

Time began: 6.00pm
Time ended: 7.50pm

COUNCIL CABINET

15 July 2015

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

In attendance Councillors Graves, Holmes and Skelton

This record of decisions was published on 17 July 2015. 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.

19/15 Apologies

Apologies for absence were received from Councillors Eldret, Hickson and Jones.

20/15 Late Items

In accordance with Section 100(B) (4) of the Local Government Act 1972, the Chair agreed to admit the following late items on the grounds that they should be considered as a matter of urgency because a decision was required before the next meeting:

- Big Conversation – Service Assessments and Consultations

21/15 Receipt of Petitions

There were no petitions received.

22/15 Identification of Urgent Items to which Call In will not apply

There were no items.

23/15 Declarations of Interest

There were no declarations of interest.

24/15 Minutes of the meetings held on 10 June 2015

The minutes of the meetings held on 10 June 2015 were agreed as a correct record and signed by the Chair.

Matters Referred

25/15 Recommendations from Corporate Scrutiny and Governance Board

The Council Cabinet considered a report on Recommendations from Corporate Scrutiny and Governance Board. The Corporate Scrutiny and Governance 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 accept all the recommendations from the Corporate Scrutiny and Governance Board.

Key Decisions

26/15 Safeguarding Adults New Policy and Procedures

The Council Cabinet considered a report on Safeguarding Adults New Policy and Procedures. On the 1st April 2015, the Care Act 2014 was implemented which for the first time put Safeguarding Adults onto a statutory footing.

The Council was identified as the Lead Agency for Safeguarding Adults and as such would be responsible for setting up local Safeguarding Adults Boards which in turn would be responsible for developing and implementing shared inter-agency policies and procedures.

The Council should approve the inter-agency policies and procedures within their own organisation and ensure that all staff and members were aware of their responsibilities to comply with them, in order that Safeguarding Adults was a priority area of work for all.

The overall aim was to ensure that roles and responsibilities were exercised appropriately within respective services. This would ensure the authority would maintain an organisational culture and ethos that prioritises the importance of safeguarding, promoting the safety of Adults with care and support needs.

The Corporate Scrutiny and Governance Board recommended that mandatory member training on Safeguarding Adults be arranged and publicised to all members as soon as possible and that further financial implications arising from a potential increase in the number of referrals should be monitored and reported.

Options Considered

None.

Decision

1. To approve the new multi-agency Derby Safeguarding Board Policy and Procedures as Derby City Council Safeguarding Adults Policy and Procedures.
2. To approve that all elected members and senior officers receive a copy of the new Policy and Procedures.
3. To approve that all elected members should continue to undertake mandatory awareness training on safeguarding adults, provided by senior officers from the Adults Health and Housing Directorate and Derby Safeguarding Adults Board.
4. To accept the recommendations of the Corporate Scrutiny and Governance Board that mandatory member training on Safeguarding Adults be arranged and publicised to all members as soon as possible and that further implications arising from a potential increase in the number of referrals should be monitored and reported.

Reasons

To ensure that the Council meets its statutory requirements as the lead agency for Safeguarding Adults, it needed to adopt the Safeguarding Adults Policy and Procedures and to then ensure that all staff and members were aware of their roles and responsibilities.

27/15 Consultation on Adult Social Care Charging Policy

The Council Cabinet considered a report on Consultation on Adult Social Care Charging Policy. The Care Act 2014 brought a new framework for charging for social care services. The Council's existing Fairer Contributions Policy Care was out of date and no longer fit for purpose.

The report set out the proposed process to consult with customers, carers and other stakeholders about whether and how to charge for Adult Social Care support provided by the Council. This process would include a full Equality Impact Assessment.

The report set out a timetable for the consultation and Equality Impact Assessment to be carried out and then reported to Council Cabinet. This would enable Council Cabinet to make a decision on the refreshed Adult Social Care Charging Policy.

The Corporate Scrutiny and Governance Board recommended that Council Cabinet ensure full engagement and Consultation with the Carers Forum with regards to consultation on the Adult Social Care Charging Policy and outcomes of this consultation.

Options Considered

1. Not updating the Council's Adult Social Care Charging Policy would risk the Council's processes not complying with legislation and potentially prevent the Council from achieving financial balance.
2. Implementing the proposed changes to the existing Fairer Contributions Policy without further consultation informed by a focused Equality Impact Assessment would risk adverse consequences for customers and carers, especially those from disadvantaged communities that could have been avoided with fuller consideration.

Decision

1. To fully consult upon the proposed Adult Social Care Charging Policy and to adopt the consultation timescale set out in the Supporting Information section.
2. To consider consultation feedback and the full Equality Impact Assessment at Council Cabinet in January or February 2016 and to then decide whether the refreshed Adult Social Care Charging Policy would be adopted from April 2016.
3. To accept the recommendation of the Corporate Scrutiny and Governance Board to ensure full engagement and consultation with the Carers Forum with regards to consultation on the Adult Social Care Policy and outcomes of this consultation.

Reasons

1. The proposed approach and timescale would allow meaningful consultation with individuals and organisations potentially affected by proposals that would fully inform Council Cabinet decisions.
2. A full Equality Impact Assessment would identify populations that might be particularly affected by the proposals, and identify measures to minimise negative consequences.

28/15 Derby Health and Wellbeing Strategy 2014/19

The Council Cabinet considered a report on Derby Health and Wellbeing Strategy 2014/19. Local authorities and clinical commissioning groups (CCGs) had 'equal and joint duties' to prepare both Joint Strategic Needs Assessments (JSNAs) and Joint Health Wellbeing Strategies (JHWSs).

It was a statutory requirement to prepare and publish a Health and Wellbeing Strategy. This duty was discharged through the Health and Wellbeing Board.

The purpose of JSNAs and JHWSs was to improve the health and wellbeing of the local community and reduce inequalities for all ages.

The Strategy sets out our vision, "...to improve the health and wellbeing of the people of the city and to reduce inequalities" and had three primary objectives:

1. To achieve health and social care system transformation.
2. To shift care closer to the individual.
3. To narrow the health inequality gap between communities.

In addition, the Strategy set out four key approaches to support its delivery:

- Prevention and early intervention
- Promoting control, independence and responsibility
- Building strong and resilient individuals and communities
- Making every contact count

The Health and Wellbeing Strategy 2014-19 was attached to the report. A summary of the Strategy could be found in Appendix 1 – Plan on a Page (p.17) of the report.

The Health and Wellbeing Strategy had undergone a consultation process and amended accordingly to produce a final version. This had now been approved by the Health and Wellbeing Board for publication and was presented to Council Cabinet for information.

The Corporate Scrutiny and Governance Board commended and endorsed the aims of the Health and Wellbeing Strategy.

Options Considered

None.

Decision

1. To note the approval and publication of the Health and Wellbeing Strategy for Derby.
2. To adopt the strategy to meet the Council's Statutory obligation.

Reasons

1. To enable the Health and Wellbeing Board (and therefore the Council) to meet its statutory responsibility to produce a Health and Wellbeing Strategy.
2. To support the improvement of the health and wellbeing of the local population and to reduce health inequalities.

29/15 Succession Policy

The Council Cabinet considered a report on Succession Policy. Succession was a right given under the Housing Act 1985 so that a spouse, civil partner or family member of a secure tenant could succeed to the tenancy following the death of the tenant. Tenants with an introductory tenancy also had the right of succession under

the Housing Act 1996, providing that the successor occupied the tenant's property as their only or principal home immediately before the death of the tenant. In 2011 the Government introduced the Localism Act. It amended the legal entitlement to succession for secure or introductory tenants granted a secure tenancy after April 1 2012. The legal right to succession was now limited to a spouses, civil partners and couples living together as if they were a spouse or civil partner.

While this excluded other family members living with the tenant at the time of their death, the Council was able to allow discretionary successions to additional groups on a contractual basis by inserting a clause that provided that entitlement within the tenancy agreement.

The report outlined proposals for the adoption of a new Succession Policy to meet the new statutory obligations and powers, and replaced the existing policy which was outdated and no longer fit for purpose.

The report also proposed that the Council use discretionary provisions within the Allocations Policy to enable, where appropriate and applicable, tenant family members not qualifying under the new statutory succession provisions to be considered for a tenancy or to be rehoused accordingly. This meant that the Council was able to provide a more flexible and sensitive approach to succession to ensure the sustainability of communities and to meet the best interests of all parties.

The Corporate Scrutiny and Governance Board recommended that Member guidelines be developed with the assistance and experiences of Members in their roles as ward councillors and distributed members.

Options Considered

1. The Council could consider not providing any housing allocation options for non-statutory successors. However this would have a detrimental impact on families and communities.
2. The Council could consider granting contractual rights within the Tenancy Agreement. However this would not necessarily the same flexibility in responding to specific circumstances across the whole of the Council stock.

Decision

1. To approve the Succession Policy set out in the appendix to the report.
2. To affirm the use of discretionary provisions within the Allocations Policy to allocate properties to resident family members of a deceased tenant, when appropriate.
3. To accept the recommendation of the Corporate Scrutiny and Governance Board that Member guidelines be developed with assistance and experiences of Members in their roles as ward councillors and distributed to all Members.

Reasons

To obtain approval of a Succession Policy that was compliant with the requirements of the Housing and Localism Acts and to affirm discretions with the Allocations Policy to enable a sustainable and consistent approach to the allocation of properties to family members that do not enjoy a statutory right of succession.

30/15 Private Rented Sector Offer Policy

The Council Cabinet considered a report on Private Rented Sector Officer Policy. Under Part V11 section 193(2) of the Housing Act 1996, a housing authority had a duty to secure accommodation for homeless households that were deemed eligible for assistance, unintentionally homeless or threatened with homelessness and in priority need. Under the original provisions a housing authority may discharge its duty in the private rented sector with the agreement of the applicant. The Council was a housing authority.

The Localism Act 2011 had amended the Housing Act 1996 in respect of the homelessness provisions. These changes would allow housing authorities to end the main homelessness duty with a private rented sector offer, without the applicant's consent.

Whilst the Localism Act enabled a Council to discharge its duties with a private sector offer, it was never the less proposed that the Council, through a local policy, allow homelessness applicants to retain the right to consent or refuse an allocation to private rented accommodation being determined as a discharge of the authority's homelessness duty. In effect, the proposed policy gave applicants greater protection than was actually required under the legislation.

The Corporate Scrutiny and Governance Board endorsed the recommendations in the report.

Options Considered

1. The Council could utilise its powers under the Localism Act to secure allocation of private rented accommodation for homeless households without their consent. However this would not accord with the proposals of the report.
2. The Council could simply not utilise its powers under the Localism Act in respect of private rented sector allocation. However this would restrict the Council's options particularly when suitable social housing was not available- for example for large and extended households.

Decision

To approve the Private Rented Sector Offer Policy referred to within the report and attached at Appendix 2 to the report.

Reasons

To enable the Council to utilise the powers granted to it under the Localism Act 2011 in respect of the discharging of its homelessness duty in the private rented sector, while introducing a local policy that retained an applicant's right of consent to any allocation to private rented accommodation where it would be determined as a discharge of the Council's homelessness duty.

31/15 Compulsory Acquisition of Empty Homes

The Council Cabinet considered a report on Compulsory Acquisition of Empty Homes. The report sought approval to initiate compulsory purchase proceedings in relation to three long term vacant houses. The houses had stood vacant for some years, had been neglected and were the source of nuisance to and/or complaint from local residents.

The aim of the Council's Empty Homes Strategy was to encourage and persuade owners of such properties to take action to enable the satisfactory renovation of the empty houses, to facilitate re-occupation and thereby make a contribution toward meeting the increasing housing need in the City. The actions would also go toward eliminating the anti-social and environmental nuisance that neglected properties could so often present. The re-use of these homes would also contribute towards the Council's New Homes Bonus income.

Where owners could not be traced or where a voluntary solution had been fully explored and exhausted, there was a compelling case in the public interest for enforcement action to be taken by the Council to ensure that the aims of the Strategy were achieved. Such enforcement could, where considered appropriate, include taking compulsory purchase measures as in the cases detailed below.

Over recent years, the use by the Council of compulsory purchase powers had had significant impact on ensuring the return of particularly problematic long term empty houses to the useful housing stock.

On 18 October 2011, Council Cabinet, to support the empty homes initiative resolved to initiate compulsory purchase proceedings in relation to six long-term vacant houses and to dispose of the houses by public auction. In order to provide flexibility in the method of sale, this report also now sought consent to a minor variation of the Council Cabinet approval of 18 October 2011, by authorising the disposal by auction or other appropriate method, including informal tender.

The Corporate Scrutiny and Governance Board endorsed the recommendations in the report.

Options Considered

1. Do nothing.

This was not considered an appropriate option. The properties, in their present condition, would remain a waste of potentially good housing accommodation; and, in the continued absence of maintenance and proper management, would

become an increasing environmental blight, posing health, safety and anti-social behaviour risks within their respective neighbourhoods.

2. Enforced sale

The Law of Property Act 1925 empowered a local authority to enforce the sale of a property where it holds a Charge against it; and the Council was in the throes of initiating such action at other properties in the city. However, in the case of the subject properties any debt was either insufficient to justify the use of enforced sale procedures or there were circumstances which render enforced sales proceedings inappropriate.

3. Empty Dwelling Management Orders

Local Authorities could consider making Empty Dwelling Management Orders under the Housing Act 2004 to address the improvement and future use of empty dwellings. However, such action involved the eventual return of the management responsibilities for the property to its original owner – this was not considered appropriate in the particular circumstances of the report properties, where those in control had shown little evidence of reasonable intentions or of competent management abilities, and had chosen to ignore all endeavours to persuade a voluntary progress. A change of ownership was considered a more appropriate way forward.

4. Other enforcement powers

Various legal powers were available to a Local Authority to improve the condition of a neglected building, for example, to deal with structural danger, nuisance or other environmental problems. However these alone would not address the suitability of the accommodation for occupation, the on-going upkeep of the building, its re-occupation nor the future management of the property. These measures could only be viewed as piecemeal, reactive and relatively expensive short term approaches and did not provide the long term solution presented by the report proposals.

Decision

1. To approve that the Council makes Compulsory Purchase Orders under the Acquisition of Land Act 1981 (pursuant to the power under section 17 of the Housing Act 1985) for the acquisition of the houses, together with the associated land, as identified in Appendix 2 of the report for the purposes of their renovation and reoccupation as housing accommodation.
2. That the Acting Strategic Director of Adults Health and Housing be authorised, following consultation with the Cabinet Member for Urban Renewal, the Director of Legal and Democratic Services and the Interim Head of Strategic Asset Management and Estates to:
 - 2.1 take all necessary steps to secure the making, confirmation and implementation of the Compulsory Purchase Orders;

- 2.2 acquire the legal interests in the properties, whether by voluntary agreement or compulsorily using statutory powers set out in the preceding paragraph;
 - 2.3 suspend the compulsory purchase order proceedings, or withdraw an order, in relation to any particular property on being satisfied that the subject house would be satisfactorily renovated and re-occupied voluntarily;
 - 2.4 take all necessary action to deal with all matters relating to the payment of compensation and statutory interest including, where appropriate, instituting or defending related proceedings;
 - 2.5 dispose of the properties in accordance with the proposals set out in the report; and
 - 2.6 take all other necessary action to give effect to these recommendations.
3. To agree that resolution 88/11 (Compulsory Purchase of Long Term Empty Houses), made by Council Cabinet on 18 October 2011, be varied to approve the disposal of the compulsory acquired houses by auction or other appropriate method, including informal tender.

Reasons

1. The properties identified in Appendix 2 (the exempt appendix appeared later in the agenda) had been vacant for a number of years and all reasonable options open to the Council to encourage the respective owners to voluntarily bring them back into use had proven unproductive.
2. Restoring the houses to the useful housing stock would contribute to meeting the increasing housing needs in Derby.
3. Some of the buildings had been badly neglected and presented a nuisance to local residents and adjacent buildings - others had been the subject of trespass, vandalism or anti-social and criminal activities. All would likely impact negatively on their local environments while they remained vacant and the neglect continued.
4. More recent Council Cabinet reports seeking authorisation to initiate compulsory acquisition of long-term empty dwellings, allowed for the disposal at auction or other appropriate method, but this was not included in the report before Council Cabinet on 18 October 2011. Approval of this variation would enable properties acquired following consideration of that report to be disposed of with the same degree of flexibility as with more recent approvals.

Rationalisation Update

The Council Cabinet considered a report on the Cattle and Wholesale Market Property Rationalisation Update. As part of the Property Rationalisation Programme a service review had been undertaken on the Cattle and Wholesale Markets. The objectives of the review were to :-

- Explore the current viability of the Cattle and Wholesale Markets.
- Recommend any options to improve the medium and long term viability and sustainability of the sites in their current Cattle and Wholesale configuration.
- If the sites were not viable in the medium term to recommend long term, regeneration/redevelopment opportunities for the site and a strategy to develop them.

The review had identified that the Cattle Market made an operational loss in 2014/15 of approximately £188k pa and that the Wholesale Market made an operational loss in 2014/15 of £94k pa. Although these losses varied from year to year, partly depending on repairs expenditure, the overall 'tone' of them was likely to increase.

Work was undertaken to see whether any improvements could be undertaken that would substantially improve the viability and sustainability of the sites in the medium and long term. This concluded that it was unlikely that any action would be successful in doing so, given that both markets' core businesses were in long term decline and the current configuration of the sites.

Recognising that these combined sites were not viable, it was proposed that they be redeveloped in a way which would support the principles and objectives of the Council Plan and City Centre Masterplan2030 as far as possible by seeking to achieve the optimal balance between:

- Creating sustainable employment opportunities.
- Re-generating a large highly visible site located next to one of the key gateways to the City Centre (A52).
- Generating a capital receipt and/or a sustainable positive revenue stream from the site.
- It was also likely that the Council would require external specialist property advice to scope and determine the optimal balance between these objectives.

To support this, and to avoid a range of empty property risks and costs, it was proposed that the Council commit to the demolition of the buildings on the Cattle and Wholesale market sites once the existing leases had ended.

It was recognised that these proposals would cause disruption to those businesses currently based at the Cattle and Wholesale markets, including those which were not

directly market businesses but whose occupation was ancillary to the markets, and that Officers would work with the existing Tenants to endeavour to minimise the disruption to their respective businesses.

The Corporate Scrutiny and Governance Board endorsed the recommendations in the report and recommended that Council Cabinet ensures that tenants, businesses and other parties be given the opportunity for a viable business proposals coming forward which offered a sustainable future for the markets be given full consideration. The Board also recommended that the Council progresses with the rationalisation of the markets as an asset if no viable alternative is identified.

Options Considered

1. The renewal of the leases of the existing Tenants on site would have not improved the medium and long term viability and sustainability of either the Cattle or Wholesale Markets sites.
2. A disposal of the sites in their current configuration would not enable the Council to maximise the potential return from the asset.

Decision

1. To note that the Cattle and Wholesale market were currently not viable and that it was unlikely any action would substantially improve the viability and sustainability of the sites in the medium and long term in their current configuration.
2. To agree that the Cattle and Wholesale Market be redeveloped with the objective of supporting the delivery of the Council and City Centre Masterplan.
3. To agree to the demolition of various buildings on both the Cattle and Wholesale Market sites once the existing leases had ended, and any security or other measures that may need to be put in place pending redevelopment.
4. To approve that at the appropriate time in the sites regeneration programme the cost of demolition of the buildings, be included within the Capital programme.
5. To authorise officers to work with existing tenants to endeavour to minimise disruption to businesses.
6. To accept the recommendations of the Corporate Scrutiny and Governance Board to ensure that tenants, businesses and other parties be given the opportunity for a viable business proposals coming forward which offered a sustainable future for the markets be given full consideration and progress with the rationalisation of the markets as an asset if no viable alternative is identified.

Reasons

1. To provide the Council with the necessary flexibility to undertake the regeneration of a poorly performing property with a significant net cost budget.
2. Support the delivery of the Council Plan and Masterplan for the City Centre
3. To seek to maximise the value of the sites as substantial council assets in generating either future capital receipt(s) and/or a sustainable positive revenue stream(s).
4. There were alternative livestock markets at Bakewell; Melton Mowbray and Leek at which farmers could sell their livestock, and alternative options for occupiers of the wholesale market which no longer operates affectively as a single entity.

Budget and Policy Framework

33/15 Revenue Outturn 2014/15

The Council Cabinet considered a report on Revenue Outturn 2014/15. The report outlined the Council's Revenue Budget final outturn position, subject to audit, for the 2014/15 financial year. It described the main variances against the Revised Budget for 2014/15 and set out a number of issues requiring decisions.

The general fund revenue outturn position showed a net underspend, however this was after applying over £6m of reserves and one-off grants and a number of one-off savings which would not be repeated in future years. A principle of an in year freeze on non-essential spend was also applied.

The report also outlined the final outturn position of the Dedicated Schools Budget, the Housing Revenue Account and the Collection Fund (Council Tax and Business Rates Collection Account).

Summary financial results for the year up to 31 March 2015 were as follows...

- The overall year end General Fund revenue outturn position was a net underspend of £3,776,686, a 1.73% variance compared to the Council's General Fund revenue budget, excluding the Dedicated Schools Budget and Housing Revenue Account.
- £3,496,686 of the overall outturn was to be transferred to the corporate budget risk reserve, after providing £280,000 for carry forward requests as explained in section 5 of the report.
- 86% of the Council's £28,046,000 savings target for 2014/15 had been delivered as planned; the remaining 14% had been achieved through one-off savings contained within the outturn. Further details were provided in section 7 of the report.

- The Housing Revenue Account - HRA - showed an outturn net underspend of (£4,504,000), as explained in section 9 of the report, which increased overall HRA balances to £40,964,000 at 31 March 2015.
- The Collection Fund showed an outturn surplus position of £4,483,000, as detailed in section 10 of the report.
- The Dedicated Schools Grant closed with a surplus of £4,983,000 on the central non-delegated items and individual school balances are £7,448,000 as detailed in section 11 of the report.

During the year the City Council managed and controlled spending on services such as social services and leisure facilities through its General Fund. A summary of the net cost of running each main service area was set out in the report

The spending was corporately financed from Council Tax, Business Rates and Government Grants this was set out in the report.

Decision

1. To note the overall General Fund revenue budget outturn position for 2014/15 (subject to audit) and budget variances at 31 March 2015 as set out in section 4 of the report.
2. To approve a reduction in the level of in-year drawdown of reserves to the actual levels required to support service need, as set out in paragraph 4.4 of the report.
3. To approve the transfer to reserves of identified surpluses following the completion of the 2014/15 Housing Benefit Subsidy claim as set out in paragraph 4.5 of the report.
4. To approve the year-end carry forward request totalling £280,000, and the treatment of the remaining net saving of £3,496,686 as detailed in paragraphs 5.2 and 5.3 of the report.
5. To approve the use of the budget risk reserve in 2015/16 to support identified budget pressures as detailed in paragraph 5.4 of the report.
6. To note the savings achieved in 2014/15 as summarised in section 7 of the report.
7. To approve the Housing Revenue Account outturn net surplus of (£4,504,000) as set out in section 9 and Appendix 5 of the report.
8. To note the Collection Fund outturn surplus of £4,483,000 as set out in section 10 of the report.
9. To note the overall Dedicated Schools Budget position for 2014/15 as set out in section 11 of the report.

10. To authorise the Director of Finance and Procurement (as Section 151 Officer) to adjust the Council's Budget Risk Reserve in the event that the Council's Auditors (Grant Thornton) require any adjustments to the Final Accounts for 2014/15 that alter the overall Council's position.

34/15 Capital Outturn 2014/15

The Council Cabinet considered a report on Capital Outturn 2014/15. The report dealt with the following capital programme matters that required reporting to and approval by Council Cabinet:

- An adjustment to the programme relating to the revenue element of Derby Enterprise Growth Fund included within the regeneration capital programme of £5,349,095.
- The successful delivery of 95% of the £107,650,905 capital programme due to improvements made to Council governance through the Strategic Asset Management Board and the concerted effort of programme managers closely monitoring scheme progress and spends.
- Details of the capital outturn 2014/15 totalling £102,695,161 for work completed by 31 March 2015, and the associated capital financing. The programme had delivered new and improved facilities and infrastructure for Derby detailed in Appendix 2 of the report.
- The variance of (£4,955,744) against the final approved capital programme. Variance details above £200,000 could be found in Appendix 3 of the report.
- The inclusion of additional expenditure and funding of £2,855,060. Variance details above £200,000 could be found in Appendix 3 of the report.
- Use of resources to fund the actual outturn and variances to original budget, detailed in section 6 of the report.
- Performance against the quarter 2 baseline was detailed in section 7 of the report.
- The revised indicative 2015/16 – 2017/18 capital programme was shown in Appendix 4 of the report.

Decision

- To note the capital outturn for the financial year 2014/15 and the financing of the capital programme, the major achievements it had delivered, and final variances against the original programme.
- To approve the additional capital expenditure and associated funding to the 2014/15 capital programme detailed in paragraph 5.9 of the report.

- To approve the carry forward of unused funding.
- To note the performance monitoring against baseline quarter 2 forecast detailed in section 7 of the report.
- To note the revised 2015/16 – 2017/18 capital programme detailed in Appendix 4 of the report.

35/15 Treasury Management Annual Report 2014/15

The Council Cabinet considered a report on Treasury Management Annual Report 2014/15. The report reviewed how the Council conducted its borrowing and investments during 2014/15 and reports on the prudential indicator activity for 2014/15 which the Council was required to report under the Local Government Act 2003. The report included the following:

- A summary of the financial markets 2014/15
- Treasury Management Activity and Deposits/ Investments
- Borrowing and maturity profile
- Prudential Code Indicators and limits.

The Treasury Management net underspend for 2014/15 was £2,242,640 after moving £6,173,000 to reserves. The saving was derived from a combination of delaying borrowing and under borrowing when funding the Council's capital programme.

The Council had a prudent approach to treasury management in that it did not borrow more than it needed, due to the cost of carry. It only lent to approved financial institutions, and this discipline was enforced by reviewing the approved list of counterparties, which was regularly updated in consultation with the Councils treasury advisors.

The treasury management advice to the Council continued to be provided by Arlingclose who were appointed as our advisors on 1 April 2011. The service provided included economic and interest rate forecasting, advice on strategy, portfolio structure, debt restructuring, investment policy and credit ratings and technical assistance on other matters as and when required. In accordance with the tender specification, this contract would expire on 31 March 2016. The tender process to appoint for treasury management advisors to the Council would therefore begin in the Autumn of 2015.

For 2014/15 all prudential indicators and limits had been adhered to.

Decision

1. To approve the Annual Report in respect of Treasury Management activity for 2014/15.
2. To note the prudential indicators in respect of the 2014/15 outturn as outlined in the report.

36/15 Big Conversation - Service Needs Assessments and Consultations

The Council Cabinet considered a report which stated that in his speech on 8 July 2015, the Chancellor of the Exchequer gave no indication that there would be any let-up in the scale of cuts being forced onto local government. The implications of the announcement enhanced the need for the Council to act quickly in order to achieve a sustainable financial position. The Council was committed to work in partnership with its communities and businesses to maintain a city which we were proud of despite the significant government cuts, risks and challenges ahead.

The Council launched the 'Big Conversation' in December 2013, followed by a partnership meeting on 21 July 2014 to launch the 'Your Council, Your Money, Your Views' budget simulator to gather the views of the public and partners. Over 10,000 people took part with approximately 1,000 submitted budgets. The Big Conversation highlighted the dichotomy between the levels of service need and forecast future income the Council was likely to receive. The results indicated the services where the public felt cuts would be least detrimental.

The Council was predicting significant cuts for the next three years, presenting a budget gap between the level of funding we were anticipating and the future service costs. This gap needed to be closed therefore we needed to consult on service needs and possible de-commissioning or commissioning at lower cost to the Council.

To support the delivery of a sustainable budget, a series of consultations debating the needs of the community and the way in which these needs could be met, would commence as soon as possible in order to maximise savings and input into the detailed savings proposals for 2016-19. These would be undertaken as full service consultations in line with guidance and include detailed equality impact assessments.

The service areas being considered were highlighted in paragraph 5.3 of the report.

Our Big Conversation therefore needed to enter a new phase. To kick this off an emergency preliminary meeting was convened on 13 July 2015 so that we could explain in more detail our position and what we plan to do. Phase 2 of the Big Conversation would focus on how we now interpret the findings from Phase 1 and implement them into the MTFP and Derby's 15 year vision.

Decision

1. To agree the list of service areas to be consulted upon, outlined in paragraph 5.3 of the report and that further consultations could commence as necessary,

as outlined in paragraph 5.4 of the report.

2. To agree to delegate to the relevant Strategic Director, following consultation with the relevant Cabinet Members, to progress a series of consultation exercises at the earliest possible opportunity, to ensure that the savings required to address the 2016/17 budget gap could be maximised.

Contract and Financial Procedure Matters

37/15 Contract and Financial Procedure Matters

The Council Cabinet considered the Contract and Procedural Matters Report. 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 2015/16-2017/18 capital programme.
- award of contract
- reporting of contract waivers
- acceptance of Youth Justice Board funding and approval to tender
- acceptance of ILF – Independent Living Fund funding.

Decision

1. To approve changes, additions and progression of these on the capital programme as set out in Appendix 2 and highlighted in section 4 of the report.
2. To note the revised programme for 2015/16 in table 1 (paragraph 4.1) and the revised indicative programme for 2015/16-2017/18 as shown in table 2 (paragraph 4.5) of the report.
3. To award a contract to replace the existing data centre and server management services as detailed in section 5 of the report.
4. To note the contract waivers as detailed in section 6 of the report.
5. To approve the acceptance of an additional £235,000, received from the Youth Justice Board, to be managed through Children and Young People's revenue budget and the commencement of an associated tender exercise as detailed in section 7 of the report.
6. To approve the allocation of additional ILF funding of around 1.2m to the Adults Health and Housing 2015/16 revenue budget for committed expenditure for ILF users as detailed in section 8 of the report.

38/15 ESIF Technical Assistance and Increasing the Council's Staffing Resource

The Council Cabinet considered a report on the ESIF Technical Assistance and

Increasing the Council's Staffing Resource. An ESIF workshop was held on 5 June 2015 involving senior officers from across the Council. The purpose of the workshop was to facilitate a strategic discussion on the opportunities the ESIF programme provides to help deliver our economic, social and environmental priorities. The workshop also considered what we needed to do to make the most of this opportunity and the support departments/services need to attract funding.

The consensus at the workshop was that it was a priority for the Council to seek to access EU funding to support the Council's service delivery and economic regeneration within the city. A range of priorities were identified as part of the discussion.

A key discussion point was the ability of the Council to respond to the new EU programme to develop City Council proposals and also contribute to and work with partners across D2N2 to develop projects, possibly in a lead role. It was recognised that there was a need to increase staff capacity to develop robust projects that met the city's priorities but could also be delivered across D2N2.

An outline D2N2 wide bid was being prepared to access Technical Assistance (TA) and there was an opportunity for the Council to access funding through the ESIF programme to increase staffing. We were proposing to work collaboratively with Derbyshire County Council to secure TA support for two External Funding Officers, one for ERDF and one for ESF. The officer's time would be split 50/50 across Derby and Derbyshire. The Council would need to contribute between £60,000 and £65,000 over a three year period to secure this resource.

The Corporate Scrutiny and Governance Board endorsed the recommendation in the report.

Decision

1. To agree to allocate up to £65,000 over the next three years, as additional match funding for the Derby Technical Assistance application, to be met from an allocation from reserves.
2. To agree in-principle to act as the Accountable Body for the D2N2 Technical Assistance bid.

Performance

39/15 Performance Monitoring 2014/15 – Year End Results

The Council Cabinet considered a report on Performance Monitoring 2014/15 - Year End Results. The monitoring report included highlights from key performance measures and actions included in the Council Plan 2014/15 and departmental business plans. The report included the priority measures which formed the Council Scorecard for 2014/15 and measures and actions within the Council Plan.

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 2 of the report.

At the end of quarter four (up to 31 March 2015), 62% of priority measures had met or exceeded their year-end target. Performance had improved in 2014/15 across 45% of our priority measures when compared with performance in 2013/14 and there were some areas of strong performance including...

- Educational attainment - Achievement at level 4 or above in both English and Maths at Key Stage 2 had increased to 77%.
- Early years - 96% of 3 and 4 year olds were accessing funded early education places in Derby. This increased from 94% in the previous year and placed Derby City as one of the top performing authorities in the region.
- Business growth - 150 businesses had been supported financially by the Derby Enterprise Growth Fund. It was expected that over 1,300 new jobs would have been created through these projects by the end of 2015.
- Housing - 143 private sector vacant dwellings had been brought back into use or demolished.
- Skills - The percentage of young people aged 16-19 years who were not in education, employment or training (NEET) was now at 6%. This was the best performance Derby had seen for over 2 years, with very low levels of unknown destinations.
- Self-directed support - 98% of all adult social care clients and carers were receiving self-directed support through personal budgets and direct payments.
- Health - 4,844 clients joined the Livewell programme in 2014/15 and 59% of Livewell clients achieved a 5% weight loss goal.
- Efficiency – more staff were working flexibly in the Council House; 1,473 workstations accommodated approximately 2,300 employees.

Improvement activity through DMTs and Surgeries had been rigorous during the year however the lower level of improvement did reflect increased pressures facing the Council as well as reducing budgets. Areas for improvement were shown in Appendix 3 of the report. Accountable officers had provided commentary to put performance into context and identify actions that they were taking to address poor performance.

The results for all measures and actions within the Council Plan (including the scorecard priority measures) were shown within Appendix 4 of the report. This would form the results appendix that accompanied the Council's Annual Report 2014/15 and would be presented to Council Cabinet in October 2015.

Decision

1. To note the 2014/15 year end performance results.
2. To note that the Council's Annual Report 2014/15 would be presented to Council Cabinet in October 2015.

(At this point all Strategic Directors and Directors left the meeting.)

40/15 Corporate Management Restructure

The Council Cabinet considered a report on Corporate Management Restructure. The report proposed a Corporate Restructure which would be implemented by September 2015. The restructure addressed Cabinet's requirement to reduce the management structure of the Council and to deliver the agreed annual budget saving target of £600k for the financial year 2015/16.

The proposals outlined in this report would deliver management savings of £1,033,000. This consisted of £325,000 in management reductions contained within the 2015/16 budget and a further £708,000 from senior management as part of this restructure.

It was envisaged that a further stage of restructuring would be required in 2016 to reflect the budget for 2016/17 and beyond although some of the steps being taken in this restructure were designed to provide the building blocks for any further restructuring process. The structure proposed represented the leanest senior management team when compared to similar authorities and was the smallest structure when compared to other unitary councils. It was therefore considered that at the most senior level this represented the smallest possible structure for an organisation with the requirements and responsibilities of Derby City Council.

The proposed structures outlined within the document had been developed by Chief Officer Group (COG) in consultation with the Leader of the Council. COG had used a variety of information to help inform their decision about the preferred option for each Directorate including:

- the information provided through the various consultation and workshop exercises with Service Directors
- a revised leadership competency framework – see Appendix 2 of the report
- a set of Key Principles – See Appendix 3 of the report
- Council Cabinet's priorities for 2015/16 following the May election
- the current and future budget position of the Council
- a review of management structures from other councils.

In bringing all of this work together the proposed option for Tiers 1 & 2 would see the Council move to a three Directorate model – People Services, Communities & Place and Organisation and Governance being led by the Chief Executive. This represented a reduction from four strategic directorates and a separate Chief Executive's Office i.e. five senior managers in the top team down to three posts all of which had significantly increased responsibilities and spans of control. Further reductions had also been made in the numbers of service directors and heads of service in order to achieve the savings target. Due to the significant changes in roles

and responsibilities the remuneration for new posts would need to be reviewed to ensure that the Council could attract and retain staff in these important roles. It was therefore proposed to use the HAY Group to evaluate the new roles as this would mean that all roles in the Council would have been subjected to a common methodology thereby giving a transparent and fair basis for assessment. It was also proposed that any decisions regarding remuneration of the new posts would be taken and implemented alongside the Pay and Reward Project for the remainder of the workforce.

The proposals outlined in the report would therefore mean that there was significantly less management capacity to support Members and manage services on a day-to-day basis. For the structure to work this would require the Council to focus its efforts on key priorities, statutory requirements and finding new delivery methods thereby ensuring the remaining capacity was targeted in an efficient and effective way. This would require discipline and a culture change on the part of both Members and officers in addition to a reduction in both the scale and scope of the Council, as there would not be management the resources available that were there in the past. If the Council's requirements and expectations on senior officers did not change or there was a change in the future that meant there was a requirement for further capacity then a further review of the structure may be required to ensure full and effective delivery.

A streamlined management structure would mean that the Chief Executive and Strategic Directors would be focussed on supporting Members with developing the vision, strategy, budget and governance for the Council in the future. Service Directors would be responsible for leading and developing their Departments and Members would need to work with Service Directors and Heads of Service on operational issues.

The current management structure was shown at Appendix 4 of the report.

These proposals had been subject to consultation with all staff at Tiers 1-3 in the Council. Feedback from the consultation process had been used to develop the final structure, which was shown in Appendix 5 of the report.

The Council Cabinet gave due regard to the Equality Impact Assessment prepared in relation to this report.

The Corporate Scrutiny and Governance Board supported the recommendations in the report but recommended that concerns about having a single Director of People Services be recognised and that Council Cabinet ensures that the postholder would need to be adequately experienced and supported by Heads of Service and management in the tiers below.

Decision

1. To note the need for the Council to restructure the Senior Management tiers of the organisation to deliver the £600,000 efficiencies approved by the Council as part of the 2015/16 budget setting process.

2. To note the rationale for the proposed changes to Directorate structures as outlined in paragraphs 4.6 – 4.48 of the report.
3. To note the staffing implications of the proposed changes as outlined in paragraphs 4.49 – 4.53 of the report.
4. To note the consultation with affected staff as outlined in paragraphs 4.54 – 4.56 of the report.
5. Having had due regard to the Equality Impact Assessment prepared in relation to the report to approve the proposed structures as outlined in Appendix 5 and to note the context set out in points 1.1 – 1.9 of the report.
6. To agree that the remuneration for Tier 1 and 2 Officers should be reviewed using the Hay methodology in common with the remainder of the work force and any proposals be considered and implemented alongside the Pay and Reward project for the Council.
7. To accept the recommendations of the Corporate Scrutiny and Governance Board that concerns about having a single Director of People Services be recognised and that Council Cabinet ensures that the postholder would need to be adequately experienced and supported by Heads of Service and management in the tiers below.

(At this point Strategic Directors and Directors returned to the meeting.)

41/15 Exclusion of Press and Public

To consider a resolution to exclude the press and public during consideration of the following item

“that under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting during discussion of the following item on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information”

Key Decisions

42/15 Compulsory Acquisition of Empty Homes

The Council Cabinet considered exempt information in relation to the compulsory acquisition of empty homes.

43/15 Purchase of Residential Schemes to Provide Affordable Housing Funded Through the Housing Revenue Account

The Council Cabinet considered a report which sought approval to purchase two housing schemes to be funded from the Housing Revenue Account (HRA) capital programme.

The Corporate Scrutiny and Governance Board supported the recommendations in the report.

Options Considered

These were set out in paragraphs 5.1 to 5.3 of the report.

Decision

1. To approve the purchase of dwellings on land at Elton Road and 6 affordable dwellings on the former Mackworth College site subject to contract for no more than the amounts set out in Paragraphs 4.4 and 4.15 of the report respectively .
2. To delegate authority to the Acting Strategic Director for Neighbourhoods following consultation with the Acting Strategic Director for Adults, Health and Housing, and the Cabinet Member for Urban Renewal to approve the terms of the purchase for the acquisition of the properties including a variation of up to 10% in the purchase price set out in Paragraphs 4.4 and 4.15 of the report.
3. To agree that the amounts set out in Paragraphs 4.4 and 4.15 of the report were approved within the HRA capital programme and that a further £30,000 was set aside to cover professional fees and duties associated with the purchases.

Reasons

The purchase of the schemes would provide new affordable dwellings. These dwellings would provide New Homes Bonus at the affordable housing rate under the current regime.

MINUTES END