

Time began: 6.00pm
Time ended: 7.02pm

**COUNCIL CABINET
21 FEBRUARY 2012**

Present Councillor Hickson (Chair)
Councillors Carr, Holmes, Ingall, Jones, Poulter,
Skelton, Williams

In attendance Councillor Bayliss

This record of decisions was published on 23 February 2012. 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.

143/11 Apologies

There were no apologies for absence.

144/11 Late Items Introduced by the Chair

There were no late items

**145/11 Identification of Urgent Items to which Call-In
will not apply**

There were no items.

146/11 Declarations of Interest

Councillor Holmes declared a personal interest in item 29 because he was appointed by the Council to the Friar Gate Studios Board.

147/11 Minutes of the meeting held on 10 January 2012

The minutes of the meeting held on 10 January 2012 were agreed as a correct record and signed by the Chair.

Matters Referred

148/11 Motion from Council

Derby Family Intervention Project – Approved as amended to read:

The Derby Family Intervention Project was set up in November 2007, to work with the most vulnerable families, to bring stability into their lives, to prevent homelessness and to help improve opportunities for children and young people. This service has already seen cutbacks and continues to be

undermined, contrary to the recent repackaged proposals to 'transform the lives of the country's most troubled families' (DCLG, Dec 2011).

Council therefore calls upon the Cabinet to instigate a review, to examine what has worked well in this project and what gaps now need to be filled; highlighting opportunities for development, new funding streams, and the impact this work has on the community in which these families live, so that vulnerable groups and individuals are not put at risk.'

Decision

To request the Children and Young People Commission to undertake a review of the project.

149/11 Recommendations from Overview and Scrutiny Commissions

The Council Cabinet considered a report on recommendations from Overview and Scrutiny Commissions. The report provided the following recommendations on items considered by the Scrutiny Management Commission and the Adults, Health and Housing Commission.

- a. To note the Scrutiny Management Commissions concerns regarding the impact of the reduction on staff numbers on the future operation of Neighbourhood Services.
- b. To reprioritise the Rosehill area for housing renewal when funding becomes available.
- c. To ask Council Cabinet to require the Strategic Director of Adults, Health and Housing to provide Adults, Health and Housing Commission with more detail of which groups and projects will be affected by the reduction in the Supporting People programme before a final decision is taken.
- d. To recommend to Council Cabinet that officers from the Council work with representatives of the Indian Community to help move forward the proposals to establish preventative older Indian Day Services within terms of Derby Compact and the voluntary grants procedure.

Decision

To note the recommendations from Overview and Scrutiny Commissions and request officers to provide a report back to a future meeting.

Key Decisions

150/11 Voluntary, Community and Faith Sector Grant Aid Funding 2011-2015

The Council Cabinet considered a report on Voluntary, Community and Faith Sector Grant Aid Funding 2011-2015. The Voluntary, Community and Faith (VCF) Sector Grant Aid Funding report approved by Council Cabinet on 27 September 2011 contained a recommendation to provisionally agree to no longer fund 19 currently funded organisations. A final decision on funding was to be taken following a detailed Equalities Impact Assessment (EIA) and further consultation with these organisations, their service users and the wider community.

The report summarised the outcomes of the EIA and consultation process, making recommendations for future funding of 18 of these organisations. The remaining organisation would be the subject of a further report as outlined at paragraph 1.3 of the report.

The Children and Young People's Grant Aid was available for one year from 1 April 2012 to 31 March 2013 to the value of £150,000. NHS Derby City had also allocated an additional £89,950 to the voluntary and community sector for children's services in 2012/13. Council officers had worked in partnership to ensure this funding was complementary to Council funding and supported sustainability within the voluntary and community sector. Consultation was still ongoing with Osmaston Family project identified in the Council Cabinet report of 27 September 2011. The outcomes from this would be reported to Council Cabinet in March 2012.

A summary of the consultation response was included in Appendix 2 of the report. The document contained selected key consultation metrics and recommendations for future funding of organisations. It also contained an assessment of the impact and any mitigating actions that may reduce the impact.

Appendix 3 of the report detailed the current funding and recommended future funding level for each organisation. The recommendation was to continue to fund 3 organisations: 2 for the full grant funding period, and 1 for the year 2012/13 only.

When making a decision on this matter Council Cabinet must have "due regard" to its duties under the Equalities Act 2010 which were set out in more detail in the Legal Implications in Appendix 1 of the report. In doing so Council Cabinet must take account of the impact the financial proposals could have on different equality groups and consider ways of mitigating or avoiding any adverse impact.

To assist Members make an informed decision on these matters a full Equalities Impact Assessment had been carried out and the results were set

out in Appendix 4 of the report. A summary of the equalities impact assessment findings was contained in Appendix 1 of the report.

During the consultation period, four petitions were received containing 2404 validated signatures. Details were provided in Appendix 5 of the report.

Appendix 6 of the report was a list of correspondence to the Council from organisations and key individuals taking part in the consultation.

Appendix 7 of the report was a report which summarised and presented the findings of the consultation exercise.

Options Considered

To continue funding these organisations. However this would cause the Council to overspend its available budget requiring savings to be made from other areas.

Decision

1. To approve the funding recommendations listed in Appendix 3 of the report for individual organisations.
2. To approve the serving of 12 weeks notice on all organisations listed in Appendix 3 of the report from week commencing 27 February 2012.

Reasons

1. The consultation and equalities impact assessment carried out on the organisations listed in Appendix 3 of the report had identified 3 services that were recommended for continued funding and 15 that were recommended for ending funding. Those services recommended for funding received a strong favourable consultation response, demonstrate good value for money, had a broad impact and support key adult social care and health outcomes in the Derby Plan.
2. Where funding agreements were to be terminated, 12 weeks notice was required in accordance with the Derby Compact.
3. In order to put new agreements in place for the 3 organisations recommended for continued funding in Appendix 3 of the report, their current agreements needed to be terminated with 12 weeks notice in accordance with the Derby Compact.

151/11 Commissioning Independent Sector Care Homes for Older People

The Council Cabinet considered a report on Commissioning Independent Sector Care Homes for Older People. Care homes needed to provide safe,

sustainable, good quality care to the vulnerable older people who lived there. A number of Local Authorities had faced legal challenges from care home providers who have successfully argued that they were not mindful of the real costs of care when setting their fee rates.

Council officers had been engaging with Derby's care home providers since August 2011 with the aim of understanding the local costs of care. This consultation and subsequent analysis had informed a fee rate model that was proposed for 2012-13. The approach taken to establish and populate the fee rate model was presented in Appendix 2 of the report.

Options Considered

1. Adopting the Laing and Buisson funding model established to support the commissioning of NHS Continuing Healthcare would tie the Council to a methodology that was not properly reflective of Derby costs of care.
2. Not engaging with the city's care home providers in the way described above would run the risk of the Council being unprepared to manage its local market through having insufficient details about local costs and pressures.

Decision

1. To invest an extra £1.425 million in Derby's independent sector care homes for older people by increasing current fee rates between 9.0% and 23.1% from April 2012 dependent on the type of care delivered as set out in Appendix 1 of the report.
2. To allocate £0.925m of the increase from the corporate contingency budget to the Adults. Health and Housing revenue budget.

Reasons

1. The recommendation was supported by the analysis of actual costs and substantiated pressures within financial information shared by care home providers in Derby.
2. The Council's cost model had been revised following further consultation with care home providers. The feedback from this consultation was contained within the report.

152/11 Draft Private Sector Housing Renewal Policy

The Council Cabinet considered a report on Draft Private Sector Housing Renewal Policy. The report introduced the draft Private Sector Housing Renewal Policy 2012-2015 and recommended its formal adoption by Council Cabinet. The draft Policy was available on the Council Meeting Information System (CMIS).

Options Considered

1. Current financial restraints affecting both local government and the private sector had significantly limited the range of options available. The Policy as proposed made best use of the available resources.
2. Consultation on the draft Policy and an Equalities Impact Assessment had been carried out, the minutes and notes were set out in Appendices 2 and 3 of the report respectively. No alternative options arose from these exercises.
3. However, one specific item considered during the internal consultation exercise related to how and in what circumstances charges were registered for recovery of Disabled Facilities Grants monies.
4. The practice at present was to register a local land charge against a property only when a Disabled Facilities Grant aids the build of an extension to a property, thereby adding to property value. The grant monies, over and above £5,000 could then be recovered up to a maximum recoverable sum of £10,000 on future sale of the property. These lower and upper sums were set by Government.
5. The alternative was to register a charge for all works costing over and above £5,000 (that was, not solely in those cases where an extension was built) and sought to recover those monies up to the maximum of £10,000 on future sale of the house.
6. The consensus of the consultees was that a continuation of current practice was preferred. The reasoning being that many works on a Disabled Facilities Grant were perhaps removable later for re-use elsewhere, such as a stair-lift, or lead to a slight reduction rather than increase in property value, such as structural changes to accommodate a through-floor lift. However the bigger concern was that the requirement for a charge to be registered may delay the adaptation for the disabled person or perhaps even prevent its installation if relatives were to object to the charge being registered. For these reasons it was proposed that current practice be continued.
7. The draft Policy was considered by the Adults Health and Housing Commission on 31 October 2011 and no amendments were proposed.

Decision

To approve the formal adoption of the draft Private Sector Housing Renewal Policy 2012-2015.

Reasons

1. The Private Sector Housing Renewal Policy served to target help across a range of housing-related issues toward the more vulnerable residents within Derby and focuses activity to promote, encourage, support and, where necessary, enforce the improvement and better use of private sector housing.
2. Consultation and an Equalities Impact Assessment had been undertaken and now Council Cabinet was asked to formally adopt the draft Private Sector Housing Renewal Policy 2012-2015.

153/11 Draft Private Sector Empty Homes Strategy 2012-2015

The Council Cabinet considered a report on Draft Private Sector Empty Homes Strategy 2012-2015. The report introduced the draft Private Sector Empty Homes Strategy 2012-2015 and recommended its formal adoption by Council Cabinet.

To ensure the continued delivery of the Empty Homes Strategy and to maximise the New Homes Bonus to the council, it was recommended that a contribution was made to support the service. The draft Policy was available on the Council Meeting Information System (CMIS).

Options Considered

1. The Strategy as proposed made best use of the available resources.
2. Consultation on the draft Strategy and an Equalities Impact Assessment had been carried out, the minutes and notes were set out in Appendices 2 and 3 of the report respectively. No alternative options arose from these exercises.
3. The consensus of the consultees was that a good balance had been struck within the draft strategy to allow the continuation of current ways of working. This approach targeted the high impact empty properties that were detrimental to an area and contributed to crime and urban blight - while also focusing efforts and developing new ways of working to help to maximise New Homes Bonus income for the Council while making no further resource demands on council budgets.
4. The draft Strategy was considered by the Adults Health and Housing Commission on 31 October 2011 and no amendments were proposed.

Decision

1. To formally adopt the draft Private Sector Empty Homes Strategy 2012-2015.

2. To agree that an annual contribution of £60,000 is made from reserves to ensure the delivery of this strategy.

Reasons

1. The draft Private Sector Empty Homes Strategy 2012-2015 sets out the council's policy and procedures in relation to the return of private sector empty properties to the useful housing stock. The strategy detailed the advice, assistance and encouragement that was offered by the council to owners of empty homes, any incentives that were available to owners and/or purchasers of such properties, and where necessary, the enforcement measures that could be utilised to ensure empty properties were reoccupied. The strategy also detailed the ways in which the Empty Homes Service at the City Council undertook to maximise the opportunity for income from the New Homes Bonus scheme.
2. To ensure the continued delivery of the Empty Homes Strategy and to maximise the New Homes Bonus to the council.

154/11 Transformation of Housing related Support Services

The Council Cabinet considered a report on Transformation of Housing related Support Services. The report provided details of the proposed approach to delivering recurrent savings from the Supporting People Budget.

Options Considered

Supporting People commissioners considered achieving the level of savings required by moving to a large scale decommissioning programme, with all user group areas receiving a reduction against current contract values of between 45% and 100%. For the remaining services that would continue to receive funding, 30% efficiency savings would be required to be achieved against existing contract values. A risk and impact analysis against each user group was considered and it was felt that although this approach would realise savings, the viability of remaining services could not be guaranteed, nor would the pattern of remaining services necessarily match need. This demonstrated the need for a more strategic approach that would present commissioners with an opportunity to provide outcome focused services that take account of statutory responsibilities and the priorities in the Derby Plan.

Decision

1. To endorse the proposed approach to transform housing related support, in order to release recurrent annual savings to the Council of £6.144m by July 2013.

2. To approve the timetable for implementing changes as set out in section 4.11 of the report.

Reasons

1. Savings were required from the housing related support budget (known as Supporting People) as measures to enable the Council to deliver a balanced budget.
2. The proposed approach was considered to be the most effective way to deliver the savings because it refocused the programme around strategic priorities. Taking a more collaborative approach, it enabled the Council to engage stakeholders across the sector to shape the future commissioning proposals.

155/11 Proposal to Expand Arboretum Primary School

The Council Cabinet considered a report on a proposal to expand Arboretum Primary School. Local authorities have a statutory duty to ensure that sufficient school places were available to meet local needs. At present, there were around 10% surplus places across Derby's primary schools and 9% across secondary schools. However, projections were showing an increasing trend in pupil numbers and this required careful monitoring. In the Arboretum and Normanton areas of the city, there was now a very close match between demand for primary pupil places and the number of places available, with pupil numbers projected to increase.

At its meeting on 22 November 2011, Council Cabinet approved funding of £3 million for an expansion of Arboretum Primary School, subject to consultation and approval of the expansion proposal. Council Cabinet at that meeting also approved the commencement of formal consultation on the proposal to expand Arboretum Primary School from a 315 place school to a 525 place school from September 2014.

Consultation on the proposal took place over a six week period with consultation papers circulated to all key stakeholders and interested parties. A summary of responses received was set out in Appendix 2 of the report and a copy of the consultation document was attached as Appendix 3 of the report.

In view of the need for additional primary pupil places in this area of the city, and the support shown in the consultation responses, the report recommended that Council Cabinet gave approval to move to the next stage of the consultation process, which involved the publication of a statutory notice and a further four week representation period.

Options Considered

1. Due to the nature of the school sites and the size of the existing schools in this area, the options for expansion at other primary schools

in the area were limited. Arboretum Primary was considered to provide the best opportunity for an expansion.

2. If plans were not put in place now to provide additional provision, it was possible that there would be a shortfall of school places in this area in future years.

Decision

1. To approve the publication of a statutory notice to expand Arboretum Primary School from a 315 to a 525 place primary schools from September 2014.
2. To delegate authority to determine the proposal to the Strategic Director of Children and Young People, in consultation with the Cabinet Member for Children and Young People, if no objections are received. If objections are received to bring a further report to Council Cabinet for a decision.
3. To approve commencement of the capital scheme to expand the school, subject to the approval of the expansion proposal.

Reasons

1. Local authorities have a legal responsibility to make sure that there are enough school places available to meet local needs. Local authorities also have a duty to increase the scope for parental choice in planning for and securing school places. The Council's five year School Organisation Plan outlined that there was now a very close match between primary pupil numbers and places in this area of the city, and projections were showing an increasing trend. An expansion of Arboretum Primary would provide much needed additional capacity in that area of the city.
2. From the consultation responses, there had been a majority of support for the proposal. Of a total of 40 respondents, 24 (60%) expressed support for the proposed merger. A breakdown of consultation responses was set out in Appendix 2 of the report.

156/11 Leisure Facility Strategy – Multi Use Sport Arena and Swimming Pool Indoor Hub

The Council Cabinet considered a report on Leisure Facility Strategy – Multi Use Sport Arena and Swimming Pool Indoor Hub. The key facilities included in the design of the iconic multi use sport arena would be a 250m indoor cycling track, a 120 station health and fitness facility, a spinning room, multi function rooms, 12 badminton size sports hall, café and reception area. The unique design would also create a 5,000 capacity concert venue and would accommodate events and exhibitions.

The original cost estimate for the multi use sports arena was £20 million. The current estimate was £21.9 million as the base build of the facility now included an increase of 30% floor area which had accommodated facilities such as a Health and Wellbeing facility and multi use rooms. Other associated costs such as work to the car park, design fees and contingencies were estimated at £6 million. These were always recognised as additions to the £20m build cost, but since they were site dependant they were not included in the costs during the early leisure strategy debates. The estimated costs of the scheme were in line with the overall budget set for the leisure strategy.

At recent presentations to key clubs, the disability forum and key stakeholders, feedback about the facility design was extremely positive.

Significant progress had been made with procuring a contractor to build the arena and the Strategic Director of Neighbourhoods reported orally that five firms had been invited to tender and a report on the tender evaluation would come to the Council Cabinet meeting in April 2012.

The second of the hub facilities is a 50m swimming pool complex. Detailed designs were to be produced and it was proposed to procure the design team for the swimming pool by using the OGC Consulting Service Framework and to delegate authority to the Strategic Director of Neighbourhoods in consultation with the relevant Cabinet Member. The estimated cost of this facility was £24 million.

It was proposed that the procurement of the contractor to build the pool would be done through an EU compliant competitive tendering exercise starting with an OJEU advert for expressions of interest. In addition to the two iconic hubs, the Leisure Facilities Strategy included four satellite facilities at the North, South, East and West of the city. It was proposed to allocate up to £6 million to improvements at Moorways Sports Centre and Springwood Leisure Centre, which were two of these satellites. Detailed proposals for which would be produced after the designs for the swimming pool were finalised.

Funding for the strategy was from the £50 million already approved by Council Cabinet, plus £4 million external contributions plus £4 million capital receipts from the sale of Queens Leisure Centre and some of the land at Moorways Sports Centre.

Options Considered

The alternative use of the OJEU Notice Procedure for the design team for the swimming pool was considered. This procedure would take a lot longer and was considered unlikely to achieve a more advantageous result.

Decision

1. To approve capital scheme commencement of the Multi Use Sports Arena scheme.
2. To approve the use of the OGC Consulting Service Framework to appoint a design team, via a mini competition, for the 50m swimming pool complex.
3. To delegate authority to the Strategic Director of Neighbourhoods in consultation with the Cabinet Member for Leisure and Culture to accept the most advantageous tender for the design team for the swimming pool.
4. To procure a building contractor for the swimming pool construction by an EU compliant competitive tender exercise.
5. To approve the revised estimates for each of the elements of the Leisure Facilities Strategy.

Reasons

1. To progress the construction of the multi use sport arena.
2. To progress the detailed design of the swimming pool hub.
3. To continue to progress the approved leisure Facilities Strategy as part of Derby's Olympic legacy.

157/11 Highways Maintenance Term Contract 2013 and Beyond Procurement Options Report

The Council Cabinet considered a report on Highways Maintenance Term Contract 2013 and beyond procurement options report. The objective of the report was to advise the members of the Council Cabinet on the options available to them for procuring the next Highways Maintenance Term Contract. The objectives of the Highway Maintenance Term Contract was to provide an efficient, value for money service, which focused on the needs of the City and its residents and enhanced the reputation of Derby City Council as a deliverer of good quality services.

Options Considered

1. Do nothing, extend the existing Carillion contract beyond August 2013.
2. Bring the contract back in-house by setting up a Streetpride branded highways maintenance service.

3. Procure using the Midlands Highways Alliance best practice model contract for 2013.

Decision

To approve option 2 to bring the reactive highway maintenance back in-house by setting up a Streetpride branded highways maintenance service, using in-house teams for small and uncomplicated repairs up to a value of £100k, a local framework for medium sized contracts up to £1 million, and a regional sub contracting framework for large scale projects over £1 million.

Reasons

1. Setting up a Streetpride Highways Maintenance Service gives the Council greater flexibility and control, to drive efficiency and reduce cost through a mix of direct service provision of reactive maintenance and procuring planned maintenance and major projects. This option fits in well with the Streetpride vision of the service as a multi- skilled workforce that could deliver a range of services.
2. An in-house service enabled the Council to remove the bureaucracy that comes with a client / contractor split and to reinvest any efficiency savings in our deteriorating highway network. This meant we could effectively achieve more with the budgets we have. A cost comparison (appendix 5 of the report) indicated that savings of approximately £311,000 were achievable (£155,000 revenue and £156,000 capital). The first year revenue saving was an estimated £85,000 owing to initial start up costs of £70,000. This estimate was based on a comparison with the current contract spend and conditions. The proposal was to use the first year savings to contribute to current savings targets for 2013/14 and use this first year as a bench mark to set additional savings targets for 2014/15.

158/11 Derby City Council Regeneration Fund

The Council Cabinet considered a report on Derby City Council Regeneration Fund. The purpose of the report was to provide an update on the progress of the Derby Regeneration Fund (The Fund) and to seek amendment to the programme of schemes funded The Fund was launched on the 23 November 2010 to support the delivery of new high quality commercial offices within the City whether new build or refurbished redundant buildings and to create and preserve jobs. The Fund was predicted to exceed its original targets. It was anticipated to generate over three times as many jobs created or safeguarded and to trigger a higher level of private sector investment secured. Paragraph 4.9 of the report provided an update on a scheme by scheme basis and identified four new schemes recommended for funding. The report also noted that one scheme required a revised agreement and that three other schemes were no longer proceeding.

Certain information relating to the fund, in particular updates and outputs, were included in the confidential part of the report – minute no 171/11.

Options Considered

Do nothing: The Fund had been established to promote development and the projects brought forward were considered suitable to progress to financial offers being made.

Decision

1. To note that The Fund was anticipated to exceed its original targets in terms of jobs created or preserved, private sector investment secured and office space made available or brought back into use. (Paragraph 4.2 of the report refers).
2. To note that officers had been unable to reach financially viable deals with developers at Central Square, 3a St. Mary's Gate and City Gate House schemes. (Paragraph 4.9 D of the report - Withdrawn Schemes).
3. To approve amended funding arrangements which would deliver the refurbishment of the former Magistrates Court building on Full Street together with the fit out of the property in preparation for use by the Council as serviced office accommodation.
4. To approve the acquisition of the former Magistrates' Court, Full Street, as set out at Paragraph 4.9 B Live Pipeline Projects and Appendix 6 of the report.
5. To approve a financial contribution to secure the early demolition of the former Police Headquarters on Full Street, on the condition that the contribution was repaid upon the commencement of development of part of this site as set out at Paragraph 4.9 C New Projects and Appendix 10 of the report.
6. To approve funding to support the procurement of a joint venture partner for the delivery of the refurbishment of Roman House. (Paragraph 4.9 C New Projects and Appendix 11 of the report.)
7. To approve funding to support the Connect 4 project. (Paragraph 4.9 C New Projects and Appendix 8 of the report.)
8. To note that proposals were being developed for funding support for a joint venture proposal for the regeneration of a brownfield site with linked to the city centre. (Paragraph 4.9 C New Projects and Appendix 9 of the report.)
9. To delegate authority to the Chief Executive, in consultation with the Leader of the Council and the Strategic Director of Resources, to

amend the terms of the approved bids referred to in the Appendices in accordance with The Fund principles, and to authorise the Chief Executive to enter into agreement with the approved bidders.

Reasons

1. To update the Council to note the progress of The Fund in the delivery of its targets.
2. Having explored all alternatives, it was concluded that The Fund would be unable to provide a mechanism by which the developers owning sites at Central Square, 3a St Mary's Gate and City Gate House would be in a position to deliver the schemes in a financial and commercially acceptable way to the Council.
3. A series of alternative mechanisms had been considered to bring forward the delivery of the listed former Magistrates Court building and it was concluded that the purchase of the building as a completed scheme for use as a managed office centre would provide a valuable asset on a key site within Derby City centre.
4. The investment of a financial contribution to support the demolition of the former Police Headquarters adjacent to the Magistrates Court would facilitate the early removal of a major eyesore within the City centre and prepare a key site for early development. The investment would be repaid later within the development process.
5. The funding to support the procurement of a joint venture partner for the delivery of the refurbishment of Roman House would potentially bring forward a type of high quality office space not currently available for which it had been established that there was a demand.
6. The investment proposed for the Connect 4 project allowed underutilised sub standard property in prominent locations within the city to be put back into economic use and target opportunities for employment for local people in the City's disadvantaged areas.
7. The potential investment of a financial contribution as joint venture partner in a significant brown field site with links to the city centre could add to the support for an exciting project benefitting the city as a whole and being of regional/national significance
8. The proposed schemes had been and would continue to be assessed in detail by Thomas Lister, external consultants and meet the aims of The Fund.
9. The recommendations contained within Paragraph 2 of the report would give the Chief Executive flexibility to revise terms where necessary without the delay of reverting to Council Cabinet and so

allowing the Council to operate in the required commercial time frames and within the overall aims and objectives of The Fund.

Budget and Policy Framework

159/11 Housing Revenue Account and Business Plan

The Council Cabinet considered a report on the Housing revenue Account Business Plan and Rents 2012/12. The financial system for managing the Housing Revenue Account (HRA) was about to change fundamentally.

From April 2012 the current Housing subsidy system would be abolished and replaced with a new self financing regime. This would mean that the Council would be able to retain all rents locally and no longer be obliged to pay over a proportion to the government. These rents would still be subject to the HRA ring fence arrangements in that they could only be used for HRA purposes.

The new funding regime, if managed correctly, would allow for additional resources to be invested within the HRA. The availability of such resources would, however, be highly dependent on the level of rent increases agreed with tenants.

The report set a strategy for approval by the Council to utilise any additional resources and recommended a rent increase and suggested rent policy to support the strategy. The HRA Business Plan 2012/42 was available on the Council Meeting Information System, CMIS.

Decision

1. To approve the 30 year HRA business plan.
2. To approve an average rent increase of 8.30% as set out in section 5 of the HRA business plan.
3. To approve the principle of approving increases to service charges at the level of cost increases where charges had been levied at cost, with exceptions to this principle brought back specifically for approval.
4. To recommend to Council the additional borrowing required to finance the HRA debt settlement.

160/11 Treasury Management Strategy and Prudential Code Indicators 2012/13

The Council Cabinet considered a report on Treasury Management Strategy and Prudential Code Indicators 2012/13. The report outlined the Council treasury management strategy for the financial year 2012/13. Specifically it covered all borrowing and investment activity undertaken by the Council.

It sought Council approval for the strategy and for the prudential indicators derived from this strategy.

The report also showed the revenue implications of the Council's capital programme, showing how the costs of debt servicing were increasing as a proportion of the Council's overall revenue budget.

Decision

To approve and recommend to Council each of the following five key elements:

1. The Prudential Indicators and Limits for 2012/13 to 2014/15 contained within the Supporting Information of this report and detailed in Appendix 3 of the report.
2. The Minimum Revenue Provision - MRP - statement shown in section 13 of the report.
3. The Treasury Management Strategy 2012/13 to 2014/15, and the Treasury Management Prudential Indicators.
4. The Authorised Limit Prudential Indicator shown in Appendix 3 paragraph 8.4 of the report.
5. The Investment Strategy 2012/13 contained in the treasury management strategy in section 11 of the report.

161/11 Council Tax 2012/13

The Council Cabinet considered a report on Council Tax 2012/13. At its meeting on 15 December 2011, the Council approved a net budget requirement of £215,652,862 for 2012/13 and agreed to freeze the Council's council tax at 2011/12 levels.

The Localism Act 2011 had made significant changes to the Local Government Finance Act 1992, and now required the billing authority to calculate a council tax requirement for the year, not its budget requirement as previously.

The report set out the Council's Council Tax requirement and the total Council Tax for Derby City residents for 2012/13 including the precepts for Derbyshire Police Authority and Derbyshire Fire Authority. Figures for the Derbyshire Police Authority and Derbyshire Fire Authority precepts would be available after 23 February 2012 and would be added to the report for Council.

Decision

1. To note the budget requirement for Derby City Council for 2012/13 of £215,652,862 approved by Full Council on 15 December 2011.
2. To confirm the following amounts for the year 2012/13 where were consistent with net budget requirement agreed by the Council at its meeting on 15 December 2011 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011.
 - a. £652,589,862 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2)(a) to (f).
 - b. (£570,611,542) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act.
 - c. £81,978,320 as its Council Tax requirement for the year, being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 31A(3) of the Local Government Finance Act 1992 as amended by the Localism Act 2011.
 - d. £1,127.21 as the basic amount of its Council Tax for the year, being the amount at (c) above, divided by the amount at 4.1 below, calculated by the Council, in accordance with Section 31(B) of the Local Government Finance Act 1992 as amended by the Localism Act 2011. The Council has no special items as defined by the Act.
 - e. for the following Valuation Bands:

	£		£
A	751.47	E	1,377.70
B	876.72	F	1,628.19
C	1,001.96	G	1,878.68
D	1,127.21	H	2,254.42

as the amounts to be taken into account for the year, under Section 30(2)(a) of the Act, in respect of categories of dwellings listed in different valuation bands, being the amounts given by multiplying the amount at (d) above by the number which, in the proportion set out in Section 5(1) of the Act, is

applicable to all dwellings listed in each particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act.

3. To note that for the year 2012/13, Derbyshire Police Authority had stated that the following in a precept to the Council, in accordance with section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below

All dwellings in Valuation Band:

	£		£
A	**	E	**
B	**	F	**
C	**	G	**
D	**	H	**

4. To note that for the year 2012/13, Derbyshire Fire Authority had stated the following in a precept to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below

All dwellings in Valuation Band:

	£		£
A	**	E	**
B	**	F	**
C	**	G	**
D	**	H	**

5. To set the following amounts as the amounts of Council Tax for the year 2012/13 for each of the categories of dwelling shown below, being the aggregate in each case of the amounts in 2, 3 and 4 above in accordance with Section 30(2) of the Local Government Finance Act 1992.

All dwellings in Valuation Band:

	£		£
A	**	E	**
B	**	F	**
C	**	G	**

6. To recommend to Council the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.
7. To note that the Council's basic amount of Council Tax for 2012/13 was not considered excessive in accordance with the principles approved under section 52ZB of the Local Government Finance Act 1992.

162/11 Quarter 3 Revenue Budget Monitoring 2011/12

The Council Cabinet considered a report on Quarter 3 Revenue Budget Monitoring 2011/12. The report provided details of the latest financial position and projected outturn for the 2011/12 Revenue Budget based on the actual income and expenditure for quarter 3.

The Council was currently forecasting a balanced budget position against the budget requirement of £221,764,425 for the financial year 2011/12.

Services and Directorates previously reporting net pressures had taken actions to bring their budgets back into balance, including transferring budgets from services with net savings and the requested use of reserves. Clearly, the use of reserves to balance the budget had resulted in lower levels of reserves available for future use.

Savings targets of £24,738,000 were included within the 2011/12 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 results and approve the approach to balance the 2011/12 budget and to note the current progress of savings delivery as at quarter 3 2011/12.
2. To approve the creation of an ICT Transformation Reserve and the creation of a HR Transformation reserve as explained within sections 4.6 and 5.1 of the report.
3. To approve in principle the carry forward of the Neighbourhood Board net savings into 2012/13 as explained in section 4.5 of the report.
4. To approve the transfer to reserves of £1,000,000 as described in sections 4.7 and 5.1 of the report.

5. To approve in principle that the early identification of Children and Young People net savings in 2011/12 was earmarked towards supporting the risk of delivering significant savings in looked after children budgets during 2012/13, as explained in section 4.4 of the report.

163/11 Quarter 3 Capital Programme 2011/12

The Council Cabinet considered a report on Quarter 3 Capital Programme 2011/12. The report provided details of the latest financial position and projected capital outturn for the 2011/12 Capital Programme based on scheme progress and changes to funding to quarter 3 2011/12.

The Council was currently forecasting an expected Capital programme of £88,089,000 by 31 March 2012, after reflecting revisions to the Capital programme of (£19,291,000) requested in the report.

The funding for the forecasted capital expenditure comes from grants and contributions (£35,675,000), borrowing including government supported borrowing (£32,919,000), Housing major repairs allowance (£4,880,000), capital receipts (£6,478,000), revenue and reserves (£6,643,000), and capital reserves (£1,494,000).

Directorates had undertaken rigorous monitoring this quarter to maximise the funding available in order to ensure that the programme is spent.

Decision

1. To approve changes and additions to the capital programme as set out in Appendix 2 and highlighted in section 4 of the report.
2. To note the revised programme for 2011/12 in table 1 (paragraph 4.1 of the report) and the revised indicative programme for 2012/13-2014/15 as shown in table 2 (paragraph 4.6 of the report).
3. To note the changes to 2011/12 capital funding as set out in section 5 of the report.
4. To approve the scheme commencements set out in Appendix 3 of the report.
5. To note the high profile capital budgets and spend to date as set out in section 7 and Appendix 4 of the report.

164/11 Schools Capital Programme 2012/13

The Council Cabinet considered a report on School Capital Programme 2012/13. The Schools Capital Programme had been allocated overall capital funding of £7.4m for 2012/13. The capital allocation for condition and basic

need projects was £6.8m. This included capital funding brought forward from 2011/12. The allocation of £6.8m had been prioritised in line with priorities set out in the Schools Asset Management Plan. The report proposed a programme of works for the allocations received and approved at Council 15 December 2011.

The capital funding would mainly be directed at dealing with essential school condition and suitability issues, and basic need – providing additional school places where necessary.

The schools capital programme priority schemes for 2012/13 would primarily fall into a number of categories such as health and safety, fire precaution work, buildings at risk issues, mechanical projects and basic need projects. Appendices 3 and 4 of the report contained a full list of proposed projects.

Decision

1. To approve the Schools Capital Programme priority schemes for 2012/13 in appendices 3 and 4 of the report.
2. To approve Capital Scheme Commencements for the individual schemes in Appendix 3 of the report.
3. To approve delegated authority to the Strategic Director for Children and Young people, in consultation with the relevant Cabinet member, to make changes to the Schools capital programme up to a financial limit of £30,000 per scheme, or 10% of scheme budget.

165/11 Neighbourhoods Directorate Fees and Charges 2012/13

The Council Cabinet considered a report on Neighbourhood Directorate Fees and Charges 2012/13. The Neighbourhoods Directorate annually reviewed its fees and charges across its range of services. This was to ensure that the fees and charges reflected the cost of delivering services, comparator rates for these services within the sector, that inflationary cost increases were taken into account, and that budget income targets were achieved.

The proposed fees and charges for 2012/13 were set out in appendices 2-4 of the report (these could be found on CMIS). In those cases where the Council had discretion to set the fees the default inflationary increase on the 2011/12 fees and charges is 4%. Where the fee increase notably varied from this the reasons were set out in the report.

All prices are shown inclusive of VAT where it is applicable.

Decision

1. To approve the fees and charges for 2012/13 as set out in appendices 2-4 of the report.
2. To delegate authority to the Strategic Director of Neighbourhoods in consultation with the Cabinet Member for Leisure and Culture to approve the detailed changes to the Passport to Leisure Card, the introduction of The Movement pricing offer and student membership.

Contract and Financial Procedure Matters

166/11 Contract and Financial Procedure Matters Report

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:

- additional funding from the Department of Health – DoH – for social care
- creation of transforming social care reserve
- to approve a bid to the Department for Transport - DfT
- contract award
- use of reserves
- to waive Contract Procedure Rules.

Decision

1. To approve an additional £783,000 to the Adults Health and Housing revenue budgets in 2011/12 and 2012/13 for additional grant received from the DoH.
2. To create a reserve for the unused balance of the transforming social care grant in 2011/12.
3. To approve submission of a bid for up to £5m of capital and revenue funding to the DfT Better Bus Area - BBA - fund.
4. To approve the award of a contract for Housing Benefit and Revenues claim processing.
5. To approve the use of £90,000 from the S278 reserve to support the preparation and implementation of a network management permit scheme.
6. To waive Contract Procedure Rules and award a contract to manage the modernisation of Council respite services to Ambrey Associates.

167/11 Contract for the Delivery of Adult Information, Advice and Guidance Services

The Council Cabinet considered a report on Contract for the Delivery of Adult Information, Advice and Guidance Services. The Adult Learning Service requested permission to contract with Guideline Careers Services for the delivery of Next Step, Information, Advice and Guidance (IAG) services for adults from 1 April 2012.

This new contract would replace a subcontracting agreement with Derbyshire County Council which would cease on 31 March 2012.

Decision

To authorise the Director of Children and Young People to enter into a contract with Guideline Careers Services for the Councils Adult Learning Service to deliver the Next Step Advice & Guidance (IAG) service from 1 April 2012 to 31 March 2013.

Performance

168/11 Performance Monitoring 2011/12 – Quarter 3

The Council Cabinet considered a report on Performance Monitoring 2011/12 – Quarter 3. The report included highlights from key performance measures included in the Council Plan 2011-2014 and departmental business plans. These priority measures formed the Council Scorecard for 2011/12. At the end of quarter three (up to 31 December 2011), 67% of performance measures were forecast to meet or exceed their year end target. 64% of measures were forecast to improve compared to last year. Performance during quarter three showed that 49% of measures achieved their quarterly target. Action plans were in place to ensure that performance improved and that by year end at least 67% of measures would 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. Areas for improvement were shown in Appendix 3 of the report. Accountable officers had provided commentary to put performance into context and identified actions that they were taking to address poor performance.

Decision

1. To note the quarter three 2011/12 performance results.
2. To note the indicators selected for review at Performance Surgeries as set out in paragraph 4.25 of the report.

Other

169/11 Localism Act 2011 – Position Statement

The Council Cabinet considered a report on Localism Act 2011 – Position Statement. The Localism Act received Royal Assent on 15 November 2011 and included five key measures that underpinned the Government's approach to decentralisation. The implementation of the Act over the next two years would have an enormous impact on the Council and required a corporate response to broader decentralisation policy. It would also require services to respond proactively to the requirements and take advantage of the opportunities created. To manage the implementation of the Act a matrix (Appendix 2 of the report) had been devised that outlined:

- key provisions of the Act and the latest developments
- actions required to date
- the lead officer
- deadlines for completing actions
- progress to date.

This would be updated quarterly, highlight key areas of risk and chart the Council's overall progress towards compliancy. Although the detail of particular provisions of the Act would be introduced in stages, compliance with some provisions would be required from as early as March 2012 (Appendix 3 of the report).

Decision

1. To note the provisions and requirements of the Localism Act.
2. To review and note those areas of critical risk and action planned to mitigate the risk.

170/11 Exclusion of Press and Public

Resolved to exclude the press and public during consideration of the following item under Section 100(A) of the Local Government Act 1972, on the grounds that it involved 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

171/11 Derby City Council Regeneration Fund

The Council Cabinet considered a report which contained confidential information relating to the report considered at minute no 158/11 earlier in the meeting.

MINUTES END