

Time began: 4.00pm
Time ended: 5.13pm

COUNCIL CABINET

14 February 2024

Present	Councillor Shanker (Chair) Councillors Dhindsa, Hezelgrave, Martin, Peatfield, Swan and Whitby
In attendance	Councillors Hassall and Prosser Paul Simpson – Chief Executive Sam Dennis – Acting Strategic Director of Place Emily Feenan - Director of Corporate Governance, Property and Procurement and Monitoring Officer Alison Parkin – Director of Finance Gurmail Nizzer – Director of Commissioning and Delivery Sharon Buckby – Director of Learning, Inclusion and Skills Tammy Whitaker – Director of City Growth and Vibrancy Heather Greenan – Director of Corporate Management Charles Edwards – Head of Community Safety and Localities Muhammad Muntasir – Youth Mayor Harman Kaur – Deputy Youth Mayor Kara MacFadyen – Head of Communications and Marketing

This record of decisions was published on 16 February 2024. 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.

130/23 Apologies

Apologies for absence were received from Councillors S Khan and Poulter.

131/23 Late Items

There were no late items

132/23 Receipt of Petitions

There were no petitions.

133/23 Identification of Urgent Items to which Call In will not apply

There were no items.

134/23 Declarations of Interest

There were no declarations on interest.

135/23 Minutes of the meeting held on 10 January 2024

The minutes of the meeting held on 10 January 2024 were agreed as a correct record.

Matters Referred

136/23 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.

Key Decisions

137/23 Determined School Admission Arrangements for Derby City Maintained and Voluntary Controlled Schools 2025 - 2026

The Council Cabinet considered a report which stated that the Council was the Admissions Authority for all maintained and voluntary controlled schools within Derby City, and therefore, must comply with the statutory duty to consult on any changes to its admission arrangements on behalf of those schools before they were determined and published in the year preceding admission.

The School Admissions Code 2021 required that consultation on admission arrangements for the academic year 2025-2026 must last for a minimum of 6 weeks and must take place between 1 October 2023 and 31 January 2024. All admission arrangements must then be determined (set) by the statutory deadline date of 28 February 2024.

There had been no policy changes to the Admissions Arrangements for 2025/26, from the previous year.

No objections or comments relating to the proposed admission arrangements had been received during the consultation period between 16 October 2023 and 24 November 2023.

The proposal was for the admission arrangements for the 2025-2026 academic year set out in Appendices 1 and 2 of the report, to be considered and approved as the determined (set) admission arrangements by Council Cabinet.

The Executive Scrutiny Board resolved:

1. to ask Council Cabinet to give permission to the relevant Director make technical changes to the wording of the School Admission documents in Appendices 1 – 4 to improve readability; and
2. to recommend that the council recognises the transport impact of journeys by car to and from schools in relation to its commitment on climate change and sustainable travel, and that this should be noted in the report at 9.2.

Options considered

Not to undertake a consultation where there were no changes proposed for a period of up to seven years. However, all admission authorities must publish their determine admission arrangements every year, even if they had not changed from previous years. It was considered the annual consultation process provided parents, carers, and stakeholders with a regular opportunity to review and comment on the proposed admission arrangements each year.

Decision

1. To approve the proposed admission arrangements for Community and Voluntary Controlled infant, junior, primary, and secondary schools as set out in Appendix 1 and 2 of the report as the determined (set) admission arrangements for the 2025-2026 academic year.
2. To approve the published admission numbers as set out in the attached Determined School Admissions Arrangements for 2025/26 (page 39) of the report.
3. To approve the proposed In-year co-ordinated admissions scheme, appendix 3 (page 45) and the Accelerated/delayed admission policy, appendix 4 (page 55) of the report.
4. To accept recommendation 1 from the Executive Scrutiny Board subject to the addition of the Cabinet Member being consulted on any changes.
5. To note recommendation 2 from the Executive Scrutiny Board.

Reasons

To ensure that fairness, equity, and transparency were retained, and that Derby City was fully compliant with the mandatory requirements of the School Admissions Code 2021, School Admission Appeals Code 2022, relevant legislation, and regulations.

138/23 Approval and Adoption of a Corporate Debt Management Policy

The Council Cabinet considered a report which set out a new Debt Management Policy and approach for Derby City Council.

The policy aimed to promote and support proper and equitable debt management processes to ensure the Council minimised debt and maximised collection.

The Debt Management approach highlighted a framework to assist with improved debt management processes, which would have a direct impact on the level of outstanding debt and required bad debt provision.

Recovery actions were proposed to be appropriate and proportionate to the specific areas of debt and reasons for it. It would assist in demonstrating that debts were managed consistently and in line with the relevant legislation, best practice, and ethical collection activities.

The Executive Scrutiny Board resolved to ask Council Cabinet to also give permission to the relevant Director to make technical changes to the wording of the policy on Debt Collection.

Options considered

Given the Council's current financial position it was necessary to improve the management of monies owed and be clear and transparent on debt processes. This policy would be key to the changes required; doing nothing was not an option.

Decision

1. To approve the implementation of a corporate debt management policy, for the efficient and effective collection of all monies owed to the Council.
2. To delegate authority to the Head of Business Support and Debt Management to write-off debt under £10,000, upon recommendation from the centralised debt team.
3. To delegate authority to the Director of Finance as Section 151 Officer to write-off debt up to and including £19,999.

4. To note that Council Cabinet retained authority to write-off debt of £20,000 or greater.
5. To delegate authority to the Section 151 Officer to make consequential amendments to the Financial Procedure Rules, contained within the Council Constitution.
6. To note the recommendation from the Executive Scrutiny Board.

Reasons

Derby City Council had both a legal duty and a responsibility to the people of Derby to ensure effective income management and that the income due to the Council was paid promptly to support the delivery of Council services.

139/23 Library Delivery Model – Next Steps

The Council Cabinet considered a report which provided an update on the Derby Libraries project and sought the necessary approvals to progress with the next steps.

The Executive Scrutiny Board resolved:

1. to ask Council Cabinet to request a clear and fact-based report of the reasons why the last transfer proved to be unsuccessful and for this to be used as part of the development of the new transfer;
2. to recommend that despite the comments made at 4.6 of the Appendix that the “financial sustainability of community managed libraries will be dependent upon the continued support from the council and/any other third parties and the community’s effectiveness in fundraising” the council will commit to ensuring that community fundraising is only for additions to the libraries offer, and that the continued support provided by the council and any other third parties is sufficient to ensure the financial sustainability of the ten Community Managed Libraries; and
3. to ask Council Cabinet to reconsider and revisit the hub model to increase the footfall of the 10 Community Managed Libraries.

Options considered

1. Paragraph 4.7 of the report identified the other options considered.
The options were;
 - Option 1 – Transfer to a new trust (Statutory and Community Provision Combined).
 - Option 2 - Transfer to an existing trust (Statutory and Community Provision Combined).

2. Appendix 1 of the report provided outline business cases.
3. Other options considered in the report would be considered a significant restructure of the provision of library services and therefore a further strategic needs assessment would be required.

Decision

1. To note the progress being made on the libraries project.
2. To approve recommendations to move forward with option 2 as outlined in the report.
3. To note that, as a result of legal advice, the proposed option 2 related only to the ten community libraries, delivered through a Community Managed model. The five statutory libraries would remain in-house.
4. Subject to approval of recommendation 2.2, to note that officers would carry out a formal process to seek a trust or a third party able to establish a trust for the transfer of the ten community managed libraries and to delegate authority to the Strategic Director of Place, following consultation with the Section 151 Officer and the Cabinet Member for City Centre, Regeneration, Culture and Tourism to agree terms of this process.
5. To reject recommendation 1 from the Executive Scrutiny Board.
6. To note recommendations 2 and 3 from the Executive Scrutiny Board.

Reasons

1. To provide the necessary governance to validate the future proposals for the Community Libraries, which were ceded back to the Council in 2022 and which at this stage were held on trust by the Council for residents of the city.
2. Approval of recommendations would provide a clear direction and a degree of certainty, allowing officers to move forward in delivering a sustainable, long-term library provision for the city.

140/23 Future High Streets Fund Programme Update

The Council Cabinet considered a report which gave an update on the projects comprising the Future High Streets Fund (FHSF) programme.

The report outlined changes required to deliver these projects, sought approval to these changes and delegated authority for finalisation of Grant Funding Agreements and required changes to the capital programme.

The Executive Scrutiny Board resolved to ask Council Cabinet to seek to establish a 'Friends of City Centre green spaces' to include the Parklets, as part of the policy

supporting city centre living, and to help ensure that this aspect of the High Street investment is a long-term success.

Options considered

The requirement of DLUHC to be able to demonstrate spend by end of March 2025 ruled out the development of wider options for the use of funding allocated to the Eastern Gateway project.

Decision

1. To approve the revised proposals to the FHSF Programme as described in paragraphs 4.1 to 4.38 and the confidential report for:-
 - Eastern Gateway Revised (Derbion) scheme
 - Eastern Gateway (Cathedral Quarter) scheme
 - Connecting Works
2. To delegate authority to the Strategic Director of Place following consultation with the Director of Financial Services, Director of City Growth and Vibrancy and the Cabinet Member for City Centre, Regeneration, Culture and Tourism to sign a revised Memorandum of Understanding (MOU) governing the Future High Street Fund programme funding, subject to approval of a Project Adjustment Request ('PAR') by the Department for Levelling-Up, Housing and Communities (DLUHC).
3. To approve the revised profiled budget and funding for the Eastern Gateway and Connecting Works schemes as detailed in the confidential report, and updates to the capital programmes required by Financial Procedure Rules, subject to recommendation 2.1 of the report and DLUHC approval of the PAR and revised FHSF spend deadline.
4. To approve capital grants and delegate authority to the Strategic Director of Place following consultation with the Director of Financial Services, Director of City Growth and Vibrancy and the Cabinet Member for City Centre, Regeneration, Culture and Tourism to negotiate and enter into grant funding agreements for Eastern Gateway (Derbion) and Eastern Gateway (Cathedral Quarter), as set out in the confidential report, subject to completion of satisfactory due diligence, subsidy control compliance and PMO assurance.
5. To approve the £0.442m corporate capital receipts that were released from the Eastern Gateway scheme on the capital programme, as explained at paragraph 7.5 of the report, be transferred back to corporate capital receipts to be used for the flexible use of receipts to support transformation.
6. To delegate authority to the Strategic Director of Place, following consultation with the Director of Finance Services, to agree the detailed

project content including resolution of any operating and revenue budget implications before implementation of the Connecting Works project.

7. To accept the recommendation from the Executive Scrutiny Board to seek to establish a 'Friends of City Centre green spaces' to include the Parklets, as part of the policy supporting city centre living, and to help ensure that this aspect of the High Street investment is a long-term success.

Reasons

1. Key themes in Derby's City Centre Ambition included re-purposing the city centre to encourage greater footfall and improving the quality of public spaces. Supporting the Eastern Gateway and Connecting Works projects would significantly improve the environment including the re-purposing of semi-derelict Victorian buildings to create much needed commercial space, retaining a growing local company in the city, bringing more jobs to the city centre and improving property values in the city to address systemic market failure.
2. On Eastern Gateway (Derbion), wider economic conditions and market forces had thwarted previous schemes for the site, therefore financial support for a physically smaller scheme was now requested that still delivered some of the FHSF outputs against a lower requirement for FHSF funding.
3. The reduction in scope and cost of the Eastern Gateway (Derbion) scheme had provided the City Council with an opportunity to support the Eastern Gateway (Cathedral Quarter) project. This project extension was strongly aligned with the City Centre Ambition and the original FHSF bid area and delivered significant benefits in the form of increased footfall, jobs and homes as well as much needed re-purposing of heritage buildings after many years of neglect.
4. The changes to the budget and funding on the Council's Capital Programme and the proposed grants to Derbion and the company behind the Cathedral Quarter project required approval by Council Cabinet to comply with the Council's Contract and Financial Procedure Rules.
5. To fulfil the requirements of the Future High Streets Fund funding award and associated business case and retain the full £15m FHSF funding allocation and benefits to Derby.

Budget and Policy Framework

141/23 Medium Term Financial Plan 2024/25 – 2026/27 (Revenue Budget, Capital Budget, Dedicated Schools Grant, Reserves and Capital Strategy)

The Council Cabinet considered a report which outlined the Council's budget proposals for the period 2024/25 to 2026/27 which were proposed to recommend to Council.

The budget included estimates of future demand and economic pressures as the Council plans for the City whilst shaping the financial framework for future service delivery.

The MTFP was ongoing and continued to be managed within extremely challenging circumstances. Pressures had continued to emerge during the 2023/24 financial year which had resulted in a more challenging position for the 2024/25 budget. The Council had responded to the emerging pressures responsibly and with a degree of success as overspends had been driven down by over £4m from £6.5m reported earlier in the year. The reform of local government funding had long been in the planning but had not yet materialised. This continued uncertainty, coupled with over a decade of funding reductions made delivering a balanced budget over the medium term difficult without impacts on service delivery. The Council continued to lobby Central Government for a fair deal for the sector in the context of the underfunding of Council services, the Local Government Association (LGA) also reported a £6bn funding shortfall for the sector. It was evident that the cocktail of over a decade of cuts to local authority funding, rising demand, particularly in social care (both adults and children's), and the more recent societal and economic shocks of the COVID pandemic, energy and food price increases exacerbated by the war in Ukraine, high interest rates and soaring inflation, had pushed a growing number of local authorities to the edge, in terms of their financial sustainability.

Delivering a balanced budget for next financial year had been a challenge but the Council had delivered on that legal requirement despite having delivered over £226m of savings since 2010. Whilst the Council was not in immediate danger of issuing a S114 notice it would be misleading to suggest that our financial position was anything less than the most challenging it had been. Challenging savings targets existed for years two and three of the strategy.

The national and local context of the Medium-Term Financial Plan - MTFP was set out in the Medium-Term Financial Strategy that was approved at Cabinet 11 October 2023.

The recent Autumn Statement and Provisional Settlement had had little impact on the assumptions in the councils MTFP model. No funding was announced for local authorities beyond the increases that were already expected. There was further reaffirmation about the grant increases for social care in 2024/25 that were announced in the 2022 Autumn Statement. The Chancellor announced that more pressure would be applied to the public sector, with a target of 0.5% annual productivity improvements. The Chancellor had stated he wanted to improve

productivity in the public sector and to reduce the size of the civil service. This was against a backdrop of continued austerity and reductions in the workforce.

On the 24 January 2024, the 'Local Government Finance Update' in the House of Commons announced additional funding ringfenced for Social Care of £500m of which the Councils share was estimated to be circa £2.389m, however this was a local estimate based on previous grants and was not confirmed. The announcement stated this funding would enable councils to continue to provide crucial social care services for their local communities, particularly for children. Whilst welcome, this late announcement had meant that the commencement of the consultation process for the Council had launched without considering this funding and at time of writing the report, no final allocation or detail was available. This paper noted the allocation, but it was not yet included in the calculations because of lack of clarity at this stage around the burdens associated with it and the type of funding, for example one off or permanent.

Where possible, councils should invest in areas that helped place children's social care services on a sustainable financial footing, whilst being mindful of the level of adult social care provision. This included investment in expanding family help and targeted early intervention, expanding kinship care, and boosting the number of foster carers. This increase in funding would be reflected in the local authority allocations published at the final Local Government Finance Settlement.

The key objectives of the report were:

- To ensure that the Council was financially resilient, stable, and sustainable in the short term and to highlight medium term challenges to financial sustainability.
- To ensure that effective financial planning contributed to the delivery of the Council Plan.

The MTFP set out the Council's approach to the prudent management of its finances against a reducing reliance on central government funding and increased reliance of local funding sources from council tax and business rates.

Revenue budget:

The report outlined proposals to recommend to Cabinet a net budget requirement of £309.350m for 2024/25 and outlined further initial indicative budget proposals for the following two years.

The report proposed a savings requirement of (£7.991m) in the medium term. These savings included (£8.121m) in 2024/25 and net reversal of one-off savings of £0.130m in 2025/26 and nil in 2026/27. The savings outlined were to address the impact of demand pressures, rising inflationary costs, maintaining priority services, and investing in the Council Plan.

The identified budget gaps in 2025/26 and 2026/27 would require further savings, income, and transformation proposals to address. The budget proposals included

planned contributions to reserves that supported the financial resilience and sustainability of the Council.

Capital budget:

The report set out the 2024/25 to 2026/27 capital programme to recommend to Council. The main headings of the £449.509m programme (including HRA) over the next three years were outlined in detail at Appendix 13 of the report:

The programme included slippage from the 2023/24 approved Capital Programme. This had been reported in the Qtr.3 Revenue Monitoring included on the agenda for this meeting. The capital programme included assumptions made on future year's government allocations which were still to be confirmed.

The report contained a Capital Strategy that gave a high-level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of local public services along with an overview of how the associated risk was managed as detailed in Appendix 17 of the report.

Reserves:

The report detailed an assessment of the adequacy of reserves which were required as part of the budget process. These demonstrated that the Council was able to set a balanced budget for 2024/25 and to plan its finances in the short term on a sustainable basis although this was not without some significant risk. Any major unplanned, unbudgeted shock would potentially undermine the financial position of the Council.

Council was required to consider the Section 25 report from the Section 151 officer (attached at Appendix 7 of the report). This detailed the adequacy of reserves and robustness of the estimates for the period 2024/25 to 2026/27.

Dedicated Schools Grant:

On 19 December 2023, the Department for Education (DfE) announced the Dedicated Schools Grant (DSG) for Derby City.

The DSG allocations reflected the change in the process for national non-domestic rates from the 2024/25 financial year when ESFA would pay billing authorities directly for both academy and maintained schools.

The Dedicated Schools Grant (DSG) for Derby was split into four blocks: Schools Block, Early Years Block, High Needs Block, and a Central School Services Block.

The 2024/25 allocation for the DSG is £338.291m and was made up of four blocks of funding:

- Schools Block £245.966m (included the Mainstream Schools Additional Grant and £1.5m NNDR)
- Central School Services Block £2.556m

- High Needs Block £58.596m
- Early Years Block £31.173m (included adjustment for amended week as per the 11 January 2024 announcement)

The Executive Scrutiny Board noted the report.

Options considered

The Council was required to set a balanced revenue and capital budget for 2024/25 by 11 March 2023.

Decision

1. To note:

(a) The outcomes of the Budget Consultation detailed in Appendix 9, and Notes from the 'Voices in Action' at Appendix 11 and notes from the Meeting including representatives from Business Ratepayers at Appendix 10 of the report.

(b) The outcomes of the Executive Scrutiny Board of the 15 January, detailed in the minutes Appendix 12 of the report.

(c) The Section 25 Report of the Section 151 officer on the robustness of estimates and on the adequacy of the reserves 2024/25 to 2026/27 detailed in Appendix 7 of the report.

2. Subject to the above to recommend to Council to approve:

Revenue Budget

a) The Councils net budget requirement for 2024/25 of £309.350m.

b) Once confirmed, to transfer the new Social Care funding announced on 24 January 2024 to an Earmarked reserve to utilise in line with requirements of the funding.

c) The increase the City Council element of Council Tax by 4.99% as set out in in section 4.6 of the report.

d) The current list of savings options outlined in Appendix 4 with an associated estimated reduction in posts by 12.40 full time equivalent – FTE outlined in 2024/25 as outlined in section 4.5 of the report.

e) The estimated service pressures outlined in Appendix 5 of the report.

f) The estimated savings proposals included in Appendix 4 of the report.

Reserves

- a) The transfer to reserves of £4.187m to maintain the adequacy of reserves in the medium-term.
- b) To repurpose £2.4m of earmarked reserves to support the reserves strategy to replenish General Reserve and Budget Risk.
- c) The Section 25 reserves adequacy report as detailed in Appendix 7 of the report.

Capital and Treasury

- a) The capital programme for 2024/25 and note the indicative capital programme for 2025/26 and 2026/27 as set out in section 5 of the report. A summary with detail was outlined in Appendix 13 of the report.
- b) The additional borrowing outlined in section 5.1.15, 5.3.5 and 5.3.7 of the report.
- c) The Summary of Unsupported Borrowing as set out in Appendix 14 of the report.
- d) The MRP policy detailed in Appendix 15 of the report.
- e) The prudential indicators detailed in Appendix 16 of the report.
- f) The Capital Strategy attached at Appendix 17 of the report.
- g) The Treasury Management & Investment Strategy 2024/25 attached at Appendix 18 of the report.

Dedicated Schools Grant

- a) The allocations of the Dedicated Schools Grant as detailed in the report.
- b) To increase the Minimum Funding Level per pupil - primary £4,610 per pupil and secondary £5,995 per pupil.
- c) To implement a cap on growth above 1.4% per pupil with 50% being scaled back.
- d) To set a Minimum Funding Guarantee of 0.5%.
- e) To support the recommendation to Council Cabinet of a base rate element of the Early Years Funding for: -
 - i. 3/4-year-olds base rate of £5.25 an increase of 11.7% per hour.
 - ii. Disadvantage 2-year-olds of £7.71 per hour this was an increase of £2.03 per hour.

- iii. The Stand-Alone Maintained Nursery Supplementary rate of £3.27 had increased to reflect the mainstreaming of the Teachers pay and pension into the Early Years Funding Formula (Universal Hours).
 - iv. Working parent 2-year-olds of £7.71 per hour
 - v. Working parents 9 months to 2-year-olds of £10.80 per hour
- f) To approve the value of Growth Fund of £0.041m to be retained centrally.
3. To delegate:
- a) Authority to the Section 151 officer to make necessary adjustments in order to retain a balanced budget for 2024/25.
 - b) Authority to the Section 151 officer to permit movement of schemes (detailed within the 3-year capital approved programme) within and between financial years to facilitate delivery and agility in Capital Programme delivery subject to affordability. Any changes would be subsequently reported in the quarterly financial monitoring reports to Council Cabinet.

Reasons

1. The Council was required to set a balanced budget for 2024/25 by 11 March 2024. The report proposed a balanced budget for the financial year 2024/25.
2. The Council, under the Prudential Code, established by the Local Government Act 2003, must demonstrate the affordability of our revenue budget for the next financial year and two subsequent years, including considering our plans for capital expenditure.

142/23 2023/24 Quarter 3 Financial Monitoring

The Council Cabinet considered a report which stated that the Council continued to face significant financial challenges with evidence of financial strain on the sector growing. Continued high levels of inflation, the cost of living crisis and increasing demand had all had a financial impact on the Council's finances. There continued to be a surge of Council's issuing S114 notices as they struggled with financial sustainability.

Derby City Council was not exempt from these challenges and had taken effective remedial action at the first signs of overspends emerging, the Qtr. 1 position was forecasting an overspend of £6.091m. With responsible action, including mitigating over £3m of unfunded pay award pressures and delivery of 96% of savings targets the Qtr. 3 forecast was an overspend of £2.386m and efforts would be made to reduce this further in the final quarter of the financial year.

To summarise the Council's forecasted financial outturn position at 31 December 2023.

- a) **Revenue Budget:** The Council was currently forecasting a pressure of £2.386m against the current budget of £284.993m before use of reserves to mitigate. This was a decrease of £4.174m from the Qtr.2 position of 6.560m.

There had been continued focus on controlling spend in order to reduce the forecasted overspend. This included the continuation of spending panels, spending moratoriums and vacancy control all of which would help ensure the Council delivered a balanced position and reduced any use of the Budget Risk Reserve or the General Reserve.

£15.573m of the Councils in year savings target of £16.196m for 2023/24 was currently forecast to be achieved either permanently or with one off mitigation. This represented 96% of the total. Work was ongoing throughout the final quarter of the year to achieve the shortfall of £0.623m. Further detail was outlined in 4.2 of the report.

- b) **Capital budget:** Capital expenditure to date was £129.121m and our forecast was estimated at £209.572m against an approved capital budget of £226.213m. Further detail was outlined in paragraph 4.5 of the report.
- c) **Reserves:** The General Reserve had a current year forecast balance of £8.303m (This included apportioning £0.670m of Qtr.3 forecast overspend).
- d) **The Budget Risk reserve** had current year forecast balance of £0.500m and a future years' forecast balance of £0.252m (This included apportioning £1.756m of Qtr.3 forecast overspend).

These apportionments had been done as an illustration of the impact of the current forecast overspend.

- e) **Housing Revenue Account (HRA):** The full year forecast projected a planned use of the HRA reserve of £3.098m was outlined in paragraph 4.7 of the report.
- f) **Dedicated Schools Grant (DSG):** The total grant of £307.529m had been allocated to schools and retained educational services. There was an overspend forecast for 2023/24 on the High Needs Block of the DSG of £9.338m taking the cumulative deficit to £13.781m as outlined in paragraph 4.8 of the report.
- g) **Collection Rates:** Council Tax billed for the 2023/24 financial year was £145.658m of which £116.850m or 79.74% had been collected. Business Rates billed for the 2023/24 financial year was £86.353m of which £70.660m or 79.91% had been collected as outlined in paragraph 4.9 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:
 - a) The revenue projected outturn and key budget variances were set out in the report in section 4.2 with a detailed analysis in Appendix 7 and the savings to be delivered in the year outlined in section 4.2 of the report.
 - b) The Council's reserves position, as set out in section 4.4 and Appendix 1 of the report.
 - c) The capital programme forecast, and actual capital expenditure incurred during the quarter summarised in section 4.5 of the report.
 - d) The changes already approved under scheme of delegation to the capital programme detailed in Appendix 4 of the report.
 - e) The Treasury Management and Capital Prudential indicators as at Qtr. 3 as set out in Appendix 5 of the report.
 - f) The Housing Revenue Account performance and projected outturn as set out in section 4.7 of the report.
 - g) The forecast Dedicated Schools Grant position summarised in section 4.8 of the report.
 - h) The Council Tax and Business Rates Collection performance as set out in section 4.9 of the report.
 - i) £1.142m of Direct Revenue Financing for Parks and Open Spaces & Vehicles, Plant and Equipment as detailed in section 4.5.10 of the report.
2. To approve changes including additions to the 2023/24 capital programme outlined in section 4.5. and detailed in Appendix 3 of the report.
3. To approve the transfer to the Collection Fund smoothing reserve as outlined in section 4.9 of the report.

Reasons

To provide assurance that the budgets approved by Council in February 2023 were being effectively monitored and any significant variances reported to Council Cabinet on a regular basis and to update Council Cabinet on the latest estimated reserves position.

143/23 Housing Revenue Account Business Plan 2024 to 2053

The Council Cabinet considered a report which sought approval for the updated Housing Revenue Account (HRA) Business Plan, its associated rent increases and

capital programme. The HRA Business Plan set out the 30-year investment strategy for the management and maintenance of the Council's housing stock together with investment proposals for additional homes.

Increasing pressures resulting from inflation levels, the cost-of-living crisis and the government's decision to cap social rents at 7% for 2023/24 to avoid further pressures to social tenants combined with historic decisions to reduce rents as part of the Welfare Reform and Work Act 2016, had meant that the HRA had had to make some incisive decisions in terms of creating a sustainable strategy for the 30 year business plan to meet the management and maintenance requirements of the Council's housing stock, together with the investment ambitions for additional homes, some reductions and changes as per paragraph 4.11.4 of the report had had to be made.

The Executive Scrutiny Board noted the report.

Options considered

None, the Council was required to set a 30 year HRA business plan. The proposed plan had been the subject of rigorous scrutiny and options appraisal and was recommended as the most sustainable way forward.

Decision

1. To approve the 2024/25 update of the rolling 30 year HRA Business Plan, as set out in the body of the report.
2. To approve funding for the new homes programme as part of the Council's capital programme as set out in paragraph 4.8 and appendix 1 of the report.
3. To approve the 2024/25 management and maintenance fee of £30.869m paid to Derby Homes as set out in paragraph 4.11.4 and 4.11.5 of the report.
4. To approve changes to rents and service charges as set out in paragraph 4.13 of the report.
5. To approve the continuation of the capital programme for the years 2024/25 to 2026/27 in appendix 1 of the report and to approve Derby Homes continuing to directly manage the schemes attributed to them.

Reasons

1. Housing was a long-term asset and it was important that a longer term view was taken around asset management. Approval was sought for the proposed 2024/25 to 2053/54 update to the rolling 30-year HRA business plan. This set a strategy to manage the HRA into the future.
2. The necessary rent and service charge changes formed key aspects of the HRA Business Plan.

Contract and Financial Procedure Matters

144/23 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 new funding £0.510m from the Football Foundation to develop a 3G Artificial Turf Pitch (ATP) at Moorways Stadium.
- Addition of a new scheme to the 2024/25 Property Capital Programme of £0.825m to develop a 3G ATP at Moorways Stadium.
- Acceptance of £0.500m from the 2023-2025 Department for Education Local Skills Improvement Fund – LSIF and delegated authority to spend/delivery within the scope of the bid.

The Executive Scrutiny Board noted the report and welcomed the two projects.

Options considered

1. Football Foundation ATP - Do nothing: The sand dressed pitch was installed in 1987 and refurbished in 2001 and so the surface carpet was 22 years old and had reached the end of its useful life. The usage and ongoing maintenance of the pitch was meant that it had been able to be used for a longer period.
2. Football Foundation ATP - Resurface the sand dressed pitch: Consultation with England Hockey and Sport England during the planning process confirmed that there was an adequate supply of sand dressed artificial turf pitches to support hockey in Derby should Moorways be converted.

Decision

1. To approve a bid for and acceptance of funding subject to acceptable terms and conditions, for the total sum of £0.510m from the Football Foundation to develop an ATP at Moorways Stadium as outlined in section 4.1 of the report.
2. To delegate authority to the Chief Executive following consultation with the Director of Financial Services and the Cabinet Member for City Centre Regeneration Culture and Tourism to spend within the scope of the Football Foundation funding and add to the capital programme as appropriate as outlined in section 4.1 of the report.
3. To approve acceptance of funding from the DFE of £0.500m LSIF funding as outlined in section 4.2 of the report.

4. To delegate authority to the Strategic Director of People following consultation with the Director of Financial Services and the Cabinet Member for Children's Social Care, Learning and Skills to spend within the scope of the DFE funding and add to the capital programme as appropriate.

Reasons

To comply with Contract and Financial Procedure Rules.

Performance

145/23 2023/23 Q3 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 and refreshed targets for 2023/24 approved in September 2023.

The report presented a consolidated overview of performance in line with commitments made in the latest Delivery 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, with changes identified for quarter three set out in paragraph 4.6 of the report.

A summary of key performance highlights covering the period up to the end of December 2023 (quarter three) 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 4.19, and a full overview of progress against the 2023/24 Council Delivery Plan was available in Appendix 1 of the report.

It should be noted that there were no areas recommended for consideration through either a Performance or Risk Surgery.

The Executive Scrutiny Board noted the report.

Options considered

No other options were considered, as it was essential that the delivery of the Council Plan could be monitored to assess impacts made for the city, alongside the delivery of value for money for Derby citizens.

Decision

1. To note the latest performance positions, paying particular attention to the latest profile of our strategic risks and emerging priorities for improvement.

2. To approve the changes to the 2023/24 Delivery Plan presented in paragraph 4.6 of the report.
3. To note that there were no areas recommended for either a Performance or Risk Surgery.

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 positions. This made sure that there was clear accountability, and it allowed informed decision making, in a transparent way.

146/23 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 paragraphs 3 of Part 1 of Schedule 12A of the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Key Decisions

147/23 Future High Streets Fund Programme Update

The Council Cabinet considered a report which gave an update on the projects comprising the Future High Streets Fund (FHSF) programme.

To report outlined changes required to deliver these projects, sought approval to these changes and delegate authority for finalisation of Grant Funding Agreements and required changes to the capital programme.

The Executive Scrutiny Board noted the report.

Options considered

These were set out in paragraph 6.1 of the report.

Decision

To approve the recommendations set out in paragraphs 2.1 to 2.6 of the report.

Reasons

These were set out in paragraphs 3.1 to 3.5 of the report.

MINUTES END