

Time began: 6.03pm  
Time ended: 7.32pm

## **COUNCIL CABINET**

### **18 July 2018**

Present                      Councillor Poulter (Chair)  
                                    Councillors Barker, Grimadell, Roulstone, Smale, Webb and  
                                    Williams

In attendance              Councillors Care, Cooper, Eldret, Graves, Rawson and Skelton  
                                    Christine Durrant – Acting Chief Executive and Strategic  
                                    Director of Communities and Place  
                                    Don McLure – Interim Strategic Director of Corporate  
                                    Resources  
                                    Andy Smith – Strategic Director of People  
                                    Olu Idowu – Deputy Monitoring Officer  
                                    Mike Kay – Acting Director of Public Protection  
                                    Doug Walkman – Head of Trading Standards  
                                    Paul Clarke – Head of Planning  
                                    Andy Waterhouse – Spatial Planning Group Manager  
                                    Heather Greenan – Head of Performance and Intelligence  
                                    Frederico Almeida – Youth Mayor  
                                    Sonja Sebastian – Deputy Youth Mayor  
                                    Kara MacFadyen – Communications Officer

This record of decisions was published on 20 June 2018. 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.

### **17/18      Apologies**

An apology for absence was received from Councillor M Holmes.

### **18/18      Late Items**

In accordance with Section 100(B) (4) of the Local Government Act 1972, the Chair agreed to admit the following late item on the grounds that it should be considered as a matter of urgency because a decision was required by 20 July 2018:

- Accountancy and Contract Support for a Community Bus Service

## Contract and Financial Procedure Matter

### 19/18 Accountancy and Contract Support for a Community Bus

The Council Cabinet considered a report which stated that the Notts and Derby Bus Company were discontinuing their 35 bus service on 20 July 2018 following a review of their services.

The bus's, mainly elderly customers, were keen not to lose the service as many considered it to be a lifeline for local shopping, medical appointments and to reach the city centre.

Provided that funding could be provided from the local community, the City Council could agree to an arrangement with Notts and Derby for them to continue to provide the service, with the community providing its collected contributions to the Council, which in turn would remit the monies to the bus operator, in arrears. There was a commitment from the community to ensure the service was marketed to improve patronage.

No Council funding was being requested and there would be no financial risk to the Council. The Council had no budget to extend direct support for bus services

The survival of the 35 bus service would be entirely dependent on being commercially sustained by passenger growth or public donations. If the passenger fares and community funding was insufficient to sustain the service it would be discontinued by the operator.

#### **Decision**

1. By virtue of its general power of competence under the Localism Act, to agree in principle, subject to agreement on the terms of a Memorandum of Understanding between the bus operator and the Council, that the Council accepts the funding raised by the local community specifically for the 35 bus service and pay to Notts and Derby from this fund.
2. To agree for the Council to support an urgent request by Notts and Derby, to the Traffic Commissioners, for the continuation of the current 35 bus service on condition that at least £1000 had been raised by the local community.
3. To delegate authority to the Strategic Director of Communities and Place, following consultation with the Cabinet Member for Communities, Neighbourhoods and Streetpride, to agree the final terms of the Memorandum of Understanding and any appropriate financial arrangements that need to be made to give effect to this delegation.

### 20/18 Receipt of Petitions

There were no petitions received.

## 21/18 Identification of Urgent Items to which Call In will not Apply

There were no items.

## 22/18 Declarations of Interest

There were no declarations on interest.

## 23/18 Minutes of the Meeting Held on 13 June 2018

The minutes of the meeting held on 13 June 2018 were agreed as a correct record subject to Minute no 08/18 – Inward Investment - Marketing Derby – decision 3 being deleted.

## Matters Referred

### 24/18 Recommendations from the Executive Scrutiny Board

The Council Cabinet considered a report on Recommendations from the Executive Scrutiny Board. The Executive Scrutiny Board met and discussed items contained within the Council Cabinet Agenda. The report enabled the views and recommendations resulting from these discussions to be formally shared with Council Cabinet. These were submitted to Council Cabinet as Appendix 2, prior to commencement of the meeting.

#### **Decision**

To receive the report and consider the recommendations alongside the relevant report.

## Key Decisions

### 25/18 New Primary School Provision Across the City and Hackwood Farm

The Council Cabinet considered a report which stated that Derby City Council and Derbyshire County Council worked together closely in planning school place provision, particularly in relation to accommodating pupil numbers from housing growth around the City / County boundary.

A new housing development was proposed at Hackwood Farm, Mickleover, for up to 700 dwellings. The development crosses the City / County boundary, with around 410 dwellings proposed in the City and 290 in the County.

Based on 700 dwellings, across the whole of the development, it was anticipated that 196 primary school pupils would be generated. There was very limited surplus capacity available in nearby primary schools and there were other housing developments underway in the local area which would increase the pupil population.

Following careful consideration, a 210 place (one form of entry) primary school was proposed, as a result of the new housing, to ensure sufficient school capacity. The proposal was for the new primary school to also include a 26 place nursery to ensure sufficient early years provision.

The building of the new school would be funded by the Hackwood Farm developer through Section 106 funding and would serve pupils from both the City and County element of the new housing. The proposal was for the school's catchment area to align directly with the new housing.

The Education Act 2011 changed the arrangements for establishing new schools and introduced section 6A (the free school presumption) to the Education and Inspections Act 2006. Where a Local Authority (LA) thinks there was a need for a new school in its area, it must seek proposals from potential sponsors to establish a free school. There was guidance from the Department for Education (DfE) on the process to be followed to establish a new school.

The process to identify a preferred sponsor for the new primary school at Hackwood Farm, Mickleover, would be the first to be carried out by Derby City Council. The way in which sponsors were identified and assessed through this first process was likely to set a precedent for future new primary schools. A number of future housing developments were proposed within Derby, for example, at Rykneld Road, Littleover and Castleward.

The Executive Scrutiny Board recommended that Council Cabinet approve the preferred sponsor, following evaluation of the proposals and prior to submission to the Secretary of State and that Council Cabinet retained responsibility for the approval of preferred sponsors in future competitions to establish new free schools.

### **Options Considered**

1. Based on the Council's pupil yield multiplier, 700 new houses would generate an estimated 196 primary aged pupils. The option of creating no additional provision was discounted as there was very limited surplus capacity available in nearby primary schools and there were other housing developments underway in the local area which would increase the pupil population.
2. Due to the size of other local primary schools and site constraints, it was not considered possible to expand existing primary schools to the extent needed to accommodate estimated pupil numbers. Following careful consideration, it was suggested that a new a one form entry primary school (210 places) was provided on the site, with nursery provision.

### **Decision**

1. To approve commencement of a competition process, inviting proposals to establish a new school in Mickleover to accommodate pupils from the proposed new housing development at Hackwood Farm.
2. To delegate authority to the Strategic Director of People Services, following consultation with the Cabinet Member for Children and Young People, to approve the Council's preferred sponsor for recommendation to the Secretary of State for this competition and any future competitions, following an evaluation of proposals.
3. To note the recommendation from the Executive Scrutiny Board that Council Cabinet approve the preferred sponsor, following evaluation of the proposals and prior to submission to the Secretary of State, but to consider lessons learnt following the process.
4. To accept the recommendation from the Executive Scrutiny Board that Council Cabinet retain responsibility for the approval of preferred sponsors in future competitions to establish new free schools.

### **Reasons**

1. A new school was required to accommodate pupils from a housing development (700 dwellings) at Hackwood Farm, Mickleover. Where a Local Authority (LA) thinks there was a need for a new school in its area, it must seek proposals from potential sponsors to establish a free school.
2. The Council was able to make a recommendation to the Secretary of State on its preferred sponsor, following an evaluation of proposals. The decision on which a sponsor was appointed to open the new school was then taken by the Secretary of State.
3. The Council was not the final decision maker on the appointment of sponsors to open new schools. It was proposed that the Strategic Director of People Services, following consultation with the Cabinet Member for Children and Young People, be given delegated authority to approve the commencement of any future new school competitions.

## **26/18      Essential Life Skills Arts Culture, Leisure and Sport Large Grant Fund – Funding Recommendations**

The Council Cabinet considered a report which stated that the purpose of Essential Life Skills Arts Culture, Leisure and Sport Large Grant Fund was to support a range of extra-curricular activities aimed at children and young people aged 5 -18 years. This was a grant awarded to Derby by the Department for Education. Eligible activities would be open to all but target children from vulnerable groups. These could include children or young people eligible for free school meals, young people in alternative provision, looked after children, young carers and children and young people with special educational needs and disabilities.

The grant fund available was £1,000,000. Applications over £250,000 were accepted, but fund guidance stated a preference to make a single funding award for the full amount of the available funding.

Funded activities would use arts, culture, sport and leisure to develop non-cognitive abilities, collectively named 'essential life skills'.

Four applications were considered at a grants panel meeting on 5 June 2018. The panel were unanimous in their decision on the recommended applicant, but highlighted several areas where further information was required before final approval. Following receipt of such information, the panel's initial decision remained to award to the recommended applicant.

The Executive Scrutiny Board supported the report.

### **Options Considered**

None.

### **Decision**

1. To give in principle approval to award a grant of £1,000,000 to Derby County Community Trust, subject to satisfactory provision of requested additional information and clarification.
2. To delegate authority to negotiate and agree the final terms of the grant agreement between Derby City Council and Derby County Community Trust to the Strategic Director for People Services following consultation with the Cabinet Member for Children and Young People and the Strategic Director for Corporate Resources.

### **Reasons**

1. To comply with the Council's Contract and Financial Procedure rules.
2. To meet funding and delivery timescales the preference was to notify the successful applicant before the schools' summer break. Therefore an in principle approval was requested whilst final negotiations with the applicant were completed.

## **27/18 Food and Feed Law Enforcement Plan 2018/19**

The Council Cabinet considered a report which stated that each year the council must produce a Food and Feed Law Enforcement Plan. This plan was required to identify the obligations placed on the Council by the Food Safety Act 1990, the Safety and Food Hygiene (England) Regulations 2013, the Official Feed and Food Controls (England) Regulations 2006, Food Information Regulations 2014, The Agriculture Act 1970 and The Animal Health Act 2006 and the resources made available to officers to discharge these obligations.

The Executive Scrutiny Board noted the report.

### **Options Considered**

If the Council take no action the FSA has the power to remove food safety responsibilities and engage another authority to deliver the service. The likely scenario would be for a neighbouring Local Authority to be seconded to provide this service. If this did happen the Council would still have to fund the service but would lose Member and management control of the functions.

### **Decision**

To adopt the Food and Feed Law Enforcement Plan for the administrative year 2018/2019.

### **Reasons**

1. Under the powers given to it by the Food Standards Act 1999, The Food Standards Agency (FSA) oversees and monitors how Local Authorities enforce food safety legislation. The FSA require all Local Authorities to produce and approve an annual plan that sets out how it is going to discharge its responsibilities.
2. The Plans would be used as a basis of any audit undertaken by the Food Standards Agency (FSA).
3. The plan was written to meet all the requirements of the FSA, in terms of its content and format. The plan detailed the demands on the service, the risk based work programme and the resources available to deliver the required work. As with many other Council services the service faces increasing demands in current resources.

## **28/18 Health and Safety Law Enforcement Plan 2018/19**

The Council Cabinet considered a report which stated that we live in a society where we expect to be safe at work, be able to shop at businesses which do not put a significant hazard to us, and to a range of facilities, for leisure and other purposes, which we can enjoy safely. The Health and Safety at Work Act etc. 1974 provided for this, but these standards could only be achieved, maintained and improved, through the work of the Health and Safety Executive (hereafter referred to as HSE) and Local Authorities, who enforce the provisions of the Act.

The council was required to approve the Health and Safety Enforcement Plan 2018/2019, under the statutory National Local Authority Enforcement Code.

The Executive Scrutiny Board noted the report.

### **Options Considered**

None. The Service Plan was a statutory requirement.

## **Decision**

To adopt the Health and Safety Enforcement Service Plan for the administrative year 2018/2019.

## **Reasons**

1. The Health and Safety Enforcement Plan 2018/2019 meets the Council's statutory duties as an 'enforcing authority' under the Act, detailing our priorities, based on the National Code and our available resources.
2. In the last three years, we had continued to redesign the manner in which we deliver the Council's health and safety regulatory functions, to meet the Government's objective of reducing the health and safety burden on business. This approach was specified in the National Code, which local authorities must comply with.
3. The plan was written to meet all the requirements of the HSE National Local Authority Enforcement Code in terms of its content and format.

## **29/18 Adoption of the Planning Obligations Supplementary Planning Document Review**

The Council Cabinet considered a report which stated that planning obligations were contributions from developments secured through planning applications under Section 106 of the Town and Country Planning Act 1990 as amended. Since the Council's current Supplementary Planning Document (SPD) was adopted in 2008, there had been significant changes in local and national policy which meant that the document needed to be updated.

A draft of the revised SPD, titled 'Supplementary Planning Document Review', was approved for public consultation by the then Cabinet Member for Regeneration and Economy on 3 November 2017.

Consultation on the draft SPD Review began on 13 November 2017 and ended on 3 January 2018. There were 20 respondents. The appendices to the report contained a summary of the consultation, the responses to the issues raised during it and the proposed modifications to the SPD Review.

The Executive Scrutiny Board noted the report.

## **Options Considered**

The Council could continue to use the adopted Planning Obligations SPD. However, as it was no longer compliant with current national planning law and national and local planning policy, this approach would leave the Council vulnerable to legal challenges by developers and third parties.

## **Decision**

To approve the adoption of the SPD Review, subject to any minor amendments made by the Chief Planning Officer and Cabinet Member, with adoption to take effect on its publication by the Chief Planning Officer.

**Reasons**

To formally adopt the SPD Review.

## Budget and Policy Framework

### 30/18 Medium Term Financial Strategy and Council Plan 2019/20 – 2022/23

The Council Cabinet considered a report which outlined the proposed Medium Term Financial Strategy for the Council’s revenue and capital budget over the period 2019/20 to 2022/23. It also set out a high level approach to our Council Plan development over the coming weeks and months.

The Medium Term Financial Strategy set out the Council’s approach to the prudent management of our finances against a reducing reliance on central government funding and more of a reliance of local funding sources from council tax and business rates income. This trend would continue until the proposed Fairer Funding’ system for local government, scheduled for 2020/21 was introduced.

Resource projections for the next four years were included, the financial challenges that the Council faced and the approach planned to meet the Council’s priorities over this period. The report also commented on the risks facing the Council in the next four years and outlined any mitigation of these risks.

In ongoing austere times for local government, delivery of a balanced budget year on year was becoming more and more challenging. The estimated funding gap over the next four years was £22.843m and the incidence of the gap in 2019/20 had increased from £420,000 included in the Budget Report agreed by Council on 24 January 2018 to £12.199m now. The main reasons for this significant shift were due to:

- Adult Social Care Pressures £4.904m
- Children’s Social Care Pressures £4.000m
- Previously agreed savings from staffing efficiency savings £2.430m
- 1% Under allowed for pay award in 2018/19 £1.000m

The report also outlined the significant ongoing pressures facing Local Government for Social Care and the emerging financial pressures in this service area that were not sustainable without a permanent recognition by Government that more funding needed to be aligned to offset the increasing pressures being faced by all social care local authorities across the country. The Government was committed to releasing

their Social Care Green Paper setting out their plans for a sustainable social care system in Autumn 2018.

There were also new requirements for the Capital Strategy in the CIPFA Prudential Code. The capital strategy provided the long term context in which capital investment decisions were made and the governance for those decisions. The Capital Strategy had therefore been updated within this Medium Term Financial Strategy.

The Executive Scrutiny Board noted the report.

## **Decision**

1. To endorse the Council's Medium Term Financial Strategy for 2019/20 to 2022/23 and recommend Council to approve the Strategy at its meeting due to be held on 27 September 2018.
2. To note the emerging strategic priorities and risks identified in section 9 of the report and the intention to develop the Council Plan for 2019/20 to 2022/23 in line with the Medium Term Financial Strategy and Budget.
3. To note the current estimated financial position and a revenue funding gap of £12.199m in 2019/20 and £22.843m across the four year period to 2022/23 where savings plans were being worked up, as set out in the Model at Appendix 3 of the report and the assumptions included within these forecasts, as set out in section 11 of the report.
4. To note the budget risks associated with the Medium Term Financial Strategy, as set out in section 12 of the Capital Strategy and section 14 of the overall report.
5. To approve the outline timetable for development of the Budget and Council Plan for 2019/20 – 2022/23 including consultation periods set out in section 15 of the report.
6. To approve the updated to the Capital Strategy 2019/20 – 2022/23 in accordance with the requirements made under the CIPFA Prudential Code as set out in section 13 of the report.
7. To approve the creation of a Capital Feasibility Reserve of £1.0m for the reasons as set out in paragraph 12.16 of the report.
8. To approve that a Capital Contingency Budget be set up funded from the Budget Risk Reserve to the value of £1.0m as set out in paragraph 12.19 of the report.
9. To approve, subject to constitutionally delegated limits, the use of the Capital Contingency Budget to the Section 151 Officer following consultation with the Cabinet Member for Finance and Procurement, as set out in paragraph 12.19 of the report.

10. To approve that financing of the capital programme be delegated to the Section 151 officer following consultation with the Cabinet Member for Finance and Procurement, to provide sufficient flexibility to allow for the most effective use of Council resources, as set out in paragraph 12.22 of the report.
11. To approve that no financing sources, unless stipulated in regulations are ring fenced, as set out in paragraph 12.23 of the report.

## Performance

### 31/18 Council Scorecard 2018/19

The Council Cabinet considered a report which stated that each year Derby City Council agreed a small basket of priority performance measures to ensure that Chief Officers and Members were cited on key performance issues and outcomes. The Council Scorecard was monitored each quarter and reviewed every 6 months. There was a full review at the start of the year, with a mid-year review at the end of September, to make sure it remained focused on priorities.

The Council Scorecard contained key measures from the Council Plan and supporting Delivery Plan, which described how the Council Plan priorities were being put in to practice. Currently, and for the last few years, the scorecard had been structured around the priorities in the Council Plan 2016 to 2019...

- Safe.
- Strong.
- Ambitious.
- Resilient.

The criteria for the selection of measures for inclusion within the Scorecard were:

- measure was linked to an area of significant budget pressure / income source (1)
- a reflection of demand for services (2)
- key inspection / reputational / compliance risk area (3)
- measure links to a commitment in the latest edition of the Council Plan, and also meets at least one of the criteria above (4).

The aim of the report was to present Council Cabinet with an updated Scorecard for 2018/19 (Appendix 2 of the report), in line with the criteria above, alongside any proposed changes to the draft Council Delivery Plan for 2018/19.

It was noted that both Council Cabinet and the Executive Scrutiny Board would receive quarterly updates on performance against measures within the scorecard throughout 2018/19. From this, more detailed performance reviews could be commissioned through Performance Surgeries to support improvements.

The Executive Scrutiny Board noted the report.

## Decision

1. To approve the 2018/19 Council Scorecard, which would be used as the basis for quarterly performance monitoring of key measures from April 2018 to the end of March 2019.
2. To approve the targets for the measures contained within the scorecard.
3. To approve a mid-year review and refresh of the measures and targets, at the end of quarter 2 (September 2018), which would allow any approved changes to the 2018/19 Council Delivery Plan to be reflected.
4. To note that both Council Cabinet and Executive Scrutiny Board would review performance on a regular basis, and may select indicators for consideration at a Performance Surgery, on the basis of reports and/or presentations.

## Contract and Financial Procedure Matters

### 32/18 Compliance with Contract and Financial Procedure Rules

The Council Cabinet considered a report and two addendum reports which dealt with the following items which required reporting to and approval by Council Cabinet under the Contract and Financial Procedure rules.

- That delegation be given to the Interim Strategic Director of Corporate Resources to 'set up' new earmarked reserves in 2018/2019 when considered prudent to do so;
- The use of reserves to provide temporary Internal Audit resource;
- Capital changes for the Highways and Transport capital programme in relation to the Clean Bus technology scheme;
- The procurement of external consultancy support to undertake feasibility works on the 'New' Assembly Rooms project;
- The procurement and creation of a framework for 'targeted and tailored tuition' for children in care;
- The use of reserves – to provide two temporary posts in the Business and Intelligence Team to support our Children's Services in their planned Joint Area Targeted Inspection;
- The allocation of Adult Social Care Reserves (included in 'Other Services Reserve' in our Earmarked Reserves list in our Statement of Accounts) to support adult social care in year pressures;
- The award of Opportunity Area Grant – Landau Academy School;
- The award of Opportunity Area Grant – Bemrose School;
- That delegation be given to the Strategic Director of People's Services to negotiate final terms of the Opportunity Area grant agreement between Derby City Council and both Landau Academy School and Bemrose School.
- To support an application and receipt of a grant if successful for the South Derby Growth Zone/Infinity Garden Village.

The Executive Scrutiny Board noted the report.

## **Decision**

1. To approve that the setting up of appropriate earmarked reserves for 2018/2019 be delegated to the Section 151 Officer following consultation with the relevant Cabinet Member as outlined in paragraph 4.1 of the report.
2. To approve the use of £39,000 from the budget risk reserve to provide funding for the backfilling of internal audit resources required for the investigation work on the A52 Wyvern Transport Improvement Scheme as outlined in paragraph 4.4 of the report.
3. To approve the addition of the Clean Bus technology scheme to the 2018/19 to 2020/21 capital programme as outlined in paragraph 4.7 of the report.
4. To approve the procurement of external consultancy support to undertake feasibility works on the 'New' Assembly Rooms project with a contract value up to £250,000 funded from the Assembly Rooms reserve as outlined in paragraph 4.11 of the report.
5. To approve the procurement and creation of a framework for 'Targeted and Tailored Tuition' – on a one to one basis for Small Group Support to Children and Young People in Care for a maximum sum of £220,000 over a period of four years as outlined in paragraph 4.13 of the report.
6. To approve the use of £35,000 from the budget risk reserve to provide funding to enable service readiness for the Joint Area Targeted Inspection in People's Directorate in the Autumn/Winter of 2018 as outlined in paragraph 4.17 of the report.
7. To approve the allocation of Adult Social Care reserves (included in 'Other Services Reserve' in our Earmarked Reserves list in our Statement of Accounts) of £2,094,500 to fund demographic growth, living wage inflation due on contracts and winter pressure costs for 2018/19 as outlined in paragraph 4.2 of the report.
8. To approve the award an Opportunity Area grant of up to £276,000 to Landau Academy School to lead and co-ordinate the city wide Targeted Student Support strategy subject to the finalisation of actual expenditure and costs as outlined in paragraph 4.22 of the report.
9. To approval the award an Opportunity Area grant of up to £377,500 to Bemrose School to lead and co-ordinate the city wide Family Engagement Strategy (secondary phase) subject to the finalisation of actual expenditure and costs as outlined in paragraph 4.22 of the report.
10. To delegate authority to negotiate and agree the final terms of the grant agreement between Derby City Council and both Landau Academy and

Bemrose School to the Strategic Director of People Services following consultation with the Cabinet Member for Children and Young People and the Interim Strategic Director of Corporate Resources as outlined in paragraph 4.29 of the report.

11. To delegate approval to the Strategic Director of Communities and Place, following consultation with the Cabinet Members for Adults, Health and Housing; Finance and Procurement and Governance and Licensing and the Interim Strategic Director of Corporate Resources, to bid for and receive £500,000 (if successful) for Garden Villages Capacity Funding from Homes England.

## **33/18      Bad Debt Write Off**

The Council Cabinet considered a report which stated that the Derby Enterprise Growth Fund (DEGF) was established in 2012 to provide grant and or loan funding to businesses in the Derby travel to work area. The fund was established using Regional Growth Fund monies awarded to the City Council through Round 2 of this national scheme. The aim of the fund was to support sustainable job creation.

EPM Technology Limited (EPM) was the recipient of DEGF loan funding (£5.25m in two tranches: £4.75m in 2013 and £0.5m in 2014) and subsequent Council loan funding (£0.5m in October 2016). This loan funding was secured against the assets of EPM.

EPM were the subject of close financial monitoring by the Council following drawdown of the loan funding. The financial position of EPM worsened considerably during 2016/17 and in an Urgent Leader of the Council Cabinet Member Meeting in July 2017 it was agreed that the Council would exercise its security over EPM's assets to take ownership of the freehold of the EPM factory. This action formed part of a wider transaction under which EPM was sold to a Private Equity Company, enabling it to continue trading which in turn safeguarded jobs.

As part of the wider transaction, EPM took a commercial lease of the factory premises from the Council, agreeing to pay an annual rent to the Council and in return the Council cancelled the loan facilities and agreed not to demand repayment of outstanding loan monies. This course of action was deemed the most appropriate in the circumstances to protect the Council's financial long term position.

The capital value of the factory premises was less than the EPM loan that was outstanding although rental due over the duration of the lease combined with this capital value may exceed the previous loan amount.

The Executive Scrutiny Board supported the write-off of the balance of the DEFG loan to EPM Technology and recommended that Council Cabinet refer loan arrangements in relation to the DEGF to the Audit and Accounts Committee to review processes and practices.

### **Decision**

1. To approve the write off of the balance of the EPM loan totalling £2m, as detailed in section 4 of the report.
2. To accept the recommendation from the Executive Scrutiny Board to refer loan arrangements in relation to the DEGF to the Audit and Accounts Committee to review processes and practices.

**MINUTES END**