

Time began 6.00pm
Time ended 8.15pm

**COUNCIL CABINET
15 FEBRUARY 2011**

Present Councillor Holmes (Chair)
Councillors Grimadell, Ingall, Marshall, Poulter and Webb

In attendance Councillors Bayliss and Jones

This record of decisions was published on 17 February 2011. 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.

172/10 Apologies

Apologies for absence were received from Councillors Jennings and Williams.

173/10 Late Items Introduced by the Chair

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 on the basis that a decision was required before the next scheduled meeting:

- Bus Lane Review – Outcome of Scrutiny of Interim Report.
- Derwent New Deal for Communities – report from the Scrutiny Management Commission
- Scrutiny comments on the Derby Plan and the Council Plan
- Scrutiny comments on the General Revenue Budget and Council Tax 2011/12

174/10 Identification of Urgent Items to which Call-In will not apply

There were no urgent items.

175/10 Declarations of Interest

Councillors Holmes and Ingall declared personal and prejudicial interests in item 24 – Housing Rents and Service Charges because they were connected with the Shelton Lock Mobile Home Park.

Councillors Webb, Marshall and Grimadell declared personal interests in item 32 Castleward Urban Village because they were appointed by the Council to the Liversage Trust Board.

Councillor Marshall declared a personal and prejudicial interest in items 12 and 33 – Shaftesbury Sports Centre because he was a member of the community association interested in managing the Centre.

Councillors Bayliss and Webb declared personal interests in items 10 – Supporting People Strategy and Spending Plan, item 18 de-designation of Flats, item 24 – Housing Rents and Service Charges, item 25 Housing Revenue Account Business Plan and Budget because they were appointed by the Council to the Derby Homes Board.

Councillor Bayliss declared a personal interest in item 11 – Leisure Centre Efficiencies because he was a member of Queens Leisure Centre.

176/10 Minutes of the meeting held 11 January 2011

The minutes of the meeting held on 11 January 2011 were agreed as a correct record and signed by the Chair.

Key Decisions

177/10 Motions from Council

The Council Cabinet considered four motions from Council:

Local Studies Library and Silk Mill Museum

“The Council notes that the Local Studies Library building needs to be closed and that there is a similar amount of unused floor space in the Silk Mill Museum. It therefore petitions the Cabinet to consider the Silk Mill Museum as the location for the Local Studies Library. This proposal could be a cost effective way of keeping Derby's Silk Mill Museum open as a prime tourist attraction in the future, while providing an integrated service for users of both facilities.”

Decision

To note the Motion.

Wild Derby Project

“2010 was the International Year of Biodiversity. The United Nations considers the threat to wildlife to be so serious that it has immediately followed up by launching the International Decade of Biodiversity. This Council accepts that, when times get tough, it is wrong to take it out in the environment and let future generations live with the consequences. This Council acknowledges and celebrates the excellent work done by the Wild Derby project in promoting and protecting biodiversity in the city despite having only a very small budget to work with. Therefore, in developing budget proposals, the Council asks the Cabinet to protect the modest budget needed

for the Wild Derby project and not to sacrifice the future for our short term benefit.”

Decision

To note the Motion.

Health and Wellbeing Board

The establishment of the Health and Wellbeing Board provides an opportunity for closer working between the Council and the NHS. The aim should be to work together so that the resources of the two organisations are used to the maximum benefit of Derby’s citizens. The Government has allocated £3.2m to Derby via the NHS to support social care in the city. It is vital that this finance is used to address the social care problems of each organisation, such as enablement and intermediate care, where the interface between the Council and the NHS must work well to avoid such problems as bed blocking. Council therefore calls on the Cabinet to ensure that collaborative working with the NHS makes best use of the resources and infrastructure of both organisations. Furthermore, any planned changes in provision made for budgetary reasons are thought through holistically and do not end up costing more money either elsewhere or in the future.

Decision

To note the Motion.

Rowditch Recreation Ground

It is recognised that from time to time that an Administration may need to move financial resources from one area to another. However, Council is concerned that the removal of the Rowditch Recreation Ground Capital funding programme to meet the additional costs of improvements to the Alvaston Park changing facilities may result in a lost opportunity for improvements to the Rowditch Park Facility. Council recognises that the Rowditch Recreation Grounds are in an area in need of much improvement. Council therefore requests the Council Cabinet together with the Director of Resources, to make available the reserved sums for the Rowditch Recreation Ground scheme as soon as a decision has been made on the Barracks building.

Decision

To note the Motion.

178/10 Derby and Derbyshire Year of Culture

The Council Cabinet considered a report which stated that the Neighbourhoods Commission had earlier decided to consider the Key Decision ‘City of Culture’. This was later taken at Council Cabinet on 23

November under the title 'Derby and Derbyshire Year of Culture'. Claire Davenport then attended the Commission meeting on 9 December and spoke to the report considered by Cabinet. The Commission agreed to express its unanimous support for the proposals.

Decision

To note the report.

179/10 Derby Local Transport Plan 3

The Council Cabinet considered a report which stated that Derby's third Local Transport Plan, LTP3, covering the period 2011-26, needed to be in place by 31 March 2011. As part of the Policy Framework, the process of approval required:

- consideration of the draft Plan by the Neighbourhoods Commission,
- consideration of any recommendations that result by the Council Cabinet
- ratification by Council.

On 27 January 2011 the Neighbourhoods Commission considered the Draft LTP, including the summary of the comments received during the public consultation on the Plan, and the proposed response by officers to these comments. A report also set out the various stages in the development of the Plan to date. The Commission interviewed the lead officers and then made the following recommendations.

1. That the Transport Vision be reworded as shown:

As currently drafted:	Proposed rewording:
Our aim is to provide people living and travelling within Derby with viable travel choices and effective and sustainable transport networks	Our aim is to provide people living and travelling within Derby with safe travel choices that are practical and sustainable

2. That the sections dealing with the Air Quality Action Plan be revised to also include references to the potentially serious risk posed to economic development in the vicinity of Air Quality Management Areas.
3. That the weighting of funding towards Asset Management be supported in the short term, but there should be a commitment to rebalancing between the four 'themes' in the medium and longer term.
4. That feedback be provided to the Commission on the views expressed on the Draft Plan by the Diversity Forums.

Decision

To note the report.

180/10 Bus Lanes Review – Outcome of Scrutiny of Interim Report

The Council Cabinet considered a report from the Neighbourhoods Commission which stated that at its meeting in September 2010 the Neighbourhoods Commission had decided, as a part of its Work Programme for 2010/11, to 'consider the effectiveness of the Kedleston Road bus lane, dependent upon decisions following the current trial'. To avoid duplication the Commission decided to scrutinise the issue when the results of the wider review of bus lanes, commissioned by Cabinet Member for Planning and Environment, was completed. On 17 January 2011 an interim report was considered by Councillor Holmes. This contained information about many but not all bus lanes. A nine part resolution was passed, including decisions regarding the future of Kedleston Road and Duffield Road bus lanes. At its meeting on 7 February the Neighbourhoods scrutinised the report and associated resolution.

The Commission recommend that the bus lanes on Kedleston Road and Duffield Road should be retained for a further period and any decision to remove them should be taken only after a further twelve months to allow a fuller evaluation of the effectiveness of both.

Decision

To note the report.

181/10 Derwent New Deal for Communities

The Council Cabinet considered a report from the Neighbourhoods Commission which stated that at its meeting in September 2010 the Resources Commission commenced a review on the Succession Strategy for Derwent New Deal for Communities, NDC. When the Resources Commission was disbanded by Council in November, the Scrutiny Management Commission, took over the review. Reports had already been made to Council Cabinet on 28 September and 23 November 2010. On 1 February 2011 the Scrutiny Management Commission considered further documentation including answers to questions previously posed to GOEM and NHS Derby City plus comments on those answers from the Chair of the New Deal for Communities Board. Councillors Redfern, Roberts and Marshall addressed the meeting. The outcome was to make the recommendation the following recommendations:

That a) in order to secure the legacy of Derwent NDC for local residents, if the Gateway Centre is handed over to the Derbyshire Cricket Club all available

steps be taken by the Council to prevent the future sale of the land for development,

and b) these steps should include:

- i) the protection of any current covenants and creation of new ones and /
- or
- ii) the enforcement of land planning policies

To note that on 1 February the Commission unanimously resolved to conclude its review at that point.

Decision

To approve the recommendations.

Key Decisions

182/10 To Clarify the Council's Position on Academies

The Council Cabinet considered a report to clarify the Council's position on Academies. Academies were publicly-funded schools which operated outside of local authority control. Academies had autonomy over the decisions they make and the education they deliver to their pupils. They had the freedom to change the lengths of terms and school days, set their own pay and conditions for staff, and freedom from following the National Curriculum. There were also proposals for academies to have more flexibility in the way that they engage in local partnerships and deliver 14-19 education. The Academies Act included provision to allow the Secretary of State to require schools that were eligible for intervention to convert into academies. The process of consulting on an academy proposal was led by the Governing Body of the school considering academy status. The school's Governing Body was also the decision maker with no requirement for Local Authority approval. Following consultation, Chellaston School's Governing Body took the decision to convert to academy status from 1 December 2010. West Park School had also written to Derby City Council to indicate that they were consulting on academy status. To date, there had been no indication that any other schools in Derby had submitted a formal application for academy status, although governing bodies would be beginning to consider the pros and cons. The Government's aim was to allow more schools to obtain academy status and the 'freedoms and flexibilities' associated with that status. The Government also expects the Local Authority to consider academy conversion for individual and groups of schools where performance needs improving. The purpose of the report was to brief Council Cabinet on academies, together with the proposal for Council Cabinet to agree a policy position to support the establishment of academies in Derby, as part of the Council's approach to securing a high-performing school system to improve outcomes for children and young people.

Options Considered

The report recommended that a policy of supporting academy proposals was adopted by Derby City Council. An alternative option would be for Derby City Council not to adopt a policy position or to adopt a position of opposing academy proposals, which would be counter to emerging national policy. It was suggested that a policy would provide clarity in relation to Derby City Council's position on academy status.

Decision

To approve a policy of supporting academy school and academy trust proposals in Derby, as one part of the Council's approach to securing a high-performing school system.

Reasons

1. The Government's aim was to allow more schools to obtain academy status and the 'freedoms and flexibilities' associated with that status.
2. The school system in Derby should be performing at a higher level. There was some evidence that well-founded academy developments do lead to improvements in outcomes for children and young people.

183/10 Supporting People Strategy and Spending Plan

The Council Cabinet considered a report on Supporting People Strategy and Spending Plan. Supporting People provided housing related support services to a wide range of vulnerable adults such as sheltered housing tenants, night shelter and hostel tenants, and women in domestic violence refuges. The strategy and spending plan would set out the direction of Supporting People for the next three years. The spending plan would set out how Supporting People would achieve its savings requirement of approximately £444k for each of the next 3 years in order to contribute to the rebalancing of the Council's budget. Members were asked to confirm their agreement of the proposed strategy and to the recommended spending plan from a range of options set out in Section 4 of the report.

Options Considered

1. Option 1 would have a strategic rationale but would place too much emphasis on the Capgemini financial modelling tool. It would expose the council to increased risks related to safeguarding and ignore the stronger business case associated with the higher value Riverside Housing Group provision.
2. Option 2 would definitely incur the loss of services but when and where would be unpredictable. Particularly valuable services may be lost whilst other less strategic services may remain. Risks of sudden and

unexpected service closure giving rise to adult protection issues would be raised.

3. Option 4 would mean deeper cuts in the long run with additional threats for vulnerable people whilst risking the ability of Supporting People to make the required contribution to the rebalancing of the Council's budget following the CSR.

Decision

1. To approve the proposed Supporting People strategy.
2. To approve the proposed spending plan in option 3 being:
 - a) A flat rate reduction of 2% from all Supporting People contracts in 2011/12
 - b) An immediate decommissioning of the following services related to homelessness, families being resettled after homelessness or teenage parents – to reduce the overall allocation to this client group to £200k:
 - i. Derby Homes Family Intervention Project (this would continueto deliver a revised service through a £200k allocation to Derby Homes from the Housing Revenue Account for this project)
 - ii. Derventio Families in Crisis Project
 - iii. The Oasis Project for teenage parents
 - c) The retention of the Riverside project which offered accommodation based and floating support provision for teenage parents; the commissioning of further floating support for teenage parents and a new preventative mediation service. This would be within the available budget of £200,000.
 - d) Savings of £444k to be achieved by remodelling mental health provision in 2012/13.
 - e) £444k savings to be achieved from a review of provision for single homeless in 2013/14.
 - f) Further savings to be identified in additional years to balance the budget.

Reasons

1. The Supporting People Strategy was summarised in Appendix 3 of the report had been developed in consultation with a wide range of stakeholders including providers, and service users. It had their support and approval. By deciding its priorities for housing support the

Council could concentrate its activities on ensuring that it makes a real difference to housing support service users in those areas that were considered the most important.

2. The recommended spending plan was considered to be the most strategic because it limited the impact on service users, and on other Council budgets (through the loss of preventive services) as much as possible.

184/10 Leisure Centre Efficiencies

The Council Cabinet considered a report on Leisure Centre Efficiencies. As part of the One Derby One Council (ODOC) Transformation Programme an assessment had been undertaken identifying efficiencies relating to customer management work activity across the Council. The customer management assessment of Leisure Facilities identified 6 FTE posts undertaking customer management work activities that could be transferred or undertaken more efficiently as part of ODOC. The 6 FTE posts equated to £138,134. The leisure centre staffing and management structure had been reviewed and restructured to take in to account the transformation process and new ways of working so that the centres are managed with increased flexibility and efficiency. At the same time we have reviewed the current opening and closing times of centres to take into account quiet periods and seasonal demands. A copy of the revised opening hours and the impact on customers was included in appendix 2 of the report. The restructure provided a unique opportunity to re design both front line reception and attendant staff at leisure centres and provide a leaner leisure management structure whilst contributing to the ODOC Transformation Programme and the overall efficiency drive. Further measures were outlined in the report to reduce expenditure and maximise income in different areas of the leisure centre operation. Further information was included in paragraph 4.4 and 4.5 of the report.

Options Considered

1. Members had considered, as part of a long listing exercise, the option to close one of the remaining leisure centres.
2. Future governance and management options would be developed as part of the Leisure Facility Strategy.

Decision

1. To approve the implementation of the new leisure centre staff and customer management structure so that all centres could be managed with increased flexibility and efficiency.
2. To approve the revision of current opening and closing times of centres that take into account quiet periods and seasonal demands as follows;
 - Springwood closing at 7.00 pm instead of 8.00 pm on Saturday

- Moorways SC, Pool & stadium closing at 6.00 pm instead of 10.30 pm on Saturday
- Moorways SC & stadium closing at 8.00 pm instead of 10.30 pm on Sunday
- Queens LC closing at 9.00 pm instead of 10.00 pm on Friday and Sunday
- Queens LC closing at 8.00 pm instead of 10.30 pm on Saturday

Reasons

1. To support ODOC Transformation programme and provide an efficient and effective customer management service in leisure centres.
2. To maximise income opportunities and reduce costs whilst maintaining high level of customer service.

In accordance with Procedure Rule A126, all Members of the Council had been advised that this item would be considered although it was not included in the Forward Plan.

185/10 Shaftesbury Sports Centre

The Council Cabinet considered a report on Shaftesbury Sports Centre. The Council had been approached by a community organisation to take over the management and operation of the Shaftesbury sports centre on a long term lease arrangement. Leisure officers were working with the community organisation to ensure that it had in place a sound business plan to manage and operate the centre on a long term basis. Community access and usage would be maintained by establishing an agreement between the organisation and the Council. The agreement would include measures to try and maintain the present customer base of the centre and also measures to attract new customers. The customers displaced by the new arrangement would be accommodated in the remaining Council leisure centres. The 10 FTE staff at Shaftesbury sports centre had been included in the restructure of leisure centres and had been slotted or matched to new posts in this new leisure centre structure. Staff who were unsuccessful would be placed on the re deployment register. Shaftesbury sports centre did not form part of the network of facilities outlined in the leisure facility strategy and therefore its transfer did not have a detrimental effect on our plans. The lease agreement would provide an approximate net saving of £100,000.

Options Considered

1. Options to close the facility had been considered, however by seeking an alternative community and voluntary sector operator we could

reduce the cost to the Council whilst keeping the sports centre open to the public.

2. An option to attract a private sector operator could be considered however, given the limitations of the centre and the low cost option to the council, these conditions would rule out a private sector option.

Decision

To approve the transfer of the management and operation of Shaftesbury Sports Centre on a 20 year full repairing lease to a community organisation subject to the organisation;

(1) Submitting a satisfactory business plan

(2) Entering into an agreement with the Council to ensure access and community use is maintained as part of the condition of the lease agreement.

Reasons

The lease agreement would ensure that the sports centre would remain open and accessible to the local community whilst reducing the financial costs to the council. In addition to maintaining community use of the Sports Centre, the potential to obtain external investment to improve the facility was much greater through the voluntary and community sector.

In accordance with Procedure Rule A126, all Members of the Council had been advised that this item would be considered although it was not included in the Forward Plan.

Declaration

Having declared a personal and prejudicial interest in the above item Councillor Marshall left the meeting during the discussion and voting thereon.

186/10 Healthy Living Coaching Programme

The Council Cabinet considered a report on Healthy Living Coaching Programme. Derby City Council had been commissioned by NHS Derby City to provide a pilot Healthy Living Coaching Programme for adults for 12 months, starting 1 March 2011. The aim of the programme was to reduce health inequalities by improving the health and wellbeing of targeted groups, communities and individuals in Derby, where the greatest health inequalities were experienced. The cost of the 12 month pilot programme would be £250,000 which would be fully funded by NHS Derby City. This would include the costs of all staffing and resources required to deliver the pilot programme. The programme had been designed with the potential to generate income for the Council. A Service Level Agreement had been developed between NHS Derby City and Derby City Council. If the pilot was successful, a further

£500,000 to £600,000 of funding could be available to continue the programme into future years, at which point options to widen the scope of the programme to include children would be considered.

Options Considered

Not accepting the opportunity to be commissioned was an option but the Council were best placed in the city to provide this service as identified by the options appraisal carried out by NHS Derby City and this provided an opportunity to make a significant contribution to reducing health inequalities in the city over the next 12 months and into the future.

Decision

To approve Derby City Council being commissioned by NHS Derby to provide a 12 month pilot Health Living Coaching programme from 1 March 2011.

Reasons

1. NHS Derby City had identified that there was a compelling need for a programme to provide an integrated, seamless service in local areas and communities across the city. There was currently no dedicated service in Derby that was able to offer a comprehensive lifestyle/behavioural support.
2. There was a strong national and local context for the development of the Healthy Living Coaching Programme including: the Darzi Report (Department of Health 2008d); Choosing Health (2004); The Commissioning Framework for Health and Well-being (2007a); Healthy Weight, Healthy Lives (2007) and various documents from NICE (on Physical Activity, Hypertension, Obesity, Behaviour Change). The local context was also strong and includes the Healthy Derby Strategy (Derby City PCT: 2007) and the 5 Year Strategic Plan (2008).
3. Following an options appraisal of potential providers NHS Derby City identified the Leisure and Cultural Development Division within Derby City Council as best placed to develop and deliver the pilot programme in partnership with NHS Derby City. This decision was primarily based on the previous work done under the b-active brand and the success achieved in increasing children and young people's activity levels and the expertise and experience in the Division in developing intervention based physical activity and well being programmes

In accordance with Procedure Rule A126, all Members of the Council had been advised that this item would be considered although it was not included in the Forward Plan.

187/10 Transferring of Community Centres

The Council Cabinet considered a report on Transferring of Community Centres. To propose a way forward for rationalising and supporting Community Centres in the light of the commitment last year by then Environmental Services to delete the £132,000 management budget from April 2011. To set the budget issue into the wider context of Community Centres, including:

- an assessment of the condition and usage of the Council's Community Centres
- a proposal for the future of the five remaining Council-run Community Centres
- recommendations on how this information could be used to link the issues around Community Centres into a wider discussion about Council-owned community facilities and Council-wide budget reductions from 2011.

Options Considered

1. The option to maintain the current level of council support for the council run community centres had been assessed, however taking in to account the level of usage and associated cost to run these facilities this was considered as no longer a viable option, particularly as there was no allocated budget in 2011/12 to cover any running costs.
2. Options to transfer to interested and committed community groups and representatives would continue, however these options were time limited and closure of the centres would have to take place if insufficient interest was not forthcoming. Details of the transfer potential for each centre was outlined in Appendix 6 of the report.

Decision

1. To instigate a Council-wide assessment of all community facilities and their current and potential future use. Rationalise the portfolio to reduce both revenue and capital costs.
2. To explore in the interim, transferring the two viable Council run Community Centres to the community.
3. In the case of Chesapeake, Rykneld and Normanton Park, to continue to seek other options for managing the centres until 31 March 2011. If these are unsuccessful, to relocate the remaining user groups and initiate the Council's vacant/surplus property procedure to explore different uses for the buildings.

4. To close the Community Centre Liaison Team, remove the £25,000 grant funding and no longer employ the 5 part time cleaner caretakers who open and close the council managed community centres.
5. As part of restructure of Leisure Centres and Parks and Open Spaces expand the role of Parks Inspections teams to cover support to parks buildings in community use as well as Community Centres and ensure they link with an estates led approach to rationalisation of, and support for, community facilities across the Council.

Reasons

1. The increased availability and use of alternative buildings for community activities had in some areas of the city created an over supply of community buildings including schools, church and other community halls. The usage of 3 of the council managed community centres had reduced despite measures to promote and market them over a prolonged period of time.
2. The costs of maintaining and managing the remaining council community centres were high for the level of usage from the centres. In the absence of an interested and committed community organisation or association to take them over the centres were no longer needed and it was recommended that they close.

In accordance with Procedure Rule A126, all Members of the Council had been advised that this item would be considered although it was not included in the Forward Plan.

188/10 Review of Ground Maintenance for 2011/12 and 2012/13

The Council Cabinet considered a report on Review of Ground Maintenance for 2011/12 and 2012/13. Following a review of the service as part of the budget process the Council proposes to reduce expenditure on the grounds maintenance service by £325,000 in 2011/12 and a further 160,000 in 2012/13. The savings would be achieved through the reduction in the frequency of grass cutting, the reduction in the provision of seasonal flower bedding displays, the subsequent closure of Markeaton Glasshouse and the reduction in other miscellaneous non-routine grounds maintenance services.

Options Considered

Consideration may be given to the Glasshouse remaining open and attempting to replace its lost income by providing plants to other local authorities. The problems associated with this approach were:

- Other local authorities were also likely to be reducing their own requirements

- They were likely to have by now already placed orders for their 2011 requirements
- Markeaton Glasshouse would still be growing 60% of the original requirement for Derby and the remaining space was unlikely to be sufficient for the entire requirement of another authority
- Enquiries had suggested that the Glasshouse would not be competitive when compared with private sector growers
- A failure to recover the lost income would mean that the Council would not achieve its savings targets for 2011/12.

Decision

1. To approve the reduction of the frequency of general amenity area grass cutting from 18 per annum to 12 per annum on all on parks, open spaces and other relevant Council land apart from the exceptions detailed in paragraph 2.2 of the report, but increase the frequency of highway verge grass cutting from 10 per annum to 12 per annum to achieve a consistent standard on all areas saving £152,000.
2. To agree to maintain a standard of up to 18 cuts per annum on cemetery and crematorium grounds, football and cricket pitch areas of parks and selected social service establishments.
3. The reductions in para 1 would also not apply to other fine turf sports and ornamental areas on parks or Derby Homes land.
4. To approve a reduction in budget availability for miscellaneous non-routine grounds maintenance works, saving approximately £163,000.
5. To approve the reduction in seasonal flower bedding displays by approximately 40% across the city, saving approximately £70,000 and as a consequence, to approve the closure of Markeaton Glasshouse and the outsourcing of the remaining bedding plant provision, the growing of hanging baskets and the provision and maintenance of indoor decorative plants for civic buildings, saving an estimated £90,000.

Reasons

The reasons for the recommendations were financial. Grounds maintenance services were discretionary and budgetary pressures dictate that the Council gives priority to other statutory services.

In accordance with Procedure Rule AI26, all Members of the Council had been advised that this item would be considered although it was not included in the Forward Plan.

189/10 Toilet Provision in Derby

The Council Cabinet considered a report on Toilet Provision in Derby. The reasons for the recommendations are financial. Grounds maintenance services were discretionary and budgetary pressures dictate that the Council gives priority to other statutory services.

Options Considered

1. "Do nothing", would not yield the required budget savings.
2. Whilst considering the Council budget proposals, the Neighbourhoods Commission of January 2011 endorsed the principles of the report.
3. The Council had been provided with an indicative cost of £1.86 million to refurbish and automate at the seven outer sites to a similar standard as that proposed for the city centre sites. This would be based on the agreement of a 15 year maintenance contract with the automatic public convenience provider and would equate to £198,000 per annum in capital borrowing costs over a 15 year period.
4. Introducing a small charge for use of the toilet facilities. The main advantage of introducing a charge (typically 20p) for use of public conveniences was that it would help to deter petty vandalism and anti-social behaviour within the toilets.
5. The majority of users of the facilities would know the area well, and in the same way that shoppers become accustomed to bringing bags and a coin for the shopping trolley, potential users would come armed with the necessary coin. Those that object to the charge would find alternative approaches.
6. The introduction of charging would also raise income towards the running costs of the toilets, but after taking into account the cost of collecting, reconciling and banking the money, it was unlikely to have any significant impact on revenue streams

Decision

1. To allocate up to £350,000 of unsupported borrowing from capital under spend to fund the refurbishment of the city centre toilets.
2. To continue the provision of the following public conveniences with a view to investment in refurbishment as set out in the report:
 - Assembly Rooms - City Centre
 - The Spot – City Centre
 - Victoria Street – City Centre

3. To continue the provision of the following automatic public conveniences and to review these when current maintenance agreements come to an end:
 - APC Somerfield Car Park, Derby Lane, Normanton contract ends April 2014
 - APC London Road, Alvaston contract ends October 2015
 - APC Nottingham Road, Chaddesden contract ends January 2016.
4. To close, the following out of city centre public conveniences on 31 March 2011:
 - Sitwell Street Spondon
 - High Street Chellaston
 - Nunsfield (Boulton Lane)
 - Spondon Cemetery
 - Nottingham Road Cemetery and consider alternative provision
 - Robincroft (Allestree Recreation Ground) and consider alternative arrangements
 - Automatic Public Convenience (APC), Burton Road, Littleover,

Reasons

1. Members were aware that good toilet provision in City Centres enhanced the shopping and visitor experience whether this was during the day or at night when people visit the entertainment venues in the City Centre. Investing in modern systems that were available 24 hours per day ensured that the City could meet the City centre daytime and night time economy needs, particularly in the Area of Victoria Street where there were a number of nightclubs.
2. Members had agreed to a budget saving for public conveniences, which were toilets provided by the Council for general public use, for 20011/12, of £100,000. This was on a base budget of around £450,000 for this service. In order to achieve this, all public conveniences in the outer city areas serviced by a mobile cleansing team and listed in would need to be closed.
3. As indicated in 2.3, an automatic public convenience would also be removed, which would have a “one-off” cost up to £15,000 to remove, cap off services and reinstate the footway. This “one-off” cost would be absorbed within Streetpride Budgets for 2011/12.

190/10 Review of Library Opening Hours

The Council Cabinet considered a report on Review of Library Opening Hours. A review of library opening hours had been carried out in order to assist with the setting of the budget and to provide standardisation of opening hours for the service across the city into three main tiers. Separating libraries

into three tiers according to how busy they were simplified the current pattern and delivered a significant level of standardisation. This outcome was achieved while still reflecting in the allocation of opening hours the fact that the most heavily used library was more than ten times busier than those with the fewest users. A decision to allocate 37.5 opening hours to Tier 1, 30.5 hours to Tier 2 and 23 hours to Tier 3 would result in an overall reduction across the city of 23.5% and an annual saving of £214,000. However opening the least busy libraries just 23 hours each week would make poor use of valuable community assets and would severely limit service availability in those neighbourhoods.

In order to maintain a reasonable level of access to all of Derby's libraries the report recommended that the current minimum number of opening hours was increased from 27 to 28. In addition, under this proposal the standard at Tier 2 would be 31.5 hours per week, and at Tier 1 it would be 38.5. This would result in an overall opening hours reduction of 99 hours per week (17.4%) and an annual saving of £168,000. The net reduction in staffing would be approximately 8.4 fte. The difference between the savings generated from a 23.5% reduction in opening hours and a 17.4% reduction is £46,000. The report proposed that this essential saving was covered by a reduction in the Library Service's book fund. The majority of the savings were to be re-invested within the Neighbourhoods Directorate, with £36,000 being available to contribute towards the Directorates savings targets.

Options Considered

Opening 31 hours per week at all 15 Derby libraries would deliver around £211,000 annual savings. Although this would achieve completely standardised opening hours across the city it had been rejected because of the impact on the Central Library, whose customers make up 25% of all library users in Derby.

Decision

1. To agree that for the purpose of determining their opening hours, to separate Derby's libraries into three tiers reflecting the level of use made of them, as follows –
 1. Tier 1 – Central Library
 2. Tier 2 – Allestree, Alvaston, Blagreaves, Chaddesden, Chellaston, Local Studies, Mickleover, Pear Tree, Sinfen, Spondon and Springwood.
 3. Tier 3 – Allenton, Derwent and Mackworth
2. To review the status of Chaddesden Library 12 months after the opening of the new library.
3. Agree that the opening total weekly opening hours for each tier as follows –
 - Tier 1 – 38.5

- Tier 2 – 31.5
 - Tier 3 – 28
4. To agree that the Strategic Director of Neighbourhoods should be guided by the principles set out in paragraph 4.9 of the report when deciding how the total number hours available to any library should be distributed across the week, but allowed some flexibility to respond to local circumstances and community needs.
 5. To agree to supplement the budget saving generated by the recommended opening hours with a £46,000 reduction in the Library Service's annual book fund in order to achieve targets that have been set.

Reasons

The recommended approach delivered in excess of £200,000 annual savings as required. It achieved significant standardisation of opening times across the city and ensures that users of all libraries had a reasonable level of access to their local service point.

In accordance with Procedure Rule A126, all Members of the Council had been advised that this item would be considered although it was not included in the Forward Plan.

191/10 De-Designation of Flats

The Council Cabinet considered a report on De-Designation of Flats. Approximately 970 of the Council's 13,585 housing stock were currently designated for occupation by tenants over 40 years of age. This figure excluded sheltered/supported living properties. The current policy of age designation of specific flats was applied to 970 flats in Derby in 1989. This followed approval from the then Housing Committee in 1988. At the time this equated to approximately 5% of the 19,023 total housing stock. The policy was approved and implemented in 1989 in response to growing anti social behaviour complaints from older tenants living in flats where there were younger tenants. The current policy was now over twenty years old and a review of this policy had been carried out taking into consideration demographic changes and the growing need for housing. The proposal contained within this report following on from the review, was to de-designate 652 flats. These flats had been identified as being suitable for de-designation by a working group whose remit included looking at issues specifically affecting flats and flat life, and identifying appropriate criteria justifying a decision for their de-designation. The Equality Act 2010 came into force on 1 October 2010 and an important part of the Act is the Public Sector Equality Duty, which played a key role in ensuring that fairness was at the heart of public bodies' work and that public services meet the needs of different groups.

Options Considered

Do nothing, but this would be in direct opposition to the Public Sector Equality Duty as it could be argued that we were assuming that all tenants aged under 40 would cause a nuisance to other residents, and the Council could be challenged. It was also not best use of our resources or value for money as currently we had longer void periods on designated properties due to demand being lower.

Decision

1. To authorise the de-designation of the 652 identified properties listed in Appendix 2 of the report.
2. To instruct officers to monitor the impact of the de-designation of the properties and report any findings back to the Cabinet Member for Housing and Advice Services and the Strategic Director of Adults, Health and Housing on a quarterly basis for a minimum period of 12 months.
3. To update the policy on designation of properties and ensure that access to housing is transparent and complies with all current legal requirements and good practice.

Reasons

1. To ensure that the Council was maximising access to and availability of its properties to all age groups, without a negative impact on any group whether directly or indirectly.
2. To ensure that the Council was achieving value for money by effectively managing the housing register, re-let and void turnaround times.

Other

192/10 Transforming Derby Museums – Business Plan

The Council Cabinet considered a report on Transforming Derby Museums – Business Plan. The report updated Cabinet on progress towards implementation of the Derby Museums Transformation Programme, as scheduled from April 2011. The report detailed the methodology for realising the programme. The report set out a three year Derby Museums business plan.

Options Considered

1. Do nothing. Museums Transformation Programme would not be realised. Funding would be withdrawn from the government, and without a clear and forward looking strategy, Derby Museums would

fail to engage potential partners. The Museums would be marginalised in a cycle of decline.

2. Other alternatives to the Museums Transformation Programme had been set out in the report to Council Cabinet in October 2010.

Decision

To approve the Derby Museums business plan in line with recommendation 2.2 of the Museums report to Council Cabinet on 26 October 2010.

Reasons

The report set out the Derby Museums business plan in line with Recommendation 2.2 of the Museums report to Council Cabinet of 26 October 2010.

193/10 Review of the Leisure Management Agreement with Derby College

The Council Cabinet considered a report on the Review of the Leisure Management Agreement with Derby College. The Council currently managed sport facilities at Derby College, as part of a usage agreement, to enable weekend and evening usage. In 2010 the college announced plans to relocate to new premises at Pride Park. The relocation has had an impact on the current agreement and therefore it was necessary to review the council's position. Officers from Leisure Facilities had met with the College to identify alternative options to maintain levels of usage of the facilities that would be at no cost to the council. Further meetings would take place to agree future arrangements for the management of the College sport facilities. As part of the condition of the usage agreement the council were obliged to give three months notice to withdraw from the agreement. The report recommended that the council give notice to terminate the usage agreement and continue to explore viable options to maintain usage of the college facilities. The College facilities had an established programme of sport clubs and group bookings on weekends and evenings, providing a regular level of custom to the college. The level of staff supervision to maintain the current levels of usage needed to be reviewed including options for the College to revert to a similar staffing operation to those adopted by schools who manage their own sports facilities. Further options on how the facilities could be managed had been discussed with the College and the Council and further meetings were planned to identify a preferred option that was acceptable to both organisations.

Options Considered

1. The college had considered, following past meetings with the Leisure Officers, the option of them managing the community use of the facilities on evening and weekends, in the same way that schools and other education establishments are managed.

2. A further option to pay the City Council a management fee for the running of the College facilities had been discussed. The management fee would mean that the cost of managing the college sport facilities would be cost neutral to the Council.

Decision

1. To agree that the Council serve notice on Derby College to withdraw from the current usage agreement with Derby College.
2. To meet with the College to discuss and agree the preferred route for maintaining community use of the sports facilities at the college.

Reasons

The current agreement needed to be reviewed to take in to account the relocation of the college, the costs to the council for managing a non council facility and alternative options for sustaining the levels of usage of the college facilities.

Budget and Policy Framework

194/10 Derby Plan 2011-26 and Council Plan 2011-14

The Council Cabinet considered a report on Derby Plan 2011-26 and Council Plan 2011-14. The report presented the latest drafts of the Derby Plan 2011–2026 and the Council Plan 2011-2014 for review by Council Cabinet. The Derby Plan (formerly the Sustainable Community Strategy) sets the vision and outcomes for the whole city and the Council Plan (previously called the Corporate Plan) supported this by describing the Council's contribution to the city vision.

The Council Cabinet also considered a report from the Scrutiny Management Commission which recommended that Council Cabinet approve and adopt the Derby Plan subject to baseline data being provided for each of the themes and priorities so that in future years progress against the starting position in 2011 can be clearly measured.

Decision

1. To approve the adoption of the eight outcomes listed in Appendix 2 of the report as the Council's own priorities.
2. To review the contents of the draft Derby Plan and Council Plan, as shown in Appendices 3 and 4 of the report.
3. To note the comments from Scrutiny Management Commission as shown in Appendix 5 of the report.

4. To refer the Derby Plan and the Council Plan, subject to advised amendments, to Council on 2 March 2011.
5. To recommend that Council delegate authority to the Chief Executive to make any final amendments to the Derby Plan and Council Plan, in consultation with the Leader of the Council.

195/10 Recommendations from the Overview and Scrutiny Commission on the draft Revenue and Capital Budgets 2011/12 – 2013/14

The Council Cabinet considered a report on recommendations from the Overview and Scrutiny Commissions on the draft Revenue and Capital Budgets 2011/12 – 2013/14.

The Revenue Budget proposals were considered by the five Overview and Scrutiny Commissions at their meetings in January/February 2011. The Capital Budget proposals were considered by the Scrutiny Management Commission on 1 February.

Appropriate Cabinet Members and chief officers were supplied with the individual commissions' recommendations immediately after the wording was finalised by the respective chair and vice chair. This repeated the practice trialled in 2010 and allowed the fullest consideration to be given to the scrutiny input.

The recommendations of the individual Commissions and the reasons for those recommendations were as set out in the Appendices to the report.

The process set out in the Budget and Policy Framework Procedure Rules required the Cabinet to formally consider the reports of the overview and scrutiny commissions and report to Council on how it had taken into account any recommendations made.

The Council Cabinet also considered a supplementary report from the Scrutiny Management Commission on Stage 2 of the Revenue Budget Proposals and a response from the Council Cabinet to the recommendations.

Decision

To take the recommendations of the overview and scrutiny commissions into account when considering the capital and revenue budgets (minutes nod 196/10 and 197/10).

196/10 General Revenue Budget and Council Tax 2011/12

The Council Cabinet considered a report on General Revenue Budget and Council Tax 2011/12. The report set out proposals to recommend to Council a net budget requirement of £221,748,425 in 2011/12. The report also set out budget proposals for 2012/13 and 2013/14 as part of the Council's Medium Term Financial Plan (MTFP). The Council had outlined permanent saving requirements of £57m over three years to meet rising costs, maintain priority services and invest for the future. These savings targets of £24.7m in 2011/12, £18.7m in 2012/13 and £13.6m in 2013/14 excluded one-off savings needed to meet redundancy pressures. Savings would be delivered from a combination of the Council's one Derby, one council efficiency programme (ODOC), staff post reductions and changes to services. Each section of the report dealt with the various elements that required consideration before a final decision was reached. These key areas were:

- the budget process leading up to these proposals (Section 4)
- resources available, linked to the local government finance settlement, including council tax and significant changes to government funding (Section 5)
- the budget proposals for 2011/12, how they have changed since proposals were released for consultation and how they relate to the Council's corporate outcomes (Section 6)
- the Council's corporate reserves position (Section 10)
- communication and consultation including feedback (Section 11)

A separate report providing details of the latest estimated outturn position 2010/11 and treatment of variances was presented as Item 29 to this meeting. The Council's notified grant settlement from central government for 2011/12 was £138.872m. The Council also anticipated receiving a new grant for New Homes Bonus of £0.988m in 2011/12, although this had not been confirmed. Total grant settlement from central government was therefore expected to be £139.860m. Included in the appendices was summarised budget information that together with the text of the report constitutes the full budget proposal.

Decision

To recommend to Council the following ...

1. To approve a budget requirement for Derby City Council for 2011/12 of £221,748,425.
2. To approve for 2011/12 the directorate revenue budget estimates and use of reserves of £11.588m (5.23% of the budget) in 2011/12 summarised in Appendix 4 of the report. This included the use of £8.015m (3.62% of budget) of reserves to support the Council's redundancy programme. Repayment of £5.7m of these reserves during

2012/13 and 2013/14 had been included within these budget proposals. It also included £3.075m from corporate reserves and £0.498m from service reserves (1.61% of budget) to support a balanced budget position.

3. To approve the measures proposed to manage budget risks in 2011/12 and in future years, including the deliverability of identified savings, levels of service and inflation forecasts as set out in Section 10 of the report.
4. To approve within this total of £221,748,425:

	£
Net service estimates of:	
Adults, Health and Housing	73,568,000
Chief Executives	12,414,000
Children and Young People	46,393,000
Neighbourhoods	41,397,000
Resources	13,941,000
Corporate and Contingency Budgets	45,623,425
	<hr/> 233,336,425
Appropriations to/from reserves (figures in brackets are appropriations from reserves):	
Service reserves	(498,000)
Corporate reserves to support a balanced budget position	(3,075,000)
Corporate reserves to fund redundancies	(8,015,000)
	<hr/> 221,748,425

5. To note that, at its meeting on 11 January 2011, the Council calculated the amount of 72,278.83 equivalent band D properties as the Council's Tax Base for the year 2011/12 in accordance with the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003 (SI 2003/3012). This calculation was in line with the Council's decision to freeze 2011/12 Council Tax at 2010/11 levels.
6. To calculate the following amounts for the year 2011/12 in accordance with Sections 33 (1) of the Local Government Finance Act 1993. .
 - a. £558,341,425 being the aggregate of the amounts which the Council estimated for the items set out in Section 32(2)(a) to (e).
 - b. £366,593,000 being the aggregate of the amounts which the Council estimated for the items set out in Section 32(3)(a) and (c) of the Act.

- c. £221,748,425 as its budget requirement for the year, being the amount by which the aggregate at (a) above exceeded the aggregate at (b) above, calculated by the Council, in accordance with Section 32(4) of the Act.
- d. £140,275,005 being the aggregate of the sums which the Council estimates would be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, and additional corporate government grants
- e. £1,127.21 as the basic amount of its Council Tax for the year, being the amount at (c) above, less the amount at (d) above, all divided by the amount at 2.6 above, calculated by the Council, in accordance with Section 33 of the Act.

f. for the following Valuation Bands:

	£		£
A	751.47	E	1,377.70
B	876.72	F	1,628.19
C	1,001.96	G	1,878.68
D	1,127.21	H	2,254.42

as the amounts to be taken into account for the year, under Section 30(2)(a) of the Act, in respect of categories of dwellings listed in different valuation bands, being the amounts given by multiplying the amount at (e) above by the number which, in the proportion set out in Section 5(1) of the Act, was applicable to all dwellings listed in each particular valuation band divided by the number which in that proportion was applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act.

7. To note that for the year 2011/12, Derbyshire Police Authority had stated the following in a precept to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	**	E	**

B	**	F	**
C	**	G	**
D	**	H	**

8. To note that for the year 2011/12, Derbyshire Fire Authority had stated the following in a precept to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	**	E	**
B	**	F	**
C	**	G	**
D	**	H	**

9. Having calculated the aggregate in each case of the amount in 2.7, 2.8 and 2.9 of the report, in accordance with Section 30(2) of the Local Government Finance Act 1992, to set the following amounts as the amounts of Council Tax for the year 2011/12 for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	**	E	**
B	**	F	**
C	**	G	**
D	**	H	**

11. To note the revenue budget plans for 2012/13 and 2013/14 set out in section 6 of the report.
12. To note the feedback from the budget consultation and approve the Council Cabinet response to the consultation recommendations at Appendix 6 of the report.
13. To approve the 2011/12 Schools Budget included at Appendix 12 of the report and note the comments from the Schools Forum meeting held on 3 February 2011.
14. To authorise the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.

197/10 Capital Programme 2011-14

The Council Cabinet considered a report on Capital Programme 2011-14. The report set out the 2011/12 to 2013/14 capital programme for recommendation to Council on 2 March 2011. The main areas of the £274m programme over the next three years were ...

- £32m for the Council's accommodation strategy funded from corporate unsupported borrowing.
- £11.8m capital implementation costs for computer applications and infrastructure to deliver the Council's one Derby one Council transformation programme funded from capital receipts.
- £45m to deliver the Council's Leisure strategy which would include a new 50 metre swimming pool together with the creation of a Multisports Arena and new athletics track. A further £5m would be required in 2014/15 to complete the full £50m programme.
- £25m to deliver the jointly funded waste disposal plant alongside Derbyshire County Council funded from service financed unsupported borrowing.
- £65m Children and Young People's Directorate programme including the Building Schools for the Future schools and the Primary Capital programme; repairs, maintenance and improvements to the fabric of school buildings and devolved funding to schools, of which the majority was funded from specific grants together with supported borrowing and external contributions.
- £46.5m Housing programme. Many council-owned houses would get new PVCu windows and doors, new kitchens and bathrooms, heating systems and other repair and refurbishment work, funded through £34.6m from the Housing Revenue Account. A further £12.4m for the Housing General Fund mainly funded from government grants would enable the continuation of schemes including the delivery of decent homes and assistance to vulnerable householders, disabled facilities grants, other repairs and assistance in the private sector and support for affordable housing.
- £17m Local Transport Plan - LTP- of which £10m was funded from government grants to help deliver improvements to integrated transport systems, including strategic public transport schemes, better traffic management and improvements to roads in neighbourhoods, and to maintain the transport infrastructure including money for carriageway and footway maintenance and to repair bridges and other structures. An allocation had been bid for and scored in the top priorities to spend £7.4m on the London Road Bridge replacement £5.4m of which would be funded from Department for Transport (DfT) grant. As well as the block

programme, a further £1.7m for Connecting Derby would be spent funded mainly from the DfT grant.

- £4.4m for maintenance of the Council's buildings and infrastructure, including roof repairs - Market Hall and Wardwick museum, structural repairs, fire precaution works, window replacement programme, replacement air conditioning units and community centre repairs.
- £7.7m for the extracare programme for the elderly in our Adults Social Care and Housing service.

Following the Governments Spending Review announcements the Single Capital Pot allocations were reduced and the report outlined the approach taken to produce a balanced capital programme which met the corporate priorities as well as setting aside funding for planned maintenance of the Council's buildings. A bidding process had taken place for new schemes against the Single Capital Pot allocations for the three years 2011/12 – 2013/14 using a scoring mechanism against prescribed criteria. The report also outlined the potential financial risks relating to the Council's VAT partial exemption calculation arising from the leisure strategy. Delivery of the capital schemes within the strategy would need to be spread over a number of years to avoid the Council incurring significant VAT costs. Further work was needed to develop the options to alleviate this risk.

Decision

To recommend to Council the following ...

1. To approve the capital programme for 2011/12 and the indicative capital programme for 2012/13 and 2013/14 as set out in the report. A summary was shown in Appendix 2 of the report.
2. To note the rigorous process of review undertaken on the current 2010/11 – 2012/13 capital programme to generate revenue and capital savings and drive forward those schemes the Council is committed to delivering. Schemes which were not contractually committed and were to be removed from the capital programme, would generate savings and were shown in Appendix 3 of the report. Schemes that had non ring fenced funding that had not been allocated to specific projects and had been removed from the programme were shown in Appendix 4 of the report.
3. To approve the use of the revenue budget forecast savings totalling £3.8m anticipated by rephasing the priority projects and aborting schemes listed in Appendix 3 and 4 of the report, to support the 2011-14 revenue budget.
4. To approve the schemes identified as part of the review of the programme, as detailed in Appendix 3 and 4 of the report, were

removed from the capital programme to help generate revenue and capital savings.

5. To approve the top slicing of the available funding, as detailed in paragraph 5.5 of the report, to ensure that there was a sum set aside each year for planned maintenance including community centres.
6. To agree the schemes which had been previously identified as Corporate Priorities as detailed in paragraph 4.9 and Appendix 5 of the report.
7. To approve the allocation of the balance of funding available to the capital schemes from the Single Capital Pot allocations listed in Table 2 for the full list of bids, detailed in Appendix 6 of the report, that had been prioritised by the Strategic Asset Management Group as well as with consultation with Chief Officer Group and Leadership in line with an agreed scoring criteria.
8. To note the potential VAT partial exemption implications of the Leisure Strategy.

At this point Councillor Marshall took the Chair

198/10 Housing Rents and Service Charges

The Council Cabinet considered a report on Housing Rents and Service Charges. The Government originally set a policy to restructure social housing rents over the 10 year period 2002/03 to 2011/12. The process involved moving rents incrementally towards a target so that at the end of the restructuring period, council housing rents would be in line with those of other Registered Social Landlords – RSLs – this was known as ‘rent convergence’.

The period of rent restructuring had changed a number of times during the life of the policy, due to the impact of changes in the rate of inflation and Government intervention in terms of rent limitation and capping. Currently, it was anticipated that rents would converge within five years, by 2015/16 – although this date could change again depending on inflation levels and a shift in government policy. If Housing Revenue Account (HRA) reform takes place as anticipated, with effect from April 2012, it was likely this date would be fixed. Our rent proposals for 2010/11 included the ‘un-pooling’ or separation of service charges for Smoke Alarms and Grounds Maintenance. There was no further un-pooling of service charges proposed for 2011/12. Government Policy was to establish the percentage average guideline increase by applying RPI inflation at the previous September and a convergence factor to reflect the number of years to rental convergence with the Housing Association sector. The RPI inflation rate for 2011/12 was the rate at September 2010, that was 4.6%.

This produced an average guideline rent increase for 2011-12 of 6.8%. Derby’s rents were below guideline and applying the RPI inflation and

convergence factors implies an actual average increase of 7.4% although there would be a wide variation in individual rents, as there always was under rent restructuring. Some tenants would have their weekly rent increase limited to RPI +0.5% +£2. For a tenant paying the average rent this would mean an increase of around 8.4% or £5 a week. It was proposed to increase most service charges by RPI + 0.5%, total 5.1% in 2011/12. There were some exceptions to this where lower increases in actual cost had been experienced – notably in grounds maintenance. The full set of new charges were set out in Table 3 in the report. Garage and other rents were proposed to be increased by the average rent increase of 7.4%. Turnover and around 1000 homes a year fall void and were re-let. It was proposed to set re-let rents at target rent straight away rather than an incremental movement. This would increase the income received by the HRA . If this policy was adopted it was estimated that it would generate around £130,000 in the first year and £300,000 in 2012/2013. It was proposed to increase energy charges by 5.1%. It was proposed to increase pitch fees at Shelton Lock Mobile Home Park by RPI plus – subject to residents' agreement – a further £2 a week to help finance the development of the site.

Decision

To recommend Council to approve revision of rent and service charges from 4 April 2011 on the basis set out in the report including:

- an average overall weekly rental increase of £4.34 or 7.4% calculated over 52 weeks, plus
- an increase in most Service Charges of 5.1% with some – mostly lower – exceptions as set out in Table 3 of the report.
- To revise service charges for cleaning to cost as soon as possible during 2011/12
- To implement a recommendation from Housing Boards to move blocks from fortnightly cleaning to weekly cleaning except where a majority of residents have objected.
- increasing rents to target level for all new tenancies
- an increase in Garage Rents and other rents of 7.4%
- To continue the policy last year of increasing utility charges in category 2 sheltered housing by 10% a year - where these are below cost - until the charges reach actual cost.
- an increase of RPI in pitch fees at Shelton Lock Mobile Home Park plus a further £2 a week to help finance the development of the site.

Declarations

Having declared personal and prejudicial interests in the above item Councillor Holmes and Ingall left the meeting during the discussion and voting thereon.

Following consideration of this matter Councillor Holmes re took the Chair.

199/10 Housing Revenue Account Business Plan and Budget

The Council Cabinet considered a report on Housing Revenue Account Business Plan and Budget. The financial system for managing the Housing Revenue Account - HRA - was about to fundamentally change from 2012/13. In the meantime, there was one final year of the Housing Revenue Account Subsidy System - HRASS. The details of the new system from 2012/13 while known in outline were unclear in detail, particularly the crucial element of the final debt to be imposed on the Council as a result of the reform. This made it very difficult to plan effectively until the detail was clearer. In the meantime it was proposed to plan as if the existing system continued, but bearing in mind that the new system may be difficult for the initial few years before hopefully becoming easier to manage and sustain the stock in the longer term. The strategy would clearly need to be revisited when greater detail was known. At this point, it was proposed that – while planning for change and the potential ability to invest – the existing plans be sustained under the current system. The impact of the loss of HRASS – estimated to be a net payment by the Council of £5.4m in 2011/12 compared to almost nil this year – had been minimised by the long term restraint shown by the Council over the last few years. As a result, it was anticipated that services would not have to be reduced by the same scale as might otherwise had been the case. Nonetheless, the Estates Pride programme had also reached the end of its expected life, although there was a balance left still to be spent, which was detailed in the report. As part of the longer term strategy, it was anticipated that a greater share of HRA funds would be spent in future on repairs and capital and a lesser share on management costs. As a result of discussions between the Council and Derby Homes, a reduction in the management fee taken by Derby Homes to a projected £9.2m by 2014/15 had been agreed as detailed in the report. This represented a real terms reduction in funds available for Derby Homes' management costs of £1m. In addition to this, the repairs account continued to be restructured to increase the overall efficiency of that service. Savings of around £1m were also anticipated in this area, to be fully reinvested in a better service, meaning that savings of £2m overall should be achieved with at least £1m being reinvested back into repairs.

Decision

1. To approve the budget set out as part of the HRA Business Plan at Appendix 2 and detailed in Appendix 3 of the report.
2. To approve the revised proposals for Estates Pride as set out in Appendix 4 of the report.
3. To approve the management fees for Derby Homes set out in Appendix 5 of the report.

200/10 Treasury Management Strategy and Prudential Code Indicators 2011/12

The Council Cabinet considered a report on Treasury Management Strategy and Prudential Code Indicators 2011/12. The report outlined the Council's prudential indicators for 2011/12 – 2013/14 and sets out the expected treasury operations for this period. It fulfilled four key legislative requirements:

- The reporting of the prudential indicators setting out the expected capital activities and treasury management activity as required by the CIPFA Prudential Code for Capital Finance in Local Authorities and the CIPFA Treasury Management Code of Practice.
- The setting out of the Council's Minimum Revenue Provision policy, determining how the Council would pay for capital assets through revenue each year as required by the Local Government and Public Involvement in Health Act 2007.
- The statement of the Council's treasury management strategy which sets out how the Council would support the capital strategy by managing day-to-day cashflow and placing limitations on activity through treasury prudential indicators.

The key indicator is the 'Authorised Limit', the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This was the Affordable Borrowing Limit required by section 3 of the Local Government Act 2003. This was in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code and shown at Appendix 2 of the report. The investment strategy which set out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy was in accordance with the Department for Communities and Local Government's – CLG - Investment Guidance. The above policies and parameters provide an approved framework within which Council officers would undertake the day-to-day capital and treasury activities. However, it was vital that Council members adopt an active role and scrutinise this framework according to their own concerns about the Council's finances, especially in light of the ongoing economic instability, and recent problems in the finance sector of both the UK and the rest of Europe.

Decision

To recommend Council to approve each of the five key elements of this report:

1. The Prudential Indicators and Limits for 2011/12 to 2013/14 contained within the Supporting Information of this report and summarised in Appendix 2 of the report.

2. The Minimum Revenue Provision - MRP - statement shown at paragraph 5.10 of the report, which set out the Council's policy on MRP.
3. The Treasury Management Strategy 2011/12 to 2013/14, and the Treasury Management Prudential Indicators contained within Appendix 3 of the report.
4. The Authorised Limit Prudential Indicator shown in Appendix 3 paragraph 4.4 of the report.
5. The Investment Strategy 2011/12 contained in the treasury management strategy in Appendix 3 of the report, which recommended a slight relaxation of the investment limits set on the Council's current bank.

Contract and Financial Procedure Matters

201/10 Contract and Financial 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 capital programme
- capital scheme commencements
- tendering for the maintenance and operation of the Derby Area Transport Model
- changes to the Children and Young People's Directorate revenue budget
- contract extensions for bus services
- reallocation of earmarked reserves for the Library Service.

Decision

1. To approve the changes detailed in Appendix 2 of the report and to amend the 2010/11 – 2012/13 capital programme.
2. To note the revised capital programme and associated funding detailed in Table 1 for 2010/11, paragraph 4.2 of the report.
3. To approve the capital scheme commencements detailed in Appendix 3 of the report.
4. To approve commencement for the tendering of a four year term contract to secure the services of a specialist consultant to maintain and operate the Derby Area Transport Model - DATM - as detailed in paragraph 5.1 of the report.

5. To approve additions to the Children and Young People's Department revenue budget for additional revenue ring fenced funding received from the Department for Education for maths specialist and Improving Schools Programme funding as detailed in paragraph 6.1 of the report.
6. To approve an extension of the current contracts with Notts and Derby Traction for bus services 17a and 35 for up to 12 months from April 2011 as detailed in paragraph 7.1 of the report.
7. To reallocate the Library Service's £25,552 wi-fi development reserve so that it can be used to replace the most out-of-date public access computers in libraries as detailed in paragraph 8.1 of the report.

202/10 Longbridge Weir Hydroelectric Power Station Budget Increase

The Council Cabinet considered a report on Longbridge Weir Hydroelectric Power Station Budget Increase. The project gained approval to proceed at the 18 December 2007 meeting of the Council Cabinet. £1.5M of prudential borrowing was approved and subsequent to this a further £160k was approved by the Public Realm Board, plus £25k from the Environment Agency/Trent Rivers Trust taking the total project budget to £1.685M. The original expectation was for the project to have been completed by mid 2010. However, significant and unexpected delays, with associated consequent costs, were incurred in gaining both Environment Agency Transfer licence and planning approval. Both were now in place but a number of costly concessions had to be made to gain the necessary approvals. These together with the abortive costs caused by the delays and negotiations had driven up the project cost. The revised total cost for the project had risen to £2.119M. In addition, the comprehensive spending review increased the public works loan board interest rate by 0.9%. This directly affected the project since it relied upon prudential borrowing as its principal funding source. As a result of this it had been necessary to rework the project cost model to demonstrate that it remains affordable. The introduction of the feed-in-tariff scheme had greatly increased the income expected to be generated by the hydro over original expectations which were based upon the renewables obligation. Income was now forecast as starting at £208k in place of £132k per year. The revised income would support up to £2.4M of borrowing over the 20 year term. The borrowing amount forecast as necessary to complete the project was £1.934M. However, including a prudent contingency took the total borrowing amount sought to £2.1M, which if used, still resulted in a cash surplus exceeding £750k at year 20 and positive cash flow during year 16.

Decision

1. To recommend Council to approve an additional £600k unsupported borrowing taking the total approved sum to £2.1M.
2. To recommend Council to approve the associated changes to the Council's prudential indicators to reflect the necessary revisions to the capital programme and unsupported borrowing, subject to further detailed confirmation when these indicators are next updated.
3. To note the dramatically improved revenue stream forecast to be provided by the feed-in-tariff scheme, in place of the previously used renewables obligation, which results in a £750k surplus by year 20 (2030). By the time the feed-in-tariff scheme ends (in 2035) the finance model shows a surplus exceeding £2M and an ongoing net revenue income exceeding £90k per year. In addition to this it would become possible to count the emission savings towards CRC needs from 2035 onwards.

Performance Monitoring

203/10 Financial Monitoring Quarter 3

The Council Cabinet considered a report on Financial Monitoring Quarter 3. The report summarised the financial monitoring position at the end of quarter 3 in the current financial year based on the income and expenditure performance up to 31 December 2010. The Council was currently forecasting a balanced budget position by the financial year end subject to mitigating actions being taken to balance current overspends. Services and directorates were taking actions to bring their budgets back into balance, including transferring budgets from services which were under-spending such as corporate contingencies and the use of reserves previously approved by Council Cabinet. The use of reserves to balance the budget would result in lower levels of corporate reserves than previously held by the Council.

Decision

1. To note the quarter three 2010/11 financial monitoring results with actions being taken to ensure a balanced position by the year end.
2. To approve the use of underspends from corporate contingency budgets to support a balanced budget position by 31 March 2011.

204/10 Performance Monitoring 2010/11 – Quarter 3

The Council Cabinet considered a report on Performance Monitoring 2010/11 – Quarter 3. The report included highlights from key performance measures included in the Corporate Plan 2010/11 and Local Area Agreement (LAA)

2008-2011. In relation to the performance results up to 31 December 2010 (quarter three), 75% of priority performance measures achieved their quarterly target. 66% of priority measures were forecast to achieve year-end target. Across all indicators, 67% were forecast to achieve year-end target, which was an improvement from 2009/10 when 61% of indicators achieved their year-end target.

Decision

1. To note the quarter three 2010/11 performance results.
2. To note the indicators selected for review by Performance Support Group and Performance Surgeries as set out in paragraph 4.14 of the report.

205/10 Exclusion of Press and Public

Resolved to exclude the press and public during consideration of the following items under Section 100(A) of the Local Government Act 1972, on the grounds that they involve 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

206/10 Castleward Urban Village: To approve a Development Partner

The Council Cabinet considered a report which sought approval to the selection of a development partner.

Options Considered

1. The Castleward Urban Village development partner had been selected through a competitive dialogue process. This required the brief to the potential development partners to be continuously improved and refined.
2. The options put forward by Compendium and Morris for our consideration were the best arising from the competitive dialogue process

Decision

1. To approve the appointment of the Compendium Group Ltd as the preferred development partner.

2. To delegate authority to the Chief Executive in conjunction with the Corporate Director of Resources to enter into the Development Agreement with the preferred partner subject to the satisfactory resolution of all outstanding matters including those referred to in paragraph 4.5.1 of the report and an updated financial check
3. To approve the inclusion of Council land listed in Appendix 5 of the report within the Castleward Urban Village project together with any other land considered necessary by the Chief Executive following consultation with the Leader of the Council and to defer any capital receipt until the end of the project.
4. To approve the amendments in the proposed development of the Castleward Urban Village which had arisen during the course of this project and referred to in paragraph 4.6 of the report.

Reasons

1. The site was designated as a Key Objective within the Derby Cityscape Masterplan and we had completed the EU Competitive Dialogue tendering process to bring forward a recommendation to appoint a preferred development partner for the project.
2. A development agreement between the Council and the selected development partner was required to formalise the development process leading to the application for planning permission and subsequent development thereafter.
3. The inclusion of Council land and the deferment of any capital receipt until the end of the project had previously been agreed in principal by Council Cabinet in April 2009 and now required formal confirmation.
4. During the course of the project there have been a number of amendments to the project and attention is drawn to these in Section 4.6 of the report.

207/10 Shaftesbury Sports Centre

The Council Cabinet considered exempt information in relation to Shaftesbury Sports Centre.

Decision

To note the report.

Councillor Marshall having declared a personal and prejudicial interest in the above item left the meeting during the discussion and voting thereon.

MINUTES END