



Council Meeting  
Wednesday 20 July 2016

Public and Member Questions  
and Responses



Derby City Council



**COUNCIL – 20 July 2016**  
**PUBLIC AND MEMBER QUESTIONS**

Questioner	Respondent	Subject
------------	------------	---------

**Public Questions**

<b>A</b>	Dorothy Skrytek	Councillor Afzal	Cavendish Island Trees
<b>B</b>	Brendan Connelly	Councillor Shanker	Nottingham Road Cemetery Complaint
<b>C</b>	Gaurav Pandey	Councillor Shanker	Public Interest Report
<b>D</b>	Simon Bacon	Councillor Afzal	Arboretum Park Fountain
<b>E</b>	Dorothy Skrytek	Councillor Shanker	Air Quality Standards
<b>F</b>	Brendan Connelly	Councillor Shanker	Complaint Resolution

**Councillor Questions**

<b>G</b>	Councillor Graves	Councillor Rawson	Alvaston District Centre
<b>H</b>	Councillor M Holmes	Councillor Afzal	Kingsway Traffic Lights
<b>I</b>	Councillor Barker	Councillor Afzal	Fines and Fees Income
<b>J</b>	Councillor A Holmes	Councillor Banwait	Council Tax Revenue
<b>K</b>	Councillor Harwood	Councillor Banwait	Local Government Pension Pot Increase
<b>L</b>	Councillor Poulter	Councillor Banwait	Insurance Valuations
<b>M</b>	Councillor Carr	Councillor Rawson	Assembly Rooms Update and City Centre Performance Venue*
	Councillor M Holmes		
<b>N</b>	Councillor Care	Councillor Afzal	Neighbourhood Funding
<b>O</b>	Councillor Smale	Councillor Afzal	Raynesway Refuse Centre*
	Councillor Graves		
<b>P</b>	Councillor Hudson	Councillor Rawson	Scarborough Rise District Centre Update
<b>Q</b>	Councillor Ashburner	Councillor Rawson	The Spot Refurbishment
<b>R</b>	Councillor Graves	Councillor Afzal	School Crossing Patrols
<b>S</b>	Councillor Harwood	Councillor Banwait	Local Government Pension Scheme Deficit
<b>T</b>	Councillor Poulter	Councillor Banwait	2015/16 Accounts
<b>U</b>	Councillor M Holmes	Councillor Eldret	Job Evaluation Comments
<b>V</b>	Councillor Barker	Councillor Rawson	Market Hall
<b>W</b>	Councillor Poulter	Councillor Banwait	Economic Partnerships
<b>X</b>	Councillor Poulter	Councillor Banwait	Property Rationalisation
<b>Y</b>	Councillor Poulter	Councillor Banwait	Insurance Reserve
<b>Z</b>	Councillor Poulter	Councillor Banwait	End Year Adjustment Reserve

\*Where similar questions have been received, one written response will be provided, with each councillor given an opportunity to ask a supplementary question.



# Public Questions



**a. Question from Dorothy Skrytek to Councillor Afzal**

**We read with interest how the city council will not allow the cutting down of trees on the highway, pavements etc. and have to inform you that it looks like this is the case on the Cavendish Island where several dangerous hoardings have been placed around the former public house.**

**Can you let us know if this work really was carried out by the city council, as people have claimed, and why no public notification was made, as these trees are part of the street scene and the council has claimed to protect street trees?**

I can confirm that the City Council did not undertake this work. The work was completed by a private contractor without our knowledge or permission. The trees in question are on private land but they do have a tree preservation order on them. Our planning enforcement team are therefore investigating the incident with a view to prosecution action.

**b. Question from Brendan Connelly to Councillor Shanker**

**Can the Council please explain to me what upgrades have happened at Nottingham Road Cemetery in 2016?**

The capital funded scheme to extend the cemetery was completed in 2015.

In 2016, the upgrades have been repairs to certain footpaths and drives in the original part of the cemetery, an extension to the Garden of Remembrance, the installation of headstone plinths and improvement to enable access to the seating area.

**c. Question from Gaurav Pandey to Councillor Shanker**

**What action has been taken against the councillors named in the Grant Thornton report?**

As has been widely reported in the media, a formal complaint, involving a number of Members from across the four political groups, has been submitted to the Standards Committee.

**d. Question from Simon Bacon to Councillor Afzal**

**Derby Arboretum Park has the highly regarded status as the first publicly owned park in Britain and has had global influence in the past. The park due to council cuts no longer has an operational ornamental fountain which is a key part of the public experience of the Arboretum and reflects badly on the city and drags down the Arboretum as a whole bringing about an air of dilapidation.**

**Noting this is the case, why did the council take the extreme decision to terminate the operation of a key aspect of the first publicly owned park?**

The decision to turn off the water feature in Arboretum Park is part of £95,000 of savings identified for the next three financial years as a result of Government cuts. This will be achieved by turning off and decommissioning a number of water features across the city.

A substantial amount of this budget relates to cleaning and sterilising of the water features to prevent legionnaire disease. This is a statutory requirement under the Control of Substances Hazardous to Health Regulations 2002, and the associated Approved Code of Practice Legionnaires' disease: The control of Legionella bacteria in water systems (L8).

The budget savings take effect this financial year 2016/17 with £63,000 savings and a further £32,000 in 2018/19.

**e. Question from Dorothy Skrytek to Councillor Shanker**

**As Derby and Derbyshire County Councils are aware, on joining the European Union and transposing legislation into UK Directives, dirty industrial processes, such as the Raynesway incineration plant, had to be closed down as they were not meeting air quality standards. Britain was also pumping raw sewage into the sea; before joining the EU, we were known as the Dirty Man of Europe**

**As air quality legislation is now under threat because of leaving the EU, what are Derby and Derbyshire County Council doing, to lobby the UK Government on not sliding backwards on Air Quality Standards?**

It is too soon after the result of the referendum to make any formal comment to Government on this matter. In any effect, I would expect a comprehensive debate on the impact our exit will have on all legislation, not just that on air quality and we will of course participate in any consultation process.

All legislation that aims to protect public safety is important and we would not want to see any dilution or reduction in standards.

**f. Question from Brendan Connelly to Councillor Shanker**

**Councillor Banwait promised a detailed action plan for Mr Tomlinson in September 2015. Can we see this detailed plan he stated and the date it was implemented?**

Although there was no clear document that referred to an action plan, Councillor Banwait was referring to the recommendations made in a letter by the Council's Equality and Diversity officer. The bullet point recommendations were set out in a letter to you on 21 December 2015, following a meeting on 9 November.

Some improvements were made in accessibility to the memorial bench in December/January. However at a meeting including yourself, Councillor Banwait and the Strategic Director of Communities and Place on 14 April 2016, further issues of detail were raised and we agreed to review the various issues of concern at Nottingham Road Cemetery.

The response that the Council is making to these issues will be confirmed in a letter from the Strategic Director.

# Councillor Questions



**g. Question from Councillor Graves to Councillor Rawson**

**The last development work on the Alvaston District Centre was in the first quarter of 2014 just before the local elections and, as the council knows, we have been subjected for a number of years of ‘bitting and bobbing’ instead of doing it all in one go. Three of the four areas have been finished, including expensive artwork fencing.**

**It occurred to me that maybe the misspent millions as mentioned in the Grant Thornton report had an impact on schemes such as this one. I, and many Alvastonians, are now concerned that you have ‘lost’ or spent the money for the completion. Can you confirm if the money is still available and when the final phase is likely to commence?**

The latest round of investment, approximately £900,000, as part of our Vibrant District Centres Programme, builds on the previous funding that we have invested in Alvaston District Centre since 2008. The public realm improvements has certainly, and I think you will agree, lifted the appearance of the shops along Shardlow Road, and as far as I am aware local businesses and the people that use this part of the District Centre are satisfied with the overall improvements we have made. The remaining area in London Road was postponed, in January this year, as a result of continuing national government cuts in local government funding.

In light of this we have established plans to implement the most important elements of any future works, such as some localised maintenance and the provision of a new pedestrian crossing across London Road at the Raynesway roundabout, to be installed by the end of this financial year. A budget of £100k has been set aside for this.

We remain committed to making our local facilities attractive and accessible to those who live and work in these much loved community hubs. We will continue to apply for any external funding opportunity to deliver the Vibrant District Centre programme.

#### **h. Question from Councillor M Holmes to Councillor Afzal**

**Last week, the council switched on the new traffic lights at the retail junction of the remodelled Kingsway island that have been installed to accommodate access to a new housing estate comprising of 700 dwellings.**

**This caused wholly unacceptable and severe congestion issues.**

**Traffic prediction, flow and movement surveys and modelling were carried out and formed part of the planning application agreed in regard to the Kingsway housing site. It is assumed further survey work was carried out by council officers leading to the recent remodelling of the traffic island and in preparation of the installation of new traffic lights at the Kingsway Retail Park access.**

**Can the Cabinet Member please explain:**

- Why the council failed to provide a competent level of traffic management in regard to this project.**
- What the council plans to do to avoid future chaos in the short term and in the future when the island is formally providing access to the 700 dwellings.**
- What he plans to do to offer the public confidence that the councils highways, traffic surveys and modelling are robust enough to mitigate and manage the very significant increase in traffic that other major housing sites planned to the west of Derby will bring.**

The planning process, as Cllr Holmes will be aware, requires a developer to submit proposals showing how the impact of the development can be mitigated. In the case of the housing development at Manor Kingsway this included a new junction on Kingsway. The Council assessed the proposals and tested the data supplied, asked for amendments, and tested the submitted traffic model again. The model provided by the developer and the Council testing did not show adverse impact on the retail site.

New signal controlled junctions often take time to establish. Users of the junction take time to adjust to the layout and the operation of traffic signals can only really be refined when the junction is operating. We accept that there have been a

number of instances where the operation of the signal controlled junction has not performed satisfactorily and not in line with the predicted modelling.

The signal equipment has not been faulty, and the outer ring road has been operating largely as expected. The negative impact has obviously and regrettably been on the retail site.

Following the events at the weekend I ordered an urgent review to take place on Monday morning to examine the options for the immediate future. As a result:

- A technical change to the operation of the junction was made on Monday, which will make greater provision for those exiting the retail site. This is being monitored very closely.
- The introduction of 'MOVA', an electronic system to adjust signal timings to reflect varying traffic demands, will be activated this week. This system was not previously activated because the junction had not been fully implemented but its use is likely to ensure that signal timings adjust more accurately to reflect the varying demand particularly from those visiting the retail park.
- We are also examining options to make minor sign and road marking changes, aimed at encouraging drivers to use all of the available lanes. These will be low cost minor changes but will add supplementary benefit to the traffic signal timing changes that we have already.

The responsibility of the Council in this situation is to ensure that there is suitable and safe access to the new homes; whilst the adjoining road and the retail park are no worse than before the junction was constructed. I will ensure that officers continue to do whatever they are able to do to best achieve this.

It is important to remember that developers are only under a duty to mitigate their development, there is not a general duty to resolve existing congestion. We welcome development and growth, but it will continue to put pressure on our infrastructure, which is one of the reasons why the Council is currently seeking government funding (in excess of £100m) for transport infrastructure improvements to improve the outer ring road.

**i. Question from Councillor Barker to Councillor Afzal**

**Paragraph 6.9 of the 2015/16 Revenue Outturn Report to Council Cabinet on the 13 July highlighted a massive "overachievement" in relation to income from fines and fees of £635k.**

**The only information given was:**

***"As a result of new enforcement sites being added across the city throughout the year, parking services have overachieved on fines and fees income targets by (£0.635m). This overachievement has peaked in year as motorists change their driving behaviour."***

**This explanation clearly lacks sufficient detail to explain such a significant level of increased fines and fees imposed on the motorists in our city. Further information is required so please provide a response to the following:**

- Can you tell me what the original target for fines and fees income was for 2015/ 16?**
- Can you tell me the actual total income for 2015 /16 compared to that for 2014 /15?**
- Can you provide a breakdown of the total income for 15/16, in respect of parking, bus lane offences, schools parking and parking on the footpath etc.?**
- Can you also provide a breakdown of fines and fees, by location, at which they were imposed?**

The income target for parking activity in 2015/16 was £4,253,108.

The total income generated from parking activities in 2015/16 was £5,470,242. In 2014/15 the activities generated £4,222,866.

Income generated in 2015/16 included £2,136,747 generated through the issue of penalty notices and £3,311,872 from parking charges and fees. Bus lane contraventions resulted in income of £811,609, bus stop contraventions accounted for £426,668 and contraventions of school keep clear markings £4,612.

The detailed information identifying where parking fees and penalty charge income is available but consists of a very large amount of data that if printed would run to in excess of 90 pages. This is because parking enforcement takes place across the whole city in hundreds of streets and locations.

The Council's website provides up to date information about parking activities and indicates the areas where the greatest numbers of penalty charge notices are issued as well as giving information about why penalty charge notices are issued. The most recent information shows the following locations as being those where the greatest numbers of penalty charge notices are issued by camera:

Railway Terrace, Victoria Street, Nottingham Road, Normanton Road, Friar Gate, Uttoxeter New Road, Midland Road and Chequers Road.

The significant increase in income from penalty charge notices during 2015/16 has resulted from the Council's ability to undertake effective enforcement in areas that have previously generated complaints from the public including bus stops and bus lanes. The use of camera enforcement to challenge inconsiderate driver behaviour is helping to ensure that drivers are more aware of regulations and more considerate of other highway users. The projection for income from penalty charge notices in 2016/17 is £1,500,000 reflecting expectations that the behaviour of vehicle drivers will be changed and compliance improved.

**j. Question from Councillor A Holmes to Councillor Banwait**

**Can the Cabinet Member provide a breakdown of the Council Tax revenue Derby City Council received by ward area and the overall collection rates by ward area for financial year 2015/16?**

Currently we do not report collection rates and arrears at ward level. We are looking into whether that may be possible in the future but we will not have that information short term.

#### **k. Question from Councillor Harwood to Councillor Banwait**

**Can you advise why in the Local Government Pension scheme the Pension Pot in the 2014/15 financial year has increased by £9 million at time when employee pay rises are minimal and the Council's workforce has been significantly reduced?**

While local government employees have not enjoyed large increases in pay, several other significant factors effect the council's pensionable pay. These included:

- Change to pensionable definition under LGPS regulations: the different elements of pay deemed pensionable has changed with many more now classed as pensionable.
- Job Evaluation: JE is a significant increase to the pay line. This is also compounded as posts increasing are not offset by those decreasing. Protection of earnings has maintained the level of earnings for post reducing. This is a temporary effect but delays the reduction in costs.
- Auto enrolment automatically added a number of existing employees to the pension scheme
- Payments to the pension fund also included pension shortfall costs associated with Voluntary Early Retirement (VER). The Council has continued with the voluntary redundancy programme to meet required reductions. Pension shortfall costs are one off payments to the pension fund to compensate for loss of future contributions and early payment of pension benefits. The payments are one off but can be significant. The level of payments will also vary from year to year dependant upon the number of voluntary exits and the split between VER and VR.

## I. Question from Councillor Poulter to Councillor Banwait

In Item 16 of the Council Cabinet papers of 13 July on the Revenue Outturn 2015/2016 report, Cabinet approved the following expenditure from the Final Outturn Underspend of £2.217m, under the heading of 'Carry Forward Requests':

In the Communities and Place Directorate	£300,000	Required to fund insurance valuations
--	----------	---------------------------------------

The only detail given was:

*"Derby City Council owned properties currently do not have up to date valuations, the Council's insurers require the Council to undertake valuations to allow the insurers to reflect an accurate insurance cover of the properties, it is thought the additional cost to the Council will be around £0.3m."*

- **How has the Council come to the position whereby any property valuations are out of date?**

The Council is currently going through a process to assess all properties that require insurance cover and what their individual insurance value is.

- **How long have insurance valuations been out of date?**

An internal audit in April 2014 which looked at the property list supplied for insurance purposes. The audit found that "the list provided by Estates for insurance purposes did not value the assets listed at re-instatement value, needed for correct assessment of insurance cover. Data to enable the computation of re-instatement values was not available at the time of the insurance review.

- **What are the potential consequences of not having accurate insurance valuations of Council properties?**

It has the potential to adversely affect the Council's premium for property insurance.

- **Can you provide a breakdown of the additional 300k costs to the Council?**

To undertake the insurance valuation exercise of Council properties we need to procure additional temporary surveyors. The figures provided are a budget estimate, based on a list of assumptions and assumed scope. They are 'indicative' to provide indication of cost level. We will not have certainty until the works are scoped by the Council and priced by the market. A provisional sum has been included for data collation and measured surveys. A project contingency is included for project risks.

<b>Breakdown of budget estimate</b>	<b>£</b>
General properties	92,000
Education properties	43,000
Commercial properties	54,000
Project Management (including procurement)	37,000
Data collation / measured surveys (provisional sum)	54,000
Project Contingency	20,000
<b>TOTAL</b>	<b>300,000</b>

**m. Questions from Councillor Carr (1) and Councillor M Holmes (2) to Councillor Rawson**

**1) It is about time for another update on the Assembly Rooms.**

**What are the current plans and what are the barriers to delivering them?**

**2) The Labour administration recently announced that it is committed to delivering a replacement for the Assembly Rooms.**

**Can the Cabinet Member please explain the timeframe for delivery of a new city performance venue?**

Members will recall that we have already engaged external property consultants, Cushman & Wakefield (C&W), to assess the future options for the Assembly Rooms and the alternative options for creating a new performance venue on the site. An interim report has been received from Cushman demonstrating that there is the market demand and the potential to create a venue on this site. This report has been made public and is on the Council's website.

C&W, in conjunction with officers from Regeneration, Leisure and Estates, are now looking at the feasibility of the options in more detail with a view to carrying out a stakeholder and public consultation exercise in the Autumn. In addition, we have taken the opportunity, presented by the Government's current bidding round for Local Growth Funding (i.e. LGF3), to seek funds for implementation of a first phase of works in the Masterplan. This incorporates: works to pave the way for a new performance venue, a funding contribution towards the Silk Mill's proposals for a 'Museum of Making, an expansion of our successful Connect Derby Managed Workspaces and works to facilitate the completion of the Castleward development. This bid was approved by the D2N2 Local Economic Partnership on Monday for submission to Government (together with a package of bids from across the D2N2 area). It is hoped that we will receive a positive response from Government on this in the Autumn Statement.

**n. Question from Councillor Care to Councillor Afzal**

**The combined effects of no Neighbourhood funding and minimal departmental minor works budgets mean that there are concerns being raised by residents which are unable to be addressed even if the cost/benefit ratio would be large. I presume that all wards are now finding this an issue.**

**What practical solutions are being developed to address this?**

Devolved neighbourhood budgets have been suspended due to the unprecedented budget savings the council has had to deliver as a result of Government cuts. It is inevitable that this decision will have an impact across the city, especially in more deprived neighbourhoods. Devolved funding targeted and supported the delivery of neighbourhood priorities, as well as engaging a wide range of stakeholders, partners and community groups.

This is an issue for all neighbourhoods and leadership groups, such as Neighbourhood Boards, who will have to be more innovative and look to work with a wider range of partners to deliver their priorities.

Some neighbourhood boards have asked whether they are able apply for external funding. I have asked officers to investigate the legal and practical implications of this approach and report back at the earliest opportunity.

**o. Questions from Councillor Smale (1) and Councillor Graves (2) to Councillor Afzal**

**1) Businesses in the vicinity of the Recycling Centre off Raynesway have endured regular disruption and loss of custom as a direct result of lengthy queues and congestion outside their premises, as a consequence of the waste disposal centres inability to cope with the number of vehicles attempting to use the site. Residents face frustration and long delays in their efforts to dispose of their waste in a responsible manner. As a consequence the city's recycling rates have continued to fall and the potential for incidents of fly tipping must have been increased.**

**Nearly £5k in costs has been incurred to develop a plan to improve efficiency and traffic flow at the site. What has happened to the £65k funding for this work and why have neither the Council nor Shanks (who operate the site) done anything to alleviate the problems?**

**2) Prior to the last local elections Labour boasted that a new road layout was planned for the Raynesway tip. £60,000 had been allocated. I read in the local paper that after Labour lost their Alvaston seat at the recent elections, this money was no longer available.**

**Can you explain why this money is no longer available and if you have any plans to solve the queuing problems at the site?**

The Raynesway Household Waste and Recycling Centre is very popular with residents. As a result of the numbers of people using the site on some bank holidays and a small number of other days we experience traffic queuing to enter the site and this has led to complaints from some local businesses.

There is no evidence that large numbers of residents bringing their waste material to the site to be recycled has adversely affected recycling rates in the city. There is no evidence of an increase in fly tipping resulting from the queues to use the site on busy days.

The Council and our contractor considered a proposal to change the internal layout to allow more vehicles to queue within the site. This first proposal was not implemented because of concerns that it would not reduce the length of time that people queued and that there was a potential for conflict between the movements of customer's cars and lorries taking waste away from the site. A second proposal is now being developed with the intention of reducing the time

that it takes residents to unload waste and recycling and thereby reducing time that people wait.

The Council and our contractor are constrained by the location and layout of the site which makes it very difficult to achieve a solution that will end the problem. We have asked residents to help us to reduce queues by visiting the site on quieter days and at less busy times of the day.

Councillor Bayliss has been active in supporting the need for a reduction in the queues to enter the site.

**p. Question from Councillor Hudson to Councillor Rawson**

**Towards the back end of 2014 and during the first few months of 2015, ambitious plans to transform the district centre at the top of Scarborough Rise were announced. To this day there is a poster promoting the improvements in a shop window and detailed plans are on the wall in a nearby community centre. Naturally, in light of nothing happening, residents across the Breadsall Hill Top area are confused.**

**Can the Cabinet Member please confirm that these improvements are part of the council's work programme and the date at which the improvements are scheduled to be delivered?**

A plan for works to improve the Scarborough Rise Neighbourhood Centre was developed during the early part of 2015 and extensive public consultation took place to inform the plans. Due to the current severe budget position, we have been forced to put back delivery of the full scheme of improvements. However, we have safeguarded a budget to deliver one priority piece of work, namely the creation of a safe outdoor area for use by the Scouts and First Friends Nursery in the scout hut on the open space to the rear of the shops. Our Estates team are working with the Scouts to assist with applications for additional external funding to match with the Council's contribution and improve the building for the benefit of the local community. This area of work was prioritised directly in response to the public consultation results. The posters are being removed this week.

#### **q. Question from Councillor Ashburner to Councillor Rawson**

**How much have the alterations at the Spot cost, including:**

- **Demolition of the toilets, picnic area and clock**
- **Storage of the destroyed clock**
- **Asphalting of the area**
- **Costs of the new 'work of art'**

The improvement works at the Spot will create a striking new meeting place that becomes a popular location for street theatre, music, trading and a gathering space for civic events and parades.

The changes include a new seating area manufactured by local company Evans, engraved with a unique 'timeline' designed by Smith of Derby, which tells the story of Derby's history. High-quality materials will be used to mirror the design of St Peter's Cross and a new 6.5m high contemporary sculpture will be constructed. All of this will bring something exciting and unique to Derby, and improving public spaces in this way is a key priority in our City Centre Masterplan.

The total cost of the project from the early design works, through public consultation up to construction and completion is £1.2m. The majority of this cost is being funded through a Local Growth Fund grant from D2N2 Local Enterprise Partnership.

More specifically, the cost of demolition and asphalting of the area was £16,500. The storage of the clock came at no cost to the Council as we used our own depot at Stores Road and the artwork is being funded by the Local Growth Fund grant of £68,000.

**r. Question from Councillor Graves to Councillor Afzal**

**I refer you to the recent accident where an 11 year old girl was hit by a car in Swadlincote, on her way to school, attributed to the Labour County Council's removal of their school crossing patrols. Do you think this Labour council should reconsider ending the city's school crossing patrols?**

As a result of unprecedented Government cuts since 2010, the council has been left with no choice but to consider ending discretionary services. In regards to the school crossing patrol service, which the Labour administration greatly values, the Cabinet will be making a decision about the future of the service in August and an announcement will be made at the same time.

**s. Question from Councillor Harwood to Councillor Banwait**

**The deficit in the Local Government Pension scheme appears to be increasing at an alarming rate. Can you advise what steps are being taken / planned to reduce the deficit and how long it will take to pay this deficit off?**

The council pays additional contributions into the pension fund to reduce the pension deficit. These additional amounts equate to approximately a third of total contributions. Under the current arrangement there are 19 years outstanding. However, the arrangements for contributions are reviewed at each triennial revaluation. The next valuation will take place March 2017 and at this point the deficit arrangements will again be revisited.

The deficit is very sensitive to the assumptions made by the actuary and the long term forecasts for investment. It can therefore move significantly with changes in the market. It is impossible to say how long the deficit will continue or take to pay off as it changes every year. A significant increase in interest rates and market forecast could see a reduction in the deficit.

The deficit is calculated by an external actuary, currently Hymans Robertson. The actuary makes judgements on mortality rates, future inflation and pay increase and long term investments. The actuary calculates the fund's liabilities by discounting the expected future stream of pension payments earned to date. The higher the discount rate the lower the value of liabilities and vice versa. The discount rate is based on the return from long-term risk free investments but due to the current economic climate and low government bond returns the pension liability has remained high.

**t. Question from Councillor Poulter to Councillor Banwait**

**The Council's Auditors have not been able to sign off the Annual Accounts for 2013/14 and 2014/15 for a number of reasons, including those outlined in the recent Auditors Report in the Public Interest.**

**In the normal course of the municipal year the auditor's provisional statement of accounts for 2015/16 would have already been made available. What is the reason for the current delay in the proper processing of the Council's annual accounts?**

Unfortunately during the 2015/16 accounts process significant difficulties have been encountered in preparing the required asset valuations which has resulted in a delay in the preparation of the draft accounts. Whilst initial work was undertaken on this year's valuation programme in the appropriate timescale, serious shortcomings in the technical process were identified by newly appointed staff, which unfortunately resulted in the requirement to re-work the valuations. As soon as the difficulties were identified, appropriate staff resources were allocated to carry out the work, but it is a lengthy process and this has led to the delay in the preparation of the draft accounts.

Due to the size of the council's fixed assets any changes in value are generally the most material within the accounts. In addition this information is required early in the accounts process as accompanying work and required disclosures are based on this information.

It is also worth noting that the processes and procedures for preparing the valuations for the 16/17 accounts has already started with learning from this year's difficulties already identified for incorporation into future years valuation programmes.

Our newly appointed external auditors were made aware of the situation as soon as it became apparent and have been working with the finance and asset valuations team to address the identified issues.

**u. Question from Councillor M Holmes to Councillor Eldret**

**At the Council meeting held to consider the Grant Thornton Report, you stated that officers had 'lied to us' in regard to the Job Evaluation project. Can you please clarify this statement and offer some detail in regard to what specifically officers of this Council said that you consider was not truthful and when this occurred?**

Councillors had ample opportunity to discuss the Report in the Public Interest on 1 July 2016, and the details about the concerns are adequately addressed in that report.

#### **v. Question from Councillor Barker to Councillor Rawson**

**The Council's Victorian Market Hall is in need of significant repairs and refurbishment if market operations in the city are to be sustainable as part of the City Centre Strategy. What is the current status of the Council's bid for Lottery Funding to support the necessary improvements?**

An initial meeting with the Heritage Lottery Fund advisors has taken place. The advisors recommended that to improve the chances of a successful funding bid it must include details of the Council's future plans for the Market, including the management of it, together with details of the necessary repairs/refurbishment of the building

In response to this advice the following work is taking place:

1. A detailed condition survey of the roof has just been undertaken, which includes importantly the historically significant vaulted roof. This is currently being evaluated and surveyors will be undertaking further inspections next week. Discussions are also currently taking place with Conservation Architects to obtain quotations to undertake a full structural survey of the building.
2. The production of a detail options appraisal/business case conducted by the Council's Strategic Property Advisors, Cushman and Wakefield. This works builds on and further develops the strategic options appraisal report undertaken by Colliers in 2015. Officers have reviewed an initial draft of the findings and asked for certain issues to be clarified and more detail added before this is presented to the Cabinet Member, this briefing is scheduled for mid-September.

The findings of these respective work strands will inform the way forward, which may include a bid for HLF Funding.

**w. Question from Councillor Poulter to Councillor Banwait**

In Item 16 of the Council Cabinet papers of 13 July on the Revenue Outturn 2015/2016 report, Cabinet approved the following expenditure from the Final Outturn Underspend of £2.217m, under the heading of "Carry Forward Requests":

<b>In the Communities and Place Directorate</b>	<b>£715,000</b>	<b>Economic Partnerships – limited to fund initiatives over the next three years</b>
---	-----------------	--

The only detail given was:

*"A time limited reserve of £0.715m for economic growth is required to enable Derby City Council to actively engage with partners to promote economic growth in the city, the proposed initiatives include, but are not limited to economic links with China (Hefei), D2 Economic Prosperity Committee, Marketing Derby and Local Enterprise Partnership contribution."*

This explanation clearly lacks sufficient detail to justify such a significant expenditure. Further information is required to please provide a response to the following:

- **Why are economic partnership initiatives not funded through other Regeneration budgets?**

During historic MTFPs Cabinet approved the reduction of existing regeneration budgets which have traditionally supported partnership activity; the current level of this budget is £59,000. Current initiatives, many of which decisions are made on an annual basis, that require this type of funding are D2N2 LEP, D2 Economic Prosperity Committee, Midlands Engine and Marketing Derby, exploring new economic links, for example, with China (Hefei). The £59,000 is insufficient based on current planned activity.

- **Is this a new time limited reserve or does an economic partnerships growth fund / reserve already exist, to which this is a top up?**

This is a new reserve.

- **Can you provide a breakdown of how the figure of £715k was arrived at and how much has been identified and allocated to each of the Initiatives referred to?**

	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>	<b>Total</b>
Marketing Derby	£165,000			£165,000
D2N2 LEP	£65,000	£65,000	£65,000	£195,000
D2 Economic Prosperity	£15,000	£15,000	£15,000	£45,000
Midlands Engine	£20,000	£20,000	£20,000	£60,000
Hefei		£150,000		£150,000
Emerging new initiatives	£30,000	£35,000	£35,000	£100,000
<b>Total</b>	<b>£295,000</b>	<b>£285,000</b>	<b>£135,000</b>	<b>£715,000</b>

- **What are the governance arrangements for the allocation of funds from this reserve?**

The allocation of the funds from this reserve will be in line with Financial Procedure Rules.

**x. Question from Councillor Poulter to Councillor Banwait**

In Item 16 of the Council Cabinet papers of 13 July on the Revenue Outturn 2015/2016 report, Cabinet approved the following expenditure from the Final Outturn Underspend of £2.217m, under the heading of "Carry Forward Requests":

In the Communities and Place Directorate	£500,000	Top up the Property Rationalisation reserve to fund programme costs.
--	----------	--

The only detail given was:

*"A further £0.5m is to be set aside in the property rationalisation reserve to continue the rationalising of the Council's property stock to support the MTFP. There are a number of proposals that will require funding to ensure future savings are achieved, these include:*

- *Refurbishment of Kedleston Road*
- *Decant and recant from Eastmead*
- *Potential disposal of key sites such as Middleton House, Beaufort*

***Business Centre and Allestree Hall***

- *Review on maximising Council House usage and the necessary costs*
- *Feasibility studies on prospective sites for rationalisation*
- *Working alongside and supporting current initiative such as the Libraries strategic need assessment, City Centre Masterplan, Council House utilisation review, Markets review and the potential for a new cultural venue."*

This explanation clearly lacks sufficient detail to justify such a significant expenditure. Further information is required so please provide a response to the following:

- **How much was allocated to the original Property Rationalisation Reserve and why is a 0.5m top up necessary?**

£722,000 was originally allocated to the Property Rationalisation Reserve including a £222,000 contribution from the Property Maintenance Revenue

Reserve. It was subsequently agreed at cabinet 15th July 2015 that the reserve be topped up by a further £300,000.

A further top up of £500,000 is necessary to meet further proposals as detailed in Item 16 of the Council Cabinet papers of 13 July 2016:

- Refurbishment of Kedleston Road
  - Decant and recant from Eastmead
  - Potential disposal of key sites such as Middleton House, Beaufort Business Centre and Allestree Hall
  - Review on maximising Council House usage and the necessary costs
  - Feasibility studies on prospective sites for rationalisation
  - Working alongside and supporting current initiative such as the Libraries strategic need assessment, City Centre Masterplan, Council House utilisation review, Markets review and the potential for a new cultural venue.
- **How much is currently left in the Property Rationalisation Reserve?**

The uncommitted balance of the reserve taking Corporate Property Board-approved expenditure in to consideration is £37,200 (excluding the recently approved £500,000).

- **What are the initiatives to which the existing / remaining Reserves have been allocated?**

The table overleaf shows the planned use of the reserve.

## Property Rationalisation Reserve - July 2016

### Approved use of Revenue Reserves

Property Rationalisation Revenue Reserve	Use of reserve
	£'000
<b>Current balance of reserve</b>	<b>813.5</b>
CYP Moves - Decant, recant and clearance costs	(95)
CYP Moves - Removals/clearance activities at various locations	(28)
Allestree Hall agent - Appoint consultant to support disposal	(30)
Curzon House move - relocation costs	(7)
Allestree Hall Agent - additional costs	(58)
6 Bold Lane holding costs	(15)
Assembly Rooms equipment storage	(14)
Allestree Hall Engineer to support disposal	(3)
Strategic Property Advisors - appointment for 3 years	(119)
Cattle & Wholesale market solicitors to support investigations	(20)
Assembly Rooms additional costs	(3)
Beaufort Business Centre - To fund additional works securing the Beaufort Business Centre	1
Cattle Market Demolition Feasibility costs	(35)
Wetherby Centre - close and secure	(20)
Butterfly Club - secure site	(11)
Royal Oak House alterations	5
Strategic Property Advisors - specific commission on the performance venue options	(126)
Kedleston Rd feasibility study	(6)
Unison Accommodation Feasibility study	(10)

Cattle and Wholesale Market Feasibility study	0
Royal Oak Feasibility study	(2)
Fund 2 x asset surveyors for 12 months	(80)
Property acquisition - further investigations	(9)
Central Library investigations	(25)
Additional investigations on strategic prop aquis	(50)
Hoarding at Duckworth Sq	(16)
Unallocated	(37)
Library Condition Surveys	
Beaufort Business Centre investigations	
<b>Total Balance Remaining</b>	<b>-</b>

- **By how much have the targets for savings from the property rationalisation program, been missed and what was the total in year budget pressure created for 2015 /16 as a consequence?**

The annual budget savings agreed in relation to Property Rationalisation, and the years in which they were applied, is shown below, alongside the progress made toward these savings as a result of property rationalisation:

	<b>Total £000</b>
2013/14 Savings Target	116
2014/15 savings Target	1,015
<b>Total PR savings targets applied to date</b>	<b>1,131</b>
Annual saving from property rationalisation	(715)
<b>Shortfall/(Surplus)</b>	<b>416</b>

In addition £730,000 has been identified in the most recent MTFP as a saving in 2018/19 and is dependent upon further property rationalisation.

**y. Question from Councillor Poulter to Councillor Banwait**

In Item 16 of the Council Cabinet papers of 13 July on the Revenue Outturn 2015/2016 report, Cabinet approved the following expenditure from the Final Outturn Underspend of £2.217m, under the heading of "Carry Forward Requests":

<b>Organisation and Governance</b>	<b>£335,000</b>	<b>Top up the insurance specific reserve to manage increasing cost of future insurance claims</b>
------------------------------------	-----------------	---

The only detail given was:

*"An increase of £0.335m in the insurance reserve is required to meet the increased cost of public and private liability claims against the Council and investigate actions to reduce future liability costs."*

This explanation clearly lacks sufficient detail to justify such a significant expenditure. Further information is required so please provide a response to the following:

- **Why is an increase of £335k to the insurance reserve a priority at this time?**

Current forecast indicate a shortfall in the insurance budget to meet the costs of Public and Employee liability claims.

- **How much was in the Insurance Reserve prior to this top up being allocated?**

The insurance reserve balance stands at £890k, however this balance is earmarked to fund claims associated with the Council's Mesaphilioma liability.

- **How much are the increased costs of public liability claims against the Council?**

The value of the provision set aside to pay for employee and public liability clause has increased from £0.4 million in 2014 to £0.9 million in 2016.

The value of the provision does not always materialise into actual spend but the value of outstanding claims are increasing.

**z. Question from Councillor Poulter to Councillor Banwait**

In Item 16 of the Council Cabinet papers of 13 July on the Revenue Outturn 2015/2016 report, Cabinet approved the following expenditure from the Final Outturn Underspend of £2.217m, under the heading of "Carry Forward Requests":

Organisation and Governance	£165,000	Top up the year end adjustments reserve to £0.5m to manage 2015/16 final accounts implications
-----------------------------	----------	--

The only detail given was:

*"The year end adjustments reserve is held to smooth the impact of year end estimates on service budgets. It is prudent to hold a reserve of £0.5m to mitigate the impact of any fluctuations, it is proposed that £0.165m is transferred to this reserve to maintain the reserve at £0.5m."*

This explanation clearly lacks sufficient detail to justify such a significant expenditure. Further information is required so please provide a response to the following:

- Why is a year end adjustments reserve necessary?
- Why was the reserve below the prudent figure of £500k?
- How is the level of this reserve normally maintained?
- How many times have funds from the reserve been used in the past twelve months?

The Council has maintained a year end adjustment account for several years. Year end accounts are increasingly reliant upon estimates due to full information not always being available within the closure timeframe. The use of estimates is appropriate and recommended by external auditors to achieve the closure timetable. In coming years the use of estimates will increase as the publication date of the accounts is brought forward.

While accepted as an appropriate methodology the resulting variances can place pressure on in year service budgets. The use of this reserve removes significant pressures relating to prior years estimates.

The reserve balance is maintained through the potential use of year end underspends and the annual adequacy of reserves review. Although the reserve has not been used within the last 12 months, potential use in 2016/17 has been identified. The balance was increased in 2016/17 to cover any further potential variances identified following the introduction of new payments systems within the Peoples directorate and system issues identified within accounts payable. To date no issues requiring the use of the reserve have been identified from these systems.