

ITEM 4

Time Commenced – 18:00

Time Finished – 20:21

Executive Scrutiny Board

15 January 2019

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

Other councillors in attendance: Councillors Barker, Froggatt, Grimadell, M
Holmes, Peatfield, Pegg, Poulter and
Repton.

In attendance: Duncan Cowie (Head of Parks and Active Living), David
Enticott (Director of Finance and Company Secretary – Derby
Homes), Emily Feenan (Interim Director of Legal, Procurement
and Democratic Services), Bernard Fenton (Head of Customer
Management), Michael Gillie (Improvement Officer), Heather
Greenan (Head of Performance and Intelligence), Alex Hough
(Members' and Civic Services Manager), Greg Jennings
(Director of City Development and Growth), Don McLure
(Strategic Director of Corporate Resources), Sam Rosillo
(Regeneration Manager), Jaz Sanghera (Income Manager –
Derby Homes), Alan Smith (Head of Economic Regeneration),
Andy Smith (Strategic Director of People Services), Owen
Swift (Participation Pathway Manager), Charlotte Ward-
Webster (Communications Officer) and Catherine Williams
(Head of Regeneration and Major Projects).

70/18 Apologies for Absence

Apologies for absence were received from Councillor Jackson.

71/18 Late Items

The Chair introduced the latest version of the Forward Plan, published on 15
January 2019, to be considered under minute 74/18.

72/18 Declarations of Interest

There were none.

73/18 Minutes of the meetings held on 11 December and 18 December 2018

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

74/18 Forward Plan

The Board considered the contents of the Forward Plans published on 18 December 2018 and 15 January 2018.

No items were added to the future work programme.

The Executive Scrutiny Board resolved to note the Forward Plan.

75/18 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 rent arrears and the impact of Universal Credit was received by the Board.

Rent Arrears and the Impact of Universal Credit

The Board heard evidence from the Head of Customer Management and Derby Homes' Director of Finance, detailing the extent of the impact of Universal Credit, as well as the advice and assistance that was being made available to residents.

It was reported that Derby City Council were funded by the Department for Work and Pensions (DWP) to provide Universal Support for those who require access to Universal Credit. This comprised of assisted digital support and personal budgeting support. However, it was estimated that 415 per cent more residents would require access to digital support than funding had provided for; as such, match-funding and additional support had been put in place to manage demand. It was stated that the three major challenges facing claimants were money management, online only application and the separate process that existed for claiming Council Tax support.

The Board considered data in relation to Derby Homes' rent arrears. It was reported that of 13,000 properties in the city, around 26 per cent of tenants had some level of rent arrears; in the year to date, 47 evictions due to rent arrears had been carried out. Members noted the process for notifying tenants of eviction proceedings, with an average case having 55 contacts prior to an eviction being carried out.

Members heard evidence of monthly assessment periods for Universal Credit, noting that typically there was a minimum five week period before an initial payment was made.

The support to tenants offered by the Derby Homes Welfare Reform Team was detailed to the Board. It was reported that there were currently five officers dedicated to supporting tenants claiming Universal Credit. Available

support ranged from practical help in managing payments to helping tenants apply for Local Assistance, Council Tax Support and Hardship payments.

Changes announced as part of the 2018 Budget were also considered, alongside the long-term impact of Universal Credit on the Housing Revenue Account. It was anticipated that levels of bad debt would increase as a result of Universal Credit, but there was uncertainty as to the extent; if levels were to increase to 4.5 per cent, this could cost the HRA approximately £550k per year.

The Board welcomed the presentation and noted the significant impact of Universal Credit. Members questioned whether other social landlords offered similar levels of support and queried to what extent those with rent arrears could be cross-referenced with residents with Council Tax arrears. It was reported that caseworkers had access to data from a range of services and could refer tenants to relevant support both within Derby City Council and with external organisations.

Members also questioned the destination of residents subject to eviction notices and requested information on the proportion of tenants with accounts in arrears in previous years. It was reported that there was £500k worth of credit across all tenants, but that further data on the number of accounts in arrears would be provided. With regards to evictions, it was reported that Universal Credit may limit the number of evictions, with rents able to be paid directly to landlords after eight weeks of arrears. It was further stated that there was no evidence available of tenants presenting as homeless immediately following an eviction.

The Executive Scrutiny Board resolved to recommend that information was collated on the support offered by other social landlords, particularly in relation to Trusted Partner status with the DWP.

76/18 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 11 December 2018.

The Board resolved to note the report.

77/18 Call-In of Council Cabinet Decision 140-18

The Board considered the call-in of Council Cabinet decision 140/18 (The New Assembly Rooms). The Chair outlined the call-in procedure and invited signatories of the call-in notice to address the Board.

It was stated that, in the opinion of the signatories, three of the council's decision making principles had been breached when Council Cabinet reached a decision on the future of the Assembly Rooms at its meeting on 12

December 2018. The signatories stated that due consultation and the taking of professional advice from officers had not taken place; that the decision was not based on presumption in favour of openness; that a record of what options were considered and giving reasons for the decision had not been provided; and, that relevant issues did not appear to have been taken into account.

The signatories stated that a consultation conducted under the previous council administration, which showed a new-build performance venue as a preferred option, had not been taken into consideration. Moreover, it was suggested that a refurbishment had limited appeal and did not constitute value for money, with no clear business case presented. The signatories also alleged that advice from officers and feedback from local stakeholders favouring a new-build venue had been ignored.

The signatories cited social media polls as evidence that appropriate consultation had not been carried out, suggesting that a further formal consultation was necessary. In addition, it was stated that the report did not demonstrate the relative value for money of a refurbished and new-build option, or provide an adequate record of other options considered.

It was suggested that figures contained within the financial model and business case did not accurately reflect the subsidy required for the first four years of operation of a refurbished venue and that the revenue subsidy required if the venue was operated by Derby LIVE had not been reflected.

The signatories cited the 15 year lifespan of a refurbished venue as evidence that the proposal did not offer value for money. It was suggested that there was little public support for the proposals, when presented with the full business case. Moreover, it was suggested that the £10 million initially estimated for the refurbishment as part of a prior manifesto commitment had been misleading.

The signatories also produced evidence from an events management company suggesting that there was market demand for a large scale performance venue and that the proposed refurbishment did not meet this requirement.

The Board were afforded opportunity to question the signatories of the call-in notice, prior to the Cabinet Member for Regeneration and Public Protection being invited to address the Board.

The Cabinet Member stated that a refurbishment of the Assembly Rooms represented a long-standing commitment of the current administration and that the proposal had been debated and consulted upon in a number of arenas.

It was stated that the previous consultation on a new-build venue had been taken into account, but that the options presented had been skewed and that the number of responses was poor. It was stated that engagement meetings had taken place as part of a wider feasibility study and that local partners had been extensively consulted.

The Cabinet Member cited 7.1 and 7.2 of the report as evidence that the proposal represented value for money. Moreover, it was stated that the administration had been clear in its intention to pursue a refurbished option, citing approval for a feasibility study granted by Council Cabinet in July 2018.

It was argued that the proposal offered significant economic benefits to the city centre and that refurbished venue could host a wide variety of events, provide commercial opportunities and support the delivery of the City Centre Masterplan.

The Board questioned the Cabinet Member on a variety of issues related to the proposed scheme and the decision making principles. Members queried the professional advice that was provided in relation to the initial £10 million estimated figure; the relative benefits of a refurbished and new-build option; and, information related to the business case.

Members further questioned why no business case for an internal operator had been provided, when it stated under 4.15 of the report that this was still under consideration. It was suggested that this information was not included in the report owing to its commercial sensitivity.

Moreover, evidence was cited from the City Centre Masterplan which emphasised the substantial potential benefits of a new build venue. The Cabinet Member reiterated their view that the proposal would deliver a versatile and enhanced conference, events and performance venue.

A signatory of the call-in notice and the Cabinet Member were invited to sum-up. The signatory requested that the report was sent back to Council Cabinet for further consideration on the grounds stated in the notice. The Cabinet Member repeated their view that the proposal was versatile, affordable and would regenerate the city centre, and that the decision making principles had not been breached.

The Board were invited to make final statements. Some members suggested that the decision making principles had been breached and that procedural errors had been made in consideration of the decision. It was stated that the reality of the relative business cases had not been made clear to the public; that due consultation had not taken place; and, that the previous advice of officers had been disregarded.

Members cited a desire to see the Assembly Rooms open as soon as possible, but that it should not be at any cost. The Board stressed the importance of the decision and the need for it to represent value for money to local taxpayers. It was suggested the commercial sensitivity should not have been used as a justification for withholding information from the report and that details could have been considered in private session if necessary.

Some members urged the Cabinet to reconsider the proposal, stating that the 15 year lifespan of a refurbishment represented short-term decision making that was damaging to the cultural future of the city and the financial situation of the authority.

The Chair thanked members and officers for their contributions and stated that due consideration had been given to the matters in question. Members of the Board were asked individually to state whether they felt the council's decision making principles had been breached in relation to the three reasons stated in the call-in notice.

The Executive Scrutiny Board resolved that in making decision 140-18, Council Cabinet had not breached the council's decision making principles.

78/18 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 16 January 2019 and made a number of comments and recommendations to Council Cabinet.

Key Decisions

Item 9 – Council Tax Base for 2019/20

The Board considered a report of the Strategic Director of Corporate Resources recommending approval of the Council Tax Base for 2019/20.

It was noted that the tax base was an estimated figure of the number of Band D equivalent properties in the city; the report stated that the base for 2019/20 is 68,679 properties, compared to 67,610 in 2018/19. This reflected an increased number of domestic dwellings, reduced losses to the tax base due to Council Tax Support awards; a reduced number of single person discounts awarded and an estimate of newly built homes between 1 December 2018 and 31 March 2020.

The Executive Scrutiny Board resolved to note the report.

Item 10 – Proposal to increase school places at Brackensdale School

The Board considered a report of the Strategic Director of People Services proposing the expansion of Brackensdale Primary School from September 2019. The proposal sought to increase the school's admission number from 60 to 75 from September 2019, with an additional 105 places to be made available across the school on a phased basis.

It was reported that demand for school places in the area had increased owing to a new housing development at Kingsway; it was noted that £1.9 million of capital funding to support the expansion had been secured through a Section 106 agreement. Members queried whether additional parking would be made available at the school and whether the impact on the surrounding area had been considered.

The Executive Scrutiny Board resolved to recommend that Council Cabinet request officers consider additional parking provision and the

impact on the surrounding community of increased traffic in the preparation of detailed proposals for the further expansion of Brackensdale Primary School.

Item 11 – Derby City Playing Pitch Strategy

The Board considered a report of the Strategic Director of Communities and Place seeking approval for the Derby Playing Pitch Strategy.

It was reported that the strategy provided guidance and support in assessing the need for playing pitches in the city for a range of outdoor sports: the strategy would seek to protect the existing supply of playing pitches to meet current and future needs; enhance playing fields, pitches and ancillary facilities; and, provide new playing pitches to meet future demand.

The Board welcomed the strategy and noted the benefits that outdoor sports provided to the health and wellbeing of residents. However, members expressed concern about the quality of some pitches, suggesting they were not cut with sufficient regularity.

Members queried whether supporting infrastructure had been included in the strategy, citing in particular parking issues in streets near to playing pitches. It was reported that this had not been specifically considered as part of the strategy, but would always be investigated by officers where problems had arisen.

The Board questioned whether there were particular social groups that were adversely affected by a lack of playing pitch provision. Members also requested that where surplus capacity existed, particularly with regards to privately owned pitches, local councillors were notified so that opportunities for public use could be explored.

The Executive Scrutiny Board resolved:

- **To recommend to Council Cabinet that a ward-by-ward breakdown of playing pitch space was provided to local councillors, to ensure surplus capacity was utilised to its full extent.**
- **To recommend to Council Cabinet that officers consider the impact on surrounding communities; the need for additional supporting infrastructure; and, the relationship with other local policies and strategies, particularly in regards to parking, when assessing the expansion or provision of additional playing pitches.**

Item 12 – Derby Economic Growth Strategy – Delivery Plan

The Board considered a report of the Strategic Director of Communities and Place presenting the Derby Economic Growth Strategy 2018-2022 and delivery plan for approval.

The strategy highlighted major strengths and challenges that existed within the local economy, as well as detailing four key themes for developing an

inclusive and modern city economy; these were: innovation, productivity, collaboration and inclusivity.

It was reported that the strategy had been developed over a significant period of time and had undergone significant consultation with local stakeholders. The strategy and delivery plan was now being presented to Council Cabinet prior to final approval by Council.

The Board noted the strategy contained promotion of the University Quarter and whilst supporting the intention, stressed that local residents and councillors should be involved in the designation and development of the area.

Members questioned how the strategy would address issues such as wage growth in low-skilled jobs; promotion of the real living wage; how the benefits of wealth could be shared; and, what could be done to encourage graduates to live in the city. It was reported that many of the issues cited were commonplace in urban areas across the UK, but that working closely with schools, colleges and universities was vital. It was further noted that Derby compared favourably in terms of the number of graduates working in the city and average salaries, but that encouraging graduates to live in Derby remained a challenge.

The Executive Scrutiny Board resolved to note the report.

Item 13 – Compulsory acquisition of empty homes

The Board received a report of the Strategic Director of Communities and Place seeking approval to initiate compulsory purchase proceedings for four long-term vacant houses, in line with the council's Empty Homes Strategy.

The Executive Scrutiny Board resolved to note the report.

Item 14 – Purchase of residential development to provide 14 new affordable homes

The Board received a report of the Strategic Director of Communities and Place seeking approval to purchase a housing scheme containing 14 new build properties, to be funded from the Housing Revenue Account.

The Executive Scrutiny Board resolved to note the report.

Item 15 – Allocation of Grant to the War Memorial Village Trust

The Board received a report of the Strategic Director of Communities and Place proposing the allocation of Right to Buy receipts as grant funding to the War Memorial Village Trust, to replace unsuitable properties and provide new homes.

The Trust provided affordable rented accommodation in the Allenton area of Derby to ex-service personnel; disabled residents and former emergency service employees.

The Executive Scrutiny Board resolved to note the report.

Item 16 – Corporate Safeguarding Policy

The Board received a report of the Strategic Director of People Services detailing proposed revisions to the Corporate Safeguarding Policy.

It was reported that the policy had first been agreed in 2015 and set out the council's commitments and roles in the delivery of safeguarding responsibilities. It was noted that the policy was not a statutory requirement but represented best practice.

The Executive Scrutiny Board resolved to note the report.

Contract and Financial Procedure Matters

Item 17 – Compliance with Contract and Financial Procedure Rules

The Board considered a report of the Strategic Director of Corporate Resources outlining a number of items that required reporting and approval by Council Cabinet under Contract and Financial Procedure rules.

It was reported that approvals were being sought for the following items:

- Additional funding received for Adult Services winter pressures – Adult Social Care Grant of £1,148,569.

The Executive Scrutiny Board resolved to note the report.

Item 18 – 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.

Key Decisions

Item 19 – Compulsory Acquisition of Empty Homes

The Board received exempt detail in relation to the report of the Strategic Director of Communities and Place seeking approval to initiate compulsory purchase proceedings in relation to four long-term vacant houses.

The Executive Scrutiny Board resolved to note the report.

Item 20 - Purchase of Residential Development to Provide 14 New Affordable Homes

The Board received exempt detail in relation to the report of the Strategic Director of Communities and Place proposing the purchase of fourteen new build properties on a self-contained development close to the city-centre, to be funded from the Housing Revenue Account.

The Executive Scrutiny Board resolved to note the report.

MINUTES END