

**COUNCIL CABINET  
17 OCTOBER 2012**

Present: Councillor Bayliss (Chair)  
Councillors Banwait, Dhindsa, Hussain, Rawson, Repton,  
Russell and Shanker

In attendance: Councillors Holmes and Jones

This record of decisions was published on 19 October 2012. 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.

## **81/12 Global Technology Cluster**

The Council Cabinet considered a report on Global Technology Cluster (GTC). The purpose of the report was to provide an update on proposals to progress the Global Technology Cluster to seek approval for funding for essential core infrastructure works.

The GTC was one of the largest of the projects in the draft Regional Growth Fund (RGF) programme which amounted to £40m to Derby. The GTC would be a manufacturing-focussed innovation and technology park in Sinfin on the site previously promoted as Chellaston Business Park.

Proposals to develop land south of Wilmore Road, Sinfin, had been pursued by the private sector over a period of 15 years, but these had floundered largely because of the high up-front costs of installing infrastructure.

The RGF grant assistance would help bridge the funding gap and working with landowners and developers, the Council proposed driving this project through the appointment of a consultancy team and through the award of the essential core infrastructure contract. A formal offer of RGF funding was still awaited but a draft conditional grant offer had now been issued and accepted. The Council continued to do preliminary work on this project at risk having regard to strict completion dates and in anticipation of reaching agreement on the detail of the grant conditions.

The GTC was seen as essential to encouraging the inward investment by supply chain companies to all three transport sectors and as a means of encouraging the expansion of indigenous companies. At the centre of the GTC would be an Innovation Campus – the subject of a separate report on your agenda. A copy of a brochure describing the GTC and Innovation Campus (IC) was attached at Appendix 2 of the report.

The RGF programme was expected to generate 3,500 new jobs by 2022. In addition around 50 new businesses would be attracted to the city or created here. The GTC and IC projects alone were expected to create around 1,000 jobs by 2022, attract over 30 businesses, generate 70,000 square metres of new commercial floor space (with a construction value of £72m) and lever almost £70m in private sector investment and £4m in public sector investment.

## **Options Considered**

### **1. Do Nothing**

Successive proposals over circa 15 years to bring forward development here had floundered largely because of adverse market conditions, and the high cost of servicing the site. To do nothing would risk further inactivity since it may take many more years to reverse prevailing unfavourable economic conditions.

### **2. Innovation Campus does not proceed**

The Campus was an important element of the cocktail of uses which would contribute to the success of the GTC. If it was not to proceed then the take up of space on the GTC may slow down, but more space would be available for the future expansion of Rolls Royce and its supply chain.

## **Decision**

1. To delegate authority to the Chief Executive, in conjunction with the Leader, and the Strategic Director of Resources to enter into the Infrastructure Delivery Agreement for the essential core infrastructure along the lines of the draft Heads of Terms set out in Appendix C6, amending these terms as necessary.
2. To delegate authority to the Chief Executive, in consultation with the Leader and the Strategic Director of Resources, to accept and approve any offer from the RGF.
3. To note the position regarding RGF and, subject to the capital plan prioritisation process, delegate to the Chief Executive in consultation with the Leader the decision about increasing the Council's investment by £3m into the project from the capital programme.
4. To recommend Council to approve the additional prudential borrowing and to note the revenue implications of the additional borrowing - set out in Appendix C5 of the report.
5. To authorise that a European Union compliant procurement process be instigated for the appointment of a contractor to carry out the essential core infrastructure works.
6. To approve the appointment of consultants in accordance with the Consultants' Strategy set out at Appendix C8 of the report, to support the delivery of the essential core infrastructure works within the programme.

7. To authorise officers to seek all necessary planning, highways consents, and other appropriate approvals to progress the infrastructure works, the Global Technology Cluster, and construction works and to advertise the disposal of any Public Open Space.
8. To approve that the link road at its junction with Holmleigh Way would be constructed at grade and authorise entering into a contract with the Derby and Sandiacre Canal Trust for the construction of the proposed canal bridge at a future date as proposals for the canal are finalised – set out in Appendix C9 of the report.
9. To delegate authority to the Chief Executive, in consultation with the Leader, and the Strategic Director of Resources to enter into the contract with the Derby and Sandiacre Canal Trust for the construction of the proposed canal bridge along the lines of the draft Heads of Terms set out in Appendix C9 of the report, amending these terms as necessary.

## **Reasons**

1. The Infrastructure Delivery Agreement, to be entered into with a private sector developer partner (a joint venture partnership between Wilson Bowden Developments and Miller Birch) and the major landowners (Rolls-Royce and Harpur Crewe Estates), would facilitate the construction of the infrastructure works by the Council; the road was identified as 'T12' in the City of Derby Local Plan Review 2006. This agreement was subject to finalising the detail of the RGF funding, an acceptable tender price being returned for the works and the necessary planning approvals. A verbal update on the position re the grant funding and on progress towards concluding the Infrastructure Delivery Agreement was given at the meeting.
2. The recommendation would give the Chief Executive flexibility to revise terms where necessary without delay of reverting to Council Cabinet and so allowing the Council to operate in the required time frames to meet the conditions of the RGF funding and the overall commercial aims and objectives of the Global Technology Cluster. A detailed verbal update on progress regarding the grant funding negotiations was given at the meeting.
3. Government would require that a grant aid agreement be entered into for the RGF funding which would clearly set out the conditions attaching to the offer of funding.
4. Additional prudential borrowing was required to deliver the essential core infrastructure works and the revenue implications of this would require Council approval.
5. The appointment of a contractor to deliver the essential core infrastructure works in accordance with procurement regulations would be a requirement of the RGF grant offer and the Council's Standing Orders. Starting this process now would enable a preferred bidder to

be chosen at an early stage, the project costs to be determined and enable the construction works to commence at the earliest opportunity.

6. This was a complex project requiring the input of many professionals to help deliver the necessary planning approvals etc. in a very tight timescale. Wherever possible in-house services would be employed but it was necessary to use external consultant where the in-house capacity or capability was insufficient or there were benefits capitalising on the work previously commissioned by our partners. The Consultants' Strategy set out in Appendix C8 of the report was a précis of the consultancy requirements to deliver this project, the estimated cost for each appointment and the procurement process proposed to be employed for each appointment. As far as was possible, working with advice from the Procurement Team as the project develops, packages would be combined together to simplify tender processes.
7. Planning approval for the construction of the 'T12' road was essential and was required before work can start on site. Approvals for a temporary access road, alongside the T12 road and required to maintain access to the GTC when the canal bridge was built, would be sought as part of this planning application. Further, the former Derby Canal was currently designated as open space. This area of land was proposed to be crossed by a new road meeting with Holmleigh Way and approval would be required to do this. The route of the canal would be protected for the future reinstatement of the canal and existing footpaths/cycleways/bridleways would be maintained where possible or diverted alongside the new road.
8. The funding available for the essential core infrastructure works was £16m maximum. It was not possible to deliver all of the full scope of works but the project could be delivered within this cost plan if the canal bridge was installed at a later date. This was, however, a complex proposition requiring the agreement of the Canal Trust who support an early dialogue on this issue; a detailed verbal update on progress regarding negotiations with the Canal Trust was given at the meeting.
9. The recommendation would give the Chief Executive flexibility to revise terms where necessary without delay of reverting to Council Cabinet and so allowing the Council to operate in the required time frames to meet the conditions of the RGF funding and the overall commercial aims and objectives of the Global Technology Cluster. A detailed verbal update on progress regarding the negotiations with the Canal Trust was given at the meeting.

Councillor Shanker having declared a disclosable pecuniary interest in the above item left the meeting during the discussion and voting thereon.

## 83/12 Acquisition of the Former Magistrates Court, Derwent Street, Derby

The Council Cabinet considered a report on the Acquisition of the Former Magistrates Court, Derwent St., Derby. The purpose of the report was to provide an update on the former Magistrates' Court project and to seek approval to amendments to the original proposal, its funding arrangements and the use of part of the building by the Local Studies Library (LSL).

Council Cabinet at its meeting on 21 February 2012 agreed that the Council would acquire the former Magistrates' Court from the owners Wilson Bowden Developments (WBD), subject to them refurbishing the property to create a new managed business centre ready for occupation. The Council would then operate the building as a serviced business centre.

The Local Studies Library was currently located in Middleton House. As these premises were scheduled to be sold in late 2013/14 to support the funding of the Council House refurbishment, the library needed to be relocated to alternative premises. An Options Appraisal had been undertaken establishing that the preferred relocation site was the former Magistrates' Court.

The costs of relocating the Local Studies Library would be supported by a contribution from the Accommodation Strategy Budget set out in Appendix 3 of the report under Capital Funding.

The Council in conjunction with Wilson Bowden Developments had successfully applied to the Local Enterprise Partnership (LEP), D2N2, loan from their Growing Places Fund (GPF) towards the increased cost of refurbishment. This was currently the subject of due diligence and the full terms and conditions were awaited and the details of which were set out in Appendix 3 of the report under Capital Funding.

### **Options Considered**

1. Do nothing – The Property would continue to be empty and alternative, more expensive options for the new location of the Local Studies Library would need to consider if the Service was to be continued when the Council vacated the St Mary's Gate/ Middleton House complex. A summary of the alternative accommodation Options Appraisal for the Local Studies Library was given in Appendix 2 of the report.
2. Reduced specification – The Centre may prove more difficult to let at the proposed rental levels. A reduction of the rental levels would impact on the revenue support required for this project.
3. Provide loan or equity funding to support Wilson Bowden Developments developing the Magistrates' Court themselves. This was initially explored, however, the developer would not proceed on this basis because of the difficulties in raising matching loan finance for a speculative development. In the event the proposed inclusion of the

Local Studies Library into the building made this approach less attractive to the Council.

## **Decision**

1. To approve buying the former Magistrates' Court from Wilson Bowden Developments (WBD) for the sum specified at Appendix 3 of the report subject to WBD refurbishing the building to create a managed business centre.
2. To approve the relocation of the Local Studies Library from Middleton House to the former Magistrates' Court.
3. To approve a capital contribution towards the cost of the relocation of the Local Studies Library from the Accommodation Strategy Budget within the existing approved Capital Plan as set out in Appendix 3 of the report under Capital Funding.
4. To approve an ongoing annual revenue budget pressure to meet the increased net revenue costs of basing the Local Studies Library at the Magistrates' Court and the GPF loan repayment as set out in Appendix 4 of the report.
5. To approve the re-allocating of the expenditure within the Regeneration Fund as set out in paragraphs 4.13 & 4.15 of the report.
6. To delegate authority to the Chief Executive, in consultation with the Leader and the Strategic Director of Resources, to amend the terms of the acquisition and the Growing Places Fund loan and to enter into formal agreement with the Local Enterprise Partnership should this be the most advantageous financing option.
7. To recommend Council to approve the additional borrowing of £515,000 from either the LEP or the Council's traditional source of finance.

## **Reasons**

1. It was necessary to update the existing approved acquisition of the former Magistrates' Court in order to reflect the financial implications arising from the proposed relocation of the Local Studies Library. The acquisition would still provide a significant level of managed workspace, promoting emerging enterprises, as well as providing a home for the Local Studies Library. The managed workspace would:
  - comprise around 1,410 m<sup>2</sup> (15k sq ft) of city centre office space
  - support the creation of around 165 jobs based in the city centre over 3 years
  - bring back into use a strategically significant, Grade II listed building which has been empty for 10 years
  - following re-payment of loan finance would create an income producing revenue stream and asset for the Council.

2. It was necessary to relocate the Local Studies Library in order to allow the St Mary's Gate/ Middleton House complex to be sold in line with the approved Accommodation Strategy. The sale of this complex would realise a receipt in excess of £1.5m. A detailed Options Appraisal had been undertaken to assess the best alternative location for the Local Studies Library. (See Appendix 2 of the report.) The Magistrates' Court was considered to be the best location given its convenient city centre position, the character of the building, and that, overall, it provided the most cost-effective solution for a city centre location.
3. The agreed financing structure approved at Council Cabinet on 21 February 2012 referred only to "capital" whereas it should have referred to "capital and revenue".
4. The final details of both the proposed acquisition and the Growing Places Fund loan were yet to be agreed. It was necessary to provide an effective delegation in order to ensure that terms were finalised effectively and in the best interests of the Council.

## 89/12 Improvements to the Petitions Scheme

The Council Cabinet considered a report on improvements to the Petitions Scheme.

With Councils going through unprecedented changes, many of which were being imposed by Government, it was imperative that local people had the opportunity to make their views known on a wide range of issues.

Petitions were a tool used by residents and user groups to demonstrate the strength of feeling on particular issues. It was vital that the council's petitions scheme was as accessible as possible to ensure better engagement with the authority.

The proposed changes in the draft scheme would:

- introduce of a process where petitions could be formally accepted at the start of Council Cabinet meetings.
- reduce the number of signatures required to trigger a Council debate, from 8,500 at present to 4,000.
- relax e-petition requirements, making it easier for such petitions to be posted and considered.
- include a petition template to minimise the chances of petitions being invalidated.

### **Decision**

To recommend Council to adopt the Petitions Scheme.

## **COUNCIL CABINET 7 NOVEMBER 2012**

Present: Councillor Bayliss (Chair)  
Councillors Banwait, Dhindsa, Hussain, Rawson,  
Russell and Shanker

In attendance: Councillors Hillier, Holmes and Jones

This record of decisions was published on 9 November 2012. 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.

### **105/12 Local Authority Mortgage Scheme**

The Council Cabinet considered a report on Local Authority Mortgage Scheme. The authority believed it was more important now, than ever before, to support local residents in accessing the homes they needed.

The report outlined the workings of a Local Authority Mortgage Scheme - LAMS, explaining how this could be used to stimulate the local housing market and also the risks involved.

It recommended that delegated authority be given to the Strategic Director of Resources in consultation with the Cabinet Member for Business, Finance and Democracy and the Deputy Leader of the Council to determine the detail of the Council's approach to LAMS.

Other recommendations relating to how LAMS fits within the Council's treasury management strategy would be taken to Council Cabinet in the routine Treasury Management Progress Report in December.

#### **Options Considered**

None.

#### **Decision**

1. To approve £1m of Council money in support of the Local Authority Mortgage Scheme, subject to Council approval of the necessary changes to the treasury management strategy.
2. To delegate authority to the Strategic Director of Resources to determine, in consultation with the Cabinet Member for Business, Finance and Democracy and the Deputy Leader of the Council, the detail of the Council's approach to LAMS.

#### **Reasons**

To approve £1m of Council money in support of the Local Authority Mortgage Scheme, subject to Council approval of the necessary changes to the treasury management strategy.



In accordance with Procedure Rule A126, all Members of the Council had been advised that this item would be considered although it was not included in the Forward Plan.

## **COUNCIL CABINET 5 DECEMBER 2012**

Present: Councillor Bayliss (Chair)  
Councillors Banwait, Hussain, Rawson, Repton  
Russell and Shanker

In attendance: Councillors Holmes and Jones

This record of decisions was published on 7 December 2012. 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

### **121/12 Council Tax Charges on Empty and Unoccupied Properties**

The Council Cabinet considered a report on Council Tax Charges on Empty and Unoccupied Properties.

Council Tax was payable on every domestic property in the city unless a property was classed as exempt. In most cases the law prescribed the percentage of Council Tax payable but the Council did have a limited level of discretion, for example, the law allowed Councils to charge up to 100% Council Tax on properties that had been empty and unoccupied for more than six months, Derby City Council charged Council Tax at 90% on such properties.

Following consultation, the Government confirmed its intention to give local authorities greater discretion over the reliefs from Council Tax available in respect of second homes and some empty properties from 1 April 2013. A summary of the flexibilities was attached at Appendix 2 of the report.

This increased discretion gave the Council the opportunity to raise extra revenue and to increase the Council Tax base for Council Tax setting purposes.

Predicting the precise amount of extra revenue that could be raised was difficult for the following reasons:

- the Government were still consulting on the details of the scheme which may restrict the Council's ability to raise extra income on certain properties
- the Council's property base changes daily
- the extra Council Tax due may be subject to avoidance and non-collection issues

- there was potential for some properties that would become chargeable under the new flexibilities to simply move into another exempt class.

An estimate of the extra revenue that could potentially be raised was shown at Appendix 3 of the report. This has been calculated by taking the current number of properties that would be subject to an increased Council Tax charge and multiplying this by the recommended rate of charge and then factoring in a prudent collection rate.

Council Tax rules currently allowed Council's to charge 100% Council Tax on properties that had been empty and unoccupied for more than six months. Currently Derby City Council charged Council Tax at 90%. The Council had an opportunity to review this and consider charging Council Tax at 100% on such properties.

### **Decision**

1. To recommend to Council that Council Tax at the following rates be charged from 1 April 2013:
  - a) Properties classed as Second Homes – charge at 100% which is an increase from current 90% charge.
  - b) Properties currently classed as exempt Class A and therefore have no Council Tax to pay– charge at 100%.
  - c) Properties currently classed as exempt Class C and therefore have no Council Tax to pay– charge at 100%.
  - d) Properties empty and unoccupied for more than two years – charge at 150% which is an increase from the current 90% charge.
  - e) Properties currently classed as exempt Class L and therefore have no Council Tax to pay– charge at 100%.
2. To recommend to Council that the amount of Council Tax charged on properties empty and unoccupied for more than six months but less than two years be changed from its current rate of 90% to 100% from 1 April 2013.