

# ITEM 4A

Time Commenced – 18:00

Time Finished – 19:56

## Executive Scrutiny Board

**12 February 2019**

Present: Councillor Graves (Chair)  
Councillors Ashburner, Eldret, Hassall, Hudson, Jackson, Marshall,  
Rawson, Russell, Stanton, Willoughby and Wood.

Other councillors in attendance: Councillor Evans

In attendance: Frederico Almeida (Youth Mayor), Ben Clawson-Chan (Head of Leisure and Business Development), Claire Davenport (Director of Leisure, Culture and Tourism), Christine Durrant (Strategic Director of Communities and Place), Emily Feenan (Acting Director of Legal, Procurement and Democratic Services, and Monitoring Officer), Heather Greenan (Director of Policy and Insight), Alex Hough (Acting Head of Democracy), Greg Jennings (Director of City Development and Growth), Don McLure (Strategic Director of Corporate Resources), Liz Moore (Head of Human Resources), Nicola Sykes (Director of Human Resources and Organisational Development), Gurmail Nizzer (Acting Director of Commissioning), Perveez Sadiq (Director of Adult Social Care Services) and Jonathan Sayer (Principal Regeneration Manager).

### 79/18 Apologies for Absence

Apologies for absence were received from Councillor J Khan and Councillor Potter.

### 80/18 Late Items

The Chair introduced the latest version of the Forward Plan, published on 15 January 2019, to be considered under minute 83/18.

Also introduced as a late item to the Council Cabinet agenda was a report of the Strategic Director of Corporate Resources, in relation to a review of Derby City Council's Governance System.

### 81/18 Declarations of Interest

Councillor Willoughby declared an interest in Item 14 of the Council Cabinet agenda (Medium Term Financial Plan 2019/20 – 2022-23, Revenue and Capital Final Budget Setting for 2019/20, Treasury Management Update and Strategy 2019/20, Housing Revenue Account Final Budget Setting 2019/20, Dedicated Schools Grant 2019/20, Capital Strategy and Pay Policy) owing to his wife's employment at Ivy House School, whose funding would be affected if the budget proposals were to be approved.

**Classification: OFFICIAL**

It was noted that Councillor Willoughby had consulted the Monitoring Officer and was advised to withdraw from the meeting, should the matter be debated or any recommendations relating to the funding of the school be proposed.

## 82/18 Minutes of the meetings held on 15 January 2019

The minutes of the meeting were agreed as a correct record.

## 83/18 Forward Plan

The Board considered the contents of the Forward Plans published on 30 January 2019 and 12 February 2019.

No items were added to the future work programme.

**The Executive Scrutiny Board resolved to note the Forward Plan.**

## 84/18 Performance Items and Performance Forward Plan

The Board received a report of the Chief Executive presenting the Executive Scrutiny Performance Forward Plan and allowing the Board to make amendments as necessary for items to be considered at future meetings.

A presentation on 'Sickness absence revisited – what difference has been made?' was received by the Board.

### **Sickness absence revisited – what difference has been made?**

Members heard evidence of steps taken to support employee health, wellbeing and attendance, following previous updates to the Executive Scrutiny Board on this matter.

It was reported that since the introduction of the First Care reporting system in 2017, the average days lost per full time equivalent (FTE) post had reduced from 14.2 to 11.1 per annum. Moreover, compliance with the three day target for completing return to work (RTW) interviews had improved from 59.3 to 64.9 per cent.

However, it was stated that mental health and stress remained the biggest cause of absence within the council, accounting for 28.6 per cent of days lost, and reducing levels of stress within the workplace remained a priority for senior officers.

A variety of statistics were presented to the Board which detailed an improving overall picture relating to sickness absence; it was noted that a significant proportion of absences were incurred by a small number of employees. For example, 155 staff were reported to have had more than five spells of absence and more than 60 days in the last 12 months.

It was stated that the First Care reporting system allowed Human Resources to interrogate data in relation to patterns in sickness absence, as well as provide a point of comparison to other local authorities and First Care clients. For instance, it was reported that Derby City Council lost 3.38 days per FTE for mental health issues, compared to an average of 1.87 for the sector.

The Board heard evidence of a range of support services available to employees and managers to help sustain attendance at work. This included weekly health, wellbeing and attendance clinics; free flu vaccinations for all council employees; a mental health first aid programme; and, a dedicated mailbox for health and wellbeing queries.

It was noted that a new approach had been implemented by the Corporate Leadership Team, which set targets for Directors; allowed robust challenge on poor practice from management; and, encouraged earlier employee contact during periods of absence to support colleagues back to work, as well as promoting better health-related conversations.

The Board queried the level of stress-related absence and enquired whether there were particular services more affected than others. Members also questioned whether the improvements to date represented a return on investment in the First Care reporting system and if there was a clear correlation between prompt return to work interviews and levels of absence.

It was reported that trends and patterns were being explored as part of an absence working group. However, it was emphasised that good quality return to work interviews and health conversations were an effective means of managing sickness absence.

**The Executive Scrutiny Board resolved to note the report.**

## **85/18 Council Cabinet Response to Scrutiny Recommendations**

The Board considered a report of the Chief Executive which allowed the scrutiny board to receive responses from Council Cabinet on recommendations made at the previous Board meeting held on 15 January 2019.

**The Board resolved to note the report.**

## **86/18 Council Cabinet Agenda**

The Board considered a report of the Chief Executive on the Council Cabinet Agenda. Members considered the Council Cabinet Agenda in its entirety for the meeting scheduled for Wednesday 13 February 2019 and made a number of comments and recommendations to Council Cabinet.

## **Late Items**

## **Item 2 – Review of Derby City Council Governance System**

The Board received a report of the Strategic Director of Corporate Resources in relation proposals put forward by the Committee System Working Group, which had been tasked with reviewing and considering proposals in relation to Derby City Council's governance arrangements.

Following a period of research, the working group were now in a position to make recommendations to Council Cabinet and subsequently Council that would mandate officers to develop a committee structure based on seven key principles, as detailed under recommendation 2.1.

The Board queried whether it would be possible to develop a committee structure that would require no increase in the number of meetings and no increase in costs. It was stated that this would prove challenging, but was the task that had been set by the working group. The requirement for no increase in costs would likely impact the structure of any committee system; it was further noted that consultation with the Independent Remuneration Panel (IRP) would be necessary in order to determine levels of Special Responsibility Allowance.

It was noted that both the Strong Leader and Committee models of governance had weaknesses. Some members suggested that ensuring adequate representation was of more fundamental importance than potential cost implications. In this context, it was suggested that a change in the electoral cycle to all-out elections was considered concurrently.

Some members expressed concern that a committee structure would require a greater number of daytime meetings, which would exclude councillors who were in full time employment. Further queries were raised in relation to stand-by arrangements for legal and finance support at committees with decision-making powers.

The Board sought clarification as to whether a decision to endorse the working principles by Council would also constitute a decision to move to the committee system. It was confirmed that this would not be the case.

**The Executive Scrutiny Board resolved to recommend that Council Cabinet amend the report to include a recommendation that Council explore the possibility of moving to all-out, four yearly elections, in conjunction with the review of Derby City Council's governance system.**

## **Key Decisions**

### **Item 8 – Revision to the National Non Domestic Rates Policy for the Award of Discretionary Rate Relief**

The Board received a report of the Strategic Director of Corporate Resources proposing a revision to Derby City Council's Discretionary Rate Relief Policy, in response to changes introduced by the Government in the Autumn Budget to provide rate relief for small and medium sized businesses.

**The Executive Scrutiny Board resolved to note the report.**

### **Item 9 – Derby City Scheme for the Admission Arrangements for Infant, Junior, Primary and Secondary Schools 2020-2021**

The Board received a report of the Strategic Director of People Services in relation to changes to Derby City Council's admission arrangements for Infant, Junior, Primary and Secondary schools.

It was reported that no significant changes were proposed to the policy. A public consultation had taken place between 1 October 2018 and 31 January 2019 and no objections had been received.

**The Executive Scrutiny Board resolved to note the report.**

### **Item 10 – Adult Social Care Fees and Charges 2019/20**

The Board received a report of the Strategic Director of People Services, setting out proposed fee levels that care providers would expect to receive for commissioned care services, as well as charges for Council provided adult social care services for 2019/20.

**The Executive Scrutiny Board resolved to note the report.**

### **Item 11 - Project Mulberry – Investment in high quality warehouse and office to support the transport engineering supply chain at Infinity Park**

The Board received a report of the Strategic Director of Communities and Place in relation to a proposed investment in high quality warehouse and office space, to support the transport engineering supply chain at Infinity Park.

It was reported that the council had been working with both a developer and an occupier for the facility and had reached an agreement which would require an initial investment of £19.3 million. It was noted that this would be funded through service level borrowing; the occupier would enter into a long-lease that would result in the council recouping its initial investment. It was reported that the proposal was expected to lead to the creation of between 50 and 75 jobs.

The Board queried risks associated with the project and the extent to which the council was protected should the occupier leave the site or encounter financial difficulties. Members also questioned why the private sector had not brought forward similar proposals, given the commercial opportunities outlined in the report.

It was stated that the council had taken an innovative approach, bringing together two private sector partners with differing business models. It was reported that the project was not without risk, however construction risk had been transferred to the developers and that the lease would apply for its full duration, providing the occupier continued to operate. If this was not the case, the council would acquire the asset and seek to identify an alternative occupier.

**The Executive Scrutiny Board resolved to welcome the report.**

## **Item 12 – New Swimming Pool Complex at Moorways – Next Steps**

The Board received a report of the Strategic Director of Communities and Place seeking a range of approvals in relation to the New Swimming Pool project.

It was reported that following a value engineering process on the original designs, £2.3 million of savings had been identified, resulting in an indicative cost for the original scheme of £35.8 million.

In June 2018, Council Cabinet agreed a review of the design and viability of the swimming pool complex, which included a feasibility study to explore the possibility of enhanced leisure water. Following the conclusion of this process, the most viable option included an increase to the size of the pool hall to 1000 square metres and the pool size to 280 square metres. The feasibility study had indicated that the cost of the additional works may be between £6 million and £8 million. The report sought approval to progress these proposals to a detailed design phase and to subsequently seek planning approval. It was further reported that subject to these approvals being granted, it was anticipated that construction would begin in late 2019 for completion in late 2021.

Some members of the Board welcomed the scope and ambition of the revised proposals. However, others raised concerns as to the financial sustainability of the project and suggested that any decision on the final designs and the operating model of the facility should be made by Council Cabinet and not delegated to officers.

Further concerns were raised as to the extent of public consultation. Members raised concerns that reaction on social media was being justified as an alternative to a formal consultation process on the revised designs. The Youth Mayor addressed the Board and stated that young people were excited at the prospect of the new facility, but stressed that a full consultation was necessary.

Members discussed the operating model for the facility, with additional detail provided in the exempt section of the report. It was stated that providing affordable swimming space for all Derby residents should be a priority. Future requirements for water space were also considered, with members noting that the closure of Queens Leisure Centre would result in a lack of provision in the city centre.

It was reported that extensive stakeholder engagement had taken place with young people, a range of sporting groups and the council's disability forum. It was further noted that the requirement for additional water space would be explored as part of future reports to Council Cabinet.

**The Executive Scrutiny Board resolved:**

- To recommend that Council Cabinet remove the delegation detailed at recommendation 2.5 and to request that the final designs were subject to Council Cabinet approval.
- To recommend that Council Cabinet remove the delegation detailed at 2.10 and to request that the operational model of the venue was subject to Council Cabinet approval.

### **Item 13 – 2018/19 Quarter 3 Forecast of Outturn for General Fund, Capital Budgets, Dedicated Schools Grant, Collection Fund and Housing Revenue Account**

The Board received a report of the Strategic Director of Corporate Resources summarising the forecasted financial outturn position to 31 March 2019, based on the position at the end of Quarter 3.

It was reported that there remained significant overspends in People Services, but that the position had improved since Quarter 2. Significant slippage in the Capital Programme was reported, as well as forecasted overspends in the High Needs Block of the Dedicated Schools Grant, which would require the use of reserves to contain.

The Board queried pressures arising in Communities and Place as a result of public space Wi-Fi and parking income. Further clarification was also sought on the future years' forecast balance of earmarked reserves.

In relation to the High Needs Block, members asked whether officers were in communication with the Department for Education (DfE). It was reported that the DfE were fully aware of the pressures faced by local authorities in this area and had called an urgent meeting to discuss the issue.

**The Executive Scrutiny Board resolved to note the report.**

### **Item 14 – Medium Term Financial Plan 2019/20 – 2022-23, Revenue and Capital Final Budget Setting for 2019/20, Treasury Management Update and Strategy 2019/20, Housing Revenue Account Final Budget Setting 2019/20, Dedicated Schools Grant 2019/20, Capital Strategy and Pay Policy**

The Board received a report of the Strategic Director of Corporate Resources setting out the Medium Term Financial Plan for 2019-20 to 2022-23, as well as detailing the budget proposals for the forthcoming financial year.

Changes to the budget proposals following the period of public consultation were highlighted to the Board at 4.8 of the report and feedback was detailed at Appendix 20.

The Board noted the complexity and length of the report, requesting that efforts were made to make the council's budget proposals accessible to the public in future years.

Members requested confirmation that proposals to reduced pressures on the SEND High Needs Block, contained within Appendix 18, would require further approval by Council. It was confirmed that all recommendations contained within the report would require approval by Council at the meeting scheduled for 27 February.

**The Executive Scrutiny Board resolved to note the report.**

#### **Item 15 – Report on the robustness of estimates and on the adequacy of reserves 2019-20 – 2022/23**

The Board received a report of the Strategic Director of Corporate Resources, detailing the opinion of the Chief Financial Officer on the robustness of estimates contained within the Medium Term Financial Plan and the adequacy of the council's reserves, as is statutorily required.

**The Executive Scrutiny Board resolved to note the report.**

#### **Item 16 – Performance Monitoring 2018/19 – Quarter Three Results**

The Board received a report of the Chief Executive, which provided an update on performance against the council's priorities at the end of Quarter 3, as measured by indicators agreed in the Council Scorecard.

The report noted that 54 per cent of measures were forecast to meet or exceed their year-end target and 51 per cent of measures were forecast to improve compared to last year. Areas of improvement were also highlighted, including a reduction in the number of children subject to Child Protection Plans and a consistently low level for the number of older adults entering long term care.

**The Executive Scrutiny Board resolved to note the report.**

#### **Item 17 – Exclusion of the Press and Public**

The Board considered a resolution to exclude the press and public for the consideration of exempt detail contained within two reports discussed earlier on the Council Cabinet agenda.

**The Executive Scrutiny Board 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 involve 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.**

#### **Item 18 - Project Mulberry – Investment in high quality warehouse and office to support the transport engineering supply chain at Infinity Park**

The Board considered exempt detail in the report of the Strategic Director of Communities and Place in relation to a proposed investment in high quality



warehouse and office space, to support the transport engineering supply chain at Infinity Park.

### **Item 19 – New Swimming Pool Complex at Moorways – Next Steps**

The Board considered exempt detail in the report of the Strategic Director of Communities and Place regarding the New Swimming Pool Complex at Moorways.

The Board discussed information in relation to the operating model of the facility and funding for the project. Provision in the MTFP was considered alongside anticipated operating costs for the facility.

### **Item 20 – 2018/19 Quarter 3 Forecast of Outturn for General Fund, Capital Budgets, Dedicated Schools Grant, Collection Fund and Housing Revenue Account**

The Board considered exempt detail in the report of the Strategic Director of Corporate Resources in relation to the Quarter 3 Forecast Outturn Position, specifically regarding business rate write-offs.

MINUTES END