

Time began 6.00pm
Time ended 7.05pm

**COUNCIL CABINET
30 OCTOBER 2007**

Present: Councillor Williamson (Chair)
Councillors Banwait, Bolton, Graves, Hickson,
Nath, Roberts, Smalley and Williams

In attendance Councillor Jones

This record of decisions was published on 1 November 2007. 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.

93/07 Apologies for Absence

An apology for absence was received from Councillor Hussain.

94/07 Late Items Introduced by the Chair

In accordance with Section 100(B) (4) of the Local Government Act 1972, the Chair agreed to admit the following late item on the grounds that it could not wait until the next meeting.

- Review of the proposed compulsory compensated closure programme as it relates to Post Offices in Derby.

95/07 Identification of Urgent Items to which Call-In will not apply

There were no items.

96/07 Declarations of Interest

There were no declarations of interest.

97/07 Minutes of the previous meetings held on 2 October 2007

The minutes of the meetings held on 2 October 2007 were confirmed as a correct record and signed by the Chair.

Matters Referred

98/07 The Inclusion of Information on Carbon Implications in Council Reports

The Council Cabinet considered a report on the Inclusion of Information on Carbon Implications in Council Reports.

It was accepted that identifiable carbon emissions arising from proposals should be included within reports to Council Cabinet. As the Climate Change Commission accepts, this could be difficult to achieve in some cases.

However, the Council's priority for 2007-10 to lead Derby towards a better environment required us to make efforts to reduce the level of carbon emissions. We would attempt to spell out in relevant reports how this priority was being met in the section related to Corporate Priorities.

Decision

To include carbon implications of proposals when relevant, in the section related to Corporate Priorities, in Council reports.

99/07 Proposed Measures to Promote Reductions in Energy Use and Improve Recycling in Derby

The Council Cabinet considered a report on Proposed Measures to Promote Reductions in Energy Use and Improve Recycling in Derby.

Decision

To make arrangements to promote the concepts of reducing energy use and recycling as widely as possible to Derby schools and that in addition, the schools are encouraged to collect recyclable materials.

100/07 Review of the Proposed Compulsory Compensated Closure Programme as it relates to Post Offices in Derby

The Council Cabinet considered a report on a review of the proposed compulsory closure programme as it related to Post Offices in Derby.

Decision

To note the report and recommendations of the Commission but to recommend that none of the Post Offices be closed.

Key Decisions

101/07 Planning Obligations Supplementary Planning Document

The Council Cabinet considered a report on Planning Obligations Supplementary Planning Document. As part of the Local Development Framework, a Supplementary Planning Document (SPD) had been prepared to cover all aspects of Planning Obligations. It set out the Council's approach, policies and procedures for securing Planning Obligations. A summary of the levels of contributions to be sought was set out in Appendix 2. In line with the regulations, a Sustainability Report and a Statement of Consultation had also been prepared. The three documents would need to be the subject of public consultation. This consultation should take place in December/ January and last for six weeks. The comments will be incorporated, where appropriate, into the final version of the SPD. This will be reported back to Cabinet for final approval in due course. Once the final document has been approved it will be a material consideration in determining planning applications.

Options Considered

There were no options considered.

Decision

1. To approve the Supplementary Planning Document and supporting documents, as set out in Appendix 3, 4 and 5, for consultation.
2. To continue to consult Members as early in the process as possible.

Reasons

The SPD and supporting documents must be subject to public consultation for it to be a material consideration in determining planning applications.

102/07 Building Schools for the Future Choice and Diversity

The Council Cabinet considered a report on Building Schools for the Future Choice and Diversity and a report from the Children and Young People Commission setting out their recommendations. At the beginning of October, Council Cabinet received a report about the principles and broad options relating to the 'choice and diversity' provisions of Building Schools for the Future (BSF). The report followed up the resolutions and makes specific proposals about academy status. The Department for Children, Schools and Families (DCSF), in assessing BSF Strategies for Change, expected that radical solutions, including academy status, would be considered for any schools which did not meet the threshold of 30% of pupils achieving 5 A*-C,

including English and Maths, at GCSE. Four schools come into this category in Derby; all of them face a number of challenges relating to the prior attainment of pupils, turnover and disadvantage in their communities. In all, there were solid foundations of good practice and areas of improvement on which to build. Proposals for academy status should be seen as a positive development to take improvement work on to the next stage rather than addressing failure, as this was not a characteristic of these schools. Discussions had continued with Derby College, which had expressed a commitment to academy sponsorship, and other potential partners who may support the work under BSF.

Options Considered

A range of structural options under the choice and diversity provisions have been considered for each school and will continue to be considered as part of the BSF project work.

Decision

1. To propose Bemrose Community School and Sinfin Community School for academy status, subject to the progress of an expression of interest with the DCSF and the details of the planning work.
2. To address positively the concerns expressed by staff.
3. To note the recommendations of the Commission and ask the Cabinet Member for Children and Young People to take them into account as the project moves forward.

Reasons

1. The aim of any proposals under choice and diversity should be to take the achievement of and opportunities for Derby's pupils to higher levels through the engagement of a range of partners and building on the existing work and achievements of our schools. Overall, the aim of BSF is to secure transformation in the learning opportunities in the city.
2. The DCSF expects that a full range of choice and diversity options will be included in Local Authorities' BSF Strategies for Change and this will be an important part of the signing off of those strategies.

103/07 Lakeside Community Primary School Private Finance Initiative Children's Centre

The Council Cabinet considered a report on Lakeside Community Primary School Private Finance Initiative Children's Centre. Arrangements for the negotiation of and signing the Deed of Variation to the existing Project Agreement between the Council and Derby School Solutions Ltd (DSS)

relating to the Grouped School Private Finance Initiative (PFI) Project, were now approaching a conclusion

It was anticipated that Financial Close (Contract signature) would take place on Wednesday 28 November 2007, subject to the Final Business Case (FBC) having been approved by the Department for Children, Schools and Families (DCSF).

There was a comparatively small number of issues needing to be resolved with DSS to the Council's satisfaction before the contract was signed. Where appropriate, these were referred to in the report.

Options Considered

None.

Decision

1. That, subject to satisfactory resolution of any outstanding issues referred to in the report, two of the authorised signatories of the Council, after consultation with the Corporate Director of Resources over the final proposed cost, be authorised to sign the Deed of Variation, (which may otherwise be known as an Amendment and Restatement Agreement), between Derby City Council and Derby School Solutions Ltd, relating to the Council's Children's Centre Private Finance Initiative Project at Lakeside Community Primary School, and such other documents as listed below:
 - Sub Contractor Direct Agreement
 - Independent Certifies Appointment
2. That the following documents be signed on behalf of the Council by the Council's Corporate Director of Resources:
 - Local Government (Contracts) Act 1997 certificate in respect of the Deed of Variation/Amendment and Restatement Agreement
3. That in addition to the above, those same signatories be authorised to sign on behalf of the Council such other documents and take any other action as may be necessary to give effect to the Project.
4. That the appropriate officers be authorised to resolve any outstanding issues referred to in the report, in order that those issues can be incorporated within the Deed of Variation/Amendment and Restatement Agreement as necessary without a requirement to submit a further report to Council Cabinet.
5. That should those issues not be resolved to the satisfaction of officers acting on behalf of the Council, arrangements for signing the Deed of Variation/Amendment and Restatement Agreement should not be

concluded and that a further report be presented to Council Cabinet at the earliest possible meeting.

6. That to enable the negotiations to be concluded, authority is sought to agree the terms of the Deed of Variation/Amendment and Restatement Agreement with the increase in the annual Unitary Charge within the affordability envelope as described in the confidential section of this report, variable upwards only by any items noted in the confidential section, and to delegate authority for approval of any upward variation to the Corporate Director of Resources.

Reasons

1. Everything possible should be done to minimize the risk of delays in signing of the Deed of Variation/Amendment and Restatement Agreement in order to contain the Council's costs and ensure implementation of the Project in accordance with the Project Plan and Timetable.
2. The nature of this Project meant that sustaining progress with implementation could be dependant upon seasonal and associated weather conditions. Any delays at this stage could therefore be compounded and extended in subsequent stages of the Project, thereby delaying, or possibly fundamentally jeopardizing the benefits to the children concerned.

104/07 Derby Older Person's Housing Strategy

The Council Cabinet considered a report on Derby Older Person's Housing Strategy. The report provided an overview of the Older Persons Housing Strategy and outlined the reasons for the development of the Strategy. The Older Persons Housing Strategy had been developed in response to the Government's requirements detailed in the document "Quality and Choice for Older People's Housing – A Strategic Framework" (Department of Health/ Office of the Deputy Prime Minister (now DCLG); 2002). The Strategy provided a local framework for the future direction of housing and housing support related solutions for older people, regardless of tenure. Consultation identified that key areas to focus upon were:

- That new homes should take into account the needs of older people
- Increased insulation and help with heating and other energy conservation should be a priority
- There should be more independent living opportunities
- There should be shorter waiting times for aids and adaptations
- More flexibility and choice of housing, care and support options is required as well as clearer, co-ordinated information and advice on what is available.
- How to overcome high levels of isolation reported by older people

The implementation of the strategy was detailed in an action plan, which took account of these issues and prioritised the key objectives. The Action Plan would run from 2007 – 2010. It allows for flexibility to adapt to changing needs, trends and legislation. It was also proposed to monitor and evaluate the progress made annually and publish these findings annually as well as reporting back to the Senior's Forum, Older People's Cluster and the Derby Older People's Strategic Planning Partnership (DOPSPP).

Options Considered

To not have an Older Persons Housing Strategy would mean that the City Council was less able to meet the objectives of the Corporate Plan and therefore less able to ensure high quality housing services for older people in the City.

Decision

To approve the Older Persons Housing Strategy.

Reasons

1. To provide the City Council with a strategy for housing and related support services for older people
2. To establish a clear direction and action plan for the improvement to older peoples housing and related support services over the next 3 years
3. To provide a clear link to the priorities detailed in the City's Corporate Plan 2007 – 2010, in relation to "helping us all to be healthy, active and independent".

105/07 Development of a Central Transport Procurement Resource

The Council Cabinet considered a report on Development of a Central Transport Procurement Resource. A study had been carried out by a transport consultant to consider in detail the development of an integrated approach to transport procurement in Derby. The services include the procurement and operation of Home to School Transport, adult social services, looked after children and socially necessary bus services. Current expenditure in these areas was estimated at £3.8m per year. The current 'Transport Procurement and Operations Group' (TPOG) had been operational for over two years, but for much of this time had been without a Group Manager. The Group had worked hard to cover all of its tasks and responsibilities with a reduced workforce, but it had lacked strategic direction and resources to deliver further improvements. The conclusion that the Consultant presented to a Cross-service Project Board was that, with justified

and affordable increased staff resources, it would be possible over time to deliver significant cost savings and operational efficiencies, and to raise the standards of safety and customer service. Paragraph 1.14 and Table 1 of the main report sets out the key areas for savings and efficiencies. Paragraph 1.17 sets out the key conclusions from the Project Board. Paragraph 1.4 of the report proposed a staffing structure to deliver this agenda which was included within the main report as Figure 2 and proposed that the additional resources required were funded on an 'invest to save' basis. The financial breakdown was shown in Appendix 1 and Table 2. Members were asked to support this initiative to begin to make some significant improvements in procurement and service operation.

Options Considered

1. Given that TPOG was already in an interim phase of implementation, 'do nothing' was not a realistic option. The Best Value Review recommended the introduction of an integrated procurement and operations unit.
2. If the way in which the service was delivered did not become more integrated then some investment would be required to add resources to the team to improve the safety procedures that were in place. However no significant improvements in efficiency or customer service could be expected. Funding to simply increase resources, for no additional significant benefits could not be justified.

Decision

1. To approve the principle of establishing an Integrated Transport Procurement service within the Highways and Transport Division of the Regeneration and Community Department.
2. To approve the financial business case as set out in the financial implications. It was proposed that the group would generate a surplus on the investment by 2011/12.
3. To approve funding of £166k from the Council's pump priming fund from 2007/08 to 2009/10 to support the additional staffing costs until sufficient income was generated to cover these costs.

Reasons

1. There was a need to minimise future cost escalation and deliver cost savings in the procurement of transport services on behalf of client departments.
2. There was a need to meet minimum standards of safety and customer service in relation to the transport service procured by and operated on behalf of TPOG, particularly given the vulnerable nature of the individuals carried.

Budget and Policy Framework

106/07 Treasury Management Progress Report 2007/08

The Council Cabinet considered a report on Treasury Management Progress 2007/08. The report covered the Council's treasury management activity for the first half of the financial year 2007/08. Treasury management activity during the year had resulted in some savings for the Council, mainly as a result of increasing interest rates for investments, and the decision to restructure a number of existing loans. The list of counterparties with which the Council could place investments could be extended to include other local authorities that wished to borrow temporarily.

Decision

1. To note the progress report on Treasury Management to 30 September 2007 and forecasted savings of £1m to 31 March 2008.
2. To modify the Treasury Management Strategy to allow the Council to lend to other local authorities up to a maximum of £10m which was in line with the highest credit-rated building societies.

Contract and Financial Procedure Matters

107/07 Contract and Financial Procedure Matters Report

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

- proposed purchase of buses to operate the new Derby "Skylink" service to East Midlands Airport
- QUAD landscaping
- Bold Lane car park contract extension.

Decision

1. To note the Council's bid for money from East Midlands Development Agency to purchase new vehicles for the Airline Shuttle bus service.
2. To approve the expenditure of £773,557 on new buses as part of the Regeneration and Community Department's capital programme for 2007/08, and to approve scheme commencement.

3. To approve the use of the Eastern Shires Procurement Organisation, ESPO, to tender and then procure these vehicles on our behalf rather than using the Council's own tendering procedure.
4. To deal with the QUAD landscaping work as an extension to the existing contract with Morgan Ashurst, the main contractor for QUAD.
5. To note the bid to Derby and Derbyshire Economic Partnership and, subject to its approval, revise the capital programme.
6. To approve commencement of the tender stage of the QUAD landscaping project.
7. To approve the extension of the Bold Lane car park contract from 3 November 2007 to 2 November 2008.
8. To approve the commencement of the tender process to include specifications for security and management of all three multi storey car parks including:
 - Bold Lane
 - Chapel Street
 - Assembly Rooms.

108/07 Exclusion of Press and Public

To consider a resolution to exclude the press and public during consideration of the following items:

“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 items on the grounds that they involved the likely disclosure of exempt information as defined in paragraphs 1 and 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”

109/07 Waste Disposal – Prospective Loan to Finance a New Treatment Plant

The Council Cabinet considered a report on Waste Disposal – Prospective Loan to Finance a New Treatment Plant.

It was noted that Derbyshire County Council had deferred making a decision on this issue.

Decision

1. To authorise in principle the granting of a loan of up to £40m subject to commercial negotiations with the successful bidder for the contract, as 50% of any loan agreed between the City and County Councils.
2. In principle to be prepared to add a further £15m to the Capital Programme in 2009/10, funded by prudential borrowing on condition that a satisfactory agreement is reached. The addition to the Capital Programme would be made should this occur.
3. To delegate the final decision to the Cabinet Members for Personnel, Performance Management and Economic Development and Leisure and Direct Services once Derbyshire County Council's final position is known.

Key Decisions

110/07 Lakeside Community Primary School Private Finance Initiative Children's Centre

To consider exempt information in relation to Lakeside Community Primary School Private Finance Initiative Children's Centre.

MINUTES END