

<p style="text-align: center;">CABINET 1 February 2017</p>

Present: - Councillor Smith (Chairman)
Councillors Bourne, Cory, Feltham, Graham, Lilley, B. Oxford and T. Young

Also in attendance: - Councillors Hazell, G. Oxford, Warnes, Willetts

133 Minutes

RESOLVED that the minutes of the meeting held on 20 December 2016 be confirmed as a correct record.

Councillor Smith (as a Director of North Essex Garden Communities Limited) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

134. North Essex Garden Communities – Kerslake Peer Review

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

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, indicated that he had agreed that Cabinet should consider the Kerslake Peer Review as an urgent item, in accordance with the undertaking given at the Cabinet meeting on 30 November 2016 that it be reported to Cabinet at the earliest opportunity.

Ian Vipond, Strategic Director, Commercial and Place, introduced the report to the Cabinet and explained the background to the Peer Review. The purpose was not to look at the merits of the individual sites, but to assess whether the authorities were approaching the project in an appropriate way. It had concluded that the North Essex Garden Communities Project was a project of national strategic importance and was an excellent example of cooperation between authorities. It had highlighted a number of challenges including the capacity of the partner authorities to deliver the project, the timetable for delivery and the need to engage with government at a high level, particularly on the delivery of key infrastructure. An initial response to the Peer Review had been published and the authorities were now considering the recommendations in detail.

Councillor Willetts attended and with the consent of the Chairman addressed the Cabinet. The report of the Peer Review supported the position of the Conservative Group on the Garden Communities project. It highlighted the difficulties of developing some of the sites, in particular the West Colchester garden community, which was dependent on the A120 upgrade and for which there were also complex landownership issues. The report also indicated that the delivery team was too small to deliver the next stage of the project and highlighted the financial risk to which local taxpayers would be exposed. The conclusions

of the Peer Review supported the Conservative Group's view that the project should be approached with caution, and that the Council should build expertise by proceeding with the low risk Tendring/Colchester borders garden community initially.

Councillor Smith, Leader of the Council and Portfolio for Strategy, highlighted the standing and expertise of the members of the Peer Review team, who had been prepared to work on the Peer Review as they believed it was an ambitious project and an excellent example of partnership working. It would address the issue of housing being built before the necessary infrastructure was in place. The project was supported by Essex County Council and the Conservative groups in Braintree and Tendring. Whilst there were risks involved, the greater risk was not to proceed.

RESOLVED that:-

(a) The Kerslake Review Report provided at Appendix A of the Strategic Director's report be noted;

(b) The North Essex Garden Communities' partnership initial response provided at Appendix B of the Strategic Director's report and the intention of the partnership to draw up actions to address the Report's recommendations be noted.

REASONS

Cabinet had previously supported the programme to investigate the potential of Garden Communities across North Essex. The purpose of the report was to brief Cabinet on the outcome of the Lord Kerslake led Peer Review, to note the partnership's initial response and the next steps in responding to the recommendations of the Review.

ALTERNATIVE OPTIONS

No alternative options were presented.

135. Have Your Say!

Nick Chilvers addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1). Whilst he was pleased to hear that St James House was due to be demolished, he queried why had it taken so long to reach this stage. He also asked what action would be taken to improve recycling in blocks of flats. He also believed that the Council should put more effort into its communications on issues that directly affected residents. These needed to be less bureaucratic, and more effort should be made to get out into communities such as Mersea and Tiptree.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, highlighted a number of recent or forthcoming events where the Council had held meetings in Tiptree. Councillor T. Young, Portfolio for Culture and Regeneration, explained that he also welcomed the redevelopment of the St James House site, which would greatly improve the area. Whilst it had taken some time, it had been important to get the scheme right. Councillor Graham, Portfolio Holder for Waste and Sustainability, indicated that the Council would look at recycling for flats once the forthcoming changes to the waste collection service had been implemented.

Nicholas Bown addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1). He highlighted the impact of homelessness and asked the Council to consider establishing a Task Force to deal with homelessness. He asked what action was being taken to help rough sleepers, particularly as temperatures began to drop below zero. The Council should look at what actions other authorities took. He asked what housing stock the Council had available and what funding was available to help with homelessness.

Councillor Bourne, Portfolio Holder for Housing and Public Protection, responded and indicated a written response would be sent to address his detailed questions. However, Councillors were in contact with vulnerable people on a daily basis. In 2010 the Council had undertaken a proactive approach to deal with the impact of welfare reforms and set up multi-disciplinary teams to help vulnerable residents. This had fundamentally changed the Council's practice and enabled better informed decisions to be taken. Funding to the voluntary sector had increased. The Council did look at what other authorities provided, but was often at the forefront of good practice. The Council's housing stock was fully utilised but was being reduced by right to buy. It had built 34 new units, but changes in government policy meant that it could not build new housing.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, highlighted that in the period April – September 2016, the Council had prevented 163 cases of homelessness. It had also increased funding to a rent deposit scheme and a scheme to help vulnerable residents purchase furniture and white goods.

Debbie Munson addressed the Cabinet pursuant to the provisions of Meetings General Procedure Rule 5(1) about the closure of Empire Skatepark. This was the hub of the local skating scene. It was heavily used by young people and a number had been inspired to become professional skateboarders. A number of prospective Olympians trained there. The closure of the Skatepark meant that they had lost their training resource. Young people using the facility gained confidence, direction and acceptance through their skateboarding. Skateboarding appealed to people who were not drawn to other more traditional sports. If it was not kept open, many would be forced to use other less safe skateparks, where there were issues of drugs and gangs. Skateboarding should also be considered as a potential sport for Northern Gateway.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, Councillor Cory, Portfolio for Resources and Councillor T, Young, Portfolio Holder for Culture and Regeneration, responded and thanked Debbie Munson for highlighting this issue. The value of such facilities for young people was understood. It was disappointing that it had been the commercial arm of the Jack Petchey Foundation which had served notice on the Empire Skatepark. This seemed inconsistent with their aim of helping young people. However, they had refused to discuss the issue with the Council. The Council would help the Skatepark look for alternative sites and other sources of funding, and would contact them this week.

136. 2017/18 General Fund Revenue Budget, Capital Programme and Medium Term Financial Forecast

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member together with minutes 104 and 105 of the Scrutiny Panel meeting of 31 January 2017.

Councillor Cory, Portfolio Holder for Resources, introduced the budget. This would protect and promote the people of Colchester. It would help protect residents from the impact of the significant reductions in the funding from central government. Despite these cuts in funding, there were no cuts to Council services. The New Homes Bonus was be used largely to invest in and support projects, rather than to support the base budget. In particular it would be used to support Strategic Plan priorities such the proposals for a housing development vehicle, sport and leisure facilities at Northern Gateway and projects to support vulnerable communities. Locality budget would also be maintained, which would also help local communities.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, Councillor Feltham Portfolio Holder for Business, Leisure and Opportunities, and Councillor T. Young, Portfolio Holder for Culture and Regeneration, also expressed their support for the proposals and paid tribute to Councillor Cory and officers for bringing forward a budget that did not cut frontline services, given the reductions in funding. This was a consequence of the more commercial approach taken by the Council and its success in increasing income. The continued investment in sport and leisure and culture was also highlighted.

RESOLVED that:-

(a) It be noted that for the purpose of assessing the impact on balances the outturn for the current financial year is forecast to be an overspend of £240k (see paragraph 3.4.of the Assistant Chief Executive's report).

(b) The provisional Finance Settlement figures set out in Section 4 of the Assistant Chief Executive's report showing a cut to the Settlement Funding Assessment of £980k be noted.

(c) The figures for the business rates retention scheme and the arrangements for completion of the required return of estimated business rates income as set out at paragraph 4.8 of the Assistant Chief Executive's report be noted.

(d) The changes made to the New Homes Bonus scheme and the grant reduction in 2017/18 of £931k as set out in section 4 of the Assistant Chief Executive's report, with further reductions in the grant in later years, be noted.

(e) The cost pressures, growth items, proposed use of New Homes Bonus, savings and increased income options identified during the budget forecast process as set out at in section 5 and detailed in Appendices C, D and E of the Assistant Chief Executive's report be approved.

(f) The 2017/18 Revenue Budget requirement of £25,911k (paragraph 5.16 of the Assistant Chief Executive's report) and the underlying detailed budgets set out in summary at Appendix F and Background Papers to the Assistant Chief Executive's report be agreed

and *RECOMMENDED TO COUNCIL*, subject to the final proposal to be made in respect of Council Tax.

(g) Colchester's element of the Council Tax for 2017/18 at £180.18 per Band D property, which represents an increase of £4.95 (2.8%) from the current rate be *RECOMMENDED TO COUNCIL*, noting that the formal resolution to Council will include Parish, Police, Fire and County Council precepts and any changes arising from the formal Finance Settlement announcement and final completion of the business rates NNDR. This will be prepared in consultation with the Leader of the Council.

(h) The Revenue Balances for the financial year 2017/18 as set out at Appendix J of the Assistant Chief Executive's report be agreed and it further be agreed that:-

- the minimum level be set at a minimum of £1,900k
- £499k of balances, including sums carried forward from 2016/17, be applied to finance items in the 2017/18 revenue budget

(i) The updated position on earmarked reserves set out in section 8 of the Assistant Chief Executive's report be noted and the following releases be agreed-

- £20k from the section 106 monitoring reserve
- £489k from the business rates reserve.
- £325k use of capital expenditure reserve for ICT strategy
- £150k use of parking reserve

(j) £3.173m be used from a combination of General Fund balances and reserves to fund the one off pension fund payment and provision be made within the budget in 2018/19 and 2019/20 to reinstate these balances as set out in section 8.

(k) It be agreed and *RECOMMENDED TO COUNCIL* that £100k of Revenue Balances be earmarked for potential unplanned expenditure within the guidelines set out at paragraph 9.3 of the Assistant Chief Executive's report.

(l) The Medium Term Financial Forecast for the financial years 2017/18 to 2020/21 set out in section 11 of the Assistant Chief Executive's report be noted.

(m) The position on the Capital Programme shown at section 12 of the Assistant Chief Executive's report be noted and it be agreed and *RECOMMENDED TO COUNCIL* that the following items be included in the Capital Programme:-

- £857k for changes to the waste service as agreed by Cabinet.
- £500k to deliver new social housing funded from the HRA Right to Buy Reserve

(n) The comments made on the robustness of budget estimates at section 13 of the Assistant Chief Executive's report be noted.

(o) The 2017/18 Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy as set out in the background paper at Appendix N of the Assistant Chief Executive's report be approved and *RECOMMENDED TO COUNCIL*.

REASONS

The reasons for the decisions were set out in detail in the Assistant Chief Executive's report.

ALTERNATIVE OPTIONS

Various options were investigated at every stage of the budget setting process.

Councillors T. Young (as Chairman of Colne Housing) and Bourne (as a Trustee of Beacon House) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5)

137. Housing Revenue Account Estimates 2017/18

The Head of Commercial Services submitted a report a copy of which had been circulated to each Member together with minute 105 of the Scrutiny Panel meeting of 31 January 2017.

Councillor Bourne, Portfolio Holder for Housing and Public Protection, introduced the report, and highlighted in particular the proposed housing rent levels. The average rent would be £86.31 per week. This led to high demand from residents to be accepted on the housing needs register, It therefore needed to be banded to ensure that housing was allocated to those most in need.

RESOLVED that:-

- (a) The 2017/18 HRA revenue estimates as set out in Appendix A of the Head of Commercial Services report be approved.
- (b) The dwelling rents as calculated in accordance with central Governments rent policy (set out in paragraph 4.7 of the Head of Commercial Services report) be approved.
- (c) The HRA revenue funded element of £6,747,300 included within the total management fee for Colchester Borough Homes (CBH) (set out in paragraph 4.13 of the Head of Commercial Services report) be approved.
- (d) The inclusion of a revenue contribution of £3,614,000 to the Housing Investment Programme in the budget be noted (paragraph 4.28 of the Head of Commercial Services report).
- (e) The HRA balances position in Appendix B of the Head of Commercial Services report be noted.

(f) The Medium Term Financial Forecast (MTFF) set out at Appendix C and the 30 Year HRA financial position set out at Appendix E of the Head of Commercial Services report be noted.

REASONS

Financial Procedures require the Head of Commercial Services to prepare detailed HRA estimates for approval by the Cabinet, setting the new rent levels for the new financial year.

ALTERNATIVE OPTIONS

No alternative options were proposed but it was open to the Cabinet to approve different proposals to those set out in the Head of Commercial Services report.

Councillors T. Young (as Chairman of Colne Housing) and Bourne (as a Trustee of Beacon House) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5)

138. Housing Investment Programme 2017/18

The Head of Commercial Services submitted a report a copy of which had been circulated to each Member together with minute 105 of the Scrutiny Panel meeting of 31 January 2017.

Councillor Bourne, Portfolio Holder for Housing and Public Protection, introduced the report and stressed the need to ensure the Council's housing stock was in a good condition, so tenants were provided with high quality accommodation. The Council's housing stock was its largest asset. Much of the work to maintain and improve the housing stock was undertaken by local contractors and therefore helped the local economy.

Councillor Smith, Leader of the Council and Portfolio Holder for Strategy, highlighted that the Council had to set aside £1.14 million of the Housing Investment Programme to cover the estimated impact of the Higher Value Voids Levy.

RESOLVED that:-

- (a) The Housing Investment Programme for 2017/18 be approved.
- (b) The Capital Medium Term Financial Forecast (CMTFF) set out at Appendix A of the Head of Commercial Services report be noted.

REASONS

Each year as part of the process to agree the Council's revenue and capital estimates the Cabinet is required to agree the allocations to the Housing Stock Investment Programme. These allow for work to be undertaken to maintain, improve, and refurbish the housing stock and its environment.

Following the Cabinet meeting on 30 November 2011 it was agreed in principle to accept a proposed 5 year Housing Investment Programme (HIP) as the framework for procuring

housing related planned works, improvements, responsive and void works and cyclical maintenance, subject to overall budget decisions in January 2012 and annually thereafter.

It was also agreed that the proposed 5 year investment programme would be linked to the Asset Management Strategy (AMS) and reviewed annually in the light of available resources and for each annual allocation to continue to be brought to Cabinet for approval as part of the overall HIP report.

The Colchester Borough Homes (CBH) Board has been apprised of the content of the Cabinet report submitted on the 30 November 2011 and is now seeking approval for the 2017/18 Capital programme.

The report by the Head of Commercial Services seeks the release of funds under grouped headings as described in the AMS and supported by the Management Agreement dated 9th August 2013, which governs the contractual relationship between Colchester Borough Council (CBC) and CBH.

ALTERNATIVE OPTIONS

No alternative options were proposed but it was open to the Cabinet to approve different proposals to those set out in the Head of Commercial Services report.

139. Half-Yearly Performance Report Including Progress on Strategic Plan Action Plan

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member together with minute 100 of the Scrutiny Panel meeting of 13 December 2016.

Councillor Willetts attended and with the consent of the Chairman addressed the Cabinet to express his concern about the performance on K1 P2 (Planning Appeals allowed against a decision to refuse) and K1 W1 (Residual waste per household). In respect of planning appeals, the Council should strictly adhere to planning policies in order to reduce the number of specious appeals and in terms of waste collection, needed to follow the example of Rochford which had dramatically increased its recycling rates. It needed to do so through a “hearts and minds” campaign rather than changing the waste and recycling collection receptacle.

Councillor Young, Portfolio Holder for Culture and Regeneration, explained that the appeals allowed had been carefully analysed and there was no overall pattern discernable. There was some concern about the unpredictable nature of decisions by the Planning Inspectorate. Councillor Graham, Portfolio Holder for Waste and Sustainability, highlighted the recent changes to the waste and recycling service, which been introduced to address this issue and it was anticipated the performance against this target would soon improve.

RESOLVED that:-

(a) The progress update of the Strategic Plan Action Plan for the period ending 30 September 2016 be noted.

(b) The performance update on the Council's key performance measures for the period ending 30 September 2016 be noted.

(c) The recent awards and accreditations received by the Council be noted.

REASONS

The Council had agreed a number of key performance areas which are used as part of its Performance Management Framework to help monitor progress and improvement. The Assistant Chief Executive's report provides an update of our indicators along with a half-yearly review of progress against our Strategic Plan Action Plan.

ALTERNATIVE OPTIONS

No alternative options were proposed.

140. Appointment of External Auditor

The Assistant Chief Executive submitted a report a copy of which had been circulated to each Member.

RECOMMENDED TO COUNCIL that that the Council opts in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors.

REASONS

It was likely that a sector wide procurement conducted by PSAA would produce better outcomes for the Council than any procurement the Council undertook itself or with a limited number of partners. Use of the PSAA would also be less resource intensive than establishing an auditor panel and conducting its own procurement.

Regulation 19 of the Local Audit (Appointing Person) Regulations 2015 required that a decision to opt in must be made by Full Council. To comply with this regulation Cabinet was asked to make a recommendation to Council.

ALTERNATIVE OPTIONS

To establish an auditor panel and conduct our own procurement. This would be a far more resource intensive process and, without the bulk buying power of the sector led procurement, would be likely to result in a more costly service.

Councillor T. Young (as a Member Charter Assessor) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

141. Member Charter Status

A minute from the Member Development Group meeting of 26 January 2017 was submitted, a copy of which had been circulated to each Member.

RESOLVED that that the Council recommit to the Charter and seek reaccreditation for Charter Status for Elected Member Development in January 2018.

REASONS

The Council was originally award Member Charter status in July 2011 and was successful in being reaccredited in January 2015. The full reassessment will be due in January 2018. Therefore the Council needed to indicate in early 2017 if it wishes to commit to the full reassessment and seek reaccreditation.

ALTERNATIVE OPTIONS

The alternative options were:-

- (a) Not to seek reaccreditation for Charter Status for Elected Member Development;
- (b) To seek reaccreditation at Charter Plus Level.

142. Progress of Responses to the Public

The Assistant Chief Executive 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.