

Time commenced - 6.00 pm
Time finished - 10.00 pm

COUNCIL MEETING 3 MARCH 2008

Present: The Mayor (Councillor Latham) (In the Chair)
Councillors Ahern, Afzal, Allen, Banwait, Baxter, Bayliss, Bolton, Care, Carr, Chera, Dhamrait, Dhindsa, Gerrard, Ginns, Graves, Hickson, Higginbottom, Hird, Hussain, Ingall, Jackson, Jennings, Jones, R Khan, S Khan, Jennings, Leeming, Lowe, Marshall, Mitchell, Nath, Poulter, Rawson, Redfern, Repton, Richards, Roberts, Skelton, Smalley, Tittley, Troup, Turner, Webb, Williamson, Wood.

Apologies for Absence

Apologies for absence were received from Councillors Berry, Grimadell, Williams, Willoughby and Winter.

Declarations of Interest

The following Members declared interests:

All Members declared personal interests in the matters referred to in Minute No. 79/07 Members Allowances – Recommendations of the Independent Remuneration Panel for 2008/09.

Personal interests were also recorded for all Members who were governors of schools in the city in view of the reference to capital expenditure on schools in Council Cabinet Minute No. 184/07.

Personal interests were declared by Councillors Afzal, Bayliss, Redfern and Troup in Council Cabinet Minute Nos. 188/07 and 189/07 as they were Board Members of Derby Homes Limited.

Announcements from the Mayor

The Council stood in silence as a tribute to the memory of former Councillor and Mayor John McGiven and former Mayor's consort Keith Wood. Personal tributes were paid to John McGiven by Councillors Williamson, Hickson and

Skelton. The Mayor said that she had sent her condolences to former Mayor Margaret Wood.

The Mayor said that the Sikh community in Derby would be celebrating the festival of Vaisakhi on 20 April and wished to invite members of all faiths to join them in this celebration.

The Mayor said that she had attended the Guru Ravidass centre and had gratefully received a donation of £300 to the Mayor's charities.

The Mayor said that this would be the last meeting of the Council attended by Councillor Smalley, who was not standing for re-election at the forthcoming Council elections, and she thanked him for his service to the city and the Council.

73/07 Minutes of the Previous Meeting

Resolved that the minutes of the meeting of the Council held on the 23 January 2008 be approved as a correct record, confirmed and signed by the Mayor.

74/07 Statements by Members of the Council Cabinet

A Statement was made by Councillor Bolton, Council Cabinet Member for Children and Young People, concerning teenage pregnancy and Key Stage 3 results.

75/07 Public Questions

Questions from members of the public were asked as follows:

1. By Tony Dunn, concerning an answer to a previous question about parking charges, answered by Councillor Banwait, Council Cabinet Member for Planning and Transportation.
2. By Tony Dunn, concerning public consultation arrangements, answered by Councillor Williamson, Leader of the Council and Council Cabinet Member for Corporate Policy.
3. By Penny De Abreu, concerning the Hippodrome in Green Lane, answered by Councillor Banwait, Council Cabinet Member for Planning and Transportation.
4. By Penny De Abreu, concerning the final completion of works on St Mary's footbridge, answered by Councillor Banwait, Council Cabinet Member for Planning and Transportation.

76/07 Written Questions about the Business or
 Functions of the Derbyshire Police Authority,
 Derbyshire Fire Authority or Derby Homes Limited.

There were no written questions about the business or functions of the Derbyshire Police Authority, Derbyshire Fire Authority or Derby Homes Limited.

77/07 Written questions from Non-Council Cabinet Members
 to Members of the Council Cabinet.

Written questions from Non-Council Cabinet Members to Members of the Council Cabinet were asked as follows:

1. By Councillor Dhamrait, concerning a feasibility study into a city centre hopper bus serving Westfield, answered by Councillor Banwait, Council Cabinet Member for Planning and Transportation.
2. By Councillor Bayliss, concerning the Alvaston District Centre development, answered by Councillor Banwait, Council Cabinet Member for Planning and Transportation.
3. By Councillor Chera, concerning the resurfacing of Sinfin Lane, answered by Councillor Banwait, Council Cabinet Member for Planning and Transportation.
4. By Councillor Dhamrait, concerning footpaths and drop down kerbs at The Chase and Scots estate, answered by Councillor Banwait, Council Cabinet Member for Planning and Transportation.

78/07 Minutes and Recommendations of the Council Cabinet

The Council considered the minutes and recommendations of the Council Cabinet, requiring the approval of the Council, set out in Appendix A to these minutes.

The Mayor said that the budget related minutes of the Council Cabinet would be taken as one item for the purpose of debate, and that she proposed to allow Councillors Jones, Smalley and Williamson to speak for more than five minutes in the Budget debate.

It was moved by Councillor Williamson, and seconded, to approve the minutes and recommendations of the Council Cabinet dated 19 February 2008 and ...

1. To approve a budget requirement for Derby City Council for 2008/2009 of £176,694,000
2. To approve for 2008/2009 the departmental revenue budget estimates and use of corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6, and 11 of the report.
3. To agree the latest 2007/2008 revenue budget monitoring position as set out in Appendix 12 of the report.
4. To approve the measures proposed to manage budget risks in 2008/09 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.
5. To approve within this total of £176,694,000:

Net service estimates of:	£
Children and Young People	35,452,000
Environmental Services	21,997,000
Regeneration and Community Resources	19,579,000
Corporate and Adult Services	8,350,000
Corporate Budgets	64,346,000
	27,478,000
	<hr/>
	177,202,000
Appropriations to/from reserves:	
Corporate reserves	(343,000)
Service reserves	(215,000)
Revenue Financing Capital	50,000
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	176,694,000

6. To note that, at its meeting on 23 January 2008, the Council calculated the amount of 69,854.16 equivalent band D properties as the Council's Tax Base for the year 2008/09 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended by The Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003, made under Section 33(5) of the Local Government Finance Act 1992.
7. To calculate the following amounts for the year 2008/09 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act).
 - a. £509,299,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) net of Section 32(3)(c) of the Act.
 - b. (£332,605,000) being the aggregate of the amounts which the Council estimates for the items set out in

Section 32(3)(a) and (b) of the Act.

c. £176,694,000 as its budget requirement for the year, being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 32(4) of the Act.

d. £102,290,413 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, reduced by the amount of the sums which the Council estimates will be transferred in the year to its Collection Fund from its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (Council Tax).

e. £1,065.13 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 7 above, calculated by the Council, in accordance with Section 33 of the Act.

f. for the following Valuation Bands:

	£		£
A	710.09	E	1,301.83
B	828.43	F	1,538.52
C	946.78	G	1,775.22
D	1,065.13	H	2,130.26

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, is applicable to all dwellings listed in each particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act.

8. To note that for the year 2008/09, Derbyshire Police Authority has 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	98.96	E	181.43
B	115.45	F	214.41
C	131.95	G	247.40
D	148.44	H	296.88

9. To note that for the year 2008/09, Derbyshire Fire Authority has 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	41.98	E	76.96
B	48.98	F	90.96
C	55.97	G	104.95
D	62.97	H	125.94

10. Having calculated the aggregates in each case of the amount in 7f, 8 and 9 above, 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 2008/09 for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	851.03	E	1560.22
B	992.86	F	1843.89
C	1134.70	G	2127.57
D	1276.54	H	2553.08

11. To note the revenue budget plans for 2009/10 and 2010/11 set out in Section 5 of the report.
12. To authorise the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.
13. To authorise the Director of Corporate and Adult Services to amend the Council's Constitution by including a provision under which Neighbourhood Boards are able to authorise neighbourhood expenditure.

Amendment 1 – Lost

It was moved by Councillor Jones, and seconded, that the first sentence of the motion be amended by the insertion of the words “subject to the substitution of ‘£2.63 or 5%’ for ‘£4.32 or 8.2%’ in Minute No. 188/07” between the words “19 February 2008” and “and”.

(The effect of the amendment, if approved, was that the resolution in Minute No. 188/07 of the Council Cabinet would read as follows:

“To recommend that Council on 3 March approve the revision of rent and service charges from 7 April 2008 on the basis set out in the report including

- an average weekly rental increase of £2.63 (*may be subject to slight change*) or 5% calculated over 52 weeks
- an average weekly increase of 4.4% on Service Charges
- an average weekly increase of 8.2% on Garage Rents.”)

The amendment was put to the meeting and lost.

Amendment 2 – Carried

It was moved by Councillor Poulter, and seconded, that the first sentence of the motion be amended by the insertion of the words “subject to the addition to the resolution in Minute No. 184/07 of the words ‘and subject to the deletion of the Time and Place provision of £100,000 in 2008/09 and £550,000 in both 2009/10 and 2010/11 with this provision being held in reserve within the Public Realm fund for use on a more considered, appropriate project to mark the completion of the Public Realm Programme’ between the words “19 February 2008” and “and”.

(The effect of the amendment, if approved, was that the resolution in Minute No. 184/07 of the Council Cabinet would read as follows:

“To recommend to Council the capital programme for 2008/09 and the indicative capital programme for 2009/10 and 2010/11 set out in the report, subject to the completion and approval of a full business case by the Corporate Asset Management Group or Public Realm board for major new schemes in the corporate programme identified in Appendix 2 and subject to the deletion of the Time and Place provision of £100,000 in 2008/09 and £550,000 in both 2009/10 and 2010/11 with this provision being held in reserve within the Public Realm fund for use on a more considered, appropriate project to mark the completion of the Public Realm programme.”)

The amendment was put to the meeting and carried on the casting vote of the Mayor.

Amendment 3 – Lost

It was moved by Councillor Troup, and seconded, that paragraph 2. of the motion be amended to read as follows:

“2. To approve for 2008/09 the departmental revenue budget estimates and use of corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6 and 11 of the report subject to:

- (a) £100,000 being made available to refurbish and £75,000 to run an Energy Advice Centre in the former Field Sports shop;
- (b) £35,000 being made available to employ a travel plan officer to provide advice and support to companies/organisations to reduce dependence on private cars;

to be funded by increasing the use of corporate reserves by £210,000 in 2008/09 and by reducing the Public Realm revenue budget by £110,000 from 2009/10.”

The amendment was put to the meeting and lost.

Amendment 4 – Lost

It was moved by Councillor Care, and seconded, that paragraph 2. of the motion be amended to read as follows:

“2. To approve for 2008/09 the departmental revenue budget estimates and use of corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6 and 11 of the report subject to employing an extra Senior Auditor to improve service against the Annual Audit Plan, to be funded by increasing the use of corporate reserves by £35,000 in 2008/09 and by reducing the Public Realm revenue budget by £35,000 from 2009/10.”

The amendment was put to the meeting and lost.

Amendment 5 – Lost

It was moved by Councillor Care, and seconded, that paragraph 2. of the motion be amended to read as follows:

“2. To approve for 2008/09 the departmental revenue budget estimates and use of corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6 and 11 of the report subject to £100,000 being made available for pilot projects to work with voluntary organisations and public sector partners to improve the

health and well-being of our communities to be funded by increasing the use of corporate reserves by £100,000 in 2008/09.”

The amendment was put to the meeting and lost.

Amendment 6 – Lost

It was moved by Councillor Skelton, and seconded, that paragraph 2. of the motion be amended to read as follows:

- “2. To approve for 2008/09 the departmental revenue budget estimates and use of corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6 and 11 of the report subject to increasing the Repair and Maintenance budget by £150,000 to enable Gayton Pool to be repaired and to be funded by increasing the use of corporate reserves by £150,000 in 2008/09.”

The amendment was put to the meeting and lost.

Amendment 7 – Lost

It was moved by Councillor Carr, and seconded, that paragraph 2. of the motion be amended to read as follows:

- “2. To approve for 2008/09 the departmental revenue budget estimates and use of corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6 and 11 of the report subject to changing the allocation within the Neighbourhood Working Budget from £10,000 for each ward to £5,000 for each member to be funded by increasing the use of corporate reserves by £85,000 in 2008/09.”

The amendment was put to the meeting and lost.

Amendment 8 – Lost

It was moved by Councillor Hird, and seconded, that Council Cabinet Minute No. 184/07 and paragraph 2. of the motion be amended to read as follows:

Council Cabinet Minute No. 184/07

“To recommend to Council the capital programme for 2008/09 and the indicative programme for 2009/10 and 2010/11 set out in the report subject to the completion and approval of a full business case by the Corporate Asset Management Group or Public Realm Board for major new schemes in the corporate programme identified in Appendix 2 and subject to diverting £2m from the Public Realm capital fund in both 2009/10 and 2010/11 to improve local, district and neighbourhood shopping areas especially in parts of Derby most affected by proposed urban extensions, to increase the attractiveness of local shopping.

Paragraph 2 of the Motion

2. To approve for 2008/09 the departmental revenue budget estimates and corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6 and 11 of the report subject to providing £56,000 in 2008/09 to employ additional staff to work up schemes to improve local shopping areas with this to be funded by increasing the use of corporate reserves in 2008/09 by £56,000."

The amendment was put to the meeting and lost.

Amendment 9 – Lost

It was moved by Councillor Care, and seconded, that the motion be amended by the addition of the words "subject to the amendment of paragraph 1. of the resolution in Minute No. 186/07 to read 'To recommend Council to adopt the plan on 3 March 2008, except to remove the word 'centre' from the reference to 'creating a 21st century city centre' (Corporate Priority CP2)" between the words "19 February 2008" and "and".

The amendment was put to the meeting and lost.

It was moved by Councillor Hickson, and seconded, that, in accordance with Rule CP10, the meeting be extended beyond four hours. The motion was put to the meeting and lost.

In accordance with Rule CP68 it was demanded by at least ten members that a recorded vote be taken on the substantive motion.

The following members voted for the motion:

Councillors Ahern, Afzal, Banwait, Baxter, Bayliss, Bolton, Chera, Dhindsa, Gerrard, Graves, Higginbottom, Hussain, Ingall, Jackson, S Khan, Rawson, Redfern, Repton, Roberts, Tittley, Turner, Williamson (22)

The following members voted against the motion:

Councillors Allen, Care, Carr, Ginns, Hird, Jones, R Khan, Lowe, Richards, Skelton, Troup (11)

The following members abstained:

The Mayor (Councillor Latham), Councillors Dhamrait, Hickson, Jennings, Leeming, Marshall, Nath, Poulter, Smalley, Webb, Wood (11)

Councillor Mitchell was not present in the Council Chamber when the recorded vote was taken.

The motion was declared carried.

Resolved to approve the minutes and recommendations of the Council Cabinet dated 19 February 2008, subject to the addition to the resolution in Minute No. 184/07 of the words “and subject to the deletion of the Time and Place provision of £100,000 in 2008/09 and £550,000 in both 2009/10 and 2010/11 with this provision being held in reserve within the Public Realm fund for use on a more considered, appropriate project to mark the completion of the Public Realm programme” and ...

1. To approve a budget requirement for Derby City Council for 2008/2009 of £176,694,000
2. To approve for 2008/2009 the departmental revenue budget estimates and use of corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6, and 11 of the report.
3. To agree the latest 2007/2008 revenue budget monitoring position as set out in Appendix 12 of the report.
4. To approve the measures proposed to manage budget risks in 2008/09 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.
5. To approve within this total of £176,694,000:

Net service estimates of:	£
Children and Young People	35,452,000
Environmental Services	21,997,000
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Corporate and Adult Services	8,350,000
Corporate Budgets	64,346,000
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Appropriations to/from reserves:	
Corporate reserves	(343,000)
Service reserves	(215,000)
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6. To note that, at its meeting on 23 January 2008, the Council calculated the amount of 69,854.16 equivalent band D properties as the Council's Tax Base for the year 2008/09 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended by The Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003, made under Section 33(5) of the Local Government Finance Act 1992.

7. To calculate the following amounts for the year 2008/09 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act).

- a. £509,299,000** being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) net of Section 32(3)(c) of the Act.
- b. (£332,605,000)** being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) and (b) of the Act.
- c. £176,694,000** as its budget requirement for the year, being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 32(4) of the Act.
- d. £102,290,413** being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, reduced by the amount of the sums which the Council estimates will be transferred in the year to its Collection Fund from its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (Council Tax).
- e. £1,065.13** 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 7 above, calculated by the Council, in accordance with Section 33 of the Act.

f. for the following Valuation Bands:

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C	946.78	G	1,775.22
D	1,065.13	H	2,130.26

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, is applicable to all dwellings listed in each particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act.

8. To note that for the year 2008/09, Derbyshire Police Authority has 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:

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9. To note that for the year 2008/09, Derbyshire Fire Authority has 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	41.98	E	76.96
B	48.98	F	90.96
C	55.97	G	104.95
D	62.97	H	125.94

10. Having calculated the aggregates in each case of the amount in 7f, 8 and 9 above, 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 2008/09 for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

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A	851.03	E	1560.22
B	992.86	F	1843.89
C	1134.70	G	2127.57
D	1276.54	H	2553.08

- 11. To note the revenue budget plans for 2009/10 and 2010/11 set out in Section 5 of the report.**
- 12. To authorise the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.**
- 13. To authorise the Director of Corporate and Adult Services to amend the Council's Constitution by including a provision under which Neighbourhood Boards are able to authorise neighbourhood expenditure.**

79/07 Members Allowances – Recommendations of the Independent Remuneration Panel for 2008/09

The Council considered a report of the Director of Corporate and Adult Services concerning the recommendations of the Independent Remuneration Panel on Members Allowances for 2008/09.

Resolved, on the motion of Councillor Williamson:

- 1. To accept the report and recommendations of the Independent Remuneration Panel at Appendix 2.**
- 2. To increase the Basic and Special Responsibility Allowances from 1 April 2008 in line with the average salary increase for local authority employees.**
- 3. To amend the Members' Allowances Scheme accordingly.**
- 4. To note that the Panel plan to undertake a fundamental review of all allowances, commencing in June 2008.**

80/07 Urgent Non-Executive Decisions made by the Chief Executive

The Council considered a report of the Director of Corporate and Adult Services concerning Urgent Non-Executive Decisions made by the Chief Executive since the previous meeting.

Resolved, on the motion of Councillor Williamson, to note the report.

In accordance with Rule CP10, the meeting finished at 10pm and the Mayor directed that the remaining business be considered at a special meeting of the Council to be held on Monday 10 March 2008 at 6pm. (Subsequently the Mayor rescinded this direction.)

Mayor

MINUTES OF COUNCIL CABINET REQUIRING THE APPROVAL OF COUNCIL

COUNCIL CABINET 19 FEBRUARY 2008

Present: Councillor Williamson (Chair)
Councillors Banwait, Bolton, Graves, Hickson,
Hussain, Nath, and Roberts
In attendance Councillors Jones and Carr

This record of decisions was published on 21 February 2008. 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.

Key Decisions

181/07 Derby Homes New Build

The Council Cabinet considered a report on Derby Homes New Build. The report stated that the provision of affordable housing had risen up the political agenda, with the publication of the Government's housing green paper, 'Homes for the Future: More Affordable, More Sustainable', which included increased targets for the provision of affordable housing.

The report indicated that in order to meet the increased output goals the Housing Corporation had decided to work with a larger and more diverse range of delivery partners, including for the first time local authorities – through 3*Arms Length Management Organisations and local authority Special Purpose Vehicles.

Following a qualification process last year, Derby Homes had been approved as Housing Corporation Investment Partners and also Accredited Management agents. ALMO new build properties would be outside the HRA subsidy system and the properties would not be subject to the Right to Buy, RTB. They would instead be subject to Right to Acquire, RTA in line with Housing Association properties, limiting the discount available to tenants from a maximum £24,000 under RTB to £9,000 under RTA.

The development of new build properties would provide the first significant assets on Derby Homes' balance sheet which could potentially be used to support borrowing in the future. In November 2007, following consultation with Members and Officers at the Council, Derby Homes in partnership with Strata Homes– selected by Derby Homes as it's preferred development partner

following an EU procurement process - submitted a bid to the Housing Corporation to secure grant funding that would support the development of 10 affordable homes and a further 29 market sale properties. This proposal would be developed across four Council owned sites.

In the longer term, in order to preserve the taxation and VAT status of Derby Homes, and also to ring fence development risk, it was recommended that a wholly owned subsidiary company of Derby Homes, limited by share and able to distribute profits, be set up. This was the most commonly used form of subsidiary and would enable a wide range of regeneration activity and possible future trading activity.

The report stated that the governance structure of the subsidiary, including Board membership, would need to be agreed by the Council. The establishment of a subsidiary would however be subject to a future report to Cabinet which would enable the consideration of these issues in greater detail. In the meantime, Derby Homes was intending to undertake this arrangement directly as Derby Homes rather than through a subsidiary company. In order for the development to work, Derby Homes was also requesting the Council to:

- Transfer the land to it on a 99 year lease at a peppercorn rental with no lease premium
- Obtain permission from CLG to dispose of the land at less than full consideration in this way
- Lend Derby Homes £20,000 for each unit of affordable housing in the form of prudential borrowing – a total of £200,000
- Sign a form of performance guarantee in support of the grant application.

The land disposal would be subject to conditions from the Council in line with those imposed on Registered Social Landlords, RSL's by the Council. CLG approval was thought very likely as there was significant support for this type of development. The prudential borrowing would be secured on the affordable homes and should be serviced from the difference between future rentals and management and maintenance costs, given an adequate grant from the Housing Corporation and essentially free land plus cross subsidy from sales proceeds.

Prior to a decision being made the Council Cabinet Councillors Bolton and Banwait stated that whilst they supported the recommendations set out in the report in principle this did not in anyway affect how any subsequent planning applications would be considered by them as members of the Council's Planning Control Committee.

Options Considered

1. The Council had successfully for a number of years worked with a range of development partners in Derby to provide affordable housing. The Government, through its' affordable housing agency the Housing Corporation, had recently given a role in the provision of new affordable housing to local authorities – either through 3*ALMOs or Special Purpose Vehicles. The proposals in this report were designed to provide a role for Derby Homes in achieving this Government objective.
2. The current proposal to deliver 10 new affordable homes could be regarded as a pilot. The developments would be reviewed both in terms of quality and overall value for money to determine whether in terms of both Strategic and Value for Money considerations the Council should support future ALMO developments. As part of these considerations comparisons would be made with the outcomes that could alternatively have been achieved had the Council worked in partnership with a Housing Association or Developer to deliver these sites.
3. Building by the Council, directly within the HRA was not currently feasible, but would be kept under review in case it becomes more viable in future – for instance through exemption from the subsidy system.

Decision

1. To note that Derby Homes had secured Housing Corporation Investment Partner - and Accredited Management Agent – status, enabling it to bid for Housing Corporation grant in the current bid round.
2. To authorise further negotiations to be undertaken with the Housing Corporation with a view to securing acceptable terms for the grant funding and the related formal Performance Guarantee required from the Council.
3. To delegate authority to the Corporate Director for Corporate and Adult Services and Deputy Chief Executive to sign the Housing Corporation Performance Guarantee following consultation with the Cabinet Member for Neighbourhood, Social Cohesion and Housing Strategy and the Corporate Director of Resources, if the terms were amended to become acceptable.
4. To authorise, subject to the Housing Corporation bid being successful, and CLG approval for the disposal, the conclusion of a formal development agreement between the Council, Derby Homes and Derby Homes' development partner Strata Homes, for the disposal of the four sites identified in paragraph 5.1 to Derby Homes at nil value, with the plots for the ALMO houses being on a long lease basis.

5. To recommend Council that additional prudential borrowing of £200,000 be undertaken for this purpose, and that it is lent subject to conditions requiring full repayment in the event of the housing no longer being available for social housing in the future.

Reasons

1. The performance guarantee would meet a Housing Corporation funding requirement, but prior to entering into this, the Council would need to conclude current negotiations with the Housing Corporation and be satisfied that the terms of the guarantee were reasonable.
2. The disposal of these sites at nil value was a fundamental assumption within the submitted bid. Housing Corporation funding was offered on the basis that land would not be valued at open market valuation in these circumstances.
3. The prudential borrowing was a fundamental assumption within the submitted bid.

Budget and Policy Framework

183/07 General Fund Revenue Budget and Council Tax 2008/2009

The Council Cabinet considered a report on the Revenue Budget which stated that 2008/09 to 2010/11 budget demonstrated, in the clearest possible terms, the positive direction in which the Council was taking the city. It represented the backbone to the Council's visions, showing that its plans were not merely aspirations, but properly budgeted for proposals. The report indicated that the Council was continuing to invest in the city in order that it could carry on providing excellent services. It also stated that the budget plainly reflected the determination to deliver corporate priorities and among the highlights were:

- The injection of £1.1m to provide ongoing support to neighbourhood working in light of the transitional loss of Neighbourhood Renewal Funding;
- The funding of £2m revenue to enable £19m capital expenditure in both 2009/10 and 2010/11 to ensure future delivery of Public Realm schemes in our Capital Programme. This would include the creation of Castleward Boulevard and would also enable our Accommodation Strategy, providing this city with first-class civic buildings;
- A £4.2m a year investment by 2010/11 for a new waste disposal plant in partnership with Derbyshire County Council and meeting targets on the amount of waste sent to landfill

- £500,000 additional budget for Children looked after placements, ensuring special needs children of this city get the specialist care that they deserve;
- £2.3m in 2008/9 rising to £3m in 2010/11 to drive forward a modern and inclusive agenda on home care, under increasing pressure due to an ageing population, together with the delivery of specialist care services

The report confirmed that the Council had identified £8m of savings in 2008/09 to help meet rising costs, maintain priority services and invest for the future. A council tax increase of 5% was proposed for Derby City Council services which represented an increase of only 65p per week for most tax payers. Council tax levels in Derby were currently the lowest in the East Midlands and were much lower than the average for England. The Council's final grant settlement for 2008/2009 was £102.290m which was higher than forecast following our successful lobbying of Government for the removal of the personal social services 'damping' within the formula grant.

An addendum to the report indicated that additional budget of £170k would added to the Neighbourhood working budget for 2008/09 funded from a one-off allocation from corporate reserves. This would fund a one year pilot exercise by providing £10k for each of the 17 wards to spend addressing ward priorities in 2008/09. The criteria for the use of the £10k would be restricted to the following

- Cleaner and safer agenda
- Highways e.g. footway maintenance
- Youth provision

The detailed arrangements for authorising this expenditure would need to be incorporated into the Constitution. For 2008/09 only, the £170k expenditure would be added to the Regeneration and Community Department budget and the use of Corporate Reserves income budget would be increased by £170k.

Decision

To recommend Council to:

1. To approve a budget requirement for Derby City Council for 2008/2009 of £176,694,000
2. To approve for 2008/2009 the departmental revenue budget estimates and use of corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6, and 11 of the report.
3. To agree the latest 2007/2008 revenue budget monitoring position as set out in Appendix 12 of the report.

4. To approve the measures proposed to manage budget risks in 2008/09 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.
5. To approve within this total of £176,694,000:

Net service estimates of:	£
Children and Young People	35,452,000
Environmental Services	21,997,000
Regeneration and Community Resources	19,579,000
Corporate and Adult Services	8,350,000
Corporate Budgets	64,346,000
	27,478,000
	<hr/>
	177,202,000

Appropriations to/from reserves:

Corporate reserves	(343,000)
Service reserves	(215,000)
Revenue Financing Capital	50,000
	<hr/>
	176,694,000

6. To note that, at its meeting on 23 January 2008, the Council calculated the amount of 69,854 equivalent band D properties as the Council's Tax Base for the year 2008/09 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended by The Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003, made under Section 33(5) of the Local Government Finance Act 1992.
7. To calculate the following amounts for the year 2008/09 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act).
 - a. £509,299,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) (a) to (e) net of Section 32(3)(c) of the Act.
 - b. (£332,605,000) being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) and (b) of the Act.
 - c. £176,694,000 as its budget requirement for the year, being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 32(4) of the Act.

- d. £102,290,413 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, reduced by the amount of the sums which the Council estimates will be transferred in the year to its Collection Fund from its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (Council Tax).
- e. £1,065.13 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 7 above, calculated by the Council, in accordance with Section 33 of the Act.

- f. for the following Valuation Bands:

	£		£
A	710.09	E	1,301.83
B	828.43	F	1,538.52
C	946.78	G	1,775.22
D	1,065.13	H	2,130.26

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, is applicable to all dwellings listed in each particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act.

8. To note that for the year 2008/09, Derbyshire Police Authority has 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	*

* indicates that the precept had not yet been determined.

9. To note that for the year 2008/09, Derbyshire Fire Authority has 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	*

* indicates that the precept had not yet been determined.

10. Having calculated the aggregates in each case of the amount in 5, 6 and 7 above, 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 2008/09 for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	*	E	*
B	*	F	*
C	*	G	*
D	*	H	*

* indicates that the total amounts for each category had not yet been determined and are subject to consideration and approval by Council at its meeting on 3 March, 2008.

11. To note the revenue budget plans for 2009/10 and 2010/11 set out in Section 5 of the report.
12. To authorise the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.

13. To authorise the Director of Corporate and Adult Services to amend the Council's Constitution by including a provision under which Neighbourhood Boards are able to authorise neighbourhood expenditure.

184/07 Capital Budget 2008/09 to 2010/11

The Council Cabinet considered a report on Capital Budget 2008/09 to 2010/11 setting out the capital programme for recommendation to Council. It stated that during the next three years it was proposed to invest £281m on improving the city and Council services through the programme, which included:

- A £50.8m corporate programme encompassing public realm improvement schemes such as the regeneration of Full Street and the creation of Castleward Boulevard, a contribution to a Lottery bid to refurbish the Silk Mill, and development of better alternatives to residential accommodation for older people;
- Schools repair and rebuilt through a £77.1m programme that would help create a modern learning environment where our children can thrive. This would include repairs, maintenance and improvements to the fabric of school buildings, devolved funding to schools, the completion of a new primary school in Normanton, the completion of a rebuilt to Sinfin Community School and the rebuilding and relocation of Ivy House special school on the Derby Moor Community Sports College site;
- £57.2m to be spent improving homes in Derby through the Housing programme. Many council-owned houses would get PVCu windows and doors, new kitchens and bathrooms, heating systems and other repair and refurbishment work, funded through the £33.7m Housing Revenue Account. Another £23.5m from the Housing General Fund would enable the continuation of schemes including the Rosehill pilot market renewal scheme, delivery of decent homes and assistance to vulnerable householders, disabled facilities grants, the housing Private Finance Initiative scheme and other repair and assistance in the private sector;
- The £17.8m Local Transport Plan (LTP) would 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;

- £25m for a new waste disposal treatment plant due to be built in 2010/11 in partnership with Derbyshire County Council as we continued to strive towards our aim to make Derby a greener city;
- The transformation and modernisation of Council buildings by earmarking £36.3m towards our accommodation strategy, to improve efficiency and enable us to deliver even better customer services. In particular, the historic and iconic Council House would be overhauled through a £11.3m improvement programme that would see it transformed into a modern working environment of which Derby can be proud.

The commencement of new major schemes in the corporate programme was subject to the completion of a full business case and its approval by the Corporate Asset Management Group or Public Realm Board as appropriate.

Decision

1. To recommend to Council the capital programme for 2008/09 and the indicative capital programme for 2009/10 and 2010/11 set out in the report, subject to the completion and approval of a full business case by the Corporate Asset Management Group or Public Realm board for major new schemes in the corporate programme identified in Appendix 2.
2. To delegate to the Public Realm Board the authority to agree other individual schemes or projects with a cost below £100,000, where these were fully funded from within existing approved allocations or from external sources such as section 106 funding, and did not commit the Council to ongoing additional net revenue costs in future years.
3. To agree that the schemes for Racecourse and Alvaston Park, and Chaddesden Library, should be on the reserve list should additional capital funding become available.

185/07 Treasury Management Strategy and Prudential Code Indicators 2008/09

The Council Cabinet considered a report on Treasury Management Strategy and Prudential Code Indicators 2008/09. The report set out the Council's treasury management, ie. borrowing and investment, strategy for 2008/09, and outlined any changes that were required in the light of the external financial markets situation, new regulations and the Council's treasury management activity over the last 12 months.

Appendix 2 to the report set out the required Prudential Indicators as required by the Prudential Code for Capital Finance. A summary of these indicators was shown at Appendix 4 and this demonstrated that the Council's capital

expenditure plans were prudent and affordable. Appendix 2 also proposed changes to the Council's policy on "minimum revenue provision" for debt repayment from 2008/09, as required under draft regulations from Communities and Local Government - CLG. Final regulations were expected in March 2008.

The report also set out in Appendix 3, the proposed Treasury Management and Annual Investment Strategy for 2008/09, taking into account the prudential indicators proposed for future years.

Appendix 3 identified that both borrowing and investment decisions taken during 2007/08 to date had had a positive impact on the Council's finances, with investments to date earning 5.987%, outperforming the weighted average Bank of England base rate of 5.59%. Partly as a result of this performance, the treasury management budget was forecast to record an under-spend of around £3.6m in 2007/08.

Decision

1. To recommend that Council approve the planned prudential indicators set out in Appendix 2 and summarised in Appendix 4 of the report.
2. To recommend that Council adopt the revised "minimum revenue provision" statement, in line with the draft regulations, as set out in Appendix 2.
3. To recommend that Council adopt the Treasury Management Strategy for 2008/09, including the revisions to the counterparty criteria, as set out in Appendix 3 to the report.

186/07 Corporate Plan 2008-11

The Council Cabinet considered a report on Corporate Plan 2008-11 which confirmed that at its meeting on 15 January 2008 Cabinet had considered a draft copy of the Plan and the supporting action plan. Subsequently Cabinet had referred the Plan to the Scrutiny Management Commission for review on 29 January 2008.

The report indicated that the Corporate Plan described how the Council would work towards delivering its vision of 'Derby – a city for all ages' and was based on the six corporate priorities confirmed by Cabinet in July 2007. The corporate priorities were supported by a number of key outcomes as detailed in Appendix 2 of the report. In line with the new Local Area Agreement priorities, two additional outcomes had been included for 2008-11:

- Building strong and sustainable community relations across Derby.
- Improving facilities in our neighbourhoods.

The latest drafts of the Plan and action plan could be found on the Council Meeting Information System, CMIS. It was intended that a final draft of the plan would be presented at Council on 3 March 2008 recommending approval alongside the three-year budget proposals.

Decision

1. To note the contents of the updated draft Corporate Plan 2008-2011 and Action Plan which contained information on how our priorities would be delivered.
2. To note the comments referred from Scrutiny Management Commission as detailed in paragraph 2.5 in the main report.
3. To recommend Council to adopt the Plan on 3 March 2008.
4. To recommend that Council to delegate authority to make amendments to reflect up-to-date information, final actions and intended outcomes to the Chief Executive and Corporate Director of Resources, and to finalise the Plan in consultation with the Leader of the Council.

188/07 Housing Rents and Service Charges 2008/09

The Council Cabinet considered a report on Housing Rents and Service Charges 2008/09 which stated that the Government originally set a policy to restructure social housing rents over the 10 year period 2002/03 to 2011/12, although this was now likely to extend by five years or longer. The process involved moving rents incrementally towards a target so that at the end of the restructuring period, council housing rents would have converged with those of other Registered Social Landlords – RSLs.

The report stated that 2008/09 was the seventh year of rent restructuring and included some revisions to Government policy on the process. The main change was that for the purposes of calculating the guideline rent for 2008/09 only, the date for rent convergence under rent restructuring had been put back until 2016/17. Three options were consulted upon for a rent increase in 2008/09 ranging from an average of 7.4% to an average of 12%. Consultation with Community Commission and Council tenants through Derby Association of Community Panels – DACP – had taken place and both groups expressed a preference for option 2, an increase of 8.2%.

The Government policy that Service Charges should increase by no more than the RPI plus 0.5% continued for 2008/09 and subsequently. New Government regulations came into effect on 1 October 2006 and mean that pitch fees at Shelton Lock Mobile Home Park could only be increased or decreased in line with the change in RPI.

Decision

1. To recommend that Council on 3 March approve the revision of rent and service charges from 7 April 2008 on the basis set out in the report including
 - an average weekly rental increase of £4.32 (*may be subject to slight change*) or 8.2% calculated over 52 weeks
 - an average weekly increase of 4.4% on Service Charges
 - an average weekly increase of 8.2% on Garage Rents
2. To approve the proposed increase of 3.9% in pitch fees at Shelton Lock Mobile Homes Park
 - small plot £11.68 - increase of £0.44 a week for 9 plots (previously £11.24 a week)
 - medium plot £14.60 - increase of £0.55 a week for 24 plots (previously £14.05 a week)
 - large plot £16.87 - increase of £0.63 a week for 5 plots (previously £16.24 a week)

189/07 Housing Revenue Account Business Plan and Budget 2008/09

The Council Cabinet considered a report on Housing Revenue Account (HRA) Business Plan and Budget 2008/09. The HRA had a long term planning framework, with a three-year budget supplemented by a thirty-year business plan, known as the HRA Business Plan, or HRABP. The overall position of the HRA remained robust in the short term as a result of additional funding agreed by the government for Round 1 ALMOs until 2011. Once this additional funding was lost, a severe loss of income was expected. The strategy had therefore been to utilise the additional ALMO funding to support a £15m programme called Estates Pride, supporting a mix of revenue and capital items.

The proposals contained in the report included the continuation of that policy and to consider whether to extend the period of the Estates Pride programme, focussing on maintaining some developments for a while longer where possible. The proposals also included additional funding for Derby Homes to allow a continuation of support for social activities in common rooms, as well as provision to cover any increase in pension costs as a result of an increased contribution required by the County Council as pension fund administrators.

In the longer term, the HRA faced some serious financial pressure as a result of anticipated gradual withdrawal of HRA subsidy from the current positive amount to a large contribution to the Treasury.

The government has announced a national review of the subsidy system and would be undertaking this review with a view to making proposals during 2009. As a result, the longer term future of the HRA was very unclear until this report was made, and longer term planning was clearly difficult. It was therefore proposed to continue to plan on existing arrangements at least until the outcome of that review is made clear.

Decision

1. To recommend that Council approve the budget set out as part of the HRA Business Plan at Appendix 2 and detailed in Appendix 3 to the report of the Corporate Director – Corporate and Adult Services.
2. To approve the management fee for Derby Homes set out in Appendix 6 to the report of the Corporate Director – Corporate and Adult Services.
3. To approve the programme of works relating to Estates Pride detailed in Appendices 7 and 8 to the report.

Time commenced - 6.00 pm
Time finished - 10.00 pm

COUNCIL MEETING 3 MARCH 2008

Present: The Mayor (Councillor Latham) (In the Chair)
Councillors Ahern, Afzal, Allen, Banwait, Baxter, Bayliss, Bolton, Care, Carr, Chera, Dhamrait, Dhindsa, Gerrard, Ginns, Graves, Hickson, Higginbottom, Hird, Hussain, Ingall, Jackson, Jennings, Jones, R Khan, S Khan, Jennings, Leeming, Lowe, Marshall, Mitchell, Nath, Poulter, Rawson, Redfern, Repton, Richards, Roberts, Skelton, Smalley, Tittley, Troup, Turner, Webb, Williamson, Wood.

Apologies for Absence

Apologies for absence were received from Councillors Berry, Grimadell, Williams, Willoughby and Winter.

Declarations of Interest

The following Members declared interests:

All Members declared personal interests in the matters referred to in Minute No. 79/07 Members Allowances – Recommendations of the Independent Remuneration Panel for 2008/09.

Personal interests were also recorded for all Members who were governors of schools in the city in view of the reference to capital expenditure on schools in Council Cabinet Minute No. 184/07.

Personal interests were declared by Councillors Afzal, Bayliss, Redfern and Troup in Council Cabinet Minute Nos. 188/07 and 189/07 as they were Board Members of Derby Homes Limited.

Announcements from the Mayor

The Council stood in silence as a tribute to the memory of former Councillor and Mayor John McGiven and former Mayor's consort Keith Wood. Personal tributes were paid to John McGiven by Councillors Williamson, Hickson and

Skelton. The Mayor said that she had sent her condolences to former Mayor Margaret Wood.

The Mayor said that the Sikh community in Derby would be celebrating the festival of Vaisakhi on 20 April and wished to invite members of all faiths to join them in this celebration.

The Mayor said that she had attended the Guru Ravidass centre and had gratefully received a donation of £300 to the Mayor's charities.

The Mayor said that this would be the last meeting of the Council attended by Councillor Smalley, who was not standing for re-election at the forthcoming Council elections, and she thanked him for his service to the city and the Council.

73/07 Minutes of the Previous Meeting

Resolved that the minutes of the meeting of the Council held on the 23 January 2008 be approved as a correct record, confirmed and signed by the Mayor.

74/07 Statements by Members of the Council Cabinet

A Statement was made by Councillor Bolton, Council Cabinet Member for Children and Young People, concerning teenage pregnancy and Key Stage 3 results.

75/07 Public Questions

Questions from members of the public were asked as follows:

1. By Tony Dunn, concerning an answer to a previous question about parking charges, answered by Councillor Banwait, Council Cabinet Member for Planning and Transportation.
2. By Tony Dunn, concerning public consultation arrangements, answered by Councillor Williamson, Leader of the Council and Council Cabinet Member for Corporate Policy.
3. By Penny De Abreu, concerning the Hippodrome in Green Lane, answered by Councillor Banwait, Council Cabinet Member for Planning and Transportation.
4. By Penny De Abreu, concerning the final completion of works on St Mary's footbridge, answered by Councillor Banwait, Council Cabinet Member for Planning and Transportation.

76/07 Written Questions about the Business or
 Functions of the Derbyshire Police Authority,
 Derbyshire Fire Authority or Derby Homes Limited.

There were no written questions about the business or functions of the Derbyshire Police Authority, Derbyshire Fire Authority or Derby Homes Limited.

77/07 Written questions from Non-Council Cabinet Members
 to Members of the Council Cabinet.

Written questions from Non-Council Cabinet Members to Members of the Council Cabinet were asked as follows:

1. By Councillor Dhamrait, concerning a feasibility study into a city centre hopper bus serving Westfield, answered by Councillor Banwait, Council Cabinet Member for Planning and Transportation.
2. By Councillor Bayliss, concerning the Alvaston District Centre development, answered by Councillor Banwait, Council Cabinet Member for Planning and Transportation.
3. By Councillor Chera, concerning the resurfacing of Sinfin Lane, answered by Councillor Banwait, Council Cabinet Member for Planning and Transportation.
4. By Councillor Dhamrait, concerning footpaths and drop down kerbs at The Chase and Scots estate, answered by Councillor Banwait, Council Cabinet Member for Planning and Transportation.

78/07 Minutes and Recommendations of the Council Cabinet

The Council considered the minutes and recommendations of the Council Cabinet, requiring the approval of the Council, set out in Appendix A to these minutes.

The Mayor said that the budget related minutes of the Council Cabinet would be taken as one item for the purpose of debate, and that she proposed to allow Councillors Jones, Smalley and Williamson to speak for more than five minutes in the Budget debate.

It was moved by Councillor Williamson, and seconded, to approve the minutes and recommendations of the Council Cabinet dated 19 February 2008 and ...

1. To approve a budget requirement for Derby City Council for 2008/2009 of £176,694,000
2. To approve for 2008/2009 the departmental revenue budget estimates and use of corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6, and 11 of the report.
3. To agree the latest 2007/2008 revenue budget monitoring position as set out in Appendix 12 of the report.
4. To approve the measures proposed to manage budget risks in 2008/09 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.
5. To approve within this total of £176,694,000:

Net service estimates of:	£
Children and Young People	35,452,000
Environmental Services	21,997,000
Regeneration and Community Resources	19,579,000
Corporate and Adult Services	8,350,000
Corporate Budgets	64,346,000
	27,478,000
	<hr/>
	177,202,000
Appropriations to/from reserves:	
Corporate reserves	(343,000)
Service reserves	(215,000)
Revenue Financing Capital	50,000
	<hr/>
	176,694,000

6. To note that, at its meeting on 23 January 2008, the Council calculated the amount of 69,854.16 equivalent band D properties as the Council's Tax Base for the year 2008/09 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended by The Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003, made under Section 33(5) of the Local Government Finance Act 1992.
7. To calculate the following amounts for the year 2008/09 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act).
 - a. £509,299,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) net of Section 32(3)(c) of the Act.
 - b. (£332,605,000) being the aggregate of the amounts which the Council estimates for the items set out in

Section 32(3)(a) and (b) of the Act.

c. £176,694,000 as its budget requirement for the year, being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 32(4) of the Act.

d. £102,290,413 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, reduced by the amount of the sums which the Council estimates will be transferred in the year to its Collection Fund from its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (Council Tax).

e. £1,065.13 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 7 above, calculated by the Council, in accordance with Section 33 of the Act.

f. for the following Valuation Bands:

£		£	
A	710.09	E	1,301.83
B	828.43	F	1,538.52
C	946.78	G	1,775.22
D	1,065.13	H	2,130.26

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, is applicable to all dwellings listed in each particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act.

8. To note that for the year 2008/09, Derbyshire Police Authority has 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	98.96	E	181.43
B	115.45	F	214.41
C	131.95	G	247.40
D	148.44	H	296.88

9. To note that for the year 2008/09, Derbyshire Fire Authority has 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	41.98	E	76.96
B	48.98	F	90.96
C	55.97	G	104.95
D	62.97	H	125.94

10. Having calculated the aggregates in each case of the amount in 7f, 8 and 9 above, 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 2008/09 for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	851.03	E	1560.22
B	992.86	F	1843.89
C	1134.70	G	2127.57
D	1276.54	H	2553.08

11. To note the revenue budget plans for 2009/10 and 2010/11 set out in Section 5 of the report.
12. To authorise the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.
13. To authorise the Director of Corporate and Adult Services to amend the Council's Constitution by including a provision under which Neighbourhood Boards are able to authorise neighbourhood expenditure.

Amendment 1 – Lost

It was moved by Councillor Jones, and seconded, that the first sentence of the motion be amended by the insertion of the words “subject to the substitution of ‘£2.63 or 5%’ for ‘£4.32 or 8.2%’ in Minute No. 188/07” between the words “19 February 2008” and “and”.

(The effect of the amendment, if approved, was that the resolution in Minute No. 188/07 of the Council Cabinet would read as follows:

“To recommend that Council on 3 March approve the revision of rent and service charges from 7 April 2008 on the basis set out in the report including

- an average weekly rental increase of £2.63 (*may be subject to slight change*) or 5% calculated over 52 weeks
- an average weekly increase of 4.4% on Service Charges
- an average weekly increase of 8.2% on Garage Rents.”)

The amendment was put to the meeting and lost.

Amendment 2 – Carried

It was moved by Councillor Poulter, and seconded, that the first sentence of the motion be amended by the insertion of the words “subject to the addition to the resolution in Minute No. 184/07 of the words ‘and subject to the deletion of the Time and Place provision of £100,000 in 2008/09 and £550,000 in both 2009/10 and 2010/11 with this provision being held in reserve within the Public Realm fund for use on a more considered, appropriate project to mark the completion of the Public Realm Programme’ between the words “19 February 2008” and “and”.

(The effect of the amendment, if approved, was that the resolution in Minute No. 184/07 of the Council Cabinet would read as follows:

“To recommend to Council the capital programme for 2008/09 and the indicative capital programme for 2009/10 and 2010/11 set out in the report, subject to the completion and approval of a full business case by the Corporate Asset Management Group or Public Realm board for major new schemes in the corporate programme identified in Appendix 2 and subject to the deletion of the Time and Place provision of £100,000 in 2008/09 and £550,000 in both 2009/10 and 2010/11 with this provision being held in reserve within the Public Realm fund for use on a more considered, appropriate project to mark the completion of the Public Realm programme.”)

The amendment was put to the meeting and carried on the casting vote of the Mayor.

Amendment 3 – Lost

It was moved by Councillor Troup, and seconded, that paragraph 2. of the motion be amended to read as follows:

“2. To approve for 2008/09 the departmental revenue budget estimates and use of corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6 and 11 of the report subject to:

- (a) £100,000 being made available to refurbish and £75,000 to run an Energy Advice Centre in the former Field Sports shop;
- (b) £35,000 being made available to employ a travel plan officer to provide advice and support to companies/organisations to reduce dependence on private cars;

to be funded by increasing the use of corporate reserves by £210,000 in 2008/09 and by reducing the Public Realm revenue budget by £110,000 from 2009/10.”

The amendment was put to the meeting and lost.

Amendment 4 – Lost

It was moved by Councillor Care, and seconded, that paragraph 2. of the motion be amended to read as follows:

“2. To approve for 2008/09 the departmental revenue budget estimates and use of corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6 and 11 of the report subject to employing an extra Senior Auditor to improve service against the Annual Audit Plan, to be funded by increasing the use of corporate reserves by £35,000 in 2008/09 and by reducing the Public Realm revenue budget by £35,000 from 2009/10.”

The amendment was put to the meeting and lost.

Amendment 5 – Lost

It was moved by Councillor Care, and seconded, that paragraph 2. of the motion be amended to read as follows:

“2. To approve for 2008/09 the departmental revenue budget estimates and use of corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6 and 11 of the report subject to £100,000 being made available for pilot projects to work with voluntary organisations and public sector partners to improve the

health and well-being of our communities to be funded by increasing the use of corporate reserves by £100,000 in 2008/09.”

The amendment was put to the meeting and lost.

Amendment 6 – Lost

It was moved by Councillor Skelton, and seconded, that paragraph 2. of the motion be amended to read as follows:

- “2. To approve for 2008/09 the departmental revenue budget estimates and use of corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6 and 11 of the report subject to increasing the Repair and Maintenance budget by £150,000 to enable Gayton Pool to be repaired and to be funded by increasing the use of corporate reserves by £150,000 in 2008/09.”

The amendment was put to the meeting and lost.

Amendment 7 – Lost

It was moved by Councillor Carr, and seconded, that paragraph 2. of the motion be amended to read as follows:

- “2. To approve for 2008/09 the departmental revenue budget estimates and use of corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6 and 11 of the report subject to changing the allocation within the Neighbourhood Working Budget from £10,000 for each ward to £5,000 for each member to be funded by increasing the use of corporate reserves by £85,000 in 2008/09.”

The amendment was put to the meeting and lost.

Amendment 8 – Lost

It was moved by Councillor Hird, and seconded, that Council Cabinet Minute No. 184/07 and paragraph 2. of the motion be amended to read as follows:

Council Cabinet Minute No. 184/07

“To recommend to Council the capital programme for 2008/09 and the indicative programme for 2009/10 and 2010/11 set out in the report subject to the completion and approval of a full business case by the Corporate Asset Management Group or Public Realm Board for major new schemes in the corporate programme identified in Appendix 2 and subject to diverting £2m from the Public Realm capital fund in both 2009/10 and 2010/11 to improve local, district and neighbourhood shopping areas especially in parts of Derby most affected by proposed urban extensions, to increase the attractiveness of local shopping.

Paragraph 2 of the Motion

2. To approve for 2008/09 the departmental revenue budget estimates and corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6 and 11 of the report subject to providing £56,000 in 2008/09 to employ additional staff to work up schemes to improve local shopping areas with this to be funded by increasing the use of corporate reserves in 2008/09 by £56,000."

The amendment was put to the meeting and lost.

Amendment 9 – Lost

It was moved by Councillor Care, and seconded, that the motion be amended by the addition of the words "subject to the amendment of paragraph 1. of the resolution in Minute No. 186/07 to read 'To recommend Council to adopt the plan on 3 March 2008, except to remove the word 'centre' from the reference to 'creating a 21st century city centre' (Corporate Priority CP2)" between the words "19 February 2008" and "and".

The amendment was put to the meeting and lost.

It was moved by Councillor Hickson, and seconded, that, in accordance with Rule CP10, the meeting be extended beyond four hours. The motion was put to the meeting and lost.

In accordance with Rule CP68 it was demanded by at least ten members that a recorded vote be taken on the substantive motion.

The following members voted for the motion:

Councillors Ahern, Afzal, Banwait, Baxter, Bayliss, Bolton, Chera, Dhindsa, Gerrard, Graves, Higginbottom, Hussain, Ingall, Jackson, S Khan, Rawson, Redfern, Repton, Roberts, Tittley, Turner, Williamson (22)

The following members voted against the motion:

Councillors Allen, Care, Carr, Ginns, Hird, Jones, R Khan, Lowe, Richards, Skelton, Troup (11)

The following members abstained:

The Mayor (Councillor Latham), Councillors Dhamrait, Hickson, Jennings, Leeming, Marshall, Nath, Poulter, Smalley, Webb, Wood (11)

Councillor Mitchell was not present in the Council Chamber when the recorded vote was taken.

The motion was declared carried.

Resolved to approve the minutes and recommendations of the Council Cabinet dated 19 February 2008, subject to the addition to the resolution in Minute No. 184/07 of the words “and subject to the deletion of the Time and Place provision of £100,000 in 2008/09 and £550,000 in both 2009/10 and 2010/11 with this provision being held in reserve within the Public Realm fund for use on a more considered, appropriate project to mark the completion of the Public Realm programme” and ...

1. To approve a budget requirement for Derby City Council for 2008/2009 of £176,694,000
2. To approve for 2008/2009 the departmental revenue budget estimates and use of corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6, and 11 of the report.
3. To agree the latest 2007/2008 revenue budget monitoring position as set out in Appendix 12 of the report.
4. To approve the measures proposed to manage budget risks in 2008/09 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.
5. To approve within this total of £176,694,000:

Net service estimates of:	£
Children and Young People	35,452,000
Environmental Services	21,997,000
Regeneration and Community Resources	19,579,000
Corporate and Adult Services	8,350,000
Corporate Budgets	64,346,000
	27,478,000
	<hr/>
	177,202,000
Appropriations to/from reserves:	
Corporate reserves	(343,000)
Service reserves	(215,000)
Revenue Financing Capital	50,000
	<hr/>
	176,694,000

6. To note that, at its meeting on 23 January 2008, the Council calculated the amount of 69,854.16 equivalent band D properties as the Council's Tax Base for the year 2008/09 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended by The Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003, made under Section 33(5) of the Local Government Finance Act 1992.

7. To calculate the following amounts for the year 2008/09 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act).

- a. £509,299,000** being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) net of Section 32(3)(c) of the Act.
- b. (£332,605,000)** being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) and (b) of the Act.
- c. £176,694,000** as its budget requirement for the year, being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 32(4) of the Act.
- d. £102,290,413** being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, reduced by the amount of the sums which the Council estimates will be transferred in the year to its Collection Fund from its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (Council Tax).
- e. £1,065.13** 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 7 above, calculated by the Council, in accordance with Section 33 of the Act.

f. for the following Valuation Bands:

	£		£
A	710.09	E	1,301.83
B	828.43	F	1,538.52
C	946.78	G	1,775.22
D	1,065.13	H	2,130.26

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, is applicable to all dwellings listed in each particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act.

8. To note that for the year 2008/09, Derbyshire Police Authority has 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	98.96	E	181.43
B	115.45	F	214.41
C	131.95	G	247.40
D	148.44	H	296.88

9. To note that for the year 2008/09, Derbyshire Fire Authority has 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	41.98	E	76.96
B	48.98	F	90.96
C	55.97	G	104.95
D	62.97	H	125.94

10. Having calculated the aggregates in each case of the amount in 7f, 8 and 9 above, 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 2008/09 for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	851.03	E	1560.22
B	992.86	F	1843.89
C	1134.70	G	2127.57
D	1276.54	H	2553.08

- 11. To note the revenue budget plans for 2009/10 and 2010/11 set out in Section 5 of the report.**
- 12. To authorise the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.**
- 13. To authorise the Director of Corporate and Adult Services to amend the Council's Constitution by including a provision under which Neighbourhood Boards are able to authorise neighbourhood expenditure.**

79/07 Members Allowances – Recommendations of the Independent Remuneration Panel for 2008/09

The Council considered a report of the Director of Corporate and Adult Services concerning the recommendations of the Independent Remuneration Panel on Members Allowances for 2008/09.

Resolved, on the motion of Councillor Williamson:

- 1. To accept the report and recommendations of the Independent Remuneration Panel at Appendix 2.**
- 2. To increase the Basic and Special Responsibility Allowances from 1 April 2008 in line with the average salary increase for local authority employees.**
- 3. To amend the Members' Allowances Scheme accordingly.**
- 4. To note that the Panel plan to undertake a fundamental review of all allowances, commencing in June 2008.**

80/07 Urgent Non-Executive Decisions made by the Chief Executive

The Council considered a report of the Director of Corporate and Adult Services concerning Urgent Non-Executive Decisions made by the Chief Executive since the previous meeting.

Resolved, on the motion of Councillor Williamson, to note the report.

In accordance with Rule CP10, the meeting finished at 10pm and the Mayor directed that the remaining business be considered at a special meeting of the Council to be held on Monday 10 March 2008 at 6pm. (Subsequently the Mayor rescinded this direction.)

Mayor

MINUTES OF COUNCIL CABINET REQUIRING THE APPROVAL OF COUNCIL

COUNCIL CABINET 19 FEBRUARY 2008

Present: Councillor Williamson (Chair)
Councillors Banwait, Bolton, Graves, Hickson,
Hussain, Nath, and Roberts
In attendance Councillors Jones and Carr

This record of decisions was published on 21 February 2008. 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.

Key Decisions

181/07 Derby Homes New Build

The Council Cabinet considered a report on Derby Homes New Build. The report stated that the provision of affordable housing had risen up the political agenda, with the publication of the Government's housing green paper, 'Homes for the Future: More Affordable, More Sustainable', which included increased targets for the provision of affordable housing.

The report indicated that in order to meet the increased output goals the Housing Corporation had decided to work with a larger and more diverse range of delivery partners, including for the first time local authorities – through 3*Arms Length Management Organisations and local authority Special Purpose Vehicles.

Following a qualification process last year, Derby Homes had been approved as Housing Corporation Investment Partners and also Accredited Management agents. ALMO new build properties would be outside the HRA subsidy system and the properties would not be subject to the Right to Buy, RTB. They would instead be subject to Right to Acquire, RTA in line with Housing Association properties, limiting the discount available to tenants from a maximum £24,000 under RTB to £9,000 under RTA.

The development of new build properties would provide the first significant assets on Derby Homes' balance sheet which could potentially be used to support borrowing in the future. In November 2007, following consultation with Members and Officers at the Council, Derby Homes in partnership with Strata Homes– selected by Derby Homes as it's preferred development partner

following an EU procurement process - submitted a bid to the Housing Corporation to secure grant funding that would support the development of 10 affordable homes and a further 29 market sale properties. This proposal would be developed across four Council owned sites.

In the longer term, in order to preserve the taxation and VAT status of Derby Homes, and also to ring fence development risk, it was recommended that a wholly owned subsidiary company of Derby Homes, limited by share and able to distribute profits, be set up. This was the most commonly used form of subsidiary and would enable a wide range of regeneration activity and possible future trading activity.

The report stated that the governance structure of the subsidiary, including Board membership, would need to be agreed by the Council. The establishment of a subsidiary would however be subject to a future report to Cabinet which would enable the consideration of these issues in greater detail. In the meantime, Derby Homes was intending to undertake this arrangement directly as Derby Homes rather than through a subsidiary company. In order for the development to work, Derby Homes was also requesting the Council to:

- Transfer the land to it on a 99 year lease at a peppercorn rental with no lease premium
- Obtain permission from CLG to dispose of the land at less than full consideration in this way
- Lend Derby Homes £20,000 for each unit of affordable housing in the form of prudential borrowing – a total of £200,000
- Sign a form of performance guarantee in support of the grant application.

The land disposal would be subject to conditions from the Council in line with those imposed on Registered Social Landlords, RSL's by the Council. CLG approval was thought very likely as there was significant support for this type of development. The prudential borrowing would be secured on the affordable homes and should be serviced from the difference between future rentals and management and maintenance costs, given an adequate grant from the Housing Corporation and essentially free land plus cross subsidy from sales proceeds.

Prior to a decision being made by the Council Cabinet Councillors Bolton and Banwait stated that whilst they supported the recommendations set out in the report in principle this did not in anyway affect how any subsequent planning applications would be considered by them as members of the Council's Planning Control Committee.

Options Considered

1. The Council had successfully for a number of years worked with a range of development partners in Derby to provide affordable housing. The Government, through its' affordable housing agency the Housing Corporation, had recently given a role in the provision of new affordable housing to local authorities – either through 3*ALMOs or Special Purpose Vehicles. The proposals in this report were designed to provide a role for Derby Homes in achieving this Government objective.
2. The current proposal to deliver 10 new affordable homes could be regarded as a pilot. The developments would be reviewed both in terms of quality and overall value for money to determine whether in terms of both Strategic and Value for Money considerations the Council should support future ALMO developments. As part of these considerations comparisons would be made with the outcomes that could alternatively have been achieved had the Council worked in partnership with a Housing Association or Developer to deliver these sites.
3. Building by the Council, directly within the HRA was not currently feasible, but would be kept under review in case it becomes more viable in future – for instance through exemption from the subsidy system.

Decision

1. To note that Derby Homes had secured Housing Corporation Investment Partner - and Accredited Management Agent – status, enabling it to bid for Housing Corporation grant in the current bid round.
2. To authorise further negotiations to be undertaken with the Housing Corporation with a view to securing acceptable terms for the grant funding and the related formal Performance Guarantee required from the Council.
3. To delegate authority to the Corporate Director for Corporate and Adult Services and Deputy Chief Executive to sign the Housing Corporation Performance Guarantee following consultation with the Cabinet Member for Neighbourhood, Social Cohesion and Housing Strategy and the Corporate Director of Resources, if the terms were amended to become acceptable.
4. To authorise, subject to the Housing Corporation bid being successful, and CLG approval for the disposal, the conclusion of a formal development agreement between the Council, Derby Homes and Derby Homes' development partner Strata Homes, for the disposal of the four sites identified in paragraph 5.1 to Derby Homes at nil value, with the plots for the ALMO houses being on a long lease basis.

5. To recommend Council that additional prudential borrowing of £200,000 be undertaken for this purpose, and that it is lent subject to conditions requiring full repayment in the event of the housing no longer being available for social housing in the future.

Reasons

1. The performance guarantee would meet a Housing Corporation funding requirement, but prior to entering into this, the Council would need to conclude current negotiations with the Housing Corporation and be satisfied that the terms of the guarantee were reasonable.
2. The disposal of these sites at nil value was a fundamental assumption within the submitted bid. Housing Corporation funding was offered on the basis that land would not be valued at open market valuation in these circumstances.
3. The prudential borrowing was a fundamental assumption within the submitted bid.

Budget and Policy Framework

183/07 General Fund Revenue Budget and Council Tax 2008/2009

The Council Cabinet considered a report on the Revenue Budget which stated that 2008/09 to 2010/11 budget demonstrated, in the clearest possible terms, the positive direction in which the Council was taking the city. It represented the backbone to the Council's visions, showing that its plans were not merely aspirations, but properly budgeted for proposals. The report indicated that the Council was continuing to invest in the city in order that it could carry on providing excellent services. It also stated that the budget plainly reflected the determination to deliver corporate priorities and among the highlights were:

- The injection of £1.1m to provide ongoing support to neighbourhood working in light of the transitional loss of Neighbourhood Renewal Funding;
- The funding of £2m revenue to enable £19m capital expenditure in both 2009/10 and 2010/11 to ensure future delivery of Public Realm schemes in our Capital Programme. This would include the creation of Castleward Boulevard and would also enable our Accommodation Strategy, providing this city with first-class civic buildings;
- A £4.2m a year investment by 2010/11 for a new waste disposal plant in partnership with Derbyshire County Council and meeting targets on the amount of waste sent to landfill

- £500,000 additional budget for Children looked after placements, ensuring special needs children of this city get the specialist care that they deserve;
- £2.3m in 2008/9 rising to £3m in 2010/11 to drive forward a modern and inclusive agenda on home care, under increasing pressure due to an ageing population, together with the delivery of specialist care services

The report confirmed that the Council had identified £8m of savings in 2008/09 to help meet rising costs, maintain priority services and invest for the future. A council tax increase of 5% was proposed for Derby City Council services which represented an increase of only 65p per week for most tax payers. Council tax levels in Derby were currently the lowest in the East Midlands and were much lower than the average for England. The Council's final grant settlement for 2008/2009 was £102.290m which was higher than forecast following our successful lobbying of Government for the removal of the personal social services 'damping' within the formula grant.

An addendum to the report indicated that additional budget of £170k would added to the Neighbourhood working budget for 2008/09 funded from a one-off allocation from corporate reserves. This would fund a one year pilot exercise by providing £10k for each of the 17 wards to spend addressing ward priorities in 2008/09. The criteria for the use of the £10k would be restricted to the following

- Cleaner and safer agenda
- Highways e.g. footway maintenance
- Youth provision

The detailed arrangements for authorising this expenditure would need to be incorporated into the Constitution. For 2008/09 only, the £170k expenditure would be added to the Regeneration and Community Department budget and the use of Corporate Reserves income budget would be increased by £170k.

Decision

To recommend Council to:

1. To approve a budget requirement for Derby City Council for 2008/2009 of £176,694,000
2. To approve for 2008/2009 the departmental revenue budget estimates and use of corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6, and 11 of the report.
3. To agree the latest 2007/2008 revenue budget monitoring position as set out in Appendix 12 of the report.

4. To approve the measures proposed to manage budget risks in 2008/09 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.
5. To approve within this total of £176,694,000:

Net service estimates of:	£
Children and Young People	35,452,000
Environmental Services	21,997,000
Regeneration and Community Resources	19,579,000
Corporate and Adult Services	8,350,000
Corporate Budgets	64,346,000
	27,478,000
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	177,202,000

Appropriations to/from reserves:

Corporate reserves	(343,000)
Service reserves	(215,000)
Revenue Financing Capital	50,000
	<hr/>
	176,694,000

6. To note that, at its meeting on 23 January 2008, the Council calculated the amount of 69,854 equivalent band D properties as the Council's Tax Base for the year 2008/09 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended by The Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003, made under Section 33(5) of the Local Government Finance Act 1992.
7. To calculate the following amounts for the year 2008/09 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act).
 - a. £509,299,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) (a) to (e) net of Section 32(3)(c) of the Act.
 - b. (£332,605,000) being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) and (b) of the Act.
 - c. £176,694,000 as its budget requirement for the year, being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 32(4) of the Act.

- d. £102,290,413 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, reduced by the amount of the sums which the Council estimates will be transferred in the year to its Collection Fund from its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (Council Tax).
- e. £1,065.13 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 7 above, calculated by the Council, in accordance with Section 33 of the Act.

f. for the following Valuation Bands:

	£		£
A	710.09	E	1,301.83
B	828.43	F	1,538.52
C	946.78	G	1,775.22
D	1,065.13	H	2,130.26

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, is applicable to all dwellings listed in each particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act.

8. To note that for the year 2008/09, Derbyshire Police Authority has 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	*

* indicates that the precept had not yet been determined.

9. To note that for the year 2008/09, Derbyshire Fire Authority has 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	*

* indicates that the precept had not yet been determined.

10. Having calculated the aggregates in each case of the amount in 5, 6 and 7 above, 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 2008/09 for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	*	E	*
B	*	F	*
C	*	G	*
D	*	H	*

* indicates that the total amounts for each category had not yet been determined and are subject to consideration and approval by Council at its meeting on 3 March, 2008.

11. To note the revenue budget plans for 2009/10 and 2010/11 set out in Section 5 of the report.
12. To authorise the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.

13. To authorise the Director of Corporate and Adult Services to amend the Council's Constitution by including a provision under which Neighbourhood Boards are able to authorise neighbourhood expenditure.

184/07 Capital Budget 2008/09 to 2010/11

The Council Cabinet considered a report on Capital Budget 2008/09 to 2010/11 setting out the capital programme for recommendation to Council. It stated that during the next three years it was proposed to invest £281m on improving the city and Council services through the programme, which included:

- A £50.8m corporate programme encompassing public realm improvement schemes such as the regeneration of Full Street and the creation of Castleward Boulevard, a contribution to a Lottery bid to refurbish the Silk Mill, and development of better alternatives to residential accommodation for older people;
- Schools repair and rebuilt through a £77.1m programme that would help create a modern learning environment where our children can thrive. This would include repairs, maintenance and improvements to the fabric of school buildings, devolved funding to schools, the completion of a new primary school in Normanton, the completion of a rebuilt to Sinfin Community School and the rebuilding and relocation of Ivy House special school on the Derby Moor Community Sports College site;
- £57.2m to be spent improving homes in Derby through the Housing programme. Many council-owned houses would get PVCu windows and doors, new kitchens and bathrooms, heating systems and other repair and refurbishment work, funded through the £33.7m Housing Revenue Account. Another £23.5m from the Housing General Fund would enable the continuation of schemes including the Rosehill pilot market renewal scheme, delivery of decent homes and assistance to vulnerable householders, disabled facilities grants, the housing Private Finance Initiative scheme and other repair and assistance in the private sector;
- The £17.8m Local Transport Plan (LTP) would 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;

- £25m for a new waste disposal treatment plant due to be built in 2010/11 in partnership with Derbyshire County Council as we continued to strive towards our aim to make Derby a greener city;
- The transformation and modernisation of Council buildings by earmarking £36.3m towards our accommodation strategy, to improve efficiency and enable us to deliver even better customer services. In particular, the historic and iconic Council House would be overhauled through a £11.3m improvement programme that would see it transformed into a modern working environment of which Derby can be proud.

The commencement of new major schemes in the corporate programme was subject to the completion of a full business case and its approval by the Corporate Asset Management Group or Public Realm Board as appropriate.

Decision

1. To recommend to Council the capital programme for 2008/09 and the indicative capital programme for 2009/10 and 2010/11 set out in the report, subject to the completion and approval of a full business case by the Corporate Asset Management Group or Public Realm board for major new schemes in the corporate programme identified in Appendix 2.
2. To delegate to the Public Realm Board the authority to agree other individual schemes or projects with a cost below £100,000, where these were fully funded from within existing approved allocations or from external sources such as section 106 funding, and did not commit the Council to ongoing additional net revenue costs in future years.
3. To agree that the schemes for Racecourse and Alvaston Park, and Chaddesden Library, should be on the reserve list should additional capital funding become available.

185/07 Treasury Management Strategy and Prudential Code Indicators 2008/09

The Council Cabinet considered a report on Treasury Management Strategy and Prudential Code Indicators 2008/09. The report set out the Council's treasury management, ie. borrowing and investment, strategy for 2008/09, and outlined any changes that were required in the light of the external financial markets situation, new regulations and the Council's treasury management activity over the last 12 months.

Appendix 2 to the report set out the required Prudential Indicators as required by the Prudential Code for Capital Finance. A summary of these indicators was shown at Appendix 4 and this demonstrated that the Council's capital

expenditure plans were prudent and affordable. Appendix 2 also proposed changes to the Council's policy on "minimum revenue provision" for debt repayment from 2008/09, as required under draft regulations from Communities and Local Government - CLG. Final regulations were expected in March 2008.

The report also set out in Appendix 3, the proposed Treasury Management and Annual Investment Strategy for 2008/09, taking into account the prudential indicators proposed for future years.

Appendix 3 identified that both borrowing and investment decisions taken during 2007/08 to date had had a positive impact on the Council's finances, with investments to date earning 5.987%, outperforming the weighted average Bank of England base rate of 5.59%. Partly as a result of this performance, the treasury management budget was forecast to record an under-spend of around £3.6m in 2007/08.

Decision

1. To recommend that Council approve the planned prudential indicators set out in Appendix 2 and summarised in Appendix 4 of the report.
2. To recommend that Council adopt the revised "minimum revenue provision" statement, in line with the draft regulations, as set out in Appendix 2.
3. To recommend that Council adopt the Treasury Management Strategy for 2008/09, including the revisions to the counterparty criteria, as set out in Appendix 3 to the report.

186/07 Corporate Plan 2008-11

The Council Cabinet considered a report on Corporate Plan 2008-11 which confirmed that at its meeting on 15 January 2008 Cabinet had considered a draft copy of the Plan and the supporting action plan. Subsequently Cabinet had referred the Plan to the Scrutiny Management Commission for review on 29 January 2008.

The report indicated that the Corporate Plan described how the Council would work towards delivering its vision of 'Derby – a city for all ages' and was based on the six corporate priorities confirmed by Cabinet in July 2007. The corporate priorities were supported by a number of key outcomes as detailed in Appendix 2 of the report. In line with the new Local Area Agreement priorities, two additional outcomes had been included for 2008-11:

- Building strong and sustainable community relations across Derby.
- Improving facilities in our neighbourhoods.

The latest drafts of the Plan and action plan could be found on the Council Meeting Information System, CMIS. It was intended that a final draft of the plan would be presented at Council on 3 March 2008 recommending approval alongside the three-year budget proposals.

Decision

1. To note the contents of the updated draft Corporate Plan 2008-2011 and Action Plan which contained information on how our priorities would be delivered.
2. To note the comments referred from Scrutiny Management Commission as detailed in paragraph 2.5 in the main report.
3. To recommend Council to adopt the Plan on 3 March 2008.
4. To recommend that Council to delegate authority to make amendments to reflect up-to-date information, final actions and intended outcomes to the Chief Executive and Corporate Director of Resources, and to finalise the Plan in consultation with the Leader of the Council.

188/07 Housing Rents and Service Charges 2008/09

The Council Cabinet considered a report on Housing Rents and Service Charges 2008/09 which stated that the Government originally set a policy to restructure social housing rents over the 10 year period 2002/03 to 2011/12, although this was now likely to extend by five years or longer. The process involved moving rents incrementally towards a target so that at the end of the restructuring period, council housing rents would have converged with those of other Registered Social Landlords – RSLs.

The report stated that 2008/09 was the seventh year of rent restructuring and included some revisions to Government policy on the process. The main change was that for the purposes of calculating the guideline rent for 2008/09 only, the date for rent convergence under rent restructuring had been put back until 2016/17. Three options were consulted upon for a rent increase in 2008/09 ranging from an average of 7.4% to an average of 12%. Consultation with Community Commission and Council tenants through Derby Association of Community Panels – DACP – had taken place and both groups expressed a preference for option 2, an increase of 8.2%.

The Government policy that Service Charges should increase by no more than the RPI plus 0.5% continued for 2008/09 and subsequently. New Government regulations came into effect on 1 October 2006 and mean that pitch fees at Shelton Lock Mobile Home Park could only be increased or decreased in line with the change in RPI.

Decision

1. To recommend that Council on 3 March approve the revision of rent and service charges from 7 April 2008 on the basis set out in the report including
 - an average weekly rental increase of £4.32 (*may be subject to slight change*) or 8.2% calculated over 52 weeks
 - an average weekly increase of 4.4% on Service Charges
 - an average weekly increase of 8.2% on Garage Rents
2. To approve the proposed increase of 3.9% in pitch fees at Shelton Lock Mobile Homes Park
 - small plot £11.68 - increase of £0.44 a week for 9 plots (previously £11.24 a week)
 - medium plot £14.60 - increase of £0.55 a week for 24 plots (previously £14.05 a week)
 - large plot £16.87 - increase of £0.63 a week for 5 plots (previously £16.24 a week)

189/07 Housing Revenue Account Business Plan and Budget 2008/09

The Council Cabinet considered a report on Housing Revenue Account (HRA) Business Plan and Budget 2008/09. The HRA had a long term planning framework, with a three-year budget supplemented by a thirty-year business plan, known as the HRA Business Plan, or HRABP. The overall position of the HRA remained robust in the short term as a result of additional funding agreed by the government for Round 1 ALMOs until 2011. Once this additional funding was lost, a severe loss of income was expected. The strategy had therefore been to utilise the additional ALMO funding to support a £15m programme called Estates Pride, supporting a mix of revenue and capital items.

The proposals contained in the report included the continuation of that policy and to consider whether to extend the period of the Estates Pride programme, focussing on maintaining some developments for a while longer where possible. The proposals also included additional funding for Derby Homes to allow a continuation of support for social activities in common rooms, as well as provision to cover any increase in pension costs as a result of an increased contribution required by the County Council as pension fund administrators.

In the longer term, the HRA faced some serious financial pressure as a result of anticipated gradual withdrawal of HRA subsidy from the current positive amount to a large contribution to the Treasury.

The government has announced a national review of the subsidy system and would be undertaking this review with a view to making proposals during 2009. As a result, the longer term future of the HRA was very unclear until this report was made, and longer term planning was clearly difficult. It was therefore proposed to continue to plan on existing arrangements at least until the outcome of that review is made clear.

Decision

1. To recommend that Council approve the budget set out as part of the HRA Business Plan at Appendix 2 and detailed in Appendix 3 to the report of the Corporate Director – Corporate and Adult Services.
2. To approve the management fee for Derby Homes set out in Appendix 6 to the report of the Corporate Director – Corporate and Adult Services.
3. To approve the programme of works relating to Estates Pride detailed in Appendices 7 and 8 to the report.