

Time began
Time ended

6.00pm
7.15pm

**COUNCIL CABINET
15 MARCH 2011**

Present

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

In attendance

Councillors Bayliss and Jones

This record of decisions was published on 17 March 2011. 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.

208/10 Apologies

An apology for absence was received from Councillor Williams.

209/10 Late Items Introduced by the Chair

There were no late items.

**210/10 Identification of Urgent Items to which Call-In
will not apply**

There were no urgent items.

211/10 Declarations of Interest

Councillors Bayliss and Webb declared personal interests in item 10 – Derby Homes Contract Renewal because they were Members of Derby Homes Board.

212/10 Minutes of the meeting held 15 February 2011

The minutes of the meeting held on 15 February 2011 were agreed as a correct record and signed by the Chair.

Key Decisions

213/10 Schools Capital Programme

The Council Cabinet considered a report on Schools Capital Programme. The Council's capital programme had allocated funding of £5,250,000 for school capital projects in 2011/12. This had been prioritised in line with the priorities set out in the Schools Asset Management Plan 2010-12. Future

funding would mainly be directed at dealing with essential condition issues and basic need – providing additional school places where necessary. The schools capital programme priority schemes for 2011/12 primarily fall into one of three categories – fire precaution work, Buildings at Risk issues and mechanical projects.

Options Considered

No other options had been considered. The available funding had been prioritised in line with the Schools Asset Management Plan to deal with the most urgent condition issues and to ensure the Local Authority meets its statutory obligation to provide sufficient school places.

Decision

1. To approve the Schools Capital Programme priority schemes for 2011/12.
2. To approve Capital Scheme Commencements for the individual schemes included in the report.

Reasons

1. An ongoing programme of work was required in school premises to deal with essential condition issues and to provide additional school places.
2. Work was necessary to ensure that school buildings were safe and remained open. The Local Authority also had a statutory requirement to provide sufficient school places.

214/10 Road Safety Activity and Funding

The Council Cabinet considered a report on Road Safety Activity and Funding. Improving road safety and reducing accidents remained a high priority for the Council. The Council had statutory responsibilities in and it was proposed that road safety activities in the future should continue to be targeted towards:

- Derby and Derbyshire Road Safety Partnership (DDRSP) activities including speed enforcement, joint education and training projects aimed at strategic priority areas and partnership coordination
- Local activities focussed in schools, local communities and businesses aimed at tackling local priorities and working in partnership with Neighbourhoods

The report discussed the issues in relation to the future of the DDRSP, in particular the funding for the speed enforcement and training activities undertaken by the police. Nationally this had stimulated debate to find alternative funding for partnerships and progress had been made enabling

some options for savings. The report recommended that the Strategic Director of Neighbourhoods, in consultation with the Cabinet Member for Planning and Environment, be given delegated authority to approve the level of funding contribution to the DDRSP following more detailed discussions with Partners.

As part of the 2011/12 to 13/14 budget review process budget pressures had been identified that required funding. This was in addition to those presented in the main budget consultation papers. One of the key areas for proposed savings, to contribute to funding pressures, was road safety activity. The report also proposed revenue savings of £166k over the next 2 years through reduced activity and through use of alternative sources of funding. This proposed area of saving was raised with the Neighbourhoods Commission at the budget consultation meeting on 27 January 2011.

Options Considered

1. Withdrawing all contributions relating to speed enforcement had been considered. However there was evidence that enforcement activities were effective in reducing road casualty numbers and therefore withdrawing all funding from this area could bring into question ability to deliver our statutory functions.
2. The delivery of Road Safety Education, Training and Publicity (ETP) work and work in schools was important to local people and a high priority for Neighbourhood Boards. Withdrawing all Road Safety funding from this area would bring into question ability to deliver statutory functions and would likely generate concerns from local people.
3. Retaining current funding levels for road safety activities would not enable savings to be made to meet budget pressures and no other savings options had been identified.

Decision

1. To approve the proposal to continue to support to the DDRSP to ensure that the approach to reducing road casualties across Derby was appropriate to the issues and to significantly reduce the funding contribution provided to the Partnership by making use of alternative funding mechanisms.
2. To delegate authority to the Strategic Director of Neighbourhoods, in consultation with the Cabinet Member for Planning and Environment, to approve the future working arrangements with the DDRSP and the level of funding contribution, following more detailed discussions with Partners.
3. To approve the proposal for of the re-focusing of Road Safety activities funded over the next 3 years from Council revenue funding in year 1

and then in part from expected funding from the Department for Transport's Local Sustainable Transport Fund in years 2 and 3.

4. To continue to support Neighbourhood Boards to fund child pedestrian and cycle training and road safety education in schools and local communities where these activities remain local priorities.

Reasons

To approve a reduction in, and changes to, road safety activity funding which would maintain activity around road safety and casualty reduction to deliver statutory responsibilities.

215/10 Waste Management Contract Update

The Council Cabinet considered a report gave an update on the Waste Management Contract that the City Council and Derbyshire County Council had jointly with Resource Recovery Solutions (Derbyshire) Limited (RRS). The report set out how RRS could develop a revised project plan to provide a long term solution for the treatment and disposal of residual municipal waste produced in both the City and Derbyshire. Derbyshire County Council Cabinet would be considering a similar report at their meeting on 29 March 2011. A separate confidential report on the agenda at this meeting set out the detailed financial considerations.

Options Considered

1. Taking the first break point would involve commencing new procurement processes immediately as described in the report.
2. If the RRS judicial review into the planning appeal decision was successful, there may not be a requirement for progressing with the revised project plan.

Decision

1. To forego the City and County Councils' right to exercise the first break clause as set out in the contract and thereby extend the minimum term of the contract to 5 years.
2. To delegate authority to the Strategic Directors of Resources and Neighbourhoods to finalise and accept the RRS changes to the methods statement for operating the contract set out in the confidential report.
3. To request RRS to develop a revised project plan in line with the developed protocol.

Reasons

1. RRS had offered to reduce the waste management contract rates to reflect efficiency savings. In order to achieve these savings they required changes to the Contractor's Method Statements for operating the contract. Details of the changes and savings were set out in the confidential report later in the agenda. It could be confirmed that the proposals ensured that the overall costs were within the affordability criteria set by the Council Cabinet on 21 April 2009.
2. Foregoing the City and County Councils' right to exercise the first break point in 2012 allowed RRS time to develop a revised project plan.
3. If the City and County Councils took the first break point in 2012 i.e. terminate the contract, this would require the Councils to immediately commence a new procurement exercise for the waste management services. This was likely to take 12-15 months. This timescale prohibited a long term solution being sourced and therefore could only be for an interim solution.
4. There was a significant risk that procuring a new contract could result in higher charges due to it being for a short term
5. The targets the City and County Councils had been set by the Landfill Allowance Trading Scheme would not be met without additional residual waste being diverted away from landfill. The proposed changes to the contract would set a minimum tonnage that was required to be diverted from the residual waste tonnage currently being sent to landfill. They also created incentives for RRS to exceed this minimum diversion in tonnage.

216/10 Golf Course Lease and Operating Agreement

This item was deferred

217/10 Derby Homes Contract Renewal

The Council Cabinet considered a report on Derby Homes Contract Renewal. Since April 2002, Council housing in Derby had been managed on behalf of the Council by its Arms Length Management Organisation – Derby Homes. Derby Homes' contract with the Council expires in April 2012 and the Council needed to consider whether or not to renew the contract. At the November 2010 Council Cabinet meeting it was agreed to renew the contract for ten years, subject to testing the views of tenants. A consultation exercise was carried out which involved sending a questionnaire to all tenants asking for their views on whether they supported the renewal of the contract. 90% of those who expressed an opinion were in favour of Derby Homes' contract being renewed.

Options Considered

The decision in principle to renew the contract was made at the previous Council Cabinet meeting in November 2010, subject to the views of the tenants being sought.

Decision

1. To renew Derby Homes contract for a further ten years with a five year break clause period build in.
2. To delegate authority to the Strategic Director of Adults, Health and Housing in consultation with the Cabinet Member for Housing and Advice Services to finalise and approve the Management Agreement.

Reasons

1. Council Cabinet had at their meeting in November 2010 given approval in principle for the contract to be renewed if there was a positive response to the consultation exercise. Tenants voted overwhelmingly to renew the contract with Derby Homes.
2. To enable the Strategic Director of Adults, Health and Housing to give detailed consideration to the terms and conditions included in the Management Agreement which were still to be finalised.

218/10 Fair Access to Care Services and Fairer Contributions

The Council Cabinet considered a report on Fair Access to Care Services and Fairer Contributions. Following full public consultation, the report detailed the proposals and findings of the consultation on raising the eligibility threshold for access to adult social care services from the Moderate band to Substantial and above. The consultation also gathered views on the proposal to amend the *Fairer Contributions* policy to remove the general subsidy to all adult social care service users amongst other changes. The majority of people agreed with the consultation statements about greater numbers of older people and people living longer with social care needs, which puts pressure on social care budgets. However, 59% of responders disagreed with raising the eligibility threshold from moderate to substantial to allow a focus on those people with the highest level of need in the city. The proposal to revise the eligibility threshold was intended to ensure adult social care services could deliver their statutory obligations to people with the highest needs within the resources available. People at moderate risk would be reassessed and if still at moderate risk then supported and given reasonable time to make alternative arrangements. The fact that the Council had to make significant reductions to its spending to balance the budget was also well accepted. Three quarters of the country's local authorities operated above the moderate band of eligibility criteria. Regionally the majority of Councils also operated

above the moderate level. The Directorate would continue to invest in advice, information and carers services but also early intervention and prevention services to ensure that those people not eligible for services do have some alternatives such as health, voluntary and faith sector services. We would seek to rebalance spending from high support services to early intervention and prevention services wherever and whenever possible. We would change models and methods of service delivery to realise opportunities. We were asking people who could afford it, to contribute more towards the cost of their care. This would not affect people on low incomes in receipt of care. 53% of people said that contributions should be based on ability to pay and 38% of people agreed that there should be no subsidy for people with more than £23,250 in savings with an equal proportion of people disagreeing. Just over half of responders to the questionnaire (51%) agreed that those people with less than £23,250 in savings should pay up to and no more than £125 per week.

Options Considered

The option of moving to the critical only eligibility threshold had been considered and dismissed as the service user impact would be too great. Consideration had also been given to stay at the moderate eligibility band and move to the higher moderate band. This was unsustainable in the current demographic and economic climate and would not achieve the level of savings required.

Decision

1. To change the Fair Access to Care Services eligibility threshold from Moderate and above to Substantial and above with effect from 4 April 2011 for all new service users. Existing service users at the moderate eligibility threshold to be reassessed between April and September of 2011.
2. To review the change in the eligibility threshold 12 months after implementation to assess the actual impact on people with moderate needs.
3. To change the Fairer Contributions policy to end the provision of a general subsidy to all adult social care service users. Thereby broadening the scope of the charging policy.
4. To approve the revised maximum charge of £125 per week for people with less than the national capital limit in savings.
5. To approve the policy of charging people with more than the national capital limit in savings the full cost of their care.
6. To approve a 3 month transitional protection period for people whose charges were affected by more than £20 per week and whose savings were less than the upper capital limit.

7. To note that the proposal to charge in full for people who need two carers to attend to their needs was not being adopted. This would cause a shortfall in the 2011/12 budget of £175k. This shortfall would be found from an increase in targeted savings from raising eligibility threshold.
8. To approve 11 April 2011 as the effective date for changes to the Fairer Contributions policy to coincide with welfare benefit rate changes for 2011/12.
9. To delegate authority to the Strategic Director for Adults, Health and Housing in consultation with the Cabinet Member for Adult Social Care and Health for the timing of commencement of charges in service areas previously excluded from the Fairer Contributions policy.

Reasons

1. The current moderate band of eligibility criteria for adult social care services was unsustainable in the current demographic and economic environment. Considerable savings were required to balance the budget due to funding reductions but also to underpin demand management. Support would be provided to people who remained at moderate risk to make alternative arrangements.
2. The Fairer Contributions policy changes would generate additional revenue for the Council and make the policy fairer across service user groups and across similar services.
3. The proposal to charge in full people who needed two carers would penalise those with the highest level of need. In addition, this proposal was not supported by a significant majority of people who responded to the consultation (70%).

219/10 Derby Local Transport Plan 3 – Proposed Changes Following Consultation and Approval of Final Plan

The Council Cabinet considered a report on Derby Local Transport Plan 3 – Proposed Changes Following Consultation and Approval of Final Plan. The Derby's third Local Transport Plan (LTP3), covering the period 2011- 26, needed to be in place by 31 March 2011. On 26 October 2010, Council Cabinet approved a draft Plan which was published for comment in November 2010. The report summarised the response received and sought approval for proposed changes to the Plan, prior to seeking Council approval of the final Plan. LTP3 would comprise a long term transport strategy for 2011-26 and a short term Implementation Plan for 2011-13. The draft Plan was currently available on the Council website at www.derby.gov.uk/ltp3. Preparation of the LTP3 had included several rounds of consultation.

- February 2010: Consultation on Vision and Goals for the Plan
- July – September 2010: Public consultation on the proposed long term strategy
- November 2010 – January 2011: public consultation on the Draft LTP3.

The Neighbourhoods Commission had received reports on each stage of the LTP3 consultation process. All councillors were emailed a link to the Draft LTP documents on 8 November 2010 at the start of consultation on the draft Plan.

Appendix 2 summarised the responses received and provided a schedule of proposed changes to the draft Plan. These included:

- updates to reflect recent changes to wider policy, e.g. establishment of the Local Enterprise Partnership, and adoption of The Derby Plan
- finalisation of some technical elements, including to the LTP Implementation Plan; e.g. completion of a risk assessment and establishment of a monitoring schedule
- amendments to the Implementation Plan to take account of the corporate budget setting processes; and
- changes to take account of comments received through the consultation on the Draft LTP.

Appendix 3 of the report contained the recommendations of the Neighbourhoods Commission and the consideration of these comments for inclusion in the final LTP document. Appendix 4 of the report summarised comments received on the draft Strategic Environmental Assessment and the response to these. The conclusions of the SEA had been fully taken into account in finalising the LTP.

Options Considered

There were no other options considered.

Decision

1. To approve proposed changes to the draft Local Transport Plan 3 and associated Strategic Environmental Assessment in response to consultation as outlined in Appendices 2 – 4 of the report.
2. To delegate authority to the Strategic Director of Neighbourhoods in consultation with the Cabinet Member for Planning and Environment to

finalise the details of the Local Transport Plan 3 and the Strategic Environmental Assessment in advance of Council on 30 March 2011.

3. To recommend Council to approve the finalised Local Transport Plan 3 as part of the budget and policy framework.
4. To thank all the officers involved in the project.

Reasons

To take account of comments received in response to consultation on the draft LTP3 documents and to ensure that a finalised LTP 3 was considered and approved by Council.

220/10 2011/12 Highways and Transport Work Programme

The Council Cabinet considered a report on 2011/12 Highways and Transport Work Programme. The report set out the 2011/12 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 set out in more detail the capital works. The programme took into account the goals of Derby's long term strategy as set out in the proposed third Local Transport Plan, LTP3. There was also a specific recommendation to approve s106 spend as part of the 2011/12 programme of works.

Options Considered

The development of the programme had involved consideration of various options for the inclusion of projects. The draft programme recommended was considered to best fit the objectives of the LTP, the local priorities of Members and Neighbourhood Boards and mitigation of development, given the overall level of resources available.

Decision

1. To approve the apportionment of capital funding across the 2011/12 Highways and Transport Programme, as detailed in section 4 and in appendix 2 of the report.
2. To approve the integrated transport and maintenance work programme for 2011/12 for both capital and revenue funded schemes, as detailed in appendix 2 of the report.
3. To approve the s106 spend programme for 2011/12 as detailed in appendix 2 of the report.

4. To approve continued delegated authority to the Strategic Director of Neighbourhoods, in consultation with the Cabinet Members for Planning and Environment and Neighbourhoods, to:
- o review the progress of schemes within strategy areas;
 - o respond to changing priorities throughout the year;
 - o potentially introduce new schemes or bring forward the implementation of some schemes at the expense of others; and
 - o where necessary, reallocate funding between the strategy areas, subject to the approved financial limits, as set out in appendix 1 of the report.
5. To continue approval for the Strategic Director of Neighbourhoods, in consultation with the Cabinet Members for Planning and Environment and Neighbourhoods, to delegate further decision making to officers as appropriate, subject to delegated financial limits as detailed in appendix 1 of the report.

Reasons

1. Approval of the work programme prior to the start of the 2011/12 financial year would allow effective planning and programming of the detailed work programme, 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.
2. In the interests of the effective management of the programme, it was appropriate for the Strategic Director of Neighbourhoods, in consultation with the Cabinet Members for Planning and Environment and Neighbourhoods, to have authority to review the programme and re-allocate funding on the basis of the outcomes of investigations, feasibility studies and progress of other schemes. Any revisions to the programme would still reflect the strategy and the implementation plan set out in LTP3.
3. Delegation within financial limits to appropriate officers would enable a quick response to small scale amendments within specific strategy areas. This would ensure that the measures being delivered were the most appropriate solution to achieve the desired outcomes and help to ensure effective programme delivery. Progress on delivery and all changes would be reported to the Highways and Transport Board.

221/10 ICT Transformation Programme April – October 2011

The Council Cabinet considered a report on ICT Transformation Programme April – October 2011. The report identified the planned programme of projects to be undertaken as part of the 'one Derby, one council' transformation programme between April and October 2011. The ICT transformation projects had been divided into three programmes of:

- a) ICT Stabilisation (Infrastructure Stabilisation and Technology Cost Reduction).
- b) Customer/Service Delivery Applications.
- c) Recast and New Work-style.

There were also a number of tactical ICT projects funded from the development days budget that contributed to the ICT Stabilisation programme. We were now detailing the projects due to commence under programmes A and B in the next six months; it was not envisaged that any projects would commence under programme C in this time period (although this programme would begin to be scoped in that time).

Options Considered

1. We could develop each project separately; however this would mean individual reports coming to each cycle of meetings. This would make it harder to manage the overall programme effectively.
2. We could retain a separate ICT Transformation Board, however that involved more people attending more meetings and by combining the Boards we could deliver both better and more efficient oversight of both the ICT Strategy and ICT Transformation.

Decision

1. To approve the list of projects identified to commence between April and October; with the respective revised budgets identified (Appendix 2 and 3 of the report) , requiring that any budget variation in excess of 10% for an individual project; or that could not be contained within the overall ICT transformation programme was subject to further approval.
2. To agree the revised budget profile for the ICT Transformation programme (Appendix 4 of the report) based on the more detailed estimates; noting that the variations identified could all be accommodated within the total budget agreed.
3. To amend the governance arrangements for ICT Transformation

giving responsibility for this programme to the ICT Strategy Board, who would report to the 'one Derby, one council' Operational and Strategic Boards.

4. To authorise the ICT Strategy Board to identify and appoint project sponsors for each project due to commence in the next six months.

Reasons

1. It was important to define a detailed action plan and to increase the pace in which the ICT transformation programme proceeds in order to ensure the outcomes of such projects could help deliver both the planned service delivery savings in the 'one Derby, one council' Design Mandate and help the Council to continue to deliver good quality and responsive services with fewer resources.
2. The original budget profile for each project was based on early estimates, now that further work had been undertaken we had better estimates in particular we had been able to break down the large £2,942,000 Network budget into a number of specific sub-projects and we had better estimates for the CRM project and for GIS.
3. The ICT infrastructure projects identified in programme A (See Appendix 2 of the report) would upon completion enable us to achieve a target cost reduction on the contract with Serco estimated to be £250,000 a year. This would contribute to the agreed £400,000 cost reduction on this contract that had already been built into the 2011/12 budget.
4. The customer service/service delivery projects identified in Programme B (See Appendix 3 of the report) would upon completion contribute to the service delivery savings and to rationalisation and consolidation of both business processes and ICT systems. These projects were those with the biggest targets for either cost reduction or increased productivity.

Budget and Policy Framework

222/10 Resolutions from Council

The Council cabinet considered the following resolution from Council held on 2 March 2011.

Council Cabinet Minutes – 16 February 2011 (including Budget and Council Tax Motion) Approved subject to the amendment of paragraph 1 of the motion to read:

1. To approve a budget requirement for Derby City Council for 2011/12 of £221,764,425 subject to:

- a) reducing the savings on Climate Change, included on page 34 of Appendix 6 (Document 5C), by £50,000 to be funded by bringing forward the saving of £293,000 for Community Transport from 2012/13 to 2011/12, shown on page 39 of Appendix 6 (Document 5C). This will be replaced in 2012/13 with permanent reductions in expenditure on energy, or failing that by reductions in posts within CCEMU.
- b) reducing the saving on transferring the Shaftesbury Leisure Centre to the third sector, shown on page 37 of Appendix 6 (Document 5C), from £100,000 to £50,000, to be funded by bringing forward the saving of £293,000 for Community Transport from 2012/13 to 2011/12, shown on page 39 of Appendix 6 (Document 5C), thereby allowing sufficient time to examine all options before a final decision is taken by the Council Cabinet.
- c) the reversal of the saving of £60,000 on Wild Derby, shown on page 39 of Appendix 6 (Document 5C), to be funded by bringing forward the saving of £293,000 for Community Transport from 2012/13 to 2011/12, also shown on page 39 of Appendix 6 (Document 5C). This will be replaced in 2012/13 by £60,000 permanent savings in refuse collection."

Decision

To note the resolutions.

Contract and Financial Procedure Matters

223/10 Contract and Financial Procedure Matters Report

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
- the schools devolved formula deficit for Children and Young People's Directorate capital Programme 2010/11
- capital scheme commencements
- the switching of capital and revenue funds to implement a review of bus lane schemes; necessary to comply with accounting regulations.
- to approve a temporary extension of maintenance contracts for the council's building assets

- to approve the development and submission of a core component bid to the Department for Transport Local Sustainable Transport Fund
- To approve a waiver of Contract Procedure Rules to allow the current contract arrangement with the Mental Health Trust for the provision of Child and Adolescent Mental Health Services (CAMHS) to be extended by 6 months until 30 September 2011.
- to approve a transfer into an earmarked specific reserve for Cityscape work
- to approve the commencement of new tendering processes in relation to the approved 2011-14 budget strategy
- to approve the use of the Budget Risk Reserve
- to decommission the pregnancy service being provided by Oasis and agree to swap some of the funding for that service to the English Churches Riverside contract without a competitive tendering exercise
- to award Jericho House a trial twelve month contract, funded by Supporting People.

Decision

1. To approve the changes detailed in Appendix 2 of the report and to amend the 2010/11 – 2012/13 capital programme.
2. To note the revised capital programme and associated funding detailed in Table 1 for 2010/11, paragraph 4.2 of the report.
3. To approve the use of the Devolved Formula Capital - DFC - allocations for 2011/12 for the relevant schools, amounting to £112,000, to offset part of the overall budget pressure of £405,000 caused by a reduction in the overall DFC funding, as detailed in paragraph 4.16 of the report.
4. To approve the use of previous year's unallocated Children and Young People capital grants to fund the remaining shortfall of £293,000, as detailed in paragraph 4.16 of the report.
5. To approve the capital scheme commencements detailed in Appendix 4 of the report.
6. To approve the use of £47,000 revenue budget, originally earmarked for Planned Maintenance in the 2010/11 Chief Executives capital programme, to fund the proposed removal of Kedleston Road and Duffield Road bus lanes revenue scheme if the proposal is approved and to approve the use of LTP non ring fenced

capital allocation to fund the Planned Maintenance scheme; funding switch as detailed in section 5 of the report.

7. To approve a waiver of Contract Procedure Rules competitive tendering requirements and agree an extension of the following three maintenance contracts until 15 September 2011 as detailed in section 6 of the report.
 - **MITIE** – Reactive mechanical repairs for all corporate buildings other than schools.
 - **Midland Counties** – Reactive mechanical repairs for schools
 - **Derby Homes** – building & electrical maintenance for both corporate and school buildings
8. To extend the Council's current corporate maintenance contracts for the Council's building assets until the 15 September 2011 with a maximum total extension cost of £1,550,000.
9. To approve the development and submission of a core component bid with a value up to £5m to the DfT Local Sustainable Transport Fund, as part of a subsequent expression of interest for a larger bid with a value over £5m by June 2011. Elements of local contribution indicated within the bid from Council resources would only be those already committed within approved strategies and programmes, such as the Local Transport Plan, as detailed in section 7 of the report.
10. To waive Contract Procedure Rules and approve the extension of the Child and Adolescent Mental Health Service (CAMHS) (tier 2) contract with the Mental Health Trust from 1 April 2011 to 30 September 2011 as detailed in section 8 of the report.
11. To approve a transfer into an earmarked specific reserve of £83,506 for Cityscape work from additional funding received by the Homes and Communities Agency as detailed in section 9 of the report.
12. To approve the commencement of necessary tendering processes as a result of the implementation of the 2011/12 – 2013/14 budget strategy as detailed in section 10 of the report.
13. To approve the use of the Budget Risk Reserve to fund one off costs associated with the decommissioning of Connexions activity through the jointly owned company Connexions Derbyshire as detailed in section 11 of the report.
14. To waive Contract Procedure Rules and award the residual Oasis project teenage pregnancy control work of £57,000 to Riverside for one year from 1 April 2011, as detailed in section 12 of the report.

15. To waive contract procedure rules and award Jericho House a trial twelve month contract, funded by Supporting People, to provide a alcohol and drug dependency service at a cost of no more than £59,717, as detailed in section 13 of the report.

224/10 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 Decision

225/10 Waste Management Contract Update

The Council Cabinet considered exempt information in relation to the waste management contract update.

Decision

To note the information set out in the report.

226/10 Derby City Council Regeneration Fund

The Council Cabinet considered a report which stated that the Derby Regeneration Fund (The Fund) was launched on the 23 November 2010 to support the delivery of new high quality commercial offices within the City whether new build or refurbished redundant buildings.

Since the launch of The Fund, there had been 22 enquiries. Appendix 2 of the report set out the projects put forward for approval and their proposed terms. Following rigorous assessment the report made recommendations to the first tranche of schemes to be supported from The Fund.

Options Considered

Do nothing: The Fund had been established to promote development and the projects brought forward were considered suitable to progress to financial offers being made.

Decision

1. To approve in principle the following first tranche of bids for funding on the terms set out at Appendix 2 of the report.

- Office development at site on Cathedral Square close to the Magistrates Court and Queen's Leisure Centre ('Central Square') – Bolsterstone (Chesterfield) LLP.
 - Refurbishment and conversation of the Former Magistrates Court, Full Street – Wilson Bowden Developments Ltd.
 - Office Development between Agard Street and Ford Street ('Friar Gate Square') – Lowbridge (Derby) Ltd.
 - Office development at 3a St Mary's Gate – Clowes Developments (UK) Ltd.
2. To delegate authority to the Chief Executive, in consultation with the Leader of the Council and Strategic Director of Resources, to amend the terms to the approved bids referred to in para 2.1 and detailed in Appendix 2 of the report provided that the revised terms would be of no financial detriment to the Council.
 3. To authorise the Chief Executive to enter into the agreement with the approved bidders referred to in para 2.1 on the terms set out in Appendix 2 or any revised terms agreed under para 2.2 of the report.
 4. To recommend to Council the additional borrowing of £8.37m associated with the bids outlined in paragraph 2.1 of the report and the £900k for the Darley Abbey Mills scheme, funded from the Corporate Regeneration Fund within the approved 2011/12 Council Budget. The revised capital programme, including detailed borrowing cost profiles for 2011-14 would be reported in the Contract and Financial Procedure Report to the next Council Cabinet meeting.

Reasons

1. The proposed schemes had been assessed in detail by external consultants and meet the aims of The Fund.
2. Recommendation 2.2 of the report would give the Chief Executive flexibility to revise terms where necessary without the delay of coming back to Council Cabinet.

227/10 Former Derby Royal Infirmary Bemrose and Sovereign Car Parks: To Approve Acquisition

The Council Cabinet considered a report which stated that the former Derby Royal Infirmary (DRI) Bemrose and Sovereign surface car parks, totalling approximately 1.16 ha (circa 3 acres) with some 424 surface car parking spaces (plan shown at Appendix 2 of the report), were owned by the Derby Hospitals NHS Foundation Trust (The Trust).

The car parks formed part of the proposed Castleward Urban Village and they were of strategic importance to developing future phases of the sustainable urban village. (as shown at Appendix 3 of the report).

The Supporting Information set out the proposed Heads of Terms for the acquisition (para 4.1), the financial forecasts and the key risks, (para 4.3 of the report). The report sought approval to purchase the car parks. Negotiations had been on going since August 2010 and terms had now been agreed to acquire the freehold.

Options Considered

1. Do nothing: The property would be placed onto the open market by The Trust and the land may fall into third party hands which may jeopardise the Castleward Urban Village development. The Council could potentially utilise a CPO but this would add significant time, risk and money to the project.
2. Agree a transferable Option: This was the original approach adopted. However, following negotiations with the Trust it had not been possible to reach a workable agreement.

Decision

1. To delegate authority to the Chief Executive, in consultation with the Leader of the Council, to enter into agreement to acquire the former DRI Bemrose and Sovereign car parks on the Heads of Terms set out in paragraph 4.1 of the report.
2. To delegate authority to the Chief Executive, in consultation with the Leader of the Council, to agree amended heads of terms of following negotiation with the Trust provided there was no financial detriment to the Council.

Reasons

1. The site forms part of the Castleward Urban Village project and was deemed to be of strategic importance to create a sustainable urban village in Castleward. It was therefore critical to the development of the Castleward Urban Village for which a preferred development partner was chosen by the Council at the Council Cabinet Meeting held on 15 February 2011.
2. The site would facilitate an important deliverable second phase of development land for Castleward Urban Village.
3. The acquisition of the DRI car parks would also prevent a third party from frustrating the Castleward Urban Village development.

4. In addition the development on the car parks would continue the boulevard link from the city centre toward the railway station and complete the southern edge of the boulevard link in the Castleward Urban Village development area.

228/10 Data Network Contract – Corporate and Schools Network

The Council Cabinet considered a report which sought approval to award a new contract to British Telecom – BT - for data networks and for some voice services for a minimum period of two years. The new contract would achieve significant savings to the Council.

Options Considered

1. Commence a procurement exercise for a new corporate data network, this was discounted until such time that greater certainty exists on the future accommodation strategy and the number of buildings requiring data connection.
2. Commence a procurement exercise for a new corporate unified communications supply contract encompassing both mobile and fixed services; this was discounted pending both the future accommodation strategy and the expiry of the existing Orange mobile telephony contract. It was envisaged we would seek such a solution for the next contract.
3. Terminate the existing schools data network contract allowing each school to arrange its own data services. This was discounted because there was insufficient time for schools to organise such and there would be high risk that one or more schools fail to provide an alternative network before the existing connections were terminated. Even if the Council could no longer enter into contracts on behalf of schools it was likely that should schools lose data networks this would have a serious impact for pupils, teachers and parents and would have serious ramifications.

Decision

1. To waive Contract Procedure Rules and approve the award of a contract for the corporate data network and for some associated voice services with BT with prices based on a three year term but the contract length being two years (with the option to extend for a third year).
2. To agree to award a parallel two year contract with BT to cover the schools data network; subject to the schools agreeing to continue to act as a collective and to pay any termination fees that arise should they decide to change network supplier before 31 March 2013.

3. To agree that a new corporate voice and data communications strategy should be developed by March 2012 which would consider the longer term approach including the planned consolidation of offices upon re-occupation of the Council House and options to consolidate all voice and data services including office based and mobile services into a single unified communication contract.
4. To agree to work with the schools to establish a new data network strategy that would move from an inter-dependant hub spoke and relay network to a network where each school can have its own independent connection or can agree to have collective agreements based on a shared network.

Reasons

1. The existing contract with BT actually expired in Autumn 2010; BT had indicated this could continue in place for a short period pending agreement on a new contract. However if a new contract was not agreed then BT had indicated the current discounts received would cease.
2. A three year contract was requested by BT as this was their standard term, following negotiations they had agreed that due to our current circumstances in respect of both the accommodation strategy and the changing environment under which services to schools were provided we could enter into a two year contract but with the option to extend to a third year and receive pricing based on a three year contract.

The reasons for such a two year contract were:

- Switching supplier would incur additional costs of either new cabling and/or circuit switching; these one off costs could not be cost justified over a short period of time.
- Until the Council finalises its longer term accommodation strategy and identified which buildings would remain open and which would close then we could incur redundant costs of new cabling to buildings that had limited life.
- We had undertaken some market testing including getting informal quotes from Serco for alternative data connections. The outcome of this was that even where annual rental prices were lower when added to the additional installation costs the pay back period was at least 3.5 years and in some cases more than five years.
- There would be significant disruption involved with new data connections; and the existing data connections were well within their optimum life. Typically such connections last at least 10 years, and often longer.
- The contract could and would be let under the OGC Framework contract, and as such was compliant with the relevant procurement regulations.

- The fact we allowed our previous contract to lapse without renewal or replacement in advance means unless we act promptly we would face higher charges during 2011/12.
3. The nature of the current network for schools meant that it was not feasible for schools to quickly change to having their own independent network connections. In deed there was a high risk that if any schools that currently provided the core hub of the network chose to change, then this would force between nine and 31 other schools to also have to change their network at short notice. The prospect existed that some schools could even be without access to internet and email services, to council systems (used by schools). Appendix 2 of the report offered a briefing note that explained why the current network was inter-dependant.
 4. The minimum contract we could negotiate with BT for the schools network was two years; this was one year less than their standard contract length. We had again undertaken some soft market testing which included pricing from Serco for both a BT based and a Virgin based network. In both cases as for the corporate network the pay back period was more than five years due to the initial installation costs; even though annual rental costs were slightly lower.

With a two year contract the termination fees for any connections would be 100% of the annual fee in 2011/12; but in 2012/13 these dropped to just 20% and BT had agreed that we could cancel up to a maximum of five circuits in either year without penalty.

5. As schools increasingly gain greater freedom it was recognised that we needed to offer greater choice and flexibility in respect of ICT services. However even then there was a good case for collective and aggregate contracts and a number of regions had or were in the process of developing such services allowing schools to buy data services independently and still benefit from pricing based on bulk purchases.
6. In the East Midlands such a framework contract was being progressed but would not be available until Autumn 2011 at the earliest and the initial focus would be on schools that currently use the East Midlands Broadband Consortium. Derby City Council was engaging with this process but currently it would appear no services would be possible before Spring 2012 and no details of what these services would be or how they would be priced exists.

MINUTES END