

TO: ALL MEMBERS OF THE DERBY CITY COUNCIL

You are summoned to attend a meeting of the Derby City Council in the Darwin Suite at the Assembly Rooms, Derby on Wednesday 2 March 2011 at 6 pm.

A G E N D A

1. To receive apologies.
2. To receive Declarations of Interest.
3. To approve the minutes of the meeting of the Council held on 19 January 2011 **DOCUMENT 3**

Motion - That the minutes of the meeting of the Council held on 19 January 2011 be approved as correct record, confirmed and signed by the Mayor.

4. To receive any announcements from The Mayor.
5. To consider the following minutes and recommendations of the Council Cabinet dated 15 February 2011 requiring the approval of the Council. (Please note there is no Document 5A) **DOCUMENT 5**

195/10 Recommendations from the Overview and Scrutiny Commission on the draft Revenue and Capital Budgets 2011/12 – 2013/14 **DOCUMENT 5B, 5B(1)**

To take the recommendations of the overview and scrutiny commissions into account when considering the capital and revenue budgets (minutes nod 196/10 and 197/10)

196/10 General Revenue Budget and Council Tax 2011/12 **DOCUMENT 5C**

The text of Minute 196/10 is set out in Document 5. The Report of the Corporate Director of Resources has been updated since the Council Cabinet meeting and the revised version is enclosed as Document 5C. The motion at the end of item 5 reflects the recommendations in the report.

197/10 Capital Programme 2011-14 **DOCUMENT 5D**

To recommend to Council the following ...

1. To approve the capital programme for 2011/12 and the indicative capital programme for 2012/13 and 2013/14 as set out in the report. A summary was shown in Appendix 2 of the report.
2. To note the rigorous process of review undertaken on the current 2010/11 – 2012/13 capital programme to generate revenue and capital savings and drive forward those schemes the Council is committed to delivering. Schemes which were not contractually committed and were to be removed from the capital programme,

would generate savings and were shown in Appendix 3 of the report. Schemes that had non ring fenced funding that had not been allocated to specific projects and had been removed from the programme were shown in Appendix 4 of the report.

3. To approve the use of the revenue budget forecast savings totalling £3.8m anticipated by rephrasing the priority projects and aborting schemes listed in Appendix 3 and 4 of the report, to support the 2011-14 revenue budget.
4. To approve the schemes identified as part of the review of the programme, as detailed in Appendix 3 and 4 of the report, were removed from the capital programme to help generate revenue and capital savings.
5. To approve the top slicing of the available funding, as detailed in paragraph 5.5 of the report, to ensure that there was a sum set aside each year for planned maintenance including community centres.
6. To agree the schemes which had been previously identified as Corporate Priorities as detailed in paragraph 4.9 and Appendix 5 of the report.
7. To approve the allocation of the balance of funding available to the capital schemes from the Single Capital Pot allocations listed in Table 2 for the full list of bids, detailed in Appendix 6 of the report, that had been prioritised by the Strategic Asset Management Group as well as with consultation with Chief Officer Group and Leadership in line with an agreed scoring criteria.
8. To note the potential VAT partial exemption implications of the Leisure Strategy.

198/10 Housing Rents and Service Charges

DOCUMENT 5E

To recommend Council to approve revision of rent and service charges from 4 April 2011 on the basis set out in the report including:

- an average overall weekly rental increase of £4.34 or 7.4% calculated over 52 weeks, plus
- an increase in most Service Charges of 5.1% with some – mostly lower – exceptions as set out in Table 3 of the report.
- To revise service charges for cleaning to cost as soon as possible during 2011/12
- To implement a recommendation from Housing Boards to move blocks from fortnightly cleaning to weekly cleaning except where a majority of residents have objected.
- increasing rents to target level for all new tenancies
- an increase in Garage Rents and other rents of 7.4%
- To continue the policy last year of increasing utility charges in category 2 sheltered housing by 10% a year – where these are below cost – until the charges reach actual cost.
- an increase of RPI in pitch fees at Shelton Lock Mobile Home Park plus a further £2 a week to help finance the development of the site.

200/10 Treasury Management Strategy and Prudential Code Indicators 2011/12

DOCUMENT 5F

To recommend Council to approve each of the five key elements of this report:

1. The Prudential Indicators and Limits for 2011/12 to 2013/14 contained within the Supporting Information of this report and summarised in Appendix 2 of the report.
2. The Minimum Revenue Provision – MRP – statement shown at paragraph 5.10 of the report, which set out the Council's policy on MRP.
3. The Treasury Management Strategy 2011/12 to 2013/14, and the Treasury Management Prudential Indicators contained within Appendix 3 of the report.
4. The Authorised Limit Prudential Indicator shown in Appendix 3 paragraph 4.4 of the report.
5. The Investment Strategy 2011/12 contained in the treasury management strategy in Appendix 3 of the report, which recommended a slight relaxation of the investment limits set on the Council's current bank.

Motion – To approve the above minutes and recommendations of the Council Cabinet dated 15 February 2011 and:

1. To approve a budget requirement for Derby City Council for 2011/12 of £221,764,425.
2. To approve for 2011/12 the directorate revenue budget estimates and use of reserves of £11.572m (5.22% of the budget) in 2011/12 summarised in Appendix 4 of this report. This includes the use of £8.015m (3.62% of budget) of reserves to support the Council's redundancy programme. Repayment of £5.7m of these reserves during 2012/13 and 2013/14 has been included within these budget proposals. It also includes £3.059m from corporate reserves and £0.498m from service reserves (1.60% of budget) to support a balanced budget position.
3. To approve the measures proposed to manage budget risks in 2011/12 and in future years, including the deliverability of identified savings, levels of service and inflation forecasts as set out in Section 10.
4. To approve within this total of £221,764,425:

	£
Net service estimates of:	
Adults, Health and Housing	73,568,000
Chief Executives	12,414,000
Children and Young People	46,393,000
Neighbourhoods	41,397,000
Resources	13,941,000
Corporate and Contingency	45,623,425
Budgets	
	<hr/>
	233,336,425

**Appropriations to/from reserves
(figures in brackets are
appropriations from reserves):**

	(498,000)
Service reserves	(3,059,000)
Corporate reserves to support a balanced budget position	(8,015,000)
Corporate reserves to fund redundancies	<hr/> 221,764,425 <hr/>

5. To note that, at its meeting on 11 January 2011, the Council calculated the amount of 72,278.83 equivalent band D properties as the Council's Tax Base for the year 2011/12 in accordance with the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003 (SI 2003/3012). This calculation was in line with the Council's decision to freeze 2011/12 Council Tax at 2010/11 levels.

6. To calculate the following amounts for the year 2011/12 in accordance with Sections 33 (1) of the Local Government Finance Act 1993.

- a £558,341,425 being the aggregate of the amounts which the Council estimated for the items set out in Section 32(2)(a) to (e).
- b £366,577,000 being the aggregate of the amounts which the Council estimated for the items set out in Section 32(3)(a) and (c) of the Act.
- c £221,764,425 as its budget requirement for the year, being the amount by which the aggregate at (a) above exceeded the aggregate at (b) above, calculated by the Council, in accordance with Section 32(4) of the Act.
- d £140,291,005 being the aggregate of the sums which the Council estimates would be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, and additional corporate government grants

e £1,127.21

as the basic amount of its Council Tax for the year, being the amount at (c) above, less the amount at (d) above, all divided by the amount at paragraph 5 above, calculated by the Council, in accordance with Section 33 of the Act.

f

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 (e) above by the number which, in the proportion set out in Section 5(1) of the Act, was applicable to all dwellings listed in each particular valuation band divided by the number which in that proportion was applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act.

7. To note that for the year 2011/12, Derbyshire Police 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	109.16	E	200.13
B	127.35	F	236.51
C	145.55	G	272.90
D	163.74	H	327.48

8. To note that for the year 2011/12, 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	44.78	E	82.10
B	52.24	F	97.02
C	59.71	G	111.95
D	67.17	H	134.34

9. Having calculated the aggregate in each case of the amount in paragraphs 6, 7 and 8 above, in accordance with Section 30(2) of the Local Government Finance Act 1992, to set the following amounts as the amounts of Council Tax for the year 2011/12 for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

	£		£
A	905.41	E	1,659.93
B	1,056.31	F	1,961.72
C	1,207.22	G	2,263.53
D	1,358.12	H	2,716.24

10. To note the Chief Finance Officer's opinion that:

- (i) The estimates used in the production of the budget proposal for 2011/12 are adequately robust
- (ii) Based on the assessment of the reserves, the key financial risks identified, and the thorough process used for developing the Medium Term Financial Plan, the level of reserves and balances for 2011/12 is adequate.

11. To note the feedback from the budget consultation and approve the Council Cabinet response to the consultation recommendations at Appendix 6 of the report.

12. To approve the 2011/12 Schools Budget included at Appendix 12 of the report and note the comments from the Schools Forum meeting held on 3 February 2011.


13. To authorise the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.

6. To consider a report of the Chief Executive on the Derby Plan 2011-2026 and the Council Plan 2011-2014.

DOCUMENT 6

Motion:

- 1. To approve the adoption of the eight outcomes listed in Appendix 2 as the Council's own priorities.**
- 2. To delegate authority to the Chief Executive to make any final amendments to the Derby Plan and Council Plan, in consultation with the Leader of the Council.**
- 3. To adopt the Derby Plan and the Council Plan, subject to final amendments.**



Stuart Leslie
Director of Legal and Democratic Services

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COUNCIL MEETING 19 JANUARY 2011

Present: The Mayor (Councillor Nath) (in the Chair)
Councillors Allen, Ashburner, Atwal, Banwait, Barker, Bayliss, Bolton, Carr, Chera, Davis, Dhindsa, Graves, Grimadell, Harwood, Hickson, Higginbottom, Hird, Holmes, Hussain, Ingall, Jackson, Jennings, Jones, F Khan, S Khan, Leeming, Lowe, Marshall, Naitta, Poulter, Radford, Rawson, Redfern, Repton, Richards, Roberts, Shanker, Skelton, Troup, Tuplin, Turner, Webb, Whitby, Williams, F Winter, L Winter, Wood.

Apologies for Absence

Apologies for absence were received from Councillors Bailey, Berry and Williamson.

Declarations of Interest

There were no declarations of interest.

Point of Order

Councillor Shanker raised a point of order. He stated that, under Article 3.1 of the Constitution citizens had the right to attend the meetings of the Council and its committees except where confidential or exempt information was likely to be disclosed and the meeting was therefore held in private. He pointed out that a number of members of the public had been refused entry to the Darwin Suite. The Director of Legal and Democratic Services replied that the law required that reasonable provision was made for members of the public and that, to comply with health and safety requirements, a maximum number of 50 members of the public had been determined for the Darwin Room.

Announcements by the Mayor

The Mayor welcomed Members and the public to the first meeting of the full Council to be held in the Darwin Suite at the Assembly Rooms. He also outlined certain changes to procedures that would be necessary for full Council meetings held in the Darwin Suite.

Resolved, on the motion of the Mayor, that, for the period that Council meetings are held in the Darwin Suite, Rule CP76 and last sentence of Rule CP83 be suspended for Cabinet Members answering questions.

68/10 Minutes of the Previous Meetings

Resolved that the minutes of the Special and Ordinary meetings of the Council held on 17 November 2010 be approved as correct records, confirmed and signed by the Mayor.

69/10 Statements by Members of the Council Cabinet

The following statements were made by Members of the Council Cabinet:

1. By Councillor Jennings, Leader of the Council, on initiatives or achievements. Councillors Bayliss and Jones responded.
2. By Councillor Holmes, Deputy Leader of the Council and Council Cabinet Member for Planning and Environment concerning Localism and the Core Strategy. Councillors Dhindsa and Carr responded.
3. By Councillor Poulter, Council Cabinet Member for Neighbourhoods, concerning dog fouling. Councillors Banwait and Carr responded.
4. By Councillor Marshall, Council Cabinet Member for Resources, concerning Derwent New Deal for Communities. Councillors Rawson and Naitta responded.

70/10 Public Questions

Questions from members of the public were asked as follows:

1. By Mark Robinson, concerning the Inner Ring Road timetable, answered by Councillor Holmes, Deputy Leader of the Council and Council Cabinet Member of Planning and Environment.
2. By Norman Clayton, concerning work on a protected tree, answered by Councillor Holmes, Deputy Leader of the Council and Council Cabinet Member for Planning and Environment.
3. By Simon Bacon, concerning waste contract payments to RRS, answered by Councillor Poulter, Council Cabinet Member for Neighbourhoods.
4. By Dr Catrin Rutland, concerning the timetable for the redevelopment of Arthur Neal House, answered by Councillor Webb, Council Cabinet Member for Adult Social Care and Health.
5. By Peter Barker, concerning rights of access to St Helen's House, answered by Councillor Jennings, Leader of the Council.

Adjournment of the Meeting

As a result of a member of the public interrupting proceedings, the Mayor adjourned the meeting from 6.59pm to 7.15pm in accordance with Rule CP80, and ordered that the

member of the public concerned be removed from the meeting room in accordance with Rule CP81.

When the meeting reconvened, Councillor Bayliss raised a point of order. He asked that the Mayor exercise his right under Rule CP17 to ask the question submitted by Vita Snowden, concerning the budget to support informal carers, on behalf of the questioner. The Mayor replied that it was standard practice for only written replies to be sent to questioners who were absent from the meeting.

6. By Colin Underhill, concerning directions and access to Royal Derby Hospital, answered by Councillor Poulter, Council Cabinet Member for Neighbourhoods.
7. By Mark Robinson, concerning the timetable for the Riverlights Project, answered by Councillor Jennings, Leader of the Council.
8. By Simon Bacon, concerning waste landfilled in 2009/10, answered by Councillor Poulter, Council Cabinet Member for Neighbourhoods.

In the absence of the questioners, the Mayor announced that written answers would be sent to questions submitted by Dorothy Skrytek, concerning the consultation on the planned Boyle Electrical Incinerator and the impact of financial cuts on public health, and to Vita Snowden, concerning the budget to support informal carers.

71/10 Written Questions about the Business or Functions of Derbyshire Police Authority, Derbyshire Fire Authority or Derby Homes Ltd

There were no written questions about the business or functions of the Derbyshire Police Authority, Derbyshire Fire Authority or Derby Homes Ltd.

72/10 Written Questions from Non-Council Cabinet Members

Written questions from Non-Council Cabinet Members to Members of Council Cabinet or Committee Chairs were asked as follows:

1. By Councillor Graves, concerning repairs to Moorways sports track, answered by Councillor Grimadell, Council Cabinet Member for Leisure and Culture.
2. By Councillor Ashburner, concerning provision of bus stops on the Morledge development, answered by Councillor Poulter, Council Cabinet Member for Neighbourhoods.
3. By Councillor Shanker, concerning the judicial review of Sinfin Lane incinerator, answered by Councillor Poulter, Council Cabinet Member for Neighbourhoods.
4. By Councillor Shanker, concerning site selection for Sinfin Lane incinerator, answered by Councillor Poulter, Council Cabinet Member for Neighbourhoods.

5. By Councillor Whitby, concerning work undertaken on climate change, answered by Councillor Holmes, Deputy Leader of the Council and Council Cabinet Member for Planning and Environment.
6. By Councillor Naitta, concerning City Park for Derby, answered by Councillor Grimadell, Council Cabinet Member for Leisure and Culture.
7. By Councillor Naitta, concerning closure of public toilets, answered by Councillor Poulter, Council Cabinet Member for Neighbourhoods.
8. By Councillor Naitta, concerning Markeaton Crematorium signage, answered by Councillor Poulter, Council Cabinet Member for Neighbourhoods.
9. By Councillor Troup, concerning an update on Russell Street site development, answered by Councillor Ingall, Council Cabinet Member for Housing and Advice.
10. By Councillor Troup, concerning an update on Home Insulation project, answered by Councillor Holmes, Deputy Leader of the Council and Council Cabinet Member for Planning and Environment.
11. By Councillor F Winter, concerning situation with the Hippodrome Theatre, answered by Councillor Holmes, Deputy Leader of the Council and Council Cabinet Member for Planning and Environment.
12. By Councillor Hird, concerning the employment of an Access Officer, answered by Councillor Marshall, Council Cabinet Member for Resources.
13. By Councillor Shanker, concerning changes to Housing Benefit, answered by Councillor Ingall, Council Cabinet Member for Housing and Advice.
14. By Councillor Atwal, concerning the future of Shaftsbury Sports Centre, answered by Councillor Grimadell, Council Cabinet Member for Leisure and Culture.
15. By Councillor F Khan, concerning access to the council's three bin recycling system, answered by Councillor Poulter, Council Cabinet Member for Neighbourhoods.
16. By Councillor F Khan, concerning future of Oakvale House, answered by Councillor Ingall, Council Cabinet Member for Housing and Advice.
17. By Councillor Turner, concerning RRS (Shanks) request for a judicial review, answered by Councillor Poulter, Council Cabinet Member for Neighbourhoods.
18. By Councillor Rawson, concerning the closure of Derwent Children's Centre, answered by Councillor Williams, Council Cabinet Member for Children and Young People.
19. By Councillor Turner, concerning occupancy levels at the Glossop Street Travellers' encampment, answered by Councillor Ingall, Council Cabinet Member for Housing and Advice.

73/10 Minutes and Recommendations of the Council Cabinet

The Council considered the minutes and recommendations of the Council Cabinet requiring the approval of the Council set out in Appendix A to these minutes.

Resolved, on the motion of Councillor Jennings, to approve the minutes and recommendations of the Council Cabinet dated 11 January 2011.

74/10 Personnel Procedures

The Council considered a report of the Strategic Director of Resources on Personnel Procedures.

It was moved by Councillor Marshall, and seconded:

1. To note the progress achieved in reforming personnel procedures.
2. To approve the proposal to alter the contractual status of the existing procedures for discipline, grievances, attendance, capability, redeployment, restructuring and redundancy and appeals, so that they no longer form part of employees' contracts.
3. To approve the removal of the current right of appeal to a panel of Members in favour of appeals being determined by senior officers.

It was moved by Councillor Bayliss, and seconded, that the motion be amended by the deletion of paragraph 3.

In accordance with Rule CP68 it was demanded by at least ten members that a recorded vote be taken on the amendment.

The following members voted for the amendment:

Councillors Banwait, Bayliss, Bolton, Dhindsa, Graves, Higginbottom, Hussain, Jackson, S Khan, Rawson, Redfern, Repton, Roberts, Shanker, Turner, Whitby, L Winter (17).

The following members voted against the amendment:

Councillors Allen, Ashburner, Atwal, Barker, Carr, Chera, Davis, Grimadell, Harwood, Hickson, Hird, Holmes, Ingall, Jennings, Jones, F Khan, Leeming, Lowe, Marshall, Naitta, Poulter, Radford, Richards, Troup, Tuplin, Webb, Williams, Wood (28)

The Mayor (Councillor Nath) and Councillors Skelton and F Winter abstained (3).

The amendment was declared lost.

Resolved:

1. To note the progress achieved in reforming personnel procedures.

2. To approve the proposal to alter the contractual status of the existing procedures for discipline, grievances, attendance, capability, redeployment, restructuring and redundancy and appeals, so that they no longer form part of employees' contracts.
3. To approve the removal of the current right of appeal to a panel of Members in favour of appeals being determined by senior officers.

75/10 Urgent Non-Executive Decisions made by the Chief Executive

The Council considered a report of the Interim Strategic Director of Resources, concerning Urgent Non-Executive Decisions made by the Chief Executive since the previous meeting.

Resolved, on the motion of Councillor Jennings, to note the decisions of the Chief Executive, in consultation with political group leaders, to:

- Reappoint Peter Cholerton to be a Trustee of the Wilmot Gilbert and Berrysford Charity for a four year term of office from 6 January 2011.
- Provide cover for the Service Director, Asset Management.

76/10 Notices of Motions

1. *Merrill House and Warwick House*

It was moved by Councillor Hussain, and seconded, that the Council is concerned that the proposed closure of Merrill and Warwick House by September 2011 is causing immense anguish and uncertainty amongst all residents in our care homes. The Council is alarmed by the Cabinet's direction of travel and its aim to close long term residential care beds in all council owned homes within the next two or three years.

Whilst accepting that the threat of closures is causing an unreasonable level of anxiety for both employees and the vulnerable people they are looking after, the Council also accepts that the availability of 10 extra care beds, later this year, at the Leyland's Retail Trust will be insufficient to compensate for the loss of 68 residential beds that will arise from the intended closures. This raises the serious possibility that these actions could lead to a severe shortage of residential care beds in the city. The Council therefore requests that the Cabinet withdraw its consultation on possible closure of Merrill and Warwick House at its next meeting.

In accordance with Rule CP68 it was demanded by at least ten members that a recorded vote be taken on the motion.

The following members voted for the motion:

Councillors Banwait, Bayliss, Bolton, Dhindsa, Graves, Higginbottom, Hussain, Jackson, S Khan, Rawson, Redfern, Repton, Roberts, Shanker, Turner, Whitby, L Winter (17).

The following members voted against the motion:

Councillors Allen, Ashburner, Atwal, Barker, Carr, Chera, Davis, Grimadell, Harwood, Hird, Holmes, Ingall, Jennings, Jones, F Khan, Leeming, Lowe, Marshall, Naitta, Poulter, Radford, Richards, Troup, Tuplin, Webb, Williams, F Winter, Wood (28).

The Mayor (Councillor Nath) and Councillor Skelton abstained (2).

Councillor Hickson was not present in the meeting room when the recorded vote was taken.

The motion was declared lost.

Resolved, on the motion of Councillor Jennings, that, in accordance with Rule CP10, the meeting be extended beyond four hours.

2. *Appointment to the Adoption Panel*

Resolved, on the motion of Councillor Williams, that Councillor Frank Harwood be appointed to the Adoption Panel for the remainder of the municipal year.

3. *Local Studies Library and Silk Mill Museum*

It was moved by Councillor Naitta, and seconded, that this Council notes that the Local Studies Library building needs to be closed and that there is a similar amount of unused floor space in the Silk Mill Museum. It therefore petitions the Cabinet to keep the Silk Mill Museum open to the public, by moving the Local Studies Library into that building and using the money saved by not needing to hire space for the Local Studies Library to keep the Silk Mill open. This proposal is a cost effective way of keeping the Silk Mill Museum open, as a prime tourist attraction in Derby, while providing an integrated service for users of both facilities.

It was moved by Councillor Grimadell, and seconded, that the motion be amended by the deletion of the words 'keep', 'open to the public by moving', 'into that building and using the money saved by not needing to hire space for the Local Studies Library to keep the Silk Mill open', 'is', 'the' and 'in Derby', and the insertion of the words 'consider', 'as the location for', 'could be', 'Derby's', and 'in the future'.

(The effect of the amendment, if approved, was that the motion would read as follows:

The Council notes that the Local Studies Library building needs to be closed and that there is a similar amount of unused floor space in the Silk Mill Museum. It therefore petitions the Cabinet to consider the Silk Mill Museum as the location for the Local Studies Library.

This proposal could be a cost effective way of keeping Derby's Silk Mill Museum open as a prime tourist attraction in the future, while providing an integrated service for users of both facilities.

The amendment was put to the meeting and carried.

Resolved that the Council notes that the Local Studies Library building needs to be closed and that there is a similar amount of unused floor space in the Silk Mill

Museum. It therefore petitions the Cabinet to consider the Silk Mill Museum as the location for the Local Studies Library.

This proposal could be a cost effective way of keeping Derby's Silk Mill Museum open as a prime tourist attraction in the future, while providing an integrated service for users of both facilities.

Councillor Rawson raised a point of order. He stated that Rule CP83 required that suspension of a Council Procedure Rule could only be for the duration of the meeting. The Director of Legal and Democratic Services stated that the proposal at Motion 4 would apply for one meeting, i.e. 2 March 2011.

4. The Budget Meeting of the Council to be held on 2 March 2011

It was moved by Councillor Jennings, and seconded, that:

1. In view of the importance of the decisions to be made on the Budget, Council Procedure Rules be suspended for the meeting of the Council on 2 March 2011 so that the only items on the agenda are:
 - a. to receive apologies
 - b. to receive any declarations of interest from members
 - c. to approve the minutes of the last meeting
 - d. to receive announcements from the Mayor
 - e. to consider minutes or reports from the Council Cabinet on the General Fund Revenue Budget, Capital Programme and Council Tax 2011/12; Treasury Management and Prudential Code Indicators 2011/12; Derby Plan (Sustainable Community Strategy); and Council Plan (Corporate Plan); and to pass resolutions on these matters.
2. In order to deal with other business, an additional ordinary meeting of the Council be held on Wednesday 30 March 2011 at 6pm.

It was moved by Councillor Bayliss, and seconded, that the motion be amended by the insertion of a new paragraph e. 'to receive any questions from the public to members of the Council Cabinet or the Committee Chairs and the answers to those questions' and the re-lettering of paragraph e. as paragraph f..

In accordance with Rule CP68, it was demanded by at least ten members that a recorded vote be taken on the amendment.

The following members voted for the amendment:

Councillors Banwait, Bayliss, Dhindsa, Graves, Hussain, Jackson, S Khan, Rawson, Redfern, Repton, Shanker, Turner, Whitby, L Winter (14).

The following members voted against the amendment:

Councillors Allen, Ashburner, Atwal, Barker, Carr, Chera, Davis, Grimadell, Harwood, Hird, Holmes, Ingall, Jennings, Jones, F Khan, Leeming, Lowe, Marshall, Naitta, Poulter, Radford, Richards, Skelton, Troup, Tuplin, Webb, Williams, F Winter (29).

The Mayor (Councillor Nath) abstained (1)

Councillors Bolton, Hickson and Higginbottom were not present in the meeting room when the recorded vote was taken.

The amendment was declared lost.

It was moved by Councillor Ingall, and seconded, that the motion be amended by the addition of the words 'Housing Rents and Service Charges 2011/12' to paragraph e..

The amendment was put to the meeting and carried.

Resolved that:

- 1. In view of the importance of the decisions to be made on the Budget, Council Procedure Rules be suspended for the meeting of the Council on 2 March 2011 so that the only items on the agenda are:**
 - a. to receive apologies**
 - b. to receive any declarations of interest from members**
 - c. to approve the minutes of the last meeting**
 - d. to receive announcements from the Mayor**
 - e. to consider minutes or reports from the Council Cabinet on the General Fund Revenue Budget, Capital Programme and Council Tax 2011/12; Treasury Management and Prudential Code Indicators 2011/12; Derby Plan (Sustainable Community Strategy); and Council Plan (Corporate Plan); Housing Rent and Service Charges 2011/12; and to pass resolutions on these matters.**
- 2. In order to deal with other business, an additional ordinary meeting of the Council be held on Wednesday 30 March 2011 at 6pm.**

5. Wild Derby Project

It was moved by Councillor Troup, and seconded, that 2010 was the International Year of Biodiversity. The United Nations considers the threat to wildlife to be so serious that it has immediately followed up by launching the International Decade of Biodiversity. This Council accepts that, when times get tough, it is wrong to take it out in the environment and let future generations live with the consequences.

This Council acknowledges and celebrates the excellent work done by the Wild Derby project in promoting and protecting biodiversity in the city despite having only a very small budget to work with. Therefore, in developing budget proposals, the Council asks the

Cabinet to do everything it can to protect the modest budget needed for the Wild Derby project and not to sacrifice the future for our short term benefit.

It was moved by Councillor Hussain, and seconded, that the motion be amended by the deletion of the words 'to do everything it can' from the second paragraph.

The amendment was put to the meeting and carried.

Resolved that 2010 was the International Year of Biodiversity. The United Nations considers the threat to wildlife to be so serious that it has immediately followed up by launching the International Decade of Biodiversity. This Council accepts that, when times get tough, it is wrong to take it out in the environment and let future generations live with the consequences.

This Council acknowledges and celebrates the excellent work done by the Wild Derby project in promoting and protecting biodiversity in the city despite having only a very small budget to work with. Therefore, in developing budget proposals, the Council asks the Cabinet to protect the modest budget needed for the Wild Derby project and not to sacrifice the future for our short term benefit.

6. Health and Wellbeing Board

Resolved, on the motion of Councillor Skelton, that the establishment of the Health and Wellbeing Board provides an opportunity for closer working between the Council and the NHS. The aim should be to work together so that the resources of the two organisations are used to the maximum benefit of Derby's citizens.

The Government has allocated £3.2m to Derby via the NHS to support social care in the city. It is vital that this finance is used to address the social care problems of each organisation, such as enablement and intermediate care, where the interface between the Council and the NHS must work well to avoid such problems as bed blocking.

Council therefore calls on the Cabinet to ensure that collaborative working with the NHS makes best use of the resources and infrastructure of both organisations. Furthermore, any planned changes in provision made for budgetary reasons are thought through holistically and do not end up costing more money either elsewhere or in the future.

7. Rowditch Recreation Ground

Resolved, on the motion of Councillor Atwal, that it is recognised that from time to time that an Administration may need to move financial resources from one area to another.

However, Council is concerned that the removal of the Rowditch Recreation Ground Capital funding programme to meet the additional costs of improvements to the Alvaston Park changing facilities may result in a lost opportunity for improvements to the Rowditch Park Facility.

Council recognises that the Rowditch Recreation Grounds are in an area in need of much improvement. Council therefore requests the Council Cabinet together with the Director of Resources, to make available the reserved sums for the Rowditch

Recreation Ground scheme as soon as a decision has been made on the Barracks building.

Mayor

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MINUTES OF COUNCIL CABINET REQUIRING THE
APPROVAL OF COUNCIL

COUNCIL CABINET
15 FEBRUARY 2011

Present Councillor Holmes (Chair)
Councillors Grimadell, Ingall, Marshall, Poulter and Webb

In attendance Councillors Bayliss and Jones

This record of decisions was published on 17 February 2011. 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.

Budget and Policy Framework

195/10 Recommendations from the Overview and Scrutiny Commission on the draft Revenue and Capital Budgets 2011/12 – 2013/14

The Council Cabinet considered a report on recommendations from the Overview and Scrutiny Commissions on the draft Revenue and Capital Budgets 2011/12 – 2013/14.

The Revenue Budget proposals were considered by the five Overview and Scrutiny Commissions at their meetings in January/February 2011. The Capital Budget proposals were considered by the Scrutiny Management Commission on 1 February.

Appropriate Cabinet Members and chief officers were supplied with the individual commissions' recommendations immediately after the wording was finalised by the respective chair and vice chair. This repeated the practice trialled in 2010 and allowed the fullest consideration to be given to the scrutiny input.

The recommendations of the individual Commissions and the reasons for those recommendations were as set out in the Appendices to the report.

The process set out in the Budget and Policy Framework Procedure Rules required the Cabinet to formally consider the reports of the overview and scrutiny commissions and report to Council on how it had taken into account any recommendations made.

The Council Cabinet also considered a supplementary report from the Scrutiny Management Commission on Stage 2 of the Revenue Budget Proposals and a response from the Council Cabinet to the recommendations.

Decision

To take the recommendations of the overview and scrutiny commissions into account when considering the capital and revenue budgets (minutes nod 196/10 and 197/10).

196/10 General Revenue Budget and Council Tax 2011/12

The Council Cabinet considered a report on General Revenue Budget and Council Tax 2011/12. The report set out proposals to recommend to Council a net budget requirement of £221,748,425 in 2011/12. The report also set out budget proposals for 2012/13 and 2013/14 as part of the Council's Medium Term Financial Plan (MTFP). The Council had outlined permanent saving requirements of £57m over three years to meet rising costs, maintain priority services and invest for the future. These savings targets of £24.7m in 2011/12, £18.7m in 2012/13 and £13.6m in 2013/14 excluded one-off savings needed to meet redundancy pressures. Savings would be delivered from a combination of the Council's one Derby, one council efficiency programme (ODOC), staff post reductions and changes to services. Each section of the report dealt with the various elements that required consideration before a final decision was reached. These key areas were:

- the budget process leading up to these proposals (Section 4)
- resources available, linked to the local government finance settlement, including council tax and significant changes to government funding (Section 5)
- the budget proposals for 2011/12, how they have changed since proposals were released for consultation and how they relate to the Council's corporate outcomes (Section 6)
- the Council's corporate reserves position (Section 10)
- communication and consultation including feedback (Section 11)

A separate report providing details of the latest estimated outturn position 2010/11 and treatment of variances was presented as Item 29 to this meeting. The Council's notified grant settlement from central government for 2011/12 was £138.872m. The Council also anticipated receiving a new grant for New Homes Bonus of £0.988m in 2011/12, although this had not been confirmed. Total grant settlement from central government was therefore expected to be £139.860m. Included in the appendices was summarised budget information that together with the text of the report constitutes the full budget proposal.

Decision

To recommend to Council the following ...

1. To approve a budget requirement for Derby City Council for 2011/12 of £221,748,425.
2. To approve for 2011/12 the directorate revenue budget estimates and use of reserves of £11.588m (5.23% of the budget) in 2011/12 summarised in Appendix 4 of the report. This included the use of £8.015m (3.62% of budget) of reserves to support the Council's redundancy programme. Repayment of £5.7m of these reserves during 2012/13 and 2013/14 had been included within these budget

proposals. It also included £3.075m from corporate reserves and £0.498m from service reserves (1.61% of budget) to support a balanced budget position.

3. To approve the measures proposed to manage budget risks in 2011/12 and in future years, including the deliverability of identified savings, levels of service and inflation forecasts as set out in Section 10 of the report.
4. To approve within this total of £221,748,425:

	£
Net service estimates of:	
Adults, Health and Housing	73,568,000
Chief Executives	12,414,000
Children and Young People	46,393,000
Neighbourhoods	41,397,000
Resources	13,941,000
Corporate and Contingency Budgets	45,623,425
	<hr/>
	233,336,425
Appropriations to/from reserves (figures in brackets are appropriations from reserves):	
Service reserves	(498,000)
Corporate reserves to support a balanced budget position	(3,075,000)
Corporate reserves to fund redundancies	(8,015,000)
	<hr/>
	221,748,425

5. To note that, at its meeting on 11 January 2011, the Council calculated the amount of 72,278.83 equivalent band D properties as the Council's Tax Base for the year 2011/12 in accordance with the Local Authorities (Calculation of Council Tax Base) (Amendment) (England) Regulations 2003 (SI 2003/3012). This calculation was in line with the Council's decision to freeze 2011/12 Council Tax at 2010/11 levels.
6. To calculate the following amounts for the year 2011/12 in accordance with Sections 33 (1) of the Local Government Finance Act 1993. .
 - a. £558,341,425 being the aggregate of the amounts which the Council estimated for the items set out in Section 32(2)(a) to (e).
 - b. £366,593,000 being the aggregate of the amounts which the Council estimated for the items set out in Section 32(3)(a) and (c) of the Act.
 - c. £221,748,425 as its budget requirement for the year, being the amount by which the aggregate at (a) above exceeded the aggregate at (b) above, calculated by the Council, in accordance with Section 32(4) of the Act.
 - d. £140,275,005 being the aggregate of the sums which the Council estimates would be payable for the year into its General Fund in respect of redistributed non-domestic rates,

revenue support grant, and additional corporate government grants

e. £1,127.21

as the basic amount of its Council Tax for the year, being the amount at (c) above, less the amount at (d) above, all divided by the amount at 2.6 above, calculated by the Council, in accordance with Section 33 of the Act.

f.

for the following Valuation Bands:

	£		£
A	751.47	E	1,377.70
B	876.72	F	1,628.49
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 (e) above by the number which, in the proportion set out in Section 5(1) of the Act, was applicable to all dwellings listed in each particular valuation band divided by the number which in that proportion was applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 30(1) of the Act.

7. To note that for the year 2011/12, Derbyshire Police 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	**

8. To note that for the year 2011/12, 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	**

9. Having calculated the aggregate in each case of the amount in 2.7, 2.8 and 2.9 of the report, in accordance with Section 30(2) of the Local Government Finance Act 1992, to set the following amounts as the amounts of Council Tax for the year 2011/12 for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

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

10. To note the revenue budget plans for 2012/13 and 2013/14 set out in section 6 of the report.
11. To note the feedback from the budget consultation and approve the Council Cabinet response to the consultation recommendations at Appendix 6 of the report.
12. To approve the 2011/12 Schools Budget included at Appendix 12 of the report and note the comments from the Schools Forum meeting held on 3 February 2011.
13. To authorise the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.

197/10 Capital Programme 2011-14

The Council Cabinet considered a report on Capital Programme 2011-14.

The report set out the 2011/12 to 2013/14 capital programme for recommendation to Council on 2 March 2011. The main areas of the £274m programme over the next three years were

- £32m for the Council's accommodation strategy funded from corporate unsupported borrowing.
- £17.8m capital implementation costs for computer applications and infrastructure to deliver the Council's one Derby one Council transformation programme funded from capital receipts.

- £45m to deliver the Council's Leisure strategy which would include a new 50 metre swimming pool together with the creation of a Multisports Arena and new athletics track. A further £5m would be required in 2014/15 to complete the full £50m programme.
- £25m to deliver the jointly funded waste disposal plant alongside Derbyshire County Council funded from service financed unsupported borrowing.
- £65m Children and Young People's Directorate programme including the Building Schools for the Future schools and the Primary Capital programme; repairs, maintenance and improvements to the fabric of school buildings and devolved funding to schools, of which the majority was funded from specific grants together with supported borrowing and external contributions.
- £46.5m Housing programme. Many council-owned houses would get new PVCu windows and doors, new kitchens and bathrooms, heating systems and other repair and refurbishment work, funded through £34.6m from the Housing Revenue Account. A further £12.4m for the Housing General Fund mainly funded from government grants would enable the continuation of schemes including the delivery of decent homes and assistance to vulnerable householders, disabled facilities grants, other repairs and assistance in the private sector and support for affordable housing.
- £17m Local Transport Plan - LTP- of which £10m was funded from government grants to help deliver improvements to integrated transport systems, including strategic public transport schemes, better traffic management and improvements to roads in neighbourhoods, and to maintain the transport infrastructure including money for carriageway and footway maintenance and to repair bridges and other structures. An allocation had been bid for and scored in the top priorities to spend £7.4m on the London Road Bridge replacement £5.4m of which would be funded from Department for Transport (DfT) grant. As well as the block programme, a further £1.7m for Connecting Derby would be spent funded mainly from the DfT grant.
- £4.4m for maintenance of the Council's buildings and infrastructure, including roof repairs - Market Hall and Wardwick museum, structural repairs, fire precaution works, window replacement programme, replacement air conditioning units and community centre repairs.
- £7.7m for the extracare programme for the elderly in our Adults Social Care and Housing service.

Following the Government's Spending Review announcements the Single Capital Pot allocations were reduced and the report outlined the approach taken to produce a balanced capital programme which met the corporate priorities as well as setting aside funding for planned maintenance of the Council's buildings. A bidding process had taken place for new schemes against the Single Capital Pot allocations for the three years 2011/12 – 2013/14 using a scoring mechanism against prescribed criteria. The report also outlined the potential financial risks relating to the Council's VAT partial exemption calculation arising from the leisure strategy. Delivery of the capital schemes within the strategy would need to be spread over a number of years to avoid the Council incurring significant VAT costs. Further work was needed to develop the options to alleviate this risk.

Decision

To recommend to Council the following ...

1. To approve the capital programme for 2011/12 and the indicative capital programme for 2012/13 and 2013/14 as set out in the report. A summary was shown in Appendix 2 of the report.
2. To note the rigorous process of review undertaken on the current 2010/11 – 2012/13 capital programme to generate revenue and capital savings and drive forward those schemes the Council is committed to delivering. Schemes which were not contractually committed and were to be removed from the capital programme, would generate savings and were shown in Appendix 3 of the report. Schemes that had non ring fenced funding that had not been allocated to specific projects and had been removed from the programme were shown in Appendix 4 of the report.
3. To approve the use of the revenue budget forecast savings totalling £3.8m anticipated by rephasing the priority projects and aborting schemes listed in Appendix 3 and 4 of the report, to support the 2011-14 revenue budget.
4. To approve the schemes identified as part of the review of the programme, as detailed in Appendix 3 and 4 of the report, were removed from the capital programme to help generate revenue and capital savings.
5. To approve the top slicing of the available funding, as detailed in paragraph 5.5 of the report, to ensure that there was a sum set aside each year for planned maintenance including community centres.
6. To agree the schemes which had been previously identified as Corporate Priorities as detailed in paragraph 4.9 and Appendix 5 of the report.
7. To approve the allocation of the balance of funding available to the capital schemes from the Single Capital Pot allocations listed in Table 2 for the full list of bids, detailed in Appendix 6 of the report, that had been prioritised by the Strategic Asset Management Group as well as with consultation with Chief Officer Group and Leadership in line with an agreed scoring criteria.
8. To note the potential VAT partial exemption implications of the Leisure Strategy.

At this point Councillor Marshall took the Chair

198/10 Housing Rents and Service Charges

The Council Cabinet considered a report on Housing Rents and Service Charges. The Government originally set a policy to restructure social housing rents over the 10 year period 2002/03 to 2011/12. The process involved moving rents incrementally towards a target so that at the end of the restructuring period, council housing rents would be in line with those of other Registered Social Landlords – RSLs – this was known as ‘rent convergence’.

The period of rent restructuring had changed a number of times during the life of the policy, due to the impact of changes in the rate of inflation and Government intervention in terms of rent limitation and capping. Currently, it was anticipated that rents would converge within five years, by 2015/16 – although this date could change again depending on inflation

levels and a shift in government policy. If Housing Revenue Account (HRA) reform takes place as anticipated, with effect from April 2012, it was likely this date would be fixed. Our rent proposals for 2010/11 included the 'un-pooling' or separation of service charges for Smoke Alarms and Grounds Maintenance. There was no further un-pooling of service charges proposed for 2011/12. Government Policy was to establish the percentage average guideline increase by applying RPI inflation at the previous September and a convergence factor to reflect the number of years to rental convergence with the Housing Association sector. The RPI inflation rate for 2011/12 was the rate at September 2010, that was 4.6%.

This produced an average guideline rent increase for 2011-12 of 6.8%. Derby's rents were below guideline and applying the RPI inflation and convergence factors implies an actual average increase of 7.4% although there would be a wide variation in individual rents, as there always was under rent restructuring. Some tenants would have their weekly rent increase limited to RPI +0.5% +£2. For a tenant paying the average rent this would mean an increase of around 8.4% or £5 a week. It was proposed to increase most service charges by RPI + 0.5%, total 5.1% in 2011/12. There were some exceptions to this where lower increases in actual cost had been experienced – notably in grounds maintenance. The full set of new charges were set out in Table 3 in the report. Garage and other rents were proposed to be increased by the average rent increase of 7.4%. Turnover and around 1000 homes a year fall void and were re-let. It was proposed to set re-let rents at target rent straight away rather than an incremental movement. This would increase the income received by the HRA. If this policy was adopted it was estimated that it would generate around £130,000 in the first year and £300,000 in 2012/2013. It was proposed to increase energy charges by 5.1%. It was proposed to increase pitch fees at Shelton Lock Mobile Home Park by RPI plus – subject to residents' agreement – a further £2 a week to help finance the development of the site.

Decision

To recommend Council to approve revision of rent and service charges from 4 April 2011 on the basis set out in the report including:

- an average overall weekly rental increase of £4.34 or 7.4% calculated over 52 weeks, plus
- an increase in most Service Charges of 5.1% with some – mostly lower – exceptions as set out in Table 3 of the report.
- To revise service charges for cleaning to cost as soon as possible during 2011/12
- To implement a recommendation from Housing Boards to move blocks from fortnightly cleaning to weekly cleaning except where a majority of residents have objected.
- increasing rents to target level for all new tenancies
- an increase in Garage Rents and other rents of 7.4%
- To continue the policy last year of increasing utility charges in category 2 sheltered housing by 10% a year - where these are below cost - until the charges reach actual cost.
- an increase of RPI in pitch fees at Shelton Lock Mobile Home Park plus a further £2 a week to help finance the development of the site.

Declarations

Having declared personal and prejudicial interests in the above item Councillor Holmes and Ingall left the meeting during the discussion and voting thereon.

Following consideration of this matter Councillor Holmes re took the Chair.

200/10 Treasury Management Strategy and Prudential Code Indicators 2011/12

The Council Cabinet considered a report on Treasury Management Strategy and Prudential Code Indicators 2011/12. The report outlined the Council's prudential indicators for 2011/12 – 2013/14 and sets out the expected treasury operations for this period. It fulfilled four key legislative requirements:

- The reporting of the prudential indicators setting out the expected capital activities and treasury management activity as required by the CIPFA Prudential Code for Capital Finance in Local Authorities and the CIPFA Treasury Management Code of Practice.
- The setting out of the Council's Minimum Revenue Provision policy, determining how the Council would pay for capital assets through revenue each year as required by the Local Government and Public Involvement in Health Act 2007.
- The statement of the Council's treasury management strategy which sets out how the Council would support the capital strategy by managing day-to-day cashflow and placing limitations on activity through treasury prudential indicators.

The key indicator is the 'Authorised Limit' the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This was the Affordable Borrowing Limit required by section 3 of the Local Government Act 2003. This was in accordance with the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code and shown at Appendix 2 of the report. The investment strategy which set out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy was in accordance with the Department for Communities and Local Government's – CLG - Investment Guidance. The above policies and parameters provide an approved framework within which Council officers would undertake the day-to-day capital and treasury activities. However, it was vital that Council members adopt an active role and scrutinise this framework according to their own concerns about the Council's finances, especially in light of the ongoing economic instability, and recent problems in the finance sector of both the UK and the rest of Europe.

Decision

To recommend Council to approve each of the five key elements of this report:

1. The Prudential Indicators and Limits for 2011/12 to 2013/14 contained within the Supporting Information of this report and summarised in Appendix 2 of the report.
2. The Minimum Revenue Provision - MRP - statement shown at paragraph 5.10 of the report, which set out the Council's policy on MRP.

3. The Treasury Management Strategy 2011/12 to 2013/14, and the Treasury Management Prudential Indicators contained within Appendix 3 of the report.
4. The Authorised Limit Prudential Indicator shown in Appendix 3 paragraph 4.4 of the report.
5. The Investment Strategy 2011/12 contained in the treasury management strategy in Appendix 3 of the report, which recommended a slight relaxation of the investment limits set on the Council's current bank.

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