

SCRUTINY PANEL

6 August 2019

Present: - Councillor Davies (Chairman), Councillor Bentley, Councillor Bourne, Councillor Dundas, Councillor Hayter, Councillor Hogg, Councillor McCarthy, Councillor Whitehead*

*Councillor Whitehead arrived during the presentation in minute 224.

Substitutions: - None

Also present: - Councillor Fox, Councillor King, Councillor J. Young

223. Minutes

It was confirmed that the minutes of the meeting of 16 July 2019 were not yet ready for approval and would be brought for approval to the next meeting.

224. Colchester Business Improvement District

Sam Good, Business Improvement District (BID) Manager for 'Our Colchester', presented an overview of the BID's overall goal, structure, operations, aims and challenges in its work to address pressure on 'high street' businesses. The goal and aims had been set to match expectations given by the partner businesses.

The initiative was launched in October 2018, following a ballot of members, and had a five-year term, following which it would return to members for a re-ballot to gain a further term of operation. The annual budget was around £460k but it was hoped this would rise as member businesses increased incomes and therefore increased the size of their levies paid to the BID (a percentage of their rateable values). It was projected that, over the first five years of operation, the BID would access around £2.4m in funds for investment in the town centre. It was noted that there was a ringfenced fund for the supporting of independent businesses in the area.

It was affirmed that the BID was working to ensure a fair and equal delivery of its services and improvements across its area of operation and thanked the Borough Council and Essex County Council for their support in this, and for providing networking opportunities.

The BID's year-one aim was to improve the town's appearance and perception, whilst work began on the other aims. This aim included cleanliness and work to fill empty units. The work of the BID's focus groups was explained, giving ways for input and feedback to be collected from the public, residents, experts and commercial stakeholders.

The BID 'In Bloom' and 'In Colchester' brands (and the related one-stop website) were being publicised and interest and praise attracted for local partner businesses. Blogs were being sourced for the website, and work was ongoing on including job opportunity information. Over 100 planters had been installed as a highly-visible improvement.

Two Street Ambassadors were currently in-post to act as a public face for the BID in town, and as a way to connect with businesses day-to-day, whilst being able to report issues as they occur (including problems in public realm areas, aggressive begging and maintenance issues). Issues were now more easily reportable and action to address them was swifter. Over 300 public realm issues had been reported, with the only unresolved issues being damaged paving. The 'Neat Street' campaign proved helpful in encouraging shop owners to take additional care of the public realm in the vicinity of their shops, and work was now underway to reduce the number of vacant units. Colchester currently had an 8% vacancy rate for units in town, which compares favourably to the national average.

The Vision for Colchester was due to be launched at the BID's annual conference on 24 September. This was would aim to make Colchester a recognisable, pleasant and welcoming community hub. The longer-term aim was to have engagement events and activities for families and local schools.

An online portal/website had been funded for the night-time economy, allowing members of the Town's PubWatch scheme to log concerns regarding antisocial behaviour and share details/issue alerts relating to banned individuals and members of the public who have engaged in antisocial or illegal behaviours. This scheme will be rolled out for use in reporting similar issues during the day-time.

It was noted that, although the Council did not have a seat on the Board of the BID, Councillor David King, Portfolio Holder for Business and Resources, and Richard Block, Assistant Director – Environment, both attended Board meetings in an advisory capacity and to represent the Council.

In response to questions, the BID Manager confirmed that all 491 rateable member businesses paid the levy used to fund the BID's work.

The Panel requested further details regarding the BID's 'In Colchester' website and its relation to the 'Visit Colchester' tourist site. The BID Manager explained that there were links to 'Visit Colchester' on the BID's site, and that the BID was working to have 'Visit Colchester' links on the BID site. It was noted that 'Visit Colchester' covered the whole Borough, whilst the BID site concentrated on the town centre area in which it operated.

The Panel requested greater detail on the BID's budget and areas of spending. It was informed that breakdowns of spending could not be provided at this stage, but would be available following year-end, and that the BID limited company would produce its accounts in line with statutory requirements. These would be public documents and would be approved on 24 September. A breakdown of spending could then be provided. It was confirmed to the Panel that a small budgetary surplus was expected and that a 97% collection rate on the levy of participating firms had been achieved.

The BID Manager was asked to give his Board's view regarding the promotion of a sustainable future for Colchester, and the BID's view on how use of the town centre could be increased, whilst lowering congestion and car usage. The importance of promoting bus usage was covered, as well as offers on off-peak use of parking facilities and encouraging

modal shift away from the car and towards sustainable transport options. It was stated that recent research had shown that Colchester had the cheapest parking in the region. Alternative sustainable transport (walking and cycling options) had been recently raised, was being considered and could be reported to Scrutiny Panel in the future. It would not be possible to compel businesses to pay towards investment in improved foot and cycle paths, although many companies had identified congestion levels as a key factor in preventing an increased footfall. Ideas were being sourced from other areas, and this was made easier due to good communication with other BID's in the vicinity, and across the UK. The Maidstone BID had recently been consulted on ideas to improve transport links.

The BID Manager was asked how the BID engaged with office-based businesses. He confirmed that he had met with a range of such companies, including Hiscox, Ellisons and smaller firms to discuss what assistance the BID could provide. Although it would be difficult for the BID to directly help increase their volume of trade, they would benefit indirectly from a happier work-force resulting from BID actions to improve central Colchester as a place to work, including better lunch options and activities, and community events.

A Panel Member asked whether any work was underway to bridge the gap between daytime, evening and night-time economies. It was confirmed that there was currently no link between the day and night uses of the town centre and that one part of the aim to re-orientate the town centre to be a community hub was to bridge the gap between day- and night-time economies. Although the evening dining economy thrived, there was a challenge in that the hours for the night-time economy had stretched later over recent years. The importance of changing antisocial behaviours and the perception of the town centre were deemed necessary. The BID has also sought to attract university students to town.

The BID Manager explained that efforts to improve health and wellbeing of local businesses' staff were being made, to add to the work of 'Living Well Essex.' A 'Wellbeing Month' has been scheduled for 2020, to promote healthy activity during the working day, in addition to business events to reduce unhealthy working practices. The Panel suggested that the Council's Public Health Team could partner with the BID to assist these activities.

The Panel praised the BID 'In Bloom' displays and asked if these were installed in co-operation with 'Colchester in Bloom' which covered the whole Town. The BID Manager clarified that he had contacted Pam Schomberg from 'Colchester in Bloom' and that they worked independently, but in a complimentary fashion to improve the Town's centre.

The Panel questioned how empty retail units could be filled, and whether start-up firms could be encouraged to take these, potentially in partnership with the University and its students. It was clarified that the BID would not act as a business incubator (this work was done by the Colchester Business Enterprise Area (COLBEA)), but it could act to help facilitate new and pop-up enterprises. The BID had already introduced artwork into vacant units and a vision document was being drafted to guide efforts to attract new businesses to take units. Attempts had been made to gain discounts on rent from the landlords of empty units, but this had not succeeded. The BID Manager suggested that an alternative approach could be to provide Business Rates relief for new-starter companies moving into empty units, and to work with COLBEA to identify companies which would benefit from this.

The Panel was given assurance that the BID welcomed feedback and ideas from the public and looked to collect views from individuals and civic groups on the work it did. Focus groups were used to address issues, and relevant individuals invited to take part in these. The BID Manager stressed that it would be useful for them to have a quick-reference guide

giving contact details for individuals and groups within the town and Council with specific expertise areas and interests, allowing more comprehensive consultations to be carried out.

A Panel member sought assurance that the BID was consulting and working with staff of businesses, as well as the owners. Assurance was given, and the BID's engagement with staff was described, including data gathering, communications efforts, formation of advisory groups (mixing owners/managers and their staff) and Ambassador engagements with staff.

Regarding negative social media posts about the town centre, it was noted that there would always be complaints, but the BID Manager stressed the importance of building on the positive engagements/posts and of advertising the improvements that were being made.

The Panel invited the BID to return to Scrutiny Panel with an update and greater budgetary information, at its meeting scheduled for 17 March 2020. The BID Manager welcomed this and also informed the Panel that the BID would invite Panel members to its Annual Conference on 24 September 2019.

Following the discussion, Councillor King, Portfolio Holder for Business and Resources, confirmed that it was understood that ongoing involvement of firms in the BID's work would be vital. A balance of views and feedback was needed, and the youth of the BID as an organisation was noted, and he asked that it be given time to establish itself.

RESOLVED that the Scrutiny Panel Work Programme 2019 – 2020 be amended to include a presentation and update on the work of the Colchester BID at the Scrutiny Panel meeting scheduled for 17 March 2020.

225. Review of Colchester Borough Homes Performance 2018/19

This review was presented by Gareth Mitchell, Chief Executive of Colchester Borough Homes (CBH), Anne Grahamslaw, Chair of the Board of CBH, and Councillor Fox, Portfolio Holder for Housing.

Councillor Fox described the expansion of services provided by CBH over recent years, the arrangements for ensuring adherence to its Management Agreement through the Medium-Term Delivery Plan, and current project work. This included the procurement of a new Housing Management IT System, and the project for improved, modern sheltered accommodation on the Elfreda House site. Planning work continued regarding expected new social housing units, in conjunction with the work of Colchester Amphora Homes Ltd.

The Chair of the CBH Board highlighted the continual oversight work carried out by their Board, which monitored the organisation's performance.

The Chief Executive of CBH explained the move to eight new key performance indicators (KPIs), concentrating on meaningful ways to measure the main elements of performance, and supported by background information. This was part of an improved reporting process involving CBH, the Portfolio Holder and the Council's Client Team.

Achievements during the year included success in adapting the Company to meet the requirements of the Homelessness Reduction Act 2017. Early prevention measures had led to positive results. The level of repairs completed on time remained above target, whilst rent collection levels and gas safety arrangements continued to be strengths.

The change in customer satisfaction performance was explained, with efforts being made to make this more representative of actual performance and overall customer satisfaction. The previous indicator had been too narrow but had been broadened to cover all services delivered, with a challenging target. This had not been met in 2018/19, but work was ongoing to improve performance. Satisfaction levels for repairs carried out by CBH staff were consistently higher than for repairs carried out by contractor staff. There was now a focus on improving the satisfaction rates relating to contractor staff performance.

A second KPI target which had not been achieved was the percentage of capital programme elements completed on time, where the cumulative result for 2018/19 was 66.3%, compared to a target of 95%. A commitment had been made to the Portfolio Holder for Housing that CBH would catch up and complete the outstanding works from 2018/19. This had already been achieved by the end of June.

Time taken to re-let empty properties had also not met its target (25 days). Process improvements have been identified and additional work will be done to improve contractor performance. Karen Loweman, CBH Director of Operations, had been commissioned to review the process for preparing empty properties for re-let and identify further ways to improve performance.

A common theme across the areas in which targets have been missed was the procurement and performance of contractors. A vast majority of the contracts were in the Council's name, procured by CBH and Council together. Difficulties had been found across many sectors, where contractors placed low bids for work, won contracts and then failed to meet contract terms, often because they could not afford to successfully appoint subcontractors, having bid so low during the procurement process. In one case, this had led to a contractor pulling out of a Council contract less than a year after it commenced.

CBH managed contracts on the Council's behalf, and resource went into managing and monitoring these. CBH worked with residents and the Council to monitor contract delivery. The cost of contracts was fixed, and quality of work would not be compromised, so the element which slipped was the time taken to complete work, with delays being experienced. CBH has changed the way it addressed procurement, with larger contracts being replaced by a greater number of smaller contracts. This allowed a greater number of local and smaller contractors to bid for contracts, whilst still attracting bids from efficient national firms. Whilst this approach was being taken to address issues with contractor performance, it was also noted that the Company had struggled to recruit to positions, where the salary grades did not compare favourably to those in the private sector.

A significant challenge was expected relating to maintaining high levels of rent collection following the roll-out of Universal Credit, whilst minimising the number of evictions caused by rent arrears. CBH worked to minimise the number of tenants building up rent arrears.

Although the results of independent benchmarking against comparable organisations had not yet been released, it was expected that these would continue to show that CBH delivered a low-cost service, which assisted the Council in reducing the pressure of overhead costs on its Housing Revenue Account. Efficiencies and savings were being achieved in procurement, controlling the cost of repair services, and in the operation of photo-voltaic panels on properties. Bed and breakfast usage and spending had been minimised, whilst targets relating to the energy efficiency of stock had been exceeded, saving money for both the Council and for tenants.

Fire safety compliance and assurance remained a priority, although the risk level in Colchester was lower than in some other authorities, as the Council did not own high-rise or cladded buildings. CBH had met its commitments regarding sheltered and general-needs blocks, and 30-minute fire doors (FD30) were now being installed, following delays caused by market shortages. CBH continued to be ISO 18001 compliant and its health and safety was regularly audited.

Funding to deal with rough sleeping had been won, and outreach work, insight and capacity had never been higher in Colchester. 35 rough sleepers have been re-housed and 12 re-connected with their families. Of those re-housed, four of them had amassed 38 years between them of rough sleeping. There had been one eviction from the Housing First Pilot, but success achieved with three people successfully moving on. Confidence in Colchester continued to be shown by the Ministry of Housing, Communities and Local Government.

It was expected that a new, tougher regulatory regime, expected to come from the most recent green paper on social housing would not affect the Council's general needs stock, as it includes no high-rise properties, but it may affect sheltered accommodation blocks and there will be a more rigorous regulatory environment.

Responding to questions regarding CBH's approach to mitigating difficulties with recruitment and contractor performance, the Chief Executive informed the Panel that the Company continued to experience difficulties in recruiting certain skillsets, due to difficulty in competing with private sector pay levels. Creative recruitment targeting is being attempted, but it was likely that difficulty would remain whilst the labour market remained strong. On the subject of tenders for contract work, procurement rules could limit the response to difficulties, however work continues to ensure adherence to these rules whilst allowing a more diverse range of applicants to tender for work, with a mix of large and small contracts. Efforts had been concentrated on avoiding unrealistically-low bids for work.

The benefits of diverse local procurement/contracting were stated, including the boost to the local economy, however there were some contracts which were of a size or type which made it difficult for smaller, local, firms to bid. CBH had a well-motivated staff who conducted some work in-house, and there was potential for more work to be carried out by CBH staff directly, but this would require a political decision to be made by the Council.

The Panel requested more detail on the slight increase in evictions during 2018/19. The Chief Executive explained that there had been a national rise in the number of evictions, but that this remained a last resort for CBH and the Council. The distinction was drawn between evictions resulting from antisocial behaviour, and evictions as a result of rent arrears. The Financial Inclusion Team continued to provide early intervention support to address tenants' financial problems. It was noted that it was likely that the Council would have a duty to house tenants evicted for arrears, so eviction was not preferable.

Panel members raised concerns regarding the likely effect of Universal Credit roll-out on future evictions, as this roll-out had commenced later in Colchester than in many local authority areas. They were informed that, in a survey conducted on 39 local authorities, Colchester was close to the median regarding percentage of tenants receiving Universal Credit (10% of tenants in Council tenancies, compared to 12% median). Other local authorities had seen an increase in the number of 'Notices of Seeking Possession' (NOSPs). CBH employed early intervention to prevent this, and communicated with at-risk tenants, with partnership working between officers, Jobcentre Plus and tenants. An increase in evictions and drop in rent collection was feared for the housing sector in

2019/20, and a request had been made to the Department for Work and Pensions for better landlord engagement in the roll-out, including data sharing so ways to address pressures can be found. The Chair of the CBH Board gave assurance that the Board continued to monitor the risk relating to Universal Credit and the mitigations put in place to minimise any effect from this. It was noted that there had been no evictions in the first quarter of 2019/20.

The Panel asked how local authorities were planning to measure the success of their actions regarding compliance with the Homelessness Reduction Act, and as to how well CBH and the Council would score in comparison to others. A measure had been agreed between CBH and the Council, in the absence of a national measure. This had now been accepted by government as its chosen measure for compliance. The measure showed the proportion of applicants for whom a duty to house is accepted, for applicants who have been assessed and received a personal housing plan. The new legislation laid out two 56-day periods (for prevention and relief respectively) which caused an imbalance in the quarterly figures for 2018/19. Addressing pressure on housing stock included buyback of former council properties, a private sector leasing scheme and enforcement of planning requirements for affordable homes, but the challenge continued to grow.

The Panel asked for detail regarding an increase in the number of days to re-let void (empty) properties and on CBH's action to address this. The Panel were informed that the target on this was mid-range but challenging. CBH (and its contractors) had been noted as performing well on cost but falling short on time taken. The contractor had failed to meet its commitments and had triggered the 26-week break clause to pull out of the contract. A replacement contractor had been appointed, but it took time to recover the situation. Pressure also came from voids which required additional remediation work, due to work having been refused by the former tenants (e.g. kitchen or bathroom replacement), or work required to fix tenant damage. Process changes were being considered, such as waiting until a new tenant had moved in before offering a new bathroom or kitchen. This would cut void time and give new tenants a chance to pick options as to the kitchen or bathroom style.

A Panel member requested information as to what plans there were to build new disabled-accessible properties to increase the Council's stock of available properties which comply with Part M of the Building Regulations (2010). The Portfolio Holder for Housing described the new house building programme being launched by the Council, including the re-starting of the garage site programme, with five of the new properties (on former garage sites) being compliant with Part M of current Building Regulations. The Portfolio Holder stated that there was public appetite for the provision of new council housing and the Council continued to explore new ways to provide this, including within the North Essex Garden Communities Project. The Council have invited input from George Clarke's team, in light of the Channel 4 TV presenter currently presenting a series on ways to provide social housing.

A Panel member stressed the need to address the visual impact of estates and to carry out remedial work to address maintenance issues, causing residents to take more pride in their areas. The Chief Executive agreed that estate improvements increased resident satisfaction and lowered antisocial behaviour rates. He explained why such work in the Asset Management Programme had been drastically scaled back to ease the pressure on the Housing Revenue Account caused by the cumulative 1% reduction each year for four years in the rent charged to tenants of the Council, as dictated by central government. There was now a business case for restarting such work. Garage renovations had already caused an increase in income and an increase in resident satisfaction.

The Panel asked whether it would potentially be easier and more satisfactory to tenants for small maintenance works to be carried out in-house, and if action could be taken to prevent aggressive marketing/sales calls (for services and seeking potential disrepair claims for compensation), especially to vulnerable residents. It was confirmed that Community Caretakers carried out small-scale repairs, but that outsourcing works was often quicker and cheaper. Regarding sales calls, it was confirmed that the easiest way to prevent disrepair claims being pushed by third-party claims companies was to meet deadlines for repair completions. CBH worked to raise awareness amongst residents regarding how to avoid and deal with aggressive marketing calls.

Questions were asked as to how targets were set for Medium Term Delivery Plan KPIs, and whether draft targets could be given pre-scrutiny by the Panel. These were agreed annually between CBH and the Council's Client Team, scrutinised by the CBH Board and signed-off by the Portfolio Holder for Housing. The current measures and targets had been set to focus on necessary information and allowing necessary oversight on the most important aspects of performance. Quarterly client meetings were held, along with ongoing discussions. Targets were set so as to be challenging but achievable. The Portfolio Holder welcomed pre-scrutiny to be carried out and the Panel agreed that they wished to conduct this pre-scrutiny for the next annual target-setting process.

The Portfolio Holder was asked whether consideration had been given to building of new estates of Council-owned stock, rather than the current method of 'pepper-potting' social housing within mixed-tenure developments. The Portfolio Holder stated that discussions would continue as to what the North Essex Garden Communities (NEGC) Project could make possible on this, whilst giving a sense of place to developments. There was an aim for 30% of housing within the NEGC Project to be affordable housing, and the Portfolio Holder speculated that this could potentially all be Council-owned housing. A substantial number of council houses were expected for the Mill Road development and Cabinet were keen to examine what proportion of land allocated to the NEGC Project could be used for council housing. A political consensus would be sought for this and details would be provided to Members once they become clearer. The Panel noted that Richard Bayley, NEGC Ltd Group Managing Director, had been questioned by the Panel regarding provision of affordable homes, and that the Panel was keen to ensure that commitments regarding Council-owned and affordable housing were kept. An update on this was requested as part of the future process for briefing Members on the NEGC Project's progress.

The Chair summarised the highlights of the item and expressed the Panel's thanks to Andrew Grimwade, CBH Rough Sleeper Co-ordinator, and his team for their work. Thanks were also expressed to the Chair of the CBH Board, Anne Grahamslaw, as she was soon to reach the end of her term on the Board. In turn, Anne Grahamslaw praised the ongoing work of CBH and Council officers to support tenants, highlighted the strength of governance arrangements at Board level, and noted the improvements in KPI reporting, which had led to improvements in the presentation of performance to the Scrutiny Panel.

RESOLVED that the Panel will conduct pre-scrutiny of the next round of draft proposed targets for the Medium-Term Delivery Plan KPIs, as proposed by CBH and the Council's Client Services Team.

226. Work Programme 2019/20

The Chair briefed the Panel on a number of proposed amendments to the Work Programme. These were:

- The pre-scrutiny of the Draft NEGC Ltd Business Plan, proposed for an additional Scrutiny Panel meeting to be scheduled for 29 August 2019.
- The Colchester BID to be invited to present an update on their work on 17 March 2020.

The Panel were informed that although Councillor King, Portfolio Holder for Business and Resources, was unable to attend the proposed additional meeting for 29 August, Councillor Julie Young, Deputy Leader of the Council and Portfolio Holder for Culture and Performance, would attend in his place.

RESOLVED that: -

- (a) The following amendments to the Work Programme 2019/20 be approved:
 - i. The pre-scrutiny of the Draft NEGC Ltd Business Plan, proposed for an additional Scrutiny Panel meeting to be scheduled for 29 August 2019;
 - ii. The Colchester BID to be invited to present an update on their work on 17 March 2020.
- (b) The duly amended Work Programme 2019/20 be noted.