

Time began: 4.00pm
Time ended: 6.53pm

COUNCIL CABINET

15 February 2023

Present	Councillor Poulter (Chair) Councillors Barker, Eyre, J Pearce, Webb and Williams
In attendance	Councillors Graves, Repton, Shanker and Skelton Paul Simpson – Chief Executive Rachel North – Strategic Director Communities and Place Simon Riley – Strategic Director of Corporate Resources Emily Feenan – Director of Legal, Procurement and Democratic Services Gurmail Nizzer – Director of Children’s Integrated Commissioning David Fletcher – Director of City Development and Growth Heather Greenan – Director of Policy, Insight and Communications Kara MacFadyen – Head of Comms and Marketing

This record of decisions was published on 17 February 2023. 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.

162/22 Apologies

Apologies for absence were received from Councillor Hassall and Smale, Omar Aslam – Youth Mayor and Andy Smith – Strategic Director of People.

163/22 Late Items

There were no late items. The Chair referred to two addendum reports which would be considered alongside the relevant reports.

164/22 Receipt of Petitions

There were no petitions.

165/22 Identification of Urgent Items to which Call In will not apply

There were no items.

166/22 Declarations of Interest

There were no declarations.

167/22 Minutes of the meeting held on 2 February 2023

The minutes of the meeting held on 2 February 2023 were agreed as a correct record.

Matters Referred

168/22 Recommendations from the Executive Scrutiny Board

The Council Cabinet considered a report on Recommendations from the Executive Scrutiny Board. The Executive Scrutiny Board met and discussed items contained within the Council Cabinet Agenda. The report enabled the views and recommendations resulting from these discussions to be formally shared with Council Cabinet.

Decision

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

Key Decisions

169/22 Determined School Admission Arrangements for Derby City Maintained and Voluntary Controlled Schools 2024-2025

The Council Cabinet considered a report which stated that the Council was the Admissions Authority for all maintained and voluntary controlled schools within Derby City, and therefore, must comply with the statutory duty to consult on any changes to its admission arrangements on behalf of those schools before they are determined and published in the year preceding admission.

The School Admissions Code 2021 required that consultation on admission arrangements for the academic year 2024-2025 must last for a minimum of 6 weeks and must take place between 1 October 2022 and 31 January 2023. All admission arrangements must then be determined (set) by the statutory deadline date of 28 February 2023.

No objections or comments relating to the proposed admission arrangements had been received during the consultation period between 16 October 2022 and 27 November 2022.

The proposal was for the admission arrangements for the 2024-2025 academic year set out in Appendix 2 of the report, to be considered and approved as the

determined (set) admission arrangements by Council Cabinet at its meeting on 15 February 2023.

The Executive Scrutiny Board noted the report.

Options considered

Not to undertake a consultation where there were no changes proposed for a period of up to seven years. However, all admission authorities must publish their determine admission arrangements every year, even if they have not changed from previous years. It was considered the annual consultation process provided parents, carers, and stakeholders with a regular opportunity to review and comment on the proposed admission arrangements each year.

Decision

1. To approve the proposed admission arrangements for Community and Voluntary Controlled infant, junior, primary, and secondary schools as set out in Appendix 2 of the report as the determined (set) admission arrangements for the 2024-2025 academic year.
2. To approve the published admission numbers as set out in Appendix 3 of the report.

Reasons

To ensure that fairness, equity, and transparency were retained and that Derby City was fully compliant with the mandatory requirements of the School Admissions Code 2021, School Admission Appeals Code 2022, relevant legislation, and regulations.

170/22 Secondary School Place Planning Proposal – Saint Benedict Catholic Voluntary Academy

The Council Cabinet considered a report which stated that the Council had a legal duty to ensure that sufficient school places exist for those pupils residing within its administrative boundary. Following a high level of growth in the primary sector, pupil numbers were now increasing in secondary schools. Secondary school expansions were implemented in September 2018 and September 2019, through close partnership working with schools and academy trusts, to meet the increasing demand for places.

Current City-wide secondary pupil numbers and projections were set out in Appendix 1 to the report. Based on projections, the peak year for the City-wide Year 7 in-take would be 2023-24. Following discussions with the Department for Education (DfE), the Council had been asked to consider providing the required additional places through temporary Published Admission Number (PAN) increases across a number of schools.

Close partnership working with the secondary schools' sector had progressed to consider and develop options for creating the required additional secondary school capacity, through temporary PAN increases, as set out in paragraph 4.7 of the report. Following co-production with the secondary schools' sector, temporary PAN increases had been put forward by five secondary schools, with one of those schools, Saint Benedict Catholic Voluntary Academy, requiring an expansion as a result of offering to accommodate a higher number of additional pupils.

A feasibility study had been completed by the Saint Ralph Sherwin Catholic Multi Academy Trust, to scope the temporary secondary school expansion proposal, at Saint Benedict Catholic Voluntary Academy (the Academy), as part of the Council's forward planning to ensure the commissioning of sufficient school places over future years. The proposal was to provide an additional 90 year 7 places in September 2023 and in September 2024 (180 places in total) at the Academy.

Following the request from the DfE, it was necessary to move forward with the secondary school temporary PAN increases set out in paragraph 4.7 of the report and to approve the necessary amendments to the approved school capital programme, as set out in Appendix 2 of the report.

The Executive Scrutiny Board noted the report.

Options considered

School place planning proposals had been developed with a view to creating additional capacity across schools in the City to accommodate growth in the pupil population. The report set out options for increasing secondary school places, following engagement with the Secondary Schools' Sector.

Decision

1. To approve the addition to the 2022/23-2024/25 Capital Programme of this priority Saint Benedict Catholic Voluntary Academy scheme for £6.165m for an additional 180 temporary places, and approve scheme commencement, as outlined in paragraphs 4.9 to 4.12, and as set out in Appendix 2 of the report.
2. To approve the amendment of the approved 2022/2023-2024/25 capital programme for this scheme, to be funded from the reallocation of approved School capital programme budgets, and reduce the requirement for additional borrowing and associated costs, as outlined in Appendix 2 and paragraph 7.4 of the report.
3. To delegate authority to the Strategic Director for People Services, following consultation with the Cabinet Member for Children and Young People, and the Strategic Director of Corporate Resources, subject to negotiation of acceptable terms, to award a grant for up to £6.159m to Saint Ralph Sherwin Catholic Multi Academy Trust to deliver the capital works associated with the scheme, as outlined in paragraph 4.9 to 4.12 of the report, for an additional 180 secondary school places.

Reasons

1. The proposed temporary expansion scheme was needed to ensure the Council could deliver its statutory duty to provide sufficient school places for pupils residing in its boundary.
2. In accordance with Financial Procedure Rules, this amendment to the Council's capital programme, and the award of the grant, were required to be reported to and approved by Council Cabinet.

171/22 Post 16 – 19 Home to School Travel Assistance Consultation Outcome

The Council Cabinet considered a report which provided information in relation to the recent consultation proposal to consider changes to the way in which the Council provided discretionary home to school travel assistance for eligible sixth form learners with Special Educational Needs and Disabilities (SEND).

Public consultation had now taken place on a proposal which outlined that instead of the Council arranging taxis and minibuses or paying fuel reimbursements, for this to be replaced with Personal Travel Budget (PTB) payments for all eligible sixth form learners. The consultation document (Appendix 1 of the report) also set out that the proposal would be supported by a new and enriched Independent Travel Training (ITT) service to help and support more young people become independent travellers.

The consultation was undertaken over a 11-week period, from 30 September 2022 to 12 December 2022, with the consultation document circulated widely to all key stakeholders and interested parties. A detailed summary of responses was attached as Appendix 2 to the report.

The Executive Scrutiny Board asked Council Cabinet to provide support for parents to apply for bursaries, grants and additional Benefits for themselves or their post-16 SEND children.

Options considered

Research was completed with other Local Authorities who had considered and implemented changes to Post 16 discretionary transport.

Decision

1. To approve providing Personal Travel Budget payments for all eligible sixth form learners and families from September 2023 and the Council no longer arranging taxi transport.

2. To note that taxi transport would only be arranged in exceptional circumstances in accordance with criteria set out in the revised Post 16-19 Home to School Travel Assistance Policy Statement.
3. To note, subject to approval, implementation of the revised Post 16-19 Home to School Travel Assistance Policy Statement from September 2023, to give learners, their families and educational settings sufficient notice of the changes.
4. To accept the recommendation from the Executive Scrutiny Board to signpost parents to apply for bursaries, grants and additional Benefits for themselves or their post-16 SEND children.

Reasons

1. Section 509AA of the Education Act 1996 covers local authorities' responsibility in respect of the 16-18 transport duty and gives local authorities the discretion to determine what transport and financial support was necessary to facilitate young people's attendance at education. The local authority must exercise its discretionary power reasonably, taking into account individual circumstances.
2. In view of the increasing demand for home to school travel assistance combined with high-cost taxi or minibus provision, it was necessary for the Council to consider alternative ways in which it could continue to support sixth form learners to access education, whilst also creating opportunities for learners to develop their functional skills that were transferable into adulthood, the workplace and allowed even greater social connections.

172/22 Derby Football Hub

The Council Cabinet considered a report which provided an update on the development of a proposed Derby Football Hub in partnership with the Football Foundation and to sought agreement to progress with the proposals and sought the necessary financial and contractual approvals to deliver the scheme.

The Executive Scrutiny Board noted the report

Options considered

1. Do nothing: The Council had jointly funded, with the Football Foundation, project development costs to date. This option would result in £0.550m of abortive costs to date, of which £0.230m had been funded by the Council further, there would still be a strategic shortfall in the facilities required to deliver against the Derby City Playing Pitch Strategy.
2. Pause the project and redesign, descope and retender: The project would be further delayed by a minimum of 12 months before construction could start. The grant funders and operator would likely withdraw, meaning the Council would have to budget for the entire future project and build costs.

Decision

1. To approve progressing with the Football Hub project at the Racecourse to deliver high quality facilities to support meeting the significant demand in local football in Derby and associated sports and social activity.
2. To approve the addition of £11.902m onto the capital programme in 2023/24, and the funding as per paragraph 7.1 of the report, subject to formal notification of the Football Foundation grant.
3. To approve the granting a lease to National Football Trust for a period of 25 years on a full repairing and insuring basis.
4. To delegate authority to the Strategic Director for Communities and Place, following consultation with the Cabinet Member for Streetpride, Leisure and Public Spaces and the section 151 Officer, to enter all the necessary arrangements for the project. This would include a collaboration agreement and grant agreement with the National Football Trust (NFT), in which the Council would agree to work in partnership with the NFT and lease the facilities to the NFT on the terms set out in the report. This would also specifically include the need to enter all leases, licences, contracts and agreements, necessary to deliver the Football Hub project.
5. To delegate authority to the Strategic Director for Communities and Place, following consultation with the Cabinet Member for Streetpride, Leisure and Public Spaces and the section 151 Officer to agree the final designs of the facility.

Reasons

1. To proceed with the proposed Football Hub would help to improve and shape the choices that Derby has for the provision of modern state-of-the-art facilities to help deliver against our ambitions.
2. The Football Hub was considered a key part of delivering this vision and the individual elements of the Council Plan, including:

Reduced inequalities, with healthier and wealthier residents with:

- Improved facilities with more people being more active, leading healthier lives.
- More residents, both adults and children, participating in physical activity.
- More children and adults in Derby being a healthy weight.

Enhancing our green and blue spaces by:

- Increasing the extent and quality of managed habitats and land managed for biodiversity.
- More people reporting that they are satisfied with their local area, including local parks, green and blue spaces specifically.

3. To deliver against the outcomes of Move More Derby, the physical activity and sport strategy for Derby, of:
 - Improving physical and mental health and wellbeing and reducing physical inactivity.
 - Improve aspirations, particularly amongst our young people, and strengthen communities by involving our residents in defining their own priorities for physical activity, as well as making decisions, planning, and implementing approaches.
 - Creating a sense of belonging within our communities.
4. To deliver against the strategic shortfall in full-sized Artificial Grass Pitch's (AGP's) as identified in Derby's Playing Pitch Strategy, with an insufficient supply of full-sized AGP's of 4 in 2018 and a future projected shortfall in 2028 of 6.
5. It was important that decisions were made in preparation for construction timelines and for entering into a contract with the approved building contractor. Once constructed, the AGP pitches and associated ancillary facilities would offer a high-quality experience, and the Hub Operator would be key to the sustainability of the development.

173/22 Derby and Derbyshire Minerals Local Plan – Approval of Plan for Formal Consultation and Submission for Examination

The Council Cabinet considered a report which stated that Derby City and Derbyshire County Councils had been working jointly to prepare a new Minerals Local Plan (MLP) for the geographical County of Derbyshire, excluding the Peak District National Park. This would replace the existing MLP adopted in 2000 and amended in 2002.

A great deal of consultation had been carried out in formulating the plan to date, culminating in consultation on a full draft plan in March/April 2022. 3,560 representations from 463 separate individuals and organisations were received on this, although nearly 3,000 of these were the same letter seeking a more robust approach to addressing climate change, fossil fuels and fracking. Changes to the plan were recommended to address these concerns, whilst ensuring that it remained consistent with national policy. A document highlighting the main objections and supporting comments was attached as Appendix 3 to the report.

The next stage of the plan preparation process was to formally Publish what the two Councils consider to be the final version of the Plan and then to Submit this to the Secretary of State for Levelling Up, Housing and Communities for Examination by an independent Planning Inspector. If that Inspector finds the Plan to be Sound (usually requiring a number of modifications) he or she will direct the Councils to adopt it.

It was intended to Publish in February this year. This Publication Plan (Appendices 1 & 2) would be consulted on for eight weeks, extending into early April and so

slightly into the pre-election period. Regulations then required the Plan to be Submitted to the Secretary of State, together with any representations made on it, usually without the need for further Council Cabinet/Council authorisation. For this reason, approval was sought for both Publication and Submission stages, but retaining the option to report back to Council Cabinet in between the two if representations raised significant new issues.

Submission of the Plan automatically triggered the Examination process, which was conducted by an independent Planning Inspector. The timetable for Examination hearings was set by the Planning Inspectorate and dependent on the availability of Inspectors, but it was hoped that these would take place towards the end of 2023 or early 2024. This would indicate that the Plan could be adopted by late 2024. In considering evidence at the hearings, Inspectors would often ask officers if they could accept various modifications to the plan. Authority was therefore sought for officers to offer minor changes where these would help the Inspector to move the Examination forwards.

Given the Publication Plan was what the two Councils considered to be a final plan rather than a draft, the report would need to be referred to Council for authorisation.

A number of technical and background papers were given in that section of the report. A Sustainability Appraisal, Climate Impact Appraisal and Equalities Impact Assessment were also appended.

The Executive Scrutiny Board noted the report.

Options considered

Alternative options had been identified and considered as part of the plan making process and through previous consultations.

Decision

1. To note the Report of Representations document, including recommended changes to the draft plan, attached as Appendix 3 to the report.
2. To approve the Derbyshire and Derby Minerals Local Plan attached as Appendices 1 & 2 to the report and to authorise the Strategic Director of Communities and Place, together with the Cabinet Member for Regeneration, Decarbonisation, Strategic Planning and Transport to make minor changes to it in order to finalise it for Publication.
3. To approve that the Plan, together with any relevant background and supporting documents, is published in accordance with Regulation 19 of the Town and Country Planning (Local Planning) (England) Regulations 2012 and that a consultation is held on it for a period of eight weeks.
4. Provided that no significant issues emerge through the consultation on the Publication Plan, to authorise the Strategic Director of Communities and Place, together with the Cabinet Member for Regeneration, Decarbonisation,

Strategic Planning and Transport to Submit the Plan for formal Examination and to make minor changes to it where necessary.

5. To authorise officers to offer minor modifications to the Examining Inspector for his or her consideration.
6. To refer this report to Council.

Reasons

1. To consider a summary of the comments made on the draft plan and the main changes being recommended as a result of these.
2. To enable the Publication of the Plan and Policies Map.
3. To enable Publication of the Plan provided no new significant issues are raised that would need to be referred back to Council Cabinet/Council.
4. To enable officers to quickly address issues of concern raised by the Inspector and allow for an efficient Examination process.
5. To authorise the Publication Plan.

174/22 Community Managed Libraries

The Council Cabinet considered a report and an addendum which stated that in November 2022, Council Cabinet received an update on the Community Managed Libraries (CML) review and stated that a further report would be brought setting out the arrangements for operation of the CMLs post March 2023.

The report provided an update on the CMLs and sought the necessary approvals to progress with the next steps for this project.

The Executive Scrutiny Board recommend that Council Cabinet urgently ends this worrying uncertainty and spells out very clearly which libraries could realistically stay open and how this will be achieved.

Options considered

1. The Council could opt to keep all the CMLs operational under a similar model. In terms of the years beyond March 2023, a further estimate of a minimum of £314,500 of grant would be required each year with presently unknown inflationary increases added each year. There was currently revenue of £120,000 p.a. currently available for the CML service, therefore this option would create a pressure of a minimum of £194,500 each year that would need to be added to the MTFP along with any inflationary increases.
2. There was an option of returning CMLs to the Council who operate the statutory service. The Council could either deliver the CML service using paid staff, the estimate of which would be a cost of a minimum of £0.562m,

thus creating a pressure of a minimum of £0.442m. However, if the Council chooses to use volunteers as part of the new model being proposed, then costs could be reduced to £0.415m, thus creating a pressure of £0.295m. It was therefore being recommended in the addendum report that use of volunteers by the Council was noted. Volunteers who were interested would need to register with the Council.

3. There was an option of closing all CMLs as of 31 March 2023 and transferring all buildings currently housing CMLs back to the Council from DHA. This would enable the property to become part of the wider Council property asset rationalisation programme, whilst also enabling officers to explore any locality working proposals across the Council for these buildings. The current estimated cost of transferring all CML buildings back to the Council without any service delivery being incorporated by organisations was £224,000 in 23/24 and £178,000 in 24/25.

Decision

1. To note that DHA would continue to operate CML libraries until the end of March 2023.
2. To note that a phased handover schedule starting in April 2023 would be produced by DHA and agreed with the Council. This would enable the CML buildings to be transferred back to the Council to operate them in line with the agreed handover schedule.
3. Subject to the Budget being approved by Council on 27 February 2023, to approve CML's reverting to the Council to allow the continued provision of community library services from the buildings from 31 March 2023 in accordance with the handover schedule. To note that this arrangement would remain in place until the outcomes of the formal expressions of interest process were known and proposals were formulated from the responses to determine the next steps of the project and the implementation of them. The operation of the services by the Council intended to include the use of volunteers in this interim period, so that they could continue to be involved in supporting the delivery of these valuable services.
4. To approve officers carrying out a formal expressions of interest process having done an initial market testing exercise, which gathered ideas from existing charities, organisations and constituted community groups who would like to be considered to provide delivery of services within the community library buildings.
5. To note that as part of the expressions of interest process, assessment criteria would be used to evaluate the viability of proposals within the budget envelope and where there were deemed to be viable proposals for the CML buildings to delegate authority to the Deputy Chief Executive, following consultation with the Section 151 Officer and the Cabinet Member for Community Development, Place and Tourism to negotiate the terms of any

future transfer and all necessary legal agreements and ancillary documents to facilitate such proposals.

6. To note a further CML update would be provided in a future Council Cabinet report, which would seek approval to formal transfer of the CMLs to new providers.
7. To note the estimated costs and funding for the transfer of the Community Managed Libraries to the Council detailed in Paragraph 7.1 of the report.
8. To note the recommendation from the Executive Scrutiny Board.

Reasons

1. The review of CMLs was one of the proposals in the Council's Medium Term Financial Plan (MTFP) to enable it to deliver a balanced budget for 2023/24. These proposals were part of the budget consultation which closed on 26 January 2023 and feedback received was being taken into consideration by the Council.
2. The Council invited ideas from existing charities, organisations and constituted community groups who wanted to deliver services within the community library buildings that would have clear benefits for their communities. The deadline for the initial market testing exercise was 3 February 2023 and there was a high level of indicative interest from a range of community and voluntary organisations. The Council therefore wished to provide the best opportunity to develop the interest and ideas submitted from various groups providing maximum time and flexibility to become established and successfully transition as appropriate.
3. An indicative timetable had recently been provided for the expressions of interest process. It was identified that it could take between 4-6 months to complete. Therefore, plans may still be being formulated from August 2023 for some of the proposals and this recommended approach was able to accommodate this, should it be necessary.
4. The Council continued its ambition to co-design and co-locate services within community managed library buildings with the active support, engagement, and participation of local communities and partners. This would enable communities to create opportunities to deliver valuable services, provide access to support and advice, and help connect residents.

175/22 South Derby Growth Zone and Infinity Garden Village – Use of Compulsory Purchase Order Powers and Details of Collaboration Agreements

The Council Cabinet considered a report which set out progress towards delivery of South Derby Growth Zone (SDGZ) and Infinity Garden Village (IGV); in this case specifically the A50 junction and link road. Approval was sought to accept the

Council's responsibilities and objectives in relation to two collaboration agreements; to approve the delegation of Compulsory Purchase Order (CPO) and highways powers within Derby city's administrative boundary to Derbyshire County Council ('The County Council'); and to approve a grant transfer of Homes England grant funding to the County Council.

The Executive Scrutiny Board noted the report.

Options considered

1. Do Nothing - This was not an option, as without the highways infrastructure – a new A50 junction and link road – only 280 new homes would be built, resulting in the loss of the remaining 4.220 homes, 3.2m sq ft. of new employment floorspace and 5,000 jobs that would otherwise have been created.
2. Do the minimum - This was not an option, as there was no middle ground. The impact of any additional new houses above the 280 identified, plus the additional commercial development, must be mitigated by a new A50 junction and link road.

Decision

1. To note progress made towards delivery of SDGZ and IGV, including work on business case submission for the junction and link road, procurement, land assembly, funding and risk sharing.
2. To accept the Council's responsibilities, financial risk exposure and objectives, in relation to two collaboration agreements – (i) between public sector partners and (ii) between public sector and private sector partners, noting that approval to enter into those agreements had been previously delegated by Council Cabinet on 13 April 2022, minute reference 199/21 (see Appendices).
3. To delegate the Council's use of Compulsory Purchase Order (CPO) and highways powers within Derby city's administrative boundaries to the County Council, as lead for the project, in order for them to acquire the land required for the highways works and carry out the works.
4. To approve a capital grant of up to £0.700m to the County Council, funded from our £0.800m Homes England Garden Villages capacity funding that was on the approved capital programme, in order for them to finalise the Levelling Up Fund Business Case.

Reasons

1. Good progress continued to be made towards Full Business Case completion, for the A50 junction and link road, anticipated to be within this calendar year.

2. Whilst Council Cabinet delegated authority to enter into the collaboration agreements, on 13 April 2022, it was important for Members to understand the overall objectives of the collaboration agreements and the Council's responsibilities and the financial risk exposure in relation to them, albeit that these were still in draft form. It was also important for the Council to enter into these collaboration agreements to demonstrate its commitment to the project, both to Government and to our project partners.
3. It was appropriate for the Council to delegate CPO powers to the County Council, as project lead and the Council has authority within its constitution (see paragraph 8.1 of the report).
4. Derby City Council had secured £0.800m Garden Villages Capacity Funding, from Homes England, to be used to complete the Levelling Up Fund Business Case; it would be necessary to transfer up to £0.700m of that grant to the County Council and that would require Council Cabinet approval to comply with Financial Procedure Rules to enter into the grant agreement between the two Local Authorities. Note that the existing authority to enter into agreements did not cover this.

176/22 Procurement of a Strategic Development Partner to Support City Centre Regeneration

The Council Cabinet considered a report which outlined proposals for the Council to develop a long-term partnership with an appropriately qualified strategic development partner to enable regeneration of key sites in the city centre.

The report sought approval to initiate a formal procurement process to select and appoint a preferred partner and set out the financial and legal considerations associated with the proposed approach.

The Executive Scrutiny Board noted the report.

Options considered

1. Separate procurement of development partners for individual sites – this option had been dismissed as this would (1) be much more onerous in terms of management capacity required on behalf of the Council to take this approach and (2) this would not provide development partners with the potential for a long-term partnership with the Council, through which more significant capacity could be committed.
2. Disposal of Council owned sites – this may become an option for some sites once they were in a more development ready state (eg existing buildings demolished), but only after the strategic development partner and the Council had collectively assessed the development potential of each site.

Decision

1. To approve the initiation of a procurement process to select and appoint a strategic development partner as set out in paragraphs 4.9 - 4.12 of the report.
2. To delegate authority to the Strategic Director of Communities and Place, following consultation with the Strategic Director of Corporate Resources, the Cabinet Member for Regeneration, Decarbonisation, Strategic Planning and Transport and the Cabinet Member for Digital, Finance and Culture, to finalise (1) the scope and requirements (including financial parameters) of the various stages of the procurement process and (2) all relevant contractual and legal matters to facilitate appointment of the preferred partner, subject to there being no financial implications outside the MTFP.

Reasons

1. To accelerate the pace and scale of regeneration of key flagship areas of the city centre, evolving our approach from a series of projects to a more coherent programme, aligned with market demand and deliverability, all at a time when the Council's own resources and capacity are constrained.
2. To fully leverage the regeneration potential of a number of Derby City Council-owned sites and to deliver and demonstrate optimum public value.
3. To enable the application in Derby city centre of the extensive innovation, insight and experience of a strong private sector delivery partner, bringing best practice from other comparable regeneration schemes nationally.

177/22 Midland House Acquisition Support

The Council Cabinet considered a report which outlined the proposed acquisition of Midland House by London & Continental Railways (LCR) in the context of the wider regeneration potential of the area around Derby rail station.

The report sought approval for the Council to provide financial support, in the form of a capital loan, to LCR in this acquisition and set out the legal and financial implications of this proposal.

The Executive Scrutiny Board noted the report.

Options considered

Not to support this acquisition – this option created the risk of this core asset, at the heart of any regeneration potential close to the station, being acquired by a private investor, control of the asset lost and a low value redevelopment of the property being delivered, undermining the wider vision and potential for the area.

Decision

1. To approve financial support to LCR in the form of an interest free capital loan of £500,000 payable in the 2024/25 financial year, subject to satisfactory assessment of subsidy control considerations, to be funded from un-ringfenced Right to Buy Capital Receipts.
2. To approve upon repayment that the £500,000 loan be returned to the un-ringfenced Right to Buy Reserve.
3. To delegate authority to the Strategic Director of Communities and Place, following consultation with the Section 151 Officer, the Cabinet Member for Regeneration, Decarbonisation, Strategic Planning and Transport, the Cabinet Member for Finance, Digital & Culture and the Cabinet Member for Adults, Health & Housing, to finalise all relevant financial and legal matters in relation to the proposed loan facility, and the loan added to the HRA part of the capital programme on completion.

Reasons

1. To facilitate a key strategic acquisition in the wider context of an emerging regeneration masterplan for the station area.
2. Following the publication of the Integrated Rail Plan for the North and Midlands, published in 2021, Derby station area now had HS2 East status and the regeneration potential of the station and its surroundings formed part of the HS2 Growth Strategy for the East Midlands.

Budget and Policy Framework

178/22 Medium Term Financial Plan 2023/24 – 2025/26 (Revenue Budget, Capital Budget, Dedicated Schools Grant, Reserves and Capital Strategy

The Council Cabinet considered a report which outlined the Council's budget proposals for the period 2023/24 to 2025/26 to recommend to Council.

The budget included estimates of future demand and economic pressures as the Council plans for the City during the Cost-of-Living crisis whilst shaping the financial framework for future service delivery. The setting of the budget had been particularly challenging due to increased demand in the Council's statutory services and increased inflationary costs. The national and local context of the Medium-Term Financial Plan - MTFP was set out in the Medium-Term Financial Plan update and consultation report approved by Council Cabinet on the 21 December 2022.

The 2023/24 position had become considerably more challenging, not only due to the continuing trend of costs and demands outstripping national and local funding increases for local government, but this was exacerbated by abnormally high inflation and the impact of the associated cost of living crisis on demands for

services. The Chancellor's Autumn Statement announced resources that partially improved the position but still left a significant increase in the projected budget gap before savings, review of pressures and other mitigations. The combined effect was a balanced position in 2023/24 and a budget shortfall of £17.155m to 2025/26.

The MTFP for 2023/24 to 2025/26 was being managed within extremely challenging circumstances. It had been necessary to plan for unprecedented reductions in the Council's spend in a short period of time due to these emerging challenges.

The key objectives of the report were:

- To ensure that the Council was financially resilient, stable, and sustainable in the short term and to highlight medium term challenges to financial sustainability
- To ensure that effective financial planning contributes to the delivery of the Council Plan

The MTFP sets out the Council's approach to the prudent management of our finances against a reducing reliance on central government funding and increased reliance of local funding sources from council tax and business rates.

Revenue budget:

The report outlined proposals to recommend to Cabinet a net budget requirement of £284.106m for 2023/24 and outlined further indicative budget proposals for 2024/25 and 2025/26.

It included a total savings requirement of (£19.929m), these savings total (£16.196m) in 2023/24 and a further (£3.561m) in 2024/25 and (£0.212m) in 2025/26 to address the impact of demand pressures, rising inflationary costs, maintaining priority services, and investing in the Derby Council Plan.

The identified budget gaps in 2024/25 and 2025/26 would require further savings, income, and transformation proposals to address. The budget gaps included planned contributions to reserves to maintain the financial resilience and sustainability of the Council outlined in detail in section 7 of the report.

Capital budget:

The report sets out the 2023/24 to 2025/26 capital programme to recommend to Council. The main headings of the £468.2m programme (including HRA) over the next three years are and were outlined in detail at Appendix 13 of the report.

The programme included slippage from the 2022/23 approved Capital Programme. This had been reported in the Qtr.3 Revenue Monitoring included on this agenda. The capital programme outlined assumptions made on future year's government allocations which were still to be confirmed.

The report contained a Capital Strategy that gave a high-level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of local public services along with an overview of how associated risk was managed and the implications for future financial sustainability as detailed in Appendix 17 of the report.

Reserves:

The report detailed an assessment of the adequacy of reserves which were required as part of the budget process. These demonstrated that the Council was able to set a balanced budget for 2023/24 and to plan its finances on a sustainable basis although this was not without some risk.

Prior to Council Cabinet recommending to Council the Budget Requirement to set the Council Tax it was required to consider the Section 25 report from the Section 151 officer (attached at Appendix 7 to the report). This detailed the adequacy of reserves and robustness of the estimates for the period 2023/24 to 2025/26.

Dedicated Schools Grant:

The Dedicated Schools Grant (DSG) for Derby was split into four blocks: Schools Block, Early Years Block, High Needs Block, and a Central School Services Block.

The 2023/24 allocation for the DSG is £307.857m and was made up of four blocks of funding:

- Schools Block £228.227m (includes £1.4m NNDR)
- Central School Services Block £2.654m
- High Needs Block £56.628m (includes additional funding announced Dec 2022)
- Early Years Block £20.348m

In addition to the DSG funding above, mainstream schools would receive an additional grant for 2023 to 2024 – titled - **The Mainstream Schools Additional Grant (MSAG)**.

The indicative allocation for Derby is £8m. School-level allocations of this grant would be published in May 2023. Maintained schools and academies would receive this funding from April 2023.

The government had agreed to the extension of the DSG statutory override for a core of period of 3 years (up to March 2026), affording the short-term financial flexibility needed for authorities as they implement sustainable change, underpinned, and reinforced by the government's longer-term reforms.

The Executive Scrutiny Board noted the report.

Options considered

The Council is required to set a balanced revenue and capital budget for 2023/24 by 11 March 2023.

Decision

1. To note:
 - (a) The outcomes of the Budget Consultation detailed in Appendix 9 of the report, including Notes from the 'Voices in Action' and 'Children in Care' meetings at Appendix 11 of the report and notes from the Meetings including representatives from Business Ratepayers at Appendix 10 of the report.
 - (b) The outcomes of the Executive Scrutiny Board of the 16 January detailed in Appendix 12 of the report and associated recommendations
 - (c) The Section 25 Report of the Section 151 officer on the robustness of estimates and on the adequacy of the reserves 2023/24 to 2025/26 detailed in Appendix 7 of the report.
2. Subject to the above to recommend to Council to approve:

Revenue Budget

- a) The Council's net budget requirement for 2023/24 of £284.106m subject to the finalisation of the Council's Council Tax for 2023/24.
- b) To increase the City Council element of Council Tax by 4.99% as set out in in section 4.6 of the report.
- c) The current list of savings options outlined in Appendix 4 of the report with an associated estimated reduction in posts by 140.11 full time equivalent - fte in 2023/ 24 as outlined in section 4.5 of the report.
- d) The estimated service pressures outlined in Appendix 5 of the report.
- e) The directorates revenue budget plans for 2023/24 to 2025/26 estimates as detailed in Appendix 2 of the report.
- f) The implementation of savings proposals included in Appendix 4 of the report.
- g) The commencement of appropriate procedures to support the specific budget proposals listed in Appendix 4 of the report.

Reserves

- a) The transfer to reserves of £1.061m on a non-recurrent basis to smooth the timing differences for the collection fund as outlined in section 4.3 of the report.

- b) The use of Treasury Management Reserve to smooth the timing differences within the capital programme as outlined in section 4.3 of the report.
- c) Use of the Cost of Change Reserve to fund one off redundancy and pension costs as outlined in section 7.1.4 of the report.
- d) The Section 25 reserves adequacy report as detailed in Appendix 7 of this report.

Capital

- a) The capital programme for 2023/24 and note the indicative capital programme for 2024/25 and 2025/26 as set out in section 5 of the report. A summary and detail was outlined in Appendix 13 of the report.
- b) The additional borrowing outlined in sections 5.1.15, 5.3.5, and 5.3.7 of the report.
- c) The Summary of Unsupported Borrowing as set out in Appendix 14 of the report.
- d) The MRP policy detailed in Appendix 15 of the report.
- e) The prudential indicators detailed in Appendix 16 of the report.
- f) The Capital Strategy attached at Appendix 17 of the report.

Dedicated Schools Grant

- a) The allocations of the Dedicated Schools Grant as detailed in section 6 of the report.
- b) To increase the Minimum Funding Level per pupil - primary £4,405 per pupil and secondary £5,715 per pupil.
- c) To set the base rate element of the Early Years Funding for 2-year-olds at £5.68 per hour and 3/4-year-olds base rate of £4.70 an increase of 3.52% per hour. The Stand-Alone Maintained Nursery Supplementary rate of £2.05 has increased to reflect the mainstreaming of the Teachers pay and pension into the EYFF (Universal Hours).
- d) The application of the following formula criteria for 2023/24:
 - I. To implement a cap on growth above 3.4% per pupil with no factor being scaled back.
 - II. To set a Minimum Funding Guarantee of 0.5%.
- e) The transfer of £0.055m from the Schools Block to the High Needs Block.
- f) To approve the value of Growth Fund of £0.178m to be retained centrally.

3. To delegate:

- a) Authority to the Section 151 officer to make necessary adjustments in order to retain a balanced budget for 2023/24.
- b) Authority to the Section 151 officer following consultation with the Cabinet Member for Finance Assets and Digital to permit movement of schemes (detailed within the 3-year capital approved programme) within and between financial years to facilitate delivery and agility in Capital Programme delivery subject to affordability. Any changes would be subsequently reported in the quarterly financial monitoring reports to Council Cabinet

4. To approve the proposed changes to the Council Plan.

Reasons

1. The Council is required to set a balanced budget for 2023/24 by 11 March. The report proposed a balanced budget for the financial year 2023/24.
2. The Council, under the Prudential Code, established by the Local Government Act 2003, must demonstrate the affordability of our revenue budget for the next financial year and two subsequent years, including considering our plans for capital expenditure.
3. The 2023/24 to 2025/26 MTFP budget proposals included within the report provided the resources framework for the delivery of Council priorities.
4. In order to support the decision-making process a review of the existing capital programme had been carried out to ensure that the funds available could be targeted appropriately to meet the Council's priorities.

179/22 Treasury Management and Investment Strategy 2023/24

The Council Cabinet considered a report which outlined and sought approval of the Council's Treasury Management Strategy for the Financial Year 2023/24 and the Treasury Management Indicators derived from this strategy. The report included:

- Background and Context
- The Treasury Management Strategy
- Treasury Management indicators
- Investment Strategy (Appendix 3 of the report).

The Executive Scrutiny Board noted the report.

Options considered

The CIPFA Code did not prescribe any particular treasury management strategy for Local Authorities to adopt. The Council believed the above strategy represented an appropriate balance between risk management and cost effectiveness.

Decision

1. To approve:
 - a) The Treasury Management Strategy for 2023/24 outlined in section 4 of the report.
 - b) The Treasury Management Indicators for 2023/24 to 2025/26 outlined in section 4.65 of the report.
 - c) The Current debt and Investment Portfolio Position outlined in Appendix 1 of the report.
 - d) The Definitions of Types of Permitted Investments outlined in Appendix 2 of the report.
 - e) The Investment Strategy for 2023/24 outlined in the report in section 4.36 and attached Appendix 3 of the report.
 - f) The Investment approach for Commercial or Social Return in section 1.7 and Appendix 3 of the report.
 - g) The Investment Indicators for 2023/24 to 2025/26 outlined in section 1.24 and Appendix 3 of the report.
2. To delegate authority to the Section 151 Officer to amend investment levels following appropriate advice from the Council's treasury advisors as detailed in section 4.47 of the report.

Reasons

Under the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) the Council was required to approve a treasury management strategy before the start of each financial year. The report also fulfilled the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

180/22 2022/23 Quarter 3 Financial Monitoring

The Council Cabinet considered a report which summarised the Council's forecasted financial outturn position at 31 December 2022.

Summary

- a) **Revenue budget:** The Council was currently forecasting a pressure of £15.127m against the base budget of £263.484m. This was being mitigated by the £1.2m Pay and Inflation reserve established at 2021/22 out-turn to fund anticipated emerging pressures, the remainder of the COVID reserve £2.265m and additional IBCF inflation of £0.354m that had been announced in the current year. The net forecast overspend funded from the Budget Risk reserve was therefore forecast to be £11.308m.

There would be continued focus for the remainder of the year on spending panels, spending moratoriums and vacancy control which would help ensure the Council delivered a balanced position, but it was unlikely that this would be achieved without significant use of reserves.

Within this forecast was the expectation that £10.056m of savings would be delivered against a target of £13.168m which was included within the 2022/23 budget approved by Council. This was an estimated shortfall of £3.112m. Work continued to refine this position and outlined any mitigations including alternative savings that could be identified to improve the position in the final quarter of the financial year.

- b) **Capital budget:** Capital expenditure to date was £59.014m and our forecast was estimated at £148.099m against an approved capital budget of £195.220m.
- c) **Reserves:** The General Reserve current balance remained at £8.933m however if the forecast overspend could not be mitigated there was a potential commitment against the General Fund Reserve. Our Earmarked Reserves including the Budget Risk reserve had a future years' forecast balance of £8.673m after taking account the current forecast overspend committed against the Budget Risk Reserve.
- d) **Dedicated Schools Grant (DSG):** The total grant of £286.660m had been allocated to schools and retained educational services. There was an overspend forecast for 2022/23 on the High Needs Block of the DSG of £5.5m taking the cumulative deficit to £6.9m.
- e) **Collection Rates:** Council Tax billed for the 2022/23 financial year is £137.93m of which £110.79m or 79.63% had been collected. Business Rates billed for the 2022/23 financial year was £91.22m of which £73.338m or 79.91% had been collected.
- f) **Housing Revenue Account (HRA):** The full year forecast projected a planned use of the HRA reserve of £2.702m.
- g) **Business Rates and Housing Benefit Write-offs:** Write off uncollectable Business Rates of £0.301m and uncollectable Housing Benefit of £0.043m were outlined within the report.

Further analysis and explanations of key variances were provided in section 4.1 of the report.

The summary 2022/23 revenue budget variance table was shown in paragraph 1.3 of the report.

The Executive Scrutiny Board noted the report.

Options considered

None directly arising.

Decision

1. To note:

- a) The National context, the revenue projected outturn and key budget variances were set out in section 4.1 of the report with detailed analysis in Appendix 1 of the report and the savings to be delivered in the year outlined in section 4.3 of the report.
- b) The Council's reserves position, as set out in section 4.4 and Appendix 2 of the report.
- c) The capital programme forecast, and actual capital expenditure incurred during the quarter summarised in section 4.5 and Appendix 3 of the report.
- d) The changes already approved under scheme of delegation to the capital programme detailed in Appendix 4 of the report.
- e) The consolidation of capital reserves as detailed in section 4.5.11 of the report.
- f) The forecast Dedicated Schools Grant position summarised in section 4.7 of the report.
- g) The Council Tax and Business Rates Collection performance as set out in section 4.8 of the report.
- h) The Housing Revenue Account performance and projected outturn as set out in section 4.9 of the report.

2. To approve:

- a) Business Rates write-offs of £0.301m and Housing Benefit of £0.043m as uncollectable outlined in section 4.8, with details at Appendix 6 and 7 of the report. A confidential paper was on this agenda outlined further detail.

- b) The capitalisation and the addition of the New Waste Treatment Facility of £2.293m, to be funded from the Future Investment Pot as detailed in section 4.5.9 of the report.
- c) The use of £2.293m from the Budget Risk Reserve for the future costs associated with the New Waste Treatment Facility as detailed in section 4.4.3 of the report.
- d) Changes to the 2022/23 - 2023/24 capital programme outlined in section 4.5.5 and detailed in Appendix 5 of the report.
- e) £1.044m of Direct Revenue Financing for Vehicles, Plant and Equipment as detailed in section 4.5.10 of the report.
- f) The addition to the capital programme of £4.849m for the Bus Service Improvement Plan as detailed in section 4.5.7 of the report.

Reasons

1. To provide assurance that the budgets approved by Council in February 2022 were being effectively monitored and any major variances reported to Cabinet on a regular basis.
2. To update on the latest estimated reserves position.

Contract and Financial Procedure Matters

181/22 Compliance with Contract and Financial Procedure Rules

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

- Department of Transport's (DfT) Safer Roads Fund (SRF) and the work that has been undertaken by the Road Safety Foundation (RSF) which identified, based on revised methodology, a road in Derby that requires attention to mitigate the risk of collisions.
- Acceptance of funding from the Office of Government Property (OGP) in the Cabinet Office £0.500m and associated delegated approvals to apply the funding.

The Executive Scrutiny Board asked Council Cabinet to ensure that local members are included in discussions about proposals affecting property within their wards as part of the One Public Estate Place Pilot.

Options considered

1. For the Safer Roads Fund, no other options had been considered; this national funding was targeted and the section of road in appendix B identified by SRF.
2. For the acceptance of funding, to not participate in the Place Pilot programme: this option was not recommended as the Council would miss the opportunity to work in a facilitated way with public sector estate holders across the city to rationalise assets, explore opportunities for leveraging the public sector estate to drive regeneration and improve collaboration

Decision

1. To approve the submission of a bid and acceptance of funding from the Safer Roads Fund, subject to suitable terms and conditions as outlined in section 4 of the report.
2. To delegate authority to the Strategic Director for Communities and Place and the S151 Officer, following consultation with the Cabinet Member for Regeneration, Decarbonisation, Strategic Planning and Transport to accept funding awarded, as outlined in section 4 of the report.
3. To note the Strategic Director for Communities and Place and the S151 Officer, following consultation with the Cabinet Member for Regeneration, Decarbonisation, Strategic Planning and Transport would ensure suitable terms and conditions before acceptance of funding, as outlined in section 4 of the report.
4. To approve the addition of the Safer Roads Fund to the capital programme in 2023/24, subject to the agreement of suitable terms and conditions being in place to accept the funding, as outlined in section 4 of the report.
5. To approve accepting funding from the Office of Government Property (OGP) in the Cabinet Office of £0.500m as outlined in section 4 of the addendum report.
6. To delegate authority to the Strategic Director for Communities and Place to allocate the funding in line with the OGP terms of funding, as outlined in section 4 of the addendum report.
7. To approve the creation of a specific earmarked reserve and approve the transfer of the £0.500m OGP funding to this reserve.
8. To approve the use of the OGP earmarked reserve as appropriate in line with the OGP terms of funding.
9. To accept the recommendation from the Executive Scrutiny Board to ensure that local members are included in discussions about proposals affecting property within their wards as part of the One Public Estate Place Pilot.

Reasons

1. To capitalise on the opportunity to secure external funding to address the risk of collisions and improve active travel. This also provided access into the revised methodology, including training, for Council staff.
2. Acceptance of DfT funding typically required a rapid response, equally securing efficient internal acceptance of the funding will enable the prompt addition of the funding received to the Highways & Transport capital work programme.
3. To comply with Financial Procedure Rules.

Performance

182/22 2022/23 – Q3 Performance Monitoring Report

The Council Cabinet considered a report which stated that the Council Plan 2022-2025 was approved by Council Cabinet in February 2022, with the supporting annual delivery plan for 2022/23 approved in July 2022.

The report presented a consolidated overview of performance in line with commitments made in the Plan, bringing together priority performance measures, projects and strategic risks.

A commitment was made to make the Council Delivery Plan dynamic on approval, ensuring that it remained fit for purpose. Some minor amendments had been requested by Lead Officers, set out in paragraph 4.5 of the report. This included proposals for any amendments to targets.

A summary of key performance highlights covering the period of September 2022 to December 2022 (quarter three) could be found in paragraph 4.8 of the report, with details of key achievements presented within paragraphs 4.9 and 4.10 of the report. Areas for further work were detailed within paragraphs 4.11 to 4.15 of the report, and a full overview of progress against the 2022/23 Council Delivery Plan was available in Appendix 1 of the report.

There were no areas identified for a Performance Surgery based on outturns at the end of December 2022, or areas identified for targeted risk reviews (in addition to activities already in progress).

The Executive Scrutiny Board noted the report.

Options considered

Not applicable.

Decision

1. To approve amendments to the 2022/23 performance framework or targets proposed, as presented in paragraph 4.5 of the report.
2. To note the latest performance position, paying particular attention to the latest profile of our strategic risks and emerging priorities for improvement.
3. To note the in-quarter activities set out in 4.16 and 4.17 of the report, that had been completed to provide assurances on our strategic risk controls, with further activities scheduled for quarter four.
4. To note that no performance measures were recommended for consideration via a Performance Surgery, with performance review activities planned for quarter four set out within paragraph 4.18 of the report.

Reasons

1. Performance monitoring enabled us to keep track of our progress against various plans, and it's essential that Council Cabinet had regular oversight of progress against the Council Plan.
2. A key part of effective improvement was robust project and risk management, with regular senior oversight of the latest position. This makes sure that there was clear accountability, and it allowed informed decision making, in a transparent way.

183/22 Exclusion of Press and Public

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

Key Decision

184/22 Midland House Acquisition Support

The Council Cabinet considered exempt information in relation to Midland House acquisition support.

The Executive Scrutiny Board noted the report.

Budget and Policy Framework

185/22 2022/23 Quarter 3 Financial Monitoring – Business Rates and Housing Benefit Overpayments Write Offs

The Council Cabinet considered exempt information in relation to the 2022/23 quarter 3 financial monitoring – business rates and housing benefit overpayments write offs.

The Executive Scrutiny Board noted the report.

MINUTES END