

Time Commenced - 6.01pm
Time Finished - 8.31pm

Executive Scrutiny Board

14 July 2020

Present: Councillor Repton(Chair)
Councillors Care, Cooper, Evans, Hudson, Hussain, Pattison,
P Pegg, Testro, Willoughby,

In attendance: Steve Caplan – Director of Property Services
Claire Davenport – Director of Leisure, Culture and Tourism
Emily Feenan - Director of Legal, Procurement and
Democratic Services and Monitoring Officer
Heather Greenan – Director of Policy, Insight and
Communications
Steven Mason – Democratic Services Officer
Rachel North – Strategic Director for Communities and Place
Simon Riley – Director of Financial Services
Sarah Walker – Policy and Improvement Manager
Catherine Williams – Head of Regeneration and Major Projects

01/20 Apologies for Absence

There were none.

02/20 Late Items

- New Performance Venue
- Museums Trust – Request for Loan and Capital Contribution for the
Museum of Making Silk Mill Project

These were considered as part of 07/20 – Council Cabinet Agenda.

03/20 Declarations of Interest

Councillor Care wished it to be noted that she had been appointed by Council
to the Museums Trust.

04/20 Minutes of the meetings held on 9 June 2020

The Minutes of the meeting held on 9 June 2020 were agreed as a correct
record.

05/20 Forward Plan

The Board considered the contents of the Forward Plans published on 16
June 2020 and 7 July 2020.

No items were added to the future work programme.

Resolved to note the Forward Plans.

06/20 Council Cabinet Responses to Scrutiny Recommendations

The Board considered a report of the Strategic Director or Corporate Resources which allowed the Scrutiny Board to receive responses from Council Cabinet on recommendations made at the previous Board meeting held on 9 June 2020.

The Board resolved to note the report.

07/20 Council Cabinet Agenda

The Board considered a report of the Strategic Director of Corporate Resources on the Council Cabinet Agenda. Members considered the Council Cabinet Agenda in its entirety for the meeting scheduled for Wednesday 15 July 2020.

Late Item – New Performance Venue

The Board received a report of the Strategic Director for Communities and Place on New Performance Venue.

Members noted that report sought Council Cabinet approval for the following:

- To authorise the Strategic Director for Communities & Place following consultation with the Director of Finance, Director of Legal, Procurement and Democratic Services and the Cabinet Member for Regeneration, Planning and Transportation to take all necessary actions to finalise and enter into all necessary contractual arrangements to acquire a new Performance Arena, with the benefit of a lease to an operator, in the Becketwell Regeneration area, subject to defined financial parameters.
- To authorise the Strategic Director for Communities & Place following consultation with the Director of Financial Services and the Cabinet Member for Finance and Procurement to submit bids for and consequentially accept external funding and enter into any external funding arrangements to support this acquisition or the wider regeneration of the Becketwell Regeneration area.
- To authorise the Strategic Director for Communities & Place in consultation with the Cabinet Member for Regeneration, Planning and Transportation to seek alternative uses for the existing Assembly Rooms site and to bring forward a Cabinet report setting out options as soon as possible.
- To approve additions to the Council's Capital Programmes subject to approval through the Council's gateway process.
- To approve prudential borrowing as the Capital Financing Source and include in the MTFP and Prudential Indicators for 2021/22 onwards.

- To recommend to Full Council to approve an increase in the borrowing requirement by £37.100m to undertake this investment from prudential borrowing.
- To delegate authority to the Director of Financial Services to profile the Capital Programme and the MTFP in line with the contractual arrangements for acquisition and operation of the Performance Arena.
- To incorporate within the MTFP the revenue implications (including borrowing costs) detailed within this report.
- To note that further reports will be brought forward to Cabinet in respect of the re-provisioning of the Padley Centre and Derby Arena (Velodrome) Business Case.
- To acquire the Padley Centre site as part of the Becketwell Regeneration area site assembly by mutual consent. If this is not possible, to authorise the Director of Property to take all necessary steps to pursue compulsory purchase orders to acquire the Padley Centre site and any other third-party land to support the continued development of the Becketwell Regeneration area.
- To note that the Assembly Rooms building is surplus to requirements and the intended submission of a planning application by the Council to allow its demolition as the first stage in the redevelopment of the site.
- Subject to planning permission being secured to proceed with the demolition of the Assembly Rooms, to adopt an active strategy to ensure the regeneration of the Assembly Rooms site as soon as possible and in the interim secure appropriate meanwhile uses.
- To authorise the Strategic Director for Communities and Place, following consultation with the Cabinet Member for Governance and Licensing and the Director of Financial Services to enter into negotiations to terminate the contract for the refurbishment of the Assembly Rooms.
- To authorise the Strategic Director for Communities and Place, following consultation with the Cabinet Member for Governance and Licensing and the Director of Financial Services to invite tenders for the demolition of the Assembly Rooms and associated works to appoint a contractor to undertake such demolition and associated works, following a successful tender exercise.
- To allocate the balance of the existing Assembly Room Refurbishment capital approval (net of demolition and other costs) to the proposed Performance Arena scheme at Becketwell.

The Executive Scrutiny Board resolved:

- 1. to recommend to Council Cabinet that that this proposal for a new performance venue is only carried forward once alternative accommodation has been found for the Padley Centre, recognising the key work conducted to support the homeless population in the city, and if this alternative accommodation cannot be found that the private operator is offered the current Assembly rooms site or appropriate accommodation for the Padley Centre is built into the Becketwell development;**
- 2. to recommend to Council Cabinet that the proposal to demolish the current assembly rooms is only carried forward once**

- alternative car parking provision for those that currently use the assembly rooms has been secured; and
3. to recommend to Council Cabinet that it considers very carefully the extent of the delegation that it is giving to officers and whether there is sufficient democratic oversight by councillors.

Late Item - Museums Trust – Request for Loan and Capital Contribution for the Museum of Making Silk Mill Project

The Board received a report of the Strategic Director for Communities and Place on Museums Trust – Request for Loan and Capital Contribution for the Museum of Making Silk Mill Project.

It was noted that the report sought Council Cabinet approval for the following:

- To approve the Council providing a loan to the Museum's Trust of up to a maximum value of £914,000 to support the organisations cash-flow for 20/21. This is to be offered at an interest rate of 3.02% and to be paid back within 12 months. To note the specific terms will be developed with input from Legal Services.
- To approve the loan be added to the councils 202/21 capital programme and that the loan be funded temporarily from the councils unapplied capital receipts.
- To approve the Council providing the Museum's Trust up to a maximum value of £364,000 funded from the existing capital contingency reserve as a capital contribution towards the completion of the construction of the project thus enabling the Museums Trust to complete the Museum of Making in line with the strategic brief.

The Executive Scrutiny Board resolved:

1. to note the report; and
2. to endorse the report.

Matters Referred

Recommendations from the Executive Scrutiny Board

The Board received a report of the Chair of the Executive Scrutiny Board on Recommendations from the Executive Scrutiny Board.

Resolved to not the report.

Key Decisions

Property Improvement Capital Works Programme 2020-21

The Board received a report of the Director of Property on Property Improvement Capital Works Programme 2020-21.

Members noted that the report sought Council Cabinet approval for the following:

- To approve the Property Improvement Capital Programme of works for 2020/21 as detailed in Appendix 2. This includes slippage amounts and spend bought forward.
- To approve budget increase and reductions as well as new projects identified as listed in Appendix 2. This includes projects that are no longer need funding, details of this shown in 4.5, and a new project titled “project development”, details shown in 4.8.
- To continue to give delegated authority within the limits set out in the Terms of Reference (ToR). ToR limits are consistent with those set out in the Financial Regulations) to the Director of Property (as appropriate) following consultation with the relevant Cabinet Member, to enable them to respond to changing priorities throughout the year by introducing new schemes or bringing forward the implementation of some schemes at the expense of others.
- To continue to give delegated approval to the Corporate Property Board to have oversight, assurance, and governance of the Capital Programme in accordance with the ToR.
- To continue to give delegated approval to the Corporate Property Board to allow for budget changes to be made on projects that span more than 1 financial year as long as the total project budget has been approved and that the changes are subject to affordability.

The Executive Scrutiny Board resolved to note the report.

Budget and Policy Framework

Final Accounts – 2019-20 Outturn Report for General Fund, Capital Programme, Treasury Management, Housing Revenue Account, Dedicated Schools Grant and Collection Fund

The Board received a report of the Director of Financial Services on Final Accounts – 2019-20 Outturn Report for General Fund, Capital Programme, Treasury Management, Housing Revenue Account, Dedicated Schools Grant and Collection Fund.

It was noted that the report sought Council Cabinet approval for the following:

- a) The final required movements in revenue reserves set out in section 4.1.3
- b) The creation of a COVID 19 reserve for the balance of the initial allocation of government grant for COVID 19 after use of £0.527m to fund eligible expenditure in 2019/2020 as outlined in section 4.1.4
- c) To delegate authority to the Director of Financial Services any further transfers to and from the COVID reserve as appropriate
- d) The transfer from the Budget risk reserves of £6.195m as set out in section 4.1.6 to achieve a balanced out-turn position

- e) The addition of net £13.414m budget (slippage £14.349m and spend brought forward (£0.935m)) to the 2020/21 capital programme as detailed in Appendix 2
- f) The use of the Assembly Rooms service reserve to fund £1.287m abortive costs on the Enhanced assembly rooms scheme detailed in section 4.6.40
- g) The capitalisation of the rectification costs for the waste treatment plant costs of £2.140m to be funded from reserves as detailed in section 4.6.34
- h) The use of underspend (£0.330m) from the vehicles plant and equipment programme to fund electric vehicles and the addition of these vehicles to the 2020/21 capital programme as detailed in section 4.6.33
- i) The HRA outturn net deficit of £0.682m as set out in section 4.8 and Appendix 4
- j) The 2019/20 Private Finance Initiative Reserve movements as set out in Appendix 3.

In addition, the report also sought Council Cabinet to authorise the Section 151 Officer to adjust the Council's Reserves if the Council or its External Auditors (Ernst Young) require any adjustments to the Final Accounts for 2019/20 that alter the overall Council's position.

The Executive Scrutiny Board resolved:

- 1. to recommend to Council Cabinet that it should learn from the poor management of the Assembly Rooms saga and remember the importance of listening to and acting upon expert professional advice; and**
- 2. to recommend to Council Cabinet that in relation to the refurbishment of the assembly rooms, it apologises for the dither, delay and indecision that has led to many wasted years, no performance venue in the centre of our city and staggering, "...abortive costs..." of £2.468 million.**

Contract and Financial Procedure Matters

Compliance with Contract and Financial Procedure Rules

The Board received a report of the Director of Financial Services on Compliance with Contract and Financial Procedure Rules.

Members noted that the report sought approval by Council Cabinet under Contract and Financial Procedure rules for the following:

- To accept £0.262m Access Fund grant from the (DfT) to enable the continuation of existing Access Fund projects.

The Executive Scrutiny Board resolved to note the report.

Performance

Council Delivery Plan Monitoring – Quarter 4

The Board received a report of the Chief Executive on Council Delivery Plan Monitoring – Quarter 4.

It was reported that in July 2019, Council approved the Council Plan 2019 – 2023, with Cabinet approving the supporting Council Delivery Plan in the same month and that the underpinning performance framework and priority targets were approved in September 2019.

The report presented a consolidated overview of performance; bringing together priority performance measures, projects and strategic risks, in line with the Council Plan themes along with progress on Delivery Plan actions.

It was reported that at the end of Q4 (March 2020), 54% of the council's priority performance measures had improved from the positions reported at the end of March 2019, with 71% of the supporting Delivery Plan actions being evaluated as 'on track' or 'completed'. It was also reported that 87% of the 15 current priority projects were rated as either 'green' or 'amber/green,' and for the 16 strategic risks, 98% of controls were assessed as established.

Members noted that a summary of notable performance highlights was set out in paragraphs 4.3 to 4.21, with a full assessment of performance by Council Plan theme at Appendix 1.

The Executive Scrutiny Board resolved to note the report.

Annual Report and Review of Performance 2019-20

The Board received a report of the Director of the Chief Executive on Annual Report and Review of Performance 2019-20.

It was reported that every year the council produced a short Annual Report, which was published alongside the Annual Review of Performance that presented a summary of progress against agreed priorities from the last year.

Members noted that these documents were important in communicating the work that the council delivered, its achievements and the challenges it had encountered. It was also noted that the documents complemented the Statement of Accounts and Annual Governance Statement that, by necessity, were technical in nature and published separately.

Members noted that the report sought the approval of the Annual Report and Annual Review of Performance for publication.

The Executive Scrutiny Board resolved to note the report.

Exclusion of Press and Public

A resolution to exclude the press and public was put to the vote and carried.

The Board resolved 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 paragraphs 3 and 5 of Part 1 of Schedule 12A of the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

New Performance Venue

The Board considered exempt detail in the report of the Strategic Director for Communities and Place on New Performance Venue.

The Executive Scrutiny Board resolved to note the report.

MINUTES END