends reported in the Appendix. These can be addressed by budget virements.

6 Equality, Diversity and Human Rights implications

- 6.1 Not required for this recommended decision

7 Strategic Plan references

- 7.1 The Council's Capital Programme is aligned to the Strategic Plan.

8 Financial implications

- 8.1 Within this report

9 Environmental and Sustainability Implications

- 9.1 The Capital Programme reflects the Council's declaration of a Climate Emergency and its commitment to becoming carbon neutral by 2030. The environmental and sustainability implications of individual programmes will be thoroughly assessed with reference to the definition of sustainable development set out in the National Planning Policy Framework.
- 10 **Equality and Diversity Implications**
- 10.1 Equality and diversity issues for individual projects are assessed in line with agreed policies and procedures including production of Equality Impact Assessments where appropriate.
- 11 **Risk management implications**
- 11.1 Risk management issues are considered as part of individual capital projects. Currently the key risk within the capital programme relates to the finalisation of funding arrangements to enable key schemes primarily within the RIF to progress. Relevant officers are endeavouring to formalise funding arrangements where necessary. The position is being continuously monitored.
- 12 **Other standard references**
- 12.1 There are no direct Publicity, Human Rights, Community Safety or Health and Safety implications as a result of this report.
- 13 **Background papers – None**

Project Update Q4 19/20	Total Programme £'000	Actual Spend Q4 19/20 £'000	Forecast 2019/20 £'000	Spend against forecast %	Forecast 2020/21 £'000	Forecast 2021/22 £'000	Forecast 2022/23 £'000	RAG Status
Lending to new Council Housing Company	28,800	400	400	100%	1,400	7,500	19,500	Amber
CNGN - Sports Park	24,316	17,449	18,615	94%	5,701	0	0	Amber
Housing Improvement Programme	8,663	7,714	8,663	89%	0	0	0	Green
Purchase of properties - HRA	7,400	6,408	7,400	87%	0	0	0	Green
Equity Investment in CCHL	7,300	1,500	1,500	100%	300	5,500	0	Amber
Mercury Theatre Redevelopment Phase 2	6,731	3,838	3,881	99%	2,850	0	0	Amber
CNGS (including The Walk)	5,844	523	1,244	42%	4,600	0	0	Green
Colchester Northern Gateway Heat Network	4,089	194	500	39%	3,589	0	0	Green
New Build on Garage Sites	3,907	333	407	82%	3,500	0	0	Amber
Mandatory Disabled Facilities Grants	3,459	744	1,222	61%	957	1,280	0	Amber
Digital Strategy - works	3,413	227	363	63%	3,050	0	0	Green
Waste Fleet Vehicles	2,816	2,552	2,665	96%	151	0	0	Green
Facility Loan to CAEL	2,520	900	900	100%	700	500	420	Green
Town Centre	2,120	21	435	5%	1,685	0	0	Amber
Shrub End Depot	1,041	28	100	28%	941	0	0	Amber
Other Projects	1,231	518	1,128	46%	117	0	0	Green
HRA - Council House New Build	759	108	759	14%	0	0	0	Amber
HRA - Adaptations to Housing Stock	722	762	722	106%	0	0	0	Green
Grants to Registered Providers (1-4-1 RTB Receipts Funded)	671	225	225	100%	446	0	0	Green
Jacks - St Nicholas St	644	666	644	103%	0	0	0	Amber

CCTV Monitoring	391	40	141	28%	250	0	0	Green
Heritage Lighting	350	323	350	92%	0	0	0	Green
Sheltered Accommodation	300	323	300	108%	0	0	0	Green
Pre development/feasibility funds	250	0	0	N/A	250	0	0	Green
Private Sector Renewals - Loans and Grants	235	57	62	92%	100	73	0	Green
Castle Park Improvements	183	163	183	89%	0	0	0	Green
Town Hall - Boilers	160	117	160	73%	0	0	0	Green
East Colchester Enabling Fund	141	0	141	0%	0	0	0	Green
Colchester Leisure World - Roof	140	37	31	119%	109	0	0	Green
Castle Park Cricket Pavilion Extension S106	125	0	0	N/A	125	0	0	Green
Sport & Leisure Asset Review	120	0	0	N/A	120	0	0	Green
Local Authority Carbon Management (LACM) - Car Park LED lighting	119	4	119	3%	0	0	0	Green
Stanway Community Centre	118	44	118	37%	0	0	0	Amber
St Botolphs Public Realm	118	0	10	0%	108	0	0	Green
Housing ICT Development	117	0	0	N/A	117	0	0	Green
Town Walls	110	15	13	115%	50	47	0	Green
Totals	119,423	46,233	53,401	87%	31,216	14,900	19,920	

Comments on amber rated schemes:

Lending to Housing Company

The comments below apply also to the later row equity investment in CCHL.

Timing: Creffield Road gained permission in 2019 and completed a land transfer on 27 February 2020. The site is on course to start construction soon and complete in March 2021.

The other two sites in the programme will be delivered but the advances will be made mainly in 2021/22. The Council will gain dividend income from the house sales as the schemes roll forward.

There are delays in the determination of the Northern Gateway South planning application which includes the Mill Road housing site. There is an expectation to build 350 (105 affordable, 245 private) houses at Mill Road.

At St Runwald Street the initial scheme has been revised but still needs to navigate the planning process prior to any land disposal and related equity investment.

Cost: remains on budget.

Complexity: High due to the intrinsic links to the wider Northern Gateway and traffic modelling for this whole growth area.

Colchester Northern Gateway North

Timing: There was a target Sports Park completion of May 2020. The estimated practical completion is now October 2020.

Cost: Work ongoing with funders to meet funding criteria and with end users of the completed Sports Hub facility.

Complexity: There has been a revision to the Sports Park building which is now having a balcony built causing the further delay to practical completion.

Colchester Northern Gateway South

Timing: The Walk contract and associated infrastructure works started June 2020

Cost: Increased cost on receipt of tenders

Complexity: No new issues

Equity Investment in CCHL

Timing: see comment above

Cost: see comment above
Complexity: see comment above
Mercury Theatre Redevelopment Phase 2
Timing: Practical completion is estimated for December 2020
Cost: Due to additional costs being not originally included in the budget, there is a significant risk that the scheme will overspend.
Complexity: Works will continue with progress being monitored
New Build on Garage Sites
Timing: Construction planned for August 2020
Cost: No variations to report
Complexity: 3 of the 5 sites have planning permission
Mandatory Disabled Facilities Grants
<p>Timing: There have been a total of 74 grants paid in year 2019/20.</p> <p>Total spend is £744,330 year to date. There are 46 grants approved with a total commitment standing at £457,574 at the end of Quarter 4. Total Spend and commitment is £1,201,904.</p>
Cost: The grant funding is ringfenced to this purpose
<p>Complexity: Migration towards the new Northgate system is underway and anticipated in August 2020. A new streamlined application process with increased customer contact and support will form the basis of the new pathway. The Financial Assistance Policy is currently being reviewed and will support the new process.</p> <p>The new Fast-Track DFG, led by the Snr OT in Housing has demonstrated its value and has resulted in 10 applications, 4 of which have completed.</p>

The Snr OT in Housing Project will continue into Year 2 and will support applications, building upon the work to improve hospital discharge and prevent admission to hospital and care settings.

CV19 Recovery Planning has commenced and will incorporate working with Social Care to support the most vulnerable applicants.

Town Centre

Timing: The programme will be delivered but some spend in 2020/21.

Cost and complexity: No new issues

Shrub End Depot

Timing: There has been some time taken to get new management up to speed on the project.

Cost: No variations to report

Complexity: During this time careful consideration is being taken on the impact of any changes; this has included consultation with a Waste and Transfer Station specialist. An initial conversation has also been had with a workspace specialist. Draft master plans will start to be drawn up shortly.

HRA – Council House New Build

Timing: Military Road works to commence July/August 2020

Cost: No variations to report

Complexity: Works will carry into 2021/22

Jacks - St Nicholas St

Timing: This project has been completed

Cost: This scheme has overspend against its original budget.
Complexity: No new issues
Stanway Community Centre
Timing: Cabinet report for construction works to be submitted and approved.
Cost: No variance to report
Complexity: Until the cabinet report has been approved no significant progress can be made.

Report of	Assistant Director of Corporate and Improvement Services	Author	Richard Clifford ☎ 507832
Title	Member Development Group Annual Report 2019-20 and Renewal of Member Charter Status		
Wards affected	'Not applicable'		

1. Executive Summary

1.1 The purpose of the Member Development Group is to provide a forum where members can advise on the planning, delivery and evaluation of member development activities. It is an all-party group and is chaired by the Portfolio Holder for Business and Resources. The Group is required to report to Cabinet on an annual basis. This report meets this requirement and summarises the work of the Group during the 2019-20 municipal year. The Annual Report sets out information on the provision of member development, expenditure on the member development budget and the progress on Charter Status for Elected Member Development.

1.2 This report also invites Cabinet to consider a recommendation from the Member Development Group that the Council should seek reaccreditation for Member Charter Status and that it do so at the Charter Plus level.

2. Recommended Decision

2.1 To receive and note the report of the Member Development Group on the work of the Group in the 2019-20 municipal year.

2.2 To seek reaccreditation for Charter Status for Elected Member Development when the current period of accreditation ends in July 2021, but not to pursue Charter Plus at this stage.

3. Reason for Recommended Decision

3.1 The Member Development Group is required to report to Cabinet on an annual basis. This provides Cabinet with an opportunity to review the work of the Group and the provision of member development.

3.2 The benefits of Charter Status are that it demonstrates that the Council's member development processes are in line with good practice. This provides reassurance to current and potential members, and to other external inspections such as Peer Reviews. It also provides a reassurance to residents that their elected representatives are provided with effective support to enable them to undertake their roles and responsibilities effectively.

4. Alternative Options

4.1 Cabinet could decide not to seek reaccreditation for Charter Status or to do so at the standard level.

5. Background Information

Annual Report

5.1 The Annual Report of the Member Development Group for 2018-19 is attached as Appendix 1 to this report. This sets out information about the background to the group and its terms of reference and composition. It summarises the main areas of work undertaken by the Group and provides information about the range of development activities undertaken by members of Colchester Borough Council in 2019-20.

Member Charter Status

5.2 The Council was originally awarded Charter Status in July 2011 and was successful in securing reaccreditation in January 2015 and July 2018. Accreditation is for a period of three years, with a light touch interim reassessment after 18 months. This was successfully passed in January 2020.

5.3 The current period of accreditation will end in July 2021 and the Council needs to indicate shortly whether it intends to commit to seek reaccreditation and commit to a reassessment.

5.4 The current framework for Member Charter Status is at Appendix 2. This sets out the three criteria against which the assessment is made and sets out more detailed guidance setting out the examples of the evidence required to demonstrate the criteria has been met. The three criteria against which Charter Status is assessed are as follows:-

- There is a clear commitment to councillor development and support;
- The Council has a strategic approach to councillor development;
- Learning and development is effective in building capacity.

5.5 The benefits of Charter Status are that it demonstrates that the Council's member development processes are in line with good practice. This provides reassurance to current and potential members, and to other external inspections such as Peer Reviews. It also provides a reassurance to residents that their elected representatives are provided with effective support to enable them to undertake their roles and responsibilities effectively. However, there is no tangible "reward" for securing Charter Status. It does not provide access to additional resources or specialist training provision.

5.6 There is a higher level of accreditation, known as Charter Plus. There are no additional criteria for Charter Plus, but the Council is required to meet a higher standard and provide further evidence for each of the criteria. The additional requirements are set out in Appendix 1. It should also be stressed that the requirements set out in Appendix 1 are not prescriptive. It is for each authority to demonstrate how it believes it meets the criteria.

5.6 At its meeting on 20 January 2020 the Member Development Group considered whether the Council should seek reaccreditation for Member Charter Status and if so at what level and recommended that the Council should seek reaccreditation and that it should aim to do at Charter Plus level.

In reaching this recommendation the Group took account of the following issues: -

- Member Charter Status ensured that the Council's member development and councillor support processes were fit for purpose and in line with good practice. Whilst it was noted

that the Council received no funding or resources as a result of securing Charter Status, there were clear reputational benefits in that it demonstrated to prospective Councillors and residents that the Council took the development of its members seriously in order to ensure that they were able to fulfil their duties effectively.

- The Council had secured Charter Status on three previous occasions and had previously indicated a long-term ambition to seek Charter Plus Status. It also noted the recommendation from the Charter Assessment team that it consider Charter Plus. It was consistent with the Council's approach to improvement to seek accreditation at the higher level.
- The areas identified in the report as potentially challenging given current resource and practice were noted. However it did not consider that any of these were insurmountable. Engagement with the political group leaders would be key and there was the opportunity to learn from practice in other authorities.
- Some concern was expressed about member and officer resource needed to secure Charter Plus and officer capacity to undertake the necessary work. However, if securing Charter Plus was identified as a priority and further resource was needed, then discussions about appropriate resourcing would need to be held.
- The start of the new municipal year gave an opportunity to implement new processes and procedures, such as a streamlined personal development plan process.
- If the Council sought Charter Plus status but was unsuccessful then it could still be accredited at Charter Status level.

5.8 However, a key element of the Charter is demonstrating that member development is member led and in order to achieve Charter Plus the Council will need to demonstrate even greater member involvement and buy in to member development processes. For example, there will need to be a personal development plan process with a high level of engagement, and Cabinet members and Committee Chairs will need to identify and undertake appropriate development. Whilst efforts will be made to ensure they are as "light touch" as they can be whilst still consistent with the principles of the Charter, these processes will require a considerable time commitment from Councillors, particularly those in leadership positions. In view of this, Group Leaders have been consulted on whether they would support a bid for Charter Plus. Those responses received have indicated that in the present climate, whilst the long term aim should be to secure Charter Plus, the Council should seek reaccreditation in 2021 at Charter Status level and not pursue Charter Status at this stage.

6. Equality, Diversity and Human Rights implications

6.1 An EQIA for the councillor development policy has been prepared and can be accessed via the link below.

<http://www.colchester.gov.uk/CHttpHandler.ashx?id=2290&p=0>

7. Strategic Plan References

7.1 Member development supports all the Strategic Plan priorities by promoting the skills and knowledge members need in order to fulfil their roles effectively.

8. Financial Implications

8.1 The Annual Report sets out expenditure against the member development budget for the 2019-20 municipal year. There are no financial implications arising from the report.

8.2 The LGA fee for the Charter programme is £3000. This would be met from the Member Development Budget. In previous years, the LGA have allowed this to be paid over two

financial years. This is a significant proportion of the member development budget and could potentially impact on the external training and development that could be provided. There are resource implications also in that ensuring the Council meets the charter standards and the preparation for the assessment involves considerable officer resource.

9. Standard References

9.1 There are no particular references to consultation or publicity considerations or community safety; health and safety, environmental sustainability or risk management implications.

Appendix 1 – Member Development Group Annual Report

Appendix 2 – Member Development Charter and Charter Plus requirements

Member Development Group: Report to Cabinet 2019-20

1. Introduction

The purpose of the Member Development Group is to provide a forum where members can advise on the planning, delivery and evaluation of member development activities. The Group is made up of a member of each political group and is chaired by the Portfolio Holder for Business and Resources.

The Group is required to report to Cabinet on an annual basis. This report meets this requirement and summarises the work of the Group during the 2019-20 municipal year.

2. Terms of Reference

The Group's Terms of Reference are as follows:-

The Member Development Group will advise on the planning, delivery and evaluation of member development activities and make recommendations to Cabinet where appropriate. The Member Development Group will report to Cabinet on an annual basis.

The membership of the Member Development Group will be the relevant Portfolio Holder with responsibility for Member Development and one member from each political group represented on the Council. The Group will be chaired by the Portfolio Holder. Members of the Group will be responsible for the promotion of Member Development within their political group.

The Member Development Group will:-

- oversee the provision of member development opportunities;
- advise on policies and procedures relating to member development; and monitor their implementation and effectiveness;
- regularly review the level and allocation of the Councillor development budget;
- oversee the evaluation of member development opportunities and assess the contribution of member development opportunities towards the Council's corporate objectives;
- ensure that Charter Status for Member Development is maintained and monitor the progress of the implementation of the recommendations from the Charter Assessment.

3. Composition

The membership of the Group in 2019-20 was as follows:-

Councillor David King, Portfolio for Business and Resources, Chair
Councillor David Harris
Councillor Jackie Maclean
Councillor Sam McCarthy
Councillor Beverley Oxford

The Group has been supported by Hayley McGrath, Corporate Governance Manager, and Richard Clifford, Lead Democratic Services Officer.

The Group has met on three occasions in 2019-20. A further meeting in March 2020 was scheduled but was cancelled as a result of the Covid 19 emergency.

4. Main Areas of Work

4.1 The Provision of Member Development

Details of attendance at member development sessions for 2019-20 is at Appendix 1. The attendance figures are positive and continue to demonstrate a healthy interest in training and development across the Council. Feedback is collected at most sessions and this is largely very positive.

The Group established measurable objectives to measure attendance and quality of member development sessions and performance against these objectives is shown below. The figures for 2018-19 are also included for comparison and to indicate trends.

	Target	2018-19	2019-20
Number of Councillors attending one or more Development Session	80%	92%	84%
Number of Councillors attending 5 or more Development Sessions	25%	49%	43%
Number of Development Sessions or Briefings provided for Councillors over the course of a municipal year	10	21	23
Number of Councillors who have completed Leadership Academy programme during the course of the Municipal Year	1	-	-
Percentage of completed feedback forms indicating that development session was worthwhile	75%	88%	92%

The programme of member development has provided briefings to keep members up to date on key Council projects and initiatives, particularly in respect of the Local Plan and the North Essex Garden Communities. There has also been an emphasis on raising awareness on some equality and diversity issues, including sessions on LGBTQ+ Awareness and the Impact of Sexual Violence.

In addition some specialist training was arranged for the Scrutiny Panel to help it discharge it's functions in respect of scrutinising the commercial complainies and in respect of treasury management. Whilst most training is provided in-house using the

Council's officers, the specialist nature of this training meant that external trainers were commissioned to provide the training.

Planning and licensing training has also been provided to ensure that members are kept up to date with developments in these fields and to ensure that there is a wide pool of members able to sit on the Planning and Licensing Committees.

4.2 Member Charter Status

The Council was reaccredited with Charter Status for Elected Member Development in July 2018. Accreditation is for a period of three years, with a "light touch" interim after a period of 18 months. The Council undertook its interim reassessment in January 2020 and was successful.

The Group reviewed the recommendations made by the Assessment Team in July 2018. In particular it looked at the recommendation from the Assessment Team that the Council should invest in creating space and informal opportunities for councillors to meet and discuss issues in a non-partisan environment. This led to a proposal to provide improved facilities for members by relocating the Members Room. Further progress on this has been stalled by the closure of the Town Hall as a consequence of the Covid 19 emergency.

The Group has also considered whether to seek Charter Status again in July 2021 when the current accreditation expires. Following consideration of the benefits of Charter Status and the requirements involved, it made a recommendation to Cabinet that the Council seek reaccreditation at the higher Charter Plus level in 2021. At the request of Cabinet, the views of Group Leaders are being sought on this proposal and will be reported to Cabinet.

4.3 Member Development Budget and Resources

The member development budget for 2019-20 was set at £8,000. The budget is split into two elements: a core training budget of £4900 which is used to fund core training with a council wide application such as training on licensing, planning and scrutiny. It is also used to fund a place at Leadership Academy. The remainder of the budget is split between the political groups on the basis of £100 per member.

Expenditure on the budget 2018-19 is set out below.

Overall Budget - £8,000

Core Budget - £4,900

Licensing training, 12 June 2019, Cornerstone,	£1000
Licensing training, 21 June 2019, Tendring District Council,	£190
Chairing Skills, 14 August 2019, Frontline Consulting	£800

Scrutinising the Work of Commercial Companies, 22 October 2019, Centre for Public Scrutiny	£1005
Treasury Management Training, 17 December 2019, LINK	£1500
Cabinet Away Day, 5 October 2019, The Training Team	£450
Sub Total	£4945
Balance	£45 overspend

Conservative Group Budget - £2300

No spend on budget

Liberal Democrat Group Budget - £1300

Chairing Planning Committee Essentials, LGA, Attendance by Cllr Luxford Vaughan, 19-20 September 2019	£335
Sub total	£335
Balance	£995

Labour Group Budget - £1100

Mentoring support through the LGA Mentoring Scheme	£600
Sub total	£600
Balance	£500

Highwoods Group Budget - £300 no spend

Overall spend on budget: £5880

Member development is supported by the Democratic Services Team. Support was also provided by the Corporate Governance Manager as and when required. Considerable time and efforts is put into providing sessions and development by officers across the organisation. The Group wishes to formally record its appreciation for the time and effort that officers and partners put into providing development opportunities for Councillors.

5. Conclusion

The Group considers that a useful and varied programme of development opportunities has been provided for councillors. In particular briefings on the Local Plan and the North Essex Garden Communities helped keep members well informed of progress on these important initiatives. The resources put into member development have provided good value and have contributed towards the delivery of the Council's strategic priorities.

Appendix 1

Attendance at Training and Development Opportunities 2019-20 Municipal Year

Training	New Member Induction	Planning training	Governance and Aud	Local Plan Briefing	Licensing training	Licensing training
Dates	15-May-19	21-May-19	04-Jun-19	10-Jun-19	12-Jun-19	21-Jun-19
Goacher	Goacher	Barlow	Barber	Buston	Barton	
McCarthy	Harris	Dundas	Barlow	Chuah	Young, T	
Attendees	Wood	Luxford Vaughan	Goacher	Bourne	Crow	
		McCarthy	Higgins	Buston	Elliott	
			McCarthy	Chillingworth	Harris	
			Pearson	Coleman	Hogg	
			Scott-Boutell	Ellis	Oxford, B	
			Willetts	Fox	Wood	
			Wood	Hogg		
				King		
				Luxford Vaughan		
				Pearson		
				Scordis		
				Young, J		
				Young, T		

Local Plan Briefing 03-Jul-19	Local Plan Briefing 18-Jul-19	Statement of Account 23-Jul-19	Chairing Skills 14-Aug-19	Planning Training for Parish Cllrs 12-Sep-19	Affordable Housing (Planning) Training 12-Sep-19	The Impact of Sexual Violence and Child Abuse 18-Sep-19
Barlow	Barlow	Buston	Barlow	Jackie Daines - Aldhar Bourne		Chuah
Bourne	Coleman	Liddy	Barton	Adam Scott - Aldham I Chapman		Cory
Chillingworth	Cory	Pearson	Coleman	Angela McLauchlan - E Ellis		Crow
Elliott	Ellis	(incomplete)	Crow	Karen Thompson - Bo: Loveland		Goacher
Ellis	Fox		Harris	Susan Chamley - Chaj Hazell		Goss
Fox	King		Liddy	Lesley Suttling - Copfo Liddy		Hogg
Goacher	Lilley		Pearson	James Macauley - Cop Luxford Vaughan		Jarvis
Luxford Vaughan	Luxford Vaughan		Warnes	Anna Appleyard - East Scott-Boutell		Oxford, B
Moore	Maclean, J			Sharon Law - Fingringl Warnes		Oxford, G
Oxford, G	Pearson			Jonathan Martin - Fing Willetts		Whitehead
Scordis	Warnes			Kathryn Cameron - Fo Young., J		Young. J
Warnes	Young, J			Burt Thomas - Marks Tey		
Wood				Martin Baird - Mount Bures		
Young, T				Ian Woodman - Mount Bures		
				Gary Braddy - Myland		
				Debby Bloomfield - Stanway		
				Dan Jordan - Stanway		
				Irnina Wancerska - Stanway		
				Norma Smith - West Bergholt		
				John Akker - West Mersea		
				Paula Moore - West Mersea		
				Carl Powling - West Mersea		
				Chris Wood - West Mersea		
				Jo Beighton Emms - Wivenhoe		
				Daniel Fenn - Wormingford		

Planning Committee Leadership Essentials - LGA	Garden Communities Briefing	Scrutinising Commercial Companies	Planning Training	East Suffolk and North East Essex - Building Better Care	Local Plan Briefing	LGBTQ+ awareness
19-20 September 2019 Luxford-Vaughan	03-Oct-19	22-Oct-19	23-Oct-19	30-Oct-19	14-Nov-19	19-Nov-19
	Barlow	Bourne	Barton	Chapman	Barber	Bourne
	Bourne	Davies	Bourne	Chuah	Barlow	Cory
	Coleman	Hogg	Fox	Ellis	Bourne	Fox
	Cory	Warnes	Harris	Hogg	Ellis	Goacher
	Davies	Whitehead	Hazell	Moore	Harris	Maclean, J
	Ellis		Higgins	Young, T	King	Scott-Boutrell
	Fox		Hogg		Luxford Vaughan	Warnes
	Goacher		Jarvis		Moore	
	Hazell		Lilley		Young, J	
	Jarvis		Liddy			
	King		Lissimore			
	Luxford Vaugan		Loveland			
	Oxford, B		Moore			
	Oxford, G		Warnes			
	Scott-Boutell		Willett			
	Warnes					
	Whitehead					
	Willett					
	Young, J					
	Young, T					

Treasury management scrutiny briefing	Neighbourhoods briefing	Garden Communities Briefing
17-Dec-19	13-Jan-20	11-Feb-20
Bourne	Chapman	Barlow
Buston	Chillingworth	Bourne
Davies	Davidson	Chapman
Jarvis	Harris	Fox
King	Hazell	Harris
Maclean, J	Liddy	Hazell
McCarthy	Loveland	Hogg
Warnes	Maclean, J	King
Whitehead	McCarthy	Liddy
Wood	Oxford, G	Luxford Vaughan
	Pearson	Moore
	Scott-Boutell	Oxford, G
	Whitehead	Pearson
	Willetts	Warner
	Wood	Whitehead
	Young, T	Willetts
		Young, J

Name	Number of development sessions attended
Christopher Arnold	
Lewis Barber	2
Nick Barlow	8
Lyn Barton	3
Kevin Bentley	
Tina Bourne	10
Roger Buston	4
Nigel Chapman	4
Peter Chillingworth	3
Helen Chuah	3
Phil Coleman	4
Nick Cope	
Mark Cory	4
Simon Crow	3
Robert Davidson	
Beverly Davies	3
Paul Dundas	1
John Elliott	2
Andrew Ellis	7
Adam Fox	7
Mark Goacher	7
Martin Goss	1
Dave Harris	6
Chris Hayter	
Pauline Hazell	5
Theresa Higgins	2
Mike Hogg	6
Brian Jarvis	4
John Jowers	
David King	7
Cyril Liddy	6
Michael Lilley	2
Sue Lissimore	1
Derek Loveland	3
Andrea Luxford Vaughan	9
Sam McCarthy	5
Fiona Maclean	
Jackie Maclean	4
Patricia Moore	5
Beverley Oxford	3
Gerard Oxford	5
Philip Oxford	
Chris Pearson	7
Lee Scordis	2
Lesley Scott-Boutell	5
Martyn Warnes	10
Lorcan Whitehead	6
Dennis Willetts	6
Barbara Wood	6
Julie Young	7
Tim Young	6

The Member Development Charter and Charter Plus

Supporting continuing professional development for councillors

Produced in conjunction with the following organisations



Foreword



The environment in which we work is ever changing and if we're to continue to meet our residents' expectations we've got to keep pace with it. That means recognising that the role of the councillor is different to what it was five, 10, even 20 years ago.

We're wardens of places, leaders who represent the interest of our residents, protectors who mitigate the impact of funding constraints, facilitators who help partners and communities work together and develop new possibilities for their local areas.

Our roles are being redefined and we need to make sure we have the skills and expertise to continue delivering for our communities.

The Member Development Charter and Charter Plus has provided councils with a robust framework and has encouraged member development across the sector. This year we've reviewed the charter to make sure we're capturing current and future challenges so that councillors are able to shape debate whilst continuing to fulfil their role as the community representatives.

I would strongly encourage local areas to adopt the Member Development Charter and Charter Plus as a guide and a benchmark as part of your improvement journey. Every profession has continuing professional development at the heart of their improvement and so should we. The Member Development Charter and Charter Plus supports this continuing professional development for councillors by being a contract between the council and its councillors that commits to invest in councillors' growth and development.

Lord Gary Porter
LGA Chairman

Guidelines

There are three essential criteria to achieving the charter:

1. There is a clear commitment to councillor development and support
2. The council has a strategic approach to councillor development
3. Learning and development is effective in building councillor capacity.

Within each of these there are a number elements and requirements to demonstrate that the criteria are being met. These do not dictate what should be in the strategy, the nature of the content or the delivery mechanisms that should be used. The emphasis is on ensuring that all councillors are appropriately developed and supported so that they can be effective in their roles.

The following lists are intended to indicate the sorts of evidence that can be used to show that the council's approach to member development meets the charter criteria. Note that:

- There is no need to show all the evidence listed.
- This does not preclude the use of other evidence that may not be listed. The emphasis is on a local approach to a national framework.
- Some are likely to be stronger indicators than others.
- Some pieces of evidence may be applicable to more than one element and criteria.

Member Development Charter and Charter Plus: examples of evidence

Criterion 1. There is a clear commitment to councillor development and support

	Elements	Requirements for Charter	Requirements for Charter Plus	Examples of evidence
1.1.	Political and managerial leadership is committed to the development of councillors	<ul style="list-style-type: none"> • Clear commitment from the top political and managerial leadership • Established cross party councillor development task group (CDTG) that meets regularly • There is a clear councillor development strategy which is embedded into practice and regularly reviewed • Named councillor(s) and officer(s) responsible for councillor development 	<ul style="list-style-type: none"> • Clear commitment from top political and managerial leadership to share development opportunities across local government tiers (including with parish and town councils) • Of a strategic approach to forward planning of councillor development 	<ul style="list-style-type: none"> • Signed commitment to achieving the charter • Councillors are included in any liP Award questioning process • Strategies are in place to support councillor development • Cross party councillor development task group showing active involvement of councillors in the learning and development process

Criterion 1. There is a clear commitment to councillor development and support

	Elements	Requirements for Charter	Requirements for Charter Plus	Examples of evidence
1.2	The council actively encourages citizenship and publicises the role of councillors as community leaders as part of promoting local democracy so as to encourage under-represented groups to become a councillor	<ul style="list-style-type: none"> The council holds a range of activities and events to encourage people to become councillors 	<ul style="list-style-type: none"> The council takes action to encourage people to become councillors, particularly from under-represented groups and evaluates the impact and success of the activities Council provides information on the electoral process The council builds links with local businesses and employers to promote the role of the councillor 	<ul style="list-style-type: none"> Local democracy week action plan, programme of activities and review Youth council Supports the LGA “Be a Councillor” campaign Citizenship links with local schools, colleges and universities Presentations at community forum events, and targeting under-represented groups, to promote the role of councillors Prospective councillor events, materials, role descriptions – recruitment packs ‘Day in the life of a councillor’ feature in newsletters

Criterion 1. There is a clear commitment to councillor development and support

	Elements	Requirements for Charter	Requirements for Charter Plus	Examples of evidence
1.3	The council is committed to ensuring equal access to learning and development for all councillors	<ul style="list-style-type: none"> Statistical analysis of cultural and personal circumstances Timing of councillor development takes account of cultural and personal circumstances All councillors have equal access to councillor development The development programme includes a range of delivery methods to meet the different learning styles of councillors Councillors are regularly updated on councillor development activities 	<ul style="list-style-type: none"> Impact of analysis of access is monitored, reviewed and actioned 	<ul style="list-style-type: none"> Statistical evidence of attendance A range of learning and development options to meet individual needs are provided and promoted A range of communication methods eg internet/ intranet/ social media is used to inform of development opportunities Councillors confirm that action is taken to respond and to accommodate diversity of need The councillor development plan evidences flexibility and consideration of the timing of development events
1.4	The council has a designated budget for councillor development which is adequate to meet priority development needs	<ul style="list-style-type: none"> Budget is explicit and clearly identified and monitored 	<ul style="list-style-type: none"> The budget is properly reviewed, set and prioritised by the cross party councillor development task group 	<ul style="list-style-type: none"> Budget reports Information that informs councillors of the existence of the budget Minutes of meetings that shows councillors' involvement in setting and monitoring the budget Councillors confirm that the budget is sufficient to meet priority current and future development needs

Criterion 1. There is a clear commitment to councillor development and support

	Elements	Requirements for Charter	Requirements for Charter Plus	Examples of evidence
1.5	Designated officer/s of the council have responsibility for coordinating councillor development	<ul style="list-style-type: none"> Appropriate and adequate officer resources are in place to support councillor development 	<ul style="list-style-type: none"> Councillor development and support staff have their own skills development programme Councillor development and support staff are involved in regional and national learning networks to support CPD 	<ul style="list-style-type: none"> Officer/s job descriptions Named officer/s in councillors' handbook or other information source that is distributed to councillors and officers Councillors are able to name the officer who supports their learning and development Those responsible for planning learning and development activities for councillors are able to demonstrate their understanding of learning and development in a political context Cross party member development task group terms of reference and active involvement of councillors in the learning and development process demonstrated

Criterion 2. The council has a strategic approach to councillor development

	Elements	Requirements for Charter	Requirements for Charter Plus	Examples of evidence
2.1	The council has a councillor development strategy in place	<ul style="list-style-type: none"> The strategy is developed and monitored by the cross party member development task group Strategy identifies priority development needs and makes stated and clear links with council's corporate/strategic objectives The strategy is regularly reviewed (at least once every three years) by the cross party member development task group The strategy includes an induction process that is evaluated after each election 	<ul style="list-style-type: none"> The cross party member development task group leads the evaluation of the strategy and implements improvements 	<ul style="list-style-type: none"> A strategy is in place Notes of member development meetings showing monitoring and evaluation of the strategy Member development task group demonstrates their involvement in formulating the strategy Overview and scrutiny review of the effectiveness of the strategy Those involved in formulating the strategy can demonstrate how it links to the corporate/strategic objectives and the rationale behind stated priorities
2.2	The council has a structured process for regularly assessing councillors' individual learning and development needs based on focused objectives	<ul style="list-style-type: none"> A process exists to identify individual development needs in the form of a Training Needs Analysis (TNA) or Personal Development Plans (PDPs) and is working effectively 	<ul style="list-style-type: none"> All councillors are offered PDPs and more than half of councillors take them up Council has a process for individual councillor reviews to reflect on strengths and support progression 	<ul style="list-style-type: none"> Councillor role descriptions Training needs analysis Personal development plans Use of the LGA Political Skills Framework

Criterion 2. The council has a strategic approach to councillor development

	Elements	Requirements for Charter	Requirements for Charter Plus	Examples of evidence
2.3	The various councillor roles are clearly defined and outline how they contribute to the achievement of community, political and council objectives	<ul style="list-style-type: none"> Councillors demonstrate an understanding of the skills and knowledge required in their ward and council wide roles Councillor role descriptions exist and are maintained for all key roles including the ward councillor Councillors are clear about what the council is trying to achieve and the key role they play in this as councillors 	<ul style="list-style-type: none"> Role descriptions are used for the recruitment and selection of candidates and to identify and prioritise development needs Role descriptions are used to support succession planning Evidence that councillors are clear about: <ul style="list-style-type: none"> the role of partner bodies the role of other stakeholders their own role on partner bodies their own role in relation to other stakeholder bodies 	<ul style="list-style-type: none"> Systems are in place to identify individual development and support needs Learning styles and training needs analysis Personal Development Plans link to function and corporate objectives Councillors are able to describe how learning and development activities have helped them to carry out their role and contribute to the achievement of the council's objectives

Criterion 2. The council has a strategic approach to councillor development

	Elements	Requirements for Charter	Requirements for Charter Plus	Examples of evidence
2.4.	The council has a structured process for assessing current and future leadership and executive team development needs	<ul style="list-style-type: none"> • Structured process to assess current and future leadership development needs • A development plan is in place that supports the top political and management teams in learning about each other and working effectively together • Leadership development is used to support future succession planning 	<ul style="list-style-type: none"> • Leaders, cabinet members and chairs have identified and undertaken development appropriate to their responsible area • A programme to develop the next generation of leaders is in place as part of the council's approach to succession planning 	<ul style="list-style-type: none"> • Process in place to identify leadership requirements • Leadership Development Plans • 360 Degree Leadership Audits • Political leadership development programmes eg LGA Leadership Academy • Events that support councillor/officer team building • Joint events with executive and senior management • Succession planning strategies • Community leadership development programmes • The political leadership can describe actions taken to develop political leadership capacity • The political and managerial leadership can give examples of how they work together as a team

Criterion 2. The council has a strategic approach to councillor development

	Elements	Requirements for Charter	Requirements for Charter Plus	Examples of evidence
2.5	There is a corporate councillor learning and development plan in place	<ul style="list-style-type: none"> • Councillor learning and development plan links to council's corporate objectives and the development of councillors • The councillor learning and development plan includes individuals, committees and political leadership needs 	<ul style="list-style-type: none"> • The councillor development plan clearly prioritises learning and development that supports the corporate objectives 	<ul style="list-style-type: none"> • Corporate councillor learning and development plan • The cross party councillor development task group are able to explain how learning and development activities are prioritised

Criterion 3. Learning and development is effective in building capacity

	Elements	Requirements for Charter	Requirements for Charter Plus	Examples of evidence
3.1	Investment in learning and development is regularly evaluated in terms of the cost benefit and impact	<ul style="list-style-type: none"> • Evaluation strategy is in place to analyse the cost and benefits of councillor development • Political and managerial leadership display a good understanding of both the costs and benefits of development activities • Councillors can describe why they did certain activities, what they learnt and what difference it has made to them carrying out their various roles as councillors 	<ul style="list-style-type: none"> • Evaluation strategy is in place to analyse the impact of councillor development activities • Some form of impact assessment at the corporate and community level exists and is used to evaluate the impact of development (eg feedback from partners is actively sought) • Case studies of how learning and development has impacted on individual and corporate performance 	<ul style="list-style-type: none"> • Evaluation strategy is in place and is effective • Analysis of costs and benefits to the council from councillor learning and development • Case studies of how learning and development has impacted on individual and corporate performance • Notes of meetings, focus groups, questionnaires or interviews involving councillors evaluating the impact of their development on overall performance • Political and managerial leadership display a good understanding of both the costs and benefits of development activities • Political and managerial leadership can provide examples and evidence of the impact and benefits of councillor development

Criterion 3. Learning and development is effective in building capacity

	Elements	Requirements for Charter	Requirements for Charter Plus	Examples of evidence
3.2	Learning is shared with other councillors and where appropriate, with officers and stakeholders to encourage capacity building in the council and a learning organisation culture	<ul style="list-style-type: none"> Knowledge and learning is shared with councillors' peers, officers and others 	<ul style="list-style-type: none"> There is an effective process in place for disseminating, sharing and exchanging knowledge and learning 	<ul style="list-style-type: none"> Examples of reports, briefing sessions, and information exchange systems used to capture and disseminate learning programmes of joint learning exchanges Councillor formal/informal mentoring arrangements Hosting case study visits Developing councillor champions for topic areas Councillors can give examples of how they have supported and learned from the development of others

Criterion 3. Learning and development is effective in building capacity

	Elements	Requirements for Charter	Requirements for Charter Plus	Examples of evidence
3.3	The council demonstrates a commitment to an effective councillor learning and development programme by implementing improvements to learning and development activities as they are identified	<ul style="list-style-type: none"> Continuous improvement in the approach to developing councillors is identified and implemented 	<ul style="list-style-type: none"> There are links to an evaluation strategy Evaluation outcomes inform change and drive continuous improvement A quality assurance process is in place 	<ul style="list-style-type: none"> Written reviews of learning and development activities with recommendations for change Notes of meetings, reports, personal statements providing examples of improvements to learning activities Changes to development programmes and a rationale for the changes made Councillors can describe what has been done to improve the development activities Quality assurance process is in place and is effective



Local Government Association

Local Government House
Smith Square
London SW1P 3HZ

Telephone 020 7664 3000
Fax 020 7664 3030
Email info@local.gov.uk
www.local.gov.uk

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**Extract from the draft minutes of the Policy and Public Initiatives Panel
meeting of 17th June 2020**

57. Public Initiatives

The following suggested initiative had been received from Ms Maggie Woolley:

‘As has been done at The Hythe, providing information boards to tell people about the history of the area, are they possible throughout the town area? I particularly think that Middle Mill should be brought back to life, so people know about its position, importance to the town and its history.’

Members discussed the initiative, noting that the Heritage and Tourism Task and Finish Group had concluded its work and been dissolved. Councillor Cory, Leader of the Council, praised the idea and noted that provision of additional boards had been discussed. Recently, however, the effect of Covid-19 on the Council’s finances would necessitate a scaling back of the Council’s plans. The Panel were informed that they could make suggestions to Councillor Julie Young, Deputy Leader and Portfolio Holder for Culture and Performance, or make formal recommendations on this to Cabinet.

Members of the Panel stressed the importance of advertising, signposting and explaining heritage assets across the Borough, in rural as well as urban situations. The visitor signage provided on Mersea Island was given as an example where signage was well-used by visitors, at a low cost to the Council. Members agreed that sites like Middle Mill would benefit from similar signs.

The Leader gave a summary of the work being done by the ‘Beautiful Borough’ campaign to promote the highlights of Colchester Borough and agreed that the efforts must be Borough-wide. It was urged that any recommendations should look to fit additional signage into existing plans for promotion of the Borough.

RECOMMENDED to CABINET that approval be given for the Policy and Public Initiatives Panel to explore the possible provision of additional information boards at heritage assets and sites of interest to visitors across the entire area of Colchester Borough.

8 July 2020

Report of	Assistant Director Corporate and Improvement Services	Author	Richard Clifford ☎ 507832
Title	Recommendation from Governance and Audit Committee – Colchester Commerical Holdings Ltd Dividend		
Wards affected	None		

1. Executive Summary

1.1 Cabinet is invited to consider a recommendation from the Governance and Audit Committee meeting of 23 June 2020 in respect of the forecast dividend for Colchester Commercial Holdings Ltd for the 2020-2021 financial year.

2. Recommended Decision

2.1 To consider the following recommendation from the Governance and Audit Committee.

RECOMMENDED to Cabinet a revised forecasted dividend of £226,000 for the 20/21 financial year as an achievable dividend given the effects on the businesses as a result of the Covid 19 pandemic.

3. Reason for Recommended Decision

3.1 The detailed reasons for the proposed level of dividend are set out in the report to the Governance and Audit Committee attached as Appendix 1 to this report.

4. Alternative Options

4.1 No alternative options are proposed. However it is open to cabinet not to agree the recommendation from the Governance and Audit Committee.

5. Background Information

5.1 At its meeting on 23 June 2020 the Governance and Audit Committee received a report providing the Committee, in its role as Shareholder Committee, with performance information for the second year of trading activities by Colchester Commercial Holdings Ltd (CCHL) and the subsidiary companies; Colchester Amphora Energy Ltd (CAEL), Colchester Amphora Homes Ltd (CAHL), Colchester Amphora Trading Ltd (CATL). A copy of this report is attached as Appendix 1.

5.2 The Council's companies again met their dividend target for the past financial year and the Council received £394k as a dividend return for 2019/20 to reinvest in its services. However, one of the issues considered in the report was the target dividend for CCHL in the 2020/21 financial year. This is addressed at paragraphs 9.4 – 9.6 of the report to the Committee. After considering the report, the Governance and

Audit Committee agreed the proposal in the report that It recommend to Cabinet a revised forecast dividend of £226,000 for the 2020/21 financial year due to the unprecedented impacts of the unforeseeable pandemic.

6. Equality, Diversity and Human Rights implications and Standard References

6.1 These are all as set out in the report to the Governance and Audit Committee on 23 June 2020.

Appendix 1 – report to the Governance and Audit Committee, 23 June 2020

Appendix 1 Governance and Audit Committee

Item

25 June 2020

Report of	Assistant Director - Place and Client	Author	Geoff Beales ☎ 506514
Title	Colchester Commercial Holdings Performance Review 2019/20		
Wards affected	All Wards		

1. Executive Summary

- 1.1 The purpose of this report is to provide the Committee, in its role as Shareholder Committee, with performance information for the second year of trading activities by Colchester Commercial Holdings Ltd (CCHL) and the subsidiary companies; Colchester Amphora Energy Ltd (CAEL), Colchester Amphora Homes Ltd (CAHL), Colchester Amphora Trading Ltd (CATL).
- 1.2 The 2019/20 dashboard of performance information is provided in Appendix A. The dashboard shows how the companies performed and how, being solely owned by the Council, the companies achieved their profit target of £394k. This amount will be returned to the Council, as sole shareholder, as a dividend payment for reinvestment by the Council in their services.

2. Action Required

- 2.1 The Committee is invited to review the performance of CCHL (and its subsidiaries) during 2019/20, having regard to the performance information for the year provided in Appendix A.
- 2.2 The Committee is also invited to make any recommendations to the Portfolio Holder for Commercial Services on CCHL performance management arrangements for 2020/21 and the next three years for consideration in the next three-year business plans.
- 2.3 To recommend to the Portfolio Holder for Commercial Services and the CCHL Board to commence the review of the Service Level Agreements for services supplied to the companies by the Borough Council early in this financial year.
- 2.4 To recommend to Cabinet a revised forecasted dividend of £226,000 for the 20/21 financial year as an achievable dividend given the effects on the businesses as a result of the Covid 19 pandemic.

3. Reason for Review

- 3.1 CCHL is a wholly owned company of the Council and has a key role to play in contributing to the achievement of the Council's strategic objectives. CCHL is the holding company for three separate subsidiaries, providing numerous products, services, and opportunities that reflect the Council's strong public sector ethos as shareholder, but also see the companies operating in a commercial market.

- 3.2 The companies have a turnover of £4.2m and employ, with inclusion of casual employees, 135 people who help deliver projects that include (but are not exhaustive to):
- Development of the Colchester Northern Gateway, including the forthcoming £28m Sports Park, £6.7m Heat Network, The Walk, and “CNG South” site with mixed commercial, residential and leisure uses.
 - The delivery of over 500 high quality mixed-tenure housing, including 30% affordable homes in Colchester
 - Continuing, and increasing, delivery of many events, products and trading services that expand the brand of Colchester as a place to work, live and visit.
 - The development of a new sustainable Heat Network for the commercial premises and new housing at Colchester Northern Gateway.
 - Delivery of a Local Full Fibre Network across the Colchester urban area providing a one gigabit service per subscriber.
- 3.3 The Governance and Audit Committee has the responsibility to act as the shareholder committee for these companies. As part of this role the Committee is required to:
- Consider and review the activities and financial performance of Colchester Commercial (Holdings) Limited and its subsidiary companies;
 - Monitor, challenge and make recommendations to Cabinet regarding Colchester Commercial (Holdings) Limited and its subsidiary companies; and
 - Make recommendations to Cabinet on how it should exercise the functions flowing from its ownership of shares in Colchester Commercial (Holdings) Limited and its subsidiary companies.

4. Background Information

- 4.1 CCHL is a private company limited by shares, with the Council being the sole shareholder. The Council therefore retains full control over the direction of the companies, whilst the Directors hold the responsibility for making decisions, providing leadership and monitoring the performance of the company. The Directors are also responsible for obtaining appropriate legal, financial and tax advice to enable them to make informed decisions about the running of the company, as well as maintaining and regularly reviewing a robust risk management framework.
- 4.2 The Council signed a 12-year Management Agreement with CCHL in March 2018. The Management Agreement between the Council and CCHL sets out how the company will provide a range of services to the Council, as well as managing some budgets and services on behalf of the Council. The Company then manages its budget within the overall management fee and through income that the companies generate from their activities.
- 4.3 The Board of CCHL consists of four Councillors and the Managing Director. The Managing Director of CCHL is the Chief Executive of the Council. This role has overall responsibility for ensuring compliance with the Shareholder Agreement.
- 4.4 The representation on the Board allows the Council to offer direction to the holding company (and its subsidiaries), whilst providing it with the ability to operate in a commercial marketplace to drive forward delivery as outlined in the agreed Business Plans.
- 4.5 The performance is also monitored by the Council in liaison meetings that include officers from both the Client Team and Finance Team; as set out within the Liaison Protocol appended to the Management Agreement. Both financial and non-financial KPIs are monitored, whilst a range of related matters are also discussed to ensure suitable governance is in place.
- 4.6 All of the companies are subject to any audit and inspection requirements of the Council. The Management Agreement referred to above also sets out these audit requirements. External audit remains an essential element in accounting for public money and makes an important contribution to the stewardship of the Councils public resources. It also supports local democracy by helping to ensure that members and officers are accountable to the communities they serve and by providing assurance that the public money they manage has been properly spent.
- 4.7 Copies of audited accounts must be provided to the Council as soon as reasonably practicable after external audits. The Company also undertakes all internal and external audit to comply with the law. Similar requirements also exist for complaints, enquiries and legal proceedings related to any services provided by the companies.
- 4.8 Under a Service Level Agreement (SLA), the Companies also pay the Council a fee for the provision of a number of services, such as Human Resources, IT and Customer Services. The current SLA runs from 1 April 2018 to 31 March 2021 and sets out the respective roles and responsibilities of each party in the provision of the services. The annual fees for the services provided by the Council are also detailed. The SLA needs to be reviewed during this year and a new SLA agreed between CCHL and the relevant Council Service Areas to commence in April 2021.
- 4.9 The partnership Agreements help CCHL ensure that it, and the subsidiary companies, deliver against their individual Business Plan targets. The overarching Business Plan for CCHL sets out that the holding company provides the strategic direction, financial

performance monitoring and senior management capacity for the subsidiary companies. In addition, although CCHL is a holding company, it does undertake some trading activities (eg senior management of the Council's Sport and Leisure function).

5. Strategic Plan References

5.1 The services and projects delivered by CCHL contribute directly to the Strategic Plan 2018-2021 priority areas:

GROWTH... Ensuring all residents benefit from the growth of the borough

- Help make sure Colchester is a welcoming place for all residents and visitors
- Ensure residents benefit from Colchester's economic growth with skills, jobs and improving infrastructure
- Promote inward investment to the borough
- Develop jobs, homes, infrastructure and communities to meet the borough's future needs by creating new Garden Communities
- Work with partners to create a shared vision for a vibrant town centre.

RESPONSIBILITY... Encouraging everyone to do their bit to making our borough even better

- Promote responsible citizenship by encouraging residents to get involved in their communities and to identify solutions to local issues
- Increase the supply of good quality homes by using legal powers to reduce the number of empty homes and improve standards in the private rented sector
- Create new routes for walking or cycling and work with partners to make the borough more pedestrian-friendly.

OPPORTUNITY... Promoting and improving Colchester and its environment

- Promote and enhance Colchester borough's heritage and visitor attractions to increase visitor numbers and to support job creation
- Help business to flourish by supporting infrastructure for start-up businesses and facilitating a Business Improvement District.

WELLBEING... Making Colchester an even better place to live and supporting those who need most help

- Work with Essex Police and partners in the Safer Colchester Partnership to make Colchester an even safer place
- Create new social housing by building Council homes and supporting Registered Providers
- Help residents adopt healthier lifestyles by enabling the provision of excellent leisure facilities and beautiful green spaces, countryside and beaches.

6. Equality, Diversity and Human Rights implications

6.1 Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 6.2 The performance reported herein will have no disproportionate impact on, nor disadvantage, any protected group.

7. Consultation

- 7.1 There is no specific consultation requirement generated in relation to this report.

8. Publicity Considerations

- 8.1 There is no specific publicity consideration in relation to this report.

9. Financial implications

- 9.1 In terms of overall governance, the companies operate as separate organisations with financial regulations agreed by relevant company boards. Where the companies are spending money on behalf of the Council then all approvals are required to be in line with normal Council procedures.
- 9.2 In terms of the financial assumptions and dividend targets, when the companies were set up the financial targets and estimated dividend for 2019/20 was broadly based on existing budget assumptions when services were operating within the Council.
- 9.3 Funding for the company (and certain CATL services) is via a Management Fee paid by the Council and through income that the companies generate. In addition, separate agreements will provide loan finance to the housing and energy subsidiaries. These have been subject to separate reports agreed by Cabinet and as such are not set out in detail within this report.
- 9.4 The performance in the second year shows that CCHL delivered against its target dividend for 2019/20 of £394,000. Further details can be found in the report within Appendix A.
- 9.5 Looking ahead to 2020/21 (pre Covid-19), the target dividend set out in the CCHL business plan and council budgets assumes an increase in income for the Council of £135k to £529k. The Business Plan for CCHL would set out how it is expecting to deliver this increased dividend for the Council, however, the CCHL Board have advised that following on from the Covid-19 outbreak and subsequent lockdown they are expecting that the dividend for this financial year will be lower and the current forecast is a dividend of £226k.
- 9.6 Work is ongoing to maximise the dividend to the Council by reviewing the weekly Government updates on the easing of the Covid-19 lockdown and updating the Amphora Business Recovery Plan. As further updates to the Business Recovery Plan and forecast dividend are available CCHL will update the Governance and Audit Committee.

10. Health, Wellbeing and Community Safety Implications

- 10.1 Health and wellbeing is influenced by a number of factors, many of which fall under the responsibility of the Council. The Company activities span various aspects and assist the Council to do all it reasonably can to promote positive health benefits to our residents; whilst reducing, removing or minimising any unintended consequences to health that may arise from services or decisions. Projects such as the CNG Sports Hub are designed to improve health and wellbeing, as are trading operations such as Helpline.

11. Health and Safety Implications

- 11.1 The matters herein do not result in harm to the health and safety of the general public or raise any specific health and safety issues related to this report.

12. Risk Management Implications

- 12.1 CCHL has a risk register that is actively managed. Each of the subsidiary companies also have their own risk register. All of the companies have a Business Continuity Plan. A key risk associated with the companies concerns the financial risk attached to the delivery of income targets (capital and revenue) and management of costs. This is actively managed through regular monitoring and reporting on the financial position and the governance arrangements detailed within this report.

Appendices

Appendix A – 2019/20 CCHL Dashboard

8 July 2020

Report of	Assistant Director – Corporate and Improvement	Author	Kieran Johnston ☎ 507880
Title	Amended approach to supply of IT equipment		
Wards affected	All wards		

1. Executive Summary

- 1.1 The Cabinet report of 29 January 2020 sought approval to delegate the award of the contract for the supply and management of leased ICT devices to the *Portfolio Holder for Customer, in consultation with the Assistant Director, Corporate and Improvement Services*. This decision was resolved, awarding Delegated Authority as proposed (minute 427).
- 1.2 The Covid-19 pandemic has had a significant effect on the availability and cost of devices and the relative costs of buying as compared to leasing. Buying ICT equipment on a rolling replacement basis is now the option that provides the best value for money within available budgets.
- 1.3 The management of the devices from a security point of view is not impacted by this proposed change and the contract award for managing the security and compliance of the devices is continuing under the previous decision as referenced in 1.1

2. Recommended Decision

- 2.1 To note and approve the change from leasing ICT equipment to buying ICT equipment in accordance with the Council's Contract Procedure Rules.

3. Reason for Recommended Decision

- 3.1 The council needs to invest to replace aging desktop and laptops and the market now dictates that buying is preferable to leasing whilst maintaining the benefits outlined in the previous Cabinet paper. The proposed approach continues to enable the council to refresh and standardise equipment within ongoing revenue budgets; ensuring always up to date, secure devices that are managed and secure, and support the Council's stated ways of digital working.

4. Alternative Options

- 4.1 The Council could lease new devices rather than buy outright, however this approach would now be prohibitive in terms of cost.

5. Background Information

- 5.1 Our Service Desk and Asset Management software reports that we currently have 525 WYSE Boxes and 575 laptops within Colchester Borough Council, NEPP and CCHL. 335 of these WYSE boxes are in Rowan House with 55 allocated to home users and the others spread across the other corporate locations.
- 5.2 Devices will be procured in accordance with the Council's Contract Procedure Rules and Procurement Strategy.
- 5.3 The Public Services (Social Value) Act came into force on 31 January 2013. The act requires that public authorities consider wider social and environmental benefits when they choose suppliers, rather than basing commissioning decisions solely on price and quality. The Council considers things such as apprenticeships, tenant training and work experience, reducing the impact on the environment and supporting community projects all good examples of providing social value.

6. Equality, Diversity and Human Rights implications

- 6.1 Through the Procurement Strategy, staff ensure that all procurement and purchasing documentation recognises, understands and supports CBC policies with regard to equal opportunities, diversity and human rights.

7. Strategic Plan References

- 7.1 The Strategic Plan sets out clearly the Councils priorities. All the services and projects delivered by staff are supported and enabled by the ICT equipment they use. The provision of modern, appropriate devices therefore contributes directly to supporting delivery of the Strategic Plan 2018-2021 priorities

8. Consultation

- 8.1 Staff and managers have been engaged and actively involved in defining the standard catalogue of devices.
- 8.2 Staff feedback in surveys has highlighted that access to suitable ICT equipment is seen as a priority requirement at all times but increasingly so as a result of more homeworking due to the pandemic.

9. Publicity Considerations

- 9.1 No external publicity considerations

10. Financial implications

- 10.1 Provision for the ongoing cost of the proposals set out in this report has been included in the 2020/21 budget.

11. Health, Wellbeing and Community Safety Implications

- 11.1 Through this contract the Council will ensure that staff have access to equipment that improves their working experience and enables them to work flexibly whilst securing our data.

12. Health and Safety Implications

- 12.1 All equipment provided, and desktop set ups will meet the Health and Safety (Display Screen Equipment) Regulations 1992 as amended by the Health and Safety (Miscellaneous Amendments) Regulations 2002

13. Risk Management Implications

- 13.1 By following a procurement process that is compliant with the Public Contracts Regulations 2015 and by implementing the controls and recommendations as set out in this report, the Council is seeking to mitigate against any potential risks or challenges.

14. Environmental and Sustainability Implications

- 14.1 The approach supports the Council's commitment to becoming carbon neutral by 2030 as it replaces our older, less efficient devices and enables all staff to connect directly to our Azure, cloud-based environment which is significantly more efficient than a local datacentre.

PETITIONS, PUBLIC STATEMENTS, QUESTIONS

(i) Have Your Say submissions

Date of Meeting	Details of Members of the Public	Subject Matter	Form of Response	Date Completed
Cabinet, 3 June 2020	Andy Hamilton	The use of Spring lane Nursery	Verbal response provided at the meeting by Councillor Lilley, Portfolio Holder for Communities, Wellbeing and Public Safety	3 June 2020

Date petition received	Lead Petitioner	Subject Matter	Form of Response	Date Completed
No valid petitions received in this period.				

