

Time began 6.00pm
Time ended 7.10pm

**COUNCIL CABINET
19 FEBRUARY 2008**

Present: Councillor Williamson (Chair)
Councillors Banwait, Bolton, Graves, Hickson,
Hussain, Nath, and Roberts
In attendance Councillors Jones and Carr

This record of decisions was published on 21 February 2008. 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.

170/07 Apologies for Absence

Apologies for absence were received from Councillors Smalley and Williams.

171/07 Late Items Introduced by the Chair

There were no items.

**172/07 Identification of Urgent Items to which Call-In
will not apply**

There were no items.

173/07 Declarations of Interest

There were no declarations of interest.

**174/07 Minutes of the previous meetings held on
15 January 2008**

The minutes of the meetings held on 15 January 2008 were confirmed as a correct record and signed by the Chair.

Matters Referred

**175/07 Recommendations of the Overview and Scrutiny
Commissions on the Draft Revenues and
Capital Budgets 2008/09 – 2010/11**

The Council Cabinet agreed that the Recommendations of the Overview and Scrutiny Commissions on the Revenue and Capital Budgets 2008/09 –

2010/11 would form part of its consideration of these items later on the agenda.

Decision

That Council Cabinet considered the recommendations of the Overview and Scrutiny Commissions set out in the Appendices to the report.

176/07 Performing Arts Provision

The Council Cabinet considered a motion from Council held on 23 January 2008 on Performing Arts Provision requesting the Cabinet to continue to unanimously support actions to ensure that professional and amateur theatre and other performing arts continued to thrive in Derby.

Decision

Council Cabinet agreed to support the motion.

Key Decisions

177/07 Corporate and Adult Services Voluntary and Community Grant Funding for 2008/09

The Council Cabinet considered a report on Corporate and Adult Services Voluntary and Community Grant Funding for 2008/09. The report set out Corporate and Adult Services grant funding, from the Community Grants Budget, Adult Social Services and joint funding with partner agencies, to be provided to Voluntary and Community Sector organisations in 2008/2009.

Options Considered

None.

Decision

1. To approve the proposed grant funding allocations for Corporate and Adult Services, set out in Appendix 2 of the report, subject to the final decision on the revenue budget made by Council.
2. To approve the transitional arrangements arising from the loss of Neighbourhood Renewal Fund (NRF) monies, identified in the main body of the report.
3. To approve the recommendation to work with Indian voluntary & community sector organisations and the Indian community to identify day service needs.

4. To note the other identified priorities for future funding from the Community Grants Budget (CGB).

Reasons

1. An inflationary increase of 2% was being recommended for all Council grant funding. Voluntary and Community Sector grant funding continued to play a key role in supporting corporate priorities, strengthening communities and delivering preventative services to vulnerable people. Despite budgetary pressures faced by the Council, cost savings had been kept to a minimum. Recommendations for changes to levels of grant funding were based on the results of in depth reviews, which considered both value for money and strategic priorities. In future, these reviews would move to a self-assessment model, to provide an opportunity for funded organisations to assess their own performance.
2. Transitional NRF monies would be made available on a tapered basis, 75% in 2008/9, 30% in 2009/10 and nil in 2010/11. The transitional arrangements detailed in the report would, where appropriate, allow organisations sufficient time to seek alternative sources of income, or identify other means of sustaining their activities.
3. There was a lack of culturally appropriate provision for older people from the Indian Community with a low to moderate risk of losing their independence. There were a number of lower level luncheon club services for the Indian community, but there was currently no provision for higher level needs.
4. An Equality Impact Assessment revealed specific areas where the Community Grants Budget programme was currently not providing funds to address inequality and discrimination. These gaps in provision would need to be addressed as and when opportunities arose to reinvest in new priorities.

178/07 Castleward – Cityscape Property Acquisitions

The Council Cabinet considered a report on Castleward – Cityscape Property Acquisitions. Derby Cityscape master plan sets out the broad vision of Cityscape for the City Centre including the Castleward area. Acquiring the leasehold interests in a number of properties funded by English Partnerships, was the key to facilitating the first phase along Hope Street from Traffic Street to Canal Street.

Options Considered

The ability to fund the acquisitions through prudential borrowing was not financially feasible. If the leasehold interests were not acquired the successful redevelopment of Phase 1 would be jeopardised and a CPO potentially needed to assemble the site.

Decision

1. To enter into the agreement relating to the acquisition of four properties in the Castleward area with English Partnerships in accordance with the terms detailed in the confidential report included in the agenda.
2. Subject to the above agreement being completed, to acquire the leasehold interest in four properties to facilitate the first phase of the Castleward area redevelopment in accordance with the terms detailed within the confidential report included in the agenda.
3. To add these acquisitions to the capital programme for 2007/8.

Reasons

To facilitate the first phase of the redevelopment of the Castleward area.

179/07 How Physically Active People are in Derby

The Council Cabinet considered a report entitled 'How Physically Active People are in Derby' which brought together data that had been collected by Sport England on the amount of physical activity in sport and recreation undertaken by adults in Derby.

The report also showed the amount of physical activity undertaken by young people, which had been collected by Leeds Metropolitan University in conjunction with Sports & Leisure staff within the City. The baseline information that had been collected by the two organisations would now allow the City Council to update its Indoor Sport and Recreational Facilities Strategy and Physical Activity Strategy (Getting Derby Active) which was previously endorsed by Cabinet in June 2005.

The baseline information within the report showed Derby was in the middle 50% nationally for those adults who participated in moderate intensity sport or active recreation but for children 57% did not achieve 60 minutes moderate intensity each week. Sport England had offered to provide a consultancy service to the Council to assist with updating the strategies on a no fee basis. The report proposed that this support would be utilised with a view to an updated strategy being presented to a future meeting of the Council Cabinet.

Options Considered

None.

Decision

1. To note the amount of physical activity by adults and children in the City with concern particularly in relation to the potential for future associated health problems.

2. To accept the offer of free consultancy from Sport England with the aim of the updated strategy being brought back to the Council Cabinet in the autumn.

Reasons

The offer of free consultancy support using the more up to date data would enable the City Council to update its strategy within existing resources. To tender for this work would result in further costs to the Council.

180/07 Phase 3 Children's Centres

The Council Cabinet considered a report on Phase 3 Children's Centres stating that these centres completed the role out of the governments target for 3,500 children's centres across the country by 31 March 2010. The Centre's were also a key driver for the government's target of narrowing the gap.

The report indicated that by August 2008 Derby would have 14 designated Children's centres across the City and would be required to develop a further four to meet its total target of 18 to cover the whole city by 31 March 2010.

Options Considered

No other options meet the requirements for every family to have access to children's centre services by April 2010.

Decision

1. To agree in principle the identified areas for Phase 3 children's centres.
2. To approve the consultation process to proceed with the development of the centres and the engagement of required partners.

Reasons

The Sure Start Early Years and Childcare grant for 2008/2011 included a capital grant of £1,426,853. This was the only source of capital available to develop these new centres and included £224,691 for maintenance of existing children's centre buildings.

181/07 Derby Homes New Build

The Council Cabinet considered a report on Derby Homes New Build. The report stated that the provision of affordable housing had risen up the political agenda, with the publication of the Government's housing green paper, 'Homes for the Future: More Affordable, More Sustainable', which included increased targets for the provision of affordable housing.

The report indicated that in order to meet the increased output goals the Housing Corporation had decided to work with a larger and more diverse range of delivery partners, including for the first time local authorities – through 3*Arms Length Management Organisations and local authority Special Purpose Vehicles.

Following a qualification process last year, Derby Homes had been approved as Housing Corporation Investment Partners and also Accredited Management agents. ALMO new build properties would be outside the HRA subsidy system and the properties would not be subject to the Right to Buy, RTB. They would instead be subject to Right to Acquire, RTA in line with Housing Association properties, limiting the discount available to tenants from a maximum £24,000 under RTB to £9,000 under RTA.

The development of new build properties would provide the first significant assets on Derby Homes' balance sheet which could potentially be used to support borrowing in the future. In November 2007, following consultation with Members and Officers at the Council, Derby Homes in partnership with Strata Homes– selected by Derby Homes as it's preferred development partner following an EU procurement process - submitted a bid to the Housing Corporation to secure grant funding that would support the development of 10 affordable homes and a further 29 market sale properties. This proposal would be developed across four Council owned sites.

In the longer term, in order to preserve the taxation and VAT status of Derby Homes, and also to ring fence development risk, it was recommended that a wholly owned subsidiary company of Derby Homes, limited by share and able to distribute profits, be set up. This was the most commonly used form of subsidiary and would enable a wide range of regeneration activity and possible future trading activity.

The report stated that the governance structure of the subsidiary, including Board membership, would need to be agreed by the Council. The establishment of a subsidiary would however be subject to a future report to Cabinet which would enable the consideration of these issues in greater detail. In the meantime, Derby Homes was intending to undertake this arrangement directly as Derby Homes rather than through a subsidiary company. In order for the development to work, Derby Homes was also requesting the Council to:

- Transfer the land to it on a 99 year lease at a peppercorn rental with no lease premium
- Obtain permission from CLG to dispose of the land at less than full consideration in this way
- Lend Derby Homes £20,000 for each unit of affordable housing in the form of prudential borrowing – a total of £200,000

- Sign a form of performance guarantee in support of the grant application.

The land disposal would be subject to conditions from the Council in line with those imposed on Registered Social Landlords, RSL's by the Council. CLG approval was thought very likely as there was significant support for this type of development. The prudential borrowing would be secured on the affordable homes and should be serviced from the difference between future rentals and management and maintenance costs, given an adequate grant from the Housing Corporation and essentially free land plus cross subsidy from sales proceeds.

Prior to a decision being made the Council Cabinet Councillors Bolton and Banwait stated that whilst they supported the recommendations set out in the report in principle this did not in anyway affect how any subsequent planning applications would be considered by them as members of the Council's Planning Control Committee.

Options Considered

1. The Council had successfully for a number of years worked with a range of development partners in Derby to provide affordable housing. The Government, through its' affordable housing agency the Housing Corporation, had recently given a role in the provision of new affordable housing to local authorities – either through 3*ALMOs or Special Purpose Vehicles. The proposals in this report were designed to provide a role for Derby Homes in achieving this Government objective.
2. The current proposal to deliver 10 new affordable homes could be regarded as a pilot. The developments would be reviewed both in terms of quality and overall value for money to determine whether in terms of both Strategic and Value for Money considerations the Council should support future ALMO developments. As part of these considerations comparisons would be made with the outcomes that could alternatively have been achieved had the Council worked in partnership with a Housing Association or Developer to deliver these sites.
3. Building by the Council, directly within the HRA was not currently feasible, but would be kept under review in case it becomes more viable in future – for instance through exemption from the subsidy system.

Decision

1. To note that Derby Homes had secured Housing Corporation Investment Partner - and Accredited Management Agent – status, enabling it to bid for Housing Corporation grant in the current bid round.

2. To authorise further negotiations to be undertaken with the Housing Corporation with a view to securing acceptable terms for the grant funding and the related formal Performance Guarantee required from the Council.
3. To delegate authority to the Corporate Director for Corporate and Adult Services and Deputy Chief Executive to sign the Housing Corporation Performance Guarantee following consultation with the Cabinet Member for Neighbourhood, Social Cohesion and Housing Strategy and the Corporate Director of Resources, if the terms were amended to become acceptable.
4. To authorise, subject to the Housing Corporation bid being successful, and CLG approval for the disposal, the conclusion of a formal development agreement between the Council, Derby Homes and Derby Homes' development partner Strata Homes, for the disposal of the four sites identified in paragraph 5.1 to Derby Homes at nil value, with the plots for the ALMO houses being on a long lease basis.
5. To recommend Council that additional prudential borrowing of £200,000 be undertaken for this purpose, and that it is lent subject to conditions requiring full repayment in the event of the housing no longer being available for social housing in the future.

Reasons

1. The performance guarantee would meet a Housing Corporation funding requirement, but prior to entering into this, the Council would need to conclude current negotiations with the Housing Corporation and be satisfied that the terms of the guarantee were reasonable.
2. The disposal of these sites at nil value was a fundamental assumption within the submitted bid. Housing Corporation funding was offered on the basis that land would not be valued at open market valuation in these circumstances.
3. The prudential borrowing was a fundamental assumption within the submitted bid.

182/07 Annual Arts Grants 2008/09

The Council Cabinet considered a report setting out the Annual Arts Grants 2008/09. The report stated that the options for the allocation of arts grants had been scrutinised with a total of 13 organisations applying for grants in 2008/09. All of these were organisations had received grants in 2007/08, however, Derby Playhouse, which had received arts grants for many years from the Council, had not submitted an application for 2008/09. The report recommended that the monies freed up by this should be used for Theatre in Derby for 2008/09. The precise shape and structure for delivery of this would

be determined by the Council in consultation with the Arts Council and other stakeholders.

The annual total for arts grants was being kept at the 2007/08 level with the recommended allocation for 2008/09 for each arts organisation being the same as the previous year. This was because the total allocation was at standstill and individual arts organisations' performance, as determined by their annual review and performance matrix assessment, indicated that those organisations who had been relatively low achievers were also recipients of relatively low grants. Thus, there had not been the capacity to financially recognise those higher-achieving organisations.

Options Considered

Unlike last year, there had not been the capacity to financially recognise those higher achieving organisations. This was because the total allocation was at standstill and individual arts organisations' performance demonstrates that those organisations who had been relatively low achievers were also recipients of relatively low grants.

Decision

To approve the allocation of arts grants for 2008/09 as set out in the report.

Reasons

1. Arts grants achieve three important objectives:
 - The first was to sustain organisations which provided continuity in the calendar of arts opportunities in the city.
 - The second was to nurture new organisations as they build up their expertise and capacity. This was an investment in the future cultural life of Derby.
 - The third was to sustain and, where possible, increase the capacity of those organisations which were doing most to assist the Council in the achievement of its aims and priorities.
2. In most cases the Council's grants were used as match funding in bids to external sources. Our grants were directed where they would maximise this total income for arts activity.
3. The annual total for arts grants was being kept at the 2007/08 level in order to help meet the corporate budget objectives for 2007/10.

In accordance with Procedure Rule AI26, the Chair of the Community Commission had been advised that this item would be considered although not included in the Forward Plan.

Budget and Policy Framework

183/07 Revenue Budget

The Council Cabinet considered a report on the Revenue Budget which stated that 2008/09 to 2010/11 budget demonstrated, in the clearest possible terms, the positive direction in which the Council was taking the city. It represented the backbone to the Council's visions, showing that its plans were not merely aspirations, but properly budgeted for proposals. The report indicated that the Council was continuing to invest in the city in order that it could carry on providing excellent services. It also stated that the budget plainly reflected the determination to deliver corporate priorities and among the highlights were:

- The injection of £1.1m to provide ongoing support to neighbourhood working in light of the transitional loss of Neighbourhood Renewal Funding;
- The funding of £2m revenue to enable £19m capital expenditure in both 2009/10 and 2010/11 to ensure future delivery of Public Realm schemes in our Capital Programme. This would include the creation of Castleward Boulevard and would also enable our Accommodation Strategy, providing this city with first-class civic buildings;
- A £4.2m a year investment by 2010/11 for a new waste disposal plant in partnership with Derbyshire County Council and meeting targets on the amount of waste sent to landfill
- £500,000 additional budget for Children looked after placements, ensuring special needs children of this city get the specialist care that they deserve;
- £2.3m in 2008/9 rising to £3m in 2010/11 to drive forward a modern and inclusive agenda on home care, under increasing pressure due to an ageing population, together with the delivery of specialist care services

The report confirmed that the Council had identified £8m of savings in 2008/09 to help meet rising costs, maintain priority services and invest for the future. A council tax increase of 5% was proposed for Derby City Council services which represented an increase of only 65p per week for most tax payers. Council tax levels in Derby were currently the lowest in the East Midlands and were much lower than the average for England. The Council's final grant settlement for 2008/2009 was £102.290m which was higher than forecast following our successful lobbying of Government for the removal of the personal social services 'damping' within the formula grant.

An addendum to the report indicated that additional budget of £170k would added to the Neighbourhood working budget for 2008/09 funded from a one-off allocation from corporate reserves. This would fund a one year pilot

exercise by providing £10k for each of the 17 wards to spend addressing ward priorities in 2008/09. The criteria for the use of the £10k would be restricted to the following

- Cleaner and safer agenda
- Highways e.g. footway maintenance
- Youth provision

The detailed arrangements for authorising this expenditure would need to be incorporated into the Constitution. For 2008/09 only, the £170k expenditure would be added to the Regeneration and Community Department budget and the use of Corporate Reserves income budget would be increased by £170k.

Decision

To recommend Council to:

1. To approve a budget requirement for Derby City Council for 2008/2009 of £176,694,000
2. To approve for 2008/2009 the departmental revenue budget estimates and use of corporate reserves of £343,000 in 2008/09 and £194,000 in 2009/10 summarised in Appendices 4, 5, 6, and 11 of the report.
3. To agree the latest 2007/2008 revenue budget monitoring position as set out in Appendix 12 of the report.
4. To approve the measures proposed to manage budget risks in 2008/09 and in future years, including the deliverability of identified savings, levels of service and inflation forecasts as set out in Section 10 of the report.
5. To approve within this total of £176,694,000:

Net service estimates of:	£
Children and Young People	35,452,000
Environmental Services	21,997,000
Regeneration and Community	19,579,000
Resources	8,350,000
Corporate and Adult Services	64,346,000
Corporate Budgets	27,478,000
	<hr/>
	177,202,000

Appropriations to/from reserves:

Corporate reserves	(343,000)
Service reserves	(215,000)
Revenue Financing Capital	50,000
	<hr/>
	176,694,000

6. To note that, at its meeting on 23 January 2008, the Council calculated the amount of 69,854 equivalent band D properties as the Council's Tax Base for the year 2008/09 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.
7. To calculate the following amounts for the year 2008/09 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act).
 - a. £509,299,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) (a) to (e) net of Section 32(3)(c) of the Act.
 - b. (£332,605,000) being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) and (b) of the Act.
 - c. £176,694,000 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. £102,290,413 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, reduced by the amount of the sums which the Council estimates will be transferred in the year to its Collection Fund from its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (Council Tax).
 - e. £1,065.13 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 7 above, calculated by the Council, in accordance with Section 33 of

the Act.

f. for the following Valuation Bands:

	£		£
A	710.09	E	1,301.83
B	828.43	F	1,538.52
C	946.78	G	1,775.22
D	1,065.13	H	2,130.26

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.

8. To note that for the year 2008/09, 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	*

* indicates that the precept had not yet been determined.

9. To note that for the year 2008/09, 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	*

* indicates that the precept had not yet been determined.

10. Having calculated the aggregates in each case of the amount in 5, 6 and 7 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 2008/09 for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	*	E	*
B	*	F	*
C	*	G	*
D	*	H	*

* indicates that the total amounts for each category had not yet been determined and are subject to consideration and approval by Council at its meeting on 3 March, 2008.

11. To note the revenue budget plans for 2009/10 and 2010/11 set out in Section 5 of the report.
12. To authorise the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.
13. To authorise the Director of Corporate and Adult Services to amend the Council's Constitution by including a provision under which Neighbourhood Boards are able to authorise neighbourhood expenditure.

184/07 Capital Budget 2008/09 to 2010/11

The Council Cabinet considered a report on Capital Budget 2008/09 to 2010/11 setting out the capital programme for recommendation to Council. It stated that during the next three years it was proposed to invest £281m on improving the city and Council services through the programme, which included:

- A £50.8m corporate programme encompassing public realm improvement schemes such as the regeneration of Full Street and the creation of Castleward Boulevard, a contribution to a Lottery bid to refurbish the Silk Mill, and development of better alternatives to residential accommodation for older people;
- Schools repair and rebuilt through a £77.1m programme that would help create a modern learning environment where our children can thrive. This would include repairs, maintenance and improvements to the fabric of school buildings, devolved funding to schools, the completion of a new primary school in Normanton, the completion of

a rebuilt to Sinfin Community School and the rebuilding and relocation of Ivy House special school on the Derby Moor Community Sports College site;

- £57.2m to be spent improving homes in Derby through the Housing programme. Many council-owned houses would get PVCu windows and doors, new kitchens and bathrooms, heating systems and other repair and refurbishment work, funded through the £33.7m Housing Revenue Account. Another £23.5m from the Housing General Fund would enable the continuation of schemes including the Rosehill pilot market renewal scheme, delivery of decent homes and assistance to vulnerable householders, disabled facilities grants, the housing Private Finance Initiative scheme and other repair and assistance in the private sector;
- The £17.8m Local Transport Plan (LTP) would 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;
- £25m for a new waste disposal treatment plant due to be built in 2010/11 in partnership with Derbyshire County Council as we continued to strive towards our aim to make Derby a greener city;
- The transformation and modernisation of Council buildings by earmarking £36.3m towards our accommodation strategy, to improve efficiency and enable us to deliver even better customer services. In particular, the historic and iconic Council House would be overhauled through a £11.3m improvement programme that would see it transformed into a modern working environment of which Derby can be proud.

The commencement of new major schemes in the corporate programme was subject to the completion of a full business case and its approval by the Corporate Asset Management Group or Public Realm Board as appropriate.

Decision

1. To recommend to Council the capital programme for 2008/09 and the indicative capital programme for 2009/10 and 2010/11 set out in the report, subject to the completion and approval of a full business case by the Corporate Asset Management Group or Public Realm board for major new schemes in the corporate programme identified in Appendix 2.
2. To delegate to the Public Realm Board the authority to agree other individual schemes or projects with a cost below £100,000, where these were fully funded from within existing approved allocations or

from external sources such as section 106 funding, and did not commit the Council to ongoing additional net revenue costs in future years.

3. To agree that the schemes for Racecourse and Alvaston Park, and Chaddesden Library, should be on the reserve list should additional capital funding become available.

185/07 Treasury Management Strategy and Prudential Code Indicators 2008/09

The Council Cabinet considered a report on Treasury Management Strategy and Prudential Code Indicators 2008/09. The report set out the Council's treasury management, ie. borrowing and investment, strategy for 2008/09, and outlined any changes that were required in the light of the external financial markets situation, new regulations and the Council's treasury management activity over the last 12 months.

Appendix 2 to the report set out the required Prudential Indicators as required by the Prudential Code for Capital Finance. A summary of these indicators was shown at Appendix 4 and this demonstrated that the Council's capital expenditure plans were prudent and affordable. Appendix 2 also proposed changes to the Council's policy on "minimum revenue provision" for debt repayment from 2008/09, as required under draft regulations from Communities and Local Government - CLG. Final regulations were expected in March 2008.

The report also set out in Appendix 3, the proposed Treasury Management and Annual Investment Strategy for 2008/09, taking into account the prudential indicators proposed for future years.

Appendix 3 identified that both borrowing and investment decisions taken during 2007/08 to date had had a positive impact on the Council's finances, with investments to date earning 5.987%, outperforming the weighted average Bank of England base rate of 5.59%. Partly as a result of this performance, the treasury management budget was forecast to record an under-spend of around £3.6m in 2007/08.

Decision

1. To recommend that Council approve the planned prudential indicators set out in Appendix 2 and summarised in Appendix 4 of the report.
2. To recommend that Council adopt the revised "minimum revenue provision" statement, in line with the draft regulations, as set out in Appendix 2.
3. To recommend that Council adopt the Treasury Management Strategy for 2008/09, including the revisions to the counterparty criteria, as set out in Appendix 3 to the report.

186/07 Corporate Plan 2008-11

The Council Cabinet considered a report on Corporate Plan 2008-11 which confirmed that at its meeting on 15 January 2008 Cabinet had considered a draft copy of the Plan and the supporting action plan. Subsequently Cabinet had referred the Plan to the Scrutiny Management Commission for review on 29 January 2008.

The report indicated that the Corporate Plan described how the Council would work towards delivering its vision of 'Derby – a city for all ages' and was based on the six corporate priorities confirmed by Cabinet in July 2007. The corporate priorities were supported by a number of key outcomes as detailed in Appendix 2 of the report. In line with the new Local Area Agreement priorities, two additional outcomes had been included for 2008-11:

- Building strong and sustainable community relations across Derby.
- Improving facilities in our neighbourhoods.

The latest drafts of the Plan and action plan could be found on the Council Meeting Information System, CMIS. It was intended that a final draft of the plan would be presented at Council on 3 March 2008 recommending approval alongside the three-year budget proposals.

Decision

1. To note the contents of the updated draft Corporate Plan 2008-2011 and Action Plan which contained information on how our priorities would be delivered.
2. To note the comments referred from Scrutiny Management Commission as detailed in paragraph 2.5 in the main report.
3. To recommend Council to adopt the Plan on 3 March 2008.
4. To recommend that Council to delegate authority to make amendments to reflect up-to-date information, final actions and intended outcomes to the Chief Executive and Corporate Director of Resources, and to finalise the Plan in consultation with the Leader of the Council.

187/07 Development of the New Local Area Agreement for 2008-2011

The Council Cabinet considered a report on Development of the New Local Area Agreement for 2008-11. It indicated that Derby's first Local Area Agreement, LAA, finished in March 2008 and its second LAA was being finalised to start running for a further three years from 2008-2011.

The new LAA was due to be signed off by Government Office East Midlands (GOEM) in June 2008 however the aim was to have the document fully drafted by April for the start of the next financial year. The new LAA was to comprise of 35 priority indicators and these were shown at Appendix 2 of the report. These had been drawn from the set of 198 new National Performance Indicators and were being negotiated with Government Office for the East Midlands.

The new LAA would also contain an additional 16 statutory Children and Young People indicators. Local performance indicators were also being considered for inclusion within the LAA or for monitoring outside the agreement. Monitoring and reporting against all measures in the new national indicator set, not just those indicators included in the LAA, would start in April 2008. Though the number of indicators in the new national performance framework had reduced, it was important to note that there were still many measures that sat outside of the framework.

The report stated that some council departments and partner organisations were required to report on these other measures to Government Departments, in addition to monitoring those from the set of 198. It was intended that Implications for the Council's performance framework, including the need to rationalise reporting between Partnership and Council, would be considered by Cabinet in April 2008.

Decision

1. To approve the indicators selected for inclusion in Derby's LAA at Appendix 2.
2. To consider the next stages in developing the LAA further as shown in Section 3 in the main body of the report.
3. To note the additional reporting requirements placed on Council departments and partners as shown in Section 4 in the main body of the report.

188/07 Housing Rents and Service Charges 2008/09

The Council Cabinet considered a report on Housing Rents and Service Charges 2008/09 which stated that the Government originally set a policy to restructure social housing rents over the 10 year period 2002/03 to 2011/12, although this was now likely to extend by five years or longer. The process involved moving rents incrementally towards a target so that at the end of the restructuring period, council housing rents would have converged with those of other Registered Social Landlords – RSLs.

The report stated that 2008/09 was the seventh year of rent restructuring and included some revisions to Government policy on the process. The main change was that for the purposes of calculating the guideline rent for 2008/09 only, the date for rent convergence under rent restructuring had been put

back until 2016/17. Three options were consulted upon for a rent increase in 2008/09 ranging from an average of 7.4% to an average of 12%. Consultation with Community Commission and Council tenants through Derby Association of Community Panels – DACP – had taken place and both groups expressed a preference for option 2, an increase of 8.2%.

The Government policy that Service Charges should increase by no more than the RPI plus 0.5% continued for 2008/09 and subsequently. New Government regulations came into effect on 1 October 2006 and mean that pitch fees at Shelton Lock Mobile Home Park could only be increased or decreased in line with the change in RPI.

Decision

1. To recommend that Council on 3 March approve the revision of rent and service charges from 7 April 2008 on the basis set out in the report including
 - an average weekly rental increase of £4.32 (*may be subject to slight change*) or 8.2% calculated over 52 weeks
 - an average weekly increase of 4.4% on Service Charges
 - an average weekly increase of 8.2% on Garage Rents
2. To approve the proposed increase of 3.9% in pitch fees at Shelton Lock Mobile Homes Park
 - small plot £11.68 - increase of £0.44 a week for 9 plots (previously £11.24 a week)
 - medium plot £14.60 - increase of £0.55 a week for 24 plots (previously £14.05 a week)
 - large plot £16.87 - increase of £0.63 a week for 5 plots (previously £16.24 a week)

189/07 Housing Revenue Account Business Plan and Budget 2008/09

The Council Cabinet considered a report on Housing Revenue Account (HRA) Business Plan and Budget 2008/09. 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 overall position of the HRA remained robust in the short term as a result of additional funding agreed by the government for Round 1 ALMOs until 2011. Once this additional funding was lost, a severe loss of income was expected. The strategy had therefore been to utilise the additional ALMO funding to support

a £15m programme called Estates Pride, supporting a mix of revenue and capital items.

The proposals contained in the report included the continuation of that policy and to consider whether to extend the period of the Estates Pride programme, focussing on maintaining some developments for a while longer where possible. The proposals also included additional funding for Derby Homes to allow a continuation of support for social activities in common rooms, as well as provision to cover any increase in pension costs as a result of an increased contribution required by the County Council as pension fund administrators.

In the longer term, the HRA faced some serious financial pressure as a result of anticipated gradual withdrawal of HRA subsidy from the current positive amount to a large contribution to the Treasury.

The government has announced a national review of the subsidy system and would be undertaking this review with a view to making proposals during 2009. As a result, the longer term future of the HRA was very unclear until this report was made, and longer term planning was clearly difficult. It was therefore proposed to continue to plan on existing arrangements at least until the outcome of that review is made clear.

Decision

1. To recommend that Council approve the budget set out as part of the HRA Business Plan at Appendix 2 and detailed in Appendix 3 to the report of the Corporate Director – Corporate and Adult Services.
2. To approve the management fee for Derby Homes set out in Appendix 6 to the report of the Corporate Director – Corporate and Adult Services.
3. To approve the programme of works relating to Estates Pride detailed in Appendices 7 and 8 to the report.

190/07 School Funding 2008/09 to 2010/11

The Council Cabinet considered a report on School Funding 2008/09 to 2010/11. The report presented proposals for changes to the school funding formula for the 2008- 11 period and distribution of Standards Funds. Consultation had taken place with all schools on the formula changes, and also with the Schools Forum. There was a particular focus on targeting deprivation because of the need to narrow the wider than average attainment gap in Derby between pupils living in more and less deprived areas.

Decision

1. To make changes to the formula for funding schools, subject to the Council's final budget decisions, as follows:
 - to target growth through the Index of Multiple Deprivation (IMD) with triple weighting for pupils in the 20% most deprived areas and a factor for new arrivals with English as an additional language (EAL)
 - replace the current mobility factor with a new turnover factor
 - remove the additional base allowance for small schools
 - adjust the Private Finance Initiative (PFI) factor to reflect the actual utility costs.
 - update formula pupil led formula factors in 2009/10 and 2010/11 as per Appendix 3
 - to remove the limit on fines to schools for excluded pupils.
2. To agree the principles of allocating Standards Funds as set out in the accompanying report.

Contract and Financial Procedure Matters

191/07 Contract and Financial Procedure Matters Report

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

- Crematorium mercury abatement charges
- Modernisation of learning disability day services
- Addition to the capital programme for work at Bute Walk Children's Home
- Approval of allocations from the Youth Opportunities Fund and the Youth Capital Fund
- Additional government grants in 2007/08 for children in care and 14-16 diplomas
- Contract approval to deliver an employee benefits package

- Change of usage of Resources department reserves
- Funding of additional school connectivity costs
- Technical adjustments to Regeneration and Community department revenue and capital budgets.
- Contract waiver for refurbishment of Derwent Youth Centre

Decision

1. To approve an increase in the Crematorium's mercury abatement charge from £35 to £40 for 2008/09 and the transfer of fee income into a mercury abatement reserve to contribute to the cremator replacement capital scheme.
2. To agree in principle to the use of the former Derventio building for a learning disability service provision, subject to the Cabinet member for Adult Services and the Corporate Director being satisfied of the operational and financial viability of the proposal.
3. To approve the sale of the Birdcage Walk and Porter Road buildings used by the learning disability challenging behaviour and autism services and to invest the capital receipts into the Racecourse building and site.
4. To approve the addition to the Children and Young People's department capital programme of a £52,680 scheme to replace windows and doors at Bute Walk Children's Home, including a carry forward to 2008/09 of £12,680 funding.
5. To approve bids against the Youth Opportunities Fund and the Youth Capital Fund previously supported by the Youth Panel.
6. To approve use of additional government grant funding for Care Matters initiatives for 2007-08.
7. To approve use of additional government grant funding for 2008 Diploma Consortia
8. To approve entering into a contract with P & MM Ltd for the delivery of an employee benefits package on a cost neutral basis.
9. To approve the change of use of Resources department reserves as set out in Table 1 of the report.
10. To agree the funding of additional school connectivity costs as set out in section 8 of the report.

11. To agree the adjustments to Regeneration and Community department revenue and capital budgets as set out in section 9 of the report.
12. To approve a waiver under Contract Procedure Rule CPR 6 to waive the tendering requirements in CPR 15 and award the contracts to Focus Interiors for £185,966 and to O'Leary Construction Limited for £43,894 within the scheme to refurbish Derwent Youth Centre.
13. To agree that the £100,000 financial risk of slippage not being funded by New Deal for Communities should be covered from the Schools Modernisation and Youth Capital allocations.

Performance Management

192/07 Review of Sub National Economic Development and Regeneration

The Council Cabinet considered a report relating to the Governments review of Sub National Economic Development and Regeneration (SNR) published in July 2007. This review focused on the way in which economic development and regeneration services were delivered across the country and had wide ranging implications for Local Authorities, Regional Development Agencies and their partners.

The report indicated that the review would lead to changes in regional governance arrangements and prompted renewed consideration of how these services were delivered at a more local level i.e. the Derby area. East Midlands Development Agency (EMDA) had set a target for agreeing future regional arrangements by April 2008 with these becoming operational by April 2009, although these may be interim pending legislation which was necessary to implement the full SNR proposal. In the meantime governance arrangements were being established to manage the 6Cs/ 3 Cities New Growth Point programme for which funding had recently been announced for 2008/9 – 2011/12.

Within the SNR timescales EMDA and GOEM had announced a review of Derby Cityscape Urban Regeneration Company which was likely to be completed in September 2008. The SNR also highlighted the prospects for the establishment of 'City Development Companies' (CDC). In partnership with EMDA the City Council would commission an options appraisal into CDC prospects for Derby.

In early discussions with EMDA the Leader and Chief Executive had advocated the review of the current strategic Sub - Regional Partnership arrangements (i.e. Derby and Derbyshire Economic Partnership) which would match more appropriately the City Council's area. It was logical in this context to review the functions of all our major economic development/regeneration partners in Derby with a view to developing a more coherent and efficient

structure – possibly using a CDC approach- which helps the City and EMDA to deliver key objectives of economic growth.

Decision

1. To agree the proposed timescale for implementation of the SNR in the East Midlands.
2. To authorise Officers to contribute to the review of Derby Cityscape.
3. To work in partnership with EMDA on an appraisal of the options for a City Development Company in Derby.
4. To consult with partners on the most appropriate structures for the deployment of functions and resources to deliver economic development services in Derby.
5. To agree associated arrangements for the management of New Growth Point, funding and activity.
6. To ensure full consultation with all key economic regeneration players in all these issues.

193/07 Council Performance Monitoring – 2007/08 Quarter 3

The Council Cabinet considered a report on Council Performance Monitoring – 2007/08 Quarter 3. The purpose of quarterly performance reporting was to underpin performance management within the Council in terms of monitoring the achievement of the corporate priorities and targets included in our Corporate Plan 2007-2010 and Best Value Performance Plan 2007/08.

The report focused on Council performance in the third quarter of 2007/08 – 1 October 2007 to 31 December 2007. Summary performance results from quarter 3 were as follows...

- 54% of Corporate Plan measures and milestones were on track and had achieved their quarterly target, with 17% missing the quarterly target by more than 5%.
- 79% of Best Value Performance Indicators were forecasting to achieve their yearend target, with 15% likely to miss the year-end target by more than 5%.
- The report also included an update on the Council's 2007 Manifesto Commitments.

There was a separate quarterly monitoring report on this Cabinet agenda on Partnership / Local Area Agreement performance.

Decision

1. To note the performance of the Council against the targets included in its 2007/08 Best Value Performance Plan and 2007-10 Corporate Plan, falling due to be reported in the third quarter.
2. For highlighted areas of underperformance, to request action plans from Heads of Service for service improvements with key delivery milestones and regular updates in reporting against these plans.
3. To note that, where appropriate, Performance Surgeries would be held to explore reasons for apparent poor performance and to agree action planning for improvements.

194/07 Local Area Agreement Performance Monitoring – 2007/08 Quarter 3

The Council Cabinet considered a report on Local Area Agreement (LAA) Performance Monitoring – 2007/08 Quarter 3. The purpose of quarterly performance reporting was to underpin performance management within the Council in terms of monitoring the achievement of our Local Area Agreement - LAA - and Local Public Service Agreement - LPSA2 - targets.

The LAA included all targets from our LPSA2, which ran from April 2005 to March 2008. The report focused on performance and financial outturn information against Partnership outcomes in the third quarter of 2007/08 – 1 October to 31 December 2007. The supporting information tables showed a summary of performance for each Derby City Partnership 'City' as well as a more detailed view of both performance and funding information under their related city and then portfolio. These could found on CMIS.

Of the 166 LAA indicators, 71 were due to be reported in quarter three and 64% were green, denoting that they were on course to meet or exceed the quarterly target and 33% were red, meaning they are 5% adverse to the quarterly target. A separate quarterly monitoring report was included on the agenda reporting progress against the Council's Corporate Plan and other performance measures not included in the Local Area Agreement.

Decision

1. To note the performance of the LAA indicators against the 2007/08 quarter three targets including the Local Public Service Agreement quarterly targets.
2. To give particular attention to those areas where performance was below target, particularly those that were red - more than 5% adverse to quarter three targets.

195/07 Corporate Assessment and Joint Area Review of Children and Young People's Services

The Council Cabinet considered a report on Corporate Assessment and Joint Area Review of Children and Young People's Services. The report indicated that during September and October 2007 a Corporate Assessment – CA - of the Council and a Joint Area Review - JAR - of children's services in Derby City were conducted. The Corporate Assessment Team comprised of Audit Commission inspectors as well as a Peer Member and a Peer Officer. The Joint Area Review Team comprised representatives from OfSTED, the Healthcare Commission, and the Audit Commission.

The CA Team assessed the Council against four corporate themes of ambition, prioritisation, capacity and performance management as well as achievement in four areas – sustainable communities and transport, safer and stronger communities, healthier communities and older people. The fifth achievement area – children and young people – was assessed as part of the Joint Area Review

The JAR inspection team assessed the contribution of local services to securing good outcomes for children and young people. The inspection findings were also informed by the outcome of the Annual Performance Assessment - APA of Children's Services

Decision

1. To note the positive outcome of the Corporate Assessment of the Council.
2. To note the positive outcomes and judgements of the 2007 Joint Area Review of Children and Young People's Services particularly on quality of services provided to children, young people and their families by the Council, other statutory agencies and wider partnership.
3. To note that areas for improvement identified in the Corporate Assessment would be addressed as part of the Transforming Derby programme.
4. Recommendations from the JAR inspection report would be addressed in plans for 2008/09 and beyond, particularly in the new Children and Young People's Plan for 2008-2011
5. That the Leader, Councillor Williamson, on behalf of the Council's Cabinet, would write to each of the Council's Directors to place on record its thanks to all staff from across the Council for the excellent work undertaken in ensuring the positive outcomes of the Corporate Assessment and Joint Area Review.

196/07 Exclusion of Press and Public

To consider a resolution to exclude the press and public during consideration of the following item:

“that under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting during discussion of the following items on the grounds that they involved the likely disclosure of exempt information as defined in paragraphs 3 and 5 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

197/07 Derby Homes New Build

To consider exempt information in relation to Derby Homes New Build.

198/07 Castleward – Cityscape Property Acquisitions

To consider exempt information in relation to Castleward – Cityscape property acquisitions.

MINUTES END