

Council Cabinet
12 February 2014

Minute Extracts

Key Decisions

164/13 Osmaston Vision – Marble Hall

The Council Cabinet considered a report on Osmaston Vision – Marble Hall. The report sought to update Members on the refurbishment and conversion of the Marble Hall, Nightingale Road, and sought a number of approvals relating to the progression of the project. The project would refurbish a listed building at the heart of Osmaston community, creating managed workspace for new and growing businesses, healthcare facilities, nursery provision and a cafe.

On 19 July 2011, Council Cabinet gave delegated approval for the Council to enter into a Collaboration Agreement with Rolls-Royce in connection with the transfer of vacant Rolls-Royce sites (including the Marble Hall) in Osmaston to the Council.

The report approved by Council Cabinet on 22 November 2011, stated that a further report on the refurbishment and conversion of the Marble Hall (also known as The Commercial Block) would be brought to Council Cabinet at the end of the Developer Partner procurement process.

A Working Group had been established, consisting of Council Officers, representatives from the Community (OSCAR), design and project management consultants, and parties who could become end users of the building. This group had met monthly since February 2013, and reports back to the Osmaston Vision Board, which was chaired by the Leader of the Council, to the Osmaston Vision Delivery Board, which was chaired by the Head of Regeneration Projects, and to the Osmaston Estate Board, which was chaired by OSCAR.

Full Planning Consent and Listed Building Consent had been obtained, and a further planning application had been submitted outlining the detail of internal layouts within the building.

Rolls-Royce had approvals to transfer the building and some surrounding amenity land to the Council (see Appendix 2 of the report, for red line boundary plan). In addition, Rolls-Royce had approved provision of a dowry with the building to assist with the refurbishment costs, and to rectify damage caused by thieves and vandals whilst the building had been vacant. The exact level of this financial support was under discussion.

European Regional Development Fund (ERDF) grant funding of £875,000 had been secured towards the capital costs of refurbishment, and Council Cabinet had granted approval for the Council to enter into the Grant Agreement relating to this funding.

A bid for £1,500,000 D2N2 loan funding had been made. This application had not yet been determined, but should it be successful it would ensure that this project did not require additional financial support from the Council.

On 14 August 2013 Members approved in principle the use of £0.5m Developer Contributions identified through the Osmaston Regeneration Partnership (Joint Venture Vehicle) to support the Marble Hall Project. To enable early delivery of the Marble Hall Project, unsupported Corporate borrowing was required, to be repaid by Developer Contributions of £7,000 per completed property.

Options Considered

1. Sale by Rolls-Royce on the open market - this would not meet Rolls-Royce's commitment to ensuring the building leaves a legacy within the Osmaston area.
2. Refurbishment of the building by Rolls-Royce - this was outside Rolls-Royce core business and not an option they would consider.
3. Inclusion of the Marble Hall in the Osmaston Regeneration Partnership LLP - this would give comfort to both Rolls-Royce and the Council that the building would be developed for the community and leave a legacy for the area. It was unlikely, however, that the completed building would be delivered early in the programme. The first priority for the Osmaston Regeneration Partnership would be to ensure the vacated sites were remediated, and Masterplanning for the development of these sites had commenced.
4. By the Council progressing this project independently of the Osmaston Regeneration Partnership LLP, early delivery of the enterprise and community facilities could be achieved. This would:
 - limit further deterioration of the building and thus keep costs from increasing;
 - enable the building to deliver an end use in line with the aspirations of the Council, Rolls-Royce and the Community;
 - provide facilities which will support and lead the regeneration; and enable ERDF funding deadlines to be met.

Decision

1. To approve the transfer of the ownership of the property known as The Commercial Block, Nightingale Rd, Derby along with amenity land from Rolls-Royce to Derby City Council for a nominal sum (£1).
2. To accept a financial contribution from Rolls-Royce towards the refurbishment of the building, and to delegate authority to the Chief Executive, following

consultation with the Leader of the Council, to finalise details relating to the level of this contribution and preparation of the associated documentation.

3. To delegate authority to the Chief Executive, following consultation with the Leader of the Council to enter into a build contract with a contractor to be selected via Open Tender to carry out the refurbishment and conversion works.
4. To delegate authority to the Chief Executive, following consultation with the Leader of the Council and the Strategic Director of Neighbourhoods, to finalise details relating to the governance and management arrangements for the completed building (see Appendix 3 of the report).
5. To delegate authority to the Chief Executive, following consultation with the Leader of the Council to enter into a Facilities Management contract with a provider to be selected via an EU State Aid compliant procurement process (either by using an eligible Framework or Open Tender) to carry out the day to day management and operation of the building.
6. **To recommend Council to approve the borrowing of £1.5million towards the refurbishment costs of the building from the D2N2 Growing Places Fund, to be repaid by rental income generated.**
7. **To recommend Council to approve the corporate unsupported borrowing of £0.5m to allow the Marble Hall project to commence in advance of receipt of Developer Contributions via the Osmaston Regeneration Partnership in future years, and to amend the 2013/14 -2015/16 capital programme.**

Reasons

1. Transfer of the building from Rolls-Royce to the Council would enable refurbishment works to commence, and would enable the Council to progress the project to completion and occupation and bring a listed building back into use.
2. The financial support offered by Rolls-Royce provided an essential contribution to the viability of the project, and to ensure a sustainable future for a listed building which was central to the heritage of Osmaston and Derby.
3. An open tender for the procurement of a specialist refurbishment contractor would ensure that the necessary works were carried out by expert and experienced contractors for a project of this nature, and within the necessary timescales as required under the ERDF regulations.

4. A Management Association and Facilities Management were essential to support the long term operation of the building on behalf of the Council. They would ensure the building had long term viable future, both in relation to the day to day operation of the building, but also to ensure a long term future for the structure of the building without any future cost implication to the Council. This structure would enable community representation in the management of the building.
5. As described in the report to Council Cabinet on 14August 2013, the Marble Hall project would be partially funded using Developer Contributions of £7,000 (index linked) per property delivered via the Osmaston Regeneration Partnership Joint Venture Vehicle. In order to allow early delivery of this project, in advance of the delivery of housing, additional corporate borrowing was required which must obtain Council approval in accordance with financial procedure rules.

165/13 Proposed Joint Committee for Economic Prosperity

The Council Cabinet considered a report on the Proposed Joint Committee for Economic Prosperity. The purpose of the report was to seek approval to establish, with Derbyshire County Council and all District and Borough Councils in Derbyshire, a Joint Committee to deliver economic growth and prosperity across the geographical county of Derbyshire and to appoint the Council's representative on the Joint Committee. The Joint Committee would take responsibility for all functions and funding delegated to it by the D2N2 Local Economic Partnership, through its new 'single pot' of Government and EU funding.

The new Joint Committee would not take any of the Council's powers and statutory requirements to undertake a regular Local Economic Assessment and produce an Economic Regeneration Strategy, nor would it supplant the responsibilities of the existing arrangements through the Derby Renaissance Board.

Options Considered

1. To continue with the current system, whereby D2N2 Board makes decisions on funding allocated to it by Government and other funders, would lead to decision making at a very high level, with inadequate reference to City and County levels and poor public accountability.
2. To devolve D2N2 funding and accountability to each of the four upper tier authorities (two County and two City Councils) would not meet the requirements of the Secretary of State for Communities and Local Government in the context of Local Economic Partnerships.

Decision

1. To approve the establishment of a Joint Committee for Economic Prosperity with Derbyshire County Council and the 8 District and Borough Councils in Derbyshire.
2. To approve, in principle, the draft Terms of Reference, Arrangements and Rules of Procedure for the Joint Committee attached to the report, subject to final approval by the Chief Executive following consultation with the Leader of the Council.
3. **To recommend Council to appoint the Leader of the Council as representative on the Joint Committee.**

Reasons

1. D2N2 would be the recipient of Government and EU Funding, and it required a mechanism to devolve this to the two Counties and Cities, in terms of decision making and acting as an accountable body.
2. If the Council does not participate in this exercise as recommended, we could miss the opportunity to draw down Government and EU Funding from D2N2.

Budget and Policy Framework

170/13 Council Tax 2014/15

The Council Cabinet considered a report on Council Tax 2014/15. At its meeting on 29 January 2014, the Council approved a net budget requirement of £217,929,416 for 2014/15 and agreed to increase the Council's council tax by 1.85%.

The Council was still awaiting the full details of its final financial settlement for 2014/15 from central government.

Under the Localism Act 2011 the Council, as a billing authority, was required to calculate its council tax requirement for the year. Derby City Council's council tax requirement had been calculated as £72,770,013.

The report set out the Council's Council Tax requirement and the total Council Tax for Derby City residents for 2014/15 including the precepts for Derbyshire Police and Crime Commissioner and Derbyshire Fire Authority. Details of the changes in Council Tax levels set by these two organisations were set out in paragraph 4.4 of the report.

Decision

1. To note the budget requirement for Derby City Council for 2014/15 of £217,929,416 as approved by Council in January 2014.

2. **To recommend Council to approve the Council Tax requirement for Derby City Council for 2014/15 of £72,770,013 in line with the detailed calculation presented in Appendix 2 of the report.**
3. To note that the Governments funding settlement had resulted in a net increase of £11,000 and recommend that this amount is transferred to the Corporate Reserve.
4. To note that the Council had now completed and returned its estimation of collectable business rates through NNDR1 return. To recommend that the change in retained business rate income be reflected as a reduced use of reserves in the 2014/15 revenue budget.
5. **To recommend Council to confirm the following amounts for the year 2014/15, which were consistent with the net budget requirement agreed by the Council at its meeting on 29 January, in accordance with Sections 31A (1) of the Local Government Finance Act 1992 as amended by the Localism Act 2011:**
 - a. **£570,149,525** being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e).
 - b. **(£351,866,462)** 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. **£218,283,063** 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. **£145,513,050** being the aggregate of the sums which the Council estimates would be payable for the year into its General Fund in respect of redistributed non-domestic rates, business rates top-up grant, revenue support grant, and additional corporate government grants
 - e. **£1,165.83** 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 4.1 of the report, calculated by the Council, in accordance with Section 33 of the Act.
 - f. **For the following Valuation Bands**

	£		£
A	777.22	E	1,424.90
B	906.76	F	1,683.98
C	1,036.29	G	1,943.05

D 1,165.83 H 2,331.66

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, was applicable to all dwellings listed in each particular valuation band divided by the number which in that proportion was applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act.

6. To note that for the year 2014/15, Derbyshire Police and Crime Commissioner had 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	

7. To note that for the year 2014/15, Derbyshire Fire Authority had 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:

	£		£
A		E	
B		F	
C		G	
D		H	

8. To recommend Council to set the following amounts as the amounts of Council Tax for the year 2014/15 for each of the categories of dwellings shown below, being the aggregate in each case of the amounts in 2.3, 2.4 and 2.5 of the report, in accordance with Section 30(2) of the Local Government Finance Act 1992,

	£		£
A		E	
B		F	
C		G	
D		H	

9. To authorise the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.