

Time began: 6.00pm
Time ended: 6.45pm

COUNCIL CABINET

14 February 2018

Present	Councillor Banwait (Chair) Councillors Afzal, Bolton, Hussain, Raju, Rawson, Repton, Russell and Shanker
In attendance	Councillors Care, M Holmes and Skelton Christine Durrant – Strategic Director Communities and Place Andy Smith – Strategic Director of People Don McLure – Interim Strategic Director of Resources Olu Idowu – Deputy Monitoring Officer Heather Greenan – Head of Performance and Intelligence Emma Dann – Principal Regeneration Officer Joanna Rees – Senior Valuer David Gartside – Acting Director – Strategic Partnership, Planning and Streetpride Ruth Sadler – Communications Officer Catherine Williams – Head of Service - Regeneration

This record of decisions was published on 16 February 2018. 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.

109/17 Apologies

There were no apologies for absence.

110/17 Late Items

There were no late items. The Chair reported that two addendums to the Contract and Financial Procedure Matters report would be considered.

111/17 Receipt of Petitions

There were no petitions received.

112/17 Identification of Urgent Items to which Call In will not Apply

There were no items.

113/17 Declarations of Interest

There were no declarations on interest.

114/17 Minutes of the Meeting Held on 17 January 2018

The minutes of the meeting held on 17 January 2018 were agreed as a correct record and signed by the Chair.

Matters Referred

115/17 Recommendations from the Executive Scrutiny Board

The Council Cabinet considered a report on Recommendations from the Executive Scrutiny Board. The Executive Scrutiny 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

116/17 Determined School Admission Arrangements for Derby City Maintained and Voluntary Controlled Schools 2019 – 20-20

The Council Cabinet considered a report which stated that the Council was the Admissions Authority for all maintained and voluntary controlled schools within Derby City, therefore must comply with the statutory duty to consult on any changes to its admission arrangements on behalf of those schools before they were determined and published in the year preceding admission.

The School Admissions Code 2014 required that consultation on admission arrangements for the academic year 2019-2020 must last for a minimum 6 weeks and must take place between 01 October 2017 and 31 January 2018. All admission arrangements must then be determined (set) by the statutory deadline date of 28 February 2018.

No objections or comments relating to the proposed admission arrangements had been received.

The proposal was for the admission arrangements for the 2019-2020 academic year set out in Appendix 2 of the report be considered and approved as the determined (set) admission arrangements by Council Cabinet.

The Executive Scrutiny Board requested that Council Cabinet seek further clarification from the Strategic Director of People Services on the admission arrangements relating to the High Court ruling on admission arrangements for summer-born children.

Options Considered

None

Decision

1. To approve the proposed admission arrangements for Community and Voluntary Controlled infant, junior, primary and secondary schools as set out in Appendix 2 of the report as the determined (set) admission arrangements for the 2019-2020 academic year.
2. To approve the published admission numbers as set out in Appendix 3 of the report.
3. To accept the recommendation from Executive Scrutiny Board to seek further clarification from the Strategic Director of People Services on the admission arrangements relating to the High Court ruling on admission arrangements for summer born children.

Reasons

To ensure that fairness, equity and transparency was retained and that Derby City was fully compliant with the mandatory requirements of the School Admissions Code 2014, School Admission Appeals Code 2012, relevant legislation and regulations.

117/17 East Midlands Regional Adoption Agency

The Council Cabinet considered a report which stated that the Government legislated to regionalise adoption services in the 2016 Education and Adoption Act and Derby had been part of an East Midlands Regional Adoption Agency Project Governance Board (PGB) to oversee the process.

On 21 June 2017, Council Cabinet endorsed the commencement of a D2N2 permanency team pilot from July 2017 in preparation for regionalisation and agreed to receive a report early 2018 with next steps for regionalisation and the implications for Derby's adoption services.

The report set out the plans for the development of a formal regional adoption agency (RAA) for Derby City Council, Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council by September 2018 and provided a progress report on the development of the regional adoption agency. The proposed development of the D2N2 regional adoption agency met the DfE requirements of a regional adoption agency.

The Executive Scrutiny Board requested that Council Cabinet note the Board's concerns and request that officers bring a report detailing the governance and

corporate parenting frameworks to a future meeting of the Board prior to sign off and implementation.

Options Considered

There was an option to not comply with the legislation and for Derby to choose not to move towards regionalisation. This was not in the best interests of children or adopters as regionalisation would bring benefits for Derby and there was the risk of Government sanctions in relation to financial claw back of the project funding already received by the region.

Decision

1. To agree in principle that a regional adoption agency for Derby, Derbyshire, Nottingham and Nottinghamshire councils operates a shared adoption service called D2N2 Regional Adoption Agency.
2. To agree to delegate the subsequent decision for the ensuing model and business case to the Strategic Director of People following consultation with Cabinet Member for Children and Young People and Safeguarding following consideration of a further report prepared by the strategic leads from each local authority.
3. To agree the decision on which local authority hosts the regional adoption agency on behalf of the other local authority partners be delegated to the Cabinet Member for Children and Young People and Safeguarding on the basis of a full evaluation of the offer from each local authority which expresses an interest in so doing.
4. To note that it was the intention that staff from each of the four local authorities who were in scope for the regional adoption service are seconded to the host local authority, subject to the nature of the final model of the D2N2 RAA.
5. To accept the recommendation of the Executive Scrutiny Board that Council Cabinet note the Board's concerns and request that officers bring a report detailing the governance and corporate parenting frameworks to a future meeting of the Board prior to sign off and implementation

Reasons

1. The D2N2 regional adoption agency was being developed within the wider partnership of the East Midlands regional adoption agency (EMRAA) project (which includes Lincolnshire, Leicestershire, Leicester and Rutland councils). Options for regional adoption arrangements were considered by the East Midlands regional adoption agency project governance board in December 2017. This was in the context of the preferred approach of each local authority following consultation with lead members and directors of children's services. The strategic leads of each local authority agreed that the preferred option was to develop a formal regional adoption agency for D2N2 and a regional

adoption 'arrangement' for Lincolnshire, Leicester, Leicestershire and Rutland councils.

2. Following consultation with lead members and Directors of Children's Services and a full options appraisal of the possible legal forms - a local authority shared service, a local authority trading company or a joint venture with voluntary adoption agencies - the EMRAA Project Governance Board recommends that the D2N2 RAA should be delivered as a shared service between the participating local authorities. Further details of the governance arrangements for the operation of shared service would be included in a future report.
3. The Project Governance Board, following consultation with lead members and directors of children's services, considered the two available options for the transfer of staff to the RAA, namely secondment or TUPE transfer of staff to the host local authority. The preferred option was the secondment of staff, ensuring that where possible partnership and contractual arrangements mitigate any risks associated with this option. It was not yet clear whether TUPE would apply to the D2N2 RAA model.

118/17 Council Tax Exemption for Care Leavers

The Council Cabinet considered a report which stated that the Council had statutory duties for care leavers under the Children Act 1989, the Leaving Care Act 2000 and the Care Leavers (England) Regulations 2010 until the age of 21 years (25 years where they were in higher education) to ensure that care leavers were provided with comprehensive personal support so that they achieved their potential as they make their transition to adulthood. The Children and Social Work Act 2017, to be implemented in April 2018, raises the statutory age to 25 years for continued support by the Council for all care leavers to be defined in a Local Offer.

Derby City Council has a high performing Leaving Care Service which was acknowledged through Ofsted's Single Improvement Framework inspection in 2017 and rated this service as good. Within existing statutory responsibilities, the pledge to Care Leavers and as a good corporate parent, Care Leavers were supported into accommodation, employment and training and provided with a wide range of support.

However, a number of Care Leavers reaching 18 years were exposed to significant financial obligations that when reliant on benefits or in receipt of a low income, could cause levels of stress and hardship that impact and affect their transition from care and long term outcomes.

Care Leavers who entered apprenticeship or entry level employment did not receive a salary commensurate with the costs of living. This was further affected by the impact engaging in work and apprenticeship training could have on them financially in that they were then exposed to rent and Council Tax payments.

The Executive Scrutiny Board requested that Council Cabinet seek assurances from the Strategic Director of People Services that the exception will not have an adverse impact on individuals in relation to future benefit claims. The Strategic Director of

People Services confirmed that there were no implications for individuals in relation to future benefit claims.

Options Considered

1. A smaller contribution to Council Tax. This would be difficult to manage and not considered to be viable.
2. No change to current arrangements. This could potentially impact on our ability to retain the Ofsted Rating of 'Good'

Decision

1. To agree Council Tax exemption for all Former Relevant Care Leavers up to the age of 25 years as part of the 'local offer' to Care Leavers and pledge as their Corporate Parent.
2. To agree Relevant Care Leavers who live in the Derby City Council Boundary would be administered as a 100% Council Tax Discount.
3. To agree Relevant Care Leavers who live outside the Council Boundary their Council Tax would be paid up until the age of 25 upon presentation of a Council Tax Bill.
4. To accept the recommendation from the Executive Scrutiny Board that Council Cabinet note the Board's concerns and request that officers bring a report detailing the governance and corporate parenting frameworks to a future meeting of the Board prior to sign off and implementation.

Reasons

1. The Children and Social Work Act 2017 would reshape the regulation around the support offer required for Care Leavers from April 2018. Council Tax exemption will enhance existing provision, making the Leaving Care Offer in Derby one of the strongest in the Country and assist in building upon the existing 'good' rating.
2. To ensure that Care Leavers were provided with the necessary financial support that would facilitate and sustain positive outcomes and the best possible transition into independent adulthood.

119/17 Adult Social Care Fees and Charges

The Council Cabinet considered a report which stated that engagement and consultation with independent sector care home and home care providers operating under the Council's standard (rather than specialist) terms and conditions had been undertaken in recent months with the aim of informing the Council's decision-making about setting 2018/19 standard fees. The report summarised the reported cost pressures and the consultation feedback from providers. This included the impact of

on-going changes to the National Living Wage since April 2017. The report set out details of the funding model itself and the proposed rates for 2018/19.

The report also set out the proposed charges for Council-provided residential and community care services for 2018/19, which was the annual review set out in the Council's Adult Social Care Charging Policy.

The proposed Council Budget for 2018/19 included inflationary increases of 3.0% for income arising from Residential and Nursing placements, 3.0% for income arising from Homecare services and 3.0% for income arising from all other Adult Social Care fees and charges. It must be noted that the full cost of these services was only paid by around a fifth of customers, the majority are means tested. The report set out the proposed charges for 2018/19 after applying these increases for the Council's own care services.

A review of the Shared Lives service was underway which would consider potential changes to the charging structure for the service. The outcome of that review would be reported separately.

A review of the Carelink service was underway which would consider potential changes to the charging structure for the service. The outcome of that review would also be reported separately.

The Executive Scrutiny Board noted the report.

Options Considered

1. The Council could determine not to award any inflationary increase to the fees it pays for in-house and independent sector care. This was not being recommended as having a sustainable and viable social care market was vital to ensuring that the Council could discharge its statutory duties in relation to vulnerable adults.
2. The Council could decide not to increase the charges it levies for in-house and independent sector care. This was not being recommended as it would create an unmanageable pressure in the adult social care budget.
3. The Council could decide not to exercise the powers granted in the Care Act 2014 to levy administrative charges for certain activities. This was not being recommended as it would create an unmanageable pressure in the adult social care budget.

Decision

1. To approve a 3.8% fee increase for independent sector standard residential care, dementia residential and nursing care weekly fee rates (net of the Registered Nursing Care contribution) from April 2018.
2. To approve a 3.8% fee increase for standard independent sector homecare services from April 2018.

3. To approve from April 2018 an hourly rate of £10.18 For Sleep In's to cover the rulings that at least minimum wages should be paid to workers.
4. To approve an increase to the charging rates for all other services of 3.0%, in line with the increase in income for Adult Social Care included in the proposed 2018/19 Council budget.
5. To approve that all the new rates would apply from 09 April 2018 (in line with the date of the rise in state benefits for 2018).

Reasons

1. The Council's fee rate model for residential care homes and home care, as set out in Appendices 4 and 5 of the report, built on the methodology previously used by the Council. General information and consultation feedback from independent sector care providers had been focused on specific inflationary and cost pressures affecting their businesses.
2. Maintaining the directorate's income was crucial to the management of the overall budget for the Council.
3. The proposed start date aligns with the date that the Department of Work and Pensions (DWP) benefit rates change.

120/17 Development of High Quality Office Complex (Bold Lane)

The Council Cabinet considered a report which sought approval to progress the Business Case for a direct development by the Council of high quality, commercially-let offices at 6 Bold Lane. The development would be income generating and over-time self-sustaining.

The project would create quality workspace for growing businesses, addressing the market failure in the supply of larger, high quality office units in the City Centre. The development of this site would reinforce the Sadler Square area as a prime office location, bringing back into use a brownfield site and supporting the wider regeneration of the area. The overall purpose of the project was to support the much needed development of the office market in the city centre.

The development represented a new approach by the Council in the direct development and commercial operation of a large office building (net lettable area - 27,000 sq ft). The office development would cost £6.388m and required Council investment through service financed borrowing and support from the Regeneration Fund.

It was proposed to progress the project through detailed design, development of a planning application, procurement and appointment of a contractor and construction of the building.

The report detailed the findings of the feasibility work, the rationale for progressing the preferred option and sought Council Cabinet approval to deliver a high quality commercial development on Council-owned land at Bold Lane.

The Executive Scrutiny Board made no recommendations to Council Cabinet but requested that future business cases for this type of project include the likelihood and impact of risks as part of the risk register.

Options Considered

1. *Site development options*

Three development options for the site had been assessed, further detail on the options, costs and net office area were contained in the Business Plan – Project Description.

2. *Marketing and disposal of the land in the Council's ownership.*

This was not considered to be a serious option as it could lead to a development scheme which was unlikely to deliver high quality office accommodation and could negatively impact on Sadler Bridge Studios and the value of this asset.

3. *Secure a pre-let before progressing the project.*

While a pre-let would reduce the risk to the Council, this option could result in a major delay to the development of the site. There was a possibility that a pre-let could be secured while the project was being developed, marketing would commence once the project was approved and a planning permission is secured.

4. *Explore a joint venture approach with a private sector developer.*

The Feasibility and Options Assessment evidenced market failure, however recent market soundings had indicated there may be an alternative delivery route through a partnership arrangement with a private developer. This option required further, more detailed investigation to consider the impact on the risk profile – this option could have the potential to mitigate the delivery risk to the Council. The delivery model would only be pursued if it would deliver the same or more positive NPV with reduced risk to the Council

5. *Bring forward a mixed use development;*

The implementation of a mixed use development had been pursued previously by Cityscape and Blueprint, the schemes had not been viable due to market failure.

Decision

1. To approve the development of high quality, commercially-let office accommodation on the Council-owned Bold Lane site, in line with the

recommendations of the Development Options Assessment (see the Bold Lane Business Case at Appendix 2 of the report).

2. To agree for officers to explore all delivery options for the project, including potential partnership arrangements with a private sector developer and to delegate authority to the Strategic Director for Communities and Place and Director of Finance, following consultation with the Cabinet Member for Regeneration and Economy to pursue the delivery mechanism that proves most advantageous for the Council.
3. To delegate authority to the Strategic Director for Communities and Place following consultation with the Director of Finance, Cabinet Member for Governance and Finance and the Cabinet Member for Regeneration & the Economy to progress all actions necessary to progress and complete this project, including: procurement of a design team, submission of a planning application and entering into demolition and construction contracts changes to future management arrangements for the building and the granting of lease and other occupation agreements.
4. To approve the addition of the Bold Lane scheme to the Regeneration Capital Programme in line with the following profile; 2018/19 - £654,000, 2019/20 - £5.711m and 2020/21 - £23,000.
5. To recommend to Council the inclusion of £5.734m of service-financed borrowing to support the capital cost of the project on the Regeneration Capital Programme, in line with the financial profile and funding proposals set out in Appendix 1 of the report.
6. To approve an allocation of £654,000 from the Regeneration Fund to progress the scheme, the Regeneration Fund Sub-Programme Board agreed this allocation on 6 November 2017.
7. To approve a loan from the Regeneration Fund of up to £555,000 to meet the Corporate Borrowing and void revenue costs to Year 3, the Regeneration Fund Sub-Programme Board agreed this allocation on 6 November 2017.
8. To note and accept the risks and mitigation measures in place to deliver the project.
9. To approve the management of the building by the Council's Connect Derby Team.
10. To approve the submission of relevant external funding bids where appropriate to support the delivery of the Bold Lane scheme.
11. To note the recommendation of the Executive Scrutiny Board that future business cases for this type of project include the likelihood and impact of risks as part of the risk register.

Reasons

1. To enable the delivery of a high quality office development and stimulate the office market within the city centre. Taking forward this development would support the delivery of the City Centre Masterplan 2030 objectives.
2. Based on the outcome of the feasibility work, the preferred option required the lowest initial investment by the Council and would achieve highest return on investment.
3. The preferred delivery model was a direct development by the Council, as set out in the report, however recent market soundings had indicated there may be an alternative delivery route through a partnership arrangement with a private developer. This option required further, more detailed investigation to consider the impact on the risk profile – this option could have the potential to mitigate the delivery risk to the Council. The alternative delivery model would only be pursued if it would deliver the same or more positive NPV with reduced risk to the Council.

121/17 Social Impact Bonds for Children in Care and on the Edge of Care

The Council Cabinet considered a report which stated that the Local Authority was exploring the use of Social Impact Bonds (SIBs) to support children and young people on the edge of care or in care.

Quality and type of care provision had a significant impact on a child/young person's life, and care provision was an area of high cost for the Local Authority, with growing complexity of need and national shortages of provision.

Social Impact Bonds were an alternative form of social investment, increasingly used to fund service improvements, involving local authorities, investors and providers. Payments were made based on outcomes being met, rather than traditional methods of service funding. They also brought additional investment into a local area as a means to invest into interventions which would not normally be affordable.

SIBs had been used in Social Care by a number of Local Authorities to fund impact based models, for example, Essex, Manchester and Birmingham. There were benefits to Derby considering entering into a joint social investment approach with Nottingham City Council and Nottinghamshire County Council.

By working with other funding sources and other Local Authority partners, this would bring interventions into Derby which would be more difficult otherwise. Other benefits included risk sharing and enabling better value for money, as outlined in the report.

Whilst it was recognised there were benefits with the SIB model, as this was a relatively new and innovative approach, there were potential risks as outlined in the report. These would be further considered during the procurement and engagement process.

A major pressure on the People's Directorate budgets related to high-cost external placements. The Social Impact Bond was part of our strategy to find placement interventions which improved outcomes and that were better value for money. As such it was part of our work in relation to the Council's Medium Term Financial Plan (MTFP).

The report requested initial approval to proceed with a joint procurement between Derby City Council, Nottingham City Council and Nottinghamshire County Council, to consider the scoping and development of a Social Impact Bond to support Children in Care and on the Edge of Care.

During the procurement process, regular update reports would be provided to the Cabinet Member for Safeguarding and Children and Young People, and a full report would be presented to Council Cabinet for consideration at the end of the procurement process. These progress reports would outline potential risks and benefits as these become clearer during the procurement process, which was likely to be in summer 2018.

The Executive Scrutiny Board requested that the report due to be submitted to Council Cabinet in Summer to approve the award of the contract includes some case studies to enable better understanding of the service delivery model prior to approval.

Options Considered

1. Remove Derby from the joint initiative. The opportunities to further explore positive outcomes would not be achieved. This would also impact on the other Local Authorities.
2. Submit a Derby City-only bid. This was not undertaken due to the significant benefits of risk sharing and economies of scale.

Decision

1. To approve proceeding with the development of a final social investment proposal to the Life Chances Fund.
2. To approve entering into a tri-partite agreement with Nottingham City Council and Nottinghamshire County Council to govern the inter-authority arrangements in respect of the proposals set out in the report.
3. To approve being party to a procurement with Nottingham City Council and Nottinghamshire County Council (lead) to secure an investor(s) and/or provider(s) to deliver services/outcomes for children and young people in line with the requirements of the Life Chances Fund.
4. To note a further detailed report would be presented to Council Cabinet to consider approval for Derby City Council to establish a Social Impact Bond with Nottingham City Council and Nottinghamshire County Council.

5. To accept the recommendation of the Executive Scrutiny Board that the report due to be submitted to Council Cabinet in Summer to approve the award of the contract includes some case studies to enable better understanding of the service delivery model prior to approval.

Reasons

1. The initiative facilitates improved outcomes for children on the edge of care, or in care, which were some of our most vulnerable and challenging young people.
2. The initiative uses outcome based commissioning which incentivises better value for money by focussing on positive outcomes, and joint commissioning which intends to reduce individual local authority risk and provides benefits through economies of scale.
3. Reducing costs for children in care are a priority for the Local Authority, with external care costs for children exceeding £12m per annum.
4. Local Authority costs should be reduced by:
 - payments only being made when outcomes were met, which were focussed on care which was at a lower cost but continued to provide a positive outcome; and
 - a contribution of 25% of the outcome payment stream being secured from the Life Chances Fund.
5. A further report would be provided to Council Cabinet for consideration requesting final approval to proceed prior to contract award, expected in summer 2018.

122/17 The Payment of Annual Grant to Derbyshire Wildlife Trust for the Management of Land called Derwent Meadows at Derby Commercial Park, Raynesway, Derby

The Council Cabinet considered a report which stated that in 2007, Derby City Council granted planning consent for a large commercial development that was now known as 'Derby Commercial Park'. One of the conditions of the planning approval was for the developer to gift to the Council (by way of a 99 year lease) circa.60 acres

of land adjacent to the River Derwent (referred to as Derwent Meadows) and for this land to be managed by the Council as a nature reserve. The lease to facilitate this has not yet been granted.

The developer was to pay to the Council for the term of the 99 year lease an annual sum to fund the management of Derwent Meadows and this sum was linked to the amount of space on the development which was occupied. However for the first ten years of the lease (2018 to 2028) the developer was obliged to pay a minimum sum of circa £147,000 pa (subject to annual RPI changes).

Derbyshire Wildlife Trust (DWT) had been involved with the Derwent Meadows site for a number of years. They had helped to write the framework plan for the future management of the land and were currently advising the Council on the current and future management of the land.

DWT had expressed an interest in managing Derwent Meadows on the Council's behalf. The report therefore sought approval to use the developer's contributions to award a grant to DWT to fund the management of the Derwent Meadows site for the first ten years of the lease.

Options Considered

The Council could manage the land using its own resource in house, but it was considered that DWT had the particular skills, knowledge, equipment and experience to manage this land, and to engage with the local community and to use the land as an educational facility for school children in the locality.

DWT would ensure that this site was a stepping stone in a wider habitat landscape to ensure that the wildlife was resilient to floods and drought or other events and challenges. DWT had invested much time over the last two years in advising the Council throughout the negotiations with the developer.

Also, the Council were reluctant to take on liability for a large area of land which had a history of antisocial behaviour, whereas DWT were adequately resourced to ensure the effective management of this.

The Executive Scrutiny Board noted the report.

Decision

1. To approve the Council in making a grant award to DWT each year for the period of 2018 to 2028. This grant to be less than or equal to the annual sum received by the Council from the developer for the management of Derwent Meadows under the s106 Agreement arrangements.
2. To give effect to 1 above, that the Council enter into a ten year grant funding agreement (and all necessary associated documentation) with DWT for the management of the Derwent Meadows Nature Reserve.

3. To note that the Council would grant a lease of the Derwent Meadows site to DWT, such lease to be co-terminus with the grant agreement referred to in 2 above.
4. To note that a further Report would be brought to Council Cabinet in the financial year 2027/8, to seek approval to the future financial and management arrangements for the Derwent Meadows Nature Reserve.

Reasons

1. To ensure that the land was maintained and managed effectively, the Council wished to outsource the contractual obligation under the s.106 Agreement. DWT had expressed an interest in managing this land at no cost to the Council.
2. DWT were the Council's partners and advisors on matters associated with wildlife conservation and land held for nature conservation. They had been involved in this site for many years and had helped to write the framework plan for its future management. They had spent several years preparing to take over the management of the land.
3. There had been on-going problems with antisocial behaviour on the land, including travellers, children lighting fires and the theft of stock fencing. This proposal ensured that the liability for management of land would be transferred to DWT – they had the resource to monitor and manage the land including dealing with such antisocial behaviour in an effective and timely manner.
4. The habitat was wetland/grassland and woodland which were priority habitats under the Habitat Directive. It required specific and particular management to ensure that it mitigates for the impact of the adjacent commercial warehouse development. The wildlife at the site must be monitored (and if necessary the management adjusted from time to time) to ensure that the objectives of the mitigation were met.

Budget and Policy Framework

123/17 Budget Outturn Quarter 3 – 2017-18

The Council Cabinet considered a report which summarised the Council's overall financial position at the end of December 2017 against the budget approved by Council on 15 February 2017 as follows:

- **Revenue budget:** The full year forecast projects a balanced position (a minor underspend of £4,000) against approved budget of £214.978m outlined in this

report. Action plans, developed by relevant Departmental Management Teams (DMTs) to manage cost pressures, continue to manage overspends and ensure budgets are met.

- **Capital budget:** Capital expenditure to date is £38.503m. The year end forecast was estimated at £73.0m, reflecting known project slippage and the impact of the deferred waste project investment into 2018/19. The total original approved capital budget was £104.935m.
- **Reserves:** the General Reserve balance remained at £8.764m.
- **Treasury:** At the end of December 2017, total debt was £461.475m and total investments were £84.226m and no new borrowings had been made in the year.
- **Dedicated Schools Grant (DSG):** The total grant of £215.188m had been allocated to schools and retained educational services, the centrally retained element was expected to be fully spent by the end of the year.
- **Collection Fund:** Council Tax billed for the 2017/18 was just over £106m, of which £86m, 81% had been collected. Business Rates billed for the 2017/18 was £92m of which £75.9m, 83% had been collected.
- **Housing Revenue Account (HRA):** The forecast projected a pressure of £1.4m against approved budget, to achieve a surplus of £2.138m.

Further analysis and explanations of key variances were provided in sections 4 to 11 of the report.

Included in the revenue forecast were planned savings of £9.974m, 71% of the £14.016m savings target set by Council. A summary of the net revenue cost by directorate was set out in the report.

The Executive Scrutiny Board made no recommendations to Council Cabinet but requested that further thought is given to how progress against items in the Capital Programme can be better demonstrated.

Decision

1. To note:

- the revenue projected outturn and key budget variances set out in the report in section 4 and the savings to be delivered in the year in section 5.
- the capital programme forecast and actual capital expenditure incurred during the quarter summarised in section 6 of the report.
- the reserves position, as set out in section 7 and appendix 4 of the report.
- the Council's treasury position, and performance in the quarter, section 8 of the report.

- the forecast DSG position summarised in section 9 of the report.
 - the Council Tax and Business Rates Performance as set out in section 10 of the report.
 - the HRA Performance as set out in section 11 of the report.
 - the changes already approved under scheme of delegation to the capital programme detailed in Appendix 2 of the report.
2. To approve the following:
- the changes and additions required to the 2017/18 capital programme as detailed in Appendix 3 of the report; together with corresponding amendments to 2018/19 – 2019/20 capital programme totalling £12.431m and £5.144m respectively. This included the addition of £75,000 for the Occupational Health IT software in 2018/19 detailed in Paragraph 6.15 of the report.
 - to approve the housing benefit write off of £64,034 outlined in section 10, with details at Appendix 5 of the report.
 - to approve the historic business rates write-off of £250,430 outlined in section 10, with details at Appendix 5 of the report.
3. To note that the Executive Scrutiny Board made no recommendations to Council Cabinet but resolved to request that further thought is given to how progress against items in the Capital Programme can be better demonstrated.

Performance

124/17 Performance Monitoring 2017/18 – Future of Derby Pledges December 2017 and Quarter Three Results

The Council Cabinet considered a report which summarised progress made towards the Future of Derby 50 Pledges (Council Delivery Plan) and included highlights from key performance measures included in the Council Scorecard.

As at December 2017, 11 Pledges were completed, 35 Pledges were 'on track' and 4 Pledges were showing minor slippage. Quarter three updates for Cabinet Member Pledges were shown in Appendix 2 of the report.

At the end of quarter three (up to 31 December 2017), 64% of performance measures in the Council Scorecard were forecast to meet or exceed their year end target. Results were assessed using traffic light criteria, according to their performance against improvement targets. A dashboard which summarised performance for the Council Scorecard was shown in Appendix 3 of the report.

Achievements noted at quarter three included...

- Ram Energy became operational in October; there had been a very positive response from the public, with almost 1,000 meters switching supply to Ram Energy.

- We had carried out 678 intermediate care assessments so far this year reflecting investment in the Home First service. By supporting people out of hospital and into their own home or intermediate care as quickly as possible, we were making a critical contribution at a period of intense pressure for the NHS.
- We supported the Derby Museums Trust in their successful bid for £3.7m of Local Growth Fund funding to create the Museum of Making at Derby Silk Mill.
- 109 businesses had been supported so far this year by Derby City Council through providing access to finance, advice and indirect support.
- A total of 293 older people participated in the programme to reduce falls this quarter, with a total of 400 forecasted to take part by the end of March 2018.
- 29 new affordable homes were provided this quarter, 74 were expected to be provided by the end of March 2018.
- Improved adoption timeliness with over 60% of children and young people waiting less than 16 months between entering care and moving in with their adoptive family.
- An unqualified audit opinion was issued for 2016/17 Statement of Accounts in December 2017.

The Executive Scrutiny Board made no recommendation to Council Cabinet, however the Board requested that as part of the next year's target setting they would like to see a report presenting previous and future targets (in colour) together for comparison.

Decision

1. To note the 2017/18 quarter three performance results and the December progress report on the Cabinet Member Pledges.
2. To note the indicators highlighted in the Improvement Report at Appendix 4 of the report.
3. To note that Executive Scrutiny Board review performance on a regular basis and may select indicators for Performance Surgery on the basis of this report.
4. To note that the Executive Scrutiny Board made no recommendation to Council Cabinet, however the Board requested that as part of the next year's target setting they would like to see a report presenting previous and future targets (in colour) together for comparison.

Contract and Financial Procedure Matters

125/17 Contract and Financial Procedure Matters

The Council Cabinet considered a report and two addendum reports which dealt with the following items which required reporting to and approval by Council Cabinet under the Contract and Financial Procedure rules.

- Procuring a contract – Kingsmead School
- Secondment with the Department of Health

- Procurement of services - Edge of Care services
- Creation of a two year framework - Early Years Services
- Bid for external funding – European Regional Development Fund - ERDF
- Carry forward of Community and Devolved budget underspends – Neighbourhood Boards
- Use of cultural sustainability reserve for cultural partners
- Grant Payment – Redefine
- Waiver of Contract Procedure Rules – Parksafes.
- Libraries Strategic Review: Funding to support Community Managed Libraries
- Approval to receive external funding
- Acceptance of the funding to be delegated to the Strategic Director of Communities and Place following consultation with the Strategic Director of Corporate Resources

The Executive Scrutiny Board made no recommendations on this item.

Decision

1. To approve the procurement and award of a contract capped at no more than £6.650m for a Dynamic Purchasing System for Alternative Education provision by Kingsmead School, as detailed in Section 4 of the report.
2. To approve the secondment agreement for the cumulative amount of £81,000, as detailed in Section 4.7 of the report.
3. To approve delegated responsibility to the Strategic Director of People Services, following consultation with the Cabinet Member for Safeguarding and Children and Young People and the Interim Strategic Director of Corporate Resources to award the contract for edge of care services/additional early help, to the successful bidder, as outlined in paragraph 4.9 of the report.
4. To approve the creation of the two year framework for the provision of Early Years Services, with possibility to extend a further 1 year as outlined in paragraph 4.11 of the report.
5. To approve a bid for ERDF funding as outlined in paragraph 4.14 of the report.
6. To approve delegated responsibility to the Strategic Director of Communities of Place, following consultation with the Cabinet Member for Regeneration and Economy and the Interim Strategic Director of Corporate Resources for final submission of the ERDF bid as outlined in paragraph 4.14 of the report.
7. To approve the carry forward of any unspent Community and Devolved budgets, from 2017/18 to 2018/19 as outlined in paragraph 4.17 of the report.
8. To approve the use of the Cultural Sustainability reserve and allocations to cultural partners for the period 2018/2022 as outlined in paragraph 4.20 of the report.

9. To approve the award of a grant up to £160,000 to Redefine, to complete works on Albion Street as outlined in paragraph 4.24 of the report.
10. To approve the waiver of Contract Procedure Rules to enable the existing contract with Parksafes Systems Ltd, for the operation and management of Bold Lane car park, to be extended until end September 2022, as outlined in paragraph 4.27 of the report.
11. To authorise the addition of the £90k Pump Priming Fund to the CML grant pot from the budget risk reserve.
12. To authorise the addition of the £24,750 from the Delivering Differently “LIDO budget allocation” to the CML grant pot.
13. To agree that both sums, once combined within the CML grant pot, may be bid for annually during the four year period up to March 2022.
14. To delegate to the Strategic Director of Communities and Place, following consultation with the Cabinet Member for Leisure, Culture and Tourism, authority to approve the allocation of the sums thus added to the CML grant pot.
15. To approve the receipt from the Joint Air Quality Unit (JAQU) of funding of £1,500,000 in 2017-18 and £798,330 in 2018-19 for the Clean Bus Technology Fund 2017-19.
16. To delegate approval to the Strategic Director of Communities and Place, following consultation with the Corporate Director of Strategic Resources to accept the allocation of funding, subject to acceptable grant conditions and to add the delivery of the administration of the project to the Highways and Transport work programme.

126/17 Exclusion of the 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 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 Decisions

127/17 Development of High Quality Office Complex (Bold Lane)

The Council Cabinet considered exempt information in relation to the development of high quality office complex (Bold Lane).

128/17 Review of the Council's Insurance Strategy

The Council Cabinet considered a report which proposed changes to the Council's approach to insurance which, up to now, had been based on passing the risk to the insurers by opting for low excess levels and paying higher annual premiums. This was expensive and, on analysis of the Council's claims data, there would better value for money by increasing excesses. This change in approach would require the Council to build its insurance fund so that it could tolerate the increased risk.

It was also proposed that the Council begins the process for seeking delegated claims handling authority from the insurer (i.e. so that the Council could handle its own claims relating to Employers Liability (EL), Public Liability (PL) and Motor claims up to the proposed increased excess levels). The purpose of in-house claims handling was to achieve better value for money on payouts, improve risk management and make further year on year cost savings.

The Executive Scrutiny Board made no recommendations on this item.

Options Considered

These were set out in paragraphs 5.1 to 5.2 of the report.

Decision

1. To approve increasing excesses in line with the recommendations in the table at appendix 2 of the report.
2. To approve the transfer of the current asbestos insurance reserve to an earmarked general insurance reserve.
3. To approve increasing the total insurance fund (i.e. made up of the earmarked general insurance reserve, referred to at 2 above, and any provision for 2018/19) to a value of circa £3m, to be funded by the budget risk reserve.
4. To approve the principle of increasing departmental excesses, and to give instructions for further development of the proposal by officers.
5. To approve bringing in-house within the shortest possible timeframe, claims handling for all EL/PL and Motor claims that fall below the new excess value.

Reasons

These were set out in paragraphs 3.1 to 3.4 of the report.

MINUTES END