

Time began: 6.00pm

Time ended: 7.25pm

**COUNCIL CABINET
11 November 2015**

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

In attendance Councillors Graves, Hickson and Jones and Philip Hutchinson
 (Youth Mayor)

84/15 Apologies

There were no apologies.

85/15 Late Items

In accordance with Section 100(B) (4) of the Local Government Act 1972, the Chair agreed to admit the following late item on the grounds that they should be considered as a matter of urgency because a decision was required before the next meeting:

- East Midlands Devolution Agreement
- Additional information in relation to minute 93/15 – A52 Wyvern Transport Improvements Land Acquisition

86/15 Receipt of Petitions

There were no petitions received.

**87/15 Identification of Urgent Items to which Call In will not
 Apply**

There were no items.

88/15 Declarations of Interest

Councillor Rawson declared that he was a governor at Da Vinci School.

89/15 Minutes of the meetings held on 7 October 2015

The minutes of the meetings held on 7 October 2015 were agreed as a correct record and signed by the Chair.

Matters Referred

90/15 Recommendations from Corporate Scrutiny and Governance Board

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

Decision

To receive the report and accept all the recommendations from the Corporate Scrutiny and Governance Board.

Key Decisions

91/15 Service Delivery Model for the Council's Care Homes and Day Centres

The Council Cabinet considered a report on Service Delivery Model for the Council's Care Homes and Day Centres. The report provided a summary of the proposed approach to Adults Health and Housing's in house residential care services, and the remaining day centres. The report followed on from the launch of the "Big Conversation" whereby the Council was seeking views and ideas to help it to achieve a sustainable Council budget from 2016/17 onwards.

The in house residential and day care services had been previously highlighted as an area of service for which there were alternative delivery models. In addition, recent building condition surveys had been undertaken and the buildings required significant further investment to maintain them as fit for purpose facilities into the future. Given the financial pressures that the Council faces, the report set out an alternative service delivery model which provided service continuity for residents and reduced the pressure on the Council's budget in future years.

The Cabinet Member felt that this was a difficult but necessary step to ensure people could continue to live in their homes. The Council was seeking external investment into the care homes to protect their future and retain capacity in the market. Given the wider budget pressures on the Council's finances, direct investment by the Council would create further unsustainable financial pressures. However, the

Cabinet Member remained committed to the dual statutory obligations of meeting the care needs of local people whilst delivering a balanced budget, with significantly less resource.

The Corporate Scrutiny and Governance Board generally supported the decision to undertake the consultation exercise, however recommended that more comprehensive information and guidance be provided to potential care home administrators.

Options Considered

1. Do nothing – this option would see the Council continuing to run the care homes in their current condition. This was not considered viable as the homes needed significant investment to continue to be fit for purpose.
2. Close the homes and day centres – another alternative would be to close some or all of the homes and day centres therefore reduce the on-going revenue and capital costs of maintaining the buildings.

This option was not currently the preferred option. This was due to the level of disruption to residents and capacity within the existing market for residential care to absorb current and future demand for residential care places. This would mean some people may have to be placed out of the area away from family.

The day service market may be able to absorb current service users and through the use of direct payments this may well be an option that proves popular during the consultation.

Decision

1. To approve the commencement of a consultation exercise which seeks to gain feedback on an alternative service model for Council owned care homes and day services.
2. To accept the recommendation of the Corporate Scrutiny and Governance that more comprehensive information and guidance be provided to potential care home administrators.

Reasons

1. The Council had invested funding and attracted external monies to develop higher quality care and support services across the city. Despite this, additional capital and revenue investment was still required to carry out works to the remaining in-house homes to keep pace with health and safety guidelines and major maintenance requirements. Recent surveys suggested this work would cost approximately £1m per home. Given the wider budget position of the Council, an alternative service delivery model was now being proposed to minimise any further financial commitments that the Council may have to make.

2. The consultation would be managed sensitively in recognition that the proposal had a significant potential impact on people who currently lived at, work at or visited Council run care services. All would be fully supported to give their views, and these would be taken into account before a decision was made.

92/15 Housing Strategy 2015 - 2019

The Council Cabinet considered a report on Housing Strategy 2015-19. The report set out the key elements of Derby's Housing Strategy 2015-2019. It focused on the vision and key priorities which formed the basis of the strategic approach to housing over the next four year period.

The new strategy was drafted in spring of this year. A consultation with service providers, members of the public, councillors and other council departments took place over the summer, following which a final draft was produced.

The strategy had been developed in an environment of shrinking resources and increasing demand for services. These pressures impacted on what could realistically be achieved in the years ahead. Nevertheless, the challenge remained to maximise the supply and quality of suitable homes across tenures, while also complementing broader corporate goals around regeneration, economic growth and health and well being. To reflect this, we had developed the following vision, which was:

To ensure Derby's residents had access to high quality, affordable homes and housing services which supported communities and improve quality of life.

A more detailed discussion of the strategic priorities and actions which would help deliver this vision was set out in section 4 of the report.

The Corporate Scrutiny and Governance Board recommended that a list of properties with disabled adaptations be compiled and managed to enable the Council to make better use of adaptations that had already been carried out and paid for and match these adapted properties to future suitable tenants where possible and that an extension of the Right to Buy scheme should be rigorously opposed to and challenged by Council Cabinet in order to ensure the maintenance of the city's scarce affordable housing stock.

Options Considered

1. There were no other alternative options.
2. The last strategy was written in 2009 and was now arguably out of date. The numerous changes in the economic, social and legal landscape since that time entailed a new strategy be adopted which was fit for purpose.

Decision

1. To adopt the Housing Strategy 2015-2019.
2. To accept the recommendations of the Corporate Scrutiny and Governance Board that a list of properties with disabled adaptations be compiled and managed to enable the Council to make better use of adaptations that had already been carried out and paid for and match these adapted properties to future suitable tenants where possible and that an extension of the Right to Buy scheme should be rigorously opposed to and challenged by Council Cabinet in order to ensure the maintenance of the city's scarce affordable housing stock.

Reasons

Having a coordinated strategy in place would contribute towards improving housing supply and quality. This in turn would support the broader corporate goals around health and well being, urban renewal and economic growth.

93/15 A52 Wyvern Transport Improvements Land Acquisition

The Council Cabinet considered a report on the A52 Wyvern Transport Improvements Land Acquisition.

The report sought approval to initiate compulsory purchase proceedings in relation to land interests required to facilitate the A52 Wyvern Transport Improvements scheme. This would affect freehold, leasehold interests and third party rights.

Council Cabinet, having previously approved the principle and general layout of the scheme, were advised, in June 2015, that further authority would be sought to start work on a Compulsory Purchase Order (CPO) when the requirements for third party land had been identified.

Council Cabinet was asked, given the significant benefits of the scheme to Pride Park, Wyvern and A52, to authorise the exercise of the City Council's powers of compulsory purchase to acquire the land necessary for the implementation of the scheme. The extent of land to be acquired was identified in Appendix 2 of the report. The area included the working area required during construction of the scheme.

The Corporate Scrutiny and Governance Board supported the recommendations in the report.

Options Considered

1. A feasibility study was carried out to look at a range of options to address congestion and improve access in the vicinity of the A52 and Wyvern junctions. Options reported to Council Cabinet in February 2014 included grade separated solutions, these options were sifted out because of

environmental impacts, cost and benefit levels and deliverability of the grade separated options made them unviable.

2. Modifications were made to the preferred feasibility sketch during the detailed design phase when the scheme was further improved to allow for potential cost savings and following discussions with landowners and developers. The modifications were agreed by Council Cabinet on 10 June 2015.

Decision

1. To authorise the making of a Compulsory Purchase Order (or Orders) under the Acquisition of Land Act 1981 (pursuant to powers under Section.239 Highways Act 1980) as necessary to acquire all the land identified in Appendix 2 of the report and associated interests for the purpose of carrying out the A52 Wyvern Transport Improvements Scheme.
2. To authorise the Acting Strategic Director of Communities and Place, following consultation with, as appropriate, the Director of Finance, Director of Governance and the Head of Strategic Asset Management and Estates to:
 - identify any additional Highway Act 1980 powers that should, for the purpose of the acquisition, be referred to in the Compulsory Purchase Order(s).
 - Identify where (if appropriate) rights over any parts of the Order land should be acquired rather than the full freehold interest.
 - make minor changes to the boundaries of the land identified in Appendix 2 of the report.
 - include within the Compulsory Purchase Order(s) any land already owned by the Council where appropriate to clear the title of other interests pursuant to section 260 of the Highways Act 1980.
 - take all necessary steps to secure the making, confirmation and implementation of the Compulsory Purchase Order(s).
 - acquire the legal interest in the land, whether by voluntary agreement or compulsorily using statutory powers set out in the preceding Highways Act 1980.
 - take all necessary action to deal with all matters relating to the payment of compensation and statutory interest including where necessary and/or appropriate, instituting or defending related proceedings.
 - enter into any appropriate indemnity agreements relating to third party funding for the scheme.
 - take all other necessary action to give effect to these recommendations.

Reasons

1. The A52 experiences severe congestion in the morning peak hour when traffic can queue back beyond the Borrowash Bypass junction and can impact on both the strategic and local highway network. Congestion occurs when a high volume of traffic exits the A52 into Pride Park and drivers weave across lanes when leaving the A52 and then slow to negotiate the constrained Wyvern junction. Without the improvements journeys on the A52 and to Pride Park and Wyvern would be significantly delayed by congestion, it was likely that some drivers would divert onto local distributor roads resulting in increased delays on local routes affecting local bus services.
2. The A52 scheme would improve existing conditions within Pride Park as well as accommodate some background traffic growth and facilitate a further extension to Pride Park and Wyvern. The scheme would improve accessibility for all highway users through the creation of shared use cycle and pedestrian routes, a replacement footbridge and crossings at all junctions. The scheme would improve vehicle flow and safety on the A52 and Wyvern Way through the creation of additional lanes and junction improvements.
3. In order to construct the scheme the Council needed to acquire privately owned land essential to accommodate the pedestrian and cycle improvements, additional highway capacity and safety improvements.

94/15 Consultation on Whether to Introduce a Policy on Parental Contributions Towards the Cost of Child Care Placements

The Council Cabinet considered a report on Consultation on Whether to Introduce a Policy on Parental Contributions Towards the Cost of Child Care Placements. The Children Act, 1989 permits Local Authorities to have parental contributions policies to reduce the cost to the public purse of caring for certain categories of looked after children. Many authorities have historically decided not to seek contributions from parents as they have been concerned that the cost of collecting them may be more than any contributions actually obtained. However, a small number do so and in this financial climate others were considering it.

Parents could not be expected to contribute for children subject to Interim Care Orders, Emergency Protection Orders and Police Protection Orders, disabled children having short breaks and children aged 16 and over. Neither could they be expected to contribute for children placed in a residential non-maintained school subject to a Statement of Special Educational Need nor children remanded to the care of the Local Authority. Local Authorities may ask for contributions for all other categories of looked after children including children subject to full Care Orders.

Parents could not be asked to contribute if they were receiving state benefits or were on a low income although low income was not defined. Authorities could make their own decisions about how means was tested but Local Authorities were expected to

levy charges which were fair and reasonable and the policy sets out a proposal for a means test which takes account of income and out goings.

There was a defined process which authorities had to follow to enable the lawful collection of contributions. This was set out in the draft policy.

Contributions could not exceed what the Local Authority would pay an in house foster carer to care for the particular child. This could include fees which were paid to carers in recognition of more challenging placements.

The vast majority of children in care had parents who were claiming state benefits and so would be completely unaffected by this policy. It was anticipated that less than 10 families would be affected by this policy at any one time.

Legal Services had advised that before adopting this policy, it needed to be subject to a consultation process and it was suggested that should take the form of writing to parents with children in care who may be affected by the policy. They also advised that, in accordance with corporate policy, an equality impact assessment of the proposal must be carried out, prior to a final Council Cabinet decision.

The process would accord with the corporate consultation policy i.e. 90 days/12 weeks. Parents would be offered the opportunity to respond to the process. We would set out for them in writing the basis for the introduction of the policy, the deadline for them to respond, and an explanation of what happened after the close of consultation etc.

The Corporate Scrutiny and Governance Board agreed with the principles of the scheme but recommended that a full cost benefit analysis of the scheme, including holding conversations with other local authorities on the success and costs of similar schemes already in place, be completed and considered prior to agreement and Implementation.

Options Considered

Do nothing – no revenue would be collected at all and the potential for the policy disincentivising some parents from abandoning their children would be lost.

Decision

1. To approve the public consultation process about the proposed parental contributions policy and the timetable set out in Appendix 2 of the report.
2. To approve the proposed means test as a way of calculating parental contribution in the proposal (Section 6 of the policy).
3. To request a final report, following consultation, setting out the final proposals for approval of a contribution scheme.
4. To accept the recommendation of the Corporate Scrutiny and Governance Board that a full cost benefit analysis of the scheme, including holding

conversations with other local authorities on the success and costs of similar schemes already in place, be completed and considered prior to agreement and Implementation.

Reasons

1. The cost to the authority of looking after children in the care system was increasing year on year and external placements was an on-going pressure on the budget. The parental contributions policy not only offered the opportunity of raising some revenue to off- set some of the cost of care but may also act as deterrent to some parents to abandon their children or request that the Local Authority cares for them.
2. The proposed means test seems to be fair and reasonable and easy to calculate. It was set out in Section 6 of the policy.
3. With regard to children on full Care Orders, the cost to the Council was significant because the majority of children in care were subject to those Orders and the law permits Local Authorities to levy parental contributions from their parents. Therefore that even though those children were often in the care of the Council without the consent of their parents, parental contributions should still be sought.

95/15 Children's Centre Offer and Reconfiguration

The Council Cabinet considered a report on Children's Centre Offer and Reconfiguration. As a result of the Government continuing to cut local government funding, the Council had to make substantial changes to its budget. The Council had already delivered £116m of savings between 2010 and 2015, with a further £50m to deliver between 2016 and 2019.

The report set out proposals to save in the region of £300K by re-configuring seventeen children's centres to ten. It was important to note that there was no intention in reducing the delivery of Children's Centre services and the city would still be able to ensure that the Children's Centre core offer was maintained. This would continue from a reduced number of main centres and using other community venues. The front line staff would continue in the Council's employment to ensure delivery to the most vulnerable children and their families.

The seven centres contained in the report had been identified because they were centres built in later phases of the children's centre programme, and were so in less deprived areas of the city than the ten centres it was proposed remain open. In addition, all of the seven centres were on or near schools sites, and it was proposed that schools take over the ownership, management responsibility and all running costs of the seven centres. There was appetite from head teachers in all seven areas to this proposal.

This proposal would result in the Children's Centre portfolio retaining responsibility for ten centres. It was recommended that the following children's centres be reconfigured:

- Mickleover/Littleover
- Chellaston
- Meadow Lane
- Oakwood
- Westend
- Babington
- Spondon

In order to progress the reconfiguration of these centres a full public consultation would be required as stated in the Children's Centre Statutory Guidance 2013. This was a lengthy process requiring a full-time project and would take in the region of nine months to complete.

The Corporate Scrutiny and Governance Board supported the recommendations in the report.

Options Considered

1. Retain all of the centres with a reduced offer of services or make no additional savings.
2. Offering the buildings out to other organisations to deliver services this may be a lengthy process and would be more of a challenge to ensure that services for under 5's could be delivered.

Decision

1. To agree to undertake a statutory consultation on the reconfiguration of Children's Centre services from seventeen to ten designated buildings.
2. To agree to the consultation considering how the current Children's Centre buildings could be used more effectively for services for families with under 5's with a focus on those centres on school sites.
3. To agree to the consultation considering the handover of ownership, running costs and management responsibility of seven Children's Centre buildings to the schools they are located with.

Reasons

The Children's Centre budget had already taken a 67% reduction over the past three years. This had included:

- A complete re-structure of the service from individual Children Centre teams into a locality model
- A reduction of opening hours in half of the centres across the localities
- The tendering out or closure of childcare delivered by the local authority in the Centres
- A reduction in evidence based parenting programmes delivered to families

- A reduction in the number of Parents Early Education partnership (PEEP) programmes delivered
- Maintenance of essential spend only for the last three years which had prohibited any new developments taking place.

The severe financial pressure the council was under meant that all options had to be explored to make further savings.

96/15 Corporate Safeguarding Responsibilities Update

The Council Cabinet considered a report on Corporate Safeguarding Responsibilities Update. In 2012 the Central Midlands Audit Partnership undertook an audit of safeguarding activity across the Council. They examined the implementation of the Council's Safeguarding Policy in relation to both children and adults, with reference to understanding and activity of Council employees, documents and processes.

In response to the audit, an action plan was signed off and the re-established Corporate Safeguarding Group had followed this through until completion in June 2014 – with the exception of three items which were pending the implementation of MiPeople and were now complete.

A revised Corporate Safeguarding policy and new work plan and terms of reference for the Corporate Safeguarding Group was proposed, these were attached at appendices 2, 3 and 5 to the report. The plan may need to be adapted to reflect activity currently taking place within the Council around safeguarding and corporate responsibility more widely.

The Corporate Scrutiny and Governance Board supported the recommendations in the report. The Board recommended that all Councillors should attend and complete both Adults and Children's Safeguarding training as a matter of urgency and that the names of Members who do not attend training sessions should be published.

Options Considered

None.

Decision

1. To agree the revised policy and new work plan, and support the Corporate Safeguarding Group in the implementation of both.
2. To agree a proposal for a Safeguarding Champion amongst elected members, to become a member of the Corporate Safeguarding Group.
3. To agree that sign-off of the Safeguarding policy, and completion of on-line training at an appropriate level, or attendance at a briefing, should be mandatory.

4. To accept the recommendation from the Corporate Scrutiny Board that all Councillors should attend and complete both Adults and Children's Safeguarding training as a matter of urgency.
5. To reject the recommendation from the Corporate Scrutiny and Governance Board that the names of Councillors who do not attend training sessions should be published but to work with those Councillors who may have genuine reasons for not attending to give them the support they may need to enable them to take part in the training.

Reasons

1. Corporate Safeguarding was currently very much in the forefront, following the exposure of weaknesses in Rotherham and elsewhere, and there was further opportunity to strengthen arrangements in Derby.
2. Robust leadership was key to embedding safeguarding across the Council, from both officers and elected members. The latter also had a critical scrutiny role, and needed to be robust in their challenge to officers to demonstrate children and vulnerable adults are safe in Derby.
3. These key safeguarding roles and responsibilities were clearly defined in the report attached at appendix 4.
4. The challenge now would be to maintain and embed the progress made, ensuring that safeguarding requirements and implications were fully addressed in any new development or change. In particular, as support services contracted and individuals left, we needed to ensure that knowledge was not lost and processes remained in place.

Budget and Policy Framework

97/15 Treasury Management Mid Year Report 2015/16

The Council Cabinet considered a report on Treasury Management Mid Year Report 2015/16. The report outlined the treasury management activity for the period 1 April 2015 to 30 September 2015, which the Council was required to report under the Chartered Institute of Public Finance and Accountancy - CIPFA - Code of Practice of Treasury Management Activity, comprising:

- a Summary of the Financial Markets to date in 2015/16
- Forecast Outturn 2015/16
- Borrowing Activity
- Deposits
- Prudential Indicators

The forecast outturn for the Treasury Management activity 2015/16 was expected to be around £15,000,000 with a further forecast outturn underspend of £800,000 in addition to the £6,000,000 already transferred to the budget risk reserve earlier in the

year. It was proposed to transfer the further underspend to the Budget Risk Reserve to support future budget planning risks and general unforeseen in-year pressures.

Treasury Management advice to the Council continued to be provided by Arlingclose. The service provided included economic and interest rate forecasting, advice on strategy, portfolio structure, debt restructuring, investment policy and credit ratings and technical assistance on other treasury matters as and when required.

Decision

1. To note the progress report on Treasury Management Activity and compliance with the Prudential Indicators for the period 1 April 2015 to 30 September 2015.
2. To approve the changes to the investment activity as detailed in Appendix 2 of the report.
3. To approve the transfer of £800,000 to the budget risk reserve.
4. To approve the use of Variable Net Asset Value Money Market Funds (VNAV MMF) as detailed in Appendix 2 of the report and to approve the increase the limit of fixed term deposits from £30m to £40m also detailed in appendix 2 of the report.

98/15 Quarter 2 Capital Budget Monitoring 2015/16 – 2017/18

The Council Cabinet considered a report on Quarter 2 Capital Budget Monitoring 2015/16 – 2017/18. The report provided details of the revised financial position for the 2015/16 Capital Budget for Quarter 2. This was in line with the agreed strategy of reporting capital monitoring figures on a monthly basis to Chief Officer Group and on a quarterly basis to Council Cabinet for approval and action as necessary.

The report highlighted a Capital programme of £88,722,910 for 2015/2016, after reflecting revisions to the Capital programme of (£2,180,000) and accounting for the over programming necessary at the time of setting the budget. The changes required were shown in table 1 of section 4 and detailed in Appendix 2 of the report. Significant changes over £200,000 were also detailed by strategy area and scheme in section 4 of the report.

A revised indicative programme for 2016/17 – 2017/18 detailed in table 2 paragraph 4.15 of the report.

A revised funding position was shown in Table 2 section 5 of the report.

Details of additional S106 required to be added to the 2014/15 – 2016/17 capital programme were detailed in paragraph 5.3 of the report.

A review of the whole programme was being undertaken as part of the 2016 -19 budget strategy. The results would be considered at the December meeting of Council Cabinet.

Decision

1. To approve the changes and additions required to the 2015/16 capital programme as detailed in Appendix 2 of the report.
2. To note the revised programme for 2015/16 in table 1 and the revised indicative programme for 2015/16-2016/17 as shown in table 2 of the report.
3. To note the changes to 2015/16 capital funding as detailed in Table 3 Section 5 of the report.
4. To approve the allocation of S106 funding as summarised in paragraph 5.3 table 4 of the report.

99/15 Quarter 2 Revenue Budget Monitoring 2015/18

The Council Cabinet considered a report on Quarter 2 Revenue Budget Monitoring 2015/18. The report provided details of the latest financial position and forecast outturn for the 2015/16 Revenue Budget as at quarter 2. This was in line with the agreed strategy of reporting revenue budget monitoring figures on a monthly basis to Chief Officer Group and on a quarterly basis to Council Cabinet for approval and action as necessary.

The latest forecast position showed an overspend of £0.321m (+0.14%) against the budget requirement of £221.792m. The directorate pressures were being managed in order to minimise the year end outturn.

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

Included within the forecast outturn were a number of one-off pressures totalling £0.871m. These pressures were due to staffing restructures and reductions being implemented after 1 April 2015 and therefore not achieving a full year saving. This slippage was anticipated and specific corporate funding was previously identified within the budget risk reserve. Applying this funding would improve the forecast outturn to a £0.550m underspend. However, it was recommended that this position was monitored to establish if overall performance contained these pressures.

Savings targets of £19.673m were included within the 2015/16 budget figures and the forecast achievement of these savings was included within the overall budget forecast above. Further details of current forecast savings delivery were included in section 6 of the report.

Decision

1. To note the financial monitoring position and the current progress of savings delivery as at quarter 2.
2. To approve the movement in reserves requested in section 5 of the report.

100/15 Medium Term Financial Strategy

The Council Cabinet considered a report on the Medium Term Financial Strategy. Due to the Government continuing to cut local government funding, the Council was forced to make significant changes to its budget, which would impact on Derby's residents.

With the critical financial position facing the organisation, the Council was no longer capable of affording the services it had provided for many years. Many of these services would have to stop unless they were provided externally and at no cost to the Council. The Council was on a forecast trajectory to only be able to provide statutory services by the end of the Medium Term Financial Plan - MTFP- and these would have to be at a greater level of risk.

The Council had already delivered £116m of savings since between 2010 and 2015, with a further £48m to deliver between 2016 and 2019. As the Council's budget decreases, and was redirected to address pressures and pay for statutory service areas, the ability to deliver savings of this level places the Council in a critical financial position.

Local Government was being continually impacted by reducing levels of funding, no funding to address inflationary pressures, underfunding to meet new legislative burdens and increasing demand for our services, at a time when some other public services were being protected.

The Council had previously evidenced that the level of funding it received was not aligned with the need to spend and the Council had had much needed funding totalling approximately £11m withheld by central government. The impact of this position was now becoming more critical, as the ability to meet the budget gap becomes more difficult.

The report outlined the Medium Term Financial Strategy - MTFS - for the revenue and capital budget over the three year period 2016/17 to 2018/19. The MTFS sets out the Council's strategic approach to the management of its finances. It details the resource projections for the forthcoming three years, the financial challenges that the Council faces and the approach planned to meet the priorities set out in the Council Plan. It also commented on the significant risks facing the Council in the forthcoming years and explained what the Council was doing to reduce these risks.

The purpose of the Medium Term Financial Strategy was to ensure that the overall vision, objectives and outcomes sought for the local community were affordable within the resources that were available or likely to be available in the medium term. The MTFS was also designed to ensure the Council continued to maintain a stable and sustainable budget capable of withstanding financial pressures. This position

was becoming more difficult as funding continues to reduce at the same time as pressures were escalating.

Each year there was a short-term requirement to prepare an annual budget and set the Council's Council Tax. The achievement of the Council's longer term objectives, however, required service and financial planning to be undertaken over a longer period. The MTFS therefore looked to take into account the medium term implications of the key issues facing the Council and also examined longer-term considerations.

The Council's Medium Term Financial Strategy should ensure that any budgetary decisions were based on the priorities for the city. The 15-year Derby Plan set out the long term priorities for the city. The Plan showed how the Council would work with partners to deliver outcomes for local people.

The Council had been consulting with the public and partners on a broad scale since the launch of the Big Conversation in 2013, supported by local partners and community groups. The Budget Simulator, a tool to allow participants to set the Council's budget had been introduced. Last year there were approximately 10,000 participants and approximately 1,000 completions of the Budget Simulator. The simulator was currently open and available on the Council's website.

Decision

1. To endorse the Council's Medium Term Financial Strategy for 2016/17 to 2018/19 and recommend that Council approve this Strategy.
2. To note the budget risks associated with the MTFS, as set out in section 8 of the report.
3. To note the estimated financial position and funding gaps for 2016/17 to 2018/19, and the assumptions included within these forecasts, as set out in section 10 of the report.
4. To approve the key principles underlying the budget process outlined in section 11 of the report.
5. To approve the proposed financial methodology to identify service savings over the next three years, as set out in section 11 of the report.
6. To approve the recommended approach to public consultation on the budget to increase engagement and encourage community action, as set out in section 15 of the report.
7. To approve the outline timetable set out in paragraph 15.5 of the report.

The Council Cabinet considered a report on Information Systems IS Strategy. The report provided an overview of the proposed new Information Systems Strategy which was attached as appendix 2 to the report.

Decision

1. To approve the new Information Systems Strategy.
2. To note the continued governance role of the Information Systems Strategy Board in implementing and monitoring this strategy.
3. To note the requirement for business owners in respect of planning and managing the replacement of existing IS contracts in accordance with contract procedures.
4. To note the need and intention for further consolidation and rationalisation of applications software and of separate websites.

Contract and Financial Procedure Matters

102/15 Contract and Financial Procedure Matters

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

- approval of a licensed deficit for Da Vinci Community College in 2015/16 and 2016/17
- approval of changes to the Council's Scheme for Funding Schools
- use of reserves
- award of contract

Decision

1. To approve a licensed deficit in 2015/16 and 2016/17 for Da Vinci Community College totalling £187,000 as detailed in section 4 of the report.
2. To approve changes to the Council's Scheme for Funding Schools as detailed in section 5 of the report.
3. To approve the use of £810,000 of the Dedicated Schools Grant reserve as detailed in section 6 of the report.
4. To approve the award of a contract for Network support services and infrastructure.

Performance

103/15 Performance Monitoring 2015/16 – Quarter Two Results

The Council Cabinet considered a report on Performance Monitoring 2015/16 – Quarter Two Results. The monitoring report included highlights from key performance measures included in the Council Plan and departmental business plans. These priority measures formed the Council Scorecard for 2015/16 and reflected key performance / budget risks that Chief Officers and Members needed to be reviewing outcomes against on a regular basis.

At the end of quarter two (up to 30 September 2015), 69% of performance measures 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 2 of the report.

Achievements noted at quarter two included:

- 343 jobs had been created so far this year through projects supported by the Derby Enterprise Growth Fund (DEGF).
- The percentage of customer contacts with Derby Direct that were self-service had risen to 51%.
- The percentage of young people not in employment, education or training (NEET), which was below 5%.
- Attainment outcomes for children in the early years foundation stage (EYFS) had improved by 9% from 2014, which was a faster pace of improvement than the national average.

Accountable officers had provided commentary to put performance into context and identify actions that they were taking to address poor performance (see Appendix 3 of the report).

Decision

1. To note the 2015/16 quarter two performance results.
2. To note the indicators highlighted in the Improvement Report at Appendix 3 of the report.
3. To note that Corporate Scrutiny and Governance Board review performance on a regular basis and may select indicators for Performance Surgery on the basis of this report.

Other

104/15 East Midlands Devolution Agreement

The Council Cabinet considered a report which updated Members on the current position on the devolution deal negotiations with Government. The report requested that authority be delegated to the Chief Executive following consultation with the Leader of the Council to continue negotiations with Government and to enter into an 'in principle' agreement. The final ratification of the devolution deal would need to be approved by Council as well as changes in legislation currently included in the Cities and Local Government Devolution Bill.

The Corporate Scrutiny and Governance Board recommended that group leaders be kept informed of the negotiations and that further reports in relation to the East Midlands Devolution Agreement be provided to Members in a more timely fashion to enable proper scrutiny.

Decision

1. To note the progress towards a devolution deal for Derbyshire and Nottinghamshire.
2. To delegate authority to the Chief Executive following consultation with the Leader of the Council to continue negotiations and to sign the proposed devolution deal, which would be subject to ratification by Council in due course.
3. To request a further report be brought back to Council Cabinet following the expected announcement on 25 November 2015 updating Members of the position.
4. To request a report seeking ratification of the deal be brought to Council after the necessary changes in legislation.
5. To accept the recommendations of the Corporate Scrutiny and Governance Board that the group leaders be kept informed of the negotiations and that further reports in relation to the East Midlands Devolution Agreement be provided to Members in a more timely manner to enable proper scrutiny.

105/15 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 item on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information”

Key Decision

106/15 Acquisition of Six Properties to Provide Affordable Housing Funded Through the Housing Revenue Account

The Council Cabinet considered a report on Acquisition of Six Properties to Provide Affordable Housing Funded Through the Housing Revenue Account. The report sought approval for the acquisition of up to six dwellings in the Alvaston ward to provide affordable housing funded through the approved Housing Revenue Account (HRA) capital budget for new build and acquisition.

The Corporate Scrutiny and Governance Board supported the recommendations in the report.

Options Considered

1. To not proceed with the acquisition of the 6 properties would risk 5 of them remaining vacant in the long-term which was at odds with the Council's Empty Homes Strategy and would not contribute to the supply of affordable homes.
2. The Council could acquire the properties to sell on, but this option did not guarantee that the properties would be brought back into sustainable residential use.

Decision

1. To approve the acquisition of any or all of the properties detailed within the report subject to contract.
2. To delegate authority to the Acting Strategic Director of Communities and Place following consultation with the Cabinet Member for Urban Renewal to negotiate and agree the terms of the purchase for a price not exceeding the Council's maximum valuation.

Reasons

1. The acquisition of these 6 properties would provide much needed affordable housing in an established and popular council housing area, and bringing empty properties back into use would enhance the area. The proposal supported the Council's respective housing and empty homes strategies.
2. Empty homes grant could be applied to the purchase and refurbishment costs of the long term empty dwellings, currently 4 out of the 6 dwellings, at a rate of 18% of the acquisition and refurbishment cost. Acquisition would bring these properties back into residential use and improve the quality of the immediate area.

107/15 A52 Wyvern Transport Improvements Land
Acquisition

The Council Cabinet considered exempt information in relation the to A52 Wyvern transport land acquisition.

MINUTES END