

Time began: 6.00pm
Time ended: 6.20pm

**COUNCIL CABINET
19 MARCH 2014**

Present Councillor Bayliss (Chair)
 Councillors Afzal, Banwait, Repton, Russell, Shanker and Tittley

In attendance Councillors Carr, Hickson and Jones

This record of decisions was published on 21 March 2014. 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.

182/13 Apologies

Apologies for absence were received from Councillor Rawson.

183/13 Late Items Introduced by the Chair

There were no late items

184/13 Receipt of Petitions

There were no petitions received.

**185/13 Identification of Urgent Items to which Call In will not
 apply**

It was reported that there was an urgency to commence work on Item 12 – Provision of New Bulk Mailing and Print Services Contract, subject to approval of the matter before Council Cabinet. The Chair of the Resources and Governance Overview and Scrutiny Board had approved the grounds for urgency. It was moved that the matter be exempted from call-in under Rule OS42 of the Council Constitution.

Resolved to exempt Item 12 on the agenda – Provision of New Bulk Mailing and Print Services Contract from call-in under Rule OS42.

186/13 Declarations of Interest

There were no declarations of interest.

187/13 Minutes of the meeting held on 12 February 2014

The minutes of the meeting held on 12 February 2014 were agreed as correct record and signed by the Chair.

Key Decisions

188/13 Core Strategy and School Place Planning

The Council Cabinet considered a report on Core Strategy and School Place Planning. Derby City Council shared a Housing Market Area (HMA) with Amber Valley Borough Council and South Derbyshire District Council. The proposals across the three Authorities would include 35,354 houses across the HMA, with 19,175 of these properties being located within Derby or on the edge of the City, known as the Derby Urban Area (DUA). The figure for the DUA was made up of 12,500 homes located in Derby with the remainder in South Derbyshire (6,145) and Amber Valley (530). A diagram showing the proposed sites within the Core Strategy was attached at Appendix 2 to the report. The housing would be developed gradually over a 15 year period. To ensure sufficient school places, it was important for the Council to develop a strategy to provide significant additional school places. The Core Strategy would allocate land for new housing and included policies to secure funds through Section 106 contributions towards school place provision.

The housing growth would have a significant impact on infrastructure. Derby City Council and Derbyshire County Council were legally responsible for providing education for those pupils residing within their own administrative boundaries. The two local authorities would continue to work closely together on school place planning to help shape and develop proposals. This was complex as the proposed new housing developments straddle both the City / County boundaries. Appendix 3 of the report set out the proposed housing sites around the edge of the City and the estimated primary and secondary pupil numbers that were likely to be generated. It should be noted that although this was where the majority of development was concentrated, there were other sites within the City and County that would also need consideration.

In order to respond to the significant increase in pupil numbers, it was inevitable that new schools would be required. It was likely that 5 or 6 new primary schools and 1 or 2 new secondary schools would be required, either within the City or County, to deal with the growth in housing numbers. New education provision on this scale raised a number of issues around funding, timing, impact on existing provision and so on. The report provided an overview of the key challenges in developing an education strategy and progress to date. Further update reports would continue to be provided to Council Cabinet as part of the complex development process for school place planning, including Member approvals.

Options Considered

Options were continuing to be developed with regard to the provision of school places in line with Core Strategy numbers.

Decision

1. To note the requirement to expand primary and secondary education in the areas affected by proposed housing development, including the need for new schools.
2. To note that feasibility studies and informal consultation with schools would be progressed in order to develop a primary and secondary education strategy.
3. To note that further reports would be provided to Council Cabinet for consideration and decisions.

Reasons

To ensure that Council Cabinet was aware that school place planning options were being developed in order to deal with pupil growth arising from Core Strategy proposals. Further updates would be provided and Member decisions would be required in due course.

189/13 Children and Young People's Capital Programme 2014-15, 2015-2016 and 2016-2017

The Council Cabinet considered a report on Children and Young People's Capital Programme 2014-15, 2015-2016 and 2016-2017.

The Department for Education (DfE) had announced basic need capital allocations (school place planning) for 2015-17, as well as smaller levels of capital funding to support the provision of free school meals to infant pupils for 2014/15.

Derby had previously been allocated £5,826,651 for 2014-15 basic need capital funding. This funding had already been prioritised towards school expansion proposals, following Council Cabinet approval on 6 November 2013. It was necessary to commit the 2014-15 allocation at an earlier stage to ensure that major building work could be completed to provide additional classrooms at those schools expanding for September 2014. This was to ensure there were sufficient school places.

In relation DfE capital allocations for schools maintenance for 2014-15, Derby had been allocated £2,927,098, along with an additional £246,010 for Voluntary Aided Schools. This funding would be prioritised to deal with essential school condition and maintenance issues across the schools estate. Appendix 3 of the report outlined the proposed Schools Capital Programme 2014-15, and individual school projects.

The DfE had allocated limited capital funding to Local Authorities to support the provision of free school meals to infant pupils, which comes into effect from September 2014. Derby had been allocated £684,003. It was important to note this was a relatively small sum, and that this funding would be devolved to infant schools where there was a need to provide additional meals.

Options Considered

The available capital funding had been prioritised in line with the Schools Asset Management Plan to deal with the most urgent condition and health and safety issues, and to ensure sufficient school places.

Decision

1. To approve the Schools Capital Programme priority schemes for 2014-15 as outlined in Appendix 3 of the report, and to approve scheme commencement.
2. To note the update on the Priority Schools Building Programme (£28.2m), and that Reigate Primary School would be the sample school.

Reasons

1. An on-going programme of work was required in school premises to deal with essential condition and health and safety issues across the schools estate, to ensure that school buildings were safe and remain open. For 2014-15, it had been announced that Derby had been allocated £2,927,098 to deal with essential school condition and maintenance issues, along with an additional £246,010 for Voluntary Aided Schools.
2. Funding of £684,003 had been allocated to Derby to carry out kitchen improvement works. This was in relation to the provision of free school meals to infant pupils from September 2014.
3. Local authorities had a legal responsibility to ensure that there were sufficient school places available to meet local needs. Local authorities also had a duty to increase the scope for parental choice in planning for and securing school places.

190/13 Dedicated Schools Grant 2014/15

The Council Cabinet considered a report on Dedicated Schools Grant 2014/15. On the 18 December 2013 the Department for Education - DfE - announced its Schools Funding Settlement. The Dedicated Schools Grant for Derby was £196.679 million and was split into three un-ringfenced blocks; Schools Block, Early Years Block and a High Needs Block. The High Needs Block allocations were however provisional at this stage with final allocations being confirmed by the end of March 2014.

Final calculated Schools Budgets from the Schools Block element were submitted to the DfE on the 21 January with final budgets issued to individual schools on the 7 February 2014, the statutory deadline being the 28 February 2014.

Changes to the Schools Fair Funding Formula had been fully consulted on and were approved by Council Cabinet on the 22 January 2014.

The report detailed the final proposals for the use of the Dedicated Schools Grant for Derby for the financial year 2014 -2015 subject to changes in the High Needs Block as a result of the outcomes of the final settlement.

Options Considered

None.

Decision

1. To approve the budget for the use of the Dedicated Schools Grant for 2014-15.
2. To approve to use of the Dedicated Schools Grant Reserves of £536,000.
3. To note that Schools Forum have considered and approved this report at their meeting on 23rd January 2014.

Reasons

The Council must set a balanced budget for the use of the Dedicated Schools Grant.

191/13 2014/15 Housing Capital Programme

The Council Cabinet considered a report on 2014/15 Housing Capital Programme. The report sought approval of the proposed 2014/15 Housing General Fund capital programme and the Housing Revenue Account (HRA) capital programme, referred to collectively as the Housing Capital Programme.

The Housing Capital Programme delivered a diverse range of services primarily aimed at helping vulnerable residents, such as:

- management of the Housing Revenue Account, with a capacity to support development of circa 400 affordable council dwellings in the next 3 to 4 years
- the Healthy Housing and Disabled Facilities services to help vulnerable and older people remain living independently at home in greater safety and comfort
- the Empty Homes Service and 'New Build and Acquisitions' affordable housing programme to help increase and improve housing choice, whilst also generating significant New Homes Bonus income for the City Council

- a range of measures to tackle fuel poverty, energy efficiency and carbon reduction, particularly targeted toward helping those most vulnerable to winter cold.

The General Fund capital programme had been developed to support on-going delivery of the 2012-15 Private Sector Housing Renewal Policy. This policy was formally approved by Council Cabinet on 21 February 2012 following consultation with Members, partners and key stakeholders.

The HRA capital programme had been developed to deliver the objectives of the HRA Business Plan approved by Council Cabinet on 12 February 2014 and the Derby Homes Delivery Plan.

The report specifically set out in more detail the capital schemes that formed the basis of these programmes.

Options Considered

1. Current financial restraints affecting both local government and the private sector had significantly limited the range of options available. The HGF programme as proposed made best use of the available resources in supporting delivery of the Council's 2012-15 Private Sector Housing Renewal Policy.
2. Housing revenues and receipts were ring-fenced for use within the HRA.

Decision

1. To approve the 2014/15 Housing Capital Programme and associated spend for capital funded schemes, as detailed at paragraph 4.38 of the report in respect of the Housing General Fund capital programme.
2. To approve the 2014/15 Housing Capital Programme and associated spend for capital funded schemes in respect of the HRA capital programme as detailed in paragraphs 4.39 to 4.44 of the report.

Reasons

1. Consultation and an Equalities Impact Assessment regarding the 2012-15 Private Sector Housing Renewal Policy were undertaken and the Policy subsequently approved by Council Cabinet on 21 February 2012. The Policy targets help across a range of housing-related issues towards the more vulnerable residents within Derby. It focused activity to promote, encourage, support and, where necessary, enforce the improvement and better use of private sector housing.
2. The proposed Capital Programme made best use of the available resources in supporting delivery of the Council's Private Sector Housing Renewal Policy

given the current financial restraints affecting both local government and the private sector.

3. The HRA capital programme was required to maintain the Council's housing assets and develop new affordable housing. Housing revenues and receipts were ring-fenced for use within the HRA.

192/13 Osmaston Regeneration Partnership - Update

The Council Cabinet considered a report on Osmaston Regeneration Partnership – Update. On 14 August 2013, Members agreed : “To delegate authority to the Chief Executive, following consultation with the Leader of the Council and the Strategic Director of Resources, to finalise details relating to the structure and operation of the Joint Venture Vehicle, and the associated legal documentation.”

The purpose of this report was to provide an update to Members on the progress of the establishment of the Osmaston Regeneration Partnership, and to provide detail on the specific elements of the legal documentation relating to the Partnership.

Further updates would be provided to Members in relation to the transfer of Rolls Royce land holdings to the Council for inclusion in the Osmaston Regeneration Partnership Joint Venture Vehicle.

Options Considered

The only change to the content approved in previous approved reports was the Developer role. This role would now be taken by the Osmaston Regeneration Partnership.

Decision

To note the contents of the report as an update on the current position in relation to the Osmaston Regeneration Partnership.

Reasons

Report for information only.

193/13 Provision of New Bulk Mailing and Print Services Contract

Under Rule OS42 of the Council Constitution following approval of the Chair of the Resources and Governance Overview and Scrutiny Board under Rule AI27, the following matter was exempted from call-in.

The Council Cabinet considered a report on Provision of New Bulk Mailing and Print Services Contract. Benefits and Exchequer Services currently had a contract to

process all of their statutory large volume mailings and related print. These mailings included such items as council tax annual billing, business rates, business improvement bids, reminders, summonses, orders and all of the mailings for the Housing Benefits. These mailings could be sent to up to 130,000 addresses, with approximately 30% of the current mailings being Housing Benefits and 70% Exchequer Services.

The current contract would expire on 30 September 2014. The ownership of this contract had recently transferred to Business Support who would manage the tender for the new contract.

The current contract was highly specialist and only related to Council Tax and Benefits specialist mailing. It did not cover the additional requirements of the Council for volume mailings. Current requests for volume mailings must either be processed expensively within the Document Management Centre - DMC - or be sent out to a limited range of suppliers available within the Oracle ordering system. This was an expensive and inefficient way of processing volume mail.

Business Support sought approval to negotiate a new contract. At its core would be the requirements for Benefits and Exchequer services statutory-mailings. The new contract would contain provision within it for all of Derby City Council's volume mailings it would also contain any requirements from Derby Homes. This would enable Derby City Council to contain all of its requirements for bulk mailings within one contract and maximize the economies of scale.

Under the new contract approximately, 25% of the value of the contract would be Housing Benefits mailings, 50% Exchequer Services and the remaining 25% would be the ad hoc mailing requirements for the rest of the Council.

The contract would run for an appropriate term that maximised value to the Council.

Options Considered

Not to negotiate a new contract but to print everything internally within the Document Management Centre - DMC. The case for this was rejected because the costs and the risks were prohibitive. The reasons for this decision were because it is a highly specialist area, would require a large financial investment in specialist mailing equipment, software and training and the equipment required was extremely large and would require a considerable area of floor space.

Decision

To approve the provision of the new Bulk Mailing and Print Services for contract for Derby City Council

Reasons

In order to process its bulk mailing and print requirements Derby City Council required a specialist contract. Much of the work done within this contract was

statutory and because of the large volumes involved, it could not be processed internally.

There was no provision within the current contract arrangements to cover any additional requirements for bulk mailing. They must be processed through expensive arrangements either through the DMC or through the limited amount of suppliers in the current Oracle Ordering system. The provision of one all encompassing contract to handle this type of mail was the most economical and efficient way for the Council to handle its volume mail and print.

194/13 2014/15 Streetpride Plant and Equipment and Land Drainage and Flood Defences Work Programme

The Council Cabinet considered a report on the 2014/15 Streetpride Plant and Equipment and Land Drainage and Flood Defences Work Programmes.

In the Streetpride Plant and Equipment programme, funding was prioritised against a replacement criterion which was based on the expected life of the different types of vehicle and equipment and the operational demands/requirements of the service.

As the Lead Flood Authority for the district, the Land Drainage and Flood Defence team had an overarching lead role for the coordination of Flood Risk Management Authorities in the area, in order to manage flood risk from local sources across the city.

In the Land Drainage and Flood Defence programme, funding was prioritised towards works which managed and reduced the potential for and impacts of flooding to properties and infrastructure throughout the city. Schemes were prioritised using a matrix scoring system which considered the extent of potential flood, risk to people and property, loss of critical infrastructure network, and effects on biodiversity, together with an assessment of the economic benefits/costs.

These work programmes were managed and monitored by the Infrastructure Programme Board in accordance with the Finance Procedure Rules and the Corporate Governance Structure.

Following a question by a member present, the Strategic Director of Neighbourhoods explained that the cost of purchasing refuse vehicles and equipment was part of a cyclical programme to replace machinery when the cost of repair exceeded the cost of buying new. It was reported that this resulted in revenue savings as the expense of repairs reduced resultantly.

Options Considered

These work programmes had been developed in consideration against corporate objectives, the Streetpride Service Standards and our statutory obligations. It was considered that they offered the maximum value for money considering the resources available.

Decision

1. To approve the proposed Streetpride Plant and Equipment and Land Drainage and Flood Defence work programmes for 2014/15. These were detailed in appendices 2 and 3 of the report.
2. To give delegated authority to the Strategic Director for Neighbourhoods, following appropriate consultation with the Cabinet Member for Planning, Environment and Public Protection and the Cabinet Member for Neighbourhoods and Streetpride, to respond to changing priorities throughout the year by introducing new schemes or bringing forward the implementation of some schemes at the expense of others. All delegated approvals would be in line with financial procedure rules and approved by Infrastructure Programme Board.

Reasons

1. Approval of the work programmes prior to the start of the 2014/15 financial year would allow effective planning and programming, with the objective of ensuring that schemes and initiatives were delivered in the best possible way and achieve value for money. Early approval of the programme would allow us to identify any risks to delivery. We would be able to review and monitor risks to ensure they did not escalate and where possible, eliminate them.
2. In the interests of the effective management of the programmes, it was appropriate for the Strategic Director of Neighbourhoods, following consultation with the Cabinet Member for Neighbourhoods and Streetpride to have the authority to review the programme and reallocate funding on the basis of the outcomes of investigations, feasibility studies and the progress of other schemes. Any revisions to the programme would continue to reflect the prioritisation outlined in paragraphs 1.2 and 1.3 of the report.
3. It was essential that these work programmes, particularly the Streetpride Plant and Equipment programme, remained flexible to accommodate the outcomes of internal re-organisations, restructures, changing work patterns and operational commitments. This approach would ensure that budgets continued to be focussed on key work areas.

Contract and Financial Procedure Matters

195/13 Contract and Financial Procedure Matters Report

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

- Changes to the current 2013/14-2015/16 capital programme

- Revisions to the Local Authority Coordinated Voluntary Aided Programme
- Transfer to reserves
- Use of corporate contingency budget
- Bid for Department for Transport grant funding
- Acceptance of Department for Education funding
- Approval of addition of assets to the disposals schedule
- Acceptance of grant funding

Decision

1. To approve changes and additions to the capital programme as set out in Appendix 2 and highlighted in section 4 of the report.
2. To note the revised programme for 2013/14 in table 1 (paragraph 4.1) and the revised indicative programme for 2013/14-2015/16 as shown in table 2 (paragraph 4.6) of the report.
3. To note the revised LCVAP schools allocations detailed in Appendix 3 of the report.
4. To approve the transfer to reserves detailed in section 6 of the report.
5. To approve the transfer of £201,162 from the corporate contingency budget to the Adults Health and Housing revenue budget from 2014/15 as detailed in section 7 of the report.
6. To approve the development and submission of a bid to the Department for Transport for up to £1m of Local Sustainable Transport funding for 2015/16 as detailed in section 8 of the report.
7. To approve the allocation of an additional £333,821 received from the Department for Education to the Children and Young People's revenue budget in 2014/15 as detailed in section 9 of the report.
8. To approve the addition of the assets set out in Appendix 4 to the disposals schedule and to delegate authority to the Chief Executive, following consultation with the Leader of the Council, to approve the disposal of the properties, including negotiating suitable terms for the disposal as detailed in section 10 of the report
9. To delegate authority to the Strategic Director for Neighbourhoods following consultation with the Cabinet Member for Leisure and Culture to accept funds from British Cycling for the outdoor closed cycling circuit, subject to acceptable grant conditions.

MINUTES END