

Time began 6.00pm
Time ended 8.15pm

**COUNCIL CABINET
16 FEBRUARY 2010**

Present: Councillor Jones (Chair)
Councillors Allen, Care, Carr, Naitta, Skelton and
Troup

In attendance Councillors Dhindsa and Jennings

This record of decisions was published on 18 February 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.

160/09 Apologies for Absence

An apology for absence was received from Councillor Williamson.

161/09 Late Items Introduced by the Chair

There were no late items.

**162/09 Identification of Urgent Items to which Call-In
will not apply**

There were no items.

163/09 Declarations of Interest

Councillor Naitta declared a personal interest in item 15 because he was appointed by the Council to Hallmark Housing Association and Hadhari Nari Management Committees. He also declared a personal and prejudicial interest in the same item because he was employed by Derby Association for the Blind. Councillor Dhindsa declared a personal interest in item 15 because he was appointed by the Council to the Derby Racial Equality Council.

164/09 Minutes of the meeting held on 12 January 2010

The minutes of the meeting held on 12 January 2010 were agreed as a correct record and signed by the Chair.

Matters Referred

165/09 Motions from Council

The following motions were carried by Council on 20 January 2010:

- (1) "Council supports the 10:10 campaign to reduce the UK's carbon emissions by 10% in 2010 and calls on the Council Cabinet to ensure the Council reduces its carbon emissions by 10% in 2010."
- (4) "Council calls on the Council Cabinet to implement as soon as possible, in negotiation with the bus companies and the Royal Hospital Trust, a 'ring road' bus service that would serve both the hospital employees, patients and visitors."
- (5) "Council recognises that many pavements across the City are in an increasingly poor state of repair and notes with concern that the revenue footway renewal programme has again been removed and reallocated by the current administration. This and other reallocations of funding will further reduce the amount of footway renewal schemes undertaken, add to the ever increasing preparation pool and result in considerably more LTP capital provision being spent on maintenance, thereby threatening this councils "excellent" status in relation to the LTP. Council therefore calls for the cabinet to evaluate the extent of urgent works required and re-instate a suitable programme of renewal and planned maintenance."
- (6) "This Council welcomes the imminent completion of Derby's Inner Ring Road, and recognises the right of its citizens to choose all forms of transport, including the motor car, for safe and efficient movement throughout the City. Council therefore calls upon the Cabinet to recognise this right in framing future policies and also, where required, to reconsider relevant policy taking into account the need for car users to park within reasonable distance of their work place, local facilities and developments."

Decision

To receive a report on each motion at a future meeting.

166/09 Review of Patient Transport Services

The Council considered a report on Review of Patient Transport Services. The Adult Services and Health Commission had carried out a review of the non urgent element of the Patient Transport Services. This service was currently commissioned by the Derby Hospitals NHS Foundation Trust and uses a wide range of vehicles including ambulances, taxis and volunteer car drivers and often involves carrying more than one patient at a time. The responsibility for commissioning patient transport services will be transferred to NHS Derby City (PCT) at the expiry of the current contract at the end of March 2010.

This topic was selected as part of the Commission's work programme for 2009/10 following a request from the Chair of the Disabled People's Diversity Forum to look into the difficulties faced by some Forum members in booking

transport to attend hospital clinic appointments. The Commission received evidence from a range of individuals and organisations during the review process including Derby City Council's Transport Division due to its contract with Derby Community Transport Services to assist patients with visits to health services such as GP's, dentist, opticians and hospital clinics etc. The final report was considered by the Commission at its 7 December meeting. Recommendations contained in the report were based on the evidence and were predominantly targeted at NHS Derby City as the body that would be responsible for commissioning services from April. However, the Commission also made a recommendation to the Council Cabinet due to its funding of the Health Ring and Ride service operated by Derby Community Transport.

The Commission recommended that Health Ring and Ride service should operate alongside the PTS and was regularly promoted to potential service users to increase take up and provide a comprehensive patient transport service in the city.

Decision

To ask for a report back on this issue at a future meeting.

167/09 Creation of a Speakers' Corner for Derby

The Council Cabinet considered a report on Creation of a Speakers' Corner for Derby. Council resolved on 20 May 2009 to:

'acknowledge a 'Speakers' Corner' in Derby as an innovative way to help improve community cohesion in our city by encouraging the following:

- *Greater involvement with – and engagement in – political debate, current affairs and community concerns*
- *Provide a forum for opinions to be aired and responses sought, especially from the more marginalised and more disenfranchised members of our communities*
- *To foster positive social attitudes and understandings, and thereby help prevent and pre-empt anti-social behaviour'*

Council asked Council Cabinet to set up a working group to draw up a proposal for the use, location and appearance for a Speakers' Corner in Derby. Council Cabinet on 7 July 2009 resolved to establish a cross-party Member Working Group, to consider the findings of officers who had researched the issue including discussions with other towns and cities that had set up a Speakers' Corner. Councillors Naitta, Wood and Banwait were the nominated Members and they had considered and approved the recommendations that were presented to Council Cabinet in the report.

Decision

1. To designate an area at the rear of the Market Place Waterfall as a Speakers' Corner for Derby.
2. To encourage the establishment of a Steering Group of interested parties to draw up guidelines for appropriate use of the space, to stimulate events and to manage the space.
3. To make available a sum of up to £500 to facilitate the work of the Steering Group.

168/09 Private Car Parks

The Council Cabinet considered a report on Private Car Parks. The Security Industry Authority (SIA) has primary responsibility for regulating the management, use and operation of private car parking operations. While the Council may be able to intervene in appropriate circumstances using anti social behaviour or planning legislation, or by exercising public interest rights in the Local Government Acts 1972 and/or 2000, there had to be appropriate triggers in place to justify any such intervention. The indications were that central government shared the concerns of Council, the same concerns having been expressed nationally, and that it planned to introduce more stringent legislation to curb the excesses, where it existed, of private car parks' operators and their operatives.

Decision

1. To welcome the prospect of new legislation being made available in the near future.
2. To ask Government and the Local Government Association to ensure the legislation is brought into full effect as soon as possible.

Key Decisions

169/09 2010/2011 Highways and Transport Work Programme

The Council Cabinet considered a report on 2010/2011 Highways and Transport Work Programme. The report sets out the 2010/11 proposed Highways and Transport Work Programme for approval. The programme had been developed following consultation with Members, Neighbourhood Boards, transport related consultation forums and other key stakeholders. The programme covered both revenue and capital funded projects but specifically sets out in more detail the capital works. There were also specific recommendations to pass-port Road Safety Grant funding to the Derby and Derbyshire Road Safety Partnership, DDRSP, to address casualty reduction as part of the Local Area Agreement. There was also a specific

recommendation to approve s106 spend as part of the 10/11 programme of works.

Options Considered

The development of the programme had involved consideration of various options for the inclusion of projects within the proposed programme. The draft programme recommended was considered to best fit the objectives of the LTP, the Local Area Agreement priorities, the local priorities of Members and Neighbourhood Boards and feedback from Government Office.

Decision

1. To approve the apportionment of LTP capital funding across strategy areas and the 2010/11 Highways and Transport Programme, for both capital and revenue funded schemes, detailed in Table 1.2 and appendix 2 of the report, respectively.
2. To approve the s106 spend programme for 2010/11 as detailed in appendix 2 of the report.
3. To approve the pass-porting of the Road Safety Grant, both revenue and capital, to the Derby and Derbyshire Road Safety Partnership, to continue the partnership initiatives towards casualty reduction, subject to any funding approval processes required as part of the delivery of the Local Area Agreement.
4. To continue to delegate authority to the Corporate Director of Regeneration and Community, in consultation with the Cabinet Member for Planning and Transport, to review the progress of schemes within strategy areas, respond to changing priorities throughout the year, potentially introduce new schemes or bring forward the implementation of some schemes at the expense of others and where necessary, reallocate funding between the strategy areas, subject to the approved limits set in the financial implications, appendix 1 of the report.
5. To continue approval for the Corporate Director of Regeneration and Community, in consultation with the Cabinet Member for Planning and Transport, to delegate further decision making to officers as appropriate subject to delegated financial limits as detailed in appendix 1 of the report.
6. To note that from the 1 May 2010 the delegations in recommendations 2.4 and 2.5 of the report would be transferred to the Strategic Director for Neighbourhoods.
7. To note the development work, including a review of our long term transport strategy required in the 10/11 programme in preparation for the production and publication of LTP3 and the intention of presenting

a consultation draft LTP3 to Cabinet for approval in the Autumn 2010 and - the final LTP3 for approval in March 2011.

Reasons

1. Approval of the work programme, including the approval to pass-port the Road Safety Grant to the DDRSP and approval of the s106 programme before the start of the 2010/11 financial year would allow flexibility to prioritise work and enable detailed design to commence, with the objective of ensuring that highways and transport schemes and initiatives were delivered in the best possible way and achieve value for money. The approval of the work programme would enable us to identify risks to the delivery of schemes, for example, at strategic, corporate, programme or project levels. We would be able to review and monitor to ensure risks do not escalate and where possible, were eliminated. This was in line with our risk register as set out in LTP2 for the delivery of schemes and achievement of targets.
2. Within the programme, a number of issues had been included for investigation in 2010/11. As specific measures and solutions were identified during the course of the year it was appropriate for the Corporate Director for Regeneration and Community, in consultation with the Cabinet Member for Planning and Transport, to review the programme and to re-allocate funding, on the basis of revising priorities and reviewing progress on other schemes. Any revisions to the programme must still reflect the objectives and the implementation programme set out in LTP2.
3. Delegation from the Corporate Director for Regeneration and Community, in consultation with the Cabinet Member for Planning and Transport to appropriate officers would enable them to respond quickly to small scale amendments within specific strategy areas to ensure that the measures being delivered were the most appropriate solution to achieve the desired outcomes rather than proposals that may have been agreed many months in advance. This would help ensure effective programme delivery. Progress on delivery and all changes would be reported to the Highways and Transport Board.

170/09 Introduction of a Derby Homes Tenancy Sustainment Service

The Council Cabinet considered a report on Introduction of a Derby Homes Tenancy Sustainment Service. The report outlined the proposal to establish a new Tenancy Sustainment Service for those introductory tenants that would have been assessed as requiring support and assistance. Introductory tenancies were granted to individuals who would be holding a tenancy for the first time. This did not include existing tenants who were transferring to alternative accommodation, nor did it apply to applicants who had been tenants of another registered social landlord for a period of more than 12

months. For the majority of new tenants this would be the first time that they had independently held a tenancy. Research carried out by Derby Homes had shown that many can lack the necessary skill and knowledge in claiming benefits, managing household accounts and general life skills which were an essential pre-requisite to living successfully within a community. As a result Introductory tenants were also far more likely to fail to sustain their tenancy, fall into rent arrears, or be involved in anti-social behaviour than established tenants. Currently, Derby Homes did not have the capacity to be able to offer the short-term intensive housing management service that was required to ensure that all new introductory tenancies were appropriately supported from the outset to ensure long term success and sustainability. The proposal was for all introductory tenants to be assessed in terms of their ability and experience to live independently and successfully manage a tenancy. Those assessed as being in need would receive an intensive housing management service starting at the point when they were first offered a property. Those tenants who could clearly demonstrate that they were low risk in terms of tenancy failure would not be required to receive the service. Those introductory tenants who received this service would be required to pay a £14.50 service charge. It was anticipated that some 70% of these tenants would have this charge met by Housing Benefit.

Options Considered

The Council could advise Derby Homes to continue delivering the service as it currently is. However this proposal gave the Council an opportunity to extend service provision. It should also be noted that improving performance around tenancy sustainment would deliver savings through reduced void and other management costs.

Decision

1. To approve the introduction of a Tenancy Sustainment Service to those introductory tenants who were assessed as being in need of such services as outlined in paragraphs 4.4 of the report.
2. To approve the establishment of the proposed Tenancy Sustainment team within Derby Homes.
3. To approve the proposed service charge of £14.50 for those introductory tenants who were identified as requiring the service.
4. To allocate the revenue generated from this service charge to Derby Homes to meet the costs of the new service.
5. To receive a report evaluating the outcomes of the service after twelve months.

Reasons

1. Evidence had shown that introductory or new tenancies had a far greater risk of failure than established tenancies. The proposed new service aimed to tackle that issue, and would be a significant extension to the services currently offered by Derby Homes in ensuring that tenancy sustainment was maximised.
2. To ensure Derby Homes had adequate staffing resources to implement the new service in a structured and managed approach.
3. To ensure that Derby Homes had adequate funding to support the new service.
4. To allow the Council to pass over the income to Derby Homes
5. To enable Members to evaluate the success or otherwise of this service.

171/09 St Helen's House

The Council Cabinet considered a report on St Helen's House. In August 2007 Richard Blunt Limited took a 299 year lease in the St Helen's House complex. The terms of the lease included a provision for the lessee to submit a planning application within a year of the grant of the lease and also to carry out certain works within three years of the date of the lease. There was then a further provision that a scheme of development for St Helen's House and the Pearson building be completed within six years. The planning application was submitted within the prescribed timeframe and permission granted in June 2009. At the same time in June the lessee commenced the agreed works to St Helen's House. The lessee has stated that the completion of the agreed works may not be realistically achieved by the expiration of the three year period and was therefore seeking an extension. Under the terms of the lease, the Council as landlord was entitled to serve one months notice to terminate the lease if the agreed works were not completed by the due date on 20 August 2010. The current adverse market conditions had affected the property market and therefore it was not considered advisable to exercise this break as there would be realistically little opportunity to dispose of St Helen's House again. Even if that were possible the time involved would be significant and with no guarantee of any more success than merely extending the existing lease clause. It was also relevant that the lessee had already carried work to St Helen's House and shown his commitment to carry out these works at risk without an identified end user. An extension of the completion date to 20 August 2012 was considered reasonable.

Options Considered

Being prepared to terminating lease and re-marketing.

Decision

To extend by two years the period for the completion of the agreed works and completion of the Scheme of Development under the terms of the lease.

Reasons

Extending the period for completion appears to represent the best way of ensuring refurbishment takes place.

172/09 Compulsory Acquisition of Long Term Empty Houses

The Council Cabinet considered a report on Compulsory Acquisition of Long Term Empty Houses. The report sought approval to initiate compulsory purchase proceedings in relation to three long term vacant houses. The houses had stood vacant and neglected for some years and had been the source of nuisance to, and complaint from neighbours. In accordance with the aims of the Council's Empty Homes Strategy, and to assist towards meeting the housing need in the City, it was considered that there was a compelling case in the public interest for the compulsory acquisition of the properties by the Council.

Options Considered

1. Do Nothing.

This was not considered an appropriate option. The houses, in their present condition, would remain a waste of potentially good housing accommodation, and in the continued absence of maintenance and proper management would become an increasing environmental blight on their respective neighbourhoods.

2. Enforced Sale.

The Law of Property Act 1925 empowers a local authority, to enforce the sale of a property where it holds a Local Land Charge against it. The Council holds charges against one of the properties, but the complicated ownership of the property is such that it would be difficult to progress such action with any confidence. Moreover such action would involve sale of the property on the open market, with no guarantee of either the standard of improvement, or future maintenance and good management by the purchaser.

3. Empty Dwelling Management Orders.

Local Authorities can consider making Empty Dwelling Management Orders under the Housing Act 2004 to address the

improvement and future use of empty dwellings. However, such action is not considered appropriate in the particular circumstances of the report properties.

4. Other enforcement powers.

Various legal powers are available to a local authority to improve the condition of a neglected building, for example, to deal with structural danger, nuisance or other environmental problems. However these alone would not address the suitability of the accommodation for occupation, the ongoing upkeep of the property subsequent to any enforcement action, nor the future management of the property, should it be re-occupied. These measures could only be viewed as piecemeal, reactive and relatively expensive short term approaches rather than providing the long term solution that the City Council's proposals would present following acquisition, compulsorily if necessary.

Decision

1. That the Council makes a Compulsory Purchase Order under section 17 and Part XVII Housing Act 1985 and the Acquisition of Land Act 1981 for the acquisition of the houses identified in Appendix 2 of the report, together with the land associated with them, and as shown edged in bold on the plans attached at Appendix 3 of the report, for the purposes of their renovation and reoccupation as housing accommodation.
2. That the Corporate Director - Corporate and Adult Services be authorised to:
 - a) take all necessary steps to secure the making, confirmation and implementation of the Compulsory Purchase Order including the publication and service of all notices and the presentation of the Council's case at any public inquiry
 - b) to acquire interests in the properties within the Compulsory Purchase Order either by agreements or compulsorily
 - c) suspend the compulsory purchase order proceedings in relation to any particular property, or withdraw that property from the Order, on being satisfied that the property would be satisfactorily renovated and re-occupied without the need to continue the purchase proceedings in relation to that property
 - d) take all necessary action to acquire and obtain possession of the properties included in the Compulsory Purchase Order, either compulsorily or by agreement, and to deal with all matters relating to the payment of compensation and statutory interest

including the instituting or defending of proceedings as necessary.

- e) dispose of the properties in accordance with the proposals set out in the report.
- f) take all other necessary action to give effect to these recommendations.

3. To request a report on identifying opportunities to bring commercial properties back into use.

Reasons

The properties concerned had been vacant for a number of years and all avenues open to the Council to encourage the respective owners to bring them back into use by voluntary means have been fully explored without success.

173/09 Voluntary, Community and Cultural Sector Grant Funding 2010/11

The Council Cabinet considered a report on Voluntary, Community and Cultural Sector Grant Funding 2010/11. This report sets out the principles and recommendations for grants to the following areas:

- Corporate and Adult Services Voluntary and Community Sector
- Children's Social Care Voluntary and Community Sector
- Annual Arts Grants.

Options Considered

There were no other options considered.

Decision

1. To approve a 1% inflationary increase across the detailed Council grant funding budgets for 2010/11.
2. To approve the proposed grant funding allocations of:
 - £1,588,928 for the Corporate and Adult Services Voluntary and Community Sector
 - £192,910 for Children's Social Care Voluntary and Community Sector
 - £558,242 for Annual Arts Grants.

- as recommended in paragraphs 4 to 6 and as set out in appendices 2 to 6 of the report, subject to the final decision on the revenue budget made by Council.
- 3. To continue to work with the Indian community to develop culturally appropriate day support opportunities, as set out in paragraph 4.8 of the report.
- 4. To serve 6 months notice to Derby Millennium Network as the provider of infrastructure support to BME voluntary sector organisations, as set out in paragraph 4.8 of the report.
- 5. To agree that all Children's Social Care Voluntary and Community Sector projects are given notice from April 1 2010 and the Children and Young Peoples Service recommissions services aligned to priorities agreed through the Children's Trust arrangements, as set out in paragraph 5.5 of the report.
- 6. To approve the base budget transfer from Arts Grants to Derby LIVE to support the delivery of Produced Theatre. As set out in paragraph 6.6 of the report.
- 7. To approve removal of regular funding from six Arts organisations, as set out paragraphs 6.7 to 6.10 of the report.

Reasons

General principles:

1. A consistent approach to grant inflation for 2010/11 was required for all Community and Voluntary Sector grants.
2. Compact and principles of Voluntary Sector funding - The Council was committed to complying with the principles and commitments set out in the Compact and related Codes of Practice. In the case of multi-year funding agreements, the Council had undertaken to consult with Voluntary Sector Organisations prior to any reduction in funding and also to provide a minimum of three months' notice. The Council was also committed to taking a strategic approach to Voluntary Sector funding and to strengthening the joint commissioning arrangements with partner agencies, to ensure that Voluntary Sector funding was targeted as effectively as possible and delivers Best Value for service users.

Corporate and Adult Services Voluntary and Community Sector:

3. Voluntary and community sector grant funding plays a key role in supporting corporate priorities, strengthening communities and delivering preventative services to vulnerable people.

Recommendations for changes to grant funding arrangements were based on the results of reviews, incorporating value for money considerations, strategic priorities and anticipated increases in demand for some grant funded services, as a consequence of the economic downturn.

4. The recommended inflationary increase had been considered carefully in consultation with NHS Derby City and took into consideration affordability as well as recent inflationary pressures. Coupled with this was the uncertainty of future Council funding beyond 2010/11.

(Councillor Naitta having declared an interest in the above item left the meeting during the discussion and voting thereon.)

174/09 Local Area Agreement Review and Refresh

The Council Cabinet considered a report on Local Area Agreement Review and Refresh. In line with Government guidance an Annual Review of the Local Area Agreement, LAA, took place on 20 January 2010 with Government Office for the East Midlands, GOEM. Though the Annual Review was the second to have taken place during the current LAA 2008-2011 it was the first review to link in with the findings from the recent 2009 Comprehensive Area Assessment, CAA. Running alongside the LAA Annual Review was the LAA Refresh process. The LAA Refresh was looking at a small number of indicators to:

- finalise targets where they had previously been unable to be set due to a lack of historical data
- amend targets where the downturn in the economy has had a significant affect on performance.

The Refresh process was the final opportunity to amend targets in the 2008-2011 LAA. This final target setting process was critical to our success in the LAA and would influence the amount of Performance Reward Grant Derby was likely to receive. Section 3 of the report outlined the approach taken for the 2010 LAA Annual Review. Section 4 covered the 2010 LAA Refresh process and highlighted which indicator targets were being considered and where negotiations with GOEM were complete what the amended targets were.

Options Considered

There were no other options considered.

Decision

1. To note the areas reviewed as part of the 2010 LAA Annual Review.
2. To note that officers responsible for underperforming LAA indicators have been asked to produce action plans by 19 February 2010.

3. To note the indicator targets to be reviewed as part of the 2010 LAA Annual Refresh and in particular the revised targets where agreed.
4. To refer the report to Council on 1 March 2010.
5. To recommend to Council that delegated authority is given to the Chief Executive to sign off the LAA targets, in consultation with the Leader of the Council, by 12 March 2010.

Reasons

There were no reasons.

175/09 New Homes for Old: The Development of Dementia Care and Intermediate Care at the Council's Care homes for Older People

The Council Cabinet considered a report on New Homes for Old: The Development of Dementia Care and Intermediate Care at the Council's Care Homes for Older People. The report recommended options on delivering two specialist dementia centres and one intermediate care centre from three short-listed sites agreed by Council Cabinet on 27 October 2009: Arboretum House, Perth House and Warwick House. The report also extended timescales for Bramblebrook House and Coleridge House linked to the delivery of the first specialist dementia centre. Finally, the report suggested an opportunity to develop respite care at Bramblebrook House, Coleridge House and Warwick House that would meet community needs and make best use of available resources during this transitional period.

Options Considered

1. Choosing either Perth House or Warwick House as the site for the Intermediate Care development would have diminished the link with other planned Intermediate Care initiatives and resulted in a lower quality of service for residents.
2. Developing specialist dementia care for Perth House ahead of Warwick House would mean that, should either or both of Bramblebrook House or Coleridge House close, residents of those homes with advanced dementia would have fewer options in the immediate locality.
3. Continuing long-term admissions to Bramblebrook House and Coleridge House would be unfair on new residents who might have to move again relatively quickly. Just letting the occupancy of these homes run down would be unfair to both residents and staff as well as missing the opportunity to begin providing more residential respite options for carers that could later be transferred to the specialist centres.

Decision

1. To choose Perth House and Warwick House to be redeveloped as dedicated dementia care homes.
2. To remodel Warwick House first, with a projected completion date of October 2011. To remodel Perth House by March 2012.
3. To note that, because the first specialist dementia unit will not be completed until October 2011, no final decision on the future of Bramblebrook House and Coleridge House should be brought into effect before that point in time.
4. To note that long-term admissions have ceased at Bramblebrook House and Coleridge House in light of the forthcoming consultation on their future, and that also Warwick House has reverted to its previous respite care focus. To approve short-term investment in staffing at Bramblebrook House, Coleridge House and Warwick House to enable these homes to be productively used for short-term respite stays instead of long-term placements.
5. To choose Arboretum House to be remodelled as a specialist short-term respite and intermediate care home.
6. To plan the remodelling of Arboretum House in partnership with NHS Derby City as part of a whole-system review of Intermediate Care.

Reasons

There were no reasons.

176/09 Transfer of Services – Environmental Services

The Council Cabinet considered a report on Transfer of Services. Derby City Council, through its transformation programme, one Derby-one Council had identified a number of key areas for change. Key element of the transformation programme was to remove wherever possible, the client/contractor relationships that existed between a number of different parts of the council. The above driver led to the proposal outlined in the report i.e. the transfer of the housing maintenance and repairs service from the Council's Environmental Services Division – ESD - to Derby Homes. The transfer of service had identified a financial pressure of £700k per year on the general fund due to the rules surrounding HRA funding and therefore this proposal was included as a budget pressure in the 2010/11 budget consultation process. The Public Building division currently had an internal client/contractor relationship between Property Services (client) and Environmental Services (contractor). ESD was contracted to deliver the repairs and maintenance contract, and also bid for contracted works from Property Services. The capital works historically supported the repairs and

maintenance contract through the creation of surplus, creating a balanced budget. There had been a significant reduction in contract work, creating significant budget pressure in the delivery of the repairs and maintenance contract.

Options Considered

There were no other options considered.

Decisions

1. To request the transfer of responsibilities and operational services of the repairs and maintenance of Council housing to Derby Homes with their agreement, with effect from 1 June 2010.
2. To agree the financial implications set out in the report.
3. To agree to the personnel implications set out in the report, recognising that the post of Contracts Manager, Public Buildings, will be redundant.
4. To approve the closure of the Public Buildings Service in ESD and the transfer of staff as identified in the report to Derby Homes Ltd.
5. To approve the transfer of the responsibilities for Public Buildings maintenance to the Council's Property Service section and the procurement of those services from the private sector or Derby Homes in the short term.
6. To agree for Derby City Council to be included in the procurement of the repairs and maintenance contract through the East Midlands Property Alliance.

Reasons

There were no reasons.

177/09 World Class Primary Schools

The Council Cabinet considered a report on World Class Primary Schools. At the end of Key Stage 2 (KS2), which cover the 7 to 11 age range, children take Standard Assessment Tests (SATs) which give an indication of their progress as they leave primary school education and move onto secondary school. Results at school and Local Authority (LA) level are reported annually. Following the national decline in KS2 SATs in 2009 the Secretary of State for Children, Schools and Families announced a new programme aimed at improving standards in all primary schools in England, the World Class Primary Schools Programme (WCPSP). KS2 results in Derby had plateaued in recent years, with some improvement in 2008 followed by decline in 2009. Derby was one of twelve LAs in England where more than 6% of primary schools had consistently failed to meet the government's KS2 floor target

whereby 55% of pupils are required to attain Level 4 in both English and maths in their SATs. Under the requirements of the WCPSP all LAs in England need to produce a plan for raising KS2 attainment by the end of March, but as one of the twelve identified authorities we were required to submit our plan by January 29 and to include an additional plan in respect of schools below, or at risk of being below, floor targets. The plans, which were attached at Appendix 2 to the report, were submitted on 29 January 2010 in line with Department for Children, Schools and Families (DCSF) requirements. The plans would require additional capacity in terms of School Improvement Partner (SIP) days and fourth tier management of school improvement, if they were to succeed. The report described the full context of the WCPSP and set out plans for increasing capacity at relatively low cost to the Council.

Options Considered

There were no other options considered.

Decision

1. To approve the increase in school improvement capacity as outlined.
2. To approve the use of market supplements for recruitment and retention in key positions.
3. To retrospectively approve the plans submitted to the DCSF.

Reasons

In order to raise attainment at KS2 and meet Government requirements to submit a WCPSP plan.

178/09 Corporate Plan

The Council Cabinet considered a report on the Corporate Plan. An interim Corporate Plan was being prepared, outlining objectives for 2010/11 in line with the aims of Derby's Sustainable Community Strategy. Work was continuing to draft the Corporate Plan and a leaflet for circulation to all Members and Council employees. Feedback was being sought from Council Cabinet as to the final list of objectives together with the draft content and layout of the Corporate Plan.

Options Considered

There were no other options considered.

Decision

1. To review the Corporate Plan objectives 2010/11 as set out in the attached Corporate Plan.

2. To review the draft text throughout the remainder of the Corporate Plan.
3. To note the comments from Scrutiny Management Committee from 2 February, see Appendix 2.
4. To refer the Corporate Plan, with amendments as advised, to Council on 1 March 2010 alongside the Council's budget.

Reasons

There were no reasons.

179/09 Allestree Recreation Ground Safety Fence

The Council Cabinet considered a report on Allestree Recreation Ground Safety Fence. The report sets out the reasons for the erection of a safety fence between the cricket field and the second bowling green at Allestree Recreation Ground. In order for this to be achieved, it would be necessary to vary a motion of the Policy and Resources Standing Sub Committee as amended by Council in October 1993. This would allow a planning application for the proposed fence to be considered.

Options Considered

There were no options considered.

Decision

1. To approve in principle the erection of a safety fence between the cricket field and the second bowling green at Allestree Recreation Ground.
2. To vary a motion of the Policy and Resources Standing Sub Committee (minute number 7/93) made on 4 October 1993, as amended by Council (minute number 30/93) on 20 October 1993. The variance would involve the deletion of words in Part C of the amended motion. The motion as it stands and the proposed variance was set out at Appendix 2 of the report.

Reasons

To protect against the risk of injury to users of the facility.

Performance Management

180/09 Financial and Performance Monitoring 2009/10 Quarter 3

The Council Cabinet considered a report on Financial and Performance Monitoring 2009/10 Quarter 3. Financial and performance monitoring underpinned the Council's planning framework in terms of reviewing progress regularly in achieving our priorities and delivering value for money. The report included highlights from both revenue and capital budgets, as well as key performance measures included in our Corporate Plan 2008-2011 and Local Area Agreement (LAA) 2008-2011. Summary results for quarter three - the period up to 31 December 2009 - were as follows...

- The overall forecast General Fund revenue position at the end of the third quarter was an underspend of £988,000, a 0.5% variance from total budget, excluding the Dedicated Schools Budget.
- In addition, all of the £1.310 million 1% salary savings target agreed by Council in March 2009 had been met. £531,000 of other budgeted savings had yet to be achieved.
- 76% of performance measures were on track to achieve their year end target, with 20% forecasting to miss year-end target by more than 5%.

The report proposed the following measures to deliver a balanced forecast General Fund revenue outturn for 2009/10, subject to Council approval on 1 March 2010 to the recommendations:

- to approve a transfer of £800,000 revenue budget from Adult Social Services to create a capital reserve to part-fund the proposed Adult Social Services extra care capital programme in 2010/11
- to approve the transfer of the net forecast underspend that would result of £188,000 to the budget risk reserve.

The supporting performance tables could be found on CMIS at <http://cmis.derby.gov.uk/CMISWebPublic/Binary.ashx?Document=15079>.

Decision

1. To note the key variances and performance highlights for each Portfolio as set out in Section 7 of the report.
2. To note the overall budget position for revenue monitoring during 2009/10 as set out in Appendix 2 of the report.
3. To note the savings achieved to date in Appendix 3 of the report.

4. To request Chief Officers to take action to address overspends and deliver savings targets by the year-end, as far as possible, to manage overall spending in line with their approved budgets.
5. To recommend to Council the following revenue budget transfers 2009/10:
 1. a transfer of £800,000 revenue budget from Adult Social Services to create a capital reserve to part-fund the proposed Adult Social Services extracare capital programme in 2010/11
 2. the transfer of the net remaining forecast underspend of £188,000 to the budget risk reserve.
6. To note the performance of the Corporate Plan measures and milestones, Local Area Agreement and National indicators against the 2009/10 quarter three targets as set out in Appendix 4 of the report.
7. To give particular attention to those highlighted significant budget variances and areas where performance is below target, particularly those that were 'red' - more than 5% adverse to quarter three targets.
8. To note that, where appropriate, indicators would be referred to the Performance Support Group or Cabinet Portfolio meetings as set out in Section 8 of the report, to explore reasons for apparent poor performance and to agree action planning for improvements.

181/09 Place Survey Action Plan

The Council Cabinet considered a report on the Place Survey Action Plan. Local areas were required to complete a 'Place Survey' every two years. The survey asks residents for their views on quality of life and satisfaction with public services. Headline results from the 2008 survey were presented to Council Cabinet in September 2009. Further analysis had been undertaken to review the Place Survey results by age, disability, ethnicity, gender and ward. A number of focus groups were undertaken with local people who had completed the survey to explore issues around satisfaction with council services, value for money, perceptions of the Council and our communications to local people. A Place Survey Workshop took place on 12 November 2009 to review issues arising from the survey in respect of People and Place and Council satisfaction. The aim of the workshop was to feedback key findings from the Place Survey with a view to identifying an appropriate action plan to address areas of concern and underperformance. The report presented the action plan for approval by Council Cabinet.

Decision

1. To approve the Place Survey Action Plan as shown in Appendix 2 of the report.

2. To refer the Place Survey Action Plan to Scrutiny Management Commission on 22 March 2010.
3. To delegate to the Chief Executive in consultation with the Leader of the Council to consider and make any amendments arising from comments from the Scrutiny Management Commission.

Budget and Policy Framework

182/09 Corporate Restructure

The Council Cabinet considered a report on Corporate Restructure. The report recommended the proposed structures for 2nd and 3rd tier - Service Directors and Heads of Service as part of the Council's transformation programme 'one Derby, one council'. The proposals contained within this report had been subject to extensive consultation with all 2nd and 3rd tier officers affected by the proposals as well as the Trade Unions. The report proposed that the current role of Assistant Director was changed to Service Director. Council had agreed the creation of four Strategic Director posts and the re-designation of the 2nd tier to Service Director which demonstrated the emphasis of the role which would be to direct, lead and manage their respective services on a day-to-day basis. The report recommended that the number of permanent 2nd tier officers was reduced from 26 to 20 and that the number of permanent 3rd tier officers was reduced from 97 to 74. The proposed implementation date for these new structures was 1 May 2010.

Decision

To recommend Council to

1. Approve the proposals as outlined within this report for implementation on 1 May 2010.
2. Approve the implementation of the remaining tiers of the new structures by the Chief Executive and Strategic Directors in consultation with the appropriate Cabinet Member in line with existing policies.
3. Delegate to the Monitoring Officer the power to apportion delegated duties and responsibilities to senior officers within the new structure from 1 May 2010 pending final ratification at the Council's annual meeting.
4. Appoint the Chief Executive as Electoral Registration Officer and Returning Officer for local government elections with effect from 3 July 2010 and, as the holder of these statutory offices, the Responsible Officer for functions relating to elections set out in the Appendix to Part 3 of the Constitution.

5. Appoint the Director of Legal and Democratic Services as Monitoring Officer with effect from 3 July 2010.

183/09 Recommendations from the Overview and Scrutiny Commissions on the draft Revenue and Capital Budgets 2010/11 – 2012/13

The Council Cabinet considered a report on recommendations from the Overview and Scrutiny Commissions on the draft Revenue and capital Budgets 2010/11 – 2012/13. The Revenue and Capital Budget proposals were considered by the six Overview and Scrutiny Commissions at their meetings in January/February 2010. The recommendations of the individual Commissions and the reasons for those recommendations were as set out in the Appendices to the report. The process set out in the Budget and Policy Framework Procedure Rules requires the Council Cabinet to formally consider the reports of the overview and scrutiny commissions and report to Council on how it has taken into account any recommendations made. Appropriate Cabinet Members and chief officers were supplied with the individual commissions' recommendations immediately after the wording was finalised by the respective chair. This was to allow the fullest consideration to be given to the scrutiny input.

The Director of Resources circulated supplementary pages on the late recommendations made by the Community Commission.

Decision

To take the recommendations of the overview and scrutiny commissions into account when considering the capital and revenue budgets (minutes nod 184/09 and 185/09 refer.)

184/09 General Fund Revenue Budget Capital Programme and Council Tax 2010/11

The Council Cabinet considered a report on General Fund Revenue Budget Capital Programme and Council Tax 2010/11. The report set out proposals to recommend to Council, a net budget requirement of £214,823,336 for 2010/11 which required a council tax increase of 2.50% for City Council services. The report also set out our budget proposals for 2011/12 and 2012/13 as part of the medium term financial strategy of the Council. The Council had identified £17.8m of savings in 2010/11, £12.4m in 2011/12 and £8.8m in 2012/13 to meet rising costs, to maintain priority services and invest for the future. This would generate permanent savings of £39m by 2012/13 including £12.710m from the one Derby, one Council Programme and £2.171m from Base Budget Reviews. Each section of the report dealt with the various elements that required consideration before a final decision was reached, namely:

- the budget process leading up to these proposals (para 3 of the report)
- resources available, linked to the local government finance settlement, including council tax and Area Based Grant (para 4 of the report)
- the budget proposals for 2010/11 and how they had changed since proposals were released for consultation and how they related to the Council's corporate priorities (para 5 of the report)
- indicative budgets for 2011/12 and 2012/13 (para 6 of the report)
- delivery of the Council's corporate priorities (para 7 of the report)
- the latest estimate 2009/10 outturn position and treatment of variances (para 8 of the report)
- the Council's corporate reserves position and treatment of one-off VAT and National Insurance amounts in 2009/10 (para 9 of the report)
- communication and consultation including feedback (para 10 of the report)
- a risk analysis (para 11 of the report).

Included in the appendices was summarised budget information for each department and each portfolio area, which together with the text of the report, constituted the full budget proposal. The department appendices were based on departments within the existing organisational structure. For the published budget book 2010/11 these would be re-ordered into the new departments, including support service recharges. The Council's final grant settlement from central government for 2010/11, including the Area Based Grant was £133.415m.

Decision

To approve proposed responses to the recommendations of the overview and scrutiny Commission recommendations contained in Appendix 7 of the report and to recommend Council

1. To approve a budget requirement for Derby City Council for 2010/11 of £214,823,336.
2. To approve for 2010/11 the departmental revenue budget estimates and use of corporate reserves of £2.472m (1.15% of the budget) in 2010/11, and 3.129m in 2011/12, net of a £0.4m transfer to the General Reserve in each year, and a £0.4m transfer to the General Reserve in 2012/13, as summarised in Appendices 4a, 5a and 6a of the report.
3. To approve the proposed treatment of Housing and Planning Delivery Grant – HPDG – within revenue and capital budgets, as set out in paragraph 5.13 of the report.
4. To note the latest 2009/2010 revenue budget monitoring position and treatment of variances as set out in paragraph 8.4 of this report.

5. To approve the treatment of one-off VAT and National Insurance amounts that have occurred during 2009/10 as set out in paragraph 9.6 of the report.
6. To approve the measures proposed to manage budget risks in 2010/11 and in future years, including the deliverability of identified savings, levels of service and inflation forecasts as set out in Section 11 of the report.
7. To approve within this total of £214,823,336 net service estimates of:

Children and Young People	43,356,000
Environmental Services	23,678,000
Regeneration and Community	26,292,000
Resources	11,113,000
Corporate and Adult Services	78,918,000
Corporate and Contingency Budgets	<u>34,127,397</u>
	217,484,336

Appropriations to/from reserves (figures in brackets are appropriations from reserves):

Corporate reserves	(2,472,000)
Service reserves	(239,000)
Revenue Financing Capital	<u>50,000</u>
	214,823,336

8. To note that the service estimates would be re-profiled into the new Department structure for the published budget book for 2010/11, together with support service recharges.
9. To note that, at its meeting on 12 January 2010, the Council Cabinet calculated the amount of 71,114.57 equivalent band D properties as the Council's Tax Base for the year 2010/11 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended by The Local Authorities (Calculation of Council Tax Base)(Amendment)(England) Regulations 2003, made under Section 33(5) of the Local Government Finance Act 1992.
10. To calculate the following amounts for the year 2010/11 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act).
 - a. £637,300,336 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e).

- b. £422,477,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) and (c) of the Act.
- c. £214,823,336 as its budget requirement for the year, being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 32(4) of the Act.
- d. £134,662,237 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant and area based grant.
- e. £1127.21 as the basic amount of its Council Tax for the year, being the amount at (c) above, less the amount at (d) above, all divided by the amount at 2.7 above, calculated by the Council, in accordance with Section 33 of the Act.
- f. for the following Valuation Bands:

	£		£
A	751.47	E	1377.70
B	876.72	F	1628.19
C	1001.96	G	1878.68
D	1127.21	H	2254.42

as the amounts to be taken into account for the year, under Section 30(2)(a) of the Act, in respect of categories of dwellings listed in different valuation bands, being the amounts given by multiplying the amount at (e) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to all dwellings listed in each particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act.

11. To note that for the year 2010/11, Derbyshire Police Authority has stated the following in a precept to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A		E	
B		F	
C		G	
D		H	

12. To note that for the year 2010/11, Derbyshire Fire Authority has stated the following in a precept to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A		E	
B		F	
C		G	
D		H	

13. Having calculated the aggregate in each case of the amount in 10, 11 and 12 above, in accordance with Section 30(2) of the Local Government Finance Act 1992, to set the following amounts as the amounts of Council Tax for the year 2010/11 for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A		E	
B		F	
C		G	
D		H	

14. To note the revenue budget plans for 2011/12 and 2012/13 set out in section 6 of the report.
15. To note the feedback from the budget consultation at Appendices 7 to 9, and approve the Council Cabinet response to the Scrutiny Commissions recommendations at Appendix 7 of the report.
16. To note that the Schools Forum agreed at their meeting on 27 January 2010 to contribute a further £100,000 to combined budgets towards the non statutory provision of the education psychology service.
17. To authorise the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.

185/09 Updated Capital Programme

The Council Cabinet considered a report on an Updated Capital Programme. The report set out the 2010/11 to 2012/13 capital programme for recommendation to Council on 1 March 2010. The main areas of the £392.4m programme over the next three years were ...

- £31.7m for the Council's accommodation strategy funded from Corporate unsupported borrowing.
- £11.8m capital implementation costs for computer applications and infrastructure to deliver the Council's one Derby one Council transformation programme funded from capital receipts.
- £36m to deliver the Council's Leisure strategy which would include a new 50 metre swimming pool together with the creation of a Velodrome and new athletics track.

A further £14m would be required in 2013/14 to complete the full £50m programme. The spending profile across years will need to be spread to avoid VAT costs within the VAT 'Partial Exemption' rules.

- £25m to deliver the jointly funded waste disposal plant alongside Derbyshire County Council funded from service financed unsupported borrowing.
- £174.1m Children and Young People's department programme including the Building Schools for the Future and Primary Capital programmes; repairs, maintenance and improvements to the fabric of school buildings and devolved funding to schools, of which the majority was funded from specific grants together with supported borrowing and external contributions.
- £47m Housing programme. Many council-owned houses would get new PVCu windows and doors, new kitchens and bathrooms, heating systems and other repair and refurbishment work, funded through £34.6m from the Housing Revenue Account. A further £12.4m for the Housing General Fund mainly funded from government grants which would enable the continuation of schemes including the delivery of decent homes and assistance to vulnerable householders, disabled facilities grants, other repair and assistance in the private sector and support for affordable housing.
- £18.6m Local Transport Plan (LTP) of which £13.5m was funded from government grants to help deliver improvements to integrated transport systems, including strategic public transport schemes, better traffic management and improvements to roads in neighbourhoods, and to maintain the transport infrastructure including money for carriageway and footway maintenance and to repair bridges and other structures. As well as the block programme, a further £9.6m for Connecting Derby would be spent funded mainly from the Department for Transport grant. £4.5m for maintenance of the Council's buildings and infrastructure, including roof repairs - Market Hall and Wardwick museum, structural repairs, fire

precaution works, window replacement programme and replacement air conditioning units

- £4.3m for dementia care and £1.6m for elderly extracare in our Adults Social Care and Housing service.
- In addition schemes funded from the corporate programme also included new changing rooms and other improvements on the Nottingham Road 'racecourse and Alvaston Park site, new cremators for the crematorium various public realm schemes, accommodation strategy, one council one derby, the leisure strategy and contribution to connecting derby and Friargate studios.

The report also outlined the potential financial risks relating to the Council's VAT partial exemption calculation arising from the leisure strategy. Delivery of the capital schemes within the strategy would need to be spread over a number of years to avoid us incurring significant VAT costs. Further work was needed to develop the options to alleviate this risk.

A number of potential schemes and capital programme aspirations included in Appendix 5 of the report remained unfunded at this stage and were therefore not included in the corporate capital programme. A cabinet/COG workshop in March 2010 would consider the future strategy and priorities. To note a report would be presented separately to this Council Cabinet on the Regeneration Fund detailed in paragraph 8 of the report. Should Council Cabinet approve, £600k of base budget revenue funding was to be included in the Regeneration Team's budget which would be able to fund up to £10m of capital expenditure through prudential borrowing. Any capital schemes would need approval of Council for inclusion in the capital programme so nothing had been included in the proposed capital programme at this stage.

Decision

1. To recommend to Council on 1 March 2010 the capital programme for 2010/11 and the indicative capital programme for 2011/12 and 2012/13 set out in the report.
2. To note the capital receipts forecasts detailed in paragraph 3.6, Table 1 and paragraph 4.5 and 4.6 of the report.
3. To note the potential schemes and capital investment aspirations remaining unfunded to be considered through a Cabinet Member and Chief Officer workshop on the 12 March 2010 that was meeting to agree the future capital strategy and priorities.
4. To note the proposed corporate programme allocations as set out at Appendix 3 of the report and included in the recommendations to Council on 1 March 2010.
5. To note the revenue budget implications.

6. To note the potential VAT partial exemption implications of the Leisure Strategy.
7. To approve the partial use of the single pot allocations for Children and Young People modernisation fund and Adult Social Care to part fund schemes within the corporate programme as set out at paragraph 4.7 of the report.

186/09 Housing Rents and Services Charges 2010/11

The Council Cabinet considered a report on Housing Rents and Services Charges 2010/11. The Government originally set a policy to restructure social housing rents over the 10 year period 2002/03 to 2011/12. The process involved moving rents incrementally towards a target so that at the end of the restructuring period, council housing rents would be in line with those of other Registered Social Landlords – RSLs – this was known as ‘rent convergence’. The period of rent restructuring had changed a number of times during the life of the policy, due to the impact of changes in the rate of inflation and Government intervention in terms of rent capping. Currently, it was anticipated that rents would converge in 2012/13 – one year after the original intended date - although this date could change again depending on inflation levels and a shift in government policy. Our rent proposals for 2010/11 included the ‘unpooling’ or separation of certain service charges totalling £1.57 per week – namely Smoke Alarms and Grounds Maintenance. In addition, the levels of charges for energy usage had been reviewed with a revised level of charges proposed, and proposals for separate meters for electricity. If the service charges were unpooled, the average rent would reduce by £1.57. When service charges averaging £1.57 were added back, the overall total paid by tenants in 2010/11 would be the same as it would have been if the unpooling of these service charges were not put in place. Overall the average rent would decrease by 40p a week or – around 0.7%. The average increase for rent and unpooled service charges taken together for 2010/11 worked out at just under 2%, although there would be a wide variation, as there always was under rent restructuring. A majority of tenants would have a rent cap applied at RPI +0.5% +£2. For a tenant paying the average rent this would restrict the increase to around 2.5%. Proposed actual rent increases in April 2010 would feel slightly higher than figures quoted here which were based on an average rent for the whole year rather than that being paid now. It was proposed to freeze all existing service charges in 2010/11. It was proposed to introduce a new service charge to be applied to qualifying new tenants relating to tenancy sustainment of £14.50 a week. Garage and other rents were proposed to be increased by the Guideline rent increase of 3.6%.

Decision

To recommend Council, on 1 March 2010 approve revision of rent and service charges from 5 April 2010 on the basis set out in the report including:

- an average overall weekly rental decrease of £0.40 or 0.7% calculated over 52 weeks, plus.
- introduction of unpooled service charges for Grounds Maintenance and Smoke Alarms as detailed at Appendix 2 of the report which was available on CMIS.
- implementation of revised energy charges as detailed at Appendix 4 of the report which was available on CMIS.
- introduction of new service charge for Tenancy Sustainment of £14.50 per week.
- a freeze on all other Service Charges as set out in Table 2 of the report.
- an increase in Garage Rents and other rents of 3.6%.

187/09 Housing Revenue Account

The Council Cabinet considered a report which stated that the Housing Revenue Account, HRA, remained financially robust in the short term but continued to face increasing pressure over time. The HRA had a long-term planning framework, with a three-year budget supplemented by a thirty-year business plan, known as the HRA Business Plan, or HRABP.

The government's long-term review of the HRA Subsidy system, HRAS, undertaken last year concluded that there was an urgent need for reform. The government intended to make an offer to local authorities at some point this month setting out terms under which the Secretary of State would be willing to agree to an authority being able to be excluded from the HRAS system in future. This was likely to take the form of an additional – or in a few cases reduced – debt to be placed on the HRA in exchange for ceasing to include that Authority in the HRAS system in future.

The exact format or content of that offer remained unknown but could have a significant effect on the future of the HRA. It was hoped that the format and content of the offer would be acceptable and lead to many acceptances of the offer across the country, bringing the HRAS system effectively to an end. This outcome could not be guaranteed however, and it remained unclear at this point.

In the meantime, there was a need to consider the situation as it stands, and also in the event that this process was not successfully concluded. As a result, there remained a need to set out a further plan on the existing basis under the HRAS system.

It was not proposed to change the business plan radically, but to make moderate improvements to funding in a few areas, concentrating mainly on

the repairs account which had come under significant pressure over recent years.

The proposals contained within the report approved a slight reshaping of the final year of the Estates Pride programme of works, completing the £15m total programme that had been running now for four years. By the end of this year, it was estimated that the Council would have spent £7.7m of this programme and the remainder would be spent over the next few years on the programme that had already been largely agreed. Consideration needed to be given to the impact that the ending of this programme would have if alternative funding was not forthcoming as a result of the HRA review.

There were also other funding sources that were no longer being received and would impact on the plans in the medium term – primarily the funding for the aids and adaptations budget that effectively came from the Supported Capital Expenditure approval of £1m a year that had now ceased and that had been supported for the last few years from HRA reserves.

New Service Charges were proposed for grounds maintenance and for smoke alarms. These would raise significant funds over time and allow greater investment in future in capital and repairs than would otherwise have been the case. They would also eliminate existing cross subsidies between tenants under the current arrangements. In 2010/11, all tenants would pay no more than they would have done had these charges not been introduced by means of a reduction to their rent.

Despite the proposed generation of additional funding, there remained a series of additional pressures that were not covered in the proposed, including an estimated additional need of around £400m over the 30 year planning period for major investment. A summary of the main unfunded pressures on the HRA from 2011/12 onwards were shown in the report.

Decision

1. To recommend Council to approve the budget set out as part of the HRA Business Plan at Appendix 2 and detailed in Appendix 3 of the report.
2. To approve the revised proposals for Estates Pride as set out in Appendix 4 of the report.
3. To approve the management fee for Derby Homes set out in Appendix 5 of the report.
4. To make the repairs budget available to Derby Homes to meet their costs in providing the repairs service.

188/09 Treasury Management Strategy and Prudential Code Indicators 2010/11

The Council Cabinet considered a report on Treasury Management Strategy and Prudential Code Indicators 2010/11. The report outlined the Council's prudential indicators for 2010/11 – 2012/13 and set out the expected treasury operations for this period. It fulfilled four key legislative requirements ...

- The reporting of the prudential indicators setting out the expected capital activities as required by the CIPFA Prudential Code for Capital Finance in Local Authorities as shown at Appendix 1 of the report. The treasury management prudential indicators were now included as treasury indicators in the CIPFA Treasury Management Code of Practice.
- The Council's Minimum Revenue Provision - MRP - policy, which set out how the Council would pay for capital assets through revenue each year as required by Regulation under the Local Government and Public Involvement in Health Act 2007.
- The treasury management strategy statement which set out how the Council's treasury service would support the capital decisions taken above, the day-to-day treasury management and the limitations on activity through treasury prudential indicators. The key indicator was the 'Authorised Limit', the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This was the Affordable Borrowing Limit required by section 3 of the Local Government Act 2003. This was in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code and shown at Appendix 2 of the report.
- The investment strategy which sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy was in accordance with the Department for Communities and Local Government's – CLG - Investment Guidance and also shown in Appendix 2 of the report.

Revised editions of the CIPFA Prudential Code and CIPFA Treasury Management Code of Practice were produced in November 2009. CLG was currently consulting on changes to the Investment Guidance. The revised guidance arising from these Codes had been incorporated within these reports, with the CLG proposals being incorporated where these do not conflict with current Guidance. If necessary the Investment Strategy contained in Appendix 3 of the report, would be revised if any elements of the final CLG Investment Guidance had not already been covered. The main changes initiated in the revisions above, increase the Council members' responsibility in this area. This would require greater member scrutiny of the

treasury policies, increased member training and awareness and greater frequency of information.

One element of the revised CIPFA Treasury Management Code of Practice was that the clauses to be adopted as part of the Council's Financial Procedure Rules (section E7) be amended. This revision was shown at Annex 3C of the report, for approval. The key change was that a responsible body – the Audit and Accounts Committee – be responsible for ensuring effective scrutiny of the treasury management strategy and policies, before making recommendations to Council. The above policies and parameters provided an approved framework within which Council officers would undertake the day-to-day capital and treasury activities.

Decision

To approve each of the six key elements of the report, and recommend these to Council:

1. The Prudential Indicators and Limits for 2010/11 to 2012/13 contained within Appendix 2 of the report.
2. The Minimum Revenue Provision (MRP) statement contained within Appendix 2 paragraph 2.8 of the report which sets out the Council's policy on MRP.
3. The Treasury Management Strategy 2010/11 to 2012/13, and the Treasury Prudential Indicators contained within Appendix 3 of the report.
4. The Authorised Limit Prudential Indicator shown in paragraph 3.14 of the report.
5. The Investment Strategy 2010/11 contained in the treasury management strategy in Appendix 3 of the report.
6. The revision to the Council's Financial Procedure Rules (section E7) at Annex 3C of the report. The revision nominated the Audit and Accounts Committee as the body responsible for ensuring effective scrutiny of the treasury management strategy and policies.

189/09 Derby City Council Regeneration Fund

The Council Cabinet considered a report on Treasury Management Strategy and Prudential Code Indicators 2010. To outline the proposed establishment of a Regeneration Fund for the Council so that the authority has the means of promoting priority projects for the well being of the city in the most challenging financial circumstances. The establishment of the £600k revenue budget and £1.5m one-off resources was the first stage towards the principle of creating a £10m Regeneration Fund. As an initial guide the procurement of, say a piece of land, valued at £5m would incur prudential borrowing costs of just over

£300k a year for 50 years which would effectively permanently commit £300k of the £600k budget.

Decision

1. To note the 2010/11 – 2012/13 revenue budget implications.
2. To approve in principle the establishment of a Regeneration Fund, initially £600k per annum from a permanent revenue budget and £1m 2010/11 with a further £0.5m 2011/12 one-off revenue fund, subject to approval of the revenue budget by Council on 1 March 2010.
3. To request officers to produce detailed guidance and proposals, together with, financial, legal and management governance arrangements for the Regeneration Fund.

Contract and Financial Procedure Matters

190/09 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:

- changes to the capital programme, including additional capital grants
- additional revenue grants allocation – DECATs, Anti Social Behaviour, Flood Defence and Cultural Landscape
- Use of corporate reserves – 2011 Census and Derby Direct implementation of the 'Street Pride' project
- Requests for revenue carry forward to 2010/11 – Highways Maintenance, Be Inspired programme within Derby City Partnership, Community Safety Partnership and Climate Change
- QUAD financial position
- Contracts – contract extension/enhancement – Schools Counselling Service
- Contracts – framework agreement – Specialist Domiciliary Care
- LPSA2 Reward Funding.

Decision

1. To approve the changes in the capital programme as shown in Appendix 2 and to amend the 2009/10 capital programme as set out in paragraph 3 of the report.
2. To note the revised capital programme and associated funding for 2009/10 as set out in paragraph 3.1 of the report.

3. To approve the addition of the capital grants, totalling £1,003,378 in 2009/10 to 2011/12 as set out in paragraphs 3.5 and 3.6 of the report.
4. To approve scheme commencements for the schemes detailed in Appendix 3 and set out in paragraph 3.14 of the report.
5. To note the proposed use of section 106 funding as set out in table 2 in paragraph 3.15 of the report.
6. To recommend to Council the approval of the additional borrowing requirement for the Racecourse and Alvaston Park Changing Rooms scheme, as set out in paragraph 3.16 of the report.
7. To note the additional grant allocations of £279,000 and approve the increased income and expenditure to the revenue and capital budgets as set out in paragraph 4 of the report, relating to:
 - DECATs - £100,000
 - Anti Social Behaviour - £44,000
 - Flood Defence - £135,000
 - Cultural Landscapes - £550,000.
8. To approve the use of corporate reserves to deliver the Council's requirements in relation to the 2011 Census and Derby Direct costs of implementing Street Pride, as set out in paragraph 5 of the report.
9. To approve the early requests for revenue carry-forward to 2010/11 as set out in paragraph 6 of the report, relating to; Highways Maintenance £455,000, the 'Be Inspired' project £273,000, the Community Safety Partnership £100,000 and Climate Change £223,000.
10. To approve the recovery proposals for the outstanding loan to QUAD Ltd, and to approve the additional funding in 2009/10, and for 2010/11 onwards, in relation to the QUAD lease, as set out in paragraph 7 of the report.
11. To waive Contract Procedure Rule 8 and authorise the award of a further contract to 'Safe Speak', to deliver with the Youth Service, an extended schools based counselling service from 2010/11, and to authorise, subject to funding being available, the tendering of the service during 2010 and the letting of a new two year contract from 1 April 2011, as set out in paragraph 8 of the report.
12. To approve the setting up of a framework agreement to deliver the procurement requirements relating to specialist domiciliary care, as set out in paragraph 9 of the report.
13. To approve the amended LPSA 2 Reward funding against schemes as detailed in paragraph 10 of the report.

191/09 Rent Levels and Housing Subsidy

The Council Cabinet considered a report on Rent Levels and Housing Subsidy. The report concerned a supported housing project run by a housing provider in Derby, Derbyshire Housing Aid. The project 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 varied depending on the nature of the tenancy. All of the residents at this project claim Housing Benefit. Currently the full rent and service charge were met through Housing Benefit. The government reimburses local authorities for the Housing and Council Tax Benefit they pay out through a series of subsidy payments. In most cases this subsidy compensated councils 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 council had to bear the cost of the difference. In this case we were currently losing subsidy because of the high rents being charged at this scheme. The report was originally to go before the November Council Cabinet meeting, but Council Cabinet deferred taking a decision to enable the Community Commission to consider the issues. The Community Commission met on 2 December 2009 and made some additional recommendations which had been included in the report.

The report:

- described the loss in Housing Benefit subsidy caused by meeting the full cost of the rent and service charge
- explains how the Housing Benefit regulations dealt with rents and service charges where they were considered high for this type of tenancy
- considered the option to restrict that the service charge element of the for all new Housing Benefit claims made for this project
- included recommendations made by the Scrutiny Commission on 2 December 2009.

Decision

1. That the Council accepts the offer of the housing provider to reduce the number of units in the scheme by 30 to 100.
2. The Council supports the housing provider in its attempts to partner with a Registered Social Landlord which would alleviate the loss of Housing Benefit subsidy.
3. To make sure that all referrals to this scheme go through single point of entry so the Council can better track the use of the scheme and assess the need for the scheme.

4. To review the referrals and outcomes from the scheme and carry out a further review of the rent and service charge levels during the 2010/11 financial year.

MINUTES END