

Time began: 6:00pm
Time ended: 7:15pm

COUNCIL CABINET
8 August 2018

Present Councillor Poulter (Chair)
 Councillors Barker, Grimadell, M Holmes, Roulstone, Smale,
 Webb and Williams

In attendance Councillors Eldret, Rawson, Skelton and West
 Carole Mills – Chief Executive
 Don McLure – Strategic Director of Corporate Resources
 Andy Smith – Strategic Director of People Services
 Claire Davenport – Director of Leisure, Culture and Tourism
 Glen O'Connell – Interim Director for Legal and Democratic
 Services and Monitoring Officer
 Heather Greenan – Head of Performance and Intelligence
 Catherine Williams – Head of Service – Regeneration Projects
 Emma Dann - Principal Regeneration Officer
 Frederico Almeida – Youth Mayor

This record of decisions was published on 10 August 2018. The key decisions set out in this record will come into force and may be implemented on the expiry of five clear days unless a key decision is called in.

34/18 Apologies

There were none.

35/18 Late Items

There were none.

36/18 Receipt of Petitions

There were no petitions received.

**37/18 Identification of Urgent Items to which Call In will not
 apply**

There were no items.

38/18 Declarations of Interest

There were no declarations on interest.

39/18 Minutes of the Meeting Held on 18 July 2018

The minutes of the meeting held on 18 July 2018 were agreed as a correct record.

Matters Referred

40/18 Recommendations from the Executive Scrutiny Board

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

Decision

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

Key Decisions

41/18 Bold Lane Office Accommodation – Delivery Model

The Council Cabinet considered a report which stated that the City Centre Masterplan recognised that large high quality office units were in short supply in the city centre and market failure was holding back business growth. The Bold Lane project would deliver Grade A office accommodation, supporting the development of the office market in the city centre.

In February 2018 Cabinet approved the development of a high quality, commercially-let office accommodation project on the Council-owned Bold Lane site. Cabinet also agreed for officers to explore all delivery options for the project, including potential partnership arrangements with a private sector developer.

Proposals from developers were received and evaluated in the Spring and a preferred proposal had been selected for recommendation to Cabinet. This proposal had been compared with the direct delivery model and this work concludes that, on balance of risks and benefits, the Council should pursue the developer partner model. Cabinet's approval was sought to proceed with a developer-led scheme and begin to draw up the necessary legal contracts with Jensco Group, the preferred bidder.

The Executive Scrutiny Board noted the report.

Options Considered

The report described the delivery options considered for the Bold Lane office accommodation:

- Council direct delivery.
- Developer partner model.

Decision

1. To deliver the Bold Lane office accommodation project through a 'developer partner model' in partnership with Jensco Group (as set out in the confidential report).
2. To delegate to the Strategic Director of Communities and Place, following consultation with the Strategic Director of Resources and the Cabinet Member for Regeneration and Public Protection, responsibility for finalising the land transfer, the lease back and all associated documentation.
3. To approve a loan from the Regeneration Fund of up to £434,000 to support operational costs and business rates in the early years of the scheme. This is a reduced request from the Regeneration Fund previously approved in February 2018.

Reasons

In February 2018, Cabinet approved the implementation of the Bold Lane project through a direct delivery model by the Council and for officers to explore all delivery options for the project. Following further investigation of a developer partner model, it was proposed to implement the project with a private sector developer partner and therefore a further Cabinet decision was required.

42/18 Children's Residential Homes – Proposed Reconfiguration of Service Provision

The Council Cabinet considered a report in which all identifying aspects in relation to the names of individual Derby City Council children homes had been removed, on the basis that this information would identify their locations and therefore present a safeguarding risk to the children and young people.

The Council had five operating residential children's homes providing up to twenty-five beds for mainstream and disabled young people. A sixth was due for refurbishment completion in August 2018. Presenting needs of young people requiring accommodation had changed significantly, therefore if Derby was to realise its strategic objective of maintaining Derby children and young people in Derby, the current homes configuration and staffing provision required change to ensure those with complex needs and challenging behaviours could be safely accommodated within its current provision

Four mainstream homes had had extensive capital investment totalling over £5m over five years. Three homes had been re-built which were of good quality and were an asset for the Council. One home was due for refurbishment completion in August 2018 and one further six bedded home remains scheduled for refurbishment. Most

homes had sustained a “good” rating by Ofsted over the past two years for the quality of care provided. However, the intended use and purpose was now not conducive to meeting the changing needs of those requiring accommodation. Demand over the past twelve months had shown that the current model and staffing configuration was both inefficient and unable to deliver good outcomes, consistently. Evidence would suggest that needs for those with complex and challenging behaviours were better met within smaller home environments. For Derby, this had resulted in commissioning external residential placements at high cost, though more recently the external market had become saturated. This had resulted in the need to use internal provision for complex needs of which the consequences had been a decline in Ofsted judgements and increased reputational risk for the Council.

A strategic needs analysis was recently completed to inform and evidence future model proposals. The recommendations were based on all available information from that analysis to develop resilient, responsive and flexible accommodation that would provide a continuum from entry into care, to preparing for independence and exiting care, depending on need now and in the future.

The report recommended two phases for children’s homes reconfiguration over the next twelve months;

- Phase 1 would develop a new model of internal delivery resulting in up to twenty four beds across two hubs, with each hub targeting different levels of need. Hub 1 would develop a complex needs provision with accommodation of up to eight beds across three homes. Hub 2 would retain the existing mainstream and disabled needs provision with accommodation of up to sixteen beds across three homes.
- Phase 2, would develop a pathway and access to a range of semi independence provision for those aged 16-18 years to better enable the development of independence skills required for leaving care.

The Executive Scrutiny Board recommended that:

1. Council Cabinet defer the decision on the reconfiguration of Children's Homes until such time as a formal consultation has been carried out with relevant stakeholders; an Equalities Impact Assessment has been completed and their results presented to Council Cabinet for further consideration;
2. the Capital Programme be reviewed, with the intention of ensuring no overall reduction in the number of bed spaces available; assessing the optimum configuration of existing homes and identifying opportunities for sold services, where capacity exists; and
3. no decision be taken in relation to the closure of any children's home without further approval being sought from Council Cabinet.

Options Considered

To do nothing was not an option, due to the budget constraints and market sufficiency.

Decision

1. Taking account of 3(1) below, to agree in principle to the two phased approach to reconfiguration of children's in-house residential services and to the two hub establishment which will allow development of a complex needs provision, subject to a formal consultation being carried out with relevant stakeholders and children and young people, an Equalities Impact Assessment being completed and their results presented to Council Cabinet for further consideration.
2. To agree to ceasing progression of the scheduled refurbishment to the six bedded home and reinvest part of the capital budget into the refurbishment of a smaller 2 bedded home to be part of Hub 1, subject to the formal consultation referred to in decision 1 above.
3. To accept the recommendations from the Executive Scrutiny Board that:
 1. Council Cabinet defer the decision on the reconfiguration of Children's Homes until such time as a formal consultation has been carried out with relevant stakeholders; an Equalities Impact Assessment has been completed and their results presented to Council Cabinet for further consideration;
 2. the Capital Programme be reviewed, with the intention of ensuring no overall reduction in the number of bed spaces available; assessing the optimum configuration of existing homes and identifying opportunities for sold services, where capacity exists; and
 3. no decision be taken in relation to the closure of any children's home without further approval being sought from Council Cabinet.

Reasons

1. The current and increasing level of complex and challenging need would continue to place pressure on Derby's ability to source suitable placements and meet outcomes for young people. The reduced sufficiency and external market provision means that Derby would need to create its own solutions to meeting future need. The current configuration was not sustainable and had resulted in 'bed blocking' across some of the homes. The homes as they were currently configured were not consistently achieving best outcomes for young people and were not being fully utilised.
2. There were approximately twenty young people placed out of area due to complex needs and behaviours. This on average costs circa £5,500k per week resulting in significant expenditure to the Council. By reconfiguring our existing provision some of those young people placed out of area could be transitioned back into Derby which would meet both our strategic objective and be more cost effective.

43/18 Changes to the Council Tax Support Scheme 2019/20

The Council Cabinet considered a report which stated that Derby's local Council Tax Support (CTS) Scheme began on 1 April 2013, replacing the national Council Tax Benefit (CTB) Scheme which the Government abolished at the same time. The CTS Scheme assists working age claimants who require financial assistance with paying their Council Tax bills. Pensioners were not affected by the CTS Scheme as they were treated separately under different legislation.

On 11 July 2018 Universal Credit Full Service (UCFS) started to be rolled out in Derby. This would have significant practical implications for most working people on a low income who were entitled to financial help with their housing costs from now on. It meant that these claimants would have to make two separate claims – one for UCFS to the Department for Work and Pensions (DWP), and one for CTS to the Council. This raised the prospect of UCFS claimants failing to claim CTS promptly which meant they could lose out on their CTS entitlement.

Under the Council's current CTS Scheme, CTS claims could only be backdated for up to one month from the date that the claim was made. This meant that if any claimant delays making their CTS claim they may lose out on receiving help with their Council Tax, which could lead to them getting into financial difficulties and increased Council Tax arrears.

To help this group of working age claimants, the Council had the option to extend the backdating time limit set in the CTS Scheme. It was proposed that this be extended to three months from the existing one month and this would take effect from 1 April 2019. To amend the Scheme, the Council must consult about the proposed change with the Major Precepting Authorities (Fire and Police) and also engage in a public consultation.

A final decision on the amended Scheme would need to be made by Council Cabinet before 11 March 2019, for it to take effect from 1 April 2019.

The Executive Scrutiny Board recommended that Council Cabinet incorporate greater flexibility into the proposals to allow the backdating period to be extended if necessary following the consultation process.

Options Considered

Do nothing. This had been rejected, because the Scheme would not offer any additional help for those CTS claimants who make late claims with the Council – particularly those also claiming UCFS.

Decision

1. To approve a consultation on the specified proposed change to the Council Tax Support Scheme as set out in paragraph 4.6.
2. To delegate approval to the Strategic Director of Corporate Resources in consultation with the Cabinet Member for Finance and Procurement to finalise and approve the arrangements to manage the consultation process.
3. To agree to bring a report back to a future Cabinet with final proposals for a CTS Scheme for 2019/20, before the deadline of 11 March 2019.
4. To note the recommendation from the Executive Scrutiny Board that Council Cabinet incorporate greater flexibility into the proposals to allow the backdating period to be extended if necessary following the consultation process.

Reasons

To increase the time limit that CTS claims could be backdated to ensure that those customers who do not claim CTS at the time they first need help – particularly those claiming UCFS – were able to receive more help, if they were entitled to it.

Budget and Policy Framework

44/18 2018/19 Quarter 1 Forecast of Outturn for General Fund, Housing Revenue Account, Revenue and Capital Budgets, Dedicated Schools Grant and Collection Fund

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

- Revenue budget: The full year forecast to 31 March 2019 projected a pressure of £6.336m against approved budget of £217.782m outlined in this report.
- Capital budget: Capital expenditure to date was £12.621m. The year end forecast to 31 March 2019 was estimated at £146.506m, reflecting the addition of outturn slippage from 2017/18 into 2018/19. The total original approved capital budget was £134.289m.
- Reserves: The General Reserve balance remained at £10.933m and our Earmarked Reserves had a forecast reduction from £99.106 to £85.229.
- Treasury: At the end of June 2018, total debt was £458.236m and total investments were £86.264m compared to £458.540m and £99.240m as at 1 April 2018, and no new borrowings had been made in the year.
- Dedicated Schools Grant (DSG): The total grant of £226.774m had been allocated to schools and retained educational services, the centrally retained element of £14.4m was expected to be fully spent by 31 March 2019.
- Collection Fund: Council Tax billed for the 2018/19 is £113.6m, of which £31.687m, 27.89% has been collected compared with 27.79% as at the same period last year. Business Rates billed for the 2018/19 was £93.977m of which £30.018m, 31.94% had been collected compared with 26.47% as at the same period last year.
- Housing Revenue Account (HRA): The full year forecast projected a balanced position against current forecasted budget deficit of £1.895m outlined in this report.

Further analysis and explanations of key variances were provided in sections 4 to 11 of the report.

Included in the revenue forecast were planned savings or mitigating savings of £8.951m, 98% of the £9.104m savings target set by Council for 2018/19.

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

The Executive Scrutiny Board noted the report.

Decision

Cabinet noted:

1. The revenue projected outturn and key budget variances set out in the report in section 4 and the savings to be delivered in the year in section 5.
2. The capital programme forecast and actual capital expenditure incurred during the quarter summarised in section 6.
3. The Council's reserves position, as set out in section 7 and appendix 2.
4. The Council's treasury position, and performance in the quarter, set out in section 8.
5. The forecast Dedicated Schools Grant position summarised in section 9.
6. The Council Tax and Business Rates Collection Performance as set out in section 10.
7. The Housing Revenue Account Performance and projected outturn as set out in section 11.
8. The changes already approved under scheme of delegation to the capital programme detailed in Appendix 3.
9. The current forecast for the 2018/19 pay award adjustment in section 4.8.

Cabinet approved the following:

1. To approve the direct revenue financing set out in paragraph 4.6.5, applied as a more prudent source of funding to the 2017/18 Capital Programme.
2. Changes to the 2018/19 - 2020/21 capital programmed outlined in section 6 and detailed in appendices 3 and 4.
3. The accounting adjustment outlined in paragraph 6.13 for the works required on the Aida Bliss building in the interests of public safety.
4. To approve the business rates write-off of £689,773 as uncollectable outlined in section 10, with details at Appendix 5. A confidential paper is on this agenda outlines further detail.
5. The restated base budget as set out in section 4.3.
6. To approve the 2017/18 Private Finance Initiative Reserve movements as set out in Appendix 6.

Performance

45/18 Annual Report and Revue of Performance 2017/18

The Council Cabinet considered a report which stated that the Council produces a short Annual Report every year, to be published alongside the Annual Review of Performance against its agreed priorities.

These documents were an important way to build public understanding of the Council's work, its achievements and the challenges that it was addressing. They complement the Statement of Accounts and Annual Governance Statement, which were necessarily quite technical in nature, and were published separately.

The Executive Scrutiny Board noted the report.

Decision

To endorse the Annual Report and Annual Review of Performance.

46/18 Council Delivery Plan 2018/19

The Council Cabinet considered a report which stated that the Council adopted its Council Plan 2016-19 in March 2016. This sets out the high level direction for the organisation in light of the city vision 'Derby 2030; Safe, Strong and Ambitious'.

Each year, the Council published a Delivery Plan, which was more specific and identified the key actions it would take to progress the Council Plan priority outcomes. Key achievements were reported through the Council's Annual Report.

The Executive Scrutiny Board recommended that Council Cabinet consider the Council Delivery Plan 2018/19 alongside the Council Scorecard.

Decision

1. To approve the Council Delivery Plan for 2018/19.
2. To delegate authority to the Chief Executive, in consultation with the Leader of the Council, to publish and maintain the Council Delivery Plan as a dynamic document.
3. To receive monitoring reports on the progress of the Council Delivery Plan at end of September 2018 and March 2019.
4. To accept the recommendation from the Executive Scrutiny Board that Council Cabinet consider the Council Delivery Plan 2018/19 alongside the Council Scorecard.

Contract and Financial Procedure Matters

47/18 Compliance with Contract and Financial Procedure Rules

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

- To approve the use of reserves - Clean Air Zone for Derby;
- To approve the use of capital budget – New Swimming Pool Complex.

The Executive Scrutiny Board noted the report.

Decision

1. To approve the use of up to £250,000 from reserves to cover interim costs associated with the feasibility study and business case development, pending approval of a funding bid and receipt of those funds from government to enable the completion of the Clean Air Zone Full Business Case submission as outlined in 4.1.
2. To approve the use of up to £95,000 from the Swimming Pool Complex Capital budget of £33,000,000, to undertake a feasibility study to explore an enhanced leisure water option for the New Swimming Pool Complex as outlined in 4.9.

48/18 Exclusion of Press and Public

Resolved that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the meeting during discussion of the following item of business 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 Decisions

49/18 Bold Lane Office Accommodation – Delivery Model

The Council Cabinet considered exempt information in relation to Bold Lane Office Accommodation – Delivery Model, set out in minute no. 41/18.

Budget and Policy Framework

50/18 Business Rates Write offs – Addendum Paper to the 2018/19 Quarter 1 Forecast of Outturn for General Fund, Housing Revenue Account, Revenue and Capital Budgets, Dedicated Schools Grant and Collection Fund

The Council Cabinet considered Business Rates Write offs – addendum Paper to 2018/19 Quarter 1 Forecast of Outturn for General Fund, Housing Revenue Account, Revenue and Capital Budgets, Dedicated Schools Grant and Collection Fund, set out in minute no. 44/18.

MINUTES END