

Time began: 6:00pm  
Time ended: 8.15pm

## **COUNCIL CABINET**

### **14 November 2018**

Present	Councillor M Holmes (Chair) Councillors Barker, Roulstone, Smale and Williams
In attendance	Councillors Care, Eldret, Graves and Rawson Carole Mills – Chief Executive Don McLure – Strategic Director of Corporate Resources Christine Durrant – Strategic Director of Communities and Place Andy Smith – Strategic Director of People Glen O'Connell – Interim Monitoring Officer Richard Antcliff – Director of Public Protection and Streetpride Greg Jennings – Director of Development and Regrowth Mags Young – Director of Communities and Place Simon Aitken – Streetpride Area Manager Dinesh Kotecha – Director of Property Jayne Sowerby – Warrington – Head of Strategic Asset Management and Estates Colin Hayes – Area Surveyor Cassandra Carruthers – Markets Manager Kara MacFadyen – Communications Officer Meg Tapp – Marketing Officer Frederico Almeida – Youth Mayor

This record of decisions was published on 16 November 2018. 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.

### **107/18 Apologies**

Apologies for absence were received from Councillors Poulter, Grimadell, Skelton and Webb.

### **108/18 Late Items**

The Chair referred to an addendum to item 8 which set out additional recommendations from a Scrutiny Board.

### **109/18 Receipt of Petitions**

There were no petitions

### **110/18 Identification of Urgent Items to which Call In will not apply**

There were no items.

## 111/18     Declarations of Interest

There were no Declarations of Interest.

## Matters Referred

### 112/18     Recommendations from the Executive Scrutiny Board

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

#### **Decision**

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

### 113/18     Minute Extracts from Corporate Services Scrutiny Board and Regeneration and Housing Board

The Council Cabinet considered a minute extract from the Corporate Services Scrutiny Board held on 4 October 2018 on Modern Slavery.

The Board recommended Council Cabinet to seek to protect services involved in the prevention of modern slavery as part of the 2019/20 budget proposals.

The Council Cabinet also considered recommendations from the Regeneration and Housing Board held on 3 July 2018 on Derby – Nottingham Metropolitan Strategy.

#### **Decision**

1. To note the recommendation from the Corporate Services Scrutiny Board and consider it along with the budget proposals for 2019/20.
2. To note the recommendations from the Regeneration and Housing Board and the work subsequently undertaken in relation to the recommendations.

### 114/18     Call-in of Key Decision 94/18

The Council Cabinet considered the outcome of a call-in of a key decision 'Improving Special Educational Needs and Disability (SEND) Provision in Derby'.

The Executive Scrutiny Board upheld the call-in of Council Cabinet decision 94/18 on the following grounds:

- That respect for human rights had not been demonstrated
- That a record of options considered and giving reasons for that decision were not provided
- That relevant issues were not taken into consideration.

The Executive Scrutiny Board referred Council Cabinet decision 94/18 back to Council Cabinet for reconsideration at the earliest opportunity.

## **Decision**

To re-affirm the decision made by Council Cabinet at its meeting on 10 October 2018 detailed in minute no 94/18.

## **Key Decisions**

### **115/18 DFE School Nursery Capital Fund (SNCF) – Pear Tree Infant School**

The Council Cabinet considered a report which stated that in July 2018, the Department for Education (DfE) announced a proposed capital bidding round of £30 million to create new high-quality school-based nursery places aimed at closing the disadvantaged gap in the early years and to boost social mobility. All Local Authorities had now been invited to bid for this capital funding. The purpose of the DfE capital funding was to create free early education entitlement (FEEE) places for eligible two, three and four year olds in the most disadvantaged areas to access.

The DfE provided further details of the bidding process on 8 September 2018, including outline of the bid criteria. Full details of the application process were issued by the DfE on 24 September 2018. Full applications had to be submitted by 22 November 2018, leaving a very short timescale to compile the range of information required for the capital bid, in line with specific DfE criteria. Bids need to include detailed building costings and project timelines to ensure capital work would be completed by the end of March 2020.

The DfE had confirmed only Infant or Primary schools, either with or without existing nursery provision (but not maintained nursery schools), were eligible to bid for the School Nursery Capital Fund (SNCF). All bids had to be approved and submitted by the Local Authority, who must make sure any bids submitted met the Stage 1 assessment process.

The Council had written to all eligible schools and received an expression of interest, from Pear Tree Infant School, for the bid. Pear Tree Infant School, has no current nursery provision, has requested to proceed with developing a bid in partnership with the Council, as required by the DfE. The school meets all of the DfE Stage 1 criteria. An expression of interest was also received from St Giles Special School, which

unfortunately could not be taken forward, as all the stage 1 DfE bid criteria could not be met. No other expressions of interest were received by the deadline communicated to schools.

The proposal was to submit one funding bid for Pear Tree Infant School to create a 26 place early years unit. This would be able to deliver a minimum of 52 universal 15 hour FEEE sessions. The proposal was for a modular construction new build to replace an existing temporary building on the school site. Feasibility works were underway to support the bid and the overall budget cost of this project was estimated to be up to a maximum of £503,000. Feasibility works were being completed ahead of the bid submission deadline, with the final bid to reflect final feasibility costings. The DfE bid would be for capital funding for this full amount as no matched funding was available due to pressures on the Council's overall Schools Capital Programme. The Council would be expected to cover any costs incurred in excess of that agreed by the DfE; however, the clear aim was to ensure that the project was delivered within the funding secured. Successful bids were due to be announced by the DfE by March 2019.

The Executive Scrutiny Board noted the report.

### **Options considered**

In view of the need to secure more school-based early years FEEE places in a disadvantaged area to help improve FEEE take up levels where this is significantly lower than other parts of the city, a bid needs to be developed and submitted for capital funding to create additional places.

### **Decision**

1. To approve submission of a school nursery funding bid for capital funding of up to a maximum of £503,000 for a project at Pear Tree Infant School.
2. If the Council is successful in the bidding process:
  - to approve the acceptance of the SNCF monies;
  - to approve the addition of the monies to the current capital programme;
  - to delegate authority to the Director of Commissioning and the Director of Resources to finalise all necessary documentation to accept the SNCF monies and to undertake the proposed project at Pear Tree Infant School; and
  - to note that the Council will be liable to cover any expenditure above the funding approved by the DfE.

### **Reasons**

1. By submitting the bid for capital funding to create new FEEE early years places this would, if successful, support the Council's ability to meet its statutory duty to secure sufficient FEEE childcare.
2. If successful, the creation of these early year's places will help to increase the Council's three and four year old FEEE take up by disadvantaged children. Pear Tree Infant School is located in an area where three and four year old take up is significantly lower than in other areas of the city. Evidence had shown this was because parents were not able to access a FEEE place in a school provision due to limited capacity, and preferring to miss out on invaluable early year's provision of 1 or 2 terms until a place at the school becomes available.
3. In line with the Council's finance procedures, Council Cabinet approval was required prior to submitting a bid for external funding and for accepting a bid for external funding.

## 116/18 Property Disposals Programme - Update

The Council Cabinet considered a report which stated that a key principle of the Council's Corporate Asset Management Plan (AMP) was to only retain and invest in properties that were suitable, sufficient, safe and efficient to support the delivery of public services, now and in the future. This meant that properties no longer required for existing use were considered surplus unless suitable to meet other priorities, such as city development, housing needs, community led services or help to improve the Council's medium term financial plan.

The Corporate AMP 2018-23 approved by Council Cabinet in September 2018 identified the urgency to reduce the number of vacant properties to drive the overall financial efficiency of the portfolio. This together with a refresh of the Property Rationalisation Programme by undertaking a series of Service and Property Reviews was aimed at identifying further properties that were likely to be surplus and potentially add to the disposals programme.

Work undertaken through the Property Rationalisation and Service Review programmes had identified a number of assets as being surplus to existing use. Following corporate consideration of alternative uses some of these assets were recommended to be repurposed and others to be formally declared surplus and added to the Property Disposals Programme. If approval is obtained, these property assets would subsequently be worked up for disposal.

As part of the disposals process, surplus assets were considered, subject to specific criteria, for transfer to the Council's Housing Revenue Account (HRA). A number of property assets on the surplus property list had previously been transferred from the Council's General Fund (GF) account to Housing Revenue Account (HRA) allowing these sites to be re-developed for social housing, in order to meet our housing objectives.

The report also provided an update on the Property Disposals Programme.

The Executive Scrutiny Board recommended to Council Cabinet that no piece of council land or property should be sold or leased without prior consultation with ward councillors.

The Executive Scrutiny Board also noted that the University of Derby were seeking land within the city for use as a Park and Ride facility for students and recommended that Council Cabinet actively engage with the University to identify an appropriate site for this purpose and requested that a further report was provided to the Executive Scrutiny Board on the disposal of land with a value of less than £10,000 and the wider implications of the revised policy.

### **Options considered**

No other options considered.

### **Decision**

1. To declare the properties set out in Appendix 3 of the report as surplus to general needs and to include them on the Property Disposals Programme.
2. To approve the transfer to the Housing Revenue Account, at market valuation those properties set out in paragraph 4.15 of the report for housing development purpose only.
3. To delegate authority to the Strategic Director of Corporate Resources following consultation with the Cabinet Member for Governance and Licencing and the Cabinet Member for Adults Health and Housing to the transfer of assets, at market valuation between the Council's General Fund Account and the Housing Revenue Account.
4. To accept the recommendations from the Executive Scrutiny Board that no piece of council land or property should be offered for sale or lease without informing ward councillors.
5. To accept the recommendation from Executive Scrutiny Board requesting that Council Cabinet actively engage with the University to identify an appropriate site for this purpose.
6. To reject the recommendation from Executive Scrutiny Board requesting a further report be provided to the Executive Scrutiny Board on the disposal of land with a value of less than £10,000 and the wider implications of the revised policy because the policy was not being revised..

### **Reasons**

1. To ensure that property assets had the relevant authority to be released as efficiently as possible in line with the principles of the Council's Corporate Asset Management Plan.

2. To ensure that the Council's Capital Receipt target would be achieved and that associated costs and liabilities from holding properties (including vacant properties) were extinguished as soon as possible.
3. To provide a balance between the need to dispose of properties as quickly as possible against the need to seek Council Cabinet's approval to individual property sales.
4. To allow the timings of sales to be varied to enable the Council to react promptly to changing market conditions and to deal effectively with complexities that might arise with some of the properties.
5. To minimise the delay in the transfer of property assets between the General Fund and Housing Revenue Account to ensure the delivery of key housing objectives.

## 117/18     The Relocation of the Library Service Provision at Pear Tree Library

The Council Cabinet considered a report which stated that at its meeting of 12 July 2017, council Cabinet approved as part of the new service delivery model, five libraries to be operated directly by the Council. Pear Tree Library was included within this offer.

To support the delivery of the Council's new service model, work commenced to undertake remedial works on the roof at Pear Tree Library in April 2018. To allow adequate time for these works to be undertaken the Library was closed for an estimated 2 month period.

Soon after the works to the library roof commenced, several structural defects were revealed. In order to remedy the issues, contractors estimated that these works would cost in the region of £1.5m and take at least 12 months to complete. Pending further investigations the Library had remained closed.

An option appraisal had been undertaken to identify which outcome would be most viable, to undertake the works on the Pear Tree Library building, or to re-locate the library on a permanent basis. The preferred option was the latter, which had identified the underutilised St Augustine's Community Centre as a suitable alternative property. Capital works to St Augustine's Community Centre would be required to facilitate the conversion.

This option also allowed the Council to relocate a youth services team from the nearby Madeley Centre, a building which was currently significantly underutilised and in a poor condition, into St Augustine's Community Centre.

The new location would provide a better library at an estimated half the cost of repairing the current facility. It would also take significantly less time to implement and would benefit from increased footfall by bringing community services to one location.

St Augustine's Community Centre was half a mile from Pear Tree Library and benefits from a significantly larger floor area and plenty of transport links. The new facility would combine the existing activities and services within the community centre and Madeley Centre with the new library, creating a 'community hub'.

The total cost of works to St Augustine's Community Centre, to develop a suitable library space on the ground floor and community hub on the upper floor, was estimated to be £700K, which was less than half the cost repairing the existing building. This urgent and priority project would be funded through a review of the Property Improvement Capital Programme.

It was proposed that the conversion works commence in March 2019 and would take approximately 2 months to complete allowing the new facility to be opened in May 2019, significantly less time than it would take to complete the building work on the existing building (12 months).

The cost of operating the one, bigger facility, rather than two smaller facilities, would result in a broadly neutral revenue effect on the Council.

The subsequently vacated Pear Tree Library building and Madeley Centre were to be declared surplus and marketed as a priority, ensuring that holding costs and associated liabilities were mitigated and extinguished as quickly as possible.

The Executive Scrutiny Board recommended that Council Cabinet defer the decision to relocate Pear Tree Library until such time as the following conditions were met:

- That a full consultation with ward councillors, the local community and service users had been carried out
- That an alternative community use for the Pear Tree Library building had been identified, in the same manner as the former Central Library building.

### **Options considered**

1. Cease providing a library service in this part of the City. This option was not pursued as it would be contrary to the Library Needs Assessment which formed a key part in the formulation of the Council's Library strategy.
2. The other alternative locations considered as part of the options appraisal exercise were shown in Appendix 3 of the report.

### **Decision**

1. To approve the relocation of the library service currently based at Pear Tree Library to St Augustine's Community Centre and to agree to the development of the St Augustine's Community Centre as a community hub.
2. To approve the relocation of services currently delivered at the Madeley Centre into St Augustine's Community Centre.

3. To include an item on the 2018/19 and 2019/20 Capital Programme relating to the conversion of St Augustine's Community Centre.
4. To delegate authority to the Strategic Director of Corporate Resources following consultation with the Strategic Director of Communities and Place to agree the final design of the works to St Augustine's Community Centre and to approve and enter into all relevant contracts associated with the conversion of St Augustine's Community Centre as a community hub.
5. To declare the buildings currently accommodating the Pear Tree Library and the Madeley Centre, surplus to requirements and approve their addition to the property disposals programme.
6. To reject the recommendations from the Executive Scrutiny Board to defer the decision to relocate Pear Tree Library until such time as the following conditions were met:
  - That a full consultation with ward councillors, the local community and service users had been carried out.
  - That an alternative community use for the Pear Tree Library building had been identified, in the same manner as the former Central Library building.

## **Reasons**

1. To ensure that a library service provision within the locality was restored as soon as possible as well as increasing the amount of services offered within the community.
2. It provided a permanent and accessible alternative to the current Pear Tree Library building.
3. To enable the proposed conversion works to St Augustine's Community Centre to proceed in a timely manner and to assist the Council to make the most of their property assets by increasing the use of a significantly underutilised building.
4. To ensure that property assets had the relevant authority to be released as efficiently as possible in line with the principles of the Council's Corporate Asset Management Plan and Property Rationalisation Programme. This would ensure that liabilities / costs associated with vacant properties in poor repair were extinguished as soon as possible.

## **118/18 D2N2 European Structural Investment Fund 2014 - 2020**

The Council Cabinet considered a report which stated that the EU Structural Investment Funding Strategy 2014-2020 (ESIF) Programme promoted sustainable economic growth and would be delivered through the D2N2 Local Economic Partnership (LEP). The ESIF Programme had been operating for over four years

with the first calls issued in March 2015, providing an open and competitive opportunity to secure 50% external funding towards an ESIF eligible project.

The next phase of calls had been open from December 2017 for European Regional Development Fund (ERDF) and European Social Fund (ESF) open calls and opt-in specifications were expected to be issued during August to December 2018.

The Council had been working with partners to develop collaborative proposals to respond to ESIF calls.

ESIF Funding bids were subject to meeting council priorities and securing match funding with evidence of no additional pressure on council core budgets.

The Executive Scrutiny Board recommended that Council Cabinet amend the delegations detailed under recommendations 2.2 and 2.3 of the report, to ensure that no bid submitted in consultation with the relevant Cabinet Member could be subsequently withdrawn or amended without further consultation with the Cabinet Member.

### **Options considered**

The Council could delay submitting Expressions of Interests (Outline Applications) and Full Bids until later in the programme, the last opportunity will be March 2019. This approach would result in a missed opportunity for the Council in accessing funding at this stage in the programme, further calls were not guaranteed as remaining funds were reliant on decommitments from live projects and changes in the exchange rate rather than reserves. The Council had been working for a considerable time to build partnerships, develop collaborative projects and maximise external funds to respond to ERDF and ESF calls and opt-in specifications and was in a position to submit bids to meet the call deadlines.

### **Decision**

1. To agree for officers to continue to work with partners to develop collaborative robust bids for the ESIF calls and submit Expressions of Interests (Outline Application Forms) and Full Bids, where match funding required meets the criteria of point 1.4 of the report, in order to meet deadlines.
2. To delegate authority to the Strategic Director of Communities and Place, following consultation with the Strategic Director of Resources, Cabinet Member for Regeneration and Public Protection and Cabinet Member for Finance and Procurement for the agreement of and submission of final ESIF Expressions of Interests (Outline Applications) and Full Bids, in consultation with the Leader and Lead Member subject to the availability of match funding as outlined in paragraph 4.10 of the report. No bid submitted following consultation with the relevant Cabinet Member to be subsequently withdrawn or amended without further consultation with the Cabinet Member.
3. To delegate authority to the Strategic Director of Communities and Place, following consultation with the Strategic Director of Resources, Cabinet

Member for Regeneration and Public Protection and Cabinet Member for Finance and Procurement to submit bids to the Midlands Engine, Strategic Priority Development Funding and where successful to negotiate and accept funding agreements as outlined in paragraph 4.10 of the report. No bid submitted following consultation with the relevant Cabinet Member to be subsequently withdrawn or amended without further consultation with the Cabinet Member.

4. To accept the recommendation that Council Cabinet amend the delegations detailed under recommendations 2.2 and 2.3 of the report, to ensure that no bid submitted following consultation with the relevant Cabinet Member could be subsequently withdrawn or amended without further consultation with the Cabinet Member.

## **Reasons**

1. D2N2 had an indicative allocation of over £200m through the European Structural and Investment Fund Programme (ESIF) 2014-2020. With over £33m still to commit. The programme promoted sustainable economic growth and provided an opportunity for the Council to access funding to help deliver its economic priorities.
2. The timescale to respond to ESIF calls was limited, with applicants having a maximum of six to eight weeks to submit Expressions of Interest (Outline Application) and Full Bids.
3. The Council had been working with partners across D2N2 to develop collaborative bids to respond to the ESIF calls and specifications and was in a good position to work in partnership to respond to this funding opportunity.

## **119/18 Market Rights Policy**

The Council Cabinet considered a report which stated that Derby's history of holding markets in the city could be traced back to 1154, however in order to bring the Council's right to hold and regulate markets into the modern regulatory framework, Council Cabinet adopted the provisions of Part III of the Food Act 1984 at its meeting on 13 September 2013. This Act provided the modern statutory code for the operation of markets and was supported by the Local Government (Miscellaneous Provisions) Act 1982 which enabled the regulation of temporary markets. Council Cabinet was asked to adopt the provisions of these Acts and endorse the Market Bye-Laws previously adopted by Derby City Council.

In order to effectively manage and regulate markets under this regulatory framework, a Market Rights Policy had been developed, which described how the Council would consider applications for commercial and charitable markets to run in Derby. In drawing up this policy, the Markets Team had consulted with colleagues from Highways, Streetpride, Derby Live and Licensing and an Equality Impact Assessment had been completed. Council Cabinet was asked to approve this policy and the fee structure associated with processing applications for temporary licences.

The Executive Scrutiny Board noted the report.

### **Options considered**

There were not considered to be any reasonable alternative options if the Council was to responsibly regulate existing and proposed markets and protect the vitality and viability of the Council's markets.

### **Decision**

1. To adopt the Derby Markets Rights Policy set out in Appendix 2 to the report.
2. To adopt the provisions of Section 37 of the Local Government (Miscellaneous Provisions) Act 1982.
3. To endorse the Markets By-Laws adopted by Derby City Council.
4. To delegate authority to the Strategic Director Communities and Place following consultation with the Cabinet Member for Governance and Licensing, to advertise in a local publication, in accordance with the provisions of section 37(1) of the Local Government (Miscellaneous Provisions) Act 1982, the resolution of the Council Cabinet set out in paragraph 2.2 of the report.
5. To approve the fee structure associated with processing applications for temporary licences as outlined in Section 11 of the Derby Market Rights Policy.

### **Reasons**

The Market Rights Policy is needed to protect the Council's market authority status through the application of a regulatory regime. This will enable officers to manage applications from market operators wishing to operate a market within the Council's administrative boundary.

## **120/18 Garden (including Food) Waste Recycling Scheme**

The Council Cabinet considered a report which stated that since April 2014, the Council had offered a paid-for garden waste recycling scheme (brown bin) at £40 per household for the first bin and £20 for additional bins. This service was available for 32 weeks per year from April to November with a fortnightly collection. Prior to this date, the Council offered a free garden and food waste collection service across the city, throughout the year.

At present 13,000 households were signed up for the paid-for garden waste collection service; garden waste from those households not part of the current scheme was disposed of at the household waste recycling centre, by home composting, or via the general household collection service (black bin). When the

scheme was introduced more than 50% of the garden and food waste transferred to the general household waste collection, which was the most expensive to dispose of.

As part of reviewing the Council's approach to this service, consideration had been given to re-introducing a free garden waste recycling service, and to consider the extension of this service from 32 to 52 weeks per year. Extension of the garden waste recycling scheme to 52 weeks per year would divert garden and food waste away from the general household waste stream. As the costs of disposing of general household waste were approximately four times that of disposing of garden waste, this would significantly reduce the disposal costs. An expanded service would also provide greater accessibility for households across the city.

An expanded scheme would provide further benefits in providing a facility for disposing of food waste thereby diverting food waste from the general household collection, contributing to a reduction in disposal costs. An additional advantage, seen by other authorities who had introduced food waste collection schemes, was a reduction in the amount of food wasted; as households become more aware of the food being wasted, they adjust their habits and behaviours.

It was estimated that the introduction of a free, 52 week per year garden (including food) recycling scheme would help the Council to meet the government's targets for reducing the volume of waste arising sent to landfill by recycling at least 50% of household waste by 2020. It would also contribute to the government's ambition to work towards no food waste entering landfill in the UK by 2030.

The Executive Scrutiny Board welcomed the proposal as the delivery of a manifesto commitment made by the Conservative, Liberal Democrat and UKIP groups at the 2018 local elections.

### **Options considered**

A number of other options had been considered but the recommended option was deemed more financially viable and environmentally sustainable whilst providing a free and enhanced service for Derby residents:

- 32 week free collections with bin provided to households by the Council
- 32 week paid-for scheme but reduce the costs to encourage more take up
- 52 week free collections with residents purchasing or providing their own bin

### **Decision**

1. To approve the introduction of a free, year round garden (including food) waste recycling scheme (brown bin) from April 2019, which was estimated to total approximately 80,000 suitable properties with gardens throughout the city with fortnightly collections for 52 weeks per year.
2. To approve the implementation of the free scheme on a staged approach:

- Those 13,000 households currently part of the paid for scheme would be automatically transferred onto the free scheme from April 2019.
  - Asking those households who may still have a brown bin to register by 1 March 2019 to participate in the free scheme from April 2019.
  - Asking remaining households, who required a new bin, to register by 1 March 2019 to participate in the free scheme with collection from 1 August 2019.
3. To approve the year's revenue pressure of £774,074 in 2019/20, reducing to £589,186 in subsequent years, as set out in paragraph 4.6 of the report.
  4. To approve the use of budget risk reserve up to a value of £24,600 in 2018/19 to cover the cost of the set-up process.
  5. To approve the inclusion of £740,000 in the 2019/20 capital programme to cover the cost of the purchase of the new bins and to approve the use of the Corporate Capital Contingency as funding.

## **Reasons**

1. The implementation of a scheme that provided a free and improved garden (including food) waste recycling service to Derby residents in the most cost effective and environmentally sustainable way.
2. A staged approach would allow the Council to communicate and engage with local residents to maximise the use of brown bins that were still within the community, especially those not being used as part of the current paid-for scheme, therefore minimising the cost of providing new bins.
3. Implementing the scheme from April 2019 would allow the Waste Management Team to plan, resource and implement the service more effectively. This would include the route planning and logistics, disposal arrangements through the composting facility in Ashbourne as well as the purchase of additional vehicles and equipment. It would also allow for the recruitment and training of the additional staff required.
4. Allocating additional funding to the Waste Management budget, identified as a service pressure, in advance of the publication and approval of the Medium Term Financial Plan (MTFP) would enable the scheme to be developed, planned, resourced and implemented from April 2019.
5. A concerted communications and engagement approach would be adopted to ensure all Derby residents understand the purpose of the scheme and the approach being taken to minimise costs to deliver the greatest benefits. It would also help encourage residents, not signed up to the current paid-for scheme, to register and utilise the brown bins that they may currently have in the gardens which would minimise the costs of purchasing and distributing new bins. The communications approach would also reinforce the benefits of recycling garden and food waste to encourage diversion rates from the normal

household collection service and the household waste recycling centre to a more cost effective disposal through the garden and food recycling scheme.

## 121/18 Opportunity Areas: Decision Making for Opportunity Area Grants, Procurement and Contracts

The Council Cabinet considered a report which stated that the Department for Education (DfE) announced the Opportunity Areas (OA) programme on 4 October 2016. Initially six areas were announced, namely: Derby, Scarborough, Blackpool, Norwich, West Somerset and Oldham. These had now been extended to twelve areas. The areas had been highlighted due to their relatively low levels of social mobility as described in the Social Mobility Index published in January 2016. Within this index, Derby was placed 22<sup>nd</sup> from the bottom out of 324 areas nationally. In total, Derby would receive up to £6 million of funding over three years. In addition to this, the Department for Education (DfE) was also supporting the work in Opportunity Areas by awarding an 'Essential Life Skills' grant over two years to enable children and young people aged 5 -18 years old to participate in regular extra-curricular activities; this grant totals approximately £2.4 million.

The Opportunity Area Board operated as an advisory board to the DfE, and Derby City Council was holding this DfE grant on behalf of the local area and was expected to award it to providers in line with recommendations from the local Opportunity Area Board and DfE, and in line with public sector procurement rules. This was agreed by Council Cabinet on 4 October 2017.

The Opportunity Area programme was now half-way through its programme and formally finishes in March 2020, although Derby Opportunity Area Board had an agreement to extend its programme to August 2020. Proposals were made to the Opportunity area Board via its subgroups, and if they secure the agreement of the Opportunity Area Board and the DfE, then, as the accountable body for the funding, the Council commenced the formal process of obtaining the necessary Council approvals to award grants or procure and award contracts. If the value of the proposed award exceeds £100,000, then this process includes obtaining Council Cabinet approval to commence procurement/award. Where Council Cabinet approval was required, the timeframe from a proposal being initially discussed to the end of the procurement cycle often took 21 weeks or more depending upon timing of Opportunity Area Board meetings and Council Cabinet meetings.

The report asked Council Cabinet to note the rigorous process under which funding proposals were formulated, scrutinised and agreed to prior to requesting Council Cabinet approval. It was seeking agreement for a timely decision making process within the constraints of the short lifespan of the Opportunity Area programme, by delegating decision making to the Strategic Director of People Services in respect of commencing procurement processes and the award of both grants and contracts. Notwithstanding this delegation, Officers would ensure full compliance with Contract and Financial Procedure Rules.

The Executive Scrutiny Board recommended to Council Cabinet that all members were kept informed of the destination and intended use of grants made under the

scheme, and that this information was communicated to councillors in a timely manner.

### **Options considered**

Adhere to the existing decision making route. However this could cause some delays in decision making within a time limited programme.

### **Decision**

1. Where the Opportunity Areas Board and the DfE had recommended that a contract award process should be commenced in respect of a specified contract, to delegate authority to commence such tendering process to the Strategic Director for People Services following consultation with the Cabinet Member for Children and Young People.
2. To delegate authority to award contracts for all Opportunity Area work to the Strategic Director for People Services following consultation with the Cabinet Member for Children and Young People.
3. Where the Opportunity Areas Board and the DfE had recommended that a grant award process should be commenced, to delegate authority to commence such award process to the Strategic Director for People Services following consultation with the Cabinet Member for Children and Young People.
4. To delegate authority for awarding any Opportunity Area grants to the Strategic Director for People Services following consultation with the Cabinet Member for Children and Young People.
5. To note that the Opportunity Areas programme would remain on Children and Young People's Scrutiny Board work programme to ensure continued scrutiny of the programme including the effectiveness of the contracts and grants awarded.
6. To accept the recommendation from the Executive Scrutiny Board that all members were kept informed of the destination and intended use of grants made under the scheme, and that this information was communicated to councillors in a timely manner.

### **Reasons**

1. To meet funding and delivery timescales for the remaining period of the Opportunity Area programme in Derby, noting the programme end date of August 2020.
2. To comply with the Council's Contract and Financial Procedure rules.

**122/18     Castleward Urban Village – Future Phases**

The Council Cabinet considered a report which stated that the regeneration of Castleward was a priority project in the Derby City Centre Masterplan 2030 and important in achieving the housing targets in the Derby City Local Plan (2011-2028). A Masterplan for Castleward secured outline planning permission in 2013, with delivery of new homes planned in 5 phases. Phase 1 was successfully completed (164 new homes) with Phase 2 expected to commence in Autumn 2018. The report outlined recommendations to ensure that future phases 3-5 proceed and deliver at least 800 new homes in line with the targets in the Local Plan.

A Compulsory Purchase Order (CPO) may be required to enable land assembly for future phases of development at Castleward. The report sought in principle approval to use the council's compulsory purchase powers if necessary, and outlined the work required to develop a CPO application. The report recommended that a land referencing exercise was undertaken to identify all land interests within the proposed CPO boundary (see Appendix 2 of the report). Work would also be undertaken to identify potential acquisition and compensations costs associated with a CPO. A further report would be brought back to Council Cabinet in Summer 2019 outlining the CPO statement of case and seeking final approval to apply for the CPO.

In advance of a CPO approval, the Council would endeavour to continue negotiations with landowners to acquire land by agreement (which in any case was required as part of the CPO case). The report sought delegated approval to progress these negotiations and acquire land, subject to a final award of Housing Infrastructure Fund (HIF) from Homes England.

There were a number of related issues that must be resolved in order to proceed with a CPO application. These included the signing of a funding agreement for the Housing Infrastructure Fund award for Castleward and determining a funding package and delivery mechanism for a new primary school. These were described in more detail at Appendix 3 of the report.

The Executive Scrutiny Board recommended to Council Cabinet that support was offered to local businesses affected by the proposed scheme to relocate.

### **Options considered**

1. The option of doing nothing would put at risk the delivery of the Castleward Urban Village, which was essential in achieving our Local Plan targets and City Centre Masterplan objectives. We would also risk losing significant funding from Homes England's Housing Infrastructure Fund.
2. The option of not pursuing a Compulsory Purchase Order and relying on land acquisition by agreement was highly unlikely to achieve the required land assembly, in time or at all, to accommodate the number of homes required in the Local Plan.

### **Decision**

1. To approve, in principle, the use of compulsory purchase powers in relation to the area identified in Appendix 2 of the report ("the Land") pursuant to section

226(1)(a) of the Town and Country Planning Act 1990, on the basis that the acquisition of the Land to develop phases 3-5 of Castleward would contribute to the achievement of the economic, social and environmental well-being of the area.

2. To delegate to the Strategic Director Communities and Place, authority to:
  - (a) carry out a land referencing exercise, including the procurement of any services required to complete this;
  - (b) issue notices requisitioning information from persons in relation to the Land pursuant to Section 16 of the Local Government (Miscellaneous Provisions) Act 1976; and
  - (c) to enter on to the Land for the purposes of carrying out surveys pursuant to Section 172 of the Housing and Planning Act 2016 and such other actions as may be necessary to progress a CPO.
3. To note that a further report would follow in Summer 2019 that would detail the land proposed to be subject of a CPO, the final CPO strategy and process, and a statement of reasons justifying the use of the CPO powers.
4. To delegate to the Strategic Director of Corporate Resources following consultation with the Cabinet Member for Regeneration and Public Protection, the Cabinet Member for Adults, Health and Housing and Cabinet Member for Governance and Licensing, authority to acquire land on such terms as was considered appropriate in Castleward, for achieving the objectives of the City Centre Masterplan 2030 and Local Plan, subject to the HIF funding award.
5. To delegate authority to the Strategic Director for Communities and Place and the Strategic Director for Corporate Resources, following consultation with the Cabinet Member for Regeneration and Public Protection, the Cabinet Member for Adults, Health and Housing and the Cabinet Member for Governance and Licensing to negotiate terms and enter into development agreements with third parties for delivery of housing development at Castleward.
6. To note the recommendation from the Executive Scrutiny Board that support be offered to local businesses affected by the proposed scheme to relocate because it was already included.

## **Reasons**

1. These were the steps needed to continue the development of Castleward.
2. The approach we were proposing in this report mitigated risk to the Council.

## **Budget and Policy Framework**

123/18      2018/19 – Quarter 2 Forecast of Outturn for General Fund, Housing Revenue Account, Capital Budgets, Dedicated Schools Grant and Collection Fund

The Council Cabinet considered a report which summarised the Council's forecasted financial outturn position at the end of September 2018 against the total budget approved by Council on 24 January 2018 as follows:

- **Revenue budget:** The full year forecast to 31 March 2019 projected a pressure of £6.277m against approved budget of £217.782m outlined in the report.
- **Capital budget:** Capital expenditure to date was £29.440m. The year-end forecast to 31 March 2019 was estimated at £128.890m, reflecting the addition of outturn slippage from 2017/18 into 2018/19. The total original approved capital budget was £134.290m.
- **Reserves:** The General Reserve balance remained at £10.933m and our Earmarked Reserves had a forecast balance of £23.895m.
- **Treasury Management:** Total debt was £447.584m and total investments were £71.277m compared to £458.540m and £ £ 99.240m as at 1 April 2018, and no new borrowings had been made in the year.
- **Dedicated Schools Grant (DSG):** The total grant of £226.774m had been allocated to schools and retained educational services, the centrally retained element of £14.4m was expected to be fully spent by 31 March 2019.
- **Collection Fund:** Council Tax billed for the 2018/19 is £113.7m, of which £62.049m, 54.42% had been collected compared with 54.26% as at the same period last year. Business Rates billed for the 2018/19 is £93.37m of which £52.931m, 56.53% had been collected compared with 51.83% as at the same period last year.
- **Housing Revenue Account (HRA):** The full year forecast projected a balanced position against current forecasted budgeted deficit of £1.895m.
- **Performance on sundry debt collection and movement on arrears outstanding:** As at 9 October 2018 the value of Sundry Debts in arrears was £8.72million. The level of arrears had reduced significantly by £2.87m since August 2018.

Further analysis and explanations of key variances were provided in sections 4 to 12 of the report.

Included in the revenue forecast were planned savings or mitigating savings of £8.860m, 97% of the £9.104m savings target set by Council for 2018/19.

A summary of the net revenue forecast by directorate was set out in the report, further detail on the restated budget was set out in section 4.3 of the report:

The Executive Scrutiny Board noted the report.

## **Decision**

1. To note the:
  - i. revenue projected outturn and key budget variances set out in the report in section 4 and the savings to be delivered in the year in section 5 of the report.
  - ii. capital programme forecast and actual capital expenditure incurred during the quarter summarised in section 6 of the report.
  - iii. Council's reserves position, as set out in section 7 and appendix 2 of the report.
  - iv. Council's treasury position, and performance in the quarter, set out in section 8 of the report.
  - v. forecast Dedicated Schools Grant position summarised in section 9 of the report.
  - vi. Council Tax and Business Rates Collection Performance as set out in section 10 of the report.
  - vii. Housing Revenue Account Performance and projected outturn as set out in section 11 of the report.
  - viii. changes already approved under scheme of delegation to the capital programme detailed in Appendix 3 of the report.
  - ix. current forecast for the 2018/19 pay award adjustment in section 4.8 of the report.
2. To approve the following:
  - i. Changes to the 2018/19 - 2020/21 capital programme outlined in section 6 and detailed in appendices 3 and 4 of the report.
  - ii. To approve the allocation of further S106 funding outlined in paragraph 6.17 and Appendix 5 of the report.

## 124/18 Treasury Management Mid - Year Report 2018/19

The Council Cabinet considered a report which stated that the Council was required under the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the "CIPFA TM Code") to approve treasury management mid-year and outturn reports.

This mid-year report outlined the Treasury Management activity for the period 1 April 2018 to 30 September 2018, comprising:

- Summary of the Financial Markets to date in 2018/19
- Forecast Outturn 2018/19
- Borrowing Activity
- Deposits
- Prudential Indicators.

The Treasury Management forecast outturn for 2018/19 was a net underspend of £0.450m as at 30 September 2018. This underspend was mainly due to investment income forecast being revised and a reduction in the Minimum Revenue Provision (MRP) charges.

At the end of September 2018, total debt was £447.584m and total investments were £71.277m compared to £458.540m and £ £99.240m as at 1 April 2018, and no new borrowings had been made in the year to date.

All Treasury Management activities of the Council up to 30 September 2018 had complied with Prudential Indicators.

Treasury Management advice to the Council up to 30 September 2018 had been provided by Arlingclose. Their services included economic and interest rate forecasting, advice on strategy, portfolio structure, debt restructuring, investment policy and credit ratings and technical assistance on other treasury matters as and when required.

The Executive Scrutiny Board noted the report.

### **Decision**

1. To note the forecast outturn position of £0.450m underspend.
2. To note the position statement on Treasury Management Activity and compliance with the Prudential Indicators for the period 1 April 2018 to 30 September 2018.

## **Performance**

### **125/18 Performance Monitoring 2018/19 – Quarter Two Results and Mid Year Target Review**

The Council Cabinet considered a report which included highlights from key performance measures in the Council Plan 2016-19 and departmental business plans. These priority measures formed the Council Scorecard for 2018/19. At the end of Q2 (30 September 2018), 55% of performance measures in the Council Scorecard were forecast to meet or exceed their year-end target. Results were RAG rated, according to their performance against improvement targets. The Council Performance Dashboard was shown in Appendix 2 of the report.

Key achievements noted at quarter two included:

- The proportion of Year 6 children achieving expected level in reading, writing and maths had risen significantly this year, improving faster than the national average.
- Over 200 young businesses had been supported by various projects, including Connect Derby, achieving the expected delivery for the year after just six months.

- Although not yet at target for the year, there was a considerable improvement in the time taken to complete Education, Health and Care Plans (EHCPs) in quarter two.

The number of older adults entering long-term care had remained at a low level, suggesting we were successfully supporting people in the community.

Accountable officers had provided commentary to put performance into context and identify actions that they were taking to improve performance (see Appendix 3 of the report).

The report also presented proposed changes to the Council Scorecard at Appendix 4, as a result of the mid-year review that was agreed in July 2018.

Appendix 5 showed progress against the actions in the Council Delivery Plan 2018-19, as approved by Council Cabinet in August 2018.

The Executive Scrutiny Board noted the report.

## **Decision**

1. To note the 2018/19 quarter two performance results, recognising the achievements set out in paragraph 4.11 of the report.
2. To note the indicators highlighted in the Improvement Report at Appendix 3 of the report.
3. To approve changes to the targets of some measures in the Council Scorecard as set out in paragraphs 4.13 – 4.15 and in Appendix 4 of the report.
4. To note progress against the Council Delivery Plan as set out in paragraphs 4.16 – 4.20 and in Appendix 5 of the report.

## **Contract and Financial Procedure Matters**

### **126/18 Compliance with Contract and Financial Procedure Rules**

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

- i. To approve the procurement of a supplier to conduct a full review of all households within the city receiving a single person Council Tax discount and to fund the cost from the use of reserves.
- ii. To approve the write off of a bad debt – 4Children.
- iii. To approve a grant award to Derby and Sandiacre Canal Society.
- iv. To approve the procurement of a Higher Education Initiative.

- v. To approve the participation in the 'Step up to Social Work Programme' and to enter into a Partnership Agreement with a number of other Local Authorities in order to deliver this Programme with Derby as the lead authority.
- vi. To approve the enhanced fostering allowance.
- vii. To approve the progression to a tender and procurement stage – Opportunity Areas and to approve delegation of authority to the Strategic Director of People Services to negotiate and award a contract for speech, language and communication between Derby City Council and the successful organisation(s).
- viii. To approve delegation of authority to the Strategic Director of People Service to negotiate and agree the final terms of the post 16 English and mathematics grant agreement between Derby City Council and Derby College and to approve the Opportunity Area grant award.

The Executive Scrutiny Board noted the report.

## **Decision**

1. To approve the procurement of a supplier to conduct a full review of all households within the city receiving a single person Council Tax discount as detailed in section 4.1 of the report and to fund the cost of £152,000 from the budget risk reserve.
2. To approve the write off of a bad debt from 4Children for £16,886 as detailed in section 4.7 of the report.
3. To approve a grant award to Derby and Sandiacre Canal Society of £55,000 funded from the Local Growth Funded project entitled 'Connected Cycle City and Place making', as outlined in paragraph 4.10 of the report.
4. To approve the commencement of a procurement process to obtain a Higher Education Initiative on behalf of the East Midlands Partnership for Cohort 6 with the option to extend to Cohort 7 and to delegate contract award and subsequent decision making to the Strategic Director of People Services following consultation with the Cabinet Member for Children and Young People to a maximum value of £933,360, as outlined in paragraph 4.23 of the report.
5. To approve Derby's participation in the 'Step up to Social Work Programme' and to enter into a Partnership Agreement with a number of other local authorities in order to deliver this Programme, as outlined in paragraph 4.23 of the report.
6. To approve Derby as the Lead Authority within the Partnership, which includes the administration and distribution of Department for Education funding and to be responsible for procurement of a Higher Education Initiative, for and on behalf of the Partnership and to enter into a Contract for Services with the Higher Education Initiative, as outlined in paragraph 4.23 of the report.

7. To approve the establishment of an enhanced fostering allowance of £475 per week payable to Derby City foster carers, as outlined in paragraph 4.36 of the report.
8. To approve in principle the award an Opportunity Area grant of up to £200,000 to Derby College to lead and co-ordinate the city wide post 16 English and mathematics strategy subject to the grant being based on actual expenditure and costs, as outlined in paragraph 4.38 of the report.
9. To approve the progression to a tender and procurement stage for organisations to lead the speech, language and communication strategy across the city for up to £750,000, as outlined in paragraph 4.38 of the report.
10. To approve delegation of authority to the Strategic Director of People Services to negotiate and award a contract for speech, language and communication between Derby City Council and the successful organisation(s) , as outlined in paragraph 4.38 of the report.
11. To approve delegation of authority to the Strategic Director of People Services to negotiate and agree the final terms of the post 16 English and mathematics grant agreement between Derby City Council and Derby College.

## Other

### 127/18 Inspection of Derby Youth Offending Service

The Council Cabinet considered a report which stated that in June 2018 Derby City's Youth Offending Service was judged to be "good" by Her Majesty's Inspectorate of Probation for overall effectiveness. The Youth Offending Service was a multi-agency statutory partnership established in 2000 under the Crime and Disorder Act 1998 comprising Local Authority, Education, Health, Police and Probation. Its primary aim was to reduce and prevent offending behaviour by children and young people.

This was the first inspection nationally to occur under the new framework that was implemented in May 2018.

Derby City's final report was published on the HM Inspectorate of Probation website on Thursday 23 August 2018 and was set out in Appendix 2 of the report. An improvement plan was required to be submitted on 4 September 2018 which addressed the three recommendations in the report and this was set out in Appendix 3 of the report.

The framework judged the Youth Offending Service in three domains that subsequently provided twelve sub-judgements;

#### Organisational Delivery

- Governance and leadership, Staff, Partnership and Services and Information and facilities.

#### Post Court Cases

- Assessment, Planning, Implementation and delivery and Reviewing.

#### Out of Court Disposals

- Assessment, Planning, Implementation and delivery and Joint Working.

The Executive Scrutiny Board noted the report.

#### **Decision**

To endorse the improvement plan, which addressed the recommendations, set out in Appendix 3 of the report.

### **128/18 Exclusion of Press and Public**

Resolved that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the meeting during discussion of the following items of business on the grounds that they involved 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**

### **129/18 Castleward Urban Village – Future Phases**

The Council Cabinet considered exempt information in relation to Castleward Urban Village – Future Phases.

### **130/18 Garden (including Food) Waste Recycling Scheme**

The Council Cabinet considered exempt information in relation to Garden (including Food) Waste Recycling Scheme.

**MINUTES END**