

Time began: 6.00pm
Time ended: 6.25pm

COUNCIL CABINET
5 October 2016

Present Councillor Banwait (Chair)
 Councillors Afzal, Bolton, Eldret, Hussain, Rawson, Repton,
 Russell and Shanker

In attendance Councillors M Holmes, Skelton and Smale
 Philip Hutchinson – Youth Mayor
 Andy Smith – Strategic Director of People
 Christine Durrant – Strategic Director Communities and Place
 Janie Berry – Monitoring Officer
 Martyn Marples – Director of Finance
 Gordon Stirling – Director of Strategic Services and
 Organisational Development
 Greg Jennings – Acting Director of Regeneration, Property and
 Housing Projects

This record of decisions was published on 7 October 2016. 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.

65/16 Apologies

An apology for absence was received from Councillor Graves.

66/16 Late Items

There were no late items.

67/16 Receipt of Petitions

There were no petitions received.

**68/16 Identification of Urgent Items to which Call In will not
 Apply**

There were no items.

69/16 Declarations of Interest

There were no declarations of interest

70/16 Minutes of the Meeting Held on 7 September 2016

The minutes of the meetings held on 7 September 2016 were agreed as a correct record and signed by the Chair.

Matters Referred

71/16 Recommendations from Corporate Scrutiny and Governance Board

The Council Cabinet considered a report on Recommendations from Corporate Scrutiny and Governance Board. The Corporate Scrutiny and Governance Board met and discussed items contained within the Council Cabinet Agenda. The report enabled the views and recommendations resulting from these discussions to be formally shared with Council Cabinet. These were submitted to Council Cabinet as Appendix 2, prior to commencement of the meeting.

Decision

To receive the report and consider the recommendations alongside the relevant report.

Key Decisions

72/16 Realignment of Victory Road

The Council Cabinet considered a report which sought approval to enter into all contracts necessary to deliver works to realign Victory Road. These include a building contract with Balfour Beatty and an Infrastructure Delivery Agreement with Rolls-Royce. A funding agreement with the D2N2 Local Economic Partnership had already received approval.

The proposed realignment of the Eastern end of Victory Road would contribute at a local level to improving the business environment and modernising and developing the industrial basis; specifically the realignment would ameliorate any potential negative impacts of the increased traffic from the newly completed Infinity Park Way on Victory Road and would contribute towards the development of a new aerospace campus by Rolls-Royce.

The Council would be responsible for delivering these works through a contract with Balfour Beatty. The works would be funded by a financial contribution from Rolls-Royce and grant funding from the Local Economic Partnership. There was no capital contribution from the Council.

The Corporate Scrutiny and Governance Board endorsed the recommendations set out in the report.

Options Considered

Do Nothing.

Victory Road was one of a programme of IPD projects funded by LGF1. The rationale for the Victory Road project was to enhance access to the emerging Campus and prevent 'rat running' along Victory Road. Without this work it would be difficult to deliver the concept of the aerospace campus and the consequent reinvestment in Derby and there would be significant negative highway issues on Victory Road (where it bisects the Rolls-Royce facilities).

Decision

1. To approve entering into all contract documentation necessary to deliver works to realign Victory Road, and to delegate to the Strategic Director of Communities and Place, following consultation with the Cabinet Member for Communities and City Centre Regeneration, authority to finalise the details of the contract documentation.
2. To add £5.35m private sector funding to the Victory Road realignment project within the Capital Plan.
3. To approve spend, at risk, prior to D2N2 releasing payments, including spend on procurement and fees.

Reasons

1. Approval was necessary to enter into the proposed contract documentation and to meet the requirements of the Local Economic Partnership (LEP) for the release of their grant funding.
2. Based on current estimates, the Rolls-Royce contribution was expected to be £5.35m. Note that any cost over-runs beyond contingencies, should they occur, would be met by Rolls-Royce so this figure may potentially increase over time. Equally the figure may reduce if the final cost was less than that currently estimated.
3. It was necessary to commit expenditure at risk in order to achieve the proposed programme dates.

Budget and Policy Framework

73/16 Period 4 Revenue Budget Monitoring

The Council Cabinet considered a report which provided details of the latest financial position and forecast outturn for the 2016/17 Revenue Budget as at Period 4. This was in line with the agreed strategy of reporting revenue budget monitoring figures on a monthly basis to Chief Officer Group and on a quarterly basis to Council Cabinet for approval and action as necessary. Due to issues with the Oracle reporting tool, quarter 1 monitoring was delayed and as a result was not taken to Council Cabinet in

September 2016 as planned. Due to these delays it was decided that it would be more informative to present a detailed period 4 monitoring report to Council Cabinet. The latest forecast position showed an overspend of £1.921m, 0.88% against the budget requirement of £219.225m.

The current forecasting methodology required the earliest possible indication of possible savings, rather than waiting until the year end. As a result, these forecasts may change as further information becomes available and if demand for service rises above the latest forecast.

Savings targets of £19.009m were included within the 2016/17 budget figures and the forecast achievement of these savings was included within the overall budget forecast above. Further details of current forecast savings delivery were included in section 6 of the report.

As at period 4 the Council was forecasting to achieve permanent savings as planned of £18.687m (98.31%), with the balance and any part year one off costs being met from within overall Directorate budgets.

Decision

1. To note the financial monitoring position and the current progress of savings delivery as at Period 4.
2. To approve the movement in reserves requested in section 5 of the report.
3. To note the approval use of reserves by delegated authority, in line with financial procedure rules within Section 5 of the report.

Contract and Financial Procedure Matters

74/16 Contract and Financial Procedure Matters

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:

- Award of grant to an external body
- Changes to the current 2016/17 capital programme

The Corporate Scrutiny and Governance Board made no recommendations on the report, however requested that further information be provided by the Director of Finance on the proposed reduction in the Capital programme to the Markeaton Park Rangers Office Fire Risk Assessment (FRA) project.

Decision

1. To approve the award of £9,000 to the National Offender Management Service (NOMS) – Her Majesty’s Prisons (HMP), Nottingham, as detailed in section 4 of the report.
2. To approve changes to the capital programme, including additions, as detailed in section 5 and Appendices 2 & 3 of the report.
3. To request the Director of Finance to provide further information to the Corporate Scrutiny and Governance Board on the proposed reduction in the Capital Programme to the Markeaton Park Rangers Office Fire Risk Assessment (FRA) project.

75/16 Local Growth Funds Projects

The Council Cabinet considered a report which stated that the Council had a number of high profile projects that required Local Growth Deal funding to enable them to be delivered.

To assist the delivery of these projects changes to the Infrastructure and Investment Board (IIB), Local Assurance Framework (LFA) were approved at a meeting on the 7 September 2016. The report had been provided to update Council Cabinet on the proposed alterations to the funding arrangements and to seek approval to progress putting these arrangements in place. This change to the project assurance framework enabled Becketwell and A52 Wyvern Junction Improvements schemes to progress, subject to IIB approval, by seeking a funding advance. The funding advance would enable the project to move to a fully compliant business case at a later date. The advance would be fully refundable by the Council should the project not progress.

The original IIB approval for £12million funding towards OCOR linked release of funding to a series of work phases. Progress on the project had moved forward apace and across phases. IIB funding release would now be sought in line with the original profile and independent of the completion of particular phases. IIB agreed to vary the approval subject to the project reporting performance twice yearly to IIB and on the understanding that funding would be subject to clawback should any of the phases fail to complete or the project fail to deliver the stated outcomes.

Decision

1. To approve the proposed changes in the funding arrangements for Becketwell and A52 Wyvern Improvement Schemes and delegate the arrangement of the proposed changes to the Director of Finance working with the IIB.
2. To approve the proposed change in grant funding conditions, on the basis set out in paragraph 1.3 of the report, for £12million to support the OCOR project and delegate the arrangement of this change to the Director of Finance.

76/16 D2N2 European Structural Investments Fund 2014/2020

The Council Cabinet considered a report which stated that the EU Structural Investment Funding Strategy 2014-2020 (ESIF) Programme promoted sustainable economic growth and will be delivered through the D2N2 Local Economic Partnership (LEP). The ESIF Programme had been operating for just over a year with the first calls issued in March 2015.

The Council had been working with partners to develop collaborative proposals to the European Regional Development Fund to respond to ESIF calls. The report provided an update of where projects were within the appraisal/approval system and the next steps in the contracting process.

The Council had been approached to be a Partner within the Building Better Opportunities – Towards Work Programme by Groundwork Greater Nottingham. The report detailed Groundwork's request for the Council to employ and host a Stakeholder Manager.

Following the EU Referendum decision, in August the Government confirmed that projects with Funding Agreements or contracts in place before the Autumn statement, would be funded – even if projects would continue beyond the UK's exit from EU. The impact of the Autumn Statement deadline was that the timescale for full applications to be contracted had been significantly shortened.

Decision

1. To agree for the Council to accept the ERDF grant for the projects detailed in Section 4 of the report.
2. To agree the Council's match funding contributions to ERDF projects detailed in section 4 of the report.
3. To agree the Council's match funding contribution of £187,000 to the Derby and Derbyshire Energy Efficiency project from the Climate Change Reserve.
4. To delegate the agreement of the final approval of Partnership/Collaboration Agreements for the projects detailed in Section 4 of the report to the Strategic Director of Communities and Place, the Director of Finance and the Director of Governance, following consultation with the Cabinet Member for Communities and City Centre Regeneration.

Performance

77/16 Annual Report 2015/16

The Council Cabinet considered a report which stated that the Council produces an Annual Report each year, highlighting its achievements and progress made in delivering the priorities in the current Council Plan.

The Annual Report would be produced in two parts. Firstly, a summary document which contained highlights and case studies for priorities contained in the Council Plan 2015/16 as shown in Appendix 2 of the report.

Secondly, a consolidated version of the Annual Report which included the Statement of Accounts, Annual Governance Statement and Annual Performance Results would be published together online.

Audit and Accounts Committee at its meeting on 28 September 2016 had approved the Annual Report which would be published in October 2016.

Decision

To approve the Annual Report 2015/16 for publication.

MINUTES END