

Time began: 4.00pm
Time ended: 5.38pm

COUNCIL CABINET

14 June 2023

Present	Councillor Shanker (Chair) Councillors Dhindsa, Hezelgrave, S Khan, Martin, Peatfield, Swan and Whitby
In attendance	Councillors Hassall, Poulter and Prosser Paul Simpson – Chief Executive Rachel North – Strategic Director of Communities and Place Alison Parkin – Director of Financial Services Alison Wynn – Deputy Director of Corporate Public Health Pauline Melvin – Anderson – Director of Learning, Inclusion and Skills John Sadler – Head of Strategic Asset Management and Estates Sarah Walker – Head of Strategy and Performance Alex Hough – Head of Democracy Muhammad Muntasir - Youth Mayor Harman Kaur - Deputy Youth Mayor Matthew Frost – External Communications Lead

This record of decisions was published on 16 June 2023. 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.

The Council Cabinet observed a minute's silence in memory of the people affected by the tragic events in Nottingham yesterday.

01/23 Apologies

There were no apologies.

02/23 Late Items

There were no late items.

03/23 Receipt of Petitions

There were no petitions.

04/23 Identification of Urgent Items to which Call In will not apply

There were no items.

05/23 Declarations of Interest

There were no declarations of interest.

06/23 Minutes of the meeting held on 12 April 2023

The minutes of the meeting held on 12 April 2023 were agreed as a correct record.

Matters Referred

07/23 Recommendations from the Executive Scrutiny Board

The Council Cabinet considered a report on Recommendations from the Executive Scrutiny Board. The Executive Scrutiny Board met and discussed items contained within the Council Cabinet Agenda. The report enabled the views and recommendations resulting from these discussions to be formally shared with Council Cabinet.

Decision

To receive the report and consider the recommendations alongside the relevant report.

08/23 Minute Extract from Council – Constitutional Amendments

The Council Cabinet considered a minute extract 15/23 from Council held on 24 May 2023 relating to constitutional amendments. Council Cabinet were recommended to alter the allocation of devolved neighbourhood funding to account for creation of two member-wards, as detailed at paragraphs 4.5 to 4.7 of the report.

The Executive Scrutiny Board endorsed the recommendation and resolved to recommend to Council Cabinet that the £5K, per Councillor, per annum, across 18 Wards, be maintained going forward for all 51 Councillors.

Decision

1. To accept the recommendation from Council to alter the allocation of devolved neighbourhood funding to account for creation of two member-wards, as detailed at paragraphs 4.5 to 4.7 of the report considered by Council on 24 May 2023.
2. To accept the recommendation from the Executive Scrutiny Board that the £5K, per Councillor, per annum, across 18 Wards, be maintained going forward for all 51 Councillors.

Key Decisions

09/23 Derby and Derbyshire Integrated Care Strategy 2023

The Council Cabinet considered a report which sought approval of the Derby and Derbyshire Integrated Care Strategy 2023.

The Strategy set out how Local Authority, NHS, Healthwatch, and voluntary, community and social enterprise (VCSE) sector organisations would work together to improve the health of Derby and Derbyshire citizens, and further the transformative change needed to tackle system-level health and care challenges.

The development of the Integrated Care Strategy was the statutory responsibility of the Integrated Care Partnership (ICP). The Integrated Care Partnership was a Joint Committee of Derby City Council, Derbyshire County Council and NHS Derby and Derbyshire Integrated Care Board and was formally established in winter 2022.

The ICP was one of two statutory governance structures of the Integrated Care System (ICS) - a requirement for every area in England under the Health and Social Care Act 2022 - and its purpose was to facilitate joint action to improve health and care outcomes and experiences across the population.

The ICP received a final version of the Strategy for its review on 19 April 2023 and recommended the Derby and Derbyshire Integrated Care Strategy to the Derby City Council Cabinet for approval.

The Executive Scrutiny Board recommended to Council Cabinet that an appropriate and timely evaluation process be developed for measuring the efficacy of the ICP Strategy.

Options considered

1. It was a statutory requirement of the ICP to prepare an Integrated Care Strategy. Preparing a Strategy was therefore considered the only option.
2. Senior Responsible Owners covering the Start Well, Stay Well, and Age Well & Die Well domains considered other options for inclusion as Key Areas of Focus for the Strategy. The three Areas included in the Strategy had been collated following these considerations.

Decision

1. To accept the recommendation of the ICP and approve the Derby and Derbyshire Integrated Care Strategy 2023.
2. To delegate authority to the Directors of Public Health following consultation with the Chair of the ICP/Cabinet Members for Health to make any minor or

technical amendments that may be required to the Strategy prior to its final publication.

3. To note the recommendation from the Executive Scrutiny Board noting the recommendation was already included in the report.

Reasons

1. To ensure the Council meets its duty under the Health and Care Act 2022 in relation to its role in the Integrated Care System.
2. To support the provision of care that was more integrated, and which provided better outcomes for citizens, in response to population health and care needs.

10/23 Dedicated Schools Grant Management Plan

The Council Cabinet considered a report which set out the progress made on the dedicated schools grant (DSG) management plan. The management plan outlined the current trajectory of expenditure and set out the identified, mitigating, activities aimed at bringing expenditure back in line with forecasted budgets over the next five years.

The report sought approval on the approach taken to both elements of work, within the context of the wider Local Area SEND strategy and High Needs Transformation programme.

The Executive Scrutiny Board noted the report.

Options considered

1. The Council needed a DSG management plan to engage with the DfE and stakeholders on the expenditure projections and mitigation projects for high needs expenditure. The option of “do nothing” was not considered acceptable in this situation given the scale of the issues.
2. An accelerated plan was developed providing more detail around the phase two interventions.

Decision

1. To approve DSG management plan.
2. To note a maximum mitigated deficit of £9.782m by 2026/2027.

Reasons

1. The pressure on the high needs block was significant and the current levels of demand were unsustainable.

2. A DSG Management Plan was required by the DfE.

Budget and Policy Framework

11/23 Final Accounts – 2022/23 Outturn report for General Fund, Capital Programme, Treasury Management, Housing Revenue Account, Dedicated Schools Grant and Collection Fund

The Council Cabinet considered a report which outlined the summary of the Councils final outturn position, subject to external audit opinion, for the 2022/23 financial year. The report described the final year end positions and the main variances from Quarter 3 and set out issues to note and those requesting approval. In summary the outturn was as follows:

- a) **Revenue Budget:** The general fund revenue outturn position was a balanced position when compared to the revenue budget for 2022/23. The balanced position was achieved after utilising the £1.2m Pay and Inflation reserve established at 2021/22 out-turn to fund anticipated emerging pressures and the remainder of the COVID reserve £2.265m. The remaining shortfall at outturn of £10.200m had been funded from the budget risk reserve.

£11.824m of the Councils savings target of £13.168m for 2022/23 had been achieved which was 89.79%. Further detail was outlined section 4.1.49 of the report.
- b) **Capital Budget:** The capital programme outlined the delivery of 70.31% of the latest approved £150.473m capital programme. Details of the capital outturn for 2022/23 totalling £105.797m for work completed and an analysis of the (£48.548m) slippage against the final approved capital programme was set out in section 4.6 of the report.
- c) **Treasury Management:** Total borrowing for the Council was £359.450m and total investments were £16.697m as at 31 March 2023, as detailed in section 4.7 of the report.
- d) **Housing Revenue Account (HRA):** The HRA showed an outturn surplus of £0.217m against a planned shortfall of £2.700m, this was a positive variance of £2.918m. The overall HRA balances at 31 March 2023 were detailed in section 4.8 of the report.
- e) **Dedicated Schools Grant:** The Dedicated Schools Grant closed with a deficit for the financial year 2022/23 of £3.675m. Overall DSG balances at the end of the financial year 31 March 2023, were £4.443m deficit on the central non-delegated items as detailed in section. 4.9 of the report. Individual school balances were £9.266m.

- f) **Collection Fund:** The Councils share of the collection fund outturn was a deficit of £0.831m as detailed in section 4.10 of the report.

General Fund

During the year, the Council managed and controlled spending on services through its general fund. A summary of the net cost of running each main revenue service area was set out in paragraph 1.2 of the report.

This spending was financed from council tax, business rates, government grants and reserves were set out in paragraph 1.3 of the report.

The Executive Scrutiny Board noted the report.

Options considered

No other options considered as the Council has a statutory obligation to achieve a balanced budget position.

Decision

1. To note the position for 2022/23 (subject to external audit review):
 - a) The overall general fund revenue budget outturn position and budget variances as set out in section 4.1 of the report.
 - b) The savings achieved as summarised in section 4.1.49 of the report.
 - c) The use of reserves under delegation as outlined in Appendix 2 (b) of the report.
 - d) The capital outturn and the capital expenditure incurred during the year as set out in section 4.6 of the report.
 - e) The Private Finance Initiative (PFI) reserve movements as set out in section 4.6 of the report.
 - f) The treasury management outturn and prudential indicators as set out in section 4.7 of the report.
 - g) The overall Dedicated Schools Grant position as set out in section 4.9 of the report.
 - h) The Councils share of the collection fund, a deficit, as set out in section 4.10 of the report.
 - i) The switching of funding for the Carbon Reduction fund of £0.303m to enable flexibility within the allocation for future years as outlined in 4.6.11 of the report.

- j) The use of £0.684m from the Flexible use of Capital Receipts and the balance remaining for future years to fund transformation projects as set out in section 4.6.12 of the report.
2. To approve:
- a) The final required movements in revenue reserves set out in Appendix 2 (a) of the report.
 - b) The addition of net £46.882m budget (slippage £48.548m and spend brought forward (£1.666m)) to the 2023/24 capital programme as detailed in section 4.6 of the report.
 - c) The HRA outturn surplus of £0.217m as set out in section 4.8 of the report.
 - d) The annual report in respect of Treasury Management activity for 2022/23 as outlined in section 4.7 of the report.
 - e) The write off of Sundry debt and Residential care debt totalling £0.273m as outlined in section 4.4 and Appendix 7 of the report.
3. To authorise and approve The Section 151 Officer to adjust the Councils accounts if the Council or its external auditors (Ernst Young) require any adjustments to the final accounts for 2022/23 that alter the overall Councils out-turn position.

Reasons

1. Under the Local Government Act 2003, the Council has a legal obligation to achieve an annual balanced budget position.
2. The Medium-Term Financial Plan (MTFP) sets the funding for the Council for the financial year and the use of those funds was then monitored throughout the year to ensure delivery of Council priorities. The outturn report indicated how the Councils resources had been used to support the delivery of budgetary decisions.
3. In accordance with CIPFA Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code"), members should approve the annual report for Treasury Management activity in 2022/23 which formed part of the report.
4. The HRA Business Plan set out the forecasted funding and the use of those funds was then monitored throughout the year to ensure delivery of HRA priorities. The outturn report indicated how the resources had been used to support the delivery of budgetary decisions.
5. In accordance with the Council's Financial Procedure Rules Council Cabinet approval was required to write-off individual debts of £0.010m or more.

Contract and Financial Procedure Matters

12/23 Compliance with Contract and Financial Procedure Rules

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

- Bid for and acceptance of funding from Sports England for swimming pool operators in the city up to the value of £2m and associated delegated approvals to award the funding.
- allocation of £0.050m from the Budget Risk Reserve to fund Stage1 costs of strategic development partner procurement costs.

The Executive Scrutiny Board noted the report.

Options considered

1. Sports England Bid for Funding – None.
2. Strategic Development Partner - To retain the £0.050m in the Budget Risk Reserve which would then necessitate the identification of an alternative funding source for these costs, if possible, which could delay the procurement process.

Decision

1. To approve a bid for and acceptance of funding from Sport England on behalf of swimming pool operators in the city up to the value of £2million as outlined in section 4.1 of the report.
2. To delegate approval to the Strategic Director of Communities and Place following consultation with the Cabinet Member for City Centre, Regeneration, Culture and Tourism to agree the terms and the award of the funding allocations to the relevant swimming pool operators in the city as outlined in section 4.1 of the report.
3. To approve the allocation of £0.050m from the Budget Risk Reserve to fund Stage 1 of strategic development partner procurement costs as outlined in section 4.2 of the report.

Reasons

To comply with the Council's Financial and Contract Procedure Rules.

13/23 Council House Optimisation

The Council Cabinet considered a report which raised awareness of and sought support for Phase 1 of the Council House Optimisation Project (Phase 1).

The focus of Phase 1 was to be to reconfigure the first floor of the Council House (CH) to create a working environment which supported hybrid-working and allowed spare desk capacity to be made available for rental by partner organisations, supporting the achievement of the 2023/24 MTFP income target for the CH. The proposals would also impact upon other floors of the Council House, through some displacement of colleagues from the first floor to other areas and because the project offered an opportunity to review and improve how we use the building for all colleagues in the post pandemic hybrid working environment.

Phase 1 would therefore have an impact on how colleagues, members and partners used and viewed the Council House. Its success relied on gaining buy in and support from a wide range of stakeholders, including members, executives, colleagues and partners. The report was an important step in socialising the proposals and gaining this support, prior to entering into any medium term legal arrangements and forging long term plans for how the building was used.

The Executive Scrutiny Board endorsed the principle of optimisation of the workspace in the Council House but resolved to recommend to Council Cabinet that we need to understand the extent and issues around hybrid working and home working, so that we can maximise the premises for the purposes for which it was originally intended, by bringing Council staff back into the building in an efficient manner.

Options considered

Doing nothing for now and focussing on other opportunities in the estate was an option, but the Council House stood out as the single biggest opportunity to progress at pace. The risk of not progressing Phase 1 at all was one of missed opportunities; in terms of rent, optimising the building for hybrid working, and better partnership working.

Decision

1. To note and support the delivery of Phase 1 of the Council House Optimisation Strategy, as outlined in the report.
2. To delegate authority to the Director of Corporate Governance, Property and Procurement, following consultation with the Director of Finance and the Cabinet Member for Housing, Property and Regulatory Services, to agree the terms of and enter into all necessary legal agreements with third parties to facilitate moves into the Council House in line with Phase 1, as outlined in the report.

3. To note that the management of this process would be the responsibility of the Asset Rationalisation Programme Board, which reported into Delivery Board and, where necessary, update reports would be brought to Council Cabinet.
4. To note the proposal to use Place Pilot funding to support the Programme, to be used to support staff resource and to fund space planning and connectivity survey work in the Council House and to delegate authority to the Director of Corporate Governance, Property and Procurement, following consultation with the Director of Vibrancy and Growth to enter into such arrangements as necessary to utilise the Place Pilot funding for these purposes.
5. To accept the recommendation from the Executive Scrutiny Board, noting that the recommendation was already in the report.

Reasons

1. The Council House was an underutilised asset with reduced desk occupancy post pandemic.
2. Re-imagining how the Council House was used by colleagues to support hybrid-working and renting space to third parties presented an opportunity to generate income, in excess of the current MTFP target, and to deliver benefits and efficiencies through colocation and collaboration with key public sector partners.
3. There was market interest in renting space in the Council House. The Council House offered Grade A office space, was generally in good condition and boasted excellent “green” credentials.
4. Bringing public sector colleagues into the Council House supported the Government’s One Public Estate Programme of works, for which the Council had been selected as a Place Pilot Authority to support precisely this kind of public estate asset consolidation.
5. The Project would support the wider Regeneration objective to bring office workers into the City Centre.

Performance

14/23 2022/23 Quarter 4 Performance Monitoring Report

The Council Cabinet considered a report which stated that the Council Plan 2022-2025 was approved by Council Cabinet in February 2022, with the supporting annual delivery plan for 2022/23 approved in July 2022.

The report presented a consolidated overview of performance in line with commitments made in the Plan, bringing together priority performance measures, projects and strategic risks.

A commitment was made to make the Council Delivery Plan dynamic on approval, ensuring that it remained fit for purpose.

A summary of key performance highlights covering the period of January 2023 to March 2023 (quarter four) could be found in paragraph 4.7, with details of key achievements presented within paragraphs 4.8 to 4.10 of the report. Areas for further work were detailed within paragraphs 4.11 to 4.15, and a full overview of progress against the 2022/23 Council Delivery Plan was available in Appendix 1 of the report.

There was one area (two linked performance measures) identified for a Performance Surgery, based on outturns at the end of March 2023.

The Executive Scrutiny Board resolved to recommend to Council Cabinet that the relevant Cabinet Members provide action plans in relation to the following measures with a red Q4 RAG Status:

- Total number of people in effective alcohol treatment
- Total number of people sleeping rough on a single night – including veterans and those with mental health problems
- Average working days per employee (full time equivalents) per year lost through sickness absence - excluding schools

Options considered

Not applicable.

Decision

1. To note the latest performance position, paying particular attention to the latest profile of our strategic risks and emerging priorities for improvement.
2. To note the in-quarter activities set out in paragraph 4.16 of the report, which had been completed to provide assurances on our strategic risk controls, with further activities scheduled for 2023/24.
3. To note that two performance measures were recommended for consideration via a Performance Surgery (paragraph 4.18 of the report).
4. To note the findings of the Data Quality and Performance Management audit report published in March 2023, presented in paragraphs 4.19 to 4.21 of the report, which found there to be 'substantial assurances'.
5. To note the recommendation from the Executive Scrutiny Board to ask the relevant Cabinet Members to provide action plans in relation to the following measures with a red Q4 RAG Status, but to instead refer the matter to the

relevant Scrutiny Board or Committee to consider as a topic review for the forthcoming municipal year and for the relevant Cabinet Member to consider those findings:

- Total number of people in effective alcohol treatment.
- Total number of people sleeping rough on a single night – including veterans and those with mental health problems.
- Average working days per employee (full time equivalents) per year lost through sickness absence - excluding schools.

Reasons

1. Performance monitoring enabled us to keep track of our progress against various plans, and it was essential that Council Cabinet had regular oversight of progress against the Council Plan.
2. A key part of effective improvement was robust project and risk management, with regular senior oversight of the latest position. This made sure that there was clear accountability, and it allowed informed decision making, in a transparent way.

15/23 Exclusion of Press and Public

Resolved that under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting during discussion of the following item on the grounds that it 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.

Contract and Financial Procedure Matters

16/23 Council House Optimisation

The Council Cabinet considered exempt information in relation to the proposed Council House optimisation.

The Executive Scrutiny Board noted the report.

MINUTES END