

Time began 6.00pm
Time ended 7.32pm

**COUNCIL CABINET
26 OCTOBER 2010**

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

In attendance Councillors Bayliss and Allen

This record of decisions was published on 28 October 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.

91/10 Apologies for Absence

There were no apologies for absence.

92/10 Late Items Introduced by the Chair

There were no late items.

**93/10 Identification of Urgent Items to which Call-In
will not apply**

There were no urgent items.

94/10 Declarations of Interest

Councillor Williams declared a personal interest in minute 104/10 as she was a governor at Asterdale Primary School and a personal interest in minute 108/10 as she was a board member at Connexions. Councillor Bayliss declared a personal interest in minute 99/10 as he was a member of one of the gyms affected. Councillor Webb declared a personal interest in 98/10 as he was an employee of Rolls Royce.

95/10 Minutes of the meeting held 28 September 2010

The minutes of the meeting held on 28 September 2010 were agreed as a correct record and signed by the Chair.

Key Decisions

96/10 Local Transport Plan 3 – Draft for Public Consultation

The Council Cabinet considered a report on Local Transport Plan 3 – Draft for Public Consultation. The report set out the proposed long term transport strategy and two year implementation plan for Derby, to be included in the Draft Local Transport Plan 3, LTP3, for public consultation. Consultation on the Draft LTP3 would be accompanied by the Draft Environmental Report as part of Strategic Environmental Assessment of the Plan. We proposed a balanced transport strategy, underpinned by making best use of our existing transport assets. In the short term our priority would be maintaining our transport assets. We were seeking approval of the strategy and implementation plan from Cabinet, and approval to delegate authority to approve the Draft Local Transport Plan 3 and the Draft Environmental Report for public consultation.

Options Considered

A range of strategic options for the LTP3 were considered. Details would be included in the Draft LTP3 and Draft Environmental Report.

Decision

1. To approve the long term transport strategy and summary of the implementation plan set out in Appendices 2 and 3 of the report.
2. To delegate authority to the Strategic Director of Neighbourhoods in consultation with the Cabinet Member for Planning and Environment to approve the Draft Local Transport Plan 3 document and the Draft Environmental Report for public consultation.

Reasons

To enable consultation on the Draft LTP3, to ensure it was approved in line with statutory requirements by April 2011.

97/10 Streetpride Devolved Budgets to Neighbourhood Boards

The Council Cabinet considered a report on Streetpride Devolved Budgets to Neighbourhood Budgets. The proposal allowed each of the Neighbourhood Boards to make spending decisions against a portion of the Streetpride revenue budget annually. The proposal was to aggregate the budget released at with the current “Highways” devolved budget to produce a larger and more useful budget for use by Neighbourhood Boards on Streetpride

issues in their areas. The management of devolved budgets would be rationalised and streamlined.

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

The Commission resolved to make these recommendations to Cabinet:

1. That three (not two) ward councillors be included in 'signing off' and agreeing any subsequent variation to the Neighbourhood Spending Plans, NSP, but, in the absence of a consensus, two have authority to do so.
2. At the request of ward councillors the area co-ordinator will provide information about Streetpride service standards and expenditure plans to ensure the 'additionality' of devolved expenditure decisions.
3. Subsequent to 'sign off' of the NSP the Board be informed which items will be undertaken when during the 12 month period.

Options Considered

This proposal was the extension of an existing initiative.

Decision

1. To approve the proposal to devolve £10,000 from the Streetpride budget to each Neighbourhood Board.
2. To approve the aggregation of the £10,000 from the Streetpride budget as referred to in paragraph 2.1 of the report with the current £10,000, which was currently devolved to Boards for spending on Highways issues to produce a £20,000 budget for each Board to spend on Streetpride issues.
3. To approve the amended management arrangements for the new Streetpride Devolved Budgets.
4. To approve a requirement for three (not two) ward councillors to 'sign off' and agree any subsequent variation to the Neighbourhood Spending Plans (NSP) but, in the absence of a consensus, two will have authority to do so.
5. To amend the proposed arrangement to allow ward councillors to be provided with information about Streetpride service standards and expenditure plans by the area co-ordinator.
6. To approve a system requiring a Neighbourhood Board being informed which items identified on the Neighbourhood Spending Plan will be undertaken during a 12 month period prior to its 'sign-off.'

Reasons

1. This proposal would allow residents, through their Neighbourhood Forums and Boards, to make changes to their local environment which under normal considerations may not otherwise be prioritised.
2. This proposal would promote higher levels of community engagement which would, in turn, hopefully increase levels of resident pride and responsibility in the neighbourhood areas.
3. The amended management arrangements and rationalised devolved budgets would result in improved project management and a better managed workload for service deliverers.

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

98/10 Transformation of Derby Museums

The Council Cabinet considered a report on Transformation of Derby Museums. The report provided a demonstration of how an affordable, core funded, remodelled Derby Museums would have a major impact on helping realise the city's ambitions whilst also being contained within the Council's cuts agenda. The report provided:

- an update of the Future of Derby Museums report that was brought before DCC Leadership in July 2010
- an exit strategy to the government's 2007-2011 Renaissance funding agreement with Derby Museums
- a strategic response to the government's new agenda for museums.

Derby Museums had become dependant on Renaissance funding for learning and collections work. The Museums Transformation programme would end this reliance, and enable Derby Museums to work as a highly effective and focused organisation for the city's benefit. The Transformation programme would also significantly increase the likelihood of Derby Museums attracting future external funding for capital and revenue projects – including from New Renaissance. The report set out a Museums Transformation programme with key proposals.

1. Instigate a two year project plan from April 2011 for the re-development of the Silk Mill as the city's major visitor attraction. In order to do this the Silk Mill's Industrial Museum would be mothballed in March 2011.
2. Carry out an affordable rolling re-development of the City Museum & Art Gallery – with immediate effect.

3. Instigate a programme to take Derby's museum collections into community venues during 2011.
4. Continue to operate Pickford's House Museum, whilst building a partnership to support the establishment of an international centre for Joseph Wright.
5. Restructure the Museums Service by April 2011 as a transitional phase towards a new governance model, based on greater entrepreneurialism, more commercial working, and the building of partnerships that were national as well as local.

Options Considered

1. Do nothing. Funding would be withdrawn from the government, and without a clear and forward looking strategy, Derby Museums would fail to engage potential partners. The Museums would be marginalised in a cycle of decline.
2. Sell off parts or all of the Joseph Wright collection. This was a very valuable collection and could raise significant funding. However the collection had been built up through people's gifts and through state support. This measure would shut off the opportunity for the city to work with the majority of cultural funders and organisations. This measure would have an international profile, and would be seen by some to be demonstrating a city's lack of vision in failing to use its unique and valuable legacy to its own advantage.
3. Close Pickford's House Museum – this would realise a potential saving of £89,000; rising to £161,000 if the building was disposed of by the council. The council would attract criticism, but would be able to assert its need to prioritise the Silk Mill and Museum & Art Gallery for their transformational potential to the city's future. The recommendation was that the existing Council commitment to this building was offered up to attract a bigger partnership approach to realising the international study centre for Joseph Wright.

Decision

1. To approve the proposed Museums Transformation programme outlined in section 4 of the report.
2. To instruct the production of a three year business plan for the Museums Transformation to be brought back to Council Cabinet following staff and stakeholder consultation.
3. To explore the possibility of installing a water wheel to power the facility

Reasons

1. The current state of Derby Museums and the financial context required a radical overhaul of the way museums and heritage services were delivered in the city. Enacting this programme would allow this to happen.
2. By adopting this position, the council would deliver a clear and assertive statement that it would take necessary actions to be fiscally responsible, whilst demonstrating new thinking to help realise the museum's, and indeed the city's, potential.
3. By acting now, the Council would make best use of transitional funding support from the Museums, Libraries and Archives Council that was available as a one-off measure in 2011/12. The Council would also provide clear leadership and put Derby Museums in the best possible position to secure a new level of enhanced partnership support.

99/10 Employee bfit Membership Scheme

The Council Cabinet considered a report on Employee bfit Membership Scheme. The scheme would provide Derby City Council employees with the opportunity to take out a bfit@work membership, that encouraged participation in activity in all Council run leisure centres across the city, helping to improve the health and wellbeing of employees bfit@work memberships would be open to all individual Derby City Council employees and would be offered at a reduced rate, payable monthly as a deduction from employees' wages. Benefits of the membership would include:

- use of the gyms, swimming and workout classes at Derby City Council leisure centres
- reduced Passport to Leisure prices for other sport and leisure activities
- ability to book over the telephone, seven days in advance for sport and leisure activities
- ability to use facilities at all times
- support and guidance from b-active team

The new employee bfit membership would be as follows:

- Gym, workout and swim bfit membership: £24.99 a month
- Mix and match bfit membership – choose any two of gym, workout and swim: £19.99
- Just gym, Just workout or Just swim bfit membership: £14.99

Research undertaken by the British Heart Foundation showed that caring for the health and wellbeing of our workforce by helping them to be more physically active could prove to have a huge impact on the overall performance of the organisation. Encouraging a healthy and active workforce could help to reduce stress levels, improve concentration and mental alertness, reduce sick leave and help maintain and improve mental wellbeing.

The approach outlined in this report was supported by the Director of Public Health in Derby.

Options Considered

Do nothing was an option but this would neither benefit employees nor make greater usage if of the Council's leisure facilities.

Decision

1. To approve the introduction of an employee bfit membership scheme at a reduced rate on normal membership prices for all permanent and temporary contracted staff.
2. To approve the deduction of the monthly membership fee directly from employees' wages.

Reasons

1. There was evidence that working people were more likely to undertake physical activity if it was incorporated into their daily lives and this was often best suited around their employment. Employees were more productive, more motivated, more enthusiastic, had more energy, self-esteem and more confidence if physically active.
2. Fit employees take less sick leave and a healthy lifestyle enabled them to cope with stress much better than a person who does not exercise. Increasing activity levels could also help to prevent and manage over 30 conditions and diseases including cancer, coronary heart disease, diabetes and obesity.
3. The new membership scheme had been designed to contribute to increasing income at our sports facilities, to increase participation in physical activity and to contribute to building a healthier workforce.

100/10 QUAD

The Council Cabinet considered a report on QUAD. In September 2008, QUAD opened on the Market Place – a partnership between the former Q Arts, Metro Cinema, and Derby City Council. The new building was owned by Derby City Council and the Council was responsible for external repairs while QUAD was responsible for internal building and equipment maintenance. QUAD was now operating successfully as an arts organisation with subsidy from two major funders, Arts Council England and Derby City Council -DCC grant of £373,000 – as well as a wide range of other income sources. QUAD's contribution to the cultural offer in Derby was significant as well as being recognised nationally and internationally. Since completion of the construction of the QUAD building, there had been a significant number of defect problems with the building as well as a range of other issues which

were now all being drawn to a conclusion. This report brought all these issues together and makes recommendations for a final resolution.

Options Considered

Alternatives had been explored and rejected following consultation with senior officers and Council Cabinet.

Decision

1. To note the situation with a range of issues relating to QUAD.
2. To approve changing the rent to a peppercorn rent thus removing the requirement to provide QUAD with a £39,000 sum to pay VAT on the rental.
3. To change the lease to a full repairing lease – both internal and external maintenance to be QUAD's responsibility and in consequence pay Quad £200,000 plus VAT.
4. To approve continuation of the present 35 year lease, but make amendments as detailed in paragraphs 2.3 & 2.4 of the report.
5. To require repayment of the outstanding £200,000 loan.

Reasons

1. The problems experienced by QUAD over the past two years since they took on the new building had been extensive. In the first year in particular, this caused significant disruption to the building of their business and the recommendations in this report reflect a pragmatic resolution to the difficulties.
2. Derby City Council was one of the founding partners of QUAD, and it was in the role as both partner and landlord that Derby City Council was asked to consider these recommendations following a very difficult start up period – as outlined in section 4 of the report. While concessions were made to QUAD, those concessions were being balanced by an increased responsibility and a requirement for them to cover one off and ongoing building costs in the future.

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

101/10 Rent Levels and Housing Subsidy at a Supported Housing Scheme in the City

The Council Cabinet considered a report on Rent Levels and Housing Subsidy at a Supported Housing Scheme in the city. The report concerned a supported housing scheme run by a housing provider in Derby. The scheme provided accommodation and intensive management support for vulnerable people. The rent and service charge at these addresses were high. The Housing Benefit legislation included rules which required authorities to restrict the rent or service charge where it was high and certain conditions were met. These rules vary depending on the nature of the tenancy. All of the residents at this scheme claim Housing Benefit. Currently the full rent and service charge were met through Housing Benefit. The government reimbursed local authorities for the Housing and Council Tax Benefit they pay out through a series of subsidy payments. In most cases this subsidy compensated local authorities in full for the Housing and Council Tax Benefit payments they make. However, in some cases, for example where the rent was high, the subsidy paid was less than the amount of benefit paid out and in these cases the local authority had to bear the cost of the difference. The high rents being charged by this housing provider for the supported housing scheme in Derby was resulting in subsidy loss for the Council.

Options Considered

We could carry on as now with no change to the rent level. If that were the case we could anticipate a subsidy loss in the region of £712,000.

Decision

1. To restrict the service charge element of the Housing Benefit paid for any new claims made in respect of this scheme by £58.07 per week from its current level of £131.46 to £73.39.
2. To continue to support the housing provider in its attempts to become a Registered Social Landlord, which would prevent the loss of Housing Benefit subsidy.

Reasons

1. The Housing Benefit legislation places a duty on local authorities to restrict the service charge in cases where it was considered to be unreasonably high in comparison with similar accommodation.
2. There was evidence to show that the service charge was unreasonably high in this case and that we should be restricting the Housing Benefit paid in respect of the service charge to a lower amount. In arriving at this recommendation we have carried out comparisons with similar types of accommodation in the City. The report gave details of the reasons for the recommendation and some supporting information.

3. In addition, the subsidy being lost as a result of meeting the full charge had increased significantly over the past 2 years. In 2007/08 the subsidy lost for this type of claim was £197,135. This grew to £482,935 in 2008/09 and to £906,367 in 2009/10, of which £712,248 related to this scheme.
4. This housing provider also had a secondary scheme where the levels of support were lower. This scheme was used to move clients on when they were getting closer to independent living. The numbers in this scheme were rising from 47 in March 2010 to 113 by September 2010 and as a result we estimate that the level of subsidy lost in this scheme would grow to approximately £250,000 per year.

102/10 Building Schools for the Future Programme Final Business Case

The Council Cabinet considered a report on Building Schools for the Future Programme Final Business Case. Local Authorities were required to submit a Final Business Case (FBC) following the appointment of their BSF preferred bidder to evidence that the procurement process had delivered the objectives set out in the Outline Business Case. The FBC was the final key approval required prior to the release of funding and provides Partnerships for Schools (PfS) with confirmation regarding the affordability and delivery of the Sample Schools. The document set out key information on the programme including any changes in the scope, affordability, proposed procurement route or deliverability of the project since the Outline Business Case. Following the national review of the programme and the Secretary of State for Education's announcement on 05 July 2010, Derby's BSF Programme was stopped with the exception of the two Sample Schemes. Therefore, the Final Business Case covered the sample schemes for Derby's BSF Programme only. PfS approval of the FBC was required before the programme could proceed to financial close and for construction work to commence on the schools in January 2011. Subject to Council Cabinet approval, the FBC would be submitted to Partnerships for Schools (PfS) for final approval. It was anticipated that PfS would require a maximum of 6 weeks to consider the FBC, and it should be noted that 14 other Local Authorities would also be submitting their BSF documents at the same time. The Local Authority was planning to achieve Financial Close around 23 November 2010. However, this date may be pushed back depending on final Government and Treasury approvals. All the necessary documentation was in place, therefore we were confident Derby's BSF Programme should reach financial and contract close around 23 November 2010.

Options Considered

The FBC was the final stage of the approval process for Derby's BSF Programme Sample Schemes. PfS approval was required before the

programme could proceed to financial close on the Sample Schemes and for the work to commence. Therefore, other options had not been considered.

Decision

1. To consider and approve the Final Business Case for Derby's BSF Programme as detailed in the part two confidential report.
2. To approve the commencement of the schemes as detailed in the Final Business Case.

Reasons

The Final Business Case was the final stage of the approval process for Derby's BSF Programme Sample Schemes. PfS approval was required before the BSF Programme could proceed to financial close and for construction work to commence.

103/10 Moving Job Evaluation Project Forward

The Council Cabinet considered a report on Moving Job Evaluation Project Forward. Following acceptance from Trade Union Representatives that no further progress could be made with the NJC Job Evaluation scheme, a requirements document was being prepared in order to procure a consultant who would work with us to deliver a new pay and grading structure, based on job family modelling and deliver by May 2013. The procurement exercise would ensure that the successful consultant was able to demonstrate how their proposed methodology would produce a pay system based on the principles of equal pay for work of equal value and which was proven to be Equality and Human Rights Commission - EHRC - compliant, backed up by examples and references from other Local Authorities where a similar project had been successfully completed.

Options Considered

There were no other options considered.

Decision

To approve the procurement of a consultant to deliver by May 2013 a sustainable affordable pay and grading structure for the Job Evaluation project based on job family modelling.

Reasons

To move the project forward in a timely fashion and ensure the outcome was EHRC compliant.

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

Contract and Financial Procedure Matters

104/10 Contract and Financial Procedure Matters Report

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

- to approve proposed changes to the capital programme
- to approve in year Section 106 allocations
- to approve capital scheme commencements
- to approve Youth Capital Fund allocations
- to approve the use of reserves.

Decision

1. To approve the changes to the 2010/11 – 2012/13 capital programme as shown in Appendix 2 of the report.
2. To note the revised capital programme and associated funding detailed in Table 1 on page 2 of the report for 2010/11.
3. To approve the in year S106 allocation and the proposal for S106 usage at Chellaston Secondary School.
4. To approve the capital scheme commencements detailed in Appendix 3 of the report.
5. To approve the Youth Capital Fund allocations for 2010-11 detailed in Appendix 4 of the report.
6. To approve the use of Derby City Partnership reserves to fund Urban II project irregularities as detailed in paragraph 5.1 of the report.

Other

105/10 One Derby One Council Member Involvement

The Council Cabinet considered a report on One Derby One Council Member Involvement. The report set out proposals to extend the remit of the Members' Services Working Party to include responsibility for reviewing the progress of the delivery of the programme and to provide a Member perspective into the various work streams and projects being delivered.

Decision

To recommend to Council that...

1. The remit of the Members' Services Working Party be extended to include responsibility for reviewing progress on the delivery of the transformation programme.
2. Membership of the Group be extended to include four Members from each of the three political Groups as well as the Independent Member.
3. Terms of Reference be developed in consultation with Members to reflect the wider remit of the Group.
4. The name of the Group be changed to the Members' Steering Group.

106/10 Updated Revenue Strategy 2011/12 to 2014/15

The Council Cabinet considered a report on the impact of the Coalition Government's revenue and capital budget announcements on 10 June 2010, the content of the Emergency Budget on 22 June 2010, and the Comprehensive Spending Review – CSR – announcement on 20 October 2010 for the period 2011/12 to 2014/15.

Decision

1. To note the latest funding position and budget strategy for 2011-15.
2. To provide additional updates to Cabinet as further details are released to enable the budget strategy to be updated.
3. To present separate reports to subsequent meetings on capital, housing and benefit changes outlined in the CSR.

107/10 Exclusion of Press and Public

Resolved to exclude the press and public during consideration of the following items under Section 100(A) of the Local Government Act 1972, on the grounds that they involve 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

108/10 Connexions Review

The Council Cabinet considered a report setting out options for the future of the Connexions Service

Decision

1. To cease with effect from 1 April 2011, the commission of the Connexions Service from Connexions Derbyshire Limited.
2. To agree to directly provide targeted integrated youth support in the city, to meet current statutory duties for vulnerable young people as part of a wider service redesign for the youth offer.
3. That the detailed operational decisions regarding service delivery be delegated to the Strategic Director of Children's Services in consultation with the relevant Cabinet Member.
4. That a further report be presented to Cabinet should it be proposed to wind up Connexions Derbyshire Limited.
5. That the above recommendations be approved subject to the amendment of section 1.2 of appendix 1 of the report.

Reasons

As included in the report.

109/10 Proposed Arrangements with a Registered Social Landlord partner for disposal and redevelopment/refurbishment of compulsorily purchased properties in Hartington Street Renewal Area

The Council Cabinet considered a report setting out exempt information in relation to the proposed arrangements with a social registered social landlord partner for disposal and redevelopment/refurbishment of compulsorily purchased properties in Hartington Street Renewal area.

Decision

1. To approve the onward disposal of the compulsorily purchased properties within the Hartington Street Renewal Area to Nottingham Community Housing Association via long lease for redevelopment/refurbishment.

2. To authorise the Chief Executive, in consultation with the Strategic Director of Adults, Health and Housing and the Strategic Director of Resources, to take all necessary action to give effect to these recommendations where this can be contained within the item allowed for this process in the housing capital programme.

Reasons

As included in the report.

110/10 Building Schools for the Future Programme Final Business Case

The Council Cabinet considered a report setting out exempt information in relation to building schools for the future final business case.

Decision

1. To consider and approve the Final Business Case for Derby's BSF Programme as set out in Appendix 2 of this report.
2. To approve the commencement of the schemes as detailed in the Final Business Case.
3. To agree that the responsibility for agreeing the final cost details, within the affordability limits detailed in Appendix 1, for the financial close is delegated to the Strategic Director – Resources.
4. To authorise the Director of Legal and Democratic Services and/or other Legal Officers authorised to seal documents under the Council's Constitution to sign and seal all necessary contract documentation once the final cost details have been approved by the Strategic Director Resources, or nominated representative.

Reasons

As included in the report.

MINUTES END