

Time began 6.00pm
Time ended 8.00pm

**COUNCIL CABINET
24 FEBRUARY 2004**

Present: Councillor Burgess – Chair
Councillors L Allen, E Berry, Care, Carr, P Hickson, Webb and West

This record of decisions was published on 26 February 2004. The key decisions set out in this record will come into force and may then be implemented on the expiry of 5 clear days unless a decision is called in.

309/03 Apologies for Absence

There were no apologies for absence.

310/03 Late Items Introduced by the Chair

There were no late items.

311/03 Identification of Urgent Items to which Call In Will Not Apply

It was reported that, as the following item had to be implemented with immediate effect, the Chair of the Education Commission had agreed that it could be treated as an urgent item and therefore not subject to call-in for the reasons outlined below:

Derby Schools PFI: Evaluation of Bids and Short-listing of Bidders.

This item was urgent as work had to commence on a full evaluation of bids, which had to take place before the preferred bidder was selected at the end of April 2004.

312/03 Declarations of Interest

Councillor L Allen declared a personal and prejudicial interest in Minute No. 322/03 'Townscape Heritage Initiative Schemes Historic Buildings Repair Grant – 1 Queen Street and 1A College Place', as he was Diocesan Officer and he believed the properties were owned by the Diocese.

313/03 Minutes of the previous meeting

The Part 1 minutes of the meetings held on 3 and 10 February 2004 were approved as a correct record and signed by the Chair.

Matters Referred to Council Cabinet

314/03 Report of the Planning and Environment Commission Best Value Review of Services to Road Users – Options Appraisal

The Council Cabinet considered a report from the Planning and Environment Commission, setting out their comments on the options appraisal component of the Services to Road Users Best Value Review, which was considered at its meeting on 15 January 2004.

The Commission offered the following specific comments:

- 1 There was a need to allocate more resources to address the backlog of footway maintenance. This was an issue that had been examined in detail by the Commission as their Service Area Budget Review topic. The Council Cabinet had been made aware of the Commission's recommendations.
- 2 The Commission supported the proposal for better monitoring to ensure that reinstatement work by public utilities was carried out to the appropriate standard.
- 3 The Commission considered that greater emphasis should be given to getting more children to walk/cycle to school. There was some concern that walking and cycling were not being considered as options in the Best Value Review.
- 4 Parking near schools caused a major problem and the Commission considered that there needed to be more enforcement of parking restrictions near schools.
- 5 The Commission agreed that there was a need for more and better Park and Ride Schemes. Commission members considered it was important that these were made available as quickly as possible. Also they should be seen to offer viable and attractive alternatives to private car use.

Decision

- 1 To note the comments and thank the Commission for their contribution.
- 2 To ask the Best Value Review Team to consider the issues raised.

315/03 Report of the Planning and Environment Commission Derby and Derbyshire Waste Local Plan Revised Deposit Addition

The Council Cabinet considered a report from the Planning and Environment Commission, setting out its response to the Derby and Derbyshire Waste Local Plan Revised Deposit Addition. The commission had no specific recommendations.

Decision

To note the comments of the Commission.

Best Value

316/03 Best Value Review Promoting Learning and Access to Jobs – Progress Report

The Council Cabinet considered a report from the Director of Education, setting out progress made on the Best Value improvement plan produced following the Best Value Review.

It was reported that, in a report to the Office of the Deputy Prime Minister in November 2003, the research team from Local and Regional Government Research at Cardiff University had chosen this review as an example of good practice and one which had led to change and had presented early signs of performance improvement.

Decision

- 1 To note the progress report on the Best Value Review Promoting Learning and Access to Jobs, completed in November 2002.
- 2 To note the comments of the Office of the Deputy Prime Minister, "Changing to Improve: Ten Case Studies from the Evaluation of the Best Value Regime."
- 3 To request the Director of Education to provide a further update in February 2005.

Key Decision

317/03 Derby Schools Private Finance Initiative - PFI – Interim Service Arrangement

The Council Cabinet considered a joint report from the Directors of Education and Finance, setting out proposals to develop an Interim Service Arrangement on the basis approved by the Private Finance Initiative Project Board on 10 October 2003.

It was reported that an Interim Service Arrangement would permit the Preferred Bidder to assume responsibility for facilities management in the existing schools from 1 September 2004.

Options Considered

None.

Decision

To approve the development of an Interim Service Arrangement with the Preferred Bidder which would permit the Preferred Bidder to assume responsibility for facilities management in the existing schools from 1 September 2004.

Reasons

- 1 There were financial benefits to the Council in terms of overall affordability of the PFI Project.
- 2 It would provide a 'bedding in' period during which the contractor could develop relationships with the workforce and school managers prior to the opening of the new schools.

Urgent Key Decision

318/03 Derby Schools Private Finance Initiative - PFI – Evaluation of Bids and Shortlisting of Bidders

The Council Cabinet considered a report from the Director of Corporate Services on behalf of the Derby Schools PFI Project Board, setting out the progress made by the board in Shortlisting the tenders. At its meeting on 11 July 2003, the Project Board had approved a shortlist of three bidders for the Grouped Schools PFI Project.

It was anticipated that a report on the overall procurement process would be presented to the Council Cabinet on 16 March 2004, with a further report containing a recommendation on the Council's Preferred Bidder to the meetings of the Council Cabinet on 6 or 27 April 2004.

An addendum to the report was circulated at the meeting, setting out the recommendation of the project board to reduce the short-listed bidders for the project from three to two.

The Education Commission discussed the report on Grouped Schools PFI – Evaluation of Bids and Shortlisting of Bidders at their meeting on Monday 23 February 2004. Their comments were reported at the meeting.

The Commission recommended the Council Cabinet to:

- a retain all three short-listed bidders for the Grouped Schools PFI project at this stage;
- b note that the Commission scrutinised the bid evaluation process with assistance from the trade unions particularly on health and safety issues;

- c note that there should be a teaching union representative on the Grouped Schools PFI Board.

The Council Cabinet considered the comments of the Commission, but were of the view that:

- 1 The number of short-listed bidders should be reduced to two for the reasons set out in the report.
- 2 The Commission could scrutinise the bid evaluation process, but the existing tight timetable could not be revised.
- 3 No changes should be made to the project board at this advanced stage, particularly when four schools and one trades union were already represented on the Board.

Options Considered

- 1 To retain the three short-listed bidders until a future point in the evaluation process had been reached.
- 2 To extend the overall Project Plan and Timetable to accommodate the extension of time involved implementing the option in 1 above.

Decision

To approve Jarvis PLC, and Vinci Investments Ltd, being nominated to proceed to the next stages of selecting the Council's Preferred Bidder for the Grouped Schools PFI Project.

Reasons

- 1 The Council's interests would be best served through appointing the consortium to design, build, finance and operate the schools in the Project – the Preferred Bidder – as soon was practicable.
- 2 Prior to moving towards that stage, it was recommended to reduce the number of shortlisted bidders from three to two, in order to increase the competitive tension between the remaining bidders, and thus assist in securing the most advantageous overall deal for the Council.
- 3 The Project Board, having considered the position, which had emerged at this stage of the evaluation process, was of the view that the Derby Schools Partnership occupied third position within each of the three key elements of the bids as summarised in paragraph 3.4 of the report.

Key Decisions

319/03 Street Lighting Private Finance Initiative - PFI – Project Development

The Council Cabinet considered a joint report from the Directors of Development and Cultural Services and Finance, setting out details of the Council's Street Lighting Private Finance Initiative bid, which proposed the replacement of 76% of the current street lighting columns over a 5 year period, improvement to service levels and maintenance of the infrastructure at that level for the period of the contract - 25 years.

This came about as a result of the £32.47m of PFI credits, which were approved by the Department for Transport – DfT - in full on 19 December 2003.

A copy of the provisional project timetable was included in the Expression of Interest, attached as Appendix 2 of the report. Arrangements were to be put in place to manage the delivery of the project; a copy of the proposed project management structure was enclosed at Appendix 3 of the report.

Options Considered

- 1 To deploy only the Council's existing staffing resources to develop and support the project.
- 2 To establish new posts across the Council dedicated to the project.
- 3 To engage external consultants to undertake the necessary tasks.

Decision

- 1 To proceed to the next stages of the project following the approval of the Expression of Interest by the DfT.
- 2 To authorise the Director of Finance to release the resources required to progress the project to Outline Business Case stage, from the Council's Modernisation Fund up to an initial limit of £175,000, and to note that a total of £500,000 for the overall project development, would be required and would be the subject of a report to the Council Cabinet at the appropriate time.
- 3 To address staffing implications of proceeding to the next stages through a combination of arrangements involving existing Council staff and/or external appointments and consultancy
- 4 To approve the project management arrangements.
- 5 To request a further report back to the Council Cabinet to seek approval for the submission of the Outline Business Case.

Reasons

- 1 The PFI process was becoming increasingly competitive. The Council's bid was one of only six bids approved by DfT in the last bidding round. Should the Council not proceed in this, there could be no guarantee that any subsequent bids would be approved.
- 2 Although a certain level of expertise had been acquired as a result of previous and existing projects, the Council did not have sufficient capacity to undertake all the tasks, and additional staffing and consultancy support was needed
- 3 The demands of delivering a successful PFI project required a combination of local knowledge and expertise, with highly specialised technical, legal and financial inputs at various stages. A formalised project management structure, based on established project management techniques, would provide the best method of delivering the project.
- 4 The Council's Modernisation Fund was an appropriate source from which to fund activities such as the PFI, which could be regarded as an innovative, developmental approach to procurement. The implications of developing the project, and the potential benefits of successful delivery, extended beyond the Street Lighting Service across the Council as a whole.

320/03 Development of Library Services in Derwent

The Council Cabinet considered a report from the Director of Development and Cultural Services, setting out details of the proposed small-scale public library service point in Derwent ward, within the proposed Healthy Living Centre. In November 2003, funding applications were approved by Derwent New Deal for Communities. These would cover set-up costs of a new library, as well as a contribution to its running costs until March 2009.

Derwent New Deal for Communities had agreed to meet the full costs of equipping, stocking and setting up the new library. It had also agreed to fund the appointment of a Library Development Worker to be based in the Derwent area from July 2004 to March 2006. Costs would be shared between the Council and Derwent New Deal for Communities – NDC - on the following basis:

Year	Set up/operational costs		Management/Support costs	
	NDC	DCC	NDC	DCC
2005/06*	100%	nil	nil	100%
2006/07	100%	nil	nil	100%
2007/08	67%	33%	nil	100%
2008/09	33%	67%	nil	100%
2009/10	nil	100%	nil	100%

*two to three months running costs in 2005/06, beginning when the library opens

The Council's management and support costs would be met from within the existing Library Service budget. The operational costs of the new library would not impact on

the Library Service's budget until 2007/08, and the Council would not be required to absorb the full running costs of the new library until 2009/10.

Options Considered

- 1 A Neighbourhood Library similar in size and scope to the new Alvaston Library would cost around £1 million to construct, with annual running costs of at least £150,000. This scale of library development was only appropriate in District Shopping Centres and other areas with high, well-established levels of public footfall. This option would therefore not be a cost-effective means of developing library services in Derwent.
- 2 Continuing the present arrangement of limited library provision in Derwent, delivered through the City Mobile Library, remains an option. However, the partnership with Derwent New Deal for Communities and Greater Derby Primary Care Trust provided a unique and cost-effective opportunity to develop library facilities in Derwent, one that would address a clearly articulated local need and assist the Council in meeting the Public Library Standards.

Decision

- 1 To approve the arrangements negotiated by the Head of Library Services for the establishment of a small-scale public library service point in Derwent ward, within the proposed Healthy Living Centre.
- 2 To acknowledge the commitment to ongoing revenue costs on a tapering arrangement from 2007/08 onward

Reasons

- 1 The number and location of Derby's library buildings severely restricted public access to library services in the City. This fundamental weakness undermined our efforts to improve scores against the national Public Library Standards.
- 2 There was no static library within Derwent ward. However, there was a longstanding local resentment that Wollaton Road Library, which was situated on the edge of the ward, was closed down by the County Council in the early 1990s when the building was condemned as unsafe. Local demand for a library presence in the area continued to be articulated through the Derwent Library Development Panel.
- 3 The arrangements negotiated by the Head of Library Services offered a highly cost effective means of securing a permanent library presence in Derwent ward.

321/03 Townscape Heritage Initiative Scheme Historic Buildings Repair Grant – 28 The Strand, Derby

The Council Cabinet considered a report from the Director of Development and Cultural Services, setting out details of a grant application to assist with the cost of

reinstating an historically appropriate shop front and sash windows at 28 The Strand. As it formed part of the Strand Arcade, the property was identified in the Derby Townscape Heritage Initiative Action Plan as being a 'target property' - a priority for grant aid under the scheme.

Decision

To offer the applicant a maximum grant of £13,595 towards the cost of reinstating an historically appropriate shop front and sash windows to the above property subject to:

- a signing a Contract for 3rd Party Grants, including conditions required by the Heritage Lottery Fund
- b precise details of the means of repair work being agreed with Council officers prior to commencing the work
- c submission of relevant statutory consent notifications.

Options Considered

There was no alternative funding source other than the Townscape Heritage Initiative.

Reasons

The offer of grant assistance would make sure that the restoration of this important historic building was carried out to a high standard.

322/03 Townscape Heritage Initiative Scheme Historic Buildings Repair Grant – 1 Queen Street and 1A College Place, Derby

The Council Cabinet considered a report from the Director of Development and Cultural Services, setting out details of a grant application under the Townscape Heritage Initiative to assist with the cost of the comprehensive repair, reinstatement of an historically appropriate shop front and works to enable the full reuse of the Grade II listed building at 1 Queen Street and 1A College Place.

Decision

To offer the applicant a maximum grant of £50,250 towards the cost of comprehensive repairs, reinstating an historically appropriate shop front and works to bring the above property back into full use, subject to:

- a signing a Contract for 3rd Party Grants, including conditions required by the Heritage Lottery Fund
- b precise details of the means of repair work being agreed with City Council Officers prior to commencing the work
- c submission of relevant statutory consent notifications.

Options Considered

The proposal ensured that the building was brought back into full use. "Do nothing" would result in accelerating deterioration of the fabric of the building and was, therefore, unacceptable.

Reason

The offer of grant assistance would make sure that the restoration and reuse of this important historic building was carried out to a high standard.

323/03 Derbyshire Connexions Partnership

- The Council Cabinet considered a report from the Director of Education, setting out proposals to merge the Derbyshire Connexions Partnership and the Derbyshire Connexions Service.

The proposed structure was set out in Appendix 2 of the report.

Options Considered

The Boards of the two companies considered maintaining the present arrangements. This was ruled out because of duplication of roles and financial consequences.

Decision

To support the proposed governance structure for the merger of the Derbyshire Connexions Partnership and Derbyshire Connexions Service Ltd from April 2004.

Reasons

In summer 2003, the Boards of the Derbyshire Connexions Partnership and Derbyshire Connexions Service Ltd agreed on the need to investigate a merger of the two companies. This was due to organisational changes and financial considerations. The merger had progressed through a number of stages and was agreed in principle.

The Cabinet Member for Lifelong Learning and the Director of Education, as representatives on the Boards of the two companies, were involved in and had given support to the merger, subject to appropriate membership of the new company. Work was carried out to address the various implications of the merger and a structure proposed for governance.

324/03 Social Services Accommodation

The Council Cabinet considered a joint report from the Directors of Social Services and Corporate Services, which identified suitable additional accommodation on one floor in Norman House, for Social Services staff. The report outlined the main advantages for the Council by taking on the accommodation and set out the main terms provisionally agreed as part of the Norman House accommodation.

Options Considered

- 1 The Council considered, and subsequently rejected, using the site of the Armstrong Day Nursery to alleviate accommodation problems. At the time, the set up costs of the proposal were estimated to be £295K. Given this cost, the proposal was not considered feasible.
- 2 More recently, alternative sites to Norman House had been considered; none of which were suitable from either a financial or accommodation perspective.

Decision

To approve the terms for taking a five-year lease for one floor at Norman House, within the Heritage Gate complex

Reasons

The Social Services Directorate had a number of pressure points in relation to its accommodation stock. This had been highlighted within the Social Services Department's Joint Review Report, certain Best Value Reviews and, most recently, the Council's corporate accommodation review.

Budget and Policy Framework

325/03 Draft Corporate Plan 2004-07

The Council Cabinet considered a joint report from the Chief Executive and Director of Finance, setting out the fourth draft of the 2004-07 Corporate Plan. A draft of the plan was brought to the Council Cabinet on 3 February 2004 when it was referred to the Scrutiny Management Commission. The draft was appended to the report and included some recent amendments not included in the previous drafts. These included:

- explaining the contribution Building for Excellence would make to deliver our improvement agenda
- the review of the 2003-06 Corporate Plan based on the 3rd quarter 2003-04 performance monitoring report
- the inclusion of estimated performance and targets for key performance measures to monitor the Council's objectives

It was reported that the plan should be approved by Council on 1 March 2004 at the same time as the 2003/04 budget

Decision

- 1 To note the contents of the draft plan and consider the comments of the Scrutiny Management Commission and the Overview and Scrutiny Commissions.
- 2 To recommend Council adopt the plan.
- 3 To recommend that Council delegate authority to make amendments to reflect up to date information, minor textual amendments and final targets to the Chief Executive and Director of Finance, in consultation with the Leader of the Council.

326/03 Revenue Budget 2004/05 – 2006/07 and Council Tax Setting 2004/05

The Council Cabinet considered a joint report from the Chief Executive and the Director of Finance setting out the General Fund Revenue Budget 2004/05 to 2006/07 and Council Tax setting for 2004/05.

Decision

To recommend Council to:

- 1 note the final local government finance settlement announcement.
- 2 approve for 2004/5 the departmental estimates and associated virements and use of reserves included in Appendices 1 and 3, incorporating the proposals listed in paragraphs 4.17 to 4.29.
- 3 note the latest budget monitoring position provided in Appendix 6 and summarised in Table 5 and to adjust the 2003/5 budget to reflect the proposed use of reserves to support 2004/5 budgets.
- 4 approve the measures proposed to manage 2004/5 budget risks, set out in paragraphs 4.41 to 4.46.
- 5 approve a budget requirement for Derby City Council for the year ending 31 March 2005 of £251,890,400.

6 approve within this total:

	£
Service estimates of:	
Education Department	141,093,000
Social Services Department	61,756,000
Development and Cultural Services Department	34,167,000
Commercial Services Department	3,495,000
Chief Executive's Department	50,933,400
Allocation following consultation	350,000
	<hr/>
	291,794,400
Less capital charge	(38,626,000)
Add net appropriations to Pump Priming Fund	114,000
Less contributions from earmarked reserves as follows:	
Corporate reserves	(1,316,000)
Services' reserves	(76,000)
	<hr/>
	251,890,400

- 7 note that, at its meeting on 13 January 2004, the Council calculated the amount of £67,930.80 as the Council's Tax Base for the year 2004/5 accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33(5) of the Local Government Finance Act 1992.
- 8 calculate the following amounts for the year 2004/5 accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act).
- a £407,414,400 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) net of Section 32(3)(c) of the Act.
 - b £155,524,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) and (b) of the Act.
 - c £251,890,400 as its budget requirement for the year, being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 32(4) of the Act.
 - d £190,493,243 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, reduced by the amount of the sums which the Council estimates will be transferred in the year to its Collection Fund from its General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (Council Tax) and the sum which the Council estimates will be transferred from its Collection Fund to its General Fund pursuant to the Collection Fund

(Community Charges) Directions under Section 98(4) of the Local Government Finance Act 1988 (Community Charge).

- e £903.82 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 602.55	E 1104.67
B 702.97	F 1305.52
C 803.40	G 1506.37
D 903.82	H 1807.64

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

- 9 note that for the year 2004/5, Derbyshire Police Authority, as precepting authority, has 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 TBA	E TBA
B TBA	F TBA
C TBA	G TBA
D TBA	H TBA

- 10 note that for the year 2004/5, Derbyshire Fire Authority, as precepting authority, has 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 TBA	E TBA
B TBA	F TBA
C TBA	G TBA
D TBA	H TBA

- 11 having calculated the aggregate in each case of the amount in 8.8 and 8.9 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 2004/5 for each of the categories of dwellings shown below:

All dwellings in Valuation Band:

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

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

327/03 Capital Programme 2004/05 – 2006/07

The Council Cabinet considered a report from the Director of Finance setting out details of the Capital Programme 2004/05 to 2006/07.

Decision

- 1 To recommend Council to approve the 2004/05 capital programme, and the indicative programme for 2005/06 and 2006/07 as set out in the report subject to the inclusion of Mickleover Pavilion in the list of flagship schemes in Appendix 5 with a commitment to provide funding towards the scheme, subject to the production, by the end of August 2004 to the satisfaction of the Council Cabinet, an affordable design, a suitable management structure and a business plan.
- 2 To amend paragraph 2.15 of the Director of Finance's report to reflect the inclusion of the Mickleover Pavilion in 1 above.

328/03 Prudential Code for Capital and Treasury Management Strategy

The Council Cabinet considered a report from the Director of Finance setting out the prudential indicators relating to the Council's planned use of capital borrowing for the next three years.

The CIPFA Code of Practice for Treasury Management required approval of the proposed Treasury Management Strategy, which was attached at Appendix 2 of the report. It was broadly similar to those approved in previous years, revised primarily to take account of current market conditions, changed legislative arrangements, and the estimated capital spending financing requirement for 2004/5.

Decision

- 1 To recommend Council to approve the planned prudential indicators as set out in the report subject to an adjustment in Appendix 3, as now appended to these Minutes, to reflect the addition to the capital programme set out in paragraph 4.26 of the report on the 2004/5 revenue budget.
- 2 To adopt the Treasury Management Strategy set out in the report.

329/03 Housing Revenue Account Budget and Rent Rise for 2004

The Council Cabinet considered a joint report from the Directors of Finance and Policy setting out a financial plan for the Housing Revenue Account – HRA - both as a budget for the next financial year and as an HRA business plan to inform longer-term strategy relating to housing.

The report set out the financial plan for the HRA, and the budget for the next financial year, 2004/5 in Appendix 2. The key updated HRA business plan figures, to reflect the proposed budget in Appendix 2 were set out as below:

Year	Notes	Net expenditure for year £m	Interest earned on balance £m	HRA balance £m
2003/04		-0.5	0.0	0.5
2004/05		4.0	0.1	4.7
2005/06		3.0	0.3	8.0
2006/07		3.0	0.4	11.4
2007/08		2.8	0.5	14.7
2008/09		2.7	0.7	18.1
2009/10		3.0	0.8	22.0
2010/11	1	0.5	0.9	23.4
2011/12		0.3	1.0	24.7
2012/13		0.4	1.0	26.1
2021/22	2	-0.4	1.6	37.8
2032/33	3	-2.0	0.2	3.2

The comments of the Community Regeneration Commission were reported at the meeting. The Commission recommended the Council Cabinet to:

- 1 accept the Derby Homes position that the management fee needs to be £365k per year higher than hitherto conceded by the Council
- 2 refer the results of the negotiations on the management fee back to the Commission, preferably prior to the final decision being taken by the Council Cabinet in March 2004
- 3 use all the resources and levers available to commence a programme of council house-style building to meet the chronic need for affordable homes in Derby

- 4 approve the report and the other recommendations contained therein.

The Council Cabinet were of the view:

- 1 that it was premature to revise the proposed management fee for Derby Homes set out in the report when negotiations were ongoing.
- 2 that it would not be practical to delay a decision on the management fee until the Commission had discussed the outcome of the negotiations.

Decision

- 1 To recommend Council to:
 - a approve the Housing Revenue Account, HRA, budget for 2004/05, set out in Appendix 2, and the basis for the HRA Business Plan for 2003/05, as attached at Appendix 3 of the report.
 - b approve the application of transitional protection to the transfer of Rent Rebates from the HRA to the General Fund.
 - c agree that the planned Derby Homes Management Fee set out in 3.7.5 to the report would be the subject of further consultation with Derby Homes and that the Management Fee and retained management costs budget would be subject to further consideration by the Council Cabinet in March 2004.
 - d appoint members to a joint working party with Derby Homes to consider the longer-term issues relating to HRA sustainability and the Derby Homes Management Fee, as set out in 3.7.18.
 - e approve an increase in capitalised salaries in 2004/05 and 2005/06 from 2.5% to 2.8% of the Homes Pride programme.
- 2 To note the report of the Community Regeneration Commission.

Key Decision

330/03 Changes to the Formula for Funding Schools

The Council Cabinet considered a joint report from the Directors of Education and Finance setting out proposed changes to the formula for funding schools. The consultation document was issued to schools in November 2003 was attached to the report. A summary of the responses was attached at Appendix 3. It was noted that the Education Commission had endorsed the proposals.

Councillor E Berry left the meeting during consideration of this item.

Options

A range of options for making specific changes to the formula to reflect the outcomes of consultation and various issues of funding allocation to schools was considered. The proposals in the report were regarded as the most effective in the circumstances.

Decision

To make changes to the formula for funding schools, subject to the Council's final budget decisions, as follows...

- Maintain the current amount allocated through Additional and Special Educational Needs factors
- Allocate funding for Additional and Special Educational Needs in primary schools through free meal entitlement (63%), pupil numbers (15%), English as an additional language (10%), pupil turnover (6%) and vulnerable children (6%)
- Allocate funding for Additional and Special Educational Needs in secondary schools through prior attainment (42%), pupil numbers (15%), free meal entitlement (21%), vulnerable children (8%), pupil turnover (8%) and English as an additional language (6%)
- Set the threshold for contingency funding for an individual pupil with special educational needs at 15 hours a week - full-time equivalent -
- Target 40% of any additional growth going to Key Stage Two and 20% to Key Stage One to support early intervention. The remaining 40% of growth would be allocated to Key Stage Three to support the government's Key Stage Three strategy
- Adjust age-weighted and place-led funding differentially to reflect the costs of regrading teaching assistants in different phases should this be agreed by the Council
- Fully equalise funding for the Foundation Stage at the equivalent of £1,805 per pupil in 2003/04, with an additional allowance of £20,000 to small schools' base allowance, and confirm the decision to move to one point of entry to infant and primary schools
- Introduce delegated funding for nursery schools using the same formula as for other primary phase schools, but with 50% transitional protection for 2004/05 and transitional funding for the summer term costs of staff in nursery schools previously funded by the Access service
- Target growth in special school budgets above 4% at the base allowance rather than place-led funding to provide greater protection from changes in the number of places
- Introduce a primary school split-site factor of £25,000
- Amend the post-16 deduction to reflect the actual numbers of pupils over 16 in enhanced resource units
- Increase the allocations for schools with delegated insurance to reflect the amounts centrally retained in 2003/04
- Delegate the devolved allocation for pupil retention funding to secondary schools and make a deduction from this each time a pupil is permanently

excluded - £4,500 in the summer term, £3,000 in the autumn term and £1,500 in the spring term

Reason

Changes to the formula needed to be agreed in time to be implemented within school budgets for the 2004/05 financial year. Provisional school budgets were, however, usually notified in late February to give schools more time to plan their budgets. The allocations would be subject to the Council's final budget decisions.

Performance Monitoring

331/03 Social Services Joint Review Draft Action Plan – Consultation Feedback

The Council Cabinet considered a report from the Director of Social Services setting out the responses to the Joint Review Draft Action Plan consultation, which ended on 28 November 2003. A total of 24 Organisations were invited to comment on the Joint Review Draft Action Plan and the recommended response to the feedback was as follows...

- No changes were made to the Joint Review Draft Action Plan following the consultation.
- The issue of Inter-agency Information Sharing was referred to the sub-group of the Children's Strategic Planning Partnership that was already working on this issue.
- The department's eligibility criteria were sent to the organisation that raised a question about how to access services
- Individual organisation consultation forms were forwarded to the appropriate lead officer for consideration.
- The Joint Review Action Plan be approved

Decision

To recommend Council to approve the Joint Review Action Plan.

Contract and Financial Procedure Matters

332/03 Finance and Contract Procedure Matters Report Approval of Village School Pump Priming Application

The Council Cabinet considered a joint report from the Directors of Corporate Services and Finance setting out the details of an application to fund the costs of a planning brief, £10,000, and a consultation exercise, £5,000, to enable the disposal of the Village School Site. The disposal would generate a capital receipt for the Council, out of which it was proposed to repay the pump priming fund.

Decision

- 1 To approve an amendment to the repayment terms for the Pump Priming fund.
- 2 To approve a pump priming fund application for £15,000 to fund costs associated with the disposal of the Village School site.

333/03 Finance and Contract Procedure Matters Report Additional Supplementary Credit Approval (SCA) – Air Quality Monitoring Equipment

The Council Cabinet considered a joint report from the Directors of Corporate Services and Finance setting out details of Additional Supplementary Credit Approval for Air Quality Monitoring Equipment. The Council Cabinet's approval was sought to endorse officer action taken to secure the additional SCA, and approve the increase to the approved capital programme 2003/4.

Decision

- 1 To endorse officer action taken to secure £34,300 additional Supplementary Credit Approval – SCA - for Air Quality Monitoring.
- 2 To add additional Air Quality Monitoring expenditure of £34,300 to the approved capital programme for 2003/4.

334/03 Education Service Capital Projects – Phase 1 – 2004/05

The Council Cabinet considered a report from the Director of Education outlining proposed school capital schemes to address urgent condition and health and safety issues. The projects, which were shown in Appendix 2, had been prioritised in accordance with the Asset Management Plan Local Policy Statement and Statement of Priorities, agreed by the Council Cabinet on 3 February 2004.

Appendix 3 outlined the Space for Sports and Arts projects, where there had been a particular need to revise funding in response to Sport England technical requirements. The majority of the funding was from Sport England, through lottery funding.

Decision

- 1 To approve the commencement of the design and tendering process for the 2004/05 capital projects outlined in Appendix 2, which were subject to Council's approval of the capital programme.
- 2 To note that the rewiring project at Silverhill Primary School was currently subject to review and the priority may change in the light of this.

- 3 To approve revised figures for previously approved schemes detailed in Appendix 2.
- 4 To approve a £375,389 contribution from the Education Service Capital programme for the Space for Sports and Arts Projects.

335/03 Exclusion of the Press and Public

To exclude the press and public from the meeting during discussion of the following items on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 9 of Part 1 of Schedule 12A of Section 100 (A) of the Local Government Act 1972.

Key Decisions

336/03 Property Terms

The Council Cabinet considered a report from the Director of Corporate Services, setting out the property terms for Norman House as presented in Minute Number 324/03. The Director of Corporate Services added orally that the agreed notice for the break in the lease was now 6 months with an eight months rent free period now being considered.

Decision

To note the report.

337/03 Derby Schools Private Finance Initiative - PFI – Evaluation of Bids and Shortlisting of Bidders

The Council Cabinet considered a report from the Director of Corporate Services, setting out a detailed analysis of interim evaluation reports considered by the Derby Schools PFI Board, which had resulted in the recommendations in Minute Number 318/03.

Decision

To note the report.

MINUTES END