



Council Cabinet Response to Scrutiny Recommendations

SUMMARY

- 1.1 This report outlines the recommendations made by the Executive Scrutiny Board to Council Cabinet and Council Cabinet's responses to these recommendations. The relevant responses have been extracted (and condensed where appropriate) from the Council Cabinet Minutes and included in Section 4 of this report.

RECOMMENDATION

- 2.1 To note the responses from Council Cabinet recorded in the Council Cabinet Minutes.

REASON FOR RECOMMENDATION

- 3.1 To ensure that the Executive Scrutiny Board receives a response from Council Cabinet to the recommendations made.

SUPPORTING INFORMATION

Council Cabinet Meeting of 13 June 2018

4.1 07/18 Recommendations from the Executive Scrutiny Board

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

Council Cabinet Decision

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

4.2 **08/18 Inward Investment – Marketing Derby**

The Executive Scrutiny Board resolved to recommend to Council Cabinet that officers were mandated to establish an Economic Development Board, to act as a formal consultee on planning applications.

Council Cabinet Decision

1. To receive the recommendation from the Regeneration and Housing Board.
2. *To accept the recommendation from the Executive Scrutiny Board to mandate officers to establish an Economic Development Board, to act as a formal consultee on planning applications.*
3. To request Council to establish an Economic Development Board.

Key Decisions

4.3 **09/18 A52 Wyvern Transport Improvements Scheme – Cost Increases**

The Executive Scrutiny Board resolved:

- 1) That Council Cabinet be provided with a detailed breakdown of the £7.65m additional funding requested, prior to the deliberation of recommendations 2.5 and 2.6, to be considered in private session if necessary.
- 2) To endorse the proposed internal investigation.
- 3) That Council Cabinet give consideration to the potential for an independent investigation in future, subject to the findings of the Council's internal auditors.

Council Cabinet Decision

1. To note that very significant and unforeseen cost increases had occurred on the A52 Junction Improvements scheme, and at this time it was not possible to provide a robust and accurate forecast of the total scheme cost to completion.
2. To support the initiation of an internal, independent investigation into the project to determine the reasons for such a significant and unforeseen problem occurring on this project. This would be led and coordinated by the internal audit team.
3. To approve the procurement of independent technical and contract experts to support the project team and to provide assurance to Cabinet Members with regard to the future delivery of the scheme. The cost for this additional support would be incorporated into the scheme costs.
4. To approve, within the capital programme, the addition of the A52 complementary works, currently included in the Highways and Transport programme, to the A52 Junction Improvements scheme, giving a current approved cost of £17.063m.

5. To approve an interim increase in the capital budget for the A52 Wyvern Transport Improvements scheme from £17.063m to £24.713m an increase of £7.65m.
6. To approve the provision of additional funding of £7.65m towards the shortfall in scheme costs from the budget risk reserve.
7. To note there would be further increased costs associated with the scheme and that this would be the subject of a more detailed report, to be presented to Council Cabinet in September 2018. Until a final scheme cost estimate is available, the S151 officer cannot consider the full future financial implications.
8. *To note the recommendations from the Executive Scrutiny Board*
 - *That Council Cabinet were provided with a detailed breakdown of the £7.65m additional funding requested, prior to the deliberation of recommendations 2.5 and 2.6, which was considered as an exempt item.*
 - *To note that the Board endorsed the proposed internal investigation.*
 - *That Council Cabinet give consideration to the potential for an independent investigation in future, subject to the findings of the Council's internal auditors.*

4.4 10/18 Purchase of Residential Dwellings to Provide Affordable Housing Funded Through the Housing Revenue Account

The Executive Scrutiny Board resolved to note the report.

4.5 11/18 Final Accounts – 2017-18 Outturn Report for General Fund, Capital, Treasury Management, Housing Revenue Account, Dedicated Schools Grant and Collection Fund

The Executive Scrutiny Board resolved to recommend to Council Cabinet that £2.845m was transferred to the Welfare Reform Reserve to provide support to residents transferring to Universal Credit from July 2018.

Council Cabinet Decision

1. To note the overall General Fund revenue budget outturn position for 2017/18 (subject to external audit) and budget variances at 31 March 2018 as set out in section 4 of the report.
2. To approve final required movements in reserves set out in paragraph 4.4 of the report.
3. To note the savings achieved in 2017/18 as summarised in section 4.6 of the report.
4. To approve the write off of historic debits on creditor control accounts of £97,584 outlined in section 5, with details at Appendix 4 of the report.

5. To note the Capital outturn and the Capital expenditure incurred during the year as summarised in section 7 of the report.
6. To approve the addition of the £11.344m slippage to the 2018/19 capital programme as detailed in Appendix 5 of the report.
7. To approve the additional Capital spend backed by funding outlined in section 7 of the report of £1.184m.
8. To approve the addition of all Capital programmes' underspends to the Highways and Transport programme outlined in section 7 of the report.
9. To approve the Annual Report in respect of Treasury Management activity for 2017/18 outlined in section 8 of the report.
10. To note the compliant prudential indicators in respect of the Treasury Management outturn, as outlined in the report, outlined in section 8 of the report.
11. To approve the HRA outturn net surplus of £2.465m as set out in section 9 and Appendix 6 of the report.
12. To note the overall Dedicated Schools Budget position for 2017/18 as set out in section 10 of the report.
13. To note the Council's share of the Collection Fund was a deficit of £1.853m as set out in section 11 of the report.
14. To authorise the Section 151 Officer to adjust the Council's Reserves in the event that the Council or its Auditors (Ernst Young) require any adjustments to the Final Accounts for 2017/18 that alter the overall Council's position.
15. *To note the recommendation from the Executive Scrutiny Board to Council Cabinet that £2.485m was transferred to the Welfare Reform Reserve to provide support to residents transferring to Universal Credit from July 2018 and consider this with officers alongside the Medium Term Financial Plan.*

4.6 12/18 Delivering Enhanced Activities to Support the Streetpride Services

The Executive Scrutiny Board resolved to note the report.

4.7 13/18 Performance Monitoring 2017/18 – Council Delivery Plan Quarter Four / Year End Results

The Executive Scrutiny Board resolved to note the report.

Contract and Financial Procedure Matters

4.8 14/18 Contract and Financial Procedure Matters

The Executive Scrutiny Board resolved:

- 1) To recommend that Council Cabinet provide further details on the intended use of the additional one per cent Council Tax increase for 2018/19, originally intended to support a new Performance Venue.
- 2) To recommend that funding for a cost assessments programme for non-residential properties was incorporated into the base budget at the earliest opportunity.
- 3) To recommend that Council Cabinet do not approve the procurement of a pre-paid card scheme to replace cash payments until such point as service users have been formally consulted.

Council Cabinet Decision

1. To approve the transfer to reserves of £877,000 in 2018/19 to a newly created reserve as a result of the 1 percent increase in Council Tax in 2018/19 to fund prudential borrowing when needed.
2. To approve the use of £68,000 of the budget risk reserve to provide funding for additional resource for the risk management team to address urgent actions identified in the Corporate Improvement Plan and External Auditor's Section 24 Report.
3. To approve the use of £18,000 of the budget risk reserve to provide funding for the one off purchase to improve Council House security.
4. To approve the transfer of the former Beaufort Business Centre from the General Fund to the Housing Revenue Account by appropriation to the value of £150,000 for the purpose of building new council houses.
5. To approve the use of £100,000 of the budget risk reserve to provide funding for the new Reinstatement Cost Assessments Programme for Non-Residential Properties in order to comply with insurance cover.
6. To approve entering into a procurement process for the provision of a Pre-Paid Card Scheme with an initial contract value of £50,000 per annum. The contract value will be offset against savings achieved in the first financial year. Total value for the initial term 1 October 2018 to 12 February 2021 would be £122,000 including training and set up costs charged by the successful provider.
7. *To note the following recommendations from the Executive Scrutiny Board*
 - *To recommend that Council Cabinet provide further details on the intended use of the additional one per cent Council Tax increase for 2018/19, originally intended to support a new Performance Venue.*
 - *To recommend that funding for a cost assessments programme for non-residential properties was incorporated into the base budget at the earliest opportunity.*
8. *To reject the following recommendation from the Executive Scrutiny Board*

- *To recommend that Council Cabinet do not approve the procurement of a pre-paid card scheme to replace cash payments until such point as service users have been formally consulted.*

OTHER OPTIONS CONSIDERED

5.1 None.

This report has been approved by the following officers:

Legal officer	N/A
Financial officer	N/A
Human Resources officer	N/A
Service Director(s)	N/A
Other(s)	David Walsh – Head of Democracy

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Background papers:	Council Cabinet Minutes and Reports 13 June 2018.
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial and Value for Money

- 1.1 Costs associated with implementing the recommendations associated with this report would need to be determined by relevant officers following decisions made by Council Cabinet.

Legal

- 2.1 Rule OS23 of the Council's Constitution relate are relevant to this report in its final submissions to Council Cabinet. Rule OS23 states that the Council or Council Cabinet shall consider the report of the overview and scrutiny board within one month of it being submitted to the proper officer.
- 2.2 Legal implications associated with implementing the recommendations associated with this report would need to be determined by relevant officers following decisions made by Council Cabinet.

Personnel

- 3.1 Personnel implications associated with implementing the recommendations associated with this report would need to be determined by relevant officers following decisions made by Council Cabinet.

IT

- 4.1 IT implications associated with implementing the recommendations associated with this report would need to be determined by relevant officers following decisions made by Council Cabinet.

Equalities Impact

- 5.1 Effective scrutiny benefits all Derby people and the very nature of the Scrutiny Board's work means that equality issues are addressed.

Health and Safety

- 6.1 None directly arising from this report.

Environmental Sustainability

- 7.1 None directly arising from this report.

Property and Asset Management

- 8.1 Asset management and acquisition implications associated with implementing the recommendations associated with this report would need to be determined by relevant officers following decisions made by Council Cabinet.

Risk Management

- 9.1 Risks management implications associated with implementing the recommendations associated with this report would need to be determined by relevant officers following decisions made by Council Cabinet.

Corporate objectives and priorities for change

- 10.1 Our aim is to work together so that Derby and its people will enjoy a thriving sustainable economy, good health and well-being and an active cultural life.