

Time began: 6.03pm
Time ended: 6.45pm

COUNCIL CABINET

8 November 2017

Present Councillor Banwait (Chair)
 Councillors Afzal, Bolton, Raju, Rawson, Repton, Russell and
 Shanker

In attendance Councillors Care, M Holmes and Skelton
 Paul Robinson – Chief Executive
 Andy Smith – Strategic Director of People
 Janie Berry – Monitoring Officer
 Mark Taylor – Interim Director of Finance
 Claire Davenport – Director of Leisure, Culture and Tourism
 Ian Fullagar – Head of Strategic Housing
 Heather Greenan – Had of Performance and Intelligence
 Ben Clawson-Chan – Head of Leisure
 Yvonne Wilkinson - Head of Communications and Consultation

This record of decisions was published on 10 November 2017. The key decisions set out in this record will come into force and may be implemented on the expiry of five clear days unless a key decision is called in.

66/17 Apologies

An apology for absence was received from Councillor Hussain.

67/17 Late Items

There were no late items.

68/17 Receipt of Petitions

There were no petitions received.

69/17 Identification of Urgent Items to which Call In will not Apply

There were no items.

70/17 Declarations of Interest

There were no declarations on interest.

71/17 Minutes of the Meeting Held on 4 October 2017

The minutes of the meeting held on 4 October 2017 were agreed as a correct record and signed by the Chair.

Matters Referred

72/17 Recommendations from the Executive Scrutiny Board

The Council Cabinet considered a report on Recommendations from the Executive Scrutiny Board. The Executive Scrutiny Board met and discussed items contained within the Council Cabinet Agenda. The report enabled the views and recommendations resulting from these discussions to be formally shared with Council Cabinet. These were submitted to Council Cabinet as Appendix 2, prior to commencement of the meeting.

Decision

To receive the report and consider the recommendations alongside the relevant report.

Key Decisions

73/17 Council Tax Support Scheme (CTS) for 2018/19

The Council Cabinet considered a report which stated that Derby's local Council Tax Support (CTS) Scheme was introduced from 1 April 2013, to replace the national Council Tax Benefit (CTB) Scheme which had been abolished by Central Government. The CTS Scheme assists working age claimants who required financial assistance with paying their Council Tax bills. Pensioners were not affected by the CTS Scheme as they were treated separately under different legislation.

On 18 January 2017 Council Cabinet approved a number of changes to the CTS Scheme to take effect from 1 April 2017, plus one additional change to take effect from 1 April 2018. These changes had been the subject of a full public consultation and Equalities Impact Assessment (EIA).

The only change agreed to take effect from 1 April 2018 is to increase the minimum contribution that certain households affected by disability and where disability income had been awarded will pay, from 27.5% to 30%.

The CTS Scheme had therefore been updated to show this change, in line with the requirement in the Local Government Finance Act 2012, Schedule 4 paragraph 5 for year-on-year changes to an existing Scheme to be separately approved prior to implementation. No other changes to the Scheme had been made. The proposed Scheme from 1 April 2018 was set out at Appendix 2 of the report.

The Executive Scrutiny Board noted the report.

Options Considered

Do nothing. This was not an option as the CTS Scheme was required to change from 1 April 2018 – this was approved by Council Cabinet on 18 January 2017.

Decision

To approve the Council Tax Support Scheme from 1 April 2018.

Reasons

To implement the decision made by Council Cabinet on 18 January 2017.

74/17 Acquisition of Temporary Accommodation

The Council Cabinet considered a report which stated that a local authority's legal obligations to homeless people were contained within the Homelessness Act 2002. This Act placed a number of duties on local authorities, including the duty to secure accommodation for those households owed a main housing duty.

Homeless people owed this duty were often placed in temporary accommodation (TA) while waiting to be allocated permanent housing.

Where there was an insufficient supply of TA available, households often end up in Bed and Breakfast (B&B) accommodation. This however, was not a suitable form of accommodation, and had been shown to have a negative impact on people's health and well-being, particularly young people.

In Derby there was a shortage of suitable TA, resulting in the inappropriate use of unsuitable and costly B&B.

To remedy this, it was proposed to acquire up to 6 additional homes for TA. This would reduce the number of placements in B&B and result in better outcomes for families and young people. These new homes would be supplied for the express purpose of meeting demand for TA and would be exempt from general needs allocation.

Acquisition could be funded entirely through the use of Right to Buy (RTB) receipts. In the long term the proposed acquisitions programme should be revenue cost neutral for the Council.

The Executive Scrutiny Board made no recommendations to Council Cabinet, however, requested a further report to be brought to a future meeting of the Board on the use temporary accommodation.

It was proposed that an additional recommendation be added - To authorise the Strategic Director Communities and Place, following consultation with the Interim Director of Finance and S151 Officer and the Director of Governance and Monitoring

Officer to purchase suitable properties in accordance with recommendation 2.1 of the report.

Options Considered

1. The Council could use existing general needs stock for the purpose of TA, but this would take units out of the allocation system that provided permanent housing solutions.
2. The Council could choose not to invest in additional TA, but this would result in more households having to be accommodated in B&B with the associated undesirable outcomes.

Decision

1. To agree to the acquisition of up to six 2 or 3 bed homes for use as Temporary Accommodation, at a maximum total purchase price of £900,000. This sum to be added to the corporate capital programme in 2018/19.
2. To authorise the Strategic Director Communities and Place, following consultation with the Interim Director of Finance and S151 Officer and the Director of Governance and Monitoring Officer to purchase suitable properties in accordance with resolution 1 above.

Reasons

To increase the availability of Temporary Accommodation so reducing the Council's reliance on B&B and consequently achieving better long-term outcomes for homeless households.

75/17 New Swimming Pool Complex at Moorways

The Council Cabinet considered a report which stated that The Leader of the Council had made six key pledges on behalf of the whole Council, which included the building of a new swimming pool complex. The pledge stated that the Council would start building a new swimming pool by the end of 2017, which would open in 2020. Phase two of the current Leisure Facility Strategy (LFS) was being progressed to achieve this on the site of the existing Moorways swimming pool.

AR Demolition was awarded a contract to demolish the old swimming pool complex in July 2017; works had commenced on site and were due to be completed in December 2017 achieving the Council's pledge.

On 12 April 2017, Council Cabinet resolved that MACE Consultants (Mace) and their appointed design team should progress the project on the basis of the enhanced facility mix option for the Swimming Pool Complex and identified the ideal position for the new facility on the Moorways site, in order to maximise the potential for future wider site development opportunities.

The Mace design team had worked up RIBA stage 3 designs, based on the enhanced facility mix option. The enhanced facility mix included a 10 lane, 50m swimming pool with more significant additional complementary leisure facilities at an indicative project budget of up to £32,940,000. This enhanced model provided a more commercial approach to the operation of the overall facility.

The enhanced facility mix option that had been designed required the capital programme budget to be increased. The additional capital funding of £13,000,000 had been identified through the forecast capital receipts from the disposal of surplus properties. In order to progress to the next stages of the project Council Cabinet was asked to recommend Council to approve of the additional funding. This would allow a capital budget of £33,000,000 to be approved which was within the maximum envelope value of £35,000,000 to allow the new Swimming Pool Complex to be built and to also proceed to Part Three of the contract with Mace. Part Three included the build of the new Swimming Pool Complex, practical completion and handover.

Subject to the approval of the required budget at the Council meeting in November 2017, it was proposed that procurement of the build contractor would commence at the end of November 2017 and that this would follow the procurement strategy that was approved at the 12 April 2017 Council Cabinet.

FMG Consulting Ltd had continued to work on the business case using three models; Council run, Local Trust and Out-sourced delivery models. The findings showed that within the revenue budget set aside in the Medium Term Financial Plan (MTFP) 2017/18- 2019/20 of a £400,000 subsidy that two options fitted within this envelope; these being a Trust and an Out-sourced delivery model. The budget figures in the report made the assumption that the operation of the facility was through one of these two options and should this not be the case the revenue budgets would need to be revisited within a future MTFP process.

To further assist with delivering this project it was currently proposed to submit a planning application for consideration at the Planning Committee in early 2018.

The Executive Scrutiny Board requested Council Cabinet to give further consideration to

1. The risks of not finding a suitable operator, particularly the financial risks around the Council running the facility in this event, including pressure on future annual budgets and putting the council close to the VAT threshold for financial exemption which could have significant knock-on effects for future capital projects; and
2. Enabling people from across the city to access the Moorways site by public transport, particularly those on lower incomes.

Options Considered

As a result of the current position of the project, to do nothing and cease the project was not believed to be an option if the Council was to provide facilities that meet the

demands for swimming in the City.

The risks associated with ceasing the project include:

- Reputational damage of not completing a Key Pledge
- Financial losses of capital expenditure on project so far.

Decision

1. To note that public engagement on the RIBA stage 3 designs occurred, between 25 September and 8 October 2017, and that the majority of respondents fed back very positively on all the key aspects of the engagement. See Appendix 4 of the report.
2. To approve the RIBA stage 3 developed design for the proposed new Swimming Pool Complex at Moorways based on the proposed enhanced facility mix of a 50m swimming pool, learner pool, leisure water, fitness suite, studios, café and other ancillary facilities to develop a more commercial leisure offer and to approve progressing the detailed designs for the new Swimming Pool Complex.
3. To note the phased approach for the planning strategy for the new Swimming Pool Complex; the pool being phase 1 and the wider site phase 2 as outlined in paragraph 4.14 of the report and to approve continuing to develop phase 1.
4. To recommend Council to increase the capital programme for the project by £13,000,000 to provide a capital budget of £33,000,000, which was within the maximum envelope value of £35,000,000 and that the 2018/19 - 2019/20 Capital Programme be re-profiled accordingly.
5. To note that £400,000 per annum was added to the MTFP 2017/18-20 for the new Swimming Pool Complex to provide the revenue budget for the projected subsidy for the facility. Current analysis indicated that this would be sufficient if the facility was delivered by either a Trust or an Outsourced option. The budget figures in the report made the assumption that the operation of the facility was through one of these two options and should this not be the case the revenue budgets would need to be revisited within a future MTFP process.
6. Subject to Council approval of the capital programme budget and the approvals required in paragraphs 2.2 and 2.3 of the report, to approve proceeding with the procurement of a build contractor for the new Swimming Pool Complex at Moorways at the end of November 2017, and to delegate authority for the award of the contract for the building works to the Strategic Director for Communities and Place, following consultation with the Director of Finance, the Cabinet Member for Governance and Finance and the Cabinet Member for Leisure, Culture and Tourism.
7. To approve proceeding with Part Three of the contract with MACE (Tender Reference: TD1155) to progress with the build and handover of the new Swimming Pool Complex subject to successful planning approval,

procurement of a preferred build contractor, and the approval of the increased capital budget. To note that a variation to the contract would need to be progressed to reflect the current value of the project and that there would be an increased fee agreed with MACE based on the revised value of the project.

8. To note and accept the risks associated with continuing with this project as identified in the report.
9. To accept the recommendation of the Executive Scrutiny Board requesting Council Cabinet to give further consideration to
 - The risks of not finding a suitable operator, particularly the financial risks around the Council running the facility in this event, including pressure on future annual budgets and putting the council close to the VAT threshold for financial exemption which could have significant knock-on effects for future capital projects: and
 - Enabling people from across the city to access the Moorways site by public transport, particularly those on lower incomes.

Reasons

1. To allow the timeline for delivering this project to be maintained and keep on track to open the new Swimming Pool Complex in 2020 delivering a much improved and modernised leisure facility offer within the city. Further supporting the Council's 15 year vision to be a safe, strong and ambitious city with an ambition to be one of the most active in England.
2. The FPM showed by 2028, much of the City's current swimming pool stock would have reached the end of its active life without significant investment; this included Queen's Leisure Centre, the future of which would need to be reviewed as part of the progression of the plans for the new Swimming Pool Complex. The current expectation was that it would close when the new facility opens. Moving forward with the provision of new facilities helps meet the demands of swimming which would benefit the City and its communities.

Budget and Policy Framework

76/17 Budget Outturn Quarter 2, 2017/18

The Council Cabinet considered a report which summarised the Council's overall financial position at the end of September 2017 against the budget approved by Council on 15 February 2017 as follows:

- **Revenue budget:** The full year forecast projected a pressure of £1.7m against the approved budget of £214.978m outlined in the report. Action plans, developed by relevant Departmental Management Teams (DMTs) to manage cost pressures, were being put in place to manage overspends and ensure budgets are met;
- **Capital budget:** Capital expenditure was £20.705m, 19.73% of the total original approved capital budget of £104.935m. The year-end forecast was estimated at £85.5m, reflecting known project slippage and the impact of the deferred Waste Project investment into 2018/19;
- **Reserves:** The General Reserve balance remained at £8.764m;
- **Treasury:** Total debt was £464.429m and total investments were £90.221m and no new borrowings had been made in the year;
- **Dedicated Schools Grant (DSG):** The total grant of £215.188m had been allocated to schools and retained educational services, the centrally retained element was expected to be fully spent by the end of the year;
- **Collection Fund:** Council Tax billed for 2017/18 was just over £106m, of which £57.9m, 54.26% had been collected. Business Rates billed for 2017/18 was £92.3m of which £52.77m, 56.87% had been collected;
- **Housing Revenue Account (HRA):** The full year forecast was projecting a surplus of £3.100m against an original budget of £2.138m.

Further analysis and explanations of key variances were provided in sections 4 to 11 of the report.

Included in the revenue forecast were planned savings of £9.710m, 69.3% of the £14.016m savings target set by Council. Work continued to deliver all planned savings. A summary of the net revenue cost by directorate was set out in the report.

The Executive Scrutiny Board made no recommendations to Council Cabinet, however, made a request to the Director of Finance that future reports clearly identify at an earlier stage when savings targets are known to be undeliverable.

Decision

1. To note:

- the revenue projected outturn and key budget variances set out in the report in section 4 and the savings to be delivered in the year in section 5 of the report;
- the capital programme forecast and actual capital expenditure incurred during the quarter summarised in section 6 of the report;
- the reserves position, as set out in section 7 of the report;

- the Council's treasury position, and performance in the quarter, section 8 of the report;
 - the forecast DSG position summarised in section 9 of the report;
 - the Council Tax and Business Rates Performance as set out in section 10 of the report;
 - the HRA Performance as set out in section 11 of the report;
 - the changes already approved under scheme of delegation to the capital programme detailed in Appendix 2 of the report.
2. To approve:
- the changes and additions required to the 2017/18 capital programme as detailed in Appendix 2 of the report;
 - the further use of the Better Care Fund Reserve in People's Directorate as detailed in section 4 of the report.

Performance

77/17 Performance Monitoring 2017/18 – Future of Derby Pledges September 2017, Quarter Two Results and Mid Year Target Review

The Council Cabinet considered a report which summarised progress made towards the Future of Derby 50 Pledges (Council Delivery Plan) and included highlights from key performance measures included in the Council Scorecard.

As at September 2017, six Pledges were completed, 39 Pledges were 'on track' and five Pledges were showing minor slippage. Quarter two updates for Cabinet Member Pledges were shown in Appendix 2 of the report.

At the end of quarter two (up to 30 September 2017), 67% of performance measures in the Council Scorecard were forecast to meet or exceed their year end target. Results were assessed using traffic light criteria, according to their performance against improvement targets. A dashboard which summarised performance for the Council Scorecard was shown in Appendix 3 of the report.

Achievements noted at quarter two included...

- The Ram Energy tariff had been launched, and had generated significant interest from customers with the first households switching to the tariff.
- Continued success of projects funded through Crowdfund Derby.
- Significant progress on a number of regeneration and leisure projects, including those within the City Centre masterplan.
- 15 'Talking Points' were now operating across the city, transforming the way that adults access care and support.

- An improved focus on homelessness prevention work, with 333 preventions made at the end of quarter two.
- 221 repairs, improvements and adaptations had been made by the Healthy Housing Hub, supporting people to live independently in their homes.

Accountable officers had provided commentary to put performance into context and identify actions that they were taking to address poor performance (see Appendix 4 of the report).

In addition to presenting Council Cabinet with an updated position on results for Council Scorecard measures the report also presented members with proposed changes to the scorecard, as a result of a mid-year review, that was agreed in June 2017 (Appendix 5 of the report).

The Executive Scrutiny Board made no recommendations to Council Cabinet however the Board agreed to continue to monitor the Performance of EHCPs and items on the Performance Forward Plan

Decision

1. To note the 2017/18 quarter two performance results and the September progress report on the Cabinet Member Pledges.
2. To note the indicators highlighted in the Improvement Report at Appendix 4 of the report.
3. To note that Executive Scrutiny Board reviewed performance on a regular basis and may select indicators for Performance Surgery on the basis of this report.
4. To approve the proposed changes to targets and additions to the Council Scorecard set out in Appendix 5 of the report.

Contract and Financial Procedure Matters

78/17 Contract and Financial Procedure Matters

The Council Cabinet considered a report which dealt with the following items which required reporting to and approval by Council Cabinet under the Contract and Financial Procedure rules.

- Approval to enable external funding agreements to be concluded
- Write off of irrecoverable debts

The Executive Scrutiny Board resolved to request that the Director of Finance:

1. Reprint the documentation relating to business write-offs for the Council Cabinet meeting to be held on 8 November 2017 to include business names, date information and further details on trends (to be exempt if necessary); and

2. That future reports should include full details including dates and timescales and the scale of debt to ensure more in-depth analysis to take place and to allow the possible introduction of early interventions and preventative work to advise and assist businesses, reduce company closures and liquidations and ultimately reduce business rates write-offs.

Further details were provided relating to business write-offs including business names and date information.

Decision

1. To approve delegated authority to bid for the available funds, set out in section 4.1 of the report.
2. To approve the write off of irrecoverable Business Rates set out at paragraph 6.5 of the report.
3. To accept the recommendation from the Executive Scrutiny Board to request the Director of Finance to make sure that future reports included full details including dates and timescales and the scale of debt to ensure more in-depth analysis could take place and to allow the possible introduction of early interventions and preventative work to advise and assist businesses, reduce company closures and liquidations and ultimately reduce business rates write-offs.

MINUTES END