

Time began: 6.00pm
Time ended: 7.43pm

COUNCIL CABINET

7 December 2016

Present	Councillor Rawson (Chair) Councillors Afzal, Bolton, Eldret, Hussain, Repton, Russell and Shanker
In attendance	Councillors Graves, M Holmes, Ingall, Skelton and Smale Christine Durrant – Strategic Director Communities and Place David Walsh – Head of Democracy Martyn Marples – Director of Finance Perveez Sadiq – Director Adults and Health David Gartside – Acting Director – Strategic Partnership, Planning and Streetpride Ian Fullagar – Head of Strategic Housing Maria Murphy – Director of Derby Homes

This record of decisions was published on 9 December 2016. 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.

96/16 Appointment of Chair

In the absence of both the Chair and the Vice Chair, Councillor Hussain was appointed Chair of the meeting until the Vice Chair arrived.

97/16 Apologies

An apology for absence was received from Councillor Banwait.

98/16 Late Items

There were no late items. The Chair reported that there was an addendum to the Contract and Financial Procedure report.

99/16 Receipt of Petitions

There were no petitions received.

100/16 Identification of Urgent Items to which Call In will not Apply

There were no items.

101/16 Declarations of Interest

There were no declarations on interest.

102/16 Minutes of the Meeting Held on 9 November 2016

The minutes of the meetings held on 9 November 2016 were agreed as a correct record and signed by the Chair.

Matters Referred

103/16 Recommendations from Corporate Scrutiny and Governance Board

The Council Cabinet considered a report on Recommendations from Corporate Scrutiny and Governance Board. The Corporate Scrutiny and Governance 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. These were submitted to Council Cabinet as Appendix 2, prior to commencement of the meeting.

The Board considered a report on complaints and customer feedback and food safety inspections and recommended to Council Cabinet that

- A single complaints system should be implemented across the whole Council (and other systems should not be used to record and manage complaints).
- Agency/temporary staff be employed to fill gaps in resource to deliver high risk food safety inspections and manage the Council's risk of being audited for non-compliance in this area.

Decision

1. To receive the report and consider the recommendations alongside the relevant report.
2. To receive the recommendation from the Corporate Scrutiny and Governance Board and request a report back to a future meeting in relation to complaints and customer feedback and food safety inspections that
 - A single complaints system should be implemented across the whole Council (and other systems should not be used to record and manage complaints).
 - Agency/temporary staff be employed to fill gaps in resource to deliver high risk food safety inspections and manage the Council's risk of being audited for non-compliance in this area.

Key Decisions

104/16 Service Delivery Model for the Council's Care Homes and Day Centres

The Council Cabinet considered a report which stated that at the July 2016 meeting, Council Cabinet received a report providing consultation feedback on an alternative service model for Council owned Adults' residential care homes and day services. This led to the decision to undertake soft market testing; this report provided further details from that exercise. The soft market testing exercise was undertaken to establish whether there was interest from credible organisations who may want to take over the facilities and provide the service in an alternative way. The report proposed recommendations informed by the findings from the exercise.

Following a review of the results of the soft market testing, balanced with an analysis of the composition and physical condition of both the residential care homes and the day centres, it was proposed that whilst a definite recommendation could be made in respect of the care homes (including Morleston Day centre), further due diligence work needed to be undertaken in respect of Aspect and Inspire Day centres.

The Corporate Scrutiny and Governance Board recommended that

- the requirement for capital funds to deliver social care/extra care schemes should be considered when allocating capital receipts resulting from the sale of care homes and these should be directed towards delivering these schemes where possible.
- Following the closure of Wetherby Day Centre and positive feedback in relation to the alternative provision of day care services, the friends and family involved this should be approached to be potential ambassadors for the new model of delivery for day care services.

Options Considered

1. *Do nothing* – this option would see the Council continuing to run the care homes in their current condition. This had not been considered viable as despite some immediate remedial works having taken place, the homes still needed significant investment to continue to be fit for purpose.
2. *Close the homes and day centres should we not be able to secure a buyer* – should the conditions of sale mean that buyers could not be secured, the other alternative would be to close some or all of the homes and day centres. This would reduce the on-going revenue and capital costs of maintaining the buildings and running the services. This option had not been positioned as the Council's preferred option to date due to the level of disruption to residents and the limited capacity within the existing market for residential care to absorb current and future demand for care places. The day service market may be able to absorb current service users, through the use of direct

payments, and this may be one of the options to be considered following the more detailed discussions with those providers interested in the day services.

Decision

1. To delegate authority to the Strategic Director of Place following consultation with the Strategic Director of People, to sell five of the Council's care homes – Merrill House, Raynesway View, Coleridge, Arboretum House (including Morleston Day centre) and Bramblebrook to achieve the best possible outcome for the Council and to ensure that the existing residents are provided with a quality care service for the remainder of their lifetime, at no additional cost to them.
2. To note that further dialogue was required with organisations interested in Inspire and Aspect Day centres, following the soft market testing.
3. To note that any capital receipt from the disposal of the care homes would be earmarked in accordance with the corporate capital receipts policy.
4. To note the financial implications detailed in Appendix 1 paragraph 1.2 of the report to identify that further revenue/capital funding would be required should the Council decide to keep the properties rather than dispose of them.
5. To accept the recommendations from the Corporate Scrutiny and Governance Board that
 - The requirement for capital funds to deliver social care/extra care schemes should be considered when allocating capital receipts resulting from the sale of care homes and these should be directed towards delivering these schemes where possible.
 - Following the closure of Wetherby Day Centre and positive feedback in relation to the alternative provision of day care services, the friends and family involved this should be approached to be potential ambassadors for the new model of delivery for day care services.

Reasons

Additional capital and ongoing revenue investment was still required to carry out works to the remaining in-house homes and centres to keep pace with health and safety guidelines and major maintenance requirements. To balance the pressure of this with the wider budget position of the Council, the requirement for additional investment into the facilities and taking account of the views of existing residents and service users about maintaining service delivery, Council Cabinet previously agreed that an alternative owner and operator should be considered. A soft market testing exercise was undertaken to ascertain ideas from interested parties and to inform any procurement/marketing strategy.

For Aspect and Inspire day centres, the general feedback in relation to these centres suggested that there were credible ideas about how individuals could be supported in

a very different way from the current model, including moving away from the existing building base.

At this point the Vice Chair arrived and took the Chair.

105/16 Publication of Draft Flood Risk Management Strategy and Baseline Strategic Environmental Scoping Report for Public Consultation

The Council Cabinet considered a report which provided information about the Council's draft Local Flood Risk Management Strategy (FRMS) and sought approval to publish the draft strategy for public consultation.

The report provided the background and context to the Council's statutory obligations under the Flood and Water Management Act 2010 as the Lead Local Flood Authority (LLFA) to develop, maintain, apply and monitor a strategy for local flood risk management for this area.

It set out the consultation plan for the draft strategy and provided information on how the responses to the public consultation would be used to revise the draft strategy prior to final Council Cabinet approval and adoption.

The Corporate Scrutiny and Governance Board made no recommendations to Council Cabinet however, the Board agreed that a letter of cross party support should be sent to the Parliamentary Under Secretary of State for the Environment and Rural Life Opportunities to make representations to government to request additional funds for Derby for the delivery of the OCOR project.

Options Considered

Not applicable, publication of a local flood risk management strategy was a statutory duty under the Floods and Water Management Act 2010.

Decision

1. To agree the draft Local Flood Risk Management Strategy for public consultation.
2. To delegate authority to the Director of Communities and Place to make minor changes to the draft FRMS prior to adoption of the final FRMS.
3. To accept the recommendation of the Corporate Scrutiny and Governance Board that a letter of cross party support should be sent to the Parliamentary Under Secretary of State for the Environment and Rural Life Opportunities and the local MPs, to make representations to government to request additional funds for Derby for the delivery of the OCOR project.

Reasons

1. The Floods and Water Management Act 2010 (FWMA) placed a statutory duty on the authority to develop, maintain, apply and monitor a Local Flood Risk Management Strategy. The act required the council to consult on the strategy prior to adoption.
2. The final FRMS once formally adopted and published, would set out the Council's objectives and approach in coordinating the management of local flood risk in Derby which would provide the framework for prioritising those objectives over the coming years.

106/16 Revised Statement of Community Involvement

The Council Cabinet considered a report which stated that The Statement of Community Involvement (SCI) sets out the Council's commitment to involve the community in the planning process: in the preparation of the Council's Development Plan Documents and in publicising planning applications.

The current SCI was adopted in January 2007 and we now needed to look again at how we engaged communities and update the SCI accordingly.

The original SCI was produced through extensive consultation with the public, statutory bodies and other interested parties and was submitted to the Secretary of State for examination. Although legislative changes require us to update the document to ensure that it was legally compliant and remained fit-for-purpose, the requirement to undertake a formal consultation and submit the document for examination no longer exists.

However, given the nature of the SCI and the Council's commitment to engage with statutory bodies, the public and the development industry, it was proposed to undertake a consultation lasting a minimum of six weeks where we would seek people's views on the amended document before its adoption.

The Corporate Scrutiny and Governance Board made no recommendations to Council Cabinet however requested a report back to a future meeting of the Corporate Scrutiny and Governance Board outlining any amendments made to the statement following the consultation.

Options Considered

An alternative option was to continue to use the existing Statement of Community Involvement which was adopted in January 2007. However, it was out-of-date due to regulatory changes, many of the engagement methods outlined in the document had been superseded, some terminology used was out-dated and some organisations had ceased to exist.

Decision

1. To note the consultation methods contained in the revised Statement of Community Involvement and to approve consultation seeking people's views on the amended document.
2. To authorise the Strategic Director for Communities and Place following consultation with the Cabinet Member for Communities and City Centre Regeneration to consider any comments received during consultation, to make amendments to the document and to formally adopt the Statement of Community Involvement.
3. To accept the recommendation from the Corporate Scrutiny and Governance Board that a report be submitted to a future meeting of the Corporate Scrutiny and Governance Board outlining any amendments made to the statement following the consultation.

Reasons

Regulation 18 of the Planning and Compulsory Purchase Act 2004 requires a local planning authority to prepare and adopt a Statement of Community Involvement (SCI).

107/16 Cycle Hire Scheme

The Council Cabinet considered a report which stated that in February 2016 a study was carried out into potential cycle hire scheme models that would be suitable for Derby. The report highlighted the benefits of providing such cycle schemes when linked to other cycling activities.

The Council had secured £480,000 capital grant from the Local Enterprise Partnership to support the development of a cycle hire scheme. This LEP funding formed part of the £4.35m Infinity Park Derby (IPD) Sustainable Transport Programme. The University of Derby (UoD) had indicated they would provide financial support towards the revenue and operational costs of a cycle hire scheme.

The Council hosted consultation workshops with local organisations to assess the level of interest in a cycle hire scheme. The feedback had been very positive with several major organisations having already considered the options / benefits of implementing bike share at their sites. In addition, a recent survey had shown that 63% of the general public were supportive of the scheme.

Whilst it was found that such a scheme was likely to be popular, it was identified that there were risks that need to be accepted by the Council. These risks would be managed as part of the contract for operation of the scheme with defined distribution of roles and responsibilities between the Council and a private operator.

The Corporate Scrutiny and Governance Board supported the provision of a cycle hire and the recommendations outlined in the report.

Options Considered

A further option was not to pursue a cycle hire scheme, however this would result in the need for alternative interventions to be explored which would meet the funding objective of getting more people active and travelling sustainably through cycling. In addition, we would need to report underspend to the LEP and all Growth Deal grant funding would be clawed back.

Decision

1. To approve a public cycle hire scheme and the preferred delivery model (paragraph 4.11 of the report) for a public cycle hire scheme for Derby.
2. To accept the risks identified in the report (paragraph 4.12 of the report) and approve the advancement of the project to procurement and delivery.
3. To delegate to the Strategic Director of Communities and Place, following consultation with the Cabinet Member for Communities and City Centre Regeneration and, as appropriate, the Director of Finance and Director of Governance to enter into such contracts and ancillary documentation to allow the delivery of a cycle hire scheme for Derby.

Reasons

1. To make members aware of the options identified for the delivery of a city-wide cycle hire scheme.
2. To ensure the Council were aware of the risks associated with the scheme and that a cycle hire scheme be procured and implemented as soon as possible.

108/16 City Energy Savings Programme (CESP) – Warm Zone Funding

The Council Cabinet considered a report which stated that the City Energy Saving Programme and the predecessor Community Energy Saving Programme (CESP) had been operated by the city council since 2012. The programmes had targeted external wall insulation for hard-to-treat properties in the private sector with solid wall construction, which was the most energy inefficient type in the housing stock of the city.

Although the national Green Deal programme was wound-up in 2015 funding had temporarily become available in partnership with Derby Homes through Warm Zone funding, which was operated by the fuel poverty charity National Energy Action (NEA).

It was proposed that Warm Zone funding would provide approximately £1500 towards the approximately £8k cost of solid wall insulation to a typical 3 bedroom semi-detached property. The balance would be funded by the Council, through a loan to the homeowner over up to 4 years.

It was proposed to fund a one year pilot programme of approximately 45 properties resulting in approximately £240k in homeowner loans in 2016/17 and 2017/18.

The Corporate Scrutiny and Governance Board supported the scheme and the recommendations outlined in the report.

Options Considered

1. Consideration was given to offering a programme which would be fully financed through homeowner loans. The proposed scheme, offering some subsidy from newly available Warm Zone funding to homeowners, was obviously more attractive and would provide a good opportunity for market testing loan take-up by homeowners at relatively modest subsidy levels.
2. To close the CESP programme. This would remove the option for many homeowners to benefit from lower heating bills, improved comfort in their homes and reduction in carbon emissions. Many homeowners were unable to access the necessary funding through mainstream lenders, or did not have the savings needed to pay for the installation of external wall insulation, and the Council's loan scheme would enable them to benefit from EWI.

Decision

1. To authorise a 1 year pilot project using the new funding model to determine the likely take-up by homeowners.
2. To reconfigure the funding model for the CESP programme to include Warm Zone funding with homeowner contributions, allowing participants to repay the initial costs to the Council over a period of 4 years free of interest, secured as a Local Land Charge.
3. To amend the current 2016/17 funding sources in the Council's Capital Programme in accordance with this report.

Reasons

1. The CESP programmes had delivered improvements to 325 homes over the 4 years they had been in operation. Installation of solid wall insulation typically reduced energy bills by an average of £270 per year, increased thermal comfort and reduced lifetime CO2 emissions by approximately 40 tonnes for a typical participating property.
2. The funding contract signed with Nottingham City Council (the lead authority in the Regional Loan Partnership) stated that the purpose of the funding was for the improvement of private sector housing which would be offered in the form of loans to homeowners.

109/16 Proposals to Increase Pupil Places at The Bemrose School

The Council Cabinet considered a report which stated that the Council was legally required to ensure that there were sufficient school places available for those pupils residing in its administrative boundary. Pupil numbers and trends were closely monitored and, in order to accommodate growing primary pupil numbers, a Primary School Expansion Programme was implemented in September 2014 and September 2015. Following the primary school expansion programme, it was anticipated that there would be sufficient capacity across the City as a whole to deal with primary growth over future years. There were, however, specific areas of the City where pressure on places continues to increase.

In order to respond to increasing pupil numbers, proposals had been developed to provide additional pupil places at The Bemrose School to meet with demand as follows:

Primary Places: Proposal to permanently increase the size of the primary phase from a capacity of 315 places to 420 places, with an increase in admission number from 45 to 60 from September 2017.

Secondary Places: Proposal to increase the secondary phase admission number from 180 to 220 from September 2018. This meant that there would eventually be an additional 200 secondary places available across the secondary phase of the school.

In terms of capital funding for the proposals to expand the premises of The Bemrose School, Council Cabinet, at a meeting on 16 March 2016, approved funding of £2 million to increase secondary phase accommodation at the school. In addition, on 7 September 2016, Council Cabinet approved £1.3 million of basic need funding to increase the number of classrooms in the primary phase of the school. The Headteacher and Governing Body were supportive of the expansion proposals.

Following Cabinet Member approval, statutory consultation on the proposals to expand The Bemrose School took place for a six-week period between 3 October 2016 and 14 November 2016. A copy of the Consultation Document was attached as Appendix 2 to the report.

A total of 27 responses were received during the consultation period.

The majority of respondents supported the expansion proposals, with 74% of respondents supporting the primary expansion proposal and 70% supporting the secondary expansion proposal.

Of the 27 responses received, 15% were against both the primary and secondary expansions proposals. Some of the respondents were undecided about the proposals and this was the case for 11% of respondents on the primary expansion proposal and 15% on the secondary expansion proposal. Appendix 3 of the report provided further information on the consultation responses.

In view of the Council's statutory duty to ensure sufficient school places, the report recommended approval of the proposals to expand The Bemrose School.

Options Considered

Very careful consideration had been given to options for accommodating pupil growth. The proposals in the report sought to target pupil places to an area of increasing demand.

Decision

To approve the proposals to permanently expand the premises of The Bemrose School in order to provide additional primary and secondary school places, as set out in the report.

Reasons

The Council has a legal duty to ensure sufficient school places for those pupils residing within its administrative boundary. Pupil numbers and projections were closely monitored and proposals developed as necessary to ensure sufficient school places.

110/16 Tenancy Strategy

The Council Cabinet considered a report which stated that Derby's first Tenancy Strategy was launched in 2012, following a requirement of the Localism Act 2011. The strategy was primarily concerned with our approach to the use of fixed term tenancies and the use of the 'Affordable Rent' model for social housing.

The current strategy expires at the end of 2016. This leaves us with 2 options: to either extend the provisions of the current strategy or draft a new one.

Ordinarily we would be drafting a new strategy at this stage, ready for launch in 2017. However, the Housing and Planning Act 2016 had now made these policy areas mandatory. Although the Act had been enacted we were awaiting Regulations which would bring the Act into force and provided the detail on its delivery that we required before the new strategy could be finalised.

Therefore an extension would be advisable until the Regulations had been issued. No official dates for their release had been given.

Options Considered

The authority could consider writing a new strategy at this stage. However the first set of regulations (those for fixed term tenancies) was expected in the next month or so which might then require the strategy to be re-written.

Decision

To extend the current Tenancy strategy until the end of 2017, with a new strategy set to commence in 2018 (subject to any earlier mandatory trigger dates that the prospective regulations may stipulate).

Reasons

1. The Localism Act 2011 introduced the statutory requirement for local authorities to produce a tenancy strategy. Furthermore the Housing and Planning Act 2016 made mandatory many of the elements (such as fixed term tenancies) which were discretionary under the Localism Act. This proposal would meet these statutory requirements until the end of 2017 at which point a new strategy would be adopted.
2. The current tenancy strategy was due to expire this year and the Council was statutorily required to extend or adopt a further strategy.
3. Regulations bringing the Housing and Planning Act 2016 into force were yet to be released. Any strategy written prior to their release would need to be reviewed and it was likely a further strategy revision would be necessary. Therefore it was proposed to extend the current strategy and to adopt a new strategy after regulations were released.

111/16 A52 Wyvern Transport Improvement Scheme – Confirmation of Funding to Purchase Land and Commence Scheme Construction

The Council Cabinet considered a report which provided an update on scheme funding and the project risks that existed at present.

The report set out the complex relationship between the different funding strands and the need to progress the scheme or risk the project failing. The report sought approval to commence the scheme, purchasing land, placing advance works orders and purchasing key materials. The cost of these elements would be met by the £3.5 million pre compliance funding recently agreed by D2N2 Local Economic Partnership.

Options Considered

1. A detailed study of all the highway solutions to existing problems and issues was set out in detail in the Options Appraisal Report.
2. A further alternative option would be to not progress the A52 Wyvern Transport Improvement scheme. However, this would not address the road injury collision risks, congestion and delays which affect road users on this strategic route into the city. It would have severe implications for the robustness of the core strategy and the city's ability to support future economic growth. Failure to progress the project would also create challenges for D2N2 and would undermine the city's reputation for successful project delivery potentially placing future funding requests at risk.

Decision

1. To approve the increase of the 2016/17 to 2018/19 Capital Programme by £4,315,182, from £10,008,000 to £14,323,182, funded from a combination of grants and contribution which were yet to be formally confirmed.
2. To approve the commencement of the scheme, taking into account the financial risks as detailed in the report and also at Appendix 1 Financial and Value for Money.
3. Subject to the further funding being confirmed, as set out in the report, to enter into the main works contract.
4. To authorise the Strategic Director of Communities and Place, following consultation with the Cabinet Member for Communities and City Centre Regeneration and, as appropriate, the Director of Finance and Director of Governance to:
 - accept D2N2 LEP LGF 1 and HE's GHF funding, as set out in the report, when confirmed;
 - enter into an agreement pursuant to section 278 Highways Act 1980 with the developers of the Derby Triangle site to secure funding for highway mitigation;
 - enter into such ancillary documentation as may be necessary to implement those agreements detailed above, and
 - review the progress of the scheme and, subject to funding being confirmed, to enter into a contract for the delivery of the main works.

Reasons

1. To reflect the actual cost of the scheme and to recognise that grant funding, if confirmed, combined with previously committed Council funding would meet that cost.
2. The Scheme continued to be a significant transport priority for the Council. Considerable energy and work had been devoted to bringing the scheme to delivery and while some elements of funding remain to be confirmed a commitment by the Council to delivering the scheme would help unlock and secure those external contributions.
3. Delegating authority to progress these aspects of the scheme would ensure that, subject to grant funding confirmation, the scheme could be delivered within the timescales agreed with funding partners.

112/16 Compulsory Purchase of Empty Homes

The Council Cabinet considered a report which sought approval to initiate compulsory purchase proceedings in relation to 5 long-term vacant houses. The houses had stood vacant for some years and the owners had not provided sufficient assurances that the properties would be brought into beneficial occupation in the near future.

The aim of the Council's Empty Homes Strategy was to facilitate the renovation and re-occupation of vacant dwellings; thereby making a contribution towards meeting housing demand across the City. The actions would also help tackle the anti-social and environmental nuisance that neglected properties could present. The re-use of these homes would contribute towards the Council's New Homes Bonus income.

Where owners could not be traced, or were unwilling/unable to bring the property into use, there was a compelling case in the public interest for the Council to take enforcement action to ensure that the aims of the Strategy were achieved.

The Council's use of compulsory purchase powers should ensure that these problematic empty homes would be returned to the useful housing stock.

The Corporate Scrutiny and Governance Board supported the compulsory purchase of empty homes.

Options Considered

1. Do nothing.

This was not considered appropriate. The properties, in their present circumstances, would remain a waste of potentially good housing and become an increasing blight within their respective neighbourhoods.

2. Enforced sale

The Law of Property Act 1925 empowers a local authority to enforce the sale of a property where it holds a relevant legal charge against it. There were no such charges in the case of these properties.

3. Empty Dwelling Management Orders

The use of Empty Dwelling Management Orders involves the eventual return of the management responsibilities for the property to its original owner. This was not considered appropriate, as the current owners had continually failed to bring these empty homes into beneficial use. A change of ownership was considered to be in the public interest.

4. Other enforcement powers

Various legal powers were available to a Local Authority to improve the condition of a neglected building, for example, to deal with structural danger, nuisance or other environmental problems. These alone could only be viewed

as piecemeal, reactive and short-term approaches, which did not provide the long-term solution presented by the report proposals.

Decision

1. To authorise the Council to make Compulsory Purchase Orders under the Acquisition of Land Act 1981 (pursuant to the power under section 17 of the Housing Act 1985) for the acquisition of the houses, together with the associated land, as identified in Appendix 2 of the report for the purposes of their renovation and reoccupation as housing accommodation.
2. To authorise the Strategic Director of Communities and Place, following consultation with the Cabinet Member for Urban Renewal, the Director of Governance and the Head of Strategic Asset Management and Estates to:
 - take all necessary steps to secure the making, confirmation and implementation of the Compulsory Purchase Orders;
 - acquire the legal interests in the properties, whether by voluntary agreement or compulsorily using statutory powers set out in the preceding paragraph;
 - suspend the compulsory purchase order proceedings, or withdraw an order, in relation to any particular property on being satisfied that the subject house would be satisfactorily renovated and re-occupied voluntarily;
 - take necessary action to deal with all matters relating to the payment of compensation and statutory interest including, where appropriate, instituting or defending related proceedings;
 - dispose of the properties in accordance with the proposals set out in the report; and
 - take all other necessary action to give effect to these recommendations.

Reasons

1. The properties identified in Appendix 2 of the report (this exempt appendix appeared later in the agenda) had been vacant for a number of years and all reasonable options open to the Council to encourage the respective owners to voluntarily bring them back into use had proven unproductive.
2. Restoring the houses to the useful housing stock would contribute to meeting the increasing housing needs in Derby.
3. The risk of common problems associated with empty buildings such as trespass, vandalism, fly tipping or anti-social activities would be reduced.

The Council Cabinet considered a report which sought to extend the Council's current policy which enabled the use of good quality private rented sector housing to discharge the homeless duty.

The current policy, approved on 12 July 2015 allowed applicants to retain the right to consent to an allocation in the private sector. The proposal was to extend the use of offers to suitable private rented sector accommodation without the applicants consent.

Options Considered

The Council could continue to utilise its powers under the Localism Act to secure the allocation of private rented accommodation for homeless households with their consent however this had a limiting effect on the discharge of the full duty.

Decision

To approve the Private Rented Sector – Final Offer Policy (Appendix 2 of the report). The policy would enable the Council to discharge the homelessness duty with a good quality, suitable private rented sector offer, without the consent of the applicant.

Reasons

1. This proposal would enable the Council to utilise the full powers granted to it under the Localism Act 2011 in respect of the discharging of its homelessness duty in the private rented sector.
2. Preventing and minimising the use of temporary accommodation, where applicants either needed or desired rehousing in areas where there was a shortage of social housing, or where applicants did not qualify for social housing in Derby were put forward as the main reasons to support this recommendation.
3. The Council were experiencing a significant increase in the numbers of applicants presenting as homeless. This was mirrored by a corresponding increase in the numbers of these applicants to whom there was a duty to rehouse. Over the same period there had been a reduction in turnover.
4. The reduction in the supply of social housing was having a knock on effect on our ability to accommodate those on the housing register and homeless applicants. This was creating pressures on the continued use of temporary accommodation and bed and breakfast placements. The number of people in temporary accommodation/bed and breakfast was increasing as was the length of their stay. Applicants in temporary accommodation included both single people and families with children.

114/16 Strategies and Policies for Collection of Debts

The Council Cabinet considered a report which stated that Derby City Council provided a wide variety of key services to its customers, citizens, businesses and communities and as a result was required to collect large sums of money. In 2016/17 this sum was expected to be around £250million for council tax, business rates and sundry debts alone.

With such large sums to collect from a wide variety of citizens and businesses it was inevitable that some people or businesses would not pay their bills. Therefore it was very important that the Council had robust strategies and policies in place for collecting debt.

Revenue collection had never been more important. The Government's austerity programme had seen the money given to Derby City Council to deliver vital services cut by tens of millions of pounds. Further, the localism agenda would result in greater reliance on collection of local taxation and other revenue, for example the move to 100% Business Rates retention by 2020.

The report introduced the Council's Collection Strategy, Council Tax Recovery Policy, Business Rates Recovery Policy and Sundry Debt and Miscellaneous Income Policy. Together these documents set out the Council's approach to the collection of these key revenues streams. They aim to ensure that recovery action was consistent, transparent and proportional and that collection was maximised at minimum cost. Further, the policies aimed to ensure that a distinction be made between those that had the means to pay, but would not, from those that genuinely find themselves in a position where they could not pay.

Equalities Impact Assessments (EIAs) had been completed for all strategies and policies included in the report and were available on CMIS as appendix six to the report. The content of the EIAs was taken into account as part of considering the proposed Collection Strategy, Council Tax Recovery Policy, Business Rates Recovery Policy and Sundry Debt and Miscellaneous Income Policy which were attached at appendices two to five of the report.

The Corporate Scrutiny and Governance Board recommended that

- Options to publish the details of individuals who choose not to pay debts accrued should be explored.
- The possibility of reporting the non-payment of debts/rates to Credit Reference Agencies should be explored.

Options Considered

Do not have a Collection Strategy and associated policies. This was discounted because it would mean the Council missed an opportunity to improve its revenue collection, reduce the costs associated with revenue collection and improve its reputation for governance and transparency.

Decision

1. To approve the:

- a) Collection Strategy,
 - b) Council Tax Recovery Policy,
 - c) Business Rates Recovery Policy and
 - d) Sundry Debt and Miscellaneous Income Policy
2. To delegate any future operational amendments to the strategy or any of the policies listed at above, including consequential amendments arising from changes to statutory or case law, to the Chief Executive following consultation with the Director of Finance.
 3. To accept the recommendations from the Corporate Scrutiny and Governance Board
 - Options to publish the details of individuals who choose not to pay debts accrued should be explored.
 - The possibility of reporting the non-payment of debts/rates to Credit Reference Agencies should be explored.

Reasons

1. To ensure that the Council had a proper framework in place for the collection and recovery of council tax, business rates, sundry debts and miscellaneous income.
2. To ensure that the Council's ability to collect debt was maximised and at minimum cost.
3. To minimise the possibility of any claims made against the Council for maladministration or judicial review being successful and therefore protecting the Council's reputation and financial position.

115/16 Writing off Council Tax, Business Rates and Sundry Debts

The Council Cabinet considered a report which stated that Derby City Council was responsible for collecting council tax, business rates and sundry debts from households and businesses across the city. The amounts involved were very large and in 2016/17 the Council was tasked with collecting around £100million in council tax, £94million in business rates and was expected to invoice around £60million in sundry debts. Based upon current levels this equated to around £2.5billion over a 10 year period. The accounts recommended for write off total £5,285,866, cover between six and 15 financial years and represent approximately 0.21% of the estimated amount billed over the last 10 years, based on current levels.

Despite the significant pressures placed upon households and businesses as a result of the Government's austerity measures and welfare reform programme collection had remained consistent. This had been achieved through the operation of a firm but fair recovery regime that would use all recovery methods open to the Council to

collect money from those that had the means to pay, but would not and provide support and help to those that genuinely could not pay.

Inevitably some council tax, business rates and sundry debts could not be collected. Reasons for this included if;

- The debtors died
- The debtor was declared bankrupt or was subject to other insolvency proceedings
- The debtor absconds
- A court remits the debt.

The Council recognised this and as part of having sound and prudential financial management arrangements in place made a provision for debts classed as bad or doubtful.

The amount of historic debt was set out at appendix 2 of the report and steps needed to be taken to reduce this. Whilst every effort would continue to be taken to collect arrears, the Council needed to balance its desire to maximise collection with having a realistic view of its ability to collect old debt, with the level of resources it had available.

The recommended bulk write off set out in the paper would be the first step of a housekeeping programme that would aim to ensure historic debts were periodically reviewed and written off if appropriate. Going forwards, and in accordance with the Council's Scheme of Delegation and Financial Procedure Rules, only debts over £10,000 would be recommended to Council Cabinet for write off. However, given the value the report recommended writing off, debts of all values were included to ensure full transparency. Should a debt be written off and then subsequently the reason for the write off was not appropriate – for example a debtor that had absconded was traced – the debt would be written back on and pursued.

The report sets an upper limit of debt recommended for write off. The actual value finally written off may be lower as accounts may be removed from the process, for example because of recent payment activity.

The Council had a statutory duty to bill and collect Council tax and also to ensure that arrangements were in place for the proper administration of their financial affairs. The recommendations contained within the report were in line with the Council's obligations.

The Council regularly reviews the collectability of debt and had established an appropriate bad debt provision. However the value of both the provision and arrears continued to increase where debts were provided for but not written off. The Council's external auditors, Ernst & Young had recognised that the Council had significant arrears and provision and had commented on the need to reduce these where possible, in their audit plan. Writing off the identified debts would reduce both the balances of outstanding debt and the associated bad debt provision and in doing

so presented a more realistic position of collectable debt within the Council's accounts.

Options Considered

Do nothing. This had been rejected because it would result in arrears continuing to rise bringing with it reputational risks through criticism from the Council's auditors and having to further increase the bad debt provision.

Decision

1. To approve writing off council tax debt of £3,534,291.84, business rates debt of £158,988.10 and sundry debt of £1,592,585.65 as set out in appendix 2 of the report, subject to the checks and safeguards set out in paragraphs 4.1.6, 4.2.5 and 4.3.5 of the report.
2. To delegate the approval of any minor changes to the amounts set out above to the Director of Finance in line with the principles set out in the report.
3. To agree the principle that council tax, business rates and sundry debt accounts should be maintained and actively pursued for the current financial year and the previous four financial years. Debts older than this would be periodically written off, subject to the safeguards set out in the report.

Reasons

1. To hold appropriate levels of debt in the Council's balance sheet.
2. To ensure recovery action was prioritised against more current debt that had a greater chance of being collected.

Budget and Policy Framework

116/16 Hardship Relief Policy

The Council Cabinet considered a report which stated that Hardship Relief (HR) was a means by which Derby City Council (DCC) could use its discretionary powers to reduce the amount of business rates a business had to pay. In order to consider awarding HR the Council must be satisfied that;

- a) The ratepayer would sustain financial hardship if HR was not awarded, and
- b) It was in the interest of its council taxpayers to do so.

Currently the Council did not have a formal policy for determining applications for HR and awards were made based upon a set of Government guidelines. Having a formal policy would ensure transparency in the Council's decision making process, enhance the Council's governance reputation and by ensuring awards were only made in exceptional cases would naturally limit expenditure.

Any award of HR may constitute state aid and therefore adherence to European Union regulations must be followed. Therefore, to ensure proper governance arrangements were in place, any business ratepayer requesting help through HR would be asked to complete a state aid declaration as part of the application process.

An Equalities Impact Assessment (EIA) had been completed and was attached at appendix three to the report. The EIA had highlighted positive impacts for the citizens and businesses of Derby; its content was taken into account as part of considering the proposed HR policy. The revised HR policy was attached at Appendix two of the report

Decision

To approve the introduction and application of the Hardship Relief policy attached at appendix two of the report.

Contract and Financial Procedure Matters

117/16 Contract and Financial Procedure Matters

The Council Cabinet considered a report on Contract and Financial Procedure Matters. The report dealt with the following items that required reporting to and approval by Council Cabinet under Contract and Financial Procedure rules:

- writing off debt valued at over £10,000
- award of grant to external body
- bid for external funding
- changes to the current 2016/17 capital programme
- award of contract
- use of reserves
- approval of an increase in the budget for the Victory Road project from £7,350,000 to £8,582,350. This would be met by transferring £100,000 of Local Growth Fund (LGF1) budget from the Traffic and Transportation Capital Programme to the Victory Road project and the Regeneration Capital Programme. An increase in Rolls Royce contribution to the project of £1,032,350.

The Corporate Scrutiny and Governance Board recommended that

- options be explored in relation to the alternatives for debt recovery, such as the compulsory purchase of empty/deserted business premises.
- future Contract and Financial Procedure Matters Reports should include further contextual detail where figures may appear inexplicably high without the inclusion of this detail.

Decision

1. To approve writing off the business rates debts, totalling £518,653.18, as detailed in section 4 and Appendix 2 of the report.

2. To approve the award of £23,000 to Derby City Mission, as detailed in section 5 of the report.
3. To give delegated approval to the Strategic Director of Communities and Place to award grant in relation to trafficking and modern day slavery and safeguarding, as detailed in section 6 of the report.
4. To give delegated approval to award grant to the Normanton and Sinfen Neighbourhood Boards, as detailed in section 7 of the report.
5. To delegate approval to the Strategic Director of Communities and Place to bid for external funding from the Controlling Migration Fund, as detailed in section 8 of the report.
6. To approve changes, including additions, to the capital programme, as detailed in section 9 and Appendix 3 and 4 of the report.
7. To award a contract to GF Tomlinson's - with a total value of £246,000, which will be funded from the Property Design and Maintenance Budget – to install a coating system to the glass at the Guildhall Market, as detailed in section 10 of the report.
8. To approve the use of the existing EMPAll competitive framework to direct award a contract for the design and project management of the Council House ground floor reconfiguration to Wates Construction Ltd., funded by the use of the Property Rationalisation Revenue Reserve, as detailed in section 11 of the report.
9. To approve the tendering for the contract, at a cost of up to £150k per annum, to provide a new nurse led triage service, and to delegate contract award to the Strategic Director of Communities and Place, as detailed in section 12 of the report.
10. To approve an increase in the budget for the Victory Road project from £7,350,000 to £8,582,350 and to amend the 2016/17 – 2018/19 capital programme accordingly.
11. To note that the additional costs will be mainly funded by £1,032,350 external contributions (Rolls-Royce), and a transfer of budget from the Traffic and Transportation Capital Programme to the Regeneration Capital Programme, a real cost to the Council of £100,000.
12. To accept the recommendation of the Corporate Scrutiny and Governance Board that
 - options be explored in relation to the alternatives for debt recovery, such as the compulsory purchase of empty/deserted business premises.

- future Contract and Financial Procedure Matters Reports should include further contextual detail where figures may appear inexplicably high without the inclusion of this detail.

118/16 Exclusion of the Press and Public

To consider a resolution to exclude the press and public during consideration of the following item

“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 paragraph 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

119/16 Compulsory Purchase of Empty Homes

The Council Cabinet considered exempt information in relation to the compulsory purchase of empty homes set out in minute no. 116/16.

120/16 Purchase of a Residential Scheme to Provide Affordable Housing Funded Through the Housing Revenue Account

The Council Cabinet considered a report which sought approval to purchase a housing scheme to be funded from the Housing Revenue Account (HRA) capital programme.

The Council had been offered the opportunity to purchase up to 53 apartments as part of a larger proposed development.

These apartments would form part of the Council’s affordable housing stock and would be managed by Derby Homes.

Options Considered

An option would be not to proceed with the purchase. However not doing so would compromise the Council's ability to meet its affordable development targets, absorb its Right to Buy receipts and provide much needed affordable housing.

Decision

1. To agree the principle of acquiring of up to 53 dwellings through the HRA capital programme at the value determined through the site viability exercise in accordance with the stipulations of paragraph 4.10 of the report.
2. To delegate authority to the Strategic Director for Communities and Place to enter into all necessary agreements required to secure the acquisition of the properties.

Reasons

The acquisitions would provide new affordable dwellings. These dwellings would provide New Homes Bonus at the affordable housing rate under the current regime.

121/16 A52 Wyvern Transport Improvement Scheme – Confirmation of Funding. Approval to Purchase Land and Commence Scheme Construction

The Council Cabinet considered a report which provided an update on scheme funding and the project risks that existed at present.

The report sets out the complex relationship between the different funding strands and the need to progress the scheme or risk the project failing. The report sought approval to commence the scheme, purchasing land, placing advance works orders and purchasing key materials.

Options Considered

These were set out in paragraphs 5.1 and 5.2 of the report.

Decision

1. To approve the increase of the 2016/17 to 2018/19 Capital Programme by £4,315,182, from £10,008,000 to £14,323,182, funded from a combination of grants and contribution which were yet to be formally confirmed.
2. To approve the commencement of the scheme, taking into account the financial risks as detailed in the report and also at Appendix 1 Financial and Value for Money.
3. Subject to the further funding being confirmed, as set out in the report, to enter into the main works contract.
4. To authorise the Strategic Director of Communities and Place, following consultation with the Cabinet Member for Communities and City Centre Regeneration and, as appropriate, the Director of Finance and Director of Governance to:
 - accept D2N2 LEP LGF 1 and HE's GHF funding, as set out in the report, when confirmed;

- enter into an agreement pursuant to section 278 Highways Act 1980 with the developers of the Derby Triangle site to secure funding for highway mitigation;
- enter into such ancillary documentation as may be necessary to implement those agreements detailed in paragraphs 2.3.1 and 2.3.2 of the report, and
- review the progress of the scheme and, subject to funding being confirmed, to enter into a contract for the delivery of the main works.

Reasons

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

122/16 Review of Early Years Nursery Provision Contract

The Council Cabinet considered a report which set out details of the current contract for the provision of childcare and free early education entitlement (FEEE) nursery provision.

Options Considered

These were set out in paragraphs 5.1 to 5.3 of the report.

Decision

1. To note the replacement by Action for Children as the Early Years provider in three nursery schools as a result of the insolvency of 4Children.
2. To approve the Council entering into new leases for the nursery premises with Action for with lease terms of no more than six years.
3. To note that should any liabilities emerge under the indemnity the Council was required to provide to AFC funding would need to be identified from the budget risk reserve.

Reasons

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

123/16 Further Delegation of Housing Options Service to Derby Homes

The Council Cabinet considered a report which stated that in March 2014 Derby City Council delegated the delivery and management of the housing options and homelessness service to Derby Homes. The report set out proposals to extend the current delegations to Derby Homes.

Options Considered

These were set out in paragraph 5.1 of the report

Decision

1. To approve in principle the TUPE transfer of Housing Options Employees to Derby Homes subject to the outcome of consultation with the potentially affected employees.
2. To approve Derby Homes as the Council's chosen vehicle for delivering a co-ordinated Homelessness Offer for Derby, responding to the aims and objectives of Derby City Council's Homelessness Strategy.

Reasons

These were set out in paragraphs 3.1 and 3.2 of the report.

MINUTES END