

Time began: 2.00pm
Time ended: 3.17pm

COUNCIL CABINET 12 September 2023

Present Councillor Shanker (Chair)
 Councillors Dhindsa, Hezelgrave, Martin, Peatfield and Whitby

In attendance Councillors Poulter, Prosser and Smale
 Paul Simpson – Chief Executive
 Rachel North – Strategic Director of Place
 Emily Feenan - Director of Corporate Governance, Property
 and Procurement and Monitoring Officer
 Alison Parkin – Director of Finance
 Verna Bayliss – Director of Sustainability
 Heather Greenan – Director of Corporate Management
 Ian Fullagar – Head of Strategic Housing
 Stephen Turner – Principal Economic Growth Manager
 Kara MacFadyen - Communications and Marketing

This record of decisions was published on 14 September 2023. The key decisions set out in this record will come into force and may be implemented on the expiry of five clear days unless a key decision is called in.

45/23 Apologies

Apologies for absence were received from Councillors Hassall, S Khan and Swan, Muhammad Muntasir – Youth Mayor and Harman Kaur – Deputy Youth Mayor, Andy Smith – Strategic Director of People’s Services.

46/23 Late Items

There were no late items.

47/23 Receipt of Petitions

There were no petitions.

48/23 Identification of Urgent Items to which Call In will not apply

There were no items.

49/23 Declarations of Interest

There were no declarations of interest.

50/23 Minutes of the meeting held on 2 August 2023

The minutes of the meeting held on 2 August 2023 were agreed as a correct record.

Matters Referred

51/23 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

52/23 Development of the Riverside Site on Duke Street

The Council Cabinet considered a report which sought approval to the proposed redevelopment of the site at Duke Street, Derby known as Riverside site.

These houses would form part of the Council affordable housing stock and would be managed by Derby Homes (DH), the Council Arm's Length Management Organisation.

The report also sought the necessary financial and contractual approvals to deliver the new affordable homes.

The Executive Scrutiny Board noted the report.

Options considered

1. To not develop the site. This option had been discounted as it did not maximise the use of an existing Council owned asset and would miss an opportunity to deliver on the Council's priority to build affordable homes.
2. To sell the site. It was not considered appropriate to sell this asset as it was required for the development of social housing.
3. To develop the site in partnership with a Registered Provider. Although the Council did have valuable partnerships with other Registered Providers of

social housing, this site could contribute to the strategic aim to deliver more Council housing. As there was capacity within the latest approved HRA business plan to develop this site there was no particular benefit to a partnering route.

Decision

1. To agree the principle of developing the site as detailed in the report funded through the HRA Capital Programme.
2. To approve the project budget up to £3,798,302 and to reflect this within the HRA Capital Programme which had sufficient capacity to develop the site.
3. To delegate authority to the Strategic Director of Place following consultation with the Section 151 Officer and the Cabinet Member for Housing, Property and Regulatory Services, to agree the terms to enable the Council to enter into all contracts and agreements necessary to deliver the project within the approved budget.
4. To agree to the new affordable homes being incorporated within the Councils housing stock and being managed by Derby Homes.

Reasons

1. To facilitate the delivery of new affordable homes to meet the high level of need in Derby in line with the Council plan and Council Delivery Plan expectations.
2. To ensure the best value use of Council's assets.
3. To comply with the Council's Financial Regulations and Contract Procedure Rules.

53/23 Update on Darley Abbey Mills Bridge

The Council Cabinet considered a report which sought approval to purchase the existing prefabricated footbridge and access ramps, to maintain accessibility.

The Executive Scrutiny Board noted the report and supported the proposal to purchase the existing prefabricated footbridge and access ramps, to maintain accessibility.

Options considered

1. In a report to Council Cabinet, on 13 July 2022, an option to 'do nothing' and close the bridge without providing an accessible river crossing for residents, businesses and leisure users was considered unacceptable. It was unlikely any other organisation would take action to provide a solution to retain accessibility in the short to medium term. As a result, the Council, using powers under the Localism Act 2011, provided the pedestrian and cycle

facility.

2. A 'do-more' option, to provide a long-term solution would need identification of a responsible owner for the bridge and an agreement in place for funding to be found from appropriate sources. The risk a responsible owner would not be found and the complexities of a project to restore or replace the permanent bridge would be the subject of future reports to Council Cabinet.

Decision

1. To approve the purchase of the existing prefabricated bridge and access ramps (Walters Walkway) using existing capital funding from the Council's Highways and Transport Programme.
2. To approve the addition, to the 2023/24 Capital programme, the purchase of the prefabricated bridge and access ramps at a value of £0.266m, as outlined in section 7.2 of the report.
3. To note a Medium-Term Financial Plan (MTFP) revenue pressure that would need to be considered of £0.044m for maintenance and inspection of the bridge from 2026/27 following the use of the remaining one-off budget that had been previously allocated.

Reasons

1. A prefabricated bridge was urgently installed in 2022 to support the local community and businesses. Uncertainties around ownership as well as a lack of available funding for a long-term solution now meant the prefabricated bridge would need to be in place to provide accessibility in the medium term, for approximately six years, or until such a time as a long-term solution could be delivered.
2. Previously approved revenue funding for the hire of the prefabricated bridge was forecast to run out in October 2024. As the bridge was a medium-term solution it was capital expenditure.

54/23 Additional Capital Loan Request

The Council Cabinet considered a report which stated that Great Northern Classics (GNC) would be a new purpose-built facility at a former Rolls Royce site on Osmaston Road, Derby. It would aim to facilitate the preservation and development of crucial skills for the classic vehicle industry.

In order to enable the redevelopment of the site, GNC had previously approached the Council to support the creation of this facility by granting a capital loan facility to help bridge the gap in funding required to redevelop the site. The loan amount approved was £1.25m repayable in full by the end of year 6, with a part amortisation and part bullet repayment profile.

GNC had now approached the Council for an additional capital loan of £0.250m in order that the site development could be completed, due to a change in previously assumed private funding sources. GNC's original loan ask of the Council was £1.5m which was not funded in full as £0.250m was for non-specified contingency purposes. This additional ask would bring us back into line with what was originally requested.

The Executive Scrutiny Board noted the report.

Options considered

Do nothing and risk the building not being completed, and therefore unable to generate any income from trading to repay the existing loan. Record the loss of prospective jobs and GVA to the City as referred to in the report.

Decision

1. To approve a further secured loan facility up to a value of £0.250m at a commercial rate of interest to the applicant on the basis detailed in para 7.1 of the report (taking the total amount loaned to £1.5m).
2. To approve the addition of £0.250m to the Other Regeneration Loan capital budget on the Council's 2023/24 capital programme for the capital loan advance, financed by a capital budget transfer from the Ascend capital budget on the Regeneration Capital Programme, and to amend the Capital Programme accordingly.

Reasons

1. To comply with Financial Procedure Rules.
2. To support other economic growth initiatives aimed at creating jobs, repurposing sites/buildings that were no longer in use, and generating foot flow and spend opportunities where appropriate.
3. Ability to support the council's ambition for 'The Derby Promise' for example through school visits, work experience, learning from local experts and apprenticeship opportunities.

55/23 Capital Loan for City Centre Property Purchase

The Council Cabinet considered a report which sought to support the purchase of a number of properties in a key location within the city centre to address long term market failure, enable the regeneration of this priority area and contribute to the delivery of our city centre regeneration objectives.

In order to enable the purchase of the properties, the applicant had approached the Council for funding support to enable the scheme to proceed and to kick start the process of area transformation. This location had been identified as a priority in the

analysis and strategy work driven by the council and partners during the pandemic and was cited in the subsequent City Centre Ambition strategy.

The report sought approval to the Council making a £1.3m secured capital loan to support the delivery of the purchase element (Phase 1) of this scheme. Phase 2 of the project would see the site extensively refurbished and repurposed to bring back activity and footfall to this critical area within the city centre and would be subject of a further report to Council Cabinet.

The Executive Scrutiny Board noted the report.

Options considered

Do nothing and risk the property purchase not being completed. The knock-on effect of this was the risk of the potential wider regeneration benefits not being delivered as part of Phase 2.

Decision

1. To approve in principle that a loan of £1.3m be advanced to the applicant, subject to the confirmation of a satisfactory due diligence outcome, security protection, suitable property valuation appraisal and subsidy control position.
2. To delegate authority to negotiate and agree final terms to make the loan advance to the Company to the Strategic Director of Place following consultation with Cabinet Member for City Centre, Regeneration, Culture and Tourism and the Director of Finance and Section 151 Officer.
3. To approve the addition of £1.3m to the Other Regeneration Loan capital budget on the Council's 2023/24 capital programme for the capital loan advance, financed by a transfer from the Eastern Gateway budget on the Regeneration Capital Programme (£0.240m in 2023/4 and £1.060m in 2024/5) and update the Capital Programme accordingly.
4. For clarity the original ask of the Council was for capital funding of £3.8m relating to the project in its totality (Phase 1 and 2) but due to current council funding availability it was proposed to only consider capital loan support of £1.3m towards purchase only (Phase 1) as part of this report.

The council was in active dialogue with the Developer on the proposals for Phase 2 to ensure the end usages were aligned to the Council's Ambition for the city centre and would bring back any further funding support requested in due course to support the redevelopment element of the project.

The external due diligence would assess the viability of the entire project (phase one and two) with and without any further council support beyond the £1.3m loan proposed.

Reasons

1. To comply with Financial Procedure Rules.
2. To support Regeneration and Economic Growth initiatives aimed at creating jobs, repurposing sites/buildings that were no longer in use, and generating foot flow and spend opportunities where appropriate.
3. Whilst this report was focused on Phase 1 (the purchase) the developer as part of phase 2 (the refurbishment/development) planned to provide a transformative regeneration scheme which would provide high quality residential units, office space and retail and hospitality outlets. This would complement the existing committed regeneration projects in the city centre, supporting the Council's aims to increase footfall, increase city centre living and jobs, boost city centre visitor spend and improve the night-time economy.
4. The properties, once completed and occupied, were expected to deliver additional business rates revenue streams of c.£100k per annum together with council tax payments from the planned residential element.

Contract and Financial Procedure Matters

56/23 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.

- The addition of a new scheme to the 2023/24 & 2024/25 Capital Programme for Flood Defence Vehicles.
- The acceptance of funding for Public Health - Rough Sleeping Drug and Alcohol Treatment Grant (RSDATG) of circa £0.319m from the Office for Health Improvement and Disparities (OHID) and approval of delegated authority to enter into contracts and agreements associated with this funding.
- The acceptance of £1.746m Adult Social Care Market Sustainability and Improvement Fund (MSIF) Workforce Fund funding from The Department of Health and Social Care (DHSC) and approval of delegated authority to enter into contracts and agreements associated with this funding.
- A bid for and acceptance of Individual Placement Support in Primary Care revenue funding from Nottingham City Council of £0.755m for the period of 18 months September 2023 to March 2025 and associated delegations.
- Bid for and acceptance of Home Office Grants for:

- Homes for Ukraine – estimated up to £1m.
- Afghan Permanent Resettlement – estimated up to £2m.
- Asylum Dispersal Grant – estimated up to £1.7m.
- Afghan Bridging Hotel Support – estimated up to 0.5m.
- Contract Waiver – extension of a contract with Water Plus Group Ltd to continue the provision of water, wastewater and ancillary services to the Council’s property portfolio.
- Acceptance of further grant funding - The Council had also been allocated grant funding from another source, to the value of £0.571m.

The Executive Scrutiny Board noted the report.

Options considered

1. Addition of a new scheme to the Capital Programme - Purchase of Vehicles - £0.068m

Purchasing new vehicles was the most cost efficient option due the rising costs of repairing the current assets that were past their useful Existing Life.

Leasing of new vehicles was not considered viable for the role the vehicles would be carrying out within the Council. The vehicles would require specialist installation of drainage maintenance equipment with associate fixings and fitting which would not be permissible under a lease agreement.

2. Public Health Funding

Not to accept the funding - This was a continuation of a current funding stream – extending the RSDATG funding by at least another financial year, therefore it was recommended that we accept this funding and carry out a tender to ensure compliance with the Procurement Strategy and Contract Procedure Rules.

3. Bid for and Acceptance of Home Office Grants

Do nothing. This option had been dismissed. Asylum accommodation was ultimately procured and agreed by the Home Office and its contracted providers.

Within the Afghan and Ukraine schemes, individuals had the right and freedom to choose where they live. The impacts and burdens placed upon local authorities and communities was recognised and the funding offered should be accepted to help mitigate those burdens.

4. Contract Waiver – extension of a contract with Water Plus Group Ltd

Do nothing – this was not an option as the Council would be in breach of legislation, and/or its statutory duties.

Decision

1. To approve the addition to the 2023/24 & 2024/25 Capital Programme a scheme to purchase vehicles for the Drainage and Flood Risk Management profiled £0.034m in 2023/24 and £0.034m in 2024/25 as outlined in section 4.1 of the report.
2. To approve acceptance of the additional Rough Sleeping Drug and Alcohol Treatment Grant Section 31 grant funding for 2024/25 of circa £0.319m for Public Health from OHID, as outlined in section 4.2 of the report.
3. To approve delegated authority to the Strategic Director of Peoples Services following consultation with the Director of Finance and the Cabinet Member for Integrated Health and Adult Care to enter into all necessary contracts and agreements associated with the Rough Sleep Drug and Alcohol Treatment Grant ring-fenced funding, subject to appropriate terms and conditions as outlined in section 4.2 of the report.
4. To approve the acceptance of £1.746m of funding from the Department of Health and Social Care for Market Sustainability and improvement Fund funding in 2023/24 as outlined in section 4.3 of the report.
5. To approve delegated authority to the Strategic Director of Peoples Services following consultation with the Director of Finance and the Cabinet Member for Integrated Health and Adult Care to enter into all necessary contracts and agreements associated with the Market Sustainability and Improvement Fund funding, subject to appropriate terms and conditions as outlined in section 4.3 of the report.
6. To note a bid for the Revenue funding of £0.755m from the Primary Care Fund from Nottingham City Council, for individual placement support with regard to employability and new start opportunities as outlined in section 4.4 of the report.
7. To approve (If the bid is successful) to accept the Primary Care Fund funding from Nottingham City Council and delegate authority to spend within the scope of the grant conditions to the Strategic Director for People's Services following consultation with Cabinet Member for Children's Social Care, Learning and Skills and the Director of Finance as outlined in section 4.4 of the report.
8. To approve the bid for, and acceptance of, Home Office funding up to the value of £5.2m. Estimated Home Office funding for each scheme was:
 - Homes for Ukraine – estimated up to £1m.
 - Afghan Permanent Resettlement – estimated up to £2m.
 - Asylum Dispersal Grant – estimated up to £1.7m

- Afghan Bridging Hotel Support – estimated up to 0.5m

As outlined in section 4.5 of the report.

9. To delegate approval for the award of monies relating to these grants (subject to the appropriate terms and conditions) to the Strategic Director of Place following consultation with the Cabinet Member for Cost of Living, Equalities and Customer Inclusion and Director of Finance as outlined in section 4.5 of the report.
10. To approve the contract waiver for a one-year extension to the existing contract with Water Plus Group Ltd to continue the provision of water, wastewater and ancillary services to the Council's property portfolio as outlined in section 4.6 of the report.
11. To approve the acceptance of further grant funding from another source, to the value of £0.571m. The details of this allocation were currently under embargo by the funding provider. A report in the confidential section of this agenda provided Council Cabinet with full details, and these details would be made public at the earliest opportunity. There was no requirement for match funding, and no financial risk to the Council from accepting this funding.

Reasons

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

Performance

57/23 Council Delivery Plan and Q1 Performance Monitoring

The Council Cabinet considered a report which stated that in March 2022, Council approved the Council Plan 2022–2025.

To make sure that we continued to focus on a targeted number of areas, each year we published a Council Delivery Plan that set out the specific actions that we would take over a 12-month period.

Alongside the Medium-Term Financial Plan 2023-2026, Council approved high-level changes to the Council Plan in March 2023, and the report presented an updated Delivery Plan for 2023/24, which had also been aligned to the commitments of the Council Cabinet (Appendix 1 of the report).

Whilst the 2023/24 Plan had been in development, it had been essential that we had maintained effective oversight of delivery and presented in Appendix 2 of the report was the 2023/24 quarter one overview of performance against the 2022/23 plan, reflecting the changes agreed by Council in March 2023.

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 approve the Council Delivery Plan 2023/24, which would be reviewed regularly to make sure that the contents remained relevant and appropriate, with changes presented for approval as part of quarterly performance monitoring reports.
2. To note that targets for priority performance measures would be presented to Council Cabinet for approval at the end of quarter two, as part of the quarterly performance report.
3. To note the latest performance position for quarter one of 2023/24, paying particular attention to the latest profile of our strategic risks and emerging priorities for improvement.
4. To note that the Council Plan 2022–2025 was under review, in line with the review of budgets and the Medium-Term Financial Plan for 2024–2027.

Reasons

1. The Council Plan 2022-2025 set out our strategic plan and vision for the city, for the next three years.
2. It was essential that we had a clear performance framework under this, against which we could monitor delivery, and be held to account.
3. 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.

58/23 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 items on the grounds that they 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

59/23 Development of the Riverside Site on Duke Street

The Council Cabinet considered exempt information in relation to the development of the riverside site on Duke Street.

The Executive Scrutiny Board noted the report.

60/23 Additional Capital Loan Request

The Council Cabinet considered exempt information in relation to an additional capital loan request.

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 and 2.2 of the report.

Reasons

These were set out in paragraphs 3.1 to 3.3 of the report.

61/23 Capital Loan for City Centre Property

The Council Cabinet considered exempt information in relation to a capital loan for city centre property.

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 2.4 of the report.

Reasons

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

Contract and Financial Procedure Matters

62/23 Acceptance of Grant Funding

The Council Cabinet considered a report which provided an update on two successful funding applications.

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 and 2.2 of the report.

Reasons

These were set out in paragraphs 3.1 to 3.3 of the report.

MINUTES END