

Time began 6.00pm
Time ended 7.00pm

**COUNCIL CABINET
6 JULY 2010**

Present: Councillor Jennings (Chair)
Councillors Grimadell, Holmes, Ingall, Marshall,
Poulter and Williams

In attendance Councillor Bayliss and Allen

This record of decisions was published on 8 July 2010. 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.

16/10 Apologies for Absence

Apologies for absence were received from Councillors Hickson and Jones.

17/10 Late Items Introduced by the Chair

In accordance with Section 100(B) (4) of the Local Government Act 1972, the Chair agreed to admit the following late item:

- Revenue Budget – Establishment and Vacancy Control.

18/10 Identification of Urgent Items to which Call-In will not apply

There were no items.

19/10 Declarations of Interest

Councillor Williams declared a personal and prejudicial interest in the late item relating to Revenue Budget – Establishment and Vacancy Control because a family member had applied for a post at Derby City Council.

20/10 Minutes of the meeting held on 8 June 2010

The minutes of the meeting held on 8 June 2010 were signed as a correct record and signed by the Chair.

Matters Referred

21/10 Awarding of the Golf Courses Management Contract

The Council Cabinet considered a report of the Community Commission on Awarding of the Golf Courses Management Contract. On 20 April 2010 Council Cabinet received a report on the awarding of the golf courses management contract and resolved to 'to approve the awarding of a 50 year contract subject to a satisfactory outcome of the public consultation'. It was also agreed to take steps to ensure the contract does not have any detrimental impact on the future use of Allestree Hall. On 9 June 2010 the Community Commission received a report on the proposals which explained that public opinion had been gauged by a question put to the April 2010 Pointer Panel. The Commission made the following recommendations

1. To not confirm the contract because the consultation over the proposal was unsatisfactory
2. To rectify the inadequate consultation, prior to taking any final decision, by consulting, at minimum, the ward councillors and the Neighbourhood Forums and Boards for the two wards plus the golf course users
3. To not to award this or other service management contracts for 50 years, as that is too long a period to be tied in, but instead accept the Commission's preference that such contracts should not exceed about 25 years.

The Council Cabinet also considered a report of the Strategic Director of Neighbourhoods which stated that over the past year, Parks had been engaged in going out to tender for a private contractor to manage and maintain the City's golf courses at Allestree Park and Sinfin. Council Cabinet at its meeting in April 2010 approved the awarding of a 50 year contract to a successful Tenderer subject to the satisfactory outcome of public consultation and also the Council taking steps to ensure the contract does not have any detrimental impact on the future use of Allestree Hall. To gauge public opinion across the city about the proposed changes to the management and maintenance of the golf courses, a question was put to the April 2010 Derby Pointer Panel this was set out in Appendix 3 of the report, the results of which indicated that more than twice as many people agreed with the proposed changes (43.3%) as disagree with them (20.1%). This was reported back to Community Commission as requested on 9 June 2010. The Commission remained unconvinced that extensive enough consultation had been undertaken and requested consultation with Ward Members and Neighbourhood Forums. This was partially complete and supportive so far, with the consultation in Sinfin set to take place on 21 July. Community Commission also requested a reduction in the number of years that the contract would be awarded for – see Community Commission report set out in Appendix 5 of the report.

Decision

To confirm that, subject to no significant adverse comments from the outstanding Sinfin consultation, Council Cabinet support the proposed changes to the future management and maintenance of the golf courses.

22/10 Research to Determine the Attitudes of Local People to Climate Change

The Council Cabinet considered a report on Research to Determine the Attitudes of Local People to Climate Change. The report considered the main findings from the research undertaken on behalf of the Climate Change Commission (CCC) regarding the attitudes of local people to Climate Change. The Commission presented their recommendations to the main findings from this research to Council Cabinet on the 16 March 2010. As requested at that meeting, the report responded to the various recommendations proposed by the Commission in order to slightly refocus the ongoing engagement process with local people that was essential to help meet the UK's 2050 carbon reduction target.

Decision

To note the officer comments and accept the recommendations made by the Climate Change Commission, outlined in paragraphs 4.5 to 4.9 inclusive of the report.

Key Decisions

23/10 Reform of the Housing Revenue Account Subsidy System

The Council Cabinet considered a report on Reform of the Housing Revenue Account Subsidy System. The government published a 'prospectus' for the reform of the Housing Revenue Account, HRA, Subsidy System, HRASS, on 25 March and requested responses to the consultation contained within it by 6 July – we have received confirmation from the Department for Communities and Local Government, CLG, that our response will be given due consideration if we respond by 7 July. Overall, the Council's HRA is currently in surplus but will lose the benefit of additional funds currently available as a result of the Arms Length Management Organisation, ALMO, settlement from next financial year. This will mean that the Council will start to make significant payments of negative subsidy at that point. The offer from the government implied by the prospectus, is that debt would remain around current levels but be capped at that level. This is clearly better than the alternative that would see increasing levels of negative subsidy paid to the government over time. There are some concerns set out in a proposed consultation response attached at Appendix 2 of the report and overall, the recommendation included in the report was to strongly welcome the proposals, but to also plead for some technical adjustments to the calculations rather than the principles proposed. The Coalition Government's Housing

Minister has stated that he wished to 'review the review' started by the previous Labour Government, but accepted that the current system was in need of reform. He has also signalled that the government was minded to continue with the process already begun and to consider responses to this consultation with a view to implementation. The principles being followed in the prospectus do allow delegation to local level, and also generate an overall capital receipt for central government.

Options Considered

There were no options considered.

Decision

1. To approve the consultation response to the Government attached at Appendix 2 to the report.
2. In the event of the reform being implemented, to adopt the policy on application of future Right to Buy receipts set out in paragraph 5.6 of the report.

Reasons

There were no reasons.

24/10 Accommodation Strategy

The Council Cabinet considered a report on Accommodation Strategy. The report gave details of the current design proposals for the refurbishment and extension of the Council House to meet all of the central customer service, office and civic accommodation needs of the Council and provides an updated budget estimate for the whole scheme including decant costs.

The Council Cabinet also considered a report of the Scrutiny Management Commission setting out the views of the Commission.

The Commission resolved to make these recommendations to Cabinet.

1. To note that significant changes were made to the architects' designs since a presentation to the Conservation Area Advisory Committee, so it is important to understand that the plans shown to the SMC have not been endorsed by CAAC. However, CAAC will have another formal opportunity to consider the final proposals as part of the planning application process.
2. The *general* aim of the scheme should be to maximise the building and its surroundings for community use.
3. The *specific* wish is to open up the river frontage, possibly including a patio linked to the planned café and available for hire, for events like

weddings, which could be an income generator. However, the Council should only proceed with opening up the river frontage if that is compatible with building security.

4. Members believed the presentation need to show more details and images of the Council Chamber including size, space layout and the provision of ICT. There is a need for Members to be able to see and fully discuss the options for the Chamber.

Options Considered

Options for alternative accommodation for both the main administrative functions and decant space had been detailed in previous reports.

Decisions

1. To recommend to Council approval of the design proposals and proceeding with the detailed design and tender for the scheme.
2. To approve scheme commencement of the alteration and refurbishment of the decant space at Albion Street and Heritage Gate in preparation for staff moving out of the Council House later this year.
3. To recommend to Council approval of the £1.3m additional unsupported borrowing as detailed in Appendix 1 of the report.
4. To approve the revised capital and revenue budgets, as detailed in Appendix 1 of the report.
5. To approve the budget transfer of £1.4m from the corporate cost / inflation contingency budget to the Accommodation Strategy revenue budget 2010/11.

Reasons

1. After a full options appraisal, the refurbishment of the Council House was the most cost effective and fit for purpose option of meeting the Council's accommodation needs for the next 50 years and would realise the following benefits...
 - the modernisation and retention of a landmark city centre building
 - a much improved, open plan and spacious customer service area that matches our customers' needs
 - a building fully accessible for people with disabilities
 - the optimised usage of space by changing the ways we work including maximising the use of desks, computers and telephones known as 'Derby Workstyle'. This would significantly reduce the amount of office space we needed with consequent working, cost and energy efficiencies
 - greatly improve the staff and Member working environment

- contribute significantly towards the Council's commitment to tackling climate change by reducing its carbon footprint
 - remove the maintenance backlog for administrative buildings which had been a financial burden on the Council's budgets for many years
 - release St Mary's Gate to allow the regeneration of the St George's quarter in line with Cityscape's master plan proposals
 - release Roman House for disposal and save the current leasing costs paid by the Council for other accommodation at Heritage Gate and elsewhere within the city centre
 - contribute significantly to the delivery of the Council's transformation change programme – 'one Derby one council' savings.
2. Given the extent of the proposed refurbishment, it would not be possible to occupy the Council House whilst work was carried out and all Members, staff and customer services would relocate into decant space within the city centre. The decant was being carefully planned so there would be minimum inconvenience for our employees and customers.

25/10 Asset Transfers from Derwent Delivers Ltd to Derby City Council

The Council Cabinet considered a report on Asset Transfers from Derwent Delivers Ltd to Derby City Council. The report sought approval for the temporary transfer of certain properties from Derwent Delivers Limited to Derby City Council and be held on trust until the Derwent New Deal for Communities identifies a successor body. The properties include; the Grandstand site and Gateway Centre, Revive Healthy Living Centre, 93/95 and 97 Wiltshire Rd and 8 John Berrysford Close, Chaddesden.

Options Considered

The 'do nothing' option was not an option and would place the assets currently held by Derwent Delivers Ltd at risk.

Decision

To approve the Council establishing a legal trust to temporarily hold the freehold title to the Grandstand site including the Gateway, Revive Healthy Living Centre, 93/95 and 97 Wiltshire Rd, Derwent and 8 John Berrysford Close until the assets can be transferred to a successor body.

Reasons

The New Deal for Communities - NDC - programme had not yet established a financially secure successor body to hold the legal title to the assets that had been developed and purchased with the NDC grant.

26/10 Chaddesden Library

The Council Cabinet considered a report on Chaddesden Library. The report identified the location for a new Chaddesden Library to replace the current building that was now approaching the end of its useful life. It also proposed that the library be developed with a range of special features appropriate to the chosen location. These features would reflect the Council's commitment to protecting the environment and to reducing the effects of climate change in Derby.

Options Considered

There were no other options considered.

Decision

1. To locate the new library in Chaddesden Park, approximately 50 metres south-east of the current building. The proposed site was on the grassed area adjacent to where the path to the current library meets the path to the Chaddesden Park café.
2. To design the library as an exemplar of low-carbon construction and technology, including within it a range of features that reflected the Council's commitment to protecting the environment and reducing the effects of climate change in Derby.
3. To provide exhibitions, displays and learning facilities within the library that support the study and appreciation of Chaddesden Park's natural heritage.

Reasons

There were no reasons.

In accordance with Procedure Rule A126, the Chair of the Children and Young People Commission had been advised that this item would be considered although not included in the Forward Plan.

Budget and Policy Framework

27/10 Revenue Budget – Establishment and Vacancy Control

The Council Cabinet considered a report which stated that since the introduction of the Vacancy Control Process in March this year, the Transformation Team has received 200 posts for approval. Nearly all of these posts have been approved although around 75% have only been approved on a fixed-term contract basis.

It was proposed that with immediate effect we implement a vacancy freeze on all external recruitment below tier 3 (with the exception of a small number of posts which will form an Exemption List). This would enable posts to be filled by internal candidates but would ensure that we were not expanding our workforce during this time of austerity. The Vacancy Control Process would determine whether posts should be filled or not filled, or whether they should be frozen or deleted.

A revised Establishment and Vacancy Control Process was set out in Appendix B of the report and a flowchart outlining the process was set out in Appendix C of the report.

It was noted that this revised process starts from when a vacancy occurs and not from when a Manager decided whether or not the vacancy needs to be filled i.e. the new process covers all posts including those to be deleted, requests to fill the post either through internal recruitment, external recruitment (for posts on the approved Exemption List) or filled by agency staff.

It is acknowledged that there would be some posts e.g. Social Workers where an internal recruitment process is unlikely to be successful. It was therefore proposed that a small Exemption List – which had been approved by Chief Officer Group – is used. The approved Exemption List was attached at Appendix D of the report.

Where a decision was taken to delete a post and remove the budget, the saving would be recorded as a contribution to the 'one Derby, one council' savings targets- see paragraphs 3.10 – 3.16 of the report. The criteria being used to determine whether or not to fill or delete a post should be used when making changes to structures through Delegated Functions Reports.

It was also proposed that this new Vacancy Control System would also be used for the appointment of any Agency Workers and Consultants. The Council's annual spend on agency workers had increased to £3million and there was a need to ensure that this does not increase any further.

Based on information available within the Vision system, there were currently around 800 vacant posts. To prevent the budget held for vacant posts being used for other purposes, a review was required of all existing vacancies to decide if each vacancy should remain or be deleted. The general principle to be applied, for both a review of existing vacancies and the control process for new vacancies going forward, was that where vacancies were deleted the budget should be removed to prevent it being spent. The permanent budget saving would be taken as a 'one Derby, one council' budget saving in 2010/11, but only after the directorate had delivered against its 2010/11 'turnover' savings target provision. More detail on how the budget removal process will work was included in the Vacancy Control Process set out at Appendix B of the report.

No transfers would be allowed from salary budgets to non salary budgets. This meant that salary budgets would no longer be available to fund non pay budget pressures within services. The exception to this would be where services were outsourced.

The process would also apply to posts funded from the HRA, Schools Budget, Trading Services and external funding, All other savings would be taken as General Fund savings. The treatment in each case would be as follows...

- In relation to HRA and Schools budget posts, the saving would remain within the ringfenced services.
- Any saving on specific grant funded posts would deliver a saving against the grant to reinvest in the service area the grant supports to deliver the required outcomes of the funding stream.
- Trading Services savings would contribute to the delivery of the budgeted surplus to the General Fund.

Where a vacant post was deleted as part of a planned budget saving, already included in the approved 2010/11 to 2012/13 revenue budget, the budget saving would in these circumstances remain within the Directorate to realise the budgeted saving.

A turnover provision had been applied to all salaries budgets resulting in the amount held in the budget being less than the actual cost of the full establishment. The percentage applied differed from one directorate to another, the average being 5%. Directorates would often hold posts vacant to help meet the budgeted turnover provision. A review would take place by Heads of Finance during July to determine the budgeted provision for each Directorate and the current shortfall in 2010/11. It was proposed that the first call on the in-year budget savings in 2010/11 from the deletion of posts would be to meet the shortfall in the turnover provision, and then all further savings would be taken as 'one Derby, one council' savings. However, the full budget saving in the base from 2011/12 would be removed as a 'one Derby, one council' saving.

There may be cases where a post was currently being held vacant against plans for a restructure of a service area for 4th tier and below, where a 4th tier growth bid was not submitted on the basis that the budget for the vacant post would be available to the service. In these instances, the vacancy control process would apply and a business case would need to be made for the new structure/new post and the use of the budget from a vacant post. Only where a new post/structure was approved through the establishment control process requiring the budget from a vacant post, as part of the funding package, would the budget remain with the service. If a post was currently being held vacant on this basis, but the restructure had not yet been completed, the budget should be removed but held as a directorate pay budget saving pending the finalisation of structures by the October 2010 deadline. At that point any budget saving not taken to fund an approved structure/new post would be removed and taken as a 'one Derby, one council' saving.

To continue to monitor and review vacancies and posts in the future it was essential that the Vision system was kept up to date. The revised Vacancy Control Process would be used on an on-going basis to identify any further posts for deletion as well as to help to keep records up-to-date.

Decision

To recommend Council to

1. Agree that with immediate effect we implement a vacancy freeze on all external recruitment below tier 3 with the exception of a small number of posts which will form an Exemption List.
2. Agree that the new Establishment and Vacancy Control Process outlined in Appendix B of the report is implemented with immediate effect.
3. Agree that a full review of the 800 vacancies currently listed on the Vision System should be completed as soon as possible.
4. Agree that this new process is included in the Savings and Realisation Policy.

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

Contract and Financial Procedure Matters

28/10 Contract and Financial Procedure Matters Report

The Council Cabinet considered a report on Contract and Financial Procedure Matters. The report dealt with the following items that required reporting to and approval by Council Cabinet under contract and financial procedure rules:

- appointment of advisers to BSF phase 2 / post contract (this item was withdrawn)
- use of reserves – Springwood Leisure Centre reserve
- use of reserves - £95,666 from the Derby City Partnership - DCP - reserve.
- extension of the existing contract for the Community and Legal Advice Centre (this item was withdrawn)
- use of Climate Change Board reserve to fund heat recovery at Moorways
- allocation of Early Years' grants to providers
- reallocation of the Neighbourhoods Department capital and revenue funding to ensure continuity of a programme of works
- purchase of an automatic meter reading system from the Climate Change budget
- approval of proposed changes to the Capital programme

- approval of capital scheme commencements.

Decision

1. To note that recommendations 1, 2 and 5 were withdrawn.
2. To approve the amendment of the existing use of corporate reserves for Springwood Leisure Centre to fund essential repairs to leisure centres and revenue costs associated with the Leisure Strategy, as set out in paragraph 4 of the report.
3. To approve the appropriation of £95,666 from DCP reserves to fund the 10/11 DCP budget requirement, as set out in paragraph 5 of the report.
4. To approve a budget transfer from Neighbourhoods department Moorways revenue budget to transfers to reserves to repay climate change board climate change project funding, as set out in paragraph 7 of the report.
5. To approve the allocations of early years' capital grants to providers as listed in Appendix 2, as set out in paragraph 8 of the report.
6. To approve the use of £385,000 revenue budget originally earmarked for Surface Car Park resurfacing in the 2010/11 Neighbourhood capital programme to fund 2010/11 reclassified revenue Local Transport Plan - LTP - schemes outlined in Appendix 3 of the report and to approve the use of LTP non ring fenced capital allocation of £385,000 to fund 10/11 Surface Car Park resurfacing in the 10/11 Neighbourhoods capital programme, as set out in paragraph 9 of the report.
7. To approve an allocation from the Climate Change budget to purchase an automatic meter reading system, as set out in paragraph 10 of the report.
8. To approve the changes detailed in Appendix 4 of the report and to update the 2010/11 – 2012/13 capital programme, as set out in paragraph 11 of the report.
9. To note the revised capital programme and associated funding detailed in Table 1 for 2010/11, as set out in paragraph 11.1 of the report.
10. To approve scheme commencements for the schemes detailed in paragraph 12 and Appendix 5 of the report.

MINUTES END