

Time Commenced – 18:04
Time Finished – 21:10

Corporate Scrutiny and Governance Overview and Scrutiny Board

12 July 2016

Present: Councillor Stanton (Chair)
Councillors Bayliss, Carr, Graves, Hassall, Hezelgrave,
Jackson, J Khan, Pegg, Poulter, Webb, Whitby and Williams

In Attendance: Janie Berry, Martyn Marples, Christine Durrant, Ian Fullagar,
Karen Brierley

09/16 Apologies for Absence

No apologies for absence were received.

10/16 Late Items

There were no late items.

11/16 Declarations of Interest

There were no declarations of interest.

12/16 Minutes of the meetings held on 07 June 2016

Minutes of the meeting held 07 June 2016 were agreed as a correct record.

13/16 Forward Plan

The Board considered the Forward Plan which was published on 14 June 2016. No items were added to the work programme.

The Board resolved to note the Forward Plan.

14/16 Scrutiny Board Work Programmes

The Board considered a report of the Chief Executive in relation to the draft work programmes for the five topic specific Scrutiny Boards. The draft work programmes were distributed to the Board for comment and approval.

The Board resolved to approve the draft Work Programmes as distributed.

15/16 Performance Updates / Issues

The Board received a report of the Chief Executive which allowed Members to discuss any performance issues arising and decide on any further action that should be taken to resolve them.

The Board also considered two performance reports of the Leader of the Council and Chief Executive to Council Cabinet on key performance outcomes and highlights from key performance measures and actions included in the Council Plan 2015/16.

Members discussed a number of issues including homelessness acceptances and the impacts of budget cuts and welfare reforms. Members were informed that changes to the tenancy policy were likely to happen before the end of the calendar year, however the Council was still awaiting details from Government on what we will be required to do.

The Board also had a discussion on the collection of garden waste and recyclables and new homes targets, as well as the poor performance around Educational Health Care Plans, which would be looked at in further detail by the Inspiring Young People's Board at their meeting in September.

Members queried the shortfall of job creation against the target figure and requested that a performance surgery or specific session is held for the Corporate Scrutiny and Governance Board to look at this in further detail.

Members were informed that the Council's Key Performance Indicators for the scorecard would be refreshed for the financial year 2016-2017, but that these would be revised at the end of quarter one to ensure that targets were realistic and/or challenging. Members requested that where targets are amended at this stage that is noted on the scorecard for transparency.

The Board resolved to:

- 1) Recommended to Council Cabinet that any changes to targets in the Council's Scorecard at the end of Quarter 1 are recorded for transparency;**
- 2) Request that the Tenancy Policy be added to the Board's future work programme; and**
- 3) Request that a performance surgery or specific session is held for the Corporate Scrutiny and Governance Board to look at the shortfall in job creation under performance measure Regen PM14.**

16/16 Council Cabinet Response to Scrutiny Recommendations

The Board considered a report of the Chief Executive which allowed the scrutiny board to receive responses from Council Cabinet on recommendations made at the previous Board meetings held on 08 June 2016.

The Board resolved to note the report.

17/16 Council Cabinet Agenda

The Board considered a report from the Chief Executive on the Council Cabinet Agenda. Members considered the Council Cabinet Agenda in its entirety for the meeting scheduled for Wednesday 13 July 2016 and made a number of comments and recommendations to Council Cabinet.

Item 8 – Service Delivery Model for the Council’s Care Homes and Day Centres

Members considered a report of the Cabinet Member for Integrated Health and Care and Strategic Director for People to consider the feedback obtained during a consultation exercise to consider the future delivery model for the Council's in house Adults' residential care services and day centres. The report also sought to agree the commencement of a soft market testing exercise in relation to the care homes to determine the subsequent strategy in relation to securing an alternative owner and/ or service provider to operate the affected services.

Members were generally in support of the purpose of the report but raised concerns over the transparency of detail provided to service providers. The Board was reassured that this would be provided during the soft market testing exercise. Members were also keen to ensure that any service delivery contracts or agreements include a clause or conditions around the continued provision of care at occupied sites. The Board was informed that these issues would likely arise at the next stage of reporting and that there would be an opportunity for members to undertake further scrutiny and input their views at this stage.

The Board resolved to note the report and receive a further report to Council Cabinet at the next stage of reporting.

Item 9 – Compulsory acquisition of empty homes

The Board received a report of the Cabinet Member for Urban Renewal and Director for Communities and Place to approve that the Council makes Compulsory Purchase Orders under the Acquisition of Land Act 1981(pursuant to the power under section 17 of the Housing Act 1985) for the acquisition of the houses, together with the associated land, as identified in

Appendix 2 for the purposes of their renovation and reoccupation as housing accommodation.

The Board made no recommendations to Council Cabinet on this item, but commended the purchase of empty properties and the use of the HRA surplus to buy future housing and actions to make these available for market rent where possible.

Item 10 – A52 Wyvern Transport Improvement Scheme – revised scheme costs and funding

The Board received a report of the Cabinet Member for Communities and City Centre Regeneration and Director for Communities and Place to approve submission of a Stage 2 funding application including business case to the D2N2 LEP and to delegate approval to accept the funding, should the bid be successful, to the Strategic Director of Communities and Place.

The Board was in support of the proposals and resolved to recommend to Council Cabinet that costs are carefully monitored and that as much as possible should be done at the same time as possible, to ensure savings are made through cost efficiencies.

Item 11 - Consulting on changes to the Council Tax Support Scheme for 2017/18

Members considered a report of the Cabinet Member for Strategy and Policy and Chief Executive to approve the specified elements of the CTS Scheme to be consulted on as set out in the report. Members queried the previous response rates and if responses would be categorised for analysis to be categorised to prevent bias.

The Board also queried the impact of welfare reforms and knock-on effect on access to Council Tax support. Members were keen to ensure that residents would not be given opportunity to either benefit on multiple levels or be repeatedly penalised as a result of any agreed changes to elements of the scheme.

The Board expressed concerns over the requirement of those living in supported accommodation paying higher levels of Council Tax and sought assurances that this group would be given further consideration and would be targeted as part of the consultation exercise.

The Board resolved to recommend to Council Cabinet that:

- 1) Mechanisms are put in place to ensure that changes to the Council Tax Support Scheme do not have consequential effects which lead individuals and families to fall in hardship or below poverty lines;**

- 2) **Officers are requested to look at schemes delivered by other local authorities and how changes have been implemented; and**
- 3) **those affected in supported accommodation should be specifically referenced and targeted as part of the consultation.**

Item 12 - Redevelopment of the former Britannia Court site

The Board considered a report of the Cabinet Member for Urban Renewal and Strategic Director of Communities and Place to agree that the Scheme be submitted for planning approval by the Council subject to planning approval build and that consultancy contracts as required are tendered and let to deliver the Scheme.

Members were in support of the proposals, however were keen to maximise the income opportunities from the venture where possible.

The Board resolved to recommend to Council Cabinet that the options for maximising income through the possibilities of renting units at full market value, varying the costs of rental of more desirable units and allowing contributions to the general fund are fully explored.

Item 13 - Energy Framework Renewal / Procurement

The Board considered a report of Cabinet Member for Communities and City Centre Regeneration and Strategic Director of Communities and Place to approve the renewal of Derby City Council's electricity and gas contracts through a framework agreement to take advantage of current low prices in the energy market.

Members were informed that using a Framework costs less than the cost of energy on the open market, removes the risks of exposure to direct market volatility in prices and ensures the Framework purchases the energy using inherent economies of scale which are passed back to us, as ESPO is a public sector owned not-for-profit company run by Local Authorities.

It was reported to the Board that Eastern Shires Purchasing Organisation (ESPO) as the preferred regional consortium for renewal of both the gas and electricity contracts based on the outcome of a procurement benchmarking exercise. Members queried the alternative frameworks that are available but were reassured by officers that extensive evaluation had been undertaken and that this had identified the names suppliers as the best option.

The Board resolved to note the report.

Item 14 - Property Improvement Capital Works Programme 2016/17 and 2017/18 – Additional Schemes not Previously Approved

The Board considered a report of Cabinet Member for Communities and City Centre Regeneration and Strategic Director of Communities and Place to individual schemes below for inclusion in the Property Improvement Work Programme for 2016/17 and 2017/18. This report was in response to points raised by the Corporate Scrutiny and Governance Board earlier in the year.

The schemes in question were:

- £200,000 funding in relation to a tarmacked surface at Markeaton Park car park;
- £500,000 funding for security measures at Chapel Street and Assembly Rooms Car Parks;
- £895,000 funding for elements of the Leisure Strategy which are proposed to be funded through the capital programme for both 2016/17 (£50,000) and 2017/18 (£845,000).

The report also provided an update on the Market Hall roof scheme, and the Board was informed that a further report with Building Surveyor recommendations following analysis and assessment of the drone survey and further structural surveys would be forthcoming. The report will request approval to include the scheme on the Property Improvement Capital Programme,

Members queried the reason for the funds required to resolve IT issues in the report, however were satisfied that these funds were necessary to resolve the ongoing IT issues. Members also queried issues previously surrounding the provision of a cycle track, but were reassured that such issues had since been resolved.

The Board resolved to note the report.

Item 15 - Special Education Needs and Disabilities (SEND) top up funding

The Board considered a report of Cabinet Member for Education and Skills and Strategic Director for People to agree to roll out the top up funding pilot providing an alternative to the EHC needs assessment process to a city wide approach from September 2016.

Members were informed that the demand for SEND statutory assessments in Derby has grown significantly in the last few years, partially because the city has not delegated the additional funding for local decision making. It was reported that a pilot with schools has been held in order to develop a local decision making model. The pilot included 14 cases from across the city and in all age groups where schools were on the cusp of requesting a statutory assessment, but peer challenge between groups of schools provided schools with different strategies to use and some additional funding to support a small

group of children. This provided parents and children with an alternative to the EHC needs assessment process and enabled speedy decision making and the formulation of support strategies for children. It was further reported that the pilot was supported by £100,000 of Dedicated Schools Grant funding and the intention is that all allocated funding is spent on the child and making best use of public monies.

Members had a lengthy discussion about the benefits of the scheme and the opportunities to reduce the need for statutory assessments and the provision of an alternative to parents to the difficult and lengthy Educational Healthcare Plan process. Members were also informed that the aim of the scheme was to help young people with special educational needs in schools in a way which meets their needs. It was concluded that the Board was in full support of the scheme.

The Board resolved to note the report.

Item 16 - Revenue Outturn 2015/16

The Board considered a report of the Leader of the Council and Chief Executive outlining the actual outturn, subject to audit, compared with the Revenue Budget for the 2015/16 financial year, and the subsequent effect on the Council's level of reserves.

Members had a lengthy discussion about methodology and prioritisation of budget pressures accepted for "carry forward requests". The Board felt that there was a lack of transparency around the way in which these were selected and the justifications for these.

Members discussed the property rationalisation elements of the carry forward requests and requested an update report on this project to a forthcoming meeting of the Corporate Scrutiny and Governance Board.

The Board resolved to:

- 1) Recommend to Council Cabinet that future information on underspend should be more transparent (the term "carry forward" was misleading) and that further detail on why selected elements of the budget require top-ups and how these are prioritised should be included in reports, as well as the inclusion of requests that were put forward but did not receive additional funds; and**
- 2) Request an update report on Property Rationalisation to a forthcoming meeting of the Corporate Scrutiny and Governance Board.**

Item 17 - Capital Outturn 2015/16

Members considered a report of the Cabinet Member for Strategy and Policy and Chief Executive Capital Programme matters that require reporting to and approval by Council Cabinet.

It was reported that the final capital outturn for 2015/16 was £70,229,818 which includes accruals and retentions (funded under IFRS regulations). This gives a variance of £6,279,141 compared with the final revised adjusted capital budget of £76,508,960 as summarised in the report.

The Board resolved to note the report.

Item 18 - Treasury Management Annual Report 2015/16

Members considered a report of the Leader of the Council and Chief Executive on how the Council conducted its borrowing and investments during 2015/16 and reports on the prudential indicator activity for 2015/16 which the Council is required to report under the Local Government Act 2003.

It was reported that the Treasury Management net underspend for 2015/16 was £970,130 after prior agreed movement of £6,800,000 to reserves. This was mainly achieved following a review of the debt model, which included a review of asset lives which effectively spreading the cost of borrowing over a longer period to give a saving against budget in 2015/16. In addition investment interest earned was higher than anticipated.

Members queried the increased value of deposits included in the table at paragraph 5.4 of the report and were informed that these figures are "snapshot" figures which fluctuate daily and should not be seen as money available for additional spending.

The Board resolved to note the report.

Item 19 - Contract and Financial Procedure Matters Report

The Board considered a report of the Leader of the Council and Chief Executive on items that require reporting to and approval by Council Cabinet under Contract and Financial Procedure rules. The Board also considered an Addendum report of the Cabinet Member for Communities and City Centre Regeneration and Strategic Director for Communities and Place on the D2N2 and Department for Transport Large Local Major Transport grant funding application.

The Board resolved to note the report.

Items 20 to 25

Discussions and resolutions made under these items were recorded under relevant items earlier in the Corporate Scrutiny and Governance Board and Council Cabinet Agenda items.

MINUTES END