

Public Document Pack



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PUBLIC

To: Members of Cabinet

Tuesday, 3 September 2019

Dear Councillor,

Please attend a meeting of the **Cabinet** to be held at **2.00 pm** on **Wednesday, 11 September 2019** in Committee Room 1, County Hall, Matlock, DE4 3AG, the agenda for which is set out below.

Yours faithfully,

A handwritten signature in cursive script that reads 'Janie Berry'.

JANIE BERRY
Director of Legal Services

A G E N D A

PART I - NON-EXEMPT ITEMS

1. Apologies for Absence
To receive apologies for absence (if any)
2. Declarations of Interest
To receive declarations of interest (if any)
3. Minority Group Leader questions
To consider Minority Group Leader questions (if any)

4. Cabinet Minutes (Pages 1 - 6)

To confirm the non-exempt minutes of the meeting of Cabinet held on 11 July 2019

5. Cabinet Member Meeting minutes

To receive the non-exempt minutes of Cabinet Member meetings as follows:

- 5 (a) Corporate Services - 27 June, 18 July & 1 August 2019 (Pages 7 - 12)
- 5 (b) Health & Communities - 27 June 2019 (Pages 13 - 20)
- 5 (c) Young People - 8 July & 6 August 2019 (Pages 21 - 30)
- 5 (d) Highways, Transport & Infrastructure - 11 July 2019 (Pages 31 - 34)
- 5 (e) Economic Development & Regeneration - 8 August 2019 (Pages 35 - 38)
- 5 (f) Adult Care - 15 August 2019 (Pages 39 - 42)

Non-Exempt Reports

To consider the following reports:

- 6 (a) Budget Monitoring 2019-20 (as at 30 June 2019) - Director of Finance and ICT (Pages 43 - 60)
- 6 (b) Capital Budget Monitoring to Month 3 2019-2020 - Director of Finance and ICT (Pages 61 - 68)
- 6 (c) Financial Strategy - Director of Finance and ICT (Pages 69 - 84)
- 6 (d) Five Year Financial Plan - Director of Finance and ICT (Pages 85 - 154)
- 6 (e) Preparation of Budget 2020-21 - Director of Finance and ICT (Pages 155 - 160)
- 6 (f) Consultation on proposed additional Smokefree Public Spaces across Derbyshire - Director of Public Health (Pages 161 - 164)
- 6 (g) Public Health Funding for Domestic Abuse Services - Director of Public Health (Pages 165 - 166)
- 6 (h) Item number not used
- 6 (i) Childcare sufficiency Assessment Review 2019-2020 - Executive Director

of Children's Services (Pages 167 - 194)

- 6 (j) Children's Services Capital Programme 2018-19 - S106 Project Allocations and Further Allocations (paper 1) - Executive Director of Children's Services (Pages 195 - 198)
- 6 (k) Children's Services Capital Programme 2018-19 - S106 Project Allocations (paper 2) - Executive Director of Children's Services (Pages 199 - 204)
- 6 (l) Establishment of the Derby and Derbyshire Safeguarding Children Partnership - Executive Director of Children's Services (Pages 205 - 236)
- 6 (m) County Property Future Delivery - Executive Director of Commissioning, Communities & Policy (Pages 237 - 250)
- 7. Exclusion of the Public

To move "That under Regulation 21 (1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph(s)... of Part 1 of Schedule 12A to the Local Government Act 1972"

PART II - EXEMPT ITEMS

(Cabinet is asked to consider the exclusion of the public from the meeting for the remaining items on the agenda to avoid disclosure of exempt information)

- 8. Declarations of Interest

To receive declarations of interest (if any)

- 9. Cabinet Minutes (Pages 251 - 256)

To confirm the exempt minutes of the meeting of Cabinet on 11 July 2019

- 10. Cabinet Member Meetings Minutes

To receive the exempt minutes of Cabinet Member meetings as follows:

- 10 (a) Corporate Services - 27 June, 18 July & 1 August 2019 (Pages 257 - 268)
- 10 (b) Young People - 6 August 2019 (Pages 269 - 270)

Exempt Reports

To consider the following reports:

- 11 (a) County Property Future Delivery and Outline Business Case - Executive Director Commissioning, Communities and Policy (contains information relating to labour relations matters) (Pages 271 - 372)
- 11 (b) Proposal for the Future Human Resource (HR) Delivery Model to support the Council's Strategic Priorities - Executive Director Commissioning, Communities and Policy (contains information relating to labour relations matters) (Pages 373 - 422)
- 11 (c) Urgent decision taken by the Executive Director Economy, Transport and Environment - Long Term Waste Management Contract - update - Executive Director Economy, Transport and Environment (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
- 11 (d) Urgent decision taken by the Executive Director Economy, Transport and Environment - Extension to appointment of External Legal Advisors - Executive Director Economy, Transport and Environment (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
- 11 (e) Development of a New Care Home at Bennerley Avenue, Cotmanhay - Executive Director Adult Social Care and Health (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)) (Pages 423 - 454)

PUBLIC

Agenda Item 4

MINUTES of a meeting of **CABINET** held on 11 July 2019 at County Hall, Matlock.

PRESENT

Councillor S A Spencer (in the Chair)

Councillors A Dale, A Foster, C Hart and T King.

Apologies for Absence were received on behalf of Councillors B Lewis and J Wharmby.

Also in attendance was Councillor A Western.

Declarations of Interest

There were no declarations of interest made.

128/19 MINORITY GROUP LEADERS' QUESTIONS

There were no Minority Group Leader questions.

129/19 MINUTES RESOLVED that the non-exempt minutes of the meetings of Cabinet held on 6 June 2019 be confirmed as correct records and signed by the Chairman.

130/19 CABINET MEMBER MEETINGS - MINUTES RESOLVED to receive the non-exempt minutes of Cabinet Member meetings as follows:

- (a) Health & Communities – 23 May 2019
- (b) Young People – 4 June 2019
- (c) Corporate Services – 6 June 2019
- (d) Strategic Leadership, Culture & Tourism – 10 June 2019
- (e) Adult Care – 13 June 2019
- (f) Highways Transport & Infrastructure – 19 June 2019

131/19 REVENUE OUTTURN 2018-19 (Strategic Leadership, Culture and Tourism) Cabinet was updated with the final revenue outturn position for 2018-19, identifying significant variations from the revised estimate and identifying commitments already agreed against the underspend, together with proposals for the further use of underspends, subject to the appropriate approval. The report also identified the impact of the 2018-19 outturn on future years and any action proposed.

The report also set out the Council's General and Earmarked Reserves position. The General Reserve was £64.570m as at 31 March 2019, although it was noted that there were commitments held against the balance, as detailed in the report. Earmarked Reserves were held to meet known or predicted liabilities and the funds should be used for the item for which they have been set aside. Any funds no longer required were returned to the General Reserve. The Council reviewed the level of Earmarked Reserves at least annually. A summary of outstanding balances on Earmarked Reserves as at 31 March 2019 was detailed in Appendix Two to the report.

RESOLVED to (1) note the departmental outturn position for 2018-19;

(2) note the position on General and Earmarked Reserves;

(3) approve the allocation of underspend amounts to Portfolios

(4) note that requests for use of underspends in departmental Earmarked Reserves would be subject to appropriate approval, either Executive Director or Cabinet Member.

132/19 CHILDREN'S SERVICES CAPITAL PROGRAMME 2018-19 FURTHER ALLOCATIONS AND 2019-20 CAPITAL PROGRAMME ALLOCATIONS (Young People) Cabinet was updated with allocations approved under delegated powers by the (then-named) Strategic Director for Children's Services and by the Head of Development. Approval was also sought for an interim Children's Services Capital Programme 2019-20 and allocations to individual projects.

The report detailed the approvals made under delegated powers, along with the School Condition Allocation, Basic Need Allocation and Healthy Pupil Capital Fund. A breakdown of the proposed programme was included in appendices to the report, Appendix A: Basic Need, Appendix B: Buildings at risk, condition & suitability and Appendix C: School Condition – capital maintenance & contingency.

RESOLVED to (1) note the allocations approved under delegated powers by the (then-named) Strategic Director for Children's Services and the Children's Services Head of Development;

(2) approve the allocations to projects set out in Appendices A, B & C of the report; and

(3) note the update to the Healthy Pupil Capital Fund (HPCF).

133/19 CHILDREN'S SERVICES CAPITAL PROGRAMME 2018-19 – S106 PROJECT ALLOCATIONS (Young People) Cabinet was updated on

the receipt and availability of recent Section 106 developer contributions and approval was sought for the allocation of those contributions to projects in line with the individual Section 106 agreements. Approval was also sought for, where appropriate, procurement exercises to be undertaken to commission services and to undertake works associated with the schemes.

Appendix A detailed the S106 contributions that had been received by the Authority, the schools that were to benefit from the investment, together with the planned projects. The total was £4,501,793.

RESOLVED to (1) note the receipt / availability of S106 funding and to approve the following allocations:

- New Highfields Farm Primary School, Findern: £4,384,581
- Ashbourne Hilltop Primary School: £46,885
- Ashbourne Primary School: £70,327

(2) approve, where appropriate, procurement exercises to be undertaken to commission services and to undertake works associated with the schemes.

134/19 (CHILDREN'S SERVICES) CARE LEAVERS' EMPLOYMENT OPPORTUNITIES – PAID INTERNSHIPS (Young People) Cabinet was updated on the progress made under the paid Internships for Care Leavers' programme established in 2016. Approval was also sought to use the existing underspend of £165k held in reserves to extend the Care Leavers' paid Internships to 31 March 2020.

The report outlined the Council's responsibility for supporting looked after children as they made the transition to adulthood. This responsibility also applied to all Care Leavers until they reached the age of 21 or, if they were being helped with education or training, to the end of the agreed programme (which could take them beyond their 25th birthday). "Keep On Caring, 2016" also meant Care Leavers up to 25 years of age could request support from the Local Authority to help them with their transition to adulthood, including support with accessing employment, education and training opportunities.

Internships was one of a number of schemes available to support care leavers, and it was recognised that progression of care leavers through this scheme could be slow and required a good deal of support due to the various additional needs and pressures for care leavers, often linked to their history and poor start in life. The spend on the Internship Project had not been fully used each year, but it was noteworthy that some care leavers had achieved significant success through participation in the scheme. It was therefore requested that access to the underspend was retained to ensure that there was full capacity for the period April 2019 to the end of March 2020 to enable future care leavers to take advantage of the scheme whenever able to do so.

In line with the national picture, 2018-19 proportion of Care Leavers not in education, training or employment (NEET) was much higher than the general academic age population and Care Leavers were widely regarded to be disadvantaged in terms of employment and educational opportunities. This was a key area of focus for the Council and it was essential that the Authority continued to do whatever it could to increase the number of Care Leavers in employment, education or training (EET).

The report contained an update on the Internship programme, its outcomes, lessons learned and future proposals.

RESOLVED to note the report and to approve the continued utilisation of existing reserves in order to extend the Care Leavers' paid Internships for a period up to 31 March 2020.

135/19 OLDER PEOPLE AND WHOLE LIFE DISABILITY PATHWAY ASSESSMENT AND PROVISION OF SPECIALIST PROFESSIONAL SERVICES – USE OF A NON-DCC FRAMEWORK (Adult Social Care & Health) Cabinet was (1) informed of the findings of an independent assessment of the Older People and Whole Life Disability Pathways delivered by Adult Social Care and Health and Children's Services; (2) Agreement was sought for the implementation of a revised approach to assessments to deliver improved outcomes for clients in Adult Social Care and Health (ASCH) and Children's Services (CS), as described in the report; and (3) Approval was sought under Protocol 2a of the Council's Financial Regulations for the use of the North East Procurement Organisation's (NEPO) Framework Solution NEPRO to procure specialist professional services to support the implementation of the assessment findings.

In November 2018, Cabinet had approved the provision of an independent specialist professional service to undertake an assessment of adult social care, including disabled children's services. A contract for the specialist assessment work was awarded to Newton Europe in January 2019, completed by May 2019. This work was formed of two Pathway assessments – Older People, and Whole Life Disability, with four core fundamental questions asked of each - decision making, outcomes, use of resource and culture, achieved via case reviews, workshops, live studies, discussions with local teams and reviews of historical data, as well as benchmarking performance with similar Councils. In summary, the review highlighted a number of opportunities, allowing for the completion of an outline implementation plan aimed at realising those opportunities, as detailed within the report.

An Equality Impact Analysis was carried out, as appended to the report at Appendix 2. It was felt that implementation of the proposed improvements

would ensure more equitable service provision across both the Older People and Whole life Disabilities pathways, resulting in better outcomes and greater levels of independence for service users, whilst promoting existing best practice across the Council. Implementation of the assessment findings would require organisational development to ensure there was greater consistency in: maximising re-ablement and enablement with service users, assessment and reviews and use of financial and performance information to support decision making.

It was recognised that the implementation of the assessment findings would have an impact on the capacity of the ASCH and CS departments, alongside the development and implementation of a range of policy and service changes already aimed at improving outcomes for service users. These ongoing developments would be considered alongside the work-streams identified in Appendix 1 to the report, to ensure that there was no duplication of effort.

In order to ensure effective delivery of the outcomes identified in Appendix 1 an appropriate programme governance structure needed to be put in place with a defined programme board providing oversight. Alongside this there would be requirements for specific roles and responsibilities at different levels, namely service based leadership roles and responsibilities, service engagement throughout the programme, enabling support roles and responsibilities and a specific procurement approach.

Councillor Spencer drew particular attention to the Equality Impact Analysis, attached to the report at Appendix 2, to be considered as part of the decision-making process by Cabinet Members.

RESOLVED to (1) receive and note the findings of an independent assessment of the Older People and Whole Life Disability Pathways delivered by Adult Social Care and Health and Children's Services;

(2) agree the implementation of the revised approach to assessments as set out in the report; and

(3) approve, under Protocol 2a of the Council's Financial Regulations, the use of the North East Procurement Organisation's (NEPO) Framework Solution NEPRO to procure specialist professional services to support the implementation of the assessment findings.

136/19 EXCLUSION OF THE PUBLIC FROM THE MEETING.

RESOLVED that the public be excluded from the meeting during the consideration of the remaining items on the agenda to avoid the disclosure of the kind of exempt information detailed in the following summary of proceedings.

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC HAD BEEN EXCLUDED FROM THE MEETING

1. To consider Minority Group Leaders' Questions (if any).
2. To confirm the Exempt Minutes of the meetings of Cabinet held on 6 June 2019.
3. To receive the exempt minutes of Cabinet Member meetings as follows:
 - (a) Corporate Services – 6 June 2019
 - (b) Adult Care – 13 June 2019
4. To consider exempt reports as follows:-
 - (a) Acceptance of Revised Offer: Hurst House, Chesterfield – Executive Director Commissioning, Communities and Policy (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
 - (b) Shipley Lakeside (former American Adventure Theme Park site): Accommodation works to facilitate flood alleviation measures to prevent reclassification of upstream reservoir – Executive Director Commissioning, Communities and Policy (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
 - (c) Review of Corporate Property Senior Management Team – Executive Director Commissioning, Communities and Policy (contains information relating to labour relations matters)
 - (d) Business Services Review – Executive Director Children's Services (contains information which is likely to reveal the identity of an individual)

PUBLIC

Agenda Item 2

MINUTES of a meeting of the **CABINET MEMBER FOR CORPORATE SERVICES** held on 27 June 2019 at County Hall, Matlock

PRESENT

Cabinet Member – Councillor A Foster

Apologies for absence were received on behalf of Councillor P Murray

38/19 **MINUTES RESOLVED** that the minutes of the meeting held on 6 June 2019 be confirmed as a correct record and signed by the Cabinet Member.

39/19 **EXCLUSION OF THE PUBLIC RESOLVED** to exclude the public from the meeting during the consideration of the remaining items on the agenda to avoid the disclosure of exempt or confidential information

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC WERE EXCLUDED FROM THE MEETING

1. To confirm the exempt minutes of the meeting held on 6 June 2019.
2. To consider the exempt report of the Executive Director Commissioning, Communities and Policy on the sale by auction – Southlands HOP, Long Eaton
(contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))

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PUBLIC

MINUTES of a meeting of the **CABINET MEMBER FOR CORPORATE SERVICES** held on 18 July 2019 at County Hall, Matlock

PRESENT

Cabinet Member – Councillor A Foster

Also in attendance was Councillor P Murray

42/19 **MINUTES RESOLVED** that the minutes of the meeting held on 27 June 2019 be confirmed as a correct record and signed by the Cabinet Member.

43/19 **EXCLUSION OF THE PUBLIC RESOLVED** to exclude the public from the meeting during the consideration of the remaining items on the agenda to avoid the disclosure of exempt or confidential information

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC WERE EXCLUDED FROM THE MEETING

1. To confirm the exempt minutes of the meeting held on 27 June 2019.
2. To consider the exempt report of the Executive Director Commissioning, Communities and Policy on the sales by auction – Noting Report of Results (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
3. To consider the exempt report of the Executive Director Commissioning, Communities and Policy on Acceptance of Offer: Land Abutting House No: 189 Middlecroft Road, Staveley (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
4. To consider the exempt report of the Executive Director Commissioning, Communities and Policy on Lease of Land at Ashbourne, Derbyshire (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information)).
5. To consider the exempt report of the Executive Director Commissioning, Communities and Policy on Alfreton Park Community School, Approval to Land Transfer (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))

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PUBLIC

MINUTES of a meeting of the **CABINET MEMBER FOR CORPORATE SERVICES** held on 1 August 2019 at County Hall, Matlock

PRESENT

Cabinet Member – Councillor A Foster

Also in attendance – Councillor P Murray

49/19 **MINUTES RESOLVED** that the minutes of the meeting held on 18 July 2019 be confirmed as a correct record and signed by the Cabinet Member.

50/19 **EXCLUSION OF THE PUBLIC RESOLVED** to exclude the public from the meeting during the consideration of the remaining items on the agenda to avoid the disclosure of exempt or confidential information

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC WERE EXCLUDED FROM THE MEETING

1. To confirm the exempt minutes of the meeting held on 18 July 2019.
2. To consider the exempt reports of the Executive Director Commissioning, Communities and Policy on:-
 - a) Approval to dispose of land at Derwent Street, Belper
(contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
 - b) Highfields Farm Primary School, Littleover
(contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))

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PUBLIC

MINUTES of a meeting of the **CABINET MEMBER FOR HEALTH AND COMMUNITIES** held on 27 June 2019 at County Hall, Matlock.

PRESENT

Councillor C Hart – Cabinet Member

24/19 **MINUTES** **RESOLVED** that the non-exempt minutes of the meeting of the Cabinet Member for Health and Communities held on 23 May 2019 be confirmed as a correct record and signed by the Cabinet Member.

25/19 **DERBYSHIRE SCHOOL HOLIDAY FOOD PROGRAMME**

The Derbyshire School Holiday Food Programme was a very successful countywide programme addressing national concerns on the extent and causes of hunger amongst children during school holiday periods.

In summer 2016 Feeding Derbyshire established 19 projects in local communities experiencing high levels of deprivation, and with high levels of eligibility for Free School Meals. Working in partnership with schools, faith communities, children's centres, big local grant-funded communities and district and borough councils, the projects aimed to ensure children benefited from nutritious food and enrichment activities during school holiday periods throughout the year.

Since 2016 the programme had gone from strength to strength and subsequently an additional 12 projects had been established - these were funded by FareShare, bringing the total number of projects in Derbyshire to 31.

FareShare was a UK charity ensuring surplus food reached vulnerable groups by redistributing good food to frontline services. Public Health at Derbyshire County Council funded the annual subscription fee to FareShare to supply 19 projects with healthy, nutritious, in-date food.

During the school holiday periods in the 2018/19 academic year, the projects funded through the Council had achieved the following:

- supplied 37,113 meals in total to 1,395 children per week during the Summer holidays
- supplied projects with enough food to give out 1,052 food parcels over the Christmas school holiday period
- supplied projects with 5,030 meals over the Easter school holidays. This included sufficient food for 440 cook and eat meals

Additional funding for a 12 month period would ensure continuation of the programme. The funding would support Rural Action Derbyshire to manage the School Holiday Food Programme from July 2019. This would include direct liaison with Fare Share and local project providers, and operational management of the programme to support the continuation of the existing 31 projects, and collection of information on numbers of young people and families accessing the projects.

In April 2019, the Feeding Derbyshire Partnership agreed to review the delivery and sustainability of the School Holiday Food Programme as part of the broader Feeding Derbyshire initiative. The review would allow the Feeding Derbyshire Partnership to identify alternative funding sources to secure future delivery of the existing programme, and reduce reliance on funding from Public Health, in light of continued year-on-year reductions to the Public Health grant.

RESOLVED to approve the proposed award of £20,000 from the Public Health budget to Rural Action Derbyshire.

23/19 GRANT FUNDING TO SHIFT TOGETHER TO DELIVER THE FIT4LIFE PROGRAMME IN WORKPLACES ACROSS DERBYSHIRE

Levels of overweight and obesity in Derbyshire were significantly higher than the England average. Overweight and obesity develops over time as a result of an imbalance between energy intake and energy usage. Whilst on average people in Derbyshire were more likely to be active than the England average (68% compared with 66%), our adult population were less likely to:

- Eat 5 portions or more of fruit and veg per day
- Do any walking in a week
- Cycle 3 times in a week (either for travel or leisure)

In addition to supporting people to maintain a healthy weight, regular physical activity was important for reducing the risk of cardiovascular disease, certain cancers, type 2 diabetes, falls and mental ill health. Physical activity could also improve health outcomes and quality of life of people who already had long-term conditions, for example it could lead to reduced weight and improved insulin sensitivity in people with type 2 diabetes.

The workplace had been identified as one setting in which efforts could be focused effectively to improve health and wellbeing, and reduce physical inactivity. In 2018 Derbyshire County Council funded a pilot of the Fit4Life programme at Chesterfield Royal Hospital and in Adult Care.

Interim evaluation of the pilot had been positive. Referrals began in Autumn 2018 and the programme coach was working on a 1:1 basis with participants to provide coaching, advice and signposting. The accelerometer was giving participants accurate and detailed information about their lifestyle behaviours, sleep patterns and time spent being active or sedentary. At the end of January

2019, 20 ActiveInsight accelerometers had been issued, and 27 participants had registered to join the next cohort in Spring 2019.

In addition, the programme coach was working with HR teams at the hospital and group managers in ASC to explore a variety of methods to promote a culture of physical activity in the workplace. The result of this work had been the development of new physical activity related opportunities.

They were seeking permission to fund an expansion of the programme over the next 2 years, to both support other work settings and to enable the development of a self-sustaining model for Fit4Life over time. It was considered that the programme should be tested in a number of different workplaces, beginning with Call Derbyshire. Given that the programme coach would need to build strong relationships with teams working in the locality (e.g. LLBD delivery staff, Health Workplaces Derbyshire and the Public Health Locality Teams) and develop a good understanding of opportunities available in the local area, it was proposed that the work should be focused in 2 and no more than 3 Derbyshire Districts and Boroughs. One would be Derbyshire Dales (given the location of Call Derbyshire), with the other site(s) to be agreed between Shift Together and the Public Health Physical Activity, Healthy Workplaces and Live Life Better Derbyshire Teams.

RESOLVED that the Cabinet Member approved the award of the grant of £100,000 to Shift Together for the delivery of the Fit4Life Programme in workplaces across Derbyshire. The expansion to the programme would begin in August 2019 and continue for 2 years.

24/19 REDUCING THE HARM OF SUBSTANCE MISUSE IN DERBYSHIRE Recovery Month took place in September each year and was a national event. It had been celebrated in Derbyshire for the past four years and was an opportunity to showcase recovery from substance misuse, to reduce stigma and to highlight that recovery was achievable.

Local activities had previously concentrated on large scale events which took considerable resources to organise and had tended to locate in Chesterfield as our largest town. Due to this, a number of smaller but active recovery organisations from other parts of the county had struggled to take part in a meaningful way, and recovery month in Derbyshire was starting lose momentum.

On 13 November 2018 the Strategic Director for Adult Care approved the allocation of £20,000 over a three year period to encourage individuals, treatment services and recovery organisations to undertake their own projects, events and activities in their own localities. This approach was more inclusive of the geographically diverse county, and had revitalised the efforts of both local and countywide organisations and their service users. An annual showcase event, where achievements around recovery were recognised, had been planned for later in 2019.

Recovery Games applications

Four applications were submitted and considered by an evaluation team comprising the Public Health Lead and the Health Improvement Practitioner for substance misuse using a pre-determined, objective scoring template. All organisations successfully scored against the scoring criteria.

One organisation had duplicated costs in their application that were covered by another application and therefore were advised that their application would not be considered.

It was therefore proposed to provide grants to the following three organisations to enable them to engage in the Recovery Games for 2019:

	Organisation name	Location	Event	Service Provided	Cost
1.	Chesterfield FC Community Trust	Doncaster	Recovery Games	Coach hire, refreshments	£664
2.	Derbyshire Veterans HQ	Doncaster	Recovery Games	Fuel to pick participants up and take them to Proact Stadium for coach	£50
3	Stand To	Doncaster	Recovery Games	T Shirts and fuel to pick participants up and take them to Proact Stadium for coach	£260

Recovery Month applications

For Recovery Month, bids were welcomed for amounts to cover celebrating recovery locally. Innovation and creativity was encouraged.

Five applications were submitted from four organisations and were considered by the evaluation team using a pre-determined, objective scoring template. Four applications scored successfully against the scoring criteria with one further application on hold pending a more robust financing and delivery plan.

It was therefore proposed to provide grants to the following organisations to enable them to engage in the Recovery Month activities for 2019:

	Organisation name	Location	Event	Funding specifics	Cost
1.	Derbyshire Veterans HQ	County wide	Crooked Spire and Red Arrows modelling activity and display	Materials and display events	£266
2.	The Zink Project	High Peak	Community Café	Food, facility rent, publicity, expenses	£320
3	Stand To	County wide	Fly Fishing event at Ladybower	Fishing passes, travel costs, including mini bus	£1210
4	Derventio – Growing Lives Project	Erewash and Amber Valley	Recovery Garden establishment and open day	Garden materials and refreshments for open day	£630

All organisations currently delivered projects with people in recovery in Derbyshire.

RESOLVED that (1) the Cabinet Member for Health and Communities approved the award of grants as detailed in the report to support Recovery activities for 2019 in Derbyshire; and (2) the Cabinet Member agreed to accept further reports over the next two years relating to the award of other small grants to support Recovery Month in Derbyshire.

25/19 ACTION GRANTS PROGRAMME At its meeting on 5 April 2018, Cabinet approved the establishment of a two year Action Grants Programme totalling £1.5 million to provide support to champion local communities, encourage local groups to deliver community activity and to support the Council's priorities in relation to resilient and thriving communities.

The Action Grant Programme would run until May 2020 and enabled local groups to apply for three levels of funding across four grant areas covering youth activity, community safety, community activity and physical/sports activity as follows:

- **Small Grants (up to £500):** Provided funding for 2,000 small scale, one off projects delivering positive activities in local communities

- **Medium Grants (up to £5,000):** Provided funding for new projects in local communities which could demonstrate local support and which had a more significant local impact.
- **Large Grants (up to £10,000):** Provided funding for new projects which had longer term viability, would continue to impact local people into the future and may cover more than one programme theme.

Projects that met the selection criteria were reviewed by an officer panel. Strategic Directors had delegated responsibility for the approval of recommended projects that fell within their remit. Cabinet agreed at its meeting on 5 April 2018 that approvals would be reported to the Cabinet Member for Health and Communities on a quarterly basis.

Round Four

The deadline for receipt of applications for rounds four of both the community activity grants and community safety grants was 31 March 2019. In round four applicants were only able to apply for a small grant as the medium and large grants were only available on an annual basis, with the next deadline being 30 June 2019.

Community Activity Grants provided funding to help local residents, groups and organisations support the development of local community activities and projects which helped local people to come together to shape the future of their neighbourhood. Funding was available to support 375 local projects which covered various types of activity.

124 small grant applications were received under round four requesting funding totalling £59,370. A small officer panel, comprising of representatives from Policy, Adult Care, Children's Services, the Library Service and the Voluntary and Community Sector met to assess the merits of each application against the required criteria. In total 105 applications, were approved to the value of £47,511.

Community Safety Grants provided funding to help local residents, groups and organisations support communities to be safe places to live and work. Funding was available to support 500 local projects which covered various types of activity.

Three small grant applications under round four of the grant programme, were received requesting funding totalling £1,500. The panel of Community Safety Officers met to assess the merits of each application against the required criteria. All three applications, were approved.

Moving Forward

Monitoring of the Programme, including take up of the different levels of grants as well as geographical coverage, would take place on a regular basis

to ensure equality of access across different communities in Derbyshire. This would ensure that there was some flexibility in the Programme as it moved forward and that spend was maximised. It would also help recognise those communities where more support may have been required to identify and promote relevant projects.

RESOLVED to note (1) 105 small Grants for Community Activity approved to the value of £47,511; and (2) three small Grants for Community Safety approved to the value of £1,500.

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PUBLIC

MINUTES of a meeting of the **CABINET MEMBER – YOUNG PEOPLE** held on 8 July 2019 at County Hall, Matlock.

PRESENT

Cabinet Member - Councillor A Dale

Also in attendance – Councillor J Coyle

39/19 **MINUTES** **RESOLVED** that the minutes of the meeting of the Cabinet Member for Young People held on 4 June 2019 be confirmed as a correct record and signed by the Cabinet Member.

40/19 **NEW INSTRUMENTS OF GOVERNMENT** Under the School Governance (Constitution) (England) Regulations 2012; proposals had been received from school Governing Bodies for an amendment to their Instrument of Government.

RESOLVED that the new Instruments of Government be made for Middleton Community Primary School as detailed in the report.

41/19 **CONFIRMATION OF NOMINATIONS OF SCHOOL GOVERNORS** **RESOLVED** to approve the nomination of the following persons to serve as Local Authority Governors:-

A Clayton	-	Brassington Primary School
G Hart	-	Anthony Gell School
S Revie	-	St Oswalds Primary School
N Compton	-	Edale CofE Primary School
S Lonsdale	-	Taxal and Fernilee Primary School
S Haigh	-	St George's Primary School, Castle Gresley

42/19 **CONSULTATION ON THE ORGANISATION OF PRIMARY EDUCATION IN TIBSHELF** The Cabinet Member was informed of the outcome of the consultation on the organisation of primary education in Tibshelf.

Derbyshire County Council made a significant investment in building a new secondary school for Tibshelf, providing modern facilities that enhance high-quality education. Tibshelf School moved to its new location on the edge of the village in November 2013. The former Tibshelf School site (to the rear of the Infant & Nursery School) occupied an area of 58,839 square metres in the centre of the village of Tibshelf. Since the school's departure, the buildings, with the exception of the changing block, have been demolished on

safety grounds. The changing block and playing fields have continued to be used by a local football club and the athletics club. There was access across the site to the allotments.

In April/May 2016, there was a pre-publication consultation to consider the future of primary education in Tibshelf and the disposal of surplus land on the former Tibshelf School site. Derbyshire County Council's Cabinet considered the outcome of that consultation in July 2016 and the decision was made to apply for permission to dispose of the surplus land. The decision on the future of primary education in Tibshelf would be the subject of further consultation. The Education and Skills Funding Agency approved the disposal of surplus land in 2018. The remaining site, together with the capital receipt from the surplus land, provided an opportunity to invest in new school premises. It was, however, necessary to determine the organisation of primary education in the village before a design could proceed. The decision would also determine the correct statutory or non-statutory procedure for re-organisation.

When the initial consultation took place, it was thought that access to the former Tibshelf School site could be achieved without impacting on the existing Infant School. Further discussion with the Highways Department had determined that that was not the case and a section of the Infant School building would have to be demolished to provide acceptable access for any development on the available site. As a consequence, if the decision was made to utilise the site for a school, the new building would be required to house both the junior and infant pupils regardless of the organisation of the school.

Town End Junior School was located on the edge of the village. It had a net capacity of 196 with 174 on roll. The site was very restricted and did not provide sufficient playing fields to meet current DfE standards. There was a maintenance backlog of £636,555. There was no scope for enlargement of the school on its present site.

Tibshelf Infant School was centrally located. It had a net capacity of 130 and 130 on roll. It was on a constrained site and the condition backlog was £389,261.

The projections showed a small decrease in numbers at the Junior School but an increase to 153 by 2023 for the Infant School (23 above capacity). In addition, planning approval had been granted for 227 houses in the village which could generate 45 primary-aged pupils. The Infant School was also eager to extend its age range to provide pre-school education to 2 year-olds.

On 28 February 2019, Cabinet agreed to a further consultation on the organisation of primary education in Tibshelf, and it took place from 14 March

2019 to 10 May 2019. A copy of the consultation paper was appended to the Executive Director's report.

There were 17 responses to the consultation. There was general support for moving to the new site but a mix of views as to whether the new school should remain as two schools but be federated or become a primary school. Details of the responses were given in the Executive Director's report.

RESOLVED to approve (1) the progression of the design of a new school on the former Tibshelf School site with consideration of an alternative entrance to the site; and

(2) the proposal to enter into discussion with the governing bodies of the infant and junior school to consider the options of either federation, the formation of a primary school or joint occupation as separate school in the new school building and report the outcome of those discussions to the Cabinet Member for a decision.

43/19 RESERVE CAPITAL FUNDING TO SUPPORT THE CATERING SERVICE PROGRAMME 2019-20 Approval was sought to create an earmarked reserve for capital expenditure on routine replacement and upgrading of school catering equipment within Derbyshire schools.

Derbyshire's Catering Service provided approximately 55,000 meals per day to 369 primary, special and secondary schools and Academies' across Derbyshire. These were delivered through kitchen facilities on school premises or through feeder schools. The service currently employed 1,500 staff to ensure quality meals are provided to schools in accordance with the contracts. Turnover (Revenue) for 2018/19 was £25.5 million.

In 2012, funding for primary school budgets was reviewed by central Government. The Government's aim was to move to a national funding formula and to simplify local funding arrangements with as much funding as possible delegated to schools.

Delegated budgets meant schools had the choice to buy-in the school meal provision with Derbyshire County Council, manage the service themselves or contract to a private sector provider (normally via a formal tender process or a framework). Buy-back of the Authority's meals service was strong at present, however it was operating in an increasingly competitive environment, especially in the secondary sector. The market was changing as Multi-Academy Trusts operated across the Authority and groups of schools look to commission services in different ways.

With the implementation of Universal Infant Free School Meals in 2014, more than 85.3% of children in Reception, Year 1 and Year 2 were taking up the offer of a healthy school lunch every day. As such, several private sector

companies were now beginning to compete to provide these services when schools go out to tender.

As part of this process and under the terms stated in the contracts between Derbyshire Catering Services (DCS) and individual schools, it was the responsibility of DCS to purchase and replace catering equipment that required upgrading as part of a scheduled replacement programme.

To continue to offer a competitive service to schools, there was a need for further additional work to be carried out to upgrade related catering equipment within the service which would improve the working conditions within kitchens and dining areas, and continued to support the increased uptake of school meals.

Catering aimed to cover all its costs including overheads and investment in service upgrades over a period of years and therefore requires that any catering surpluses can be earmarked and ring-fenced to fund upgrades and equipment replacement in future years. This could be achieved by the use of an earmarked reserve.

The Catering Service was proposing to invest £240,000 of its traded income to facilitate essential future upgrades and replacement of equipment.

Expenditure on routine replacement of equipment where the replacement value exceeded £10,000 must be treated as capital expenditure in the Authority's accounts and was therefore required to be approved by the Executive Director and included within the Authority's Capital Programme.

It was proposed that the investment would be made across two schools these being Anthony Gell and Highfields School. Details of this investment were given in the Executive Director's report.

RESOLVED to approve an earmarked reserve of £240,000 for capital expenditure on routine replacement and upgrading of school catering equipment at Anthony Gell School and Highfields School.

44/19 REQUEST TO SET THE RECOMMENDED SELLING PRICE OF SCHOOL MEALS FOR 2019-20 The Cabinet Member was informed that it was proposed that there would be no increase in the recommended selling price of a school meal to children and adults in Secondary, Primary Special and Nursery pupils from 3 September 2019.

The school catering budget was delegated to Primary schools from April 2013, having already been delegated to Secondary schools. Under delegation, the responsibility for charging now lay with schools. However, Derbyshire County Council would continue to recommend a selling price to aid schools and to provide consistency. As part of this recommendation, schools would be reminded that, under Section 533 of the Education Act 1996, the

price they charge to pupils for school meals must not exceed the cost of providing them.

The recommended prices for all school meals were last reviewed and increased (by 10p for Primary & Nursery Schools and 5p in Secondary & Special Schools) in September 2018. The current recommended prices for meals were:

Primary/Nursery Schools	£2.10
Secondary/Special Schools	£2.40
Adult Meals	£2.88 including VAT

In September 2014, the Universal Infant Free School (UIFSM) provision started for all Key Stage 1 pupils (Reception, Year 1 and Year 2 pupils). This was funded directly to eligible schools at £2.30 per pupil.

Changes to the free school meals funding means that schools have a specified funding rate of £2.30 per meal for free school meals (eligible) from 1 April 2018.

Derbyshire County Council School Meals Service currently provided approximately 55,000 meals across the county each day. Although the service faced significant budget pressures, it had been possible to mitigate these through the development of efficiencies and an income generation programme. However, the service continued to face further challenges, some of which had been mitigated through the continuation of improved performance which had ensured the sustainability of the Service.

During the past 12 months, the take-up had remained consistent with the previous year for Primaries and increased for Secondaries. The figures showed an overall take-up figure of 66.7% for Primary and Special Schools. Secondary Schools had increased by 2.8% to a total of 60.2%.

To ensure that the Service was delivering on the Department for Education's promise to prioritise children's health and wellbeing, it was important that the Service remained commercially competitive, retaining market share and maximising business opportunities. In the main, this was achieved by operating in a fair and transparent manner, ensuring that the selling price continued to be very low compared to near and statistical neighbours after the increases.

It was recognised that the meal price was increased last year following a 3 year period of being frozen and, how any such increase could impact on family finances. It was the desire of the administration to keep costs to families as low as possible, however acknowledgement had to be made to the fact that the Service must operate in a viable manner.

It was also expected that the price freeze would prevent the trend for a 2% fall in demand following increases as reflected in previous years. This would help to ensure the Service maintained a good take up of meals in order to support the Catering Service Plan.

In the event of a surplus, the Authority was committed to reinvesting in business improvements within the Catering Service.

A benchmarking review of selling prices had been undertaken and the Authority's prices compared favourably with other authorities. These comparisons were shown in the Appendices to the Executive Director's report.

RESOLVED to note that the recommended selling price of meals in all schools from 3 September was to remain the same at:

Primary/Nursery Schools	£2.10
Secondary/Special Schools	£2.40
Adult Meals	£2.88 including VAT

PUBLIC

MINUTES of a meeting of the **CABINET MEMBER – YOUNG PEOPLE** held on 6 August 2019 at County Hall, Matlock.

PRESENT

Cabinet Member - Councillor A Dale

Also in attendance – Councillor J Twigg

45/19 **MINUTES** **RESOLVED** that the minutes of the meeting of the Cabinet Member for Young People held on 8 July 2019 be confirmed as a correct record and signed by the Cabinet Member.

46/19 **NEW INSTRUMENTS OF GOVERNMENT** Under the School Governance (Constitution) (England) Regulations 2012; proposals had been received from school Governing Bodies for an amendment to their Instrument of Government.

RESOLVED that the new Instruments of Government be made for Coppice Primary School; Creswell CofE Infant School and Nursery; Field House Infant School; Parkside Community School and William Rhodes Primary School as detailed in the report.

47/19 **CONFIRMATION OF NOMINATIONS OF SCHOOL GOVERNORS** **RESOLVED** to approve the nomination of the following person to serve as Local Authority Governor:-

C S Smith - Ashbrook Junior School

48/19 **SCHOOL GRANTS 2019/20** The Department for Education (DfE) paid a number of grants to the Authority in the last financial year which were required to be wholly passed onto schools based on individual school allocations calculated by the DfE. These grants are due to be continued in 2019-20 and whilst the final 2019-20 allocations were yet to be confirmed, the methodologies for calculating allocations were known. For schools that have converted to Academy status the DfE deducts the amounts paid to Derbyshire's allocations and made payment direct to the school.

The table below showed gross grant allocations for Derbyshire, before academy deductions:-

Grant	2018-19 Allocation	2019-20 Allocation
Pupil Premium	£28.6m	£29.7m
PE & Sports Premium	£6.2m	TBA
Year 7 Literacy & Numeracy Catch-up Premium	£0.6m	TBA
Universal Infant Free School Meals	£8.3m	£8.3m
Free School Meal Supplementary	£1.1m	TBA
Teachers' Pay Grant	£2.4m	£4.2m
Teachers' Pension Grant*	N/A	TBA
Devolved Formula Capital	£3.2m	£3.2m
DFC 18-19 additional	£5.5m	N/A

* Due to start from September 2019

Appendix 1 to the report provided a breakdown of the methodology of how each individual schools allocation has been calculated by the government and showed the split between Derbyshire County Council maintained schools and academies.

RESOLVED that the additional grant funding for schools be noted.

49/19 REVENUE OUT-TURN 2018/19 – CHILDREN'S SERVICES

The Cabinet Member was informed of the final revenue out-turn position for 2018/19 for the Children's Services department.

Identified within the Executive Director's report were the significant variations of expenditure from the budget with an assessment of the impact of growth items approved as part of the 2018/19 budget settlement.

Progress was received against achievement of budget reductions and transfers to and from reserves was noted. Also noted was the expected impact of the 2018/19 out-turn on future years and any actions proposed.

The final out-turn of the 2018/19 Dedicated Schools Grant (DSG) was also reported.

Attached at Appendix 1 to the report was a summary statement setting out the final controllable out-turn position for Children's Services (CS) for 2018/19.

Net controllable expenditure in 2018/19 was £104.557 million compared with a budget of £100.337 million after transfers to and from reserves, resulting in a controllable overspend of £4.220 million. The main variances on controllable expenditure were itemised in the report. The expenditure for 2018/19 also included £0.022 million for the deficit balances of schools which have converted to become Academies due to the direction of the Secretary of State for Education.

The Dedicated Schools Grant (DSG) was a ring-fenced grant comprising four individual blocks – Schools Block, High Needs Block, Early Years Block and Central School Services Block. Expenditure was £383.192 million, compared with in-year grant income of £378.759 million and use of previous years' grant income of £3.625 million, a net overspend of £0.808 million. The report included an analysis and reasons for the variance by area.

RESOLVED (1) that the out-turn position, variations of expenditure from budget, impact of 2018/19 growth allocations and progress in achieving budget reductions be noted;

(2) to note the transfers to and from reserves outlined in the report;

(3) to note the expected impact of the 2018/19 outturn on future years and planned actions; and

(4) to note the final outturn of the 2018/19 Dedicated Schools Grant.

50/19 SCHOOL BUDGETS : DEFICIT BALANCES AND RECOVERY PLANS BRINGING BUDGETS INTO BALANCE OVER MORE THAN ONE FINANCIAL YEAR

The report detailed Governing bodies of schools with budget deficits who have requested approval to implement budget plans in order to repay the deficits over more than one year and schools which have still to agree a deficit recovery plan.

Before making such a request, the school must demonstrate to officers from Children's Services and Corporate Finance that all other options have been exhausted. Approval to repay a deficit was normally only allowed over a maximum of three years. Additional years might be granted if, in the opinion of the Executive Director for Children's Services, the school's ability to deliver the national curriculum would otherwise be seriously jeopardised and that no other reasonable course of action was available.

The estimated balances and pupil numbers of the schools included in the report were provided in Appendix 1 to the report.

In relation to requests to balance the budget over more than one year there were seven schools in this group, namely Fairmeadows Foundation Primary (2 year plan); Longstone CE Aided Primary School (2 year plan); Parkside Community School (2 year plan); Ashbourne Hill Top Primary (3 year plan); Charlesworth Primary School (3 year plan); Anthony Gell School (3 year plan); and William Allitt School (4 year plan).

Despite best efforts, a small number of schools have been unable to produce plans to bring their budgets back into balance, namely Brookfield Primary School, Glossopdale School and New Mills School. Brookfield Primary School and Glossopdale School were being supported by the

Authority's Team Around The School (TATS) processes, to identify long-term financial solutions.

Following a recent inspection Glossopdale would potentially be required to convert to academy status and if this happened the accumulated deficit would remain with the Authority. The estimated deficit at 31 March 2020 was - £0.746 million.

New Mills School deficit would reduce slowly over the next three years and the deficit at the end of 2020-21 would have fallen to £0.620 million. The school was a small secondary school with limited scope to make further savings.

RESOLVED (1) to allow the schools detailed in section 2.1 of the report to recover their budget deficits over two to four financial years;

(2) to note the position of the three schools in section 2.2 of the report that are currently unable to submit a balanced budget recovery plan;

(3) to require the governing bodies of the three schools in 2.2 to agree and submit plans to the Authority by the end of the current financial year that eliminate the accumulated deficits within a timeframe acceptable to the Authority; and

(4) to note the potential financial risk to the Authority should Glossopdale convert to academy status.

51/19 EXCLUSION OF THE PUBLIC RESOLVED that the public, including the press, be excluded from the meeting during consideration of the remaining item on the agenda to avoid the disclosure of the kind of exempt information detailed in the following summary of proceedings:-

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC, INCLUDING THE PRESS, WERE EXCLUDED FROM THE MEETING

1. To consider the exempt Report of the Strategic Director for Children's Services on Review of the Physical Education and School Sports Service (contains information which is likely to reveal the identity of any individual)

PUBLIC

MINUTES of a meeting of the **CABINET MEMBER FOR HIGHWAYS, TRANSPORT AND INFRASTRUCTURE** held at County Hall, Matlock on 11 July 2019

PRESENT

Cabinet Member - Councillor S A Spencer

Also in attendance - Councillor T Ainsworth and G Hickton.

39/19 **MINUTES** **RESOLVED** that the Minutes of the meeting of the Cabinet Member for Highways, Transport and Infrastructure held on 19 June 2019 be confirmed as a correct record and signed by the Cabinet Member.

40/19 **PETITION – LORD HADDON ROAD, ILKESTON – REQUEST FOR RESIDENTS’ ONLY PARKING** Following the receipt of a petition requesting Residents’ Only Parking on Lord Haddon Road, Ilkeston, investigations have been undertaken.

Ilkeston currently has two ‘Residents’ (Permit Holders Only) Parking Schemes’ in place, one is a zone around the Queens Street Area and the second zone, St Mary Street Area, is in place off Bath Street. It was acknowledged that during Monday to Saturday, 9am to 5pm, shoppers, staff and students from Derby College and people working in the centre of Ilkeston were unable to park within the residents’ only parking scheme and therefore did displace onto the nearest available roads, such as Lord Haddon Road, in order to avoid the associated parking charges in the Erewash Borough Council car parks.

Requests for Residents’ Parking Schemes have also been received from Nesfield Road, Bristol Road, St Andrews Drive, Wharnccliffe Road, Durham Street, Wilton Place, Stamford Street, Belper Street and Union Road. All of which were subjected to a high level of on-street parking. If a further scheme of Residents’ Parking was considered for Ilkeston, it would have to include Lord Haddon Road and all of the streets listed above. There would also need to be evidence to suggest that the majority of those residing in these areas were prepared to pay for required charging costs.

Such schemes were a major undertaking in terms of staff resources together with the necessary public consultation, setting up and annually managing the process. A bid would therefore need to be submitted for additional resources from a future year’s capital programme of schemes.

RESOLVED (1) not to implement a ‘Residents’ Only’ parking scheme in isolation on Lord Haddon Road, Ilkeston;

(2) that consideration be given to funding a town wide consultation exercise from a future years' Service Plan of capital schemes; and

(3) that the Local Member and MP be informed the of the decision.

41/19 PETITION – SAVE DERBY LODGE TEAROOMS AT SHIPLEY PARK

Following the receipt of a petition requesting that the tearooms at Derby Lodge, Shipley Country Park were kept open, investigations have been carried out.

Derby Lodge Café has been operated by a charity since 1 April 2004, paying an annual subsidised/supported rent of £500, agreed by Cabinet. The terms of the licence included that the tenant was responsible for the fixtures and fittings of the café, and the Council for the maintenance of the building and grounds.

In March 2019, the lease was surrendered and, since then, a number of interested parties have come forward through informal enquiries and expressed interest in running the facility. To comply with Council policy and procedures, any new lease/licence required formal market testing. A tendering exercise was held between 5 April and 26 April 2019 and three compliant submissions were received and evaluated on rental income and social value proposals.

A successful bid has been selected and the Director of Property was finalising a lease with the successful party with a view to Derby Lodge reopening as soon as possible. It was noted at the meeting that it was anticipated that the tearooms would open on 20 July 2019.

RESOLVED (1) to note the successful tendering process undertaken to select a suitable bidder to take on the lease for Derby Lodge Café to ensure it remains a facility for users of Shipley Country Park; and

(2) Local Member and lead petitioner be informed accordingly.

42/19 PROPOSAL TO DEVELOP A STRATEGIC PLANNING FRAMEWORK FOR DERBYSHIRE

The need for local planning authorities to work more effectively together in preparing their Local Plans, particularly joint working on cross-boundary strategic planning matters, has become a high priority for Government, and was now reflected in the revised National Planning Policy Framework (NPPF).

It was widely recognised that the Duty to Co-operate, a statutory duty between authorities, was insufficient for delivering well-coordinated strategic planning. In particular, the Ministry of Housing, Communities and Local Government (MHCLG) has emphasised that the single biggest reason why district and borough local plans have failed the 'soundness' test was due to the failure of local authorities to adequately collaborate in their plan making process. As a consequence, MHCLG has sought to address this failure through advocating, via the NPPF, more comprehensive working arrangements between authorities, including upper tier

authorities. There was also a recognition that strategic infrastructure priorities must have a greater role in influencing planning strategies.

There was a long and successful history of effective joint working between the D2 local planning authorities and the Peak District National Park Authority (PDNPA) on strategic plan making. Derbyshire was an area of high planned growth up to around 2033 and there was now a good understanding of the current distribution of the growth agenda that would deliver homes, economic development and key infrastructure within Derbyshire over the next 15 years. There was now a need to start preparing for the next generation of growth within the County, which would involve addressing fundamental questions around what Derbyshire would look like in 30 years' time and how shared issues could best be addressed.

The proposed Strategic Planning Framework would be non-statutory but would complement the adopted or emerging local plans of the districts and boroughs. It would become a material consideration in the preparation of future local plan reviews and in the determination of planning applications, although as a non-statutory document, it would not usurp the relevant local plan. The primary role of the Framework would be to provide an evidence-led consensus around common key strategic objectives and priorities through an overarching spatial planning vision for the County covering the period 2020 to 2050. It would be informed by existing and new evidence developed to support local plans, supplemented by other new, county-wide evidence as necessary. It would also enable authorities to respond collectively on other sub-regional and regional matters as they arise, such as proposals for HS2 and bids for funding. The Strategic Planning Framework would deliver for all D2 authorities, including the PDNPA, on a number of wider benefits.

Shared thinking and joint work over the last 12 months between senior planning officers in D2, has established the strong support in principle for the preparation of a Strategic Planning Framework for Derbyshire, using the existing Housing Market Areas as the basis for setting out priorities and objectives. Preparation of the Strategic Planning Framework jointly with Derby City Council has also been discussed.

Consultation has been undertaken with the National Strategic Planners' Network (NSPN) for advice on how to take forward a Framework of this nature, and discussions have also taken place with the County Council Network (CCN) for similar advice. Examples where county and unitary and/or district councils have been collaborating on the preparation of statutory and non-statutory strategic plans or strategic growth strategies were highlighted and many have received substantial financial support from Government. The Director of the NSPN has emphasised that such a Framework for Derbyshire should be seen as a long term strategy with a recommended time horizon of 2050.

It was anticipated the Strategic Planning Framework would be prepared collaboratively by the D2 local planning authorities and PDNPA. Although the document would be non-binding, it was proposed its development would follow the

format of a 'formal process' to ensure meaningful consultation and engagement. Reports have been presented to meetings of the Derbyshire Chief Executive Group and the D2 Joint Committee for Economic Prosperity and both have given their support and endorsement for the collaborative preparation of the Framework.

It was envisaged that a detailed project plan would be prepared which would include details of governance, timescales, evidence, process and consultation arrangements which would be reported to a future Cabinet Member meeting. The County Council was able to offer resources to lead this work. An outline project plan has been developed to give an indication of how the Framework could be progressed, and this was detailed in Appendix 2 to the report.

RESOLVED to approve the participation of the Executive Director and officers in (1) the commencement of work to develop a non-statutory Strategic Planning Framework for Derbyshire;

(2) discussion between Derby City and Derbyshire County Council to explore the potential for the Framework to be prepared jointly for the whole D2 area (i.e. Derbyshire, Derby City, all the Derbyshire districts/boroughs and the Peak District National Park Authority);

(3) the development of an expression of interest for submission to the Government's Planning Delivery Fund to support preparation of the Strategic Planning Framework; and

(4) the preparation of a detailed project plan (including governance, timescales, evidence, process and consultation arrangements) for the Framework, to be subject to further discussion and endorsement by the Cabinet Member.

PUBLIC

MINUTES of a meeting of the **CABINET MEMBER FOR ECONOMIC DEVELOPMENT AND REGENERATION** held on 8 August 2019 at County Hall, Matlock

PRESENT

Cabinet Member – Councillor T King

Also in attendance – Councillors G Hickton and R Mihaly

05/19 **MINUTES RESOLVED** that the minutes of the meeting held on 9 May 2019 be confirmed as a correct record and signed by the Cabinet Member.

06/19 **REVENUE OUTTURN 2018-19** The report informed the Cabinet Member of the outturn position for 2018-19. The net expenditure was £0.682m against a budget of £0.867m, resulting in a controllable underspend of (£0.185m).

Economic Development saw an underspend of £0.232m. All efforts had been made to secure match funding where available and deliver interventions where possible. The leveraging of EU funding (notably European Regional Development Fund) had been matched since 2015 and Cabinet had secured an extra £200,000 in January 2018 to support a new and dynamic approach to economic development. It had taken up to 12 months to implement the new approach focused on delivering enterprise and investment services to business through the Derbyshire Economic Partnership. It was expected that any underspends would be reduced as interventions were developed and delivered to support the Council's economic growth ambitions in relation to targeted business support and investment and trade promotion.

Earmarked Reserves relating to this portfolio, totalling £0.832m, were currently held to support future expenditure. Details of these reserves were tabled within the report, with budget savings totalling £0.325m allocated for the year.

Performance against the savings identified:

Description	Budget Savings Target 2018-19 £m	Achieved Amount by end 2018-19 £m	Balance Not Achieved 2018-19 £m
Markham Employment Growth Zone (MEGZ)	0.325	0.106	0.219
Total	0.325	0.106	0.219

Achieving the targeted budget saving for MEGZ was dependant on increasing the level of income received through the Site Facilities Charge levied on occupiers, to meet the costs of ongoing site management and maintenance. Whilst there had been some success in attracting new occupiers to the site, the rate of take-up had been slightly lower than previously predicted, thereby the anticipated increase in income from the Site Facilities Charge was lower than expected. It was predicted that the full saving would be achieved in 2019-20.

RESOLVED that (1) the report be noted; and

(2) that an intermittent update on the project be presented to the Cabinet Member at the next meeting.

07/19 INTERNATIONAL RELATIONSHIPS UPDATE A summary of the developing action plans for work with Anhui in China and Toyota City in Japan were presented together with a report on the current workload programmes and associated travel plans.

The Toyota City Partnership Development Board (TCPDB) had brought new partners into the international relationship including further education colleges and the University of Derby, the East Midlands Chamber of Commerce, Marketing Derby and Marketing Peak District and Derbyshire, the National Forest and Toyota Motor Manufacturing UK. The TCPDB maximised the opportunities for local people across five themes: education, culture, the environment, the economy and sport. The five year action, started in 2018 set out planned work across each of five themes. This year the TCPDB was planning to:

- extend the opportunities for Derbyshire pupils to host Toyota City students and prepare for a return visit in 2020;
- increase collaboration between the University of Derby and Chukyo University;
- participate in the Japanese Embassy's Season of Japanese Culture and to open up access to cultural opportunities through a Derbyshire-Japanese Society;
- promote the Derbyshire/Derby-Toyota City relationship, e.g. at Chatsworth Country Fair;
- showcase Derbyshire/Derby businesses in Toyota City and promote trade by supporting local business wishing to import/export with Japan;
- collaborate on environmental issues; and
- support Toyota City in its preparations for the Rugby World Cup in 2019 and the Olympics and Paralympics in 2020 by creating and promoting sporting links.

In March 2020, the TCPDB intended to promote Derbyshire/Derby business at a business convention in Toyota City. The Chair of the TCPDB and

up to two officers, would attend at a cost of approximately £4,000. Attendance at the business convention would create an opportunity to showcase Derbyshire products and facilitate links between Derbyshire based and Toyota based businesses. The Department of International Trade was supporting the event by funding two preparation seminars for businesses in advance of the convention and funding the creation of short videos of Derbyshire Businesses which already export to Japan.

The County Council worked with the Midlands Engine and the Department of International Trade to promote and foster economic links in China – that was through the Derby and Derbyshire (D2) China Partnership which included partners in leisure and tourism, sport, education marketing and private enterprise. The D2 China Partnership existed to support UK/Derbyshire businesses in trade with China and encourage inward investment from China; it also provided a developmental platform for educational, sporting and cultural exchange. This year, the Partnership was planning to:

- continue its work to attract and support inward investors to the County;
- continue to identify new opportunities for economic development through an active programme of investor engagement by receiving and visiting investors;
- promote D2 businesses in China and support local businesses wishing to export to China;
- further develop tourism between China and D2; and
- promote educational collaboration between universities and between local FE colleges and technical and vocational education and training in Anhui.

In September 2019, the Midlands Engine would be presented at the World Manufacturing Conference in Hefei, Anhui Province and a D2 delegation would participate in this. The event would be preceded by international Government meetings and as international Partner to Anhui, Derbyshire County Council would be there to represent Derbyshire businesses. Two elected members and up to two officers would travel to Hefei, to take part in the conference, promote businesses and meet with investors, at a cost of approximately £6,220. The current D2 China Partnership action plan was attached to the report.

RESOLVED to (1) note the Toyota City Partnership Development Board's five year action plan;

(2) note the Derby and Derbyshire (D2) China Partnership five year action plan; and

(3) approve the budget of £12,000 for journeys and visits associated with the action plans and any variations to the proposed expenditure be determined by the Executive Director – Economy, Transport and Environment in consultation with the Cabinet Member.

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PUBLIC

MINUTES of a meeting of the **CABINET MEMBER – ADULT CARE** held on 15 August 2019 at County Hall, Matlock.

PRESENT

Councillor J Wharmby (in the Chair)

Also in attendance were Councillors C Dale, and J Twigg

13/19 **MINUTES RESOLVED** that the minutes of the meeting held on 13 June 2019 be confirmed as a correct record and signed by the Cabinet Member.

14/19 **REVENUE OUTTURN 2018-19** There was an underspend of £9.483m on controllable expenditure. The main variations were:

Service	(Under)/Over Spend £m	Main Reasons for Outturn Position
Purchased Services (All Client Groups including both Independent Sector and In-House Services)	(1.802)	Under-spend achieved through demand management and a successful reclaim of costs from another local authority following a successful ordinary residency claim
Pooled Equipment (ICES)	(1.416)	Savings made on the Integrated Community Equipment Service pooled with the Derbyshire Clinical Commissioning Groups
Social Care Activity	(1.428)	High level of vacancies due to difficulty in recruiting staff
Information and Early Intervention	(0.884)	Savings on various schemes including Commissioned Carer Services, Healthwatch, Dementia Services and Direct Payment Employment Support
Commissioning and Service Delivery	(0.715)	Vacancy management and efficiency measures
Housing Related Support	(0.913)	Under-utilisation on a number of spot contracts
Unallocated Budgets	(2.032)	Balance of budget growth not allocated to services

Any significant changes were included in the 2018-19 budget as growth items, detailing each amount and where the funds had been raised from.

A detailed analysis of the earmarked reserves was shown below.

	Opening Balance £m	Additions £m	Used/ Returned £m	Closing Balance £m
ICT System Replacement Reserve	0.250	0.000	0.000	0.250
Budget Savings Shortfall Reserve	3.161	0.000	(3.161)	0.000
Budget Savings Pump Priming	0.771	0.000	(0.771)	0.000
Healthy Homes	0.000	0.098	(0.065)	0.033
Older People's Housing Strategy	0.000	22.676	0.000	22.676
	4.182	22.774	(3.997)	22.959

The earmarked reserves had been reviewed and all were required to meet commitment already agreed for 2019-20 onwards.

Savings were achieved in 2018-19 in the following areas:-

	£m
On-Going Savings	
Consolidate Block Contracts	0.200
Reduction in Commissioning & Performance Staffing	0.225
Demand Management	2.500
Use of Improved Better Care Fund	3.170
	6.095

The start of year projection for the 2019-20 position was as follows:

	£m
Underlying underspend from 2018-19	(9.483)
Add; Additional Funding:	
Adult Social Care Precept	(6.290)
Improved Better Care Fund	(6.148)
Less; Additional Commitments/Pressures	
Budget Savings Target	5.732
Independent Sector Fee Increases	8.567
Pay Award	3.385
Total Budget Available	(4.237)
Savings already identified (see below)	(5.732)
Underlying Budget Position	(9.969)

However, there were significant further budget pressures arising from the following:

- Transforming Care Programme (TCP)
 - Learning Disability
 - Mental Health
- Quality, Innovation, Productivity and Prevention Programme (QIPP)
- Learning Disability Short Breaks

To date it had not been possible to quantify the above, but work was continuing to further understand the potential financial impact on the department.

A number of actions were to be taken to deal with the Budget Pressures for 2019-20, the actions in progress were:

	£m
Electronic Home Care Recording	0.350
Saving on LD Block Contracts and High Cost Placements	0.500
Use of the Improved Better Care Fund to support Adult Care Services	4.882
Total Savings Identified	5.732

A number of significant funding sources were due to cease at the end of 2019-20 as follows:

	£m
Better Care Fund	39.944
Improved Better Care Fund	31.055
Winter Pressures Grant	3.627
Independent Living Fund Grant	2.534
Total	77.160

Although it was expected that new sources of funding would replace the items above, there was no guarantee that these would be at the same level and there was a potential risk of further budget pressures from 2020-21 onwards.

At cabinet on 11 July 2019 approval was given to transfer £7.324m of the underspend of £9.483m to a reserve to contribute towards the capital cost of implementing the Older People's Housing Strategy with the remaining balance of £2.160m transferred to the Budget Savings Pump Priming Reserve.

RESOLVED that (1) the report be noted; and (2) the use of 2018/19 underspends be noted.

15/19 **EXCLUSION OF THE PUBLIC** **RESOLVED** that the public be excluded from the meeting during the consideration of the remaining items on the agenda to avoid the disclosure of the kind of exempt information detailed in the following summary of proceedings:-

SUMMARY OF PROCEEDINGS CONDUCTED AFTER THE PUBLIC WERE EXCLUDED FROM THE MEETING

1. To confirm the exempt minutes of the meeting of the Cabinet Member for Adult Care held on 13 June 2019.

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Agenda Item No 6(a)

DERBYSHIRE COUNTY COUNCIL

CABINET

11 September 2019

Report of the Director of Finance & ICT

BUDGET MONITORING 2019-20 (as at 30 June 2019)
(STRATEGIC LEADERSHIP, CULTURE AND TOURISM)

1 Purpose of the Report

To provide Cabinet with the Revenue Budget position for 2018-19 as at 30 June 2019.

2 Information and Analysis

The report summarises the controllable budget position by Cabinet Member Portfolio as at 30 June 2019. Further reports will be considered at Audit Committee and Council in accordance with the Budget Monitoring Policy and Financial Regulations.

The projected outturn compared to controllable budget is summarised below. This includes the use of one-off funding to support the Highways, Transport and Infrastructure portfolio.

	Budget	Forecast Actuals	Projected Outturn
	£m	£m	£m
Adult Care	252.712	248.084	(4.628)
Corporate Services	47.354	46.910	(0.444)
Economic Development and Regeneration	0.700	0.600	(0.100)
Health and Communities (exc. Public Health)	3.657	3.420	(0.237)
Highways, Transport and Infrastructure	80.082	80.082	0.000
Strategic Leadership, Culture and Tourism	10.720	10.551	(0.169)
Young People	110.607	113.670	3.063
Total Portfolio Outturn	505.832	503.317	(2.515)
Interest and Dividend Income			0.000
Debt Charges			0.000
Risk Management			(0.047)
Total			(2.562)

A summary of the individual portfolio positions is detailed below.

Adult Care

There is a projected year-end underspend of £4.628m. The main variances are:

Purchased Services, £3.141m overspend – relates to an increase in the cost of complex care packages and a reduction in Continuing Health Care funding.

Assistive Technology and Equipment, £1.901m underspend – more targeted issuing has ensured that only the most appropriate community equipment is supplied, saving on the procurement of less suitable equipment.

Unallocated Budgets, £3.807m underspend – relates to budgets awaiting allocation during the year.

Due to the high projected underspend on the portfolio and an estimated increase of £1.350m in Better Care Fund grant income in addition to this, it is proposed that £5.000m of base budget is transferred from Adult Care to the Risk Management budget.

The budget savings target for 2019-20 is £5.732m. Of this target, £5.703m is expected to be achieved by the end of the financial year.

Additional funding has been provided in the 2019-20 budget for the main growth items:

- Adult Social Care Precept and Improved Better Care Fund - £12.439m, to cover the additional cost of independent sector fees and the pay award relating to staff working in Adult Care.
- Transformational Care Programme - £0.456m, to move 24 clients from long stay hospitals to social care provision in line with the independent living agenda.

The main risks which could impact on the portfolio's outturn position are contained in Appendix Two.

Corporate Services

There is a projected year-end underspend of £0.444m. The main variances are:

Finance and ICT, £0.860m underspend - due to vacancy control. This will assist in managing a planned restructure aiming to deliver significant savings over the three years from 2020-21.

County Property, £0.583m overspend – this relates to the under achievement of the income target for industrial estate properties. Whilst occupancy is at a

relatively high 92%, there are a number of the units where the full income level is not being achieved as some are leased to charities at below market rates, others are benefitting from rent free periods to attract businesses and offset maintenance costs. The Council has to pay the business rates on empty industrial units which has adversely affected the ability of the units to fully meet the return expected. These issues have been a consistent problem for a number of years, however, it must be remembered that the units are still delivering a net income. The income target is challenging and work is underway to ensure the units are placed on a sustainable basis moving forward.

Strategic Management, £0.364m underspend - relates to savings arising from previous restructures of senior management.

Legal Services, £0.318m overspend – demand for services means there is still a need to employ agency staff. A different model for delivering legal services is currently being considered with the aim to manage both service demand and costs more effectively.

Human Resources, £0.142m underspend – due to vacancy control. Departmental Human Resource functions are currently being centralised. Holding vacancies will assist in managing a planned restructure of the function as a whole which is expected to deliver significant savings in 2020-21 and 2021-22.

A budget savings target for 2019-20 of £1.340m has been allocated. Of this target, £1.152m of savings initiatives have been identified, all of which are expected to be achieved by the end of the financial year.

Additional funding has been provided in the 2019-20 budget for the main growth items:

- Legal Services - £0.300m (one-off), to support the high levels of demand for the service
- ICT Strategy - £0.200m, to ensure that ICT is aligned with the needs of the business and delivery of the Enterprising Council programme.
- Enterprising Council - £0.150m (one-off), to support transformational change.
- Learning Management System - £0.083m (one-off), to manage the replacement of the Council's Learning Management system.
- HR SAP Development - £0.045m (one-off), to support the HR SAP Development team to generate financial savings.

The main risks which could impact on the portfolio's outturn position are contained in Appendix Two.

Economic Development and Regeneration

There is a projected year-end underspend of £0.100m. The main variances are:

Economic Development, £0.173m underspend – Part of the budget for the Enhanced Enterprise and Investment Service is set aside to lever in external funding. Suitable projects which deliver sufficient value for money have not yet been identified, so this budget is not currently forecast to be spent.

Employment and skills, £0.073m overspend – relates to salary overspend, resulting from a budget deficit when the Head of Employment and Skills post was established.

No budget savings target has been allocated to this portfolio for 2019-20.

No additional funding has been provided to this portfolio in the 2019-20 budget.

There are no significant risks expected to impact on the portfolio's outturn position.

Health and Communities

The Health and Communities portfolio includes the Public Health budget of £39.477m, which is fully funded by the ring-fenced Public Health Grant for 2019-20. The forecast year-end position for the portfolio is an underspend of £0.643m. However, excluding Public Health, the portfolio is forecast to underspend by £0.237m. The main variances are:

Public Health, £0.345m underspend – a large proportion of the underspend continues to be generated from activity-based contracts which are not achieving anticipated levels of service. Some of the underspend will be used to mitigate the effects of a reduction of £1.071m in the Public Health Grant in 2019-20 and potential lower future funding levels.

Prior year underspends have been transferred into the Public Health Reserve. The balance on the reserve was £9.601 at 30 June 2019. The funds in this reserve are now fully committed.

Trading Standards, £0.198m underspend – reduced staffing costs following a restructure in December 2018.

A budget savings target of £0.157m has been allocated for 2019-20. £0.157m of savings initiatives have been identified, of which it is anticipated that £0.156m will be achieved by the end of the financial year.

Additional funding has been provided in the 2019-20 budget for the following growth items:

- Coroners - £0.270m, to establish new posts and increase daily fees to Assistant Coroners.
- Trading Standards (Older People Support) - £0.048m (one-off), to provide a programme to increase awareness and reduce instances of fraudulent activity against older people.

The main risks which could impact on the portfolio's outturn position are contained in Appendix Two.

Highways, Transport and Infrastructure

The Highways, Transport and Infrastructure portfolio is forecast to overspend by £2.622m, against a total budget of £77.460m. However, this will be brought into a break-even position, after the allocation of one-off funding from the Economy, Transport and Environment department's earmarked reserves as follows:

- £1.000m from the Winter Maintenance reserve.
- £1.622m from the prior-year underspends reserve.

Before the allocation of the reserve funding detailed above, the main variances are:

Unallocated Budget Savings, £5.250m overspend – savings targets not yet allocated to specific services.

Planning and Development, £1.105m underspend – mainly due to additional inspection fee income, paid to the Council by building developers, under Section 38 and 278 of the Highways Act (1980). The high levels of fee income reflect the present state of the local economy and the large number of developments currently underway.

Winter Maintenance, £1.027m overspend – of the £1.400m budget for the winter service, nearly £1.000m had already been spent by the end of June 2019. Further expenditure of £1.500m is forecast for the remainder of the year. These overspends will be supported by use of the Winter Maintenance earmarked reserve.

Waste Management, £0.994m underspend – lower than expected waste tonnages.

Public and Community Transport, £0.787m underspend – less support being paid to bus operators than expected.

The budget savings target for 2019-20 is £2.609m, with a further £3.321m target brought forward from previous years. Of this total target of £5.930m, £0.680m is expected to be achieved by the end of the financial year, with the expected base budget overspend being met from one-off funding, as explained above. Therefore there is currently a £5.250m forecast shortfall in

achievement of budget savings, however the multi-year savings programme to 2023-24 does allow for some slippage to be covered by prior years' underspends, still delivering the savings target in total.

Additional funding has been provided in the 2019-20 budget for the main growth items:

- Waste Management - £1.500m, to cover the increased cost of delivering the waste treatment and disposal contracts across Derbyshire and increased cost of recycling credits.
- Highways Maintenance - £1.000m (one-off), to provide a co-ordinated programme of maintenance improvements.
- Public Transport - £0.500m, to maintain reasonable levels of public transport accessibility across Derbyshire.
- Water Body £0.100m (one-off), to enable the Council to meet its obligations to manage its water bodies under new regulations
- HS2 Co-ordination Officer £0.064m (one-off), to support representation of the Council's interests as the HS2 route is developed.
- Street Lighting Energy - £0.048m (one-off), to meet inflationary increases to the cost of street lighting energy.

The main risks which could impact on the portfolio's outturn position are contained in Appendix Two.

Any additional costs incurred from the identified risks will be met from the Economy, Transport and Environment Prior Year underspend earmarked reserve and the Winter Maintenance earmarked reserve, therefore none of these issues are expected to impact on the overall budget position for 2019-20.

Strategic Leadership, Culture and Tourism

A year-end underspend of £0.169m is projected. The main variances are:

Communications, £0.099m underspend – due to vacancy control, staff turnover and lower running costs.

Policy and Research, £0.111m underspend – due to vacancy control and reduced running costs.

Call Derbyshire, £0.111m underspend – due to vacancy control and staff turnover.

The budget savings target for 2019-20 is £0.542m, with a further £0.159m target brought forward from previous years. All of this total target of £0.701m, is expected to be achieved by the end of the financial year.

Additional funding has been provided in the 2019-20 budget for the following items:

- Community Managed Libraries - £0.742m (one-off), to fund the commitment to introduce community managed libraries
- Thriving Communities - £0.368m, to focus on radically reshaping demand, unlocking community potential and creating an alliance for work and skills.
- Enterprising Council - £0.094m, to support transformational change.

There are no significant risks expected to impact on the portfolio's outturn position.

Young People

The projected year-end position is an overspend of £3.063m. However, it is anticipated that the eventual overspend could be as high as £4.000m to £6.000m depending on the continued trend in the rate of placements for children in care.

This forecast outturn position includes £6.756m of Dedicated Schools Grant income, as a contribution to the cost of supporting Early Help services and children with additional needs. Income from this source is not guaranteed to continue at the same level in future years.

The main variances in respect of the forecast year-end position are:

Support to Children with Disabilities, £1.248m overspend – increasing demand for support and complexity of some individuals' needs.

Education Support Services, £1.213m overspend – an increase in the number of children with Special Educational Needs (SEN) driving demand for the Psychology and the Planning and Assessment teams. Also, it is forecast that the decision not to increase the price per meal charged to schools will contribute £0.312m to the overspend on the school catering service.

Placements for Children in Care, £0.814m overspend – placement numbers have continued to rise steadily over the last six months. There are currently more placements required than can be funded from the allocated budget.

Home to School Transport, £0.595m overspend – an increase in the number of journeys provided to children with SEN and an increase in the cost of those journeys, driven by economic factors and the need to provide more specialised vehicles.

Early Help and Preventative Services, £0.445m overspend – a shortfall in contributions from schools towards the Early Help offer, offset to some extent by vacant posts in the Multi-Agency and Youth teams. A review is being finalised which, when implemented, will result in a more targeted Early Help service.

Pensions Payable to Former Staff, £0.242m overspend – enhanced pension obligations payable to staff who left during the early 1990s.

Unallocated Budget, £1.572m underspend – this represents budget released as a result of changes to the Early Help offer. It is being held to cover an anticipated £1.767m of grant income which the government has signalled will be withdrawn in 2020-21. In the interim it will help offset some of the portfolio's underspend against its current budget.

A savings target of £3.013m has been allocated for 2019-20. Savings initiatives totalling £3.013m have been identified, all of which are expected to be achieved by the end of the financial year.

Additional funding has been provided in the 2019-20 budget for the main growth items:

- Placement Demand Pressures - £3.000m plus one-off funding of £5.000m, to support the increase in the demand for placements and the increasing complexity of children and young peoples' needs.
- Social Worker Recruitment - £1.300m plus one-off funding of £2.600m, as part of a four year recruitment plan to increase the number of social workers to ensure caseloads are at a healthy working level consistent with good practice.
- Home to School Transport (SEN) - £1.450m, to support the increased cost of transporting children and young people to school, pupil referral units or alternative provision when they have been excluded from mainstream schools.
- Increase in Special Guardianship Placements - £1.097m, to ensure the budget is sufficient to meet the current level of costs payable to those who have parental responsibility under a special guardianship order.
- Children in Care Legal Proceedings - £1.050m (one-off), reflecting the greater number of court proceedings and the increased use of external legal firms to present cases.
- Children's Homes - £0.450m, to provide additional staffing required to meet the needs of children and young people placed in homes.
- Care Leavers - £0.402m (one-off), to meet the cost of additional statutory duties towards care leavers.
- SEND Assessment and Planning - £0.275m, to provide additional staffing.
- Mobile Working - £0.260m (one-off), to develop solutions to enable more flexible working with the aim of achieving cost benefits and improvements to the timeliness of information.
- Complex Case Pooled Budget - £0.250m (one-off), contingency for the Council's contribution to the pooled budget reflecting the increasing levels of expenditure in recent years.

- Child Protection - £0.105m (one-off), to fund the cost of staff needed to respond to an increased number of children on protection plans. Staff will be reduced if the number of children on plans reduces.
- Children's Participation - £0.080m (one-off), to fund a delay to a planned budget reduction to the support provided to children and young people to participate in decision making. The service is seeking to identify alternative savings options.
- Foster Carers - £0.060m, to cover the inflationary increase to foster carer allowances from April 2019.

The main risks which could impact on the portfolio's outturn position are contained in Appendix Two.

Dedicated Schools Grant

The Dedicated Schools Grant (DSG) is a ring-fenced grant comprising four individual blocks: Schools Block, High Needs Block (HNB), Early Years Block and Central Block. Allocations of the blocks are governed by the Schools and Early Years Finance Regulations. Any underspend or overspend on the grant is carried forward to future years within the accumulated balance of the DSG Earmarked Reserve.

After utilising available balances from the DSG reserve, it is anticipated that 2019-20 HNB expenditure will exceed the allocated grant income by £0.968m. This deficit will accumulate in the DSG reserve and will be funded by earmarking £0.968m from the General Reserve.

Unless additional Government funding is awarded, it is forecast that HNB overspends will total £9.909m between 2019-20 and 2022-23, after using available balances from the DSG reserve:

	2019-20	2020-21	2021-22	2022-23	Total
	£m	£m	£m	£m	£m
HNB Deficits to Fund	0.968	2.504	2.660	3.777	9.909

£9.909m represents the cumulative pressure on the General Reserve over the four year period.

Summary

A Council portfolio underspend of £2.515m is forecast, after the use of £2.622m of Earmarked Reserves to support the Highways, Transport and Infrastructure portfolio. Any underspends in 2019-20 will be used to manage the budget in 2020-21.

The Debt Charges budget is projected to break-even. This is based on forecast interest payments, anticipated Capital Financing Requirement (CFR), a Minimum Revenue Provision (MRP) of 2.5% in keeping with the policy reported to Cabinet on 22 November 2016 and an £8.000m one-off reduction

in the Council's Capital Adjustment Account Reserve. This one-off reduction was reported to Council on 7 February 2018. This reduction is made on the basis that the amounts set aside to repay debt over the last ten years are well in excess of what is required to ensure the Council can repay its debts.

The Risk Management Budget is forecast to underspend by £0.047m. This will support the management of a balanced budget in future years.

Interest and dividends received on balances is estimated to break even by the year-end. The interest base rate is currently 0.75%, however, the Council utilises a range of investments to maximise its income.

Details of the Council's Earmarked Reserves balances as at 30 June 2019 are set out in Appendix One. A review of the Council's reserves balances will be reported to Cabinet later in the year.

A summary of the expected achievement of budget savings targets is provided at Appendix Three. The budget savings target for 2019-20 is £13.393m, with a further £3.480m target brought forward from previous years. The savings initiatives identified to meet this target currently fall short by £5.438m, therefore further proposals will need to be brought forward to ensure the Council continues to balance its budget. Of this total target of £16.873m, £10.650m is expected to be achieved by the end of the financial year. Therefore, there is a £6.223m forecast shortfall in achievement of budget savings. The resulting base budget overspend is offset to some extent by one-off underspends or is being met from one-off funding from earmarked reserves.

The age profile of debts owed to the Council and the value of debts written off is disclosed in Appendix Four. This information is collected on a departmental rather than portfolio basis.

3 Financial Considerations

As set out above.

4 Other Considerations

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property, transport and social value considerations.

5 Background Papers

Papers held in Technical Section, Finance & ICT, Room 137, County Hall.

6 Key Decision

No.

7 Is it necessary to waive the call-in period?

No.

8 Officer's Recommendation

That Cabinet:

- 8.1 Notes the 2019-20 budget monitoring position as at 30 June 2019.
- 8.2 Approves the virement of £5.000m base budget from Adult Care to the Risk Management budget.

PETER HANDFORD

Director of Finance & ICT

Earmarked Reserves as at 30 June 2019

Adult Care	£m
Older People's Housing Strategy	22.676
Other reserves	0.283
Total Adult Care	22.959
Corporate Services	
Budget Management	29.089
Loan Modification Gains/Losses	28.440
Insurance and Risk Management	20.069
Revenue Contributions to Capital	16.591
Planned Building Maintenance	5.932
Business Rates Strategic Investment Fund	4.889
Business Rates Pool	4.716
Uninsured Financial Loss	3.500
Computer Purchasing	3.215
Property Insurance Maintenance Pool	2.837
Property DLO	2.503
Change Management	2.379
PFI Reserves	1.981
Prior Year Underspends	1.468
Community Priorities Programme	1.025
Other reserves	4.491
Total Corporate Services	133.125
Economic Development and Regeneration	
D2 Growth Fund	0.200
Markham Environment Centre	0.114
Skills Training	0.101
Other reserves	0.417
Total Economic Development and Regeneration	0.832
Health and Communities	
S256/External Funding	0.254
Other reserves	0.438
Total Health and Communities	0.692
Highways, Transport and Infrastructure	
Prior Year Underspends	9.274
Broadband	3.931
Winter Maintenance	2.000
Road Safety Public Service Agreement (PSA)	1.182

Waste Recycling Initiatives	0.598
IT Reserve	0.559
Derby and Derbyshire Road Safety Partnership Reserve	0.500
Other reserves	1.511
Total Highways, Transport and Infrastructure	19.555

Strategic Leadership, Culture and Tourism

Policy & Research	1.044
Prior Year Underspends	0.913
Community Managed Libraries	0.742
Derbyshire Challenge Fund	0.466
Library Restructure	0.429
Derwent Valley Mills World Heritage Site	0.193
Other reserves	0.594
Total Strategic Leadership, Culture and Tourism	4.381

Young People

Tackling Troubled Families	4.083
Standards Fund (Schools)	1.170
Childrens Services IT Systems	0.746
School Rates Refunds	0.600
Primary Teacher Pool Premium	0.496
Youth Activity Grants	0.330
Foster Carer Adaptations	0.262
Unaccompanied Asylum Seeking Children	0.243
Other reserves	0.778
Total Young People	8.708

Total Portfolio Earmarked Reserves	190.252
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Schools

Schools Balances	25.776
Dedicated Schools Grant (DSG)	5.603

Total balances held for and on behalf of schools	31.379
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Public Health Grant	9.601
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Service	Risk	Sensitivity* £m	Likelihood (1 = Low, 5 = High)
*Sensitivity represents the potential negative impact on the outturn position should the event occur.			
Adult Care			
Transforming Care Programme	There is currently an NHS England aim to transfer long-term hospital clients from Health to Social Care. Should this occur, it is expected that Health will fund 50% of these placements, but the remainder will have to be met by the Council.	0.910	4
Corporate Services			
County Property	Loss of key personnel due to uncertainty over a review planned to be implemented from January 2020. Potential net loss of income.	0.200	3
Health and Communities			
Coroners	National shortage of Pathologists may impact by increasing fees	0.200	2
Highways, Transport and Infrastructure			
Winter Maintenance	Impact of a severe winter.	1.500	4
Street Lighting Energy and Maintenance	Further energy price increases, or further slippage in implementation of the LED programme.	0.300	2
Highways Management	Deterioration in ability to fund salaries from capital projects and potential deficit on the Highways Construction overhead accounts.	0.800	2
Waste Management	Costs associated with resolving the future of the Waste Treatment Plant at Sinfin.	1.000	5
Young People			
Placements	Increased number of children requiring placements.	2.500	4
Social Care services	Increase in number of referrals meeting social care thresholds.	0.300	4

Service	Risk	Sensitivity* £m	Likelihood (1 = Low, 5 = High)
	Inability to recruit and retain sufficiently experienced social workers.	1.000	3
Department wide	Data security breaches and the subsequent risk of serious damage to reputation and financial impact if fines are imposed	0.500	3
Multi-Agency Teams	Not meeting targets for Troubled Families data collection resulting in loss of income	0.300	3

APPENDIX 3

Budget Savings Monitoring 2019-20

Portfolio	Budget Savings Targets			Savings Initiatives Identified			Target not Identified	Actual Savings Forecast	Savings Shortfall
	Not yet achieved Brought Forward			Still to be Achieved			(Shortfall)/ Additional Identified Savings	Forecast to be achieved by Financial Year End	Actual (Shortfall)/ Additional Achievement of Savings Target
	Prior Year £m	Current Year £m	Total Target £m	Prior Year £m	Current Year £m	Total Identified £m	£m	£m	£m
AC	0.000	5.732	5.732	0.000	5.732	5.732	0.000	5.703	(0.029)
CS	0.000	1.340	1.340	0.000	1.152	1.152	(0.188)	1.152	(0.188)
EDR	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
HC	0.000	0.157	0.157	0.000	0.157	0.157	0.000	0.156	(0.001)
HTI	3.321	2.609	5.930	0.000	0.680	0.680	(5.250)	0.680	(5.250)
SLCT	0.159	0.542	0.701	0.159	0.542	0.701	0.000	0.701	0.000
YP	0.000	3.013	3.013	0.000	3.013	3.013	0.000	2.258	(0.755)
Total	3.480	13.393	16.873	0.159	11.276	11.435	(5.438)	10.650	(6.223)

AC = Adult Care ; CS = Corporate Services ; EDR = Economic Development and Regeneration ; HC = Health and Communities
HTI = Highways, Transport and Infrastructure ; SLCT = Strategic Leadership, Culture and Tourism ; YP = Young People

Age profile of debt, relating to income receivable, at 30 June 2019

0 - 30 Days £m	31 - 365 Days £m	1 - 2 Years £m	2 - 3 Years £m	3 - 4 Years £m	Over 4 Years £m	Total £m
Adult Care						
1.045	6.682	1.246	0.826	0.326	0.619	10.744
9.7%	62.2%	11.6%	7.7%	3.0%	5.8%	100.0%
Children's Services						
0.859	0.603	0.075	0.030	0.013	0.015	1.595
53.9%	37.8%	4.7%	1.9%	0.8%	0.9%	100.0%
Economy, Transport and Environment						
1.278	5.605	0.530	0.044	0.021	0.009	7.487
17.1%	74.9%	7.1%	0.6%	0.3%	0.1%	100.0%
Commissioning, Communities and Policy						
2.308	1.403	0.250	0.094	0.018	0.176	4.249
54.3%	33.0%	5.9%	2.2%	0.4%	4.2%	100.0%
All Departments						
5.490	14.293	2.101	0.994	0.378	0.819	24.075
22.8%	59.4%	8.7%	4.1%	1.6%	3.4%	100.0%

The value of debt written off in the 12 months up to 30 June 2019

Department	£m
Adult Care	0.360
Children's Services	0.030
Economy, Transport and Environment	0.013
Commissioning, Communities and Policy	0.062
All Departments	0.465

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Agenda Item No.6 (b)

DERBYSHIRE COUNTY COUNCIL

CABINET

11 September 2019

Report of the Director of Finance & ICT

**CAPITAL BUDGET MONITORING TO MONTH 3 2019-2020
(STRATEGIC LEADERSHIP, CULTURE AND TOURISM)**

1 Purpose of the Report

To inform Cabinet of the latest budget monitoring position for the Capital programme.

2 Information and Analysis

The report reflects those schemes that are currently under way and have had previous Cabinet approval. Each scheme has a nominated budget holder who is responsible for ensuring the scheme stays within budget, and who verifies the projected spend against their allocated schemes. The report contains some schemes that were open at 1 April 2019 but have been completed and closed in year.

The current budget for open schemes is approximately £673m, with the latest monitoring showing a forecast overspend over the life of the projects of £0.018m. The position statement by department is attached as Appendix 1.

2.1 Adult Care – projected overspend of £0.041m

There are 32 open schemes within Adult Care with a budget value of £64.697m. The major projects are:

Belper Integrated Specialist Facilities Centre	£13.837m
Darley Dale Specialist Community Centre	£11.270m
Heanor Specialist Community Care Centre	£10.750m
Disabled Adaptations 2019-20	£5.500m
Long Eaton Specialist Accommodation Unit	£2.500m
Buxton, Brown Edge Rd Residential Care Unit	£2.500m

The Belper Centre offers accommodation for up to 40 older persons with dementia, and includes a library on site. Construction work commenced in

May 2018 and is on target to complete in January 2020. The centre is scheduled to open to residents in April 2020.

The authority also has 4 specialist centres, providing care for physically frail, elderly clients with dementia. These are all operational, but the schemes cannot be closed yet due to the following issues. Darley Dale opened in March 2016, Heanor opened in August 2015, Long Eaton opened in August 2015 and Buxton opened in June 2018 and is awaiting its final invoice.

The disabled adaptations scheme relates to aids and adaptations installed in people's own homes so they may remain as independent as possible and will be fully financed from borrowing together with contributions from clients and district councils.

2.2 Children's Services - projected underspend - £0.088m

Children's Services currently have 648 open schemes with a budget value of £189.872m. The major schemes are:

Glossopdale School – Replacement	£23.699m
Tibshelf Secondary School & Autism Centre	£15,657m
Alfreton Park School Replacement	£11.900m
Aldercar Language College Replacement Phases 1 & 2	£11.140m
Tibshelf New Primary School	£7.000m

The replacement Glossopdale School is now complete and operational, but the demolition and site works are still ongoing with asbestos issues at the Hadfield site. Tibshelf Secondary School is operational, with some remaining defect work outstanding. The scheme to replace the Park School Alfreton is due to start early next year and is scheduled to finish by December 2021. Aldercar School Phase 1 is complete and became operational in March 2018. Phase 2 still has some outstanding remedial work to be completed. The new Tibshelf Primary school is due to be complete and operational by March 2022.

The projected underspend of £0.088m is represented by overspends on the Alfreton Park Hydro Pool (£0.099m), Lady Manners School (£0.079m), Peak Lodge Special School (£0.045m). These are partially offset by anticipated underspends on a number of schemes. These include: Creswell Infants School (£0.093m), Hadfield Infants (£0.072m); Parkside Community School (£0.070m) and Brampton Primary School (£0.035m). The balance is made up of a number of school projects that have come in under budget.

The Executive Director of Childrens Services will need to obtain approval for further financing when details have been confirmed for these schemes to cover the projected funding shortfall.

2.3 Commissioning, Communities & Policy – projected underspend - £0.069m

There are 100 open schemes, the majority of which are funded from the Corporate Maintenance budget and cover all departments (excluding schools). The total budget for Corporate Services is £65.231m. It incorporates the former Health and Community Services budget of £6.608m. The major schemes under this portfolio are:

Buxton Crescent	£41.263m
Ashbourne Library/Civic Centre	£3.029m
Green Deal and Fuel Poverty grant	£2.521m
New Glossop Library	£2.325m

Work is continuing on the Buxton Crescent scheme. Derbyshire County Council is now accountable for £41.263m of public funding, included in which is a contribution by the authority of £13.400m. The main construction contract commenced in May 2016 and it is anticipated that the scheme will be completed by the end of 2019. Additionally, the Council has agreed a loan to the developer of £11.390m on commercial terms.

Ashbourne Library/Civic Centre is operational and its costs are being finalised. Glossop Library opened in April 2018 and related snagging works are nearing completion.

Remaining funds of £0.099m from the original Green Deal and Fuel Poverty scheme have been allocated to Derbyshire councils for their Derbyshire Healthy Home programme to help attract additional capital match funding to their projects up to 2020-21.

The projected underspend of £0.069m relates principally to works at High Peak Pump House, together with small over/underspends on several other schemes.

2.4 Economy, Transport & Environment - projected overspend - £0.134m

The budget for the 76 open schemes under this portfolio is currently £352.672m. It represents just over half of the total capital expenditure budget.

Local Transport Plan 2014-2019	£129.067m
Markham Vale Employment Zone (MEGZ)	£41,545m
LED Street Lighting	£32.100m
Waste Project, Derby	£25.062m
Accelerated Highways Maintenance	£22.800m
A61 Growth Corridor	£16.000m

Expenditure on ETE projects relates mainly to the delivery of the Highways Infrastructure and Integrated Transport Programmes. These are managed within the Council's Local Transport Plans, and funded from grants provided by the Department for Transport. All grants are fully utilised, and, subject to approval, are reallocated to other infrastructure projects.

Works on the residential network for years one and two are almost complete with a small percentage of the project over running. Year three is expected to be completed by December 2019 and will see the remaining street lights on the residential network converted to LED, apart from heritage and cast iron lighting columns. Overall this work is around 80% complete. Work is still behind schedule on the strategic network and is around 45% complete. The forecast completion of the strategic routes is the end of the 2021/22 financial year.

The contract, for delivery of the long term waste management including the Sinfin plant, with Resource Recovery Solutions (Derbyshire) Ltd was terminated on 2 August 2019. Contingency measures have been put in place by the councils to make sure that waste continues to be dealt with. The councils will now enter negotiations to pay the banks an "estimated fair value" for the plant, taking into account all of the costs of rectifying ongoing issues at the plant, and the costs of providing the services to meet the agreed contract standards. The timing of this process is yet to be determined.

The three year planned programme of work for the Accelerated Highways Maintenance began in 2015-16 and all the surface dressing work has now been completed on all 457 identified sites, with the final external costs expected around autumn.

Phase 1 works on the A61 corridor, improving walking and cycling networks, were completed on time in April 2017. Further phases are now on site (traffic signal upgrades) or in design and land assembly stages. Cabinet in October 2018 authorised the Local Enterprise Partnership (D2N2) pre-compliance funding to be drawn down to support this programme, and Full Business Cases are due to be considered by the funding body (D2N2) in September 2019.

The anticipated overspend of £0.134m relates principally to an overspend on Grassmoor Lagoons (£0.343m) and an anticipated underspend on Ilkeston Awworth Road Link (£0.101m), after land compensation claims have been settled. The balance comprises of a small number of schemes that have completed under budget.

Any funding shortfall on individual projects will need to be addressed by the Strategic Director of Economy, Transport & Environment.

2.5 Top Ten Capital schemes by value

Set out in Appendix 2 is a summary of the ten largest capital schemes that the Council currently has. These represent approximately 52% in value of the current capital schemes.

3 Considerations

In preparing this report the relevance of the following factors has been considered - financial, legal and human rights, human resources, equality and diversity, health, environmental, social value, transport, property and prevention of crime and disorder.

4 Key Decision

No.

5 Background Papers

Files held by the Director of Finance & ICT.

6 Call-in

Is it required that call-in be waived in respect of the decisions proposed in the report?

No.

7 Officer's Recommendation

That Cabinet notes the current position on the monitoring of Capital schemes.

PETER HANDFORD

Director of Finance & ICT

Summary of Projected Capital Spend by Department

Department	Current Budget	Total spend to date (inc commitments)	Estimated spend remaining in 2019/20	Total projected spend to 31/3/2020	Planned expenditure 2020/21	Planned expenditure 2021/22	Planned expenditure 2022/23	Planned expenditure 2023 +	TOTAL Revised planned expenditure	(Under) / Over
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Care & Health	64,697	52,853	8,896	61,749	1,989	1,000	0	0	64,738	41
Childrens Services	189,988	111,540	49,708	161,248	22,045	6,607	0	0	189,900	(88)
Commissioning, Communities & Policy	65,231	53,026	11,841	64,867	265	30	0	0	65,162	(69)
Economy, Transport & Environment	352,672	228,806	79,688	308,494	34,053	9,008	1,251	0	352,806	134
Grand Total	672,588	446,225	150,133	596,358	58,352	16,645	1,251	0	672,606	18

Top Ten Capital Projects according to Budget Value

	Approval Year	Current Budget	Total spend to date	Estimated spend remaining in 2019/20	Total projected spend to 31/3/2020	Planned expenditure 2020/21	Planned expenditure 2021/22	Planned expenditure 2022/23	Planned expenditure 2023+	TOTAL Revised planned expenditure	(Under) / Over
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Local Transport Plan	13/18	129,067	86,340	20,697	107,037	14,524	6,285	1,168	0	129,014	(53)
Markham Employment Growth Zone	88/89	41,545	36,493	2,262	38,755	2,529	261	0	0	41,545	0
Buxton, The Crescent	06/07	41,263	37,800	3,463	41,263	0	0	0	0	41,263	0
Street Lighting LEDs	15/16	32,100	19,323	6,295	25,618	6,482	0	0	0	32,100	0
New Waste Treatment Facility Derby	07/08	25,062	62	25,000	25,062	0	0	0	0	25,062	0
New Glossopdale School - Ph 1 & 2	13/14	23,699	22,749	950	23,699	0	0	0	0	23,699	0
Accelerated Highways Maintenance	14/15	22,800	22,095	705	22,800	0	0	0	0	22,800	0
A61 - Growth Deal project	15/16	16,000	2,129	5,074	7,203	7,408	1,389	0	0	16,000	0
Tibshelf School & Autism Centre	11/12	15,657	15,448	209	15,657	0	0	0	0	15,657	0
Belper Integrated Specialist Facilities	12/13	13,838	7,472	3,754	11,226	1,612	1,000	0	0	13,838	0
		361,031	249,911	68,409	318,320	32,555	8,935	1,168	0	360,978	(53)

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Agenda Item No.6 (c)

DERBYSHIRE COUNTY COUNCIL

CABINET

11 September 2019

Report of the Director of Finance & ICT

FINANCIAL STRATEGY
(STRATEGIC LEADERSHIP, CULTURE AND TOURISM)

1 Purpose of the Report

To note and approve the Council's Financial Strategy.

2 Information and Analysis

The purpose of the Financial Strategy (Strategy) is to set out the Council's financial priorities, and provide a financial framework for the Council to ensure the Council's financial operations contribute to the Council's strategic and policy objectives as outlined in the Council Plan 2017-2021.

The key components of the Strategy are to:

- Set out the framework for the financial operation of the Council which supports the strategic and policy objectives in the Council Plan.
- Ensure resources are allocated to achieve Council Plan objectives.
- Ensure cost effective, affordable service delivery that delivers value for money.
- Support delivery of the Council's Enterprising Council Programme.
- Maximise resources available to the Council.
- Ensure Council Tax levels are kept within reasonable levels.
- Integrate Service Plans into the budget process.

The Council's Financial Regulations state that the Strategy should be reviewed annually to remain consistent with the Council Plan and to ensure that the Strategy drives the Five Year Financial Plan, Capital Programme and Revenue Budget. The Strategy has been reviewed and it is proposed that there are no changes to the Strategy, other than to update the Financial Resilience section for current information.

A copy of the Strategy is shown at Appendix One.

3 **Considerations**

In preparing this report and developing the Council's Financial Strategy the relevance of the following factors has been considered:- financial, legal, human resources, social value, prevention of crime and disorder, equality and diversity, environmental, health, property and transport considerations.

4 **Background Papers**

Papers held in Technical Section, Finance & ICT, Room 137.

5 **Key Decision?**

No.

6 **Is it necessary to waive the call-in period?**

No.

7 **Officer's Recommendation**

That Cabinet approves the Financial Strategy.

PETER HANDFORD
Director of Finance & ICT

Financial Strategy



Peter Handford BA(Hons) PGCert FCPFA
Director of Finance & ICT

Approval and Authentication

Name	Job Title	Signature	Date
Peter Handford	Director of Finance & ICT		12 September 2019
Cabinet			

Introduction

The Financial Strategy (Strategy) sets out the overall framework on which the Council plans and manages its financial resources and ensures that it fits with, and supports, the direction of the Council's priorities, including delivery of the Council's Enterprising Council Programme.

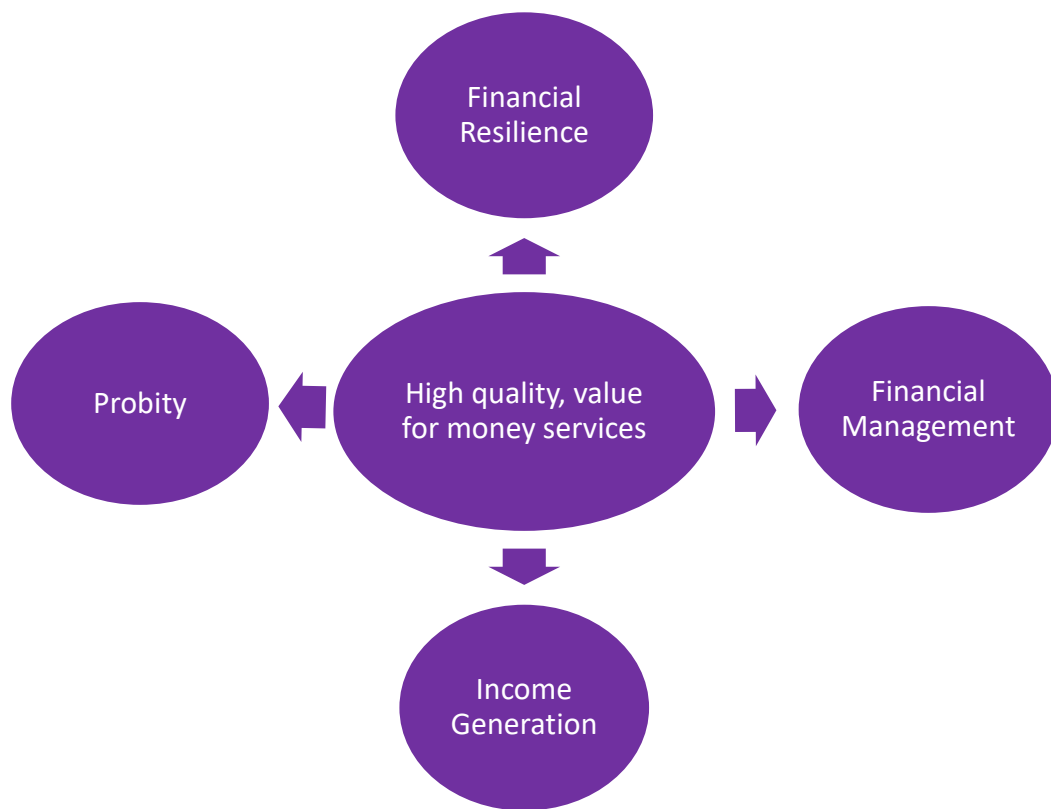
Links with other strategies and initiatives

The Strategy is closely aligned with the Council Plan and Service Plans. It sits alongside the Council's Five Year Financial Plan, which sets out the Council's financials assumptions, spending plans and savings over the medium term. The Strategy is, by design, a brief document and is presented as a series of linked elements supported by more detail in other published documents including but not limited to:

- Five Year Financial Plan
- Council Plan
- Reserves Policy
- Treasury Management Strategy
- Financial Regulations
- Accounting Manual
- Internal Audit Plan
- Charging Policy
- Capital Strategy and Corporate Asset Management Plan
- Reserves Policy
- Procurement Strategy
- ICT Strategy

Strategic Aims

The Strategy is made up of four strategic aims.



Financial Resilience

The Council has managed the achievement of a balanced budget in a robust and planned manner over the period of the current downturn in general government support for local authority spending.

The level of savings required over the medium term remains significant. By 2023-24, the Council needs to have reduced expenditure by a further £63 million in real terms. This is in addition to a £271 million reduction the Council has already made to services since 2010. The Council continues to look at ways to save money and generate income, whilst trying to protect and deliver services suitable for the residents of Derbyshire.

In headline terms the Council has now identified measures which should help balance the budget over the medium term. There is a clear challenge to ensure the Council achieves those savings over the next few years. The timescales are clearly important; the majority of any savings need to be achieved in the period up to 31 March 2022, this reflects two variables: the final reductions from Government in Revenue Support Grant; the desire by the current administration to have a 0% Council Tax rise in both 2020-21 and 2021-22 as well as deciding not to take the full increase possible in 2019-20.

The achievement of a balanced budget is dependent on the Council meeting its budget reduction target annually. There is an overall cumulative budget shortfall of £39 million by the end of 2023-24, comparing the profile of budget savings required over the period of the Five Year Financial Plan to the profile of budget savings identified. There is already a planned use of General and Earmarked Reserves from 2019-20 to 2023-24 in order to achieve a balanced budget. Whilst the General Reserve remains at a prudent risk assessed level to 2023-24, any overspends arising from demand management issues or slippage on the achievement of savings will require a further call on the General Reserve.

Significant consultation and planning timeframes are required to achieve many of these savings. In many cases the cost savings proposals will be subject to consultation and equality analysis processes. Throughout the process it will be essential to ensure that the Council continues to meet its statutory and contractual obligations. Delays in agreeing proposals could result in overspends by departments, which would then deplete the level of General Reserve held by the Council, decreasing its ability to meet short term, unforeseeable expenditure.

Appendix One

Further, there is uncertainty over future funding because of changes the Government is committed to making in the funding of councils via retained Business Rates and remaining Government grant funding regimes. At present the Council has no indication of how these technical changes, alongside the results of the next Comprehensive Spending Review, will affect the Council's funding position.

In October 2016, the Council confirmed its acceptance of the Government's multi-year funding offer, announced in December 2015. The funding offer provides details of Government Grant allocations up to and including 2019-20. The intention is that these multi-year settlements provide funding certainty and stability to enable more proactive planning of service delivery and support strategic collaboration with local partners.

However, there is now growing uncertainty in the sector regarding the funding levels beyond this period. The Government had previously announced its intention to move to a 100% Business Rates Retention Scheme in 2019-20. The Government has confirmed that it has revised its aims and is pursuing a 75% business rates retention scheme by 2020-21 and eventually to 100%. Alongside this announcement, the Government published further consultations as part of its Fair Funding Review. The work will be divided into three closely related strands which are relative needs, relative resources and transitional arrangements. The implementation date for the Review was expected to be 2020-21 but the latest indications are that the Government's Fair Funding Review is behind schedule and that a new multi-year funding settlement will be delayed by at least one year.

As this period of consultation between local government and central government continues over the coming months, to establish a distribution methodology that is fit for purpose, local authorities are struggling to set medium term financial plans due to this element of uncertainty. It is difficult to predict the likely impact of the proposed changes to the scheme and the financial impact until further detailed information is provided by the Government.

The introduction of 75% Business Rates Retention is currently assumed to be fiscally neutral to the Council. To ensure that the reforms are fiscally neutral, local government will need to take on extra responsibilities and functions at the point that full localisation occurs, as currently, more is raised from business rates than spent locally. The Government will also need to take account of future events such as transfers of responsibility for functions between local authorities, mergers between local authorities and any other unforeseen events.

Although there continues to be a consistent rise in business rates growth in the county, a change in the economic life-cycle or a significant loss of business in the region will impact on the level of business rates income.

It is assumed that there will be support for the Adult Care budget over the medium term, through the Adult Social Care precept. It is also assumed that the use of the improved Better Care Fund allocations will support the base budget, through collaboration with clinical commissioning groups and that existing allocations of the improved Better Care Fund continue to be paid beyond 2019-20. If the funding ceases beyond 2019-20, local authorities will experience a 'cliff edge' funding effect that will significantly impact on the delivery of adult social care services.

The Council Plan sets out the Council's priorities which include working efficiently and effectively. The Council will be pursuing new delivery and commissioning models to achieve its priorities. It will review the way it works, ensuring its operation is fit for purpose.

To ensure an element of transparency in its decision making, a value for money board has been established which will examine and review Council contracts.

Wherever possible, the Council aims to protect service delivery and has clear ambitions to be an efficient and high performing Council by moving towards an Enterprising Council approach. However, with the Council having already made significant budget savings, it will not be possible to make all the savings over the next four years without affecting frontline services.

In a challenging financial environment the Council will need to prioritise its limited resources to protect the service areas the Council considers to be the most important, supporting the most appropriate approach to service delivery. In doing so, it must look at ways of raising additional income and reduce its reliance on Government funding. The Council will make savings by reviewing all areas of expenditure and considering new ways of working which require additional investment.

We will achieve this by:

- Reviewing and updating the Council's Five Year Financial Plan at least annually to assist the budget planning process and identify funding gaps at the earliest opportunity to help develop appropriate savings plans.
- Setting a balanced budget that addresses service priorities but is achievable within acceptable Council Tax limits and the context of the Five Year Financial Plan.
- Utilising the Council's budget priority framework when considering proposals for service development and new investment.

Appendix One

- Ensuring Council Tax is within acceptable levels. Over the medium term this will include setting a 2% increase for the Adult Social Care Precept to raise additional income for Adult Social Care.
- Developing and implementing a robust savings programme, which is regularly monitored and reported to Members and incorporates consultation and equality impact assessment processes where these are required.
- Benchmarking service costs and performance on a regular basis;
- Actively considering the best delivery model for the Council's services in order to deliver quality services and a reasonable cost.
- Reviewing the minimum level of General Reserve to ensure that the balance is sufficient to act as a contingency against any unforeseen events or unexpected liabilities.
- Integrating services, where appropriate, including health and social care and co-location of services as part of the Council's One Public Estate initiative.
- Monitoring local government funding, lobbying Government to ensure Derbyshire's interests are represented.
- Using one-off support from reserves balances to support budget management.

Financial Management

The Council will maintain sound financial management policies and controls to ensure its resources are used economically, efficiently and effectively.

The Council's savings targets over the medium term are significant and need to be managed. Budget managers need to demonstrate strong financial management whilst maintaining the delivery of high quality services.

We will achieve this by:

- Providing a framework for managing the Council's financial affairs through the Constitution and Financial Regulations.
- Utilising the Council's budget priority framework when considering proposals for service development and new investment. The framework is based on a robust system of scrutiny that is constructed to favour proposals that are aligned to the Council's priorities, together with national targets.
- Identifying budget savings which will build capacity and redirect resources to priority areas. The Budget Strategy Group (BSG) will be responsible for the monitoring of savings and will report to the Corporate Management Team.
- Aligning and examining spending against priorities on an on-going basis. This may from time to time include fundamental reviews of specific areas of the Council's base budget.
- Monitoring and controlling both revenue and capital budgets, taking correcting action where appropriate. There will be strong budgetary control and scrutiny with clear lines of responsibility for preparation, approval and control. Reports will be provided to Members on a regular basis in accordance with the Council's Budget Monitoring Policy.
- Setting a minimum level of General Reserve. The Director of Finance & ICT will report on the level of reserves as part of the annual Revenue Budget Report.
- Reviewing Earmarked Reserves' balances at least annually and reporting the outcomes to Members in accordance with the Council's Reserves Policy.
- Managing the Council's investment and borrowing on a daily basis. The Council is also responsible for the Derbyshire Pension Fund Investments. The objective is to place security of investment above return, but to maximise investment income.
- Complying with the principles of the Treasury Management Code of Practice.
- Keeping long-term borrowing within reasonable limits in accordance with the principles in the Prudential Code.

Appendix One

- Procuring goods, services and works in accordance with Value for Money (VfM) principles.
- Ensuring capital investment decisions reflect the Council Taxpayer meeting the majority of all new debt financing costs.
- Maintaining and holding assets to meet the Council's objectives as identified within the Council Plan and Service Plans, subject to affordability within the context of the Council's Five Year Financial Plan.
- Adopting the most appropriate funding package for overall capital expenditure.
- Ensuring loans for 'Spend-to-Save' schemes are financed from the schemes' savings. The loan repayments will be made as quickly as savings allow. It is not intended that 'Spend-to-Save' schemes will be repaid over as long a period as other debt.
- Recommending Capital priorities to Cabinet using the Council's appraisal methodology which involves the following criteria:
 - Council goals, objectives and performance indicators being met
 - Funding requirements, taking into account any conditional grants/allocations and other external sources
 - Statutory obligations including legal and health and safety
 - Revenue implications
 - Surplus assets available for sale
 - The Local Transport Plan influences investment in the highway infrastructure
- Establishing the level of capital investment available which is currently projected over a three-year rolling programme.
- Providing training and information in the financial skills and competencies to officers and Members who are accountable for finance within their roles.
- Establishing clear budget responsibility and accountability, recognising budget management as an essential part of good management.

Income Generation

The Council will optimise the generation and effective use of external funding to achieve the Council's priorities.

A large element of the Council's funding, both revenue and capital, is derived from external funding, primarily specific grants, Revenue Support Grant and business rates. Availability of grants can be subject to a detailed and complex bidding process. Care needs to be taken that the availability of such funding does not distort the Council's priorities, divert resources from higher priorities, or set up unreasonable future commitments for the Council Taxpayer to meet. Exit strategies need to be developed in all material cases where there is uncertainty over future external funding.

Income from service users – fees and charges – is an important part of the Council's financial strategy. Factors taken into account in setting the levels include – the Council's specific priorities, market forces where applicable, affordability, inflation and the balance with income demanded from Council Tax payers.

Maximising income, although clearly an important consideration, is not the only factor in deciding on the level of fees and charges. The Council has a Charging Policy which sets out best practice in the setting of charges.

We will achieve this by:

- Exploring and implementing opportunities for greater trading and income generation to help the Council be more self-sufficient and less reliant on Government funding.
- Examining different investment opportunities to maximise investment returns.
- Optimising income from fees and charges made to service users within the context of the Council's objectives and priorities.
- Collecting all income due promptly and taking effective and appropriate recovery action where appropriate.

Probity

The Council has a duty to safeguard public money by ensuring there are appropriate levels of financial control. The Council's approach to financial management is to provide Members and Officers with a high level of flexibility to optimise service delivery within a controlled framework. The control framework is outlined in the Annual Governance Statement which is reviewed and approved annually by Council and published in the annual Statement of Accounts.

We will achieve this by:

- Providing an open and transparent budget process that ensures budgets reflect the Council's strategies and focuses resources on the priority areas as set out in the Council Plan.
- Scrutinising and challenging all significant planned investment to ensure projects are consistent with the Council's Capital Strategy.
- Producing an annual statement on the adequacy of the Council's control framework.
- Ensuring the costs, benefits and risks of any partnership working are fully assessed, that governance and reporting arrangements are appropriate and that there are financial arrangements to safeguard the Council's interests.
- Reviewing Council contracts to ensure that they are delivering value for money and demonstrating this to the proposed Value for Money (VfM) Board.
- Scrutinising proposed project and service delivery models to ensure that they have robust business cases and deliver acceptable returns on investment.
- Identifying, assessing and reviewing financial and business risks as part of the corporate and departmental risk registers.

We will know we have been successful by:

- Being a key facilitator in the achievement of Council Plan goals.
- Providing reports to Committees, Cabinet and Council on setting out the financial implications of providing new or existing services.
- Reviewing and updating the Five Year Financial Plan at least annually.
- Ensuring our borrowing levels are affordable under the statutory prudential framework.
- Providing regular budget monitoring reports to Cabinet and Committees on the Council's latest financial position as defined in the Budget Monitoring Policy.
- Receiving an opinion from the external auditor that provides a true and fair view of the Council's financial standing.
- Receiving a positive external audit opinion on value for money from external audit in the annual Statement of Accounts review.
- Achieving departmental savings targets.
- Regular monitoring of the savings targets by the Budget Management Strategy Group.
- Reviewing the Council's Earmarked Reserves at least annually.
- Developing and implementing schemes that deliver additional income to the Council.
- Utilising benefits realisation processes to ensure that projects have delivered the anticipated paybacks.

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DERBYSHIRE COUNTY COUNCIL

CABINET

11 September 2019

Report of the Director of Finance & ICT

FIVE YEAR FINANCIAL PLAN
(STRATEGIC LEADERSHIP, CULTURE AND TOURISM)

1 Purpose of the Report

That Cabinet considers the updated Five Year Financial Plan (FYFP) for the period 2019-20 to 2023-24, notes the uncertainty and risks set out in the report and notes the budget savings forecast to be required to help balance the budget over the medium term, along with budget savings proposals and recommends it to Full Council for approval.

2 Information and Analysis

The Five Year Financial Plan (the Plan) is a medium term financial plan which sets out the overall shape of the Council's budget, by establishing what resources are available for allocation to reflect Council and community priorities. The Council Plan sets out service and organisational priorities. This is reflected in the development of the Plan.

The Plan fully reflects the outcomes from the Local Government Finance Settlement 2019-20 and the Autumn Budget 2018.

The Plan shows that a total of £63m of budget savings are required over the period 2019-20 to 2023-24. To continue to provide a financially sustainable base, on which to provide services over the medium term and not leave the Council unable to deal with financial risk, it is imperative that the necessary savings are identified and planned for achievement.

In the six months since the Revenue Budget 2019-20 was compiled, departments have been reassessing their identified savings, with a view to bridging the savings shortfall. Cross departmental budget savings proposals have also been made. In headline terms the Council has now identified measures which should help achieve substantially all of the budget gap over the period of the Plan.

The Plan therefore sets out the budget reductions and other measures the Council will need to take and identifies the remaining savings shortfall, along with possible solutions for dealing with this. The timescales are important, the

majority of any savings need to be achieved in the period up to 31 March 2022, this reflects a number of issues:

- the final reductions from Government in Revenue Support Grant;
- the desire by the current administration to have a 0% Council Tax rise in both 2020-21 and 2021-22 as well as finding the budget reductions met from one-off measures in 2019-20;
- uncertainties over future Government support;
- the emergence of further pressures; and
- the reduction in reserves needed to help manage the budget over the medium term.

Significant consultation and planning timeframes are required to achieve many of the savings proposals identified in the Plan. Delays in agreeing proposals could result in overspends by departments, which would then further deplete the level of General Reserve held by the Council, decreasing its ability to meet short term, unforeseeable expenditure, such as occurred recently at Toddbrook Reservoir. Of the budget savings proposals identified, £6.017m (14%) have been categorised as having a Green RAG status, £33.134m (74%) have been categorised as Amber and £5.341m (12%) have been categorised as Red. The table below summarises the RAG status of identified budget savings, by department.

	Budget Savings RAG Status %		
	Green	Amber	Red
Adult Care	1	95	4
Children's Services	37	39	24
Economy, Transport and Environment	8	91	1
Commissioning, Communities and Policy	35	30	35

In many cases the proposals will be subject to consultation and equality analysis processes. In including potential cost savings in this report no assumptions have been made as to the outcome of those consultations or the outcome of final decisions which have yet to be made. With regard to the savings proposals which have not yet been considered by Cabinet and, where appropriate, by individual Cabinet Members, the necessary consultation exercises will be undertaken and any equality implications will be assessed before final decisions are made. Throughout the process it will be essential to ensure that the Council continues to meet its statutory and contractual obligations.

The Plan reflects that the Council is currently part of the Government's multi-year funding offer, which provides some funding certainty until 2019-20. There is uncertainty over future funding because of changes the Government is committed to making in the funding of councils via retained Business Rates and remaining Government grant funding regimes. It was expected that a further multi-year funding offer would be available for three years from 2020-21. However, the Government's has confirmed that its Fair Funding Review is behind schedule and that a new multi-year funding settlement will be delayed by at least one year.

At present the Council has no indication of how these technical changes, alongside the results of the next Comprehensive Spending Review, will affect the Council's funding, although funding for 2020-21 is now expected to be provided on the same basis as in 2019-20, with the 2019-20 funding streams rolled over. In the absence of other information, the Plan assumes that funding for 2020-21 to the end of the Plan period continues on the same basis. In particular, a balanced budget is prevalent on Improved Better Care Funding being available beyond 2019-20.

It is understood that consultations on increasing the level of Council Tax Support received by Council Tax Benefit claimants (by reducing the amount they are expected to contribute from the current level of 8.5% to zero) may be proposed by the district/borough councils. A final decision on the 2020-21 schemes will not be made until January 2020 at the earliest. The cost to the Council of an average district/borough increasing Council Tax Support is likely to be in the region of £0.350m to the County Council. The Council does not agree with these potential proposals and will formally respond to any consultations that emerge. The Council does not expect that the majority of districts or boroughs will make this change in the near future.

The Plan is attached at Appendix One to this Report. Budget savings proposals identified for the period 2020-21 to 2023-24 are attached at Appendix Two to this Report. Appendix Two also compares the level of savings proposals identified to the Plan budget savings targets, both in summary and by department, and on an annual and cumulative basis, with savings shortfalls and surpluses highlighted. A summary of the RAG status of savings proposals identified, by year, for each department, is also included by Plan year.

The Plan will next be reviewed and incorporated in a Report to Council in October 2019 and then in the Revenue Budget 2020-21 Cabinet Report in January 2020.

3 Financial Considerations

As set out above.

4 Legal Considerations

The Council's Financial Regulations provide that the Five Year Financial Plan must be proposed by Cabinet and approved by the Full Council.

As in previous years an initial Equality Impact Assessment (EIA) will be undertaken at a corporate level. It is anticipated that this corporate assessment will help identify areas where there is a significant risk of adverse impact which would then be subject to a full equality impact assessment process. Alongside the budget consultation, the budget saving proposals in the updated Five Year Financial Plan will be considered to assess which proposals will need a separate targeted consultation with staff, the public and/or with current/potential service users. The outcomes of these processes will be reported to Council/Cabinet as part of the budget process and specific assessments/consultation outcomes reported to Cabinet before decisions are made on individual services.

5 Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, equality and diversity, human resources, environmental, health, property, transport and social value considerations.

6 Background Papers

Papers held in Technical Section, Room 137, County Hall.

7 Key Decision

No.

8 Is it necessary to waive the call-in period?

No.

9 Officer's Recommendations

That Cabinet recommends to Council that it:

- (i) approves the Five Year Financial Plan;
- (ii) notes the uncertainty and risks set out in the report; and
- (iii) notes the budget savings proposals set out in the report.
- (iv) notes that departments will be asked to make further savings over the Plan period to reduce reliance on the General Reserve and help meet future emerging pressures.

PETER HANDFORD
Director of Finance & ICT

Five Year Financial Plan 2019-20 – 2023-24

**Peter Handford BA(Hons) PGCert FCPFA
Director of Finance & ICT**

August 2019

Approval and Authentication

Name	Job Title	Signature	Date
Peter Handford	Director of Finance & ICT		1 September 2019
Cabinet			

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EXECUTIVE SUMMARY

The Five Year Financial Plan (the Plan) is a medium term financial plan which sets out the overall shape of the Council's budget by establishing what resources are available for allocation to reflect Council and community priorities. The Council Plan sets out the service and organisational priorities. This is reflected in the development of the Plan.

The Plan has been updated to reflect the outcomes from the Local Government Finance Settlement 2019-20 and the Autumn Budget 2018. The Plan shows that a total of £63.168m of budget savings are required over the period 2019-20 to 2023-24.

In headline terms the Council has now identified measures which should help balance the budget over the medium term. There is a clear challenge to ensure the Council achieves those savings over the next few years. In the six months since the Revenue Budget 2019-20 was compiled, departments have been reassessing their identified savings, with a view to bridging the savings shortfall. In order to help manage the achievement of savings, a number of corporate savings have also been developed.

An annual shortfall of £3.382m remains from the 2019-20 budget savings target of £13.393m. Details of identified budget savings for 2020-21 to 2023-24, totalling £44.792m of departmental annual budget savings and £8.000m of cross-departmental annual budget savings, are shown at Appendix Two. Overall, a shortfall of £0.365m annual budget savings, against the £63.168m budget savings target, remains over the five years of the Plan.

Of the budget savings proposals identified, £6.017m (13%) have been categorised as having a Green RAG status, £33.134m (74%) have been categorised as Amber and £5.641m (13%) have been categorised as Red.

Adult Care budget savings proposals include 95% with an Amber RAG status, 4% Red and 1% Green. Children's Services budget savings proposals include 39% with an Amber RAG status, 37% Green and 24% Red. Economy, Transport and Environment budget savings proposals include 88% with an Amber RAG status, 7% Green and 5% Red. Commissioning, Communities and Policy budget savings proposals include 35% with a Green RAG status, 35% Red and 30% Amber.

There is an overall cumulative budget shortfall of £39.052m by the end of 2023-24, comparing the profile of budget savings required over the period of the Plan to the profile of budget savings identified. It is anticipated that this shortfall will be funded from general reserves. Clearly the timescale of savings is important. The majority of any savings need to be achieved in the period up to 31 March 2022. This reflects two variables: the final reductions from Government in Revenue Support Grant and the desire by the current administration to have a 0% Council Tax rise in both 2020-21 and 2021-22 as well as deciding not to take the full increase possible in 2019-20.

The Plan reflects that the Council is currently part of the Government's multi-year funding offer, which provides some funding certainty until 2019-20. There is uncertainty over future funding because of changes the Government is committed to making in the funding of councils via retained Business Rates and remaining Government grant funding regimes. It was expected that a further multi-year funding offer would be available for three years from 2020-21. However, the Government has confirmed that its Fair Funding Review is behind schedule and that a new multi-year funding settlement will be delayed by at least one year.

At present the Council has no indication of how these technical changes, alongside the results of the next Comprehensive Spending Review, will affect the Council's funding, although funding for 2020-21 is now expected to be provided on the same basis as in 2019-20, with the 2019-20 funding streams rolled over. In the absence of other information, the Plan assumes that funding for 2020-21 to the end of the Plan period continues on the same basis. In particular, a balanced budget is prevalent on Improved Better Care Funding being available beyond 2019-20.

The Council was pleased to be announced as one of ten successful 100% business rates retention pilots for 2018-19. The additional one-off funding is being utilised to support economic growth and regeneration in the county, whilst also providing financial support to vital services.

The additional improved Better Care Funding announced in the Government's Spring Budget 2017 helps to address key priorities for integrated health and social care activities. The Council will continue to work with health sector colleagues in developing the Sustainability and Transformation Plan. However, it is important that the Government confirms that local authorities will continue to receive the additional improved Better Care Fund allocations beyond 2019-20. Local authorities continue to face increased cost pressures as the demand for adult and children's social care is projected to rise over the medium term.

A Council Tax increase of 3.99% has been agreed for 2019-20 and is helping to support vital services. No decisions have been made in respect of later years. However, a freeze in Council Tax has been assumed for two years from 2020-21 and a 2% increase in Council Tax assumed for two years from 2022-23. Local authorities have urged Government to provide additional funding to support vital services, particularly children's social care, rather than raise additional funding from council taxpayers. The ability to deliver this ambition around Council Tax will be dependent upon Government decisions regarding future funding of local authorities and the successful delivery of budget reductions over the medium term.

Business rates growth is expected year-on-year in line with inflation. It should be noted that funding projections from 2019-20 are based on a 50% business rates scheme.

Expenditure is supported by the use of one-off contributions from both the Budget Management Earmarked Reserve and General Reserve.

The Government's intention to increase the Living Wage to £8.67 per hour by 2020 (the Low Pay Commission's latest forecast) gives rise to cost pressures associated with the continued promotion of the National Living Wage.

A pay award of 2% per annum has been confirmed for 2019-20 and is assumed for 2019-20 and beyond, following the Government's decision to lift the 1% public sector pay cap. Any amount over and above 2% will have to be met from within existing budgets.

As the Council has paid off a number of loans without taking on additional borrowing, this resulted in an opportunity to reduce the external debt charges budget by £8.500m in 2018-19. In 2016-17 a review of the Council's Minimum Revenue Provision (MRP) budget, alongside a review of its Council's MRP Policy considered that future savings could be achieved without compromising the future prudent provision made by the Council. In conjunction with the policy being reviewed, the level of the Capital Adjustment Account (CAA) reserve in to which the money is set aside was reviewed. Whilst the Council will continue to set aside a prudent amount of revenue for MRP over the period of the Plan, it will ensure that its future annual provision is appropriate. The base budget is expected to have returned to its 2017-18 level, after one-off reductions, by 2021-22. The Council will however continue to review its MRP policy annually to ensure in future years that adequate/prudent provisions are still being made.

Additional income from interest receipts is projected over the next year on the basis that the base rate of interest will increase.

The Council continues to face significant cost pressures, particularly with regard to adult and children's social care. The additional Council Tax income from the Adult Social Care precept and the additional 1% flexibility announced in December 2017, helps to raise income for vital services. However, the Council will continue to make representations to Government to ensure that demand-led services are fully funded. The Council will continue to undertake appropriate analysis of the Government's proposals for the distribution of funding to local authorities by responding to consultations to ensure that Derbyshire receives a fair funding deal.

Any additional income from Council Tax taxbase and collection fund surpluses over and above that identified in the Plan will help to manage the Risk Management Budget over the medium term. The Council has maintained a Risk Management Budget for a number of years, the purpose of which is to provide a base budget from which the Council can help to manage some of the longer term risks and pressures, alongside the resources available in the General Reserve. The balance on the budget was depleted in 2019-20, providing support to priority services. However, the Council has also established a Budget Management Earmarked Reserve, which will be used over the medium term to meet one-off budget pressures in the Plan. It is therefore expected that any unforeseen risks or pressures can be prudently managed.

The Council faces a number of risks over the medium term, not least is the uncertainty of the level of Government funding beyond 2019-20. There are significant demand-led cost pressures associated with delivering vital council services such as adult and children's social care and waste disposal. The Plan assumes that there will be no further cuts to the levels of mainstream funding to local authorities. Any further funding reduction is likely to result in further budget savings over and above those already identified in the Plan to achieve a balanced budget.

INTRODUCTION

The Plan sets out the Council's continued commitment to provide local services which represent the best possible value for money for Derbyshire residents. It builds on the achievements of the past and charts a clear course for the future in line with service priorities agreed as part of the Council planning process as well as the Council's financial and other resource strategies.

Its purpose is to support corporate planning which will shape the Council's Financial Strategy and annual budgets. The Plan is a medium term financial plan which sets out the overall shape of the Council's budget by establishing what resources are available for allocation to reflect Council and community priorities. The Council Plan sets out the Council's strategic direction, its ambitions and priorities, structured around four key outcomes for Derbyshire, which the Council is working towards with partners and local communities. The Council is striving to be "an efficient and high performing council delivering high quality, value for money services".

The Council wants Derbyshire to have:

- **Resilient and thriving communities** where local people work together, in new and dynamic ways with public services.
- **Happy, healthy people and families** with solid networks of support, who feel safe and in control of their personal circumstances and aspirations.
- **A strong, diverse and adaptable economy** which makes the most of Derbyshire's rich assets and provides meaningful employment opportunities for local people.
- **First class public services** which enhance the educational, cultural, physical and social environment of Derbyshire and make it a great place to live, visit and work.

The Council's key priorities to improve outcomes are:

- Work efficiently and effectively.
- Unlock economic growth and access to economic opportunities.
- Invest in employment and skills.
- Repair and improve the condition of Derbyshire roads.
- Improve accessibility in vulnerable and rural communities.
- Improve social care.
- Transform services for people with learning disabilities.
- Keep children and adults safe.
- Be a good corporate parent for children in our care.
- Help children and young people get the best start.
- Encourage healthy lifestyles and reduce future health and care needs.
- Champion local communities.
- Support local library services.
- Protect local people and communities.
- Promote Derbyshire as a global cultural and tourist destination.
- Protect and enhance the natural environment.

A number of vital cross cutting flagship projects will be progressed over the life of the Council Plan:

- Explore the use of **new delivery and commissioning models** across the Council to achieve service priorities.
- Restart the Council's **£30 million Care Programme** to provide new modern care homes for the county's older people.
- Work with communities to secure better outcomes for less by developing the **thriving communities approach**.
- Work with partners to deliver the **One Public Estate Programme** making more efficient use of the Council's properties and assets.
- **Enable development**, including the building of new homes on surplus Council land, securing income to invest in other Council services.

Progress and Performance:

- Major regeneration and inward investment programmes boosting economic growth. For example, Markham Vale is one of the most successful enterprise zones in the country, currently having brought 1,628 jobs to the local area, with a further 2,700 planned and over £130 million of private sector investment to date, against a target of £250m in total. The Council's focus on maximising the county's tourism offer is seeing expansion in the visitor economy.
- Reclamation of large scale, heavily contaminated, brownfield sites including: delivery of over £174m worth of clean up at The Avenue site which is now being actively developed for housing and employment and over £18m of clean up over 28 hectares at the former Coalite site, to deliver 1500 jobs over the next few years.
- Leading delivery of the HS2 East programme through Derbyshire, Nottinghamshire and Leicestershire, including: bringing forward an expanded HS2 station at Chesterfield and major inward investment to create the new HS2 hub station at Toton.
- A partnership focus on implementing overall systems change in health and social care is delivering results – for example the number of bed days lost to delayed transfers of care have reduced by 6,804 days in one year, a remarkable achievement for the local system despite increased demands, particularly during a challenging winter period.
- The Council is also delivering on its ambitions to provide new modern care homes for older people, beginning with a new care home in Cotmanhay.
- Derbyshire was the highest performing county council for public satisfaction with roads and pavements, placed first out of 31 county councils participating in the National Highways and Transportation survey in December 2017. Known road defects for the size of the county are very low (600 as at September 2018) and 89% of defects are repaired within target timescales. Derbyshire's roads are now safer than at any time since the early 1940s.

- A continued low rate of children in care reflects successful joint working across the children's safeguarding system. Commitment to improving outcomes for children in care and a nationally recognised virtual school has enabled individual children in care to achieve good rates of progress, and there has been a sustained increase in the number of care leavers entering higher education since 2014. High proportions of care leavers live in suitable accommodation and the proportion in employment, education and training is just above English average.
- Access to services for rural areas has been protected with continued support for subsidised bus routes at £2.6 million per year. The £34 million Digital Derbyshire partnership programme is on track to bring faster broadband to 98% of Derbyshire homes and businesses by the end of 2018. 40% take up has been achieved, meaning Digital Derbyshire is one of the highest performing programmes in the country.
- Working with partners to provide advice and support to Rolls-Royce workers after the company announced it was to shed 4,600 jobs in the UK.
- Championing and supporting the hundreds of people in Ashbourne who experienced water shortages in Summer 2018 and leading the Local Resilience Forum to support Severn Trent Water in their response.
- Holding Derbyshire Community Care Group (CCG) to account through the Health Improvement and Scrutiny Committee for proposed cuts of £1.2 million that could affect 22 Derbyshire charities and community groups delivering services for many of the county's most vulnerable residents.
- Listening to communities' concerns regarding INEOS' proposals to explore shale gas in north east Derbyshire, holding two public enquiries and rejecting the application due to the impact on local roads and road safety, harm to the nature of the green belt and unacceptable night time noise.

The Plan demonstrates savings in the region of £63m are required over the five year period. The Council has put in place plans to identify savings required in order to achieve a balanced budget over the medium term. The Revenue Budget 2019-20 exemplified that total savings of £30m had been identified by departments over the five years. In the six months since the Revenue Budget 2019-20 was compiled, departments have been reassessing their identified savings to bridge the shortfall and consideration has been given to how any remaining shortfall can be addressed.

Departments will continue to find better ways of working and review the delivery of services that will realise further savings in order that a balanced budget can be set each year. Where appropriate, this will include examination of thresholds to access services and expected outcomes to ensure resources are effectively allocated to support those in need.

There continues to be an increased demand for services, leading to significant cost pressures in providing essential services such as social care, highways maintenance, public transport and waste. The focus for support from Council resources is likely to shift towards Safeguarding Services for Children as the improved Better Care Fund and additional precept help to alleviate pressures in Adult Care. The Council adopts a proactive approach in response to these demands through the identification of future pressures and associated risks, and development and implementation of plans to meet those pressures. The Council's Senior Members and Officers have lobbied Derbyshire

MP's regarding improving funding for the Council and have subsequently met with the Secretary of State for Housing, Communities and Local Government to further promote the need for funding reform

Most important of all, is the Council's commitment to continuous improvement and value for money. The Council challenges value for money through its positive Enterprising Council approach to achieving best value and performance management; internally set targets are designed to be ambitious and stretching.

Opportunities

Service re-design has become an accepted and valuable tool in developing services to provide a clear customer focus. The Council is examining modern and innovative ways of providing services. At the moment, around 50% of Council expenditure is provided on the Council's behalf by the voluntary sector, parish councils, public-private partnerships, private contractors or charitable and community interest companies. The Council has adopted an "Enterprising Council" approach, looking at all types of delivery models in the future, including sharing or trading services with other councils. The role and shape of public services has changed dramatically and the Council faces significant challenges in providing the services local people want and need.

Being an Enterprising Council means:

- value for money is at the heart of everything the Council does
- the Council is efficient and effective
- the Council focuses on getting the best results for Derbyshire's residents, whether by the Council delivering a service, or by using an external organisation – there is no one size fits all
- the Council has a bold, innovative and commercial mind-set
- the Council does things 'with' local people rather than 'to' them and values fairness, openness and partnership
- the Council is proud of Derbyshire and ambitious for its public services.

The Council is actively pursuing opportunities to work with other local authorities, including exploring a proposal to create a strategic alliance. This would focus on driving growth and prosperity in the East Midlands region through joint work on transport and other infrastructure, employment, skills and strategic planning. The alliance would involve councils from the four counties of Nottinghamshire, Derbyshire, Leicestershire and Lincolnshire, along with the cities of Derby, Leicester and Nottingham, the local enterprise partnerships and Chambers of Commerce and would ensure the East Midlands punches above its weight in supporting the wider aims of the Midlands Engine and Midlands Connect.

In summary, this Plan reflects a determination on the part of the Council to build on past successes, to focus on areas for improvement, to secure continued excellent value for money and to take the lead on developing new and better ways of delivering quality public services.

NATIONAL AND LOCAL CONTEXT

The Plan has been updated to reflect the outcomes from the Government's Autumn Budgets 2018.

Autumn Budget 2018

On 29 October 2018, the Government announced details of the Autumn Budget 2018. The key announcements relevant to local government were:

- £240m additional funding for social care to prevent bed-blocking in 2018-19 and 2019-20, alongside an additional £410m for adult and children's social care in 2019-20.
- £420m to be allocated in 2018-19 to local authorities to repair roads, tackle potholes and keep bridges open and safe.
- The Government's planned Green paper on the future financing of Social Care has been delayed.
- £84m over five years for up to 20 local authorities to help children stay at home with their families.
- £400m one-off payment to schools, £10,000 for each primary and £50,000 for each secondary, to spend on equipment and facilities.
- £45m additional Disabled Facilities Grant.
- Authorities piloting the 100% rates retention scheme are expected to gain £0.8bn in 2018-19.
- 75% Business Rates retention is still intended to be implemented in April 2020. However, there is still uncertainty regarding the timeline for implementation of 100% rates retention.
- 100% business rates relief on public lavatories.
- £1,500 business rates discount on office space occupied by local newspapers to continue in 2019-20.
- Retail properties with a rateable value below £51,000 will have their rates bill reduced by one-third, for two years from April 2019.
- Local authorities to be fully compensated for any loss from business rates measures announced in the budget.
- The National Living Wage will rise by 4.9% from £7.83 per hour to £8.21 from April 2019. The National Minimum Wage rates will be increased to £7.70 for 21-24-year olds, £6.15 for 18 to 20-year olds, £4.35 for 16-17-year olds and £3.90 for apprentices, an increase of 4.3%, 4.2%, 3.6% and 5.4% respectively.
- Employers paying the Apprenticeship Levy to be allowed to transfer up to 25% of their funds to pay for apprenticeship training in their supply chain.
- £650m to support high street rejuvenation and improve transport links.
- The National Productivity Investment Fund (NPIF) was to provide £23bn between 2017-18 and 2021-22 for capital investment in housing, transport and digital infrastructure. This is being extended to 2023-24 and expanded to £37bn.

Local Government Finance Settlement 2019-20

Details of the Provisional Local Government Finance Settlement 2019-20 were published on 13 December 2018. It marked the start of a four-week consultation period. The Director of Finance & ICT submitted the Council's response to the Provisional Settlement ahead of the deadline for responses, which was 10 January 2019, following consultation with the Leader of the Council and Corporate Management Team. A copy is attached at Appendix Two. Details of the Final Local Government Finance Settlement were published on 29 January 2019.

On 17 December 2015, the Government announced details of the Provisional Local Government Finance Settlement 2016-17. Alongside the Settlement, was the offer of a four-year funding deal to local authorities, for the period 2016-17 to 2019-20, to allow them to plan ahead for full local retention of business rates, should they wish to take it up. The intention was that these multi-year settlements would provide funding certainty and stability to enable more proactive planning of service delivery and support strategic collaboration with local partners.

Those local authorities which expressed an interest in accepting the offer were required to provide an Efficiency Plan. The Council submitted its Efficiency Plan to Government in 2016, details of which were reported to Cabinet on 11 October 2016. Subsequently, the Government confirmed that the Council was formally part of the multi-year settlement deal.

The headlines from the Settlement are:

- No change to allocations in the four-year funding deal, except for the removal of negative Revenue Support Grant from the settlement through forgone business rate receipts, for those authorities affected.
- General expenditure precept threshold of 3%.
- Confirmation of the continuation of the Adult Social Care Precept of 2%.
- Following on from last year's announcement of the Government's aims to localise 75% of business rates from 2020-21 and to implement new needs assessment methodology, consultations launched on the future system design of Business Rates Retention and on Fair Funding Proposals.
- New 75% business rates retention pilots launched and continuation of 100% business rates retention pilots in devolution deal areas.
- Distribution of £180m surplus on the business rates retention levy account, which has occurred as a result of business rates growth; levy originally top-sliced from Revenue Support Grant.
- The methodology for the distribution of the New Homes Bonus to continue in its current format.
- Increase of £16m in Rural Service Delivery Grant to 2018-19 levels.
- Local authorities across England to receive a share of £56.5m to help support their preparations for European Union exit (Brexit) in 2018-19 and 2019-20.

Business Rates Retention

On 5 October 2015, the Government announced that it would allow local authorities to retain 100% of business rates income "by the end of the Parliament". This was planned to commence in the 2019-20 financial year. However, following the fall of the Local Government Finance Bill 2016-17, progress was halted.

The Government had published consultation papers in 2016 with regard to a move to 100% business rates retention setting out proposals as to how the scheme would operate. Further consultation documents were issued in 2017 which suggested that funding could be made available to combined authorities under devolution deals, could be delivered via the business rates system. This included funds for adult education, transport capital grants and the Local Growth Fund.

The Government has now confirmed that it has revised its aims and is pursuing a 75% business rates retention scheme by a planned implementation date of 2020-21. Business rates assessed can be subject to appeals, which could mean that some rates income receivable becomes repayable in the future.

Alongside this announcement, the Government published a further consultation as part of its Fair Funding Review. This consultation focuses on the measurement of relative needs with future technical papers to be focused on relative resources and transitional arrangements. The work is being divided into three closely related strands which are relative needs, relative resources and transitional arrangements. The implementation date for the Review was expected to be 2020-21. However, the latest indications are that the Review is behind schedule and that a new multi-year funding settlement will be delayed by at least one year.

Business Rates Pooling

Under the Business Rates Retention Scheme, local authorities are able to come together, on a voluntary basis, to pool their business rates, giving them scope to generate additional growth through collaborative effort and to smooth the impact of volatility in rates income across a wider economic area.

The Council along with the eight district/borough councils, the city council and the Fire and Rescue Authority submitted a proposal to Government for a 'Derbyshire' pool. Details were reported to Cabinet on 21 October 2014. Local authorities can withdraw from a designated pool, if after seeing the Provisional Local Government Finance Report, they no longer believe that pooling provides the opportunities they had previously thought. All members of the pool have agreed that the pool should proceed on the basis that the additional funding will provide an important enabler to drive forward economic growth and create a positive framework for investment across the county by improving business rates incentives and minimising the prospect of wasteful competition between authorities.

Business Rates Pilot

The Council participated in a 2018-19 business rates pilot, along with Derbyshire District and Borough Councils, the Derbyshire Fire and Rescue Service and Derby City Council, following a successful bid to become one of ten pilots. The pilot has generated additional one-off income in 2018-19 for the county of Derbyshire, over and above the business rates income received through the local government finance settlement. The Council's share of the additional business rates one-off income in 2018-19 was £16.481m, which has been transferred to Earmarked Reserves.

Of this income transferred to Earmarked Reserves, £4.889m is being held in respect of the Council's contribution to the D2 Business Rates Retention Programme for strategic investment, to support economic regeneration across the county and in Derby City, £6.876m will be used in managing the Council's budget, supporting services including children's social care, waste and recycling, promoting tourism, supporting community safety and 'safe and well' checks and £4.716m will be held in a business rates pool earmarked reserve, the use of which is still to be determined.

The Derby and Derbyshire Authorities Joint Committee for Economic Prosperity is the decision making board for allocation of funding to individual projects to support economic regeneration.

It should be noted that the 100% business rates retention pilot was for 2018-19 only. The Council, as part of a Derbyshire pool, bid to participate in a 75% business rates retention pilot for 2019-20, before a national 75% regime comes into force, planned for 2020-21. The aim of the pilots is to learn lessons to ensure that the transition to the new scheme in 2020-21 is as smooth as possible. Successful pilots were announced alongside the Local Government Provisional Settlement 2019-20. The Derbyshire pool was unsuccessful in its pilot bid. The Derbyshire business rates pool is continuing in its previous form and funding allocations have reverted back to those announced in the multi-year settlement for 2019-20.

Settlement Funding Assessment

Settlement Funding Assessment (SFA) is made up of Revenue Support Grant, Business Rates Top-Up (both of which are received directly from Government) and localised Business Rates, which are received directly from the district/ borough councils. As the Council was part of the 100% Business Rates Retention pilot in 2018-19, its Revenue Support Grant was foregone. Details of the allocations are summarised below:

	2018-19 allocations before 100% Business Rates Pilot £m	2018-19 allocations after Business Rates Pilot £m	2019-20 allocations £m
Revenue Support Grant	28.633	0.000	13.517
Business Rates Top-Up	91.454	43.036	93.370
Business Rates - Local	17.122	94.173	19.195
	137.209	137.209	126.082

- **Business Rates Top-Up**

Business Rates Top-Up increases in line with the Small Business Rates multiplier (based on the Retail Price Index as at September of the preceding financial year).

- **Business Rates – Locally Retained**

The figure for Local Business Rates shown in the table above includes the Council's estimate of its Derbyshire business rates 2019-20 pool gain of £1.500m, based on previous years' pool gains and the Government's estimate of growth; the final figure for growth was later provided by the billing authorities, which have until 31 January 2019 to the County Council with the final estimates used in setting the budget. The amount represents 49% of business rates collected locally. Any changes to the figure shown in Appendix One will be managed through the Risk Management Budget or Reserves.

New Homes Bonus (NHB)

The NHB grant was introduced in April 2011. The scheme is aimed at encouraging local authorities to grant planning permission for the building of new houses and then share in the additional revenue generated.

The Government has confirmed that the Council will receive an additional allocation of NHB in 2019-20 of £0.040m, making an in-year total allocation receivable in 2019-20 of £2.098m.

General Grant

Details of further grant allocations are set out in the table below:

	2018-19 £m	2019-20 £m
Improved Better Care Fund	24.906	31.055
Business Rates Capping*	12.807	6.364
Business Rates Retention Levy Account Surplus	0.000	1.704
Winter Pressures Grant	3.627	3.627
Social Care Support Grant	0.000	6.197
Adult Social Care Support Grant	2.267	0.000
Independent Living Fund	2.614	2.534
Extended Rights to Free Travel*	0.866	0.914
Local Reform and Community Voices Grant**	0.511	0.511
War Pensions Scheme Disregard**	0.172	0.172
Prison Services**	0.105	0.105
Lead Local Flood Authority	0.055	0.059
Moderation Phonics Grant**	0.040	0.040
Total	47.970	53.282

* 2019-20 figure updated from Revenue Budget Report following announcement/release of allocations.

** 2019-20 figure is an estimate as details of allocations have not been released.

- **Improved Better Care Fund (iBCF)** – the Comprehensive Spending Review 2015 announced that £1.5bn would be added to the ring-fenced Better Care Fund progressively from 2017-18. This was later increased by £2bn, at Spring Budget 2017, allocated over a three year period to 2019-20, reaching £1.837bn in 2019-20 nationally.
- **Business Rates Capping** – compensates authorities for their individual reductions in non-domestic rating income following recent decisions by Government to change the rate relief for some organisations. The Government has confirmed that compensation will be provided in 2019-20 by means of a Section 31 grant. The Revenue Budget report 2019-20 contained an estimate of the grant from the billing authorities. The amount of the grant for 2019-20 has since been confirmed in a determination from Government and this has been updated in the table above.
- **Business Rates Retention Levy Account Surplus** – distribution of surplus on the 2018-19 business rates retention levy account as a result of business rates growth, originally top-sliced from Revenue Support Grant.
- **Winter Pressures Grant** – the Autumn Budget 2018 announced that £240m of additional funding would be made available for councils to spend on adult social care services, in both 2018-19 and 2019-20, to help alleviate NHS winter pressures. In 2019-20 the funding is required to be pooled into the Better Care Fund via the iBCF and reported on through the Better Care Fund.

- **Social Care Support Grant** - the Autumn Budget 2018 also announced that £410m of additional funding would be made available for councils to spend on adult and children's social care services in 2019-20. Although the grant is not ring-fenced there is an expectation that councils will use the funding to meet pressures on those services. The allocation of the grant between adult and children's social care is not prescribed.
- **Adult Social Care Support Grant** – the Final Local Government Finance Settlement 2018-19 announced that a further £150m would be paid as a one-off grant to local authorities who have adult social care responsibilities, to build on their progress so far in supporting sustainable local care markets.
- **Independent Living Fund (ILF)** – responsibility for administering the ILF was devolved to local authorities in England in 2015. The Government committed to providing non ring-fenced funding to local authorities until 2019-20.
- **Extended Rights to Free Travel** – funding to support extended rights to free school travel.
- **Local Reform and Community Voices Grant** – this grant is comprised of funding for Deprivation of Liberty Safeguards, local Healthwatch and Independent Complaints Advisory Services.
- **War Pensions Scheme Disregard** - compensates authorities for disregarding, for the purposes of social care charging, most payments made under the War Pension Scheme.
- **Prison Services** – funding for social care in prisons.
- **Lead Local Flood Authority** – to carry out duties under the Flood and Water Management Act 2010 and for the role as statutory consultee on surface water for major development.
- **Moderation Phonics Grant** – funding for moderation and phonics.

Private Finance Initiative Grant (PFI)

The PFI grant is received to support expenditure which is incurred in meeting payments to contractors for the capital element of school building projects previously undertaken through PFI and similar funding arrangements. These funding arrangements require payments to be made over a 25 year period. The capital payments due on these schemes will end in three phases between 2029 and 2035. The Council's allocation for 2019-20 is £10.504m.

Ring Fenced Grants

- **Dedicated Schools Grant (DSG)**

Grant is paid to local authorities to provide school, high needs, early years and central schools block budgets. Local authorities are responsible for determining the allocation of grant in conjunction with their local Schools Forum. Local authorities are responsible for allocating funding to schools and academies, high needs and early years providers in accordance with their local funding formulae. Details of DSG funding were considered by Cabinet on 31 January 2019.

- **Public Health**

Public Health expenditure is funded from a ring-fenced grant. The budget is largely spent on drug and alcohol treatment services, sexual health services, health protection and promoting activities to tackle smoking and obesity and to improve children's health. The Council's allocation for 2019-20 is £39.477m. This represents a reduction of 2.64% compared to the 2018-19 allocation. The Government has confirmed that the ring-fence and grant conditions will remain in place until 31 March 2020, at which point it is expected that the grant will be replaced by retained business rates.

- **Better Care Fund**

The Better Care Fund (BCF) was announced in June 2013 as part of the 2013 Spending Round. It provides an opportunity to transform local services so that people are provided with better integrated health and social care. The BCF will support the aim of providing people with the right care at the right place at the right time. This will build on the work which the Clinical Commissioning Groups (CCGs) and the Council are already doing, for example as part of integrated care initiatives, joint working and on understanding of patient/service user experiences.

The allocation for Derbyshire as a whole in 2019-20 has yet to be announced but it is expected to be at least at the 2018-19 level of £95.558m, which was split as follows:

	2018-19 £m
Tameside	2.295
Erewash	6.587
Hardwick	7.528
North Derbyshire	19.919
Southern Derbyshire	18.112
CCG minimum contribution	54.441
 CCG additional contribution	
Wheelchairs	0.503
ICES equipment	1.833
CMHT	2.372
Community Nursing	3.552
	8.260
 DCC additional contribution	
ICES equipment	1.500
DFG	6.451
Improved Better Care Fund	24.906
	95.558

The funding can be used to improve health outcomes for clients and their carers. Derbyshire will look to invest in services jointly commissioned with health services, which include reablement, seven day services, better information sharing, joint assessments and reducing the impact on the acute sector. The resources for reducing the impact on the acute sector are performance related and will not be paid to the acute service if the targets are not achieved.

The BCF has national metrics underpinning its performance, which will be used to measure success, include reducing admissions to residential care homes, effectiveness of reablement out of hospitals, delayed transfer of care, avoidable emergency admissions and patient/service user experience.

This funding system presents opportunities and risks to the Council, these are the subject of detailed negotiation with the CCGs. The additional funding will help to bridge the funding gap which will be left by the annual reduction in Revenue Support Grant.

Fees and Charges

Departments have continued to look for ways of working more efficiently and effectively to cut costs or generate additional income and set aside cash for future years, when further budget reductions will be needed. The Council receives income in respect of a range of fees, charges and contributions for different services, including residential care, adult education courses and library fines. The Council has a Corporate Charging Policy to help standardise the approach to charging for services. The income generated from fees and charges (excluding residential care), referred to in the Corporate Charging Policy, which was updated and reported to Cabinet in December 2018, was £59m.

DERBYSHIRE ECONOMY

The Derbyshire Local Economic Assessment 2019 (LEA) shows that the county's economy contributes £15.2bn to the national economy and has grown by 6.4% over the last five years. Locally, productivity levels have grown at a faster rate than nationally, helping to narrow the gap between Derbyshire and England.

Derbyshire has more than 29,000 businesses that employ around 290,300 people. The area has significant strengths in the advanced manufacturing sector, with a number of world class companies such as Toyota, Rolls Royce, JCB and Bombardier choosing to locate and invest in the county and its surrounding area. Although Derbyshire has fewer new businesses starting up than England, the survival rate of local businesses continues to be higher.

The employment profile of Derbyshire is significantly different from that of England. Locally, manufacturing remains a key sector, accounting for nearly a fifth of all employment, more than double the national rate. The health and social care sector is also of significance to the local economy, employing 39,300 people along with the visitor economy that supports 23,400 full-time equivalent jobs.

Locally the visitor economy in Derbyshire makes a significant contribution to economic performance, with over 33m visitors in 2017, generating £1.7bn. Over the last five years, the sector has grown considerably, with a rise of nearly three million visitors, an additional £140m in visitor spend and a 4.5% rise in employment levels in the sector.

Derbyshire is home to around 796,000 people and by 2041 the county's population is estimated to have grown by 8.0%. In addition to this, the county is forecast to have fewer people of working age and an increasingly ageing population.

The county has high levels of labour market participation and continues to have an employment rate well above the national average. The latest employment rate for Derbyshire stood at 78.8%, over 3 percentage points higher than the England rate. This is one of the highest levels in recent years, with the last five years showing a general upward trend both locally and nationally, reflecting the improving economic picture.

Unemployment rates in the county remain lower than across England, with the claimant count unemployment rate of 2.1% in May 2019 being 0.6% points below that nationally. However, there are areas across the county where the unemployment rate is more than double the national average. Over 60.0% of all unemployed claimants in Derbyshire have been out of work for more than a year, although this remains below the national average. The youth unemployment rate in Derbyshire is 2.9%, the same as that nationally.

Derbyshire is an attractive and affordable place to live. In March 2019 the average house price in the county was £177,000. Although this is around £66,000 lower than the England average, prices vary significantly across the county, with affordability being an issue in the more rural areas of Derbyshire.

FIVE YEAR FINANCIAL PLAN

The following key assumptions have been made when developing the Plan.

Income:

Business Rates

This is the Council's share of Business Rates income under the Business Rates Retention Scheme. For 2019-20, the figure is based on 50% retention of Business Rates. Despite the Government's commitment to introduce a 75% scheme by 2020-21, it is difficult to estimate the funding under a revised scheme, as the details of the scheme will be subject to consultation over the coming months and indications are that the scheme may be delayed. It assumes 2% growth year-on-year.

Top-Up

This is a grant received from Government under the Business Rates Retention Scheme. It assumes that the amount will increase with the Government's target CPI inflation year-on-year.

Revenue Support Grant

Under the Government's austerity measures, Revenue Support Grant is expected to cease in 2020-21, although this may be extended for one year, given the delay in the Government's funding review outcome.

Improved Better Care Fund (BCF)

Announced as part of the 2013 Spending Review, aimed at transforming local services so that people are provided with better integrated health and social care. The improved BCF supports the aim of providing people with the right care at the right place at the right time. The Spending Review 2015 announced additional funding for the period 2017-18 to 2019-20, with the Spring Budget 2017 announcing further support over the same period.

New Homes Bonus

Introduced in April 2011. The scheme is aimed at encouraging local authorities to grant planning permission for the building of new houses and then share in the additional revenue generated.

General Grant

In 2019-20, the amount of general grant is based on the following allocations at the time of the Revenue Budget Report 2019-20:

	2019-20 £m
Business Rates Capping	1.247
Business Rates Retention Levy Account Surplus	1.704
Social Care Support Grant	6.197
Extended Rights to Free Travel	0.866
Local Reform and Community Voices Grant	0.511
War Pensions Scheme Disregard	0.172
Prison Services	0.105
Lead Local Flood Authority	0.059
Moderation Phonics Grant	0.040
Total	10.901

* 2019-20 later determinations are documented on page 14. The Plan anticipates General Grant income in respect of the above grants of £10.901m. This additional one off income and expenditure does not materially change the 2019-20 Five Year Financial Plan position at the end of the year.

PFI Grant

This grant is to support expenditure which is incurred in meeting payments to contractors for the capital element of projects undertaken through the Private Finance Initiative.

Council Tax

An increase of 3.99% has been agreed for 2019-20, with a freeze in Council Tax assumed for two years from 2020-21 and a 2% increase in Council Tax assumed for two years from 2022-23.

Taxbase increases of 1.5% per annum are assumed from 2020-21, with a collection fund surplus projected of £2m each year.

Use of Balances

There is a planned use of Budget Management Earmarked Reserve and General Reserve to support one-off pressures over the medium term.

Expenditure:

Price Inflation

There will be no increase to departmental budgets for specific price rises, other than business rates and care home fees, as inflation (the Consumer Price Index) is forecast to remain low over the medium term.

There will not be budget allocations for utility costs as the Council procures its gas and electricity through the integrated Pan Government Energy Programme and the Government Procurement Service which has resulted in prices remaining very competitive against other providers because of the purchasing power of the organisation.

For 2019-20 only it has been agreed that no Adult Social Care budget allocation will be made to reflect the annual increase in care home fees. In 2018-19 the allocation was £1.800m. It is anticipated that allocations will be made to reflect increases in care home fees from 2020-21 for the rest of the period of the Plan.

Pay Award

The award for 2019-20 has been agreed at a general offer of 2%. For 2020-21 onwards, the Plan assumes a general 2% pay award for each year of the Plan. Any amount over and above 2% will have to be met from within existing budgets.

Contingency for Price Increases

The Council maintains a Contingency Budget which has been used to help manage pay and price increases over which there is some uncertainty, details for 2019-20 are set out below.

- **Pay Award - £3.907m**

At the time of approval of the 2019-20 budget, local authorities were negotiating with unions on the offer for 2019-20. The Council's last Plan, published in September 2018, assumed a pay award of 2% and a general offer of a 2% increase was assumed to be a realistic estimate in the 2019-20 budget. This equated to £3.907m, which is a contingency amount of £7.125m less the calculated Adult Social Care element of £3.218m, for which it has been agreed that no allocation will be made in 2019-20. Following final agreement of a general offer of 2%, the £3.907m budget is being allocated to departments.

- **General Data Protection Regulation (GDPR) - £1.000m**

New GDPR obligations were introduced in 2018-19 and imposed a number of new requirements on the Council when dealing with personal data. Failure to comply with these new requirements, or being able to demonstrate that suitable data protection controls are in place, could lead to the Council being subject to significant financial penalties. The burdens of GDPR place a short term pressure on the Council. This is the estimated one-off cost of funding GDPR work that will be required across the Council in 2019-20. Departments are submitting bids for this funding.

- **Street Lighting Energy - £0.215m**

This is the estimated ongoing increase in street lighting energy costs.

External Debt Charges and Minimum Revenue Provision

This represents the interest payable on the Council's outstanding debt. The Council has paid off a number of loans, which were used to support the Council's capital programme, in recent years and has not undertaken further borrowing. In 2018-19, the year before the period of this Plan, this provided the opportunity to reduce the ongoing budget by £8.500m, to reflect the reduction in interest charges. A further reduction, of £1.500m, is planned in 2021-22.

The Minimum Revenue Provision (MRP), is a prudent amount of revenue set aside to contribute towards capital expenditure which has been financed by borrowing or credit arrangements. The Council reviewed its MRP Policy in 2016-17, in a report to Cabinet on 22 November 2016. It was considered that future savings could be achieved without compromising the future prudent provision made by the Council. In conjunction with the policy being reviewed, the level of the Capital Adjustment Account (CAA) reserve in to which the money is set aside has been reviewed.

The amount of MRP that has been transferred over the last ten years to the CAA reserve is in excess of £171m, however the actual amount of loan repayments during that time is significantly lower, at £121.5m. With the Council not undertaking any new borrowing within the last ten years, this indicates that the Council's CAA reserve contains in excess of what is required to ensure the Council can repay its debt.

Whilst the Council will continue to set aside a prudent amount of revenue for MRP each year, it will ensure that its future annual provision is appropriate. The base budget is profiled to return to its 2017-18 level, after one-off reductions to adjust the amount held in the CAA reserve, by 2021-22. The Council will however continue to review its MRP policy annually to ensure in future years that adequate/prudent provisions are still being made.

Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead. By doing so, the Council is able to reduce net borrowing costs and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. The Council will monitor this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2019-20, with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

In addition, the Council may borrow short-term to cover cash flow shortages where it is advantageous to do so.

Interest Receipts - £5.948m

The Bank of England increased the base rate of interest from 0.50% to 0.75% at its meeting on 2 August 2018. The 2019-20 budget assumes that the Council will earn additional income of £1.000m by utilising a range of risk assessed investment vehicles in order to increase its income from external investments.

On-going Service Pressures

A number of service pressures have been identified by departments and there are planned allocations to base budgets for social care over the medium term to address increased demand for services. In addition, there are allocations for Council priorities such as waste and public transport.

One-Off Pressures

There is a planned use of one-off General Grant and the Budget Management Earmarked Reserve over the medium term to support one-off expenditure. Planned allocations have been made for social care, highways maintenance and Community Managed Libraries. A further £1m contingency one-off will also be funded from the Budget Management Earmarked Reserve.

FIVE YEAR FINANCIAL PLAN for 2019-20 to 2023-24

	2019-20	2020-21	2021-22	2022-23	2023-24
	£m	£m	£m	£m	£m
FUNDING					
Business Rates and Government Grants					
Business Rates	19.195	19.579	19.970	20.370	20.777
Top-Up	93.370	96.171	99.056	102.028	105.089
Revenue Support Grant	13.517	0.000	0.000	0.000	0.000
Better Care Fund	25.928	25.900	25.900	25.900	25.900
additional improved Better Care Fund	5.126	0.000	0.000	0.000	0.000
New Homes Bonus	2.098	2.300	2.300	2.400	2.400
General Grant	10.901	3.000	3.000	3.000	3.000
PFI Grant	10.504	10.504	10.504	10.504	10.504
Sub Total	180.639	157.454	160.731	164.202	167.670
Council Tax	329.431	334.003	338.983	350.879	363.194
Use of Balances	9.462	3.364	3.000	2.000	2.000
TOTAL FUNDING	519.532	494.821	502.714	517.080	532.864
EXPENDITURE:					
Base Budget	491.732	506.205	491.457	499.714	515.080
Price Inflation	0.040	2.000	2.000	2.000	2.000
Living Wage	0.000	1.000	1.000	0.000	0.000
Pay Award (including Living Wage)	3.907	7.676	7.829	7.985	8.145
Contingency for Price Increases	0.215	0.000	0.000	0.000	0.000
Debt Charges	0.000	0.000	-1.500	0.000	0.000
Interest Receipts	-1.000	0.000	0.000	0.000	0.000
MRP adjustment	2.000	1.000	7.000	0.000	0.000
On-going Service Pressures (see below)	23.460	7.000	7.300	6.000	6.000
Risk Management Budget	-0.756	0.000	0.000	0.000	0.000
	519.598	524.881	515.086	515.699	531.225
One-off expenditure:					
Risk Management	0.000	0.000	0.000	0.000	0.000
One-off revenue support	12.327	3.364	2.000	2.000	2.000
Contingency for other one-off revenue bids	1.000	0.000	0.000	0.000	0.000
Elections	0.000	0.000	1.000	0.000	0.000
	13.327	3.364	3.000	2.000	2.000
Budget cuts required	-13.393	-33.424	-15.372	-0.618	-0.361
TOTAL EXPENDITURE	519.532	494.821	502.714	517.080	532.864
Ongoing base budget	506.205	491.457	499.714	515.080	530.864

Assumptions	2019-20	2020-21	2021-22	2022-23	2023-24
Price Inflation	2.00%	2.00%	2.10%	2.10%	2.00%
Pay Award	2.00%	2.00%	2.00%	2.00%	2.00%
Business Rate Growth	-79.62%	2.00%	2.00%	2.00%	2.00%
Top Up RPI	116.98%	3.00%	3.00%	3.00%	3.00%
Council Tax Increase	3.99%	0.00%	0.00%	2.00%	2.00%
Taxbase Increase	1.17%	1.50%	1.50%	1.50%	1.50%
Taxbase	247,261	250,970	254,734	258,555	262,434
Collection Fund Position (£m)	2.333	2.000	2.000	2.000	2.000
Council Tax (£/Band D)	1,322.88	1,322.88	1,322.88	1,349.34	1,376.32
Ongoing Service Pressures	2019-20	2020-21	2021-22	2022-23	2023-24
	£m	£m	£m	£m	£m
Adult Care Price Increases and Demographics	12.440	5.000	5.000	5.000	5.000
Transforming Care Programme	0.456	0.000	0.000	0.000	0.000
Payments to Carers	1.097	0.000	0.000	0.000	0.000
Transport Costs (SEN)	1.000	0.000	0.000	0.000	0.000
Pupil Referral Units	0.450	0.000	0.000	0.000	0.000
Children's Homes	0.450	0.000	0.000	0.000	0.000
SEND Services	0.275	0.000	0.000	0.000	0.000
Foster Carers	0.060	0.000	0.000	0.000	0.000
Public Transport	0.500	-0.300	0.000	0.000	0.000
Pension Fund	0.000	1.000	0.000	0.000	1.000
Children's Social Care Demographics	3.000	0.000	1.000	1.000	0.000
Children's Social Work Remodelling	1.300	1.300	1.300	0.000	0.000
Thriving Communities	0.368	0.000	0.000	0.000	0.000
Coroners	0.270	0.000	0.000	0.000	0.000
ICT Strategy	0.200	0.000	0.000	0.000	0.000
Enterprising Council	0.094	0.000	0.000	0.000	0.000
Waste Treatment and Disposal	1.500	0.000	0.000	0.000	0.000
	23.460	7.000	7.300	6.000	6.000

One-Off Pressures	2019-20	2020-21	2021-22	2022-23	2023-24
	£m	£m	£m	£m	£m
Highways Maintenance	1.000	0.000	0.000	0.000	0.000
Children in Care Proceedings	1.050	0.000	0.000	0.000	0.000
Mobile Working	0.260	0.000	0.000	0.000	0.000
Complex Cases	0.250	0.000	0.000	0.000	0.000
Participation	0.080	0.000	0.000	0.000	0.000
Children's Social Work Remodelling	2.600	1.300	0.000	0.000	0.000
Children's Social Care Demographics	1.000	2.000	0.000	0.000	0.000
Care Leavers	0.402	0.000	0.000	0.000	0.000
Children in Care Placements	4.000	0.000	0.000	0.000	0.000
Child Protection	0.105	0.000	0.000	0.000	0.000
Community Managed Libraries	0.742	0.000	0.000	0.000	0.000
Child Care Solicitors	0.300	0.000	0.000	0.000	0.000
Enterprising Council	0.150	0.000	0.000	0.000	0.000
Learning Management System	0.083	0.000	0.000	0.000	0.000
HR Consultant SAP Development	0.045	0.000	0.000	0.000	0.000
Water Body	0.100	0.000	0.000	0.000	0.000
Trading Standards Older People Support	0.048	0.000	0.000	0.000	0.000
Street Lighting	0.048	0.000	0.000	0.000	0.000
HS2 Co-Ordination Officer	0.064	0.064	0.000	0.000	0.000
	12.327	3.364	0.000	0.000	0.000

CAPITAL PROGRAMME

The Capital Programme is developed following an assessment of capital bids received from each of the services across the Council.

The capital expenditure recommendations are determined from a detailed assessment of service department proposals for capital investment, utilising, as in previous years, a “scoring” mechanism to reflect the importance of each proposal in meeting a series of objectives, linking together the Capital Strategy, Asset Management and the Council Plan. The impact of capital expenditure and associated borrowing is spread over several years and therefore it is important to consider the effect of any proposals in both the forthcoming and future financial years.

The Capital Strategy firmly places decisions around borrowing in the context of the overall longer term financial position of the Council. It provides improved links between the revenue and capital budgets, whilst giving consideration to both risk and reward and the impact on the achievement of priority outcomes. This produces a programme that is financially affordable, prudent and sustainable and integrated with the Five Year Financial Plan. It gives due consideration to the impact of investment decisions on revenue budgets, beyond the completion of the capital scheme and funding.

Option appraisals are carried out, which include examinations of the ongoing revenue implications of either carrying out, or failing to carry out, a specific scheme. It is regarded as imperative that such implications form a full part of the Council’s expenditure planning process.

As the Council’s Capital Strategy is integrated with the Corporate Asset Management Plan process for service accommodation needs, this allows for the on-going assessment/ challenge of asset utilisation and building condition, with the key objective being to hold or provide only those assets that are necessary to meet service priorities.

Details of the actual and estimated figures Capital Programme figures were reported to Council on 6 February 2019.

The Capital Strategy has regard to the availability of finance. This continues to be provided mainly by traditional methods, which include:

- Borrowing
- Grants & Contributions
- Revenue Funding
- Capital Receipts

Whenever possible, capital schemes financed from prudential borrowing will be in line with the invest to save principle; that is, the scheme is required to make a return, or generate revenue savings, sufficient to cover its capital financing costs. However, not all capital schemes funded through prudential borrowing will generate such a return and in such cases, the resulting capital financing implications are a cost to the revenue budget.

The Capital Programme is subject to regular review, with monitoring reports submitted to Cabinet and the Capital Strategy Statement itself being approved annually at Full Council.

RISKS

The Plan shows that the Council is required to make substantial budget savings over the medium term in order to maintain a balanced budget. If the target savings cannot be achieved a drawdown on the General Reserve will be required to balance the budget. The Plan projects a long-term balance on General Reserve of between £14m and £47m over this period.

The Council has identified a programme of budget savings required over the medium-term. Procedures are in place to ensure that achievement against the targets is regularly monitored and reported to Members. The Revenue Budget 2019-20 exemplified that of a target of £63.168m, total savings of £30m had been identified by departments over the five years.

Savings identified in respect of 2019-20, totalling £10.542m, were included in detail in the Revenue Budget Report 2019-20, reported to Council in February 2019. Of these savings, £10.011m are new savings against base budget. The shortfall in savings targets for Children's Services and Economy, Transport and Environment will be met from the Budget Management Earmarked Reserve. This is in agreement with the principles of meeting savings shortfalls with one-off support as agreed in the Revenue Budget Reports 2017-18 and 2018-19. The Economy, Transport and Environment department has allocated its 2019-20 savings shortfall to the highways revenue budget but the 2019-20 highways budget will remain the same because of this one-off funding from reserves.

The table below summarises the 2019-20 savings target, identified savings and the level of achievement for each department at the time of the Revenue Budget Report 2019-20.

	Plan Target 2019-20 £m	Budget Savings Identified £m	Annual Budget Shortfall/ (Over- achievement) £m
Adult Care	5.732	5.732	0.000
Children's Services	3.013	1.631*	1.382
Economy, Transport and Environment	2.666	0.666*	2.000
Commissioning, Communities and Policy	1.982	1.982	0.000
Total	13.393	10.011	3.382

* - Children's Services savings of £2.091m for 2019-20. Of these savings, £1.631m are new savings against base budget and £0.460m are savings committed to in previous years.

- Economy, Transport and Environment savings of £0.737m for 2019-20. Of these savings, £0.666m are new savings against base budget and £0.071m are savings committed to in previous years.

Children's Services and Economy, Transport and Environment will still be required to achieve their savings targets for 2019-20 but the use of earmarked reserves provides some flexibility to plan and achieve the target. Base budgets will need to be in balance by 1 April 2020.

In the six months since the Revenue Budget 2019-20 was compiled, departments have been reassessing their identified savings, with a view to bridging the savings shortfall. As identified above, an annual shortfall of £3.382m remains from the 2019-20 budget savings target of £13.393m. Reassessed details of identified annual budget savings for 2020-21 to 2023-24 are shown at Appendix Two. These identified budget savings comprise £44.792m of departmental annual budget savings and £8.000m of cross-departmental annual budget savings. Overall, a shortfall of £0.365m identified annual budget savings, against the £63.168m budget savings target, remains over the five years of the Plan.

Of the budget savings proposals identified, £6.017m (13%) have been categorised as having a Green RAG status, £33.134m (74%) have been categorised as Amber and £5.641m (13%) have been categorised as Red.

Adult Care budget savings proposals include 95% with an Amber RAG status, 4% Red and 1% Green. Children's Services budget savings proposals include 39% with an Amber RAG status, 37% Green and 24% Red. Economy, Transport and Environment budget savings proposals include 88% with an Amber RAG status, 7% Green and 5% Red. Commissioning, Communities and Policy budget savings proposals include 35% with a Green RAG status, 35% Red and 30% Amber.

The table below summarises the budget savings target for the period 2020-21 to 2023-24 and compares it to departments' reassessment of identified annual budget savings against this target, before cross-departmental annual budget savings are considered.

	Plan Target 2020-21 to 2023-24 £m	Budget Savings Identified £m	Annual Budget Shortfall/ (Over- achievement) £m
Adult Care	21.303	22.334	(1.031)
Children's Services	12.580	5.308	7.272
Economy, Transport and Environment	11.910	8.329	3.581
Commissioning, Communities and Policy	7.364	8.821	(1.457)
Total	53.157*^	44.792	8.365

*Appendix Two also shows that additional departmental budget savings beyond 2023-24 have been identified totalling £0.240m.

^A shortfall of £3.382m remains from the 2019-20 target of £13.393m and has been included with the 2020-21 to 2023-24 budget savings targets.

There is an overall cumulative budget shortfall of £39.052m by the end of 2023-24, comparing the profile of budget savings required over the period of the Plan to the profile of budget savings identified. It is anticipated that this shortfall will be funded from general reserves.

Clearly the timescale of savings is important. The majority of any savings need to be achieved in the period up to 31 March 2022. This reflects two variables: the final reductions from Government in Revenue Support Grant and the desire by the current administration to have a 0% Council Tax rise in both 2020-21 and 2021-22 as well as deciding not to take the full increase possible in 2019-20.

The Council has robust procedures in place to ensure that mitigation against key financial risks is considered. These include:

- Regular review and update of the financial risk register which is reported to senior managers and Members;
- Review of General and Earmarked Reserves at least annually, including projections for the General Reserve balance over the medium term;
- Budget monitoring reports to Members which includes the latest budget position, one-off factors, such as extra funding, supporting the budget, risks that could impact on the outturn position, progress against budget savings targets and the level of departmental Earmarked Reserves;
- Reports to Audit Committee providing updates of the latest budget monitoring arrangements;
- Consultation with Improvement and Scrutiny Committee on the latest Five Year Financial Plan;
- Integrated Risk Management Strategy, with strategic risks facing the Council, along with mitigation in place to ensure they are manageable, reported to the Audit Committee.

In developing the Plan a number of assumptions have been made. There are a number of risks which are highlighted below.

- The introduction of 100% Business Rates Retention is assumed to be fiscally neutral to the Council. The Provisional Local Government Finance Settlement announced that the Government would move towards full 75% business rates retention for local authorities by 2020-21, with 100% retention to follow in later years. The four-year multi-year settlement announced in 2016-17 provided some certainty for those authorities who agreed to sign up to the offer, however there is now growing uncertainty in the sector regarding the funding levels beyond this period. There remains a period of consultation between local government and central government over the coming months to establish a distribution methodology that is fit for purpose, however, local authorities are struggling to set medium term financial plans due to this element of uncertainty.
- The existing allocations of the improved Better Care Fund continue to be paid beyond 2019-20. If the funding ceases beyond 2019-20, local authorities will experience a 'cliff edge' funding effect that will significantly impact on the delivery of adult social care services;

- There continues to be a consistent rise in business rates growth in the county, however a change in the economic life-cycle or a significant loss of business in the region will impact on the level of business rates income;
- Inflationary increases are managed within existing budgets. The Plan assumes that inflation will remain at the Government's target of 2% over the medium term;
- A general 2% pay award is assumed for each year of the Plan. The award for 2019-20 has been agreed. Any amount over and above 2% will have to be met from within existing budgets;
- Impact on employer pension contributions if an estimate of recent judgements are reflected in the upcoming actuarial valuation.
- Investment income will increase over the next year on the basis that the base rate of interest will increase. It is assumed that interest rates will rise over the medium term on the basis that the economy will grow following the UK's exit from the European Union.

Further significant risks are illustrated below.

Business Rates

The introduction of the Business Rates Retention Scheme in April 2013 have increased the level of financial risk for local authorities as they are now exposed to both the impact of appeals against rate valuations and avoidance of the tax. Whilst some appeals will go in the favour of local authorities, the uncertainty of the outcome and lack of knowledge about the timing of the decision mean that councils are forced to accept a significant, unpredictable financial risk, impacting on the availability of funding for services.

Other general risks have been identified, which need to be managed effectively. These are:

- the impact of Business Rates income from economic growth rates across the county;
- the district/borough councils effectiveness in the collection of Council Tax owed;
- deficits of the collection fund as a result of reduced collection rates for both Council Tax and business rates;
- uncertainty around the level of business rates appeals; and
- current economic conditions including inflation levels, interest rates, reduced income from fees and charges.

Cost Pressures

There continues to be an increased demand for services, leading to significant cost pressures in providing essential services such as social care, highways maintenance, public transport and waste.

The focus for support from Council resources is likely to shift towards Safeguarding Services for Children as the improved Better Care Fund and additional precept help to alleviate pressures in Adult Care.

The Council's Senior Members and Officers have lobbied Derbyshire MP's regarding improving funding for the Council and have subsequently met with the Secretary of State for Housing, Communities and Local Government to further promote the need for funding reform.

Children's Social Care

The Council, along with other local authorities in the country, has expressed concern over the cost pressures associated with the provision of children's social care. Many local authorities and the Local Government Association have urged Government to provide additional funding for the service.

Recent analysis illustrates rising demand for children's services nationally, including:

- an increase of 116% in the number of early help assessments completed between 2013 and 2018, with a 78% increase in initial contacts in the last ten years and a 159% increase in the number of Section 47 enquiries in the same ten year period;
- an increase in the average spend for each Looked After Child from £33,078 in 2012 to £39,099 in 2016, this increase continues; and
- an increase in total spending on residential care for Looked After Children, from £0.99 billion in 2012 to £1.10 billion in 2016, with further pressures predicted.

These pressures have resulted in a number of authorities being left with little choice but to divert funding towards crisis intervention activities, rather than preventative services. The national picture is being reflected in Derbyshire, with substantial strain placed on the children's social care budget. The Children's Services budget overspent by £5.5 million in 2016-17, by £6.4m in 2017-18 and has overspent by £4.2m in 2018-19, despite local investment in children's social care services. Increased demand for services in Derbyshire is highlighted below:

- Children subject to a child protection plan – in 2010-11, there were 554 children that were subject to a child protection plan in Derbyshire (a rate of 35 children per 10,000 population). By the end of 2015-16 this had risen to 738, being 48 children per 10,000 population. This is higher than the England rate of 43 per 10,000 population and higher than the rate of the Council's statistical neighbour benchmarking group, of 41 children per 10,000 population. Since 2015-16, numbers have increased, to an all-time high at the end of 2017-18 in excess of 900 children.
- Special Guardianship Orders (SGO) – the number of children subject to an order has increased year-on-year, from 141 in 2012-13 to 370 in 2016-17. The payments to SGO carers and Child Arrangement Order holders is in itself forecast to create a budget pressure in excess of £1 million during 2019-20.
- Children in Care – whilst the numbers of children in care decreased up to 2015-16, there has been a 20% increase in numbers since that time, with an increase of 130 children over a two year period. The cost of placements for children in care is forecast to create a £4 million budget pressure in 2019-20 for the Council.

- Children with additional needs – the number of children in Derbyshire schools with complex educational needs is estimated to have risen by approximately 30% since 2004. The proportion of pupils with statements or Education Health and Care Plans (3%) has increased since 2010-11 and is higher than averages for England and our statistical neighbour group, both of which have remained stable (2.8%). The proportion of pupils with Special Educational Needs (SEN) support has reduced since 2010-11 but at a slower rate than England and our statistical neighbour group.

Schools

Whilst expenditure on school related activity would normally be expected to be met from within the allocated Dedicated Schools Grant (DSG), there are some school based pressures which could fall to the Council's General Reserve to fund:

- The High Needs Block is a part of the DSG which is allocated to local authorities to spend on provision for children and young people with special educational needs and disabilities from their early years to age 25. Over the life of the Plan, it is expected that the baseline spend on such provision will exceed the allocation from Government by around £3.5 million. Whilst there is some one-off funding still available to meet this shortfall it is likely that between £5 million and £10 million may need to be found from the Council's Reserves. The shortfall on Higher Needs funding has been a key part of the Council's lobbying of MPs, the Secretary of State at MHCLG and Government generally.
- Deficit balances that exist at the point a school becomes an academy may be left with the Council to fund. This would be the case for "sponsored" academies. Sponsored academies are those where conversion is as a result of either intervention or where the school is not considered to be strong enough without the aid of a sponsor.

New Waste Treatment Facility

The Council and Derby City Council remain engaged in a project to build a New Waste Treatment Facility (NWTF) in Sinfin, Derby, to deal with waste that residents in Derby and Derbyshire do not recycle. The facility, which was due to open in 2017, was being built on the councils' behalf by Resource Recovery Solutions (Derbyshire) Ltd (RRS), which is a partnership between national construction firm Interserve, which was also building the plant, and waste management company Renewi. However, the contract with RRS was terminated on 2 August 2019, following the issuing of a legal notice by the banks funding the project. This legal notice – called a "No Liquid Market" notice – brings the contract to an end 14 days after being served. The councils did not dispute the notice.

The termination of the contract means that the facility will temporarily cease to accept waste. However the task of building and operating a gasification waste treatment facility in Sinfin will continue.

Contingency measures have been put in place by the councils to make sure waste that residents cannot recycle or choose not to recycle continues to be dealt with, and that recycling centres and waste transfer stations continue to operate. These services will continue to be run by waste management company Renewi, under a new two-year contract.

In the immediate future, work will continue on the facility to determine its condition and capability. This work will also be carried out by Renewi and will allow the councils to ascertain what measures need to be in place for the facility to become fully operational.

Funding for the facility had been loaned to RRS by the UK Green Infrastructure Platform and three leading international banks; Sumitomo Mitsui Banking Corporation and Shinsei Bank from Japan and Bayerische Landesbank from Germany. The councils will now enter negotiations to pay the banks an “estimated fair value” for the plant that will be worked up by an independent expert, taking into account all of the costs of rectifying ongoing issues at the plant, and the costs of providing the services to meet the agreed contract standards.

In light of the significant uncertainty regarding the likely actions of all the parties involved with the project, the councils are planning on the basis of all scenarios.

RESERVES

The Council has in place a Reserves Policy which sets out the framework within which decisions will be made regarding the level of reserves. In line with this framework the balance and level of reserves are regularly monitored to ensure they reflect a level adequate to manage the risks of the Council. This covers both the General Reserve and Earmarked Reserves.

The Council's General and Earmarked Reserves remain at robust, risk assessed levels. These levels are key to the delivery of the Council's objectives over the medium term as a means of helping to manage significant potential liabilities and the general reduction in resources. All such risks are regularly reviewed and appear alongside mitigating actions, on the Council's Strategic and Departmental Risk Registers. The Council formally reviews its reserves at least annually, as set out in the Council's Reserves Policy. The last review was reported to Cabinet in September 2018.

Provision has been made in the Council's Revenue Budget and Plan for the major commitments known to the Council. This still leaves the balance on the General Reserve to deal with further unanticipated or unquantifiable costs and one-off priority spending.

Over the period of the Plan, the Council faces a number of commitments which will require funding. These include a number of major capital commitments with on-going revenue costs. The Council has previously funded some capital projects using revenue contributions. In 2018-19 the decision was taken not to do this, leading to an increase in the use of available capital receipts and borrowing to replace the revenue contributions no longer being used.

In order to maintain reserves at an acceptable level over the planning period further assumptions have been made about the need to make contributions back to uncommitted reserves on an annual basis. The ongoing Risk Management Budget has been used. Additions to reserves would be difficult but could be achieved through timing of budget savings and possible slippage on capital schemes.

The level of General Reserve available over the next few years is largely dependent on the achievement of the annual budget savings target. There are pressures on demand-led services such as the ageing population, children's social care, the National Living Wage and waste disposal which will also have an impact on the balance if departments overspend. In the Audit Commission's 'Striking a Balance' report published in 2012, the majority of chief finance officers at the national level regarded an amount of between three and five per cent of the council's net spending as a prudent level for risk based reserves. Over the medium term the Council's figure is likely to average between three and nine per cent of the Council's net budget requirement.

In order to achieve a balanced budget over the medium term, the Council is reliant on the achievement of a programme of significant budget savings over the medium term, as set out in the Plan. Progress against the budget savings targets will be closely monitored, however, lead-in times for consultation activity and increased demand on services, such as adult care and children in care demographics, mean that there is a continued risk of not achieving a balanced budget.

There is still a risk of delay in implementation or indeed an inability to progress a particular saving for a variety of reasons. Delay can be relatively straightforward to quantify and in global terms can be expressed by noting that an average one month's delay across all the savings identified for the coming year would require the use of around an additional £1m of General Reserve; as a one-off cost this is manageable within the context of the resources available. The non-achievement of an indicated saving is less manageable and as a consequence Executive Directors have been made aware of the need to bring forward alternative savings, to at least an equal value, should this scenario occur. The Council has also established a Budget Management Earmarked Reserve which will be used to supplement the use of the General Reserve to manage, where appropriate, any delayed savings to services, as detailed earlier in this report.

Whilst the Council maintains an adequate level of General Reserve, failure to achieve the required level of budget savings, in order to balance the budget, would see the balance of the General Reserve significantly depleted and lead to issues around financial sustainability that would require urgent, radical savings rather than the planned process that minimises the impacts of reductions as far as possible.

It should be noted that the reductions required to balance the budget on an on-going basis have yet to be finally identified. Further saving proposals will be brought to future Cabinet meetings to bridge the gap and one-off resources used to smooth out the achievement of those savings.

Earmarked Reserves are not generally available to the Council for use in its budget and Council Tax setting process. They are required for specific purposes and are a means of smoothing out the costs associated with meeting known or predicted liabilities. These reserves have no specific limit set on them but they should be reasonable for the purpose held and it must be agreed that they are used for the item for which they have been set aside. Earmarked Reserves are regularly reviewed by Cabinet as part of the budget monitoring cycle, to ensure they reflect a level adequate to manage the risks to the Council. Should any reserve be found to be no longer required it will be returned into the General Reserve.

The external auditor makes a judgement on the financial stability of the Council each year when the accounts are audited. The judgement continues to be positive subject to the continuing achievement of budget savings and the maintenance of a robust, risk assessed level of reserves.

The table below illustrates the planned use of General Reserves over the period 2019-20 to 2023-24:

General Reserve Projections

	2019-20	2020-21	2021-22	2022-23	2023-24
	£m	£m	£m	£m	£m
Opening Balance	64.570	47.137	25.499	16.480	14.619
Plus Expected Contributions	12.437	6.073	12.023	6.073	6.073
Less Use	(29.870)	(27.711)	(21.042)	(7.934)	(2.365)
	47.137	25.499	16.480	14.619	18.327
Contributions					
Revenue Outturn Report - Committed Underspend	11.937	5.573	5.573	5.573	5.573
Revenue Outturn Report - Retain in Gen Res Underspend	0.000	0.000	0.000	0.000	0.000
Contributions released from Earmarked Reserve	0.500	0.500	0.500	0.500	0.500
Contributions from Prior Year Departmental Underspends	0.000	0.000	0.000	0.000	0.000
Balance from Budget Management Earmarked Reserve	0.000	0.000	5.950	0.000	0.000
Other sundry	0.000	0.000	0.000	0.000	0.000
	12.437	6.073	12.023	6.073	6.073
Use					
Budget Monitoring Report - Projected Overspend	7.000	3.000	1.000	0.000	0.000
Prior Year Commitments	12.202	2.000	2.000	2.000	2.000
Contributions to Earmarked Reserve	0.000	0.000	0.000	0.000	0.000
Elections	0.000	0.000	1.000	0.000	0.000
Buxton Crescent	5.700	0.000	0.000	0.000	0.000
Whaley Bridge	2.000	0.000	0.000	0.000	0.000
DSG HNB deficit EM Reserve contribution - projected o/spend	0.968	0.000	0.500	1.500	0.000
VR/VER	0.000	3.000	0.000	0.000	0.000
Academisation deficits	2.000	2.000	0.000	0.000	0.000
General Revenue Budget Support	0.000	17.711	16.542	4.434	0.365
	29.870	27.711	21.042	7.934	2.365

CONCLUSION

Undoubtedly the Council has managed the achievement of a balanced budget in a robust and planned manner over the period of the current downturn in general government support for local authority spending.

The level of savings required over the medium term remains significant. By 2023-24, the Council needs to have reduced expenditure by a further £63 million in real terms. This is in addition to a £271 million reduction the Council has already made to services since 2010. The Council continues to look at ways to save money and generate income, whilst trying to protect and deliver services suitable for the residents of Derbyshire.

The Council has undertaken a review to identify a programme of savings over this period. The Revenue Budget Report 2019-20 highlighted that of this £63m target, £30m (48%) had been identified. To continue to provide a financially sustainable base, on which to provide services over the medium term and not leave the Council unable to deal with financial risk, in the six months since the Revenue Budget 2019-20 was compiled, departments have been reassessing their identified savings, with a view to bridging the savings shortfall.

Reassessed details of identified annual budget savings for 2020-21 to 2023-24 are shown at Appendix Two. These identified budget savings comprise £44.792m of departmental annual budget savings and £8.000m of cross-departmental annual budget savings. Overall, a shortfall of £0.365m identified annual budget savings, against the £63.168m budget savings target, remains over the five years of the Plan. In headline terms the Council has now identified measures which should help achieve most of the budget gap over the period of the Plan, although there is a clear challenge to identify the remainder and plan the best approach to achieving those savings over the next few years.

The timescales are clearly important; the majority of any savings need to be achieved in the period up to 31 March 2022, this reflects two variables: the final reductions from Government in Revenue Support Grant; the desire by the current administration to have a 0% Council Tax rise in both 2020-21 and 2021-22 as well as deciding not to take the full increase possible in 2019-20.

The achievement of a balanced budget is dependent on the Council meeting its budget reduction target annually. There is an overall cumulative budget shortfall of £39.052m by the end of 2023-24, comparing the profile of budget savings required over the period of the Plan to the profile of budget savings identified. There is already a planned use of General and Earmarked Reserves from 2019-20 to 2023-24 in order to achieve a balanced budget. Whilst the General Reserve remains at a prudent risk assessed level over the period of the Plan, any overspends arising from demand management issues or slippage on the achievement of savings will require a further call on the General Reserve.

Significant consultation and planning timeframes are required to achieve many of these savings. Delays in agreeing proposals could result in overspends by departments, which would then deplete the level of General Reserve held by the Council, decreasing its ability to meet short term, unforeseeable expenditure.

In many cases the cost savings proposals will be subject to consultation and equality analysis processes. No assumptions have been made as to the outcome of those consultations or the outcome of final decisions which have yet to be made. With regard to the savings proposals which have not yet been considered by Cabinet and, where appropriate, by individual Cabinet Members, the necessary consultation exercises will be undertaken and any equality implications will be assessed before final decisions are made. Throughout the process it will be essential to ensure that the Council continues to meet its statutory and contractual obligations.

Further, there is uncertainty over future funding because of changes the Government is committed to making in the funding of councils via retained Business Rates and remaining Government grant funding regimes. At present the Council has no indication of how these technical changes, alongside the results of the next Comprehensive Spending Review, will affect the Council's funding position.

In October 2016, the Council confirmed its acceptance of the Government's multi-year funding offer, announced in December 2015. The funding offer provides details of Government Grant allocations up to and including 2019-20. The intention is that these multi-year settlements provide funding certainty and stability to enable more proactive planning of service delivery and support strategic collaboration with local partners.

However, there is now growing uncertainty in the sector regarding the funding levels beyond this period. The Government had previously announced its intention to move to a 100% Business Rates Retention Scheme in 2019-20. The Government has confirmed that it has revised its aims and is pursuing a 75% business rates retention scheme by 2020-21 and eventually to 100%. Alongside this announcement, the Government published further consultations as part of its Fair Funding Review. The work will be divided into three closely related strands which are relative needs, relative resources and transitional arrangements. The implementation date for the Review was expected to be 2020-21 but the latest indications are that the Government's Fair Funding Review is behind schedule and that a new multi-year funding settlement will be delayed by at least one year.

As this period of consultation between local government and central government continues over the coming months, to establish a distribution methodology that is fit for purpose, local authorities are struggling to set medium term financial plans due to this element of uncertainty. The Plan is predicated on the basis that the funding to the Council is in its existing format of 50% Business Rates Retention, as it is difficult to predict the likely impact of the proposed changes to the scheme and the financial impact until further detailed information is provided by the Government.

The introduction of 75% Business Rates Retention is currently assumed to be fiscally neutral to the Council. To ensure that the reforms are fiscally neutral, local government will need to take on extra responsibilities and functions at the point that full localisation occurs, as currently, more is raised from business rates than spent locally. The Government will also need to take account of future events such as transfers of responsibility for functions between local authorities, mergers between local authorities and any other unforeseen events.

Although there continues to be a consistent rise in business rates growth in the county, a change in the economic life-cycle or a significant loss of business in the region will impact on the level of business rates income.

The Plan sets out plans to support the Adult Care budget over the medium term, through the Adult Social Care precept. The Plan also assumes that the use of the improved Better Care Fund allocations will support the base budget, through collaboration with clinical commissioning groups and that existing allocations of the improved Better Care Fund continue to be paid beyond 2019-20. If the funding ceases beyond 2019-20, local authorities will experience a 'cliff edge' funding effect that will significantly impact on the delivery of adult social care services.

The Council Plan sets out the Council's priorities which include working efficiently and effectively. The Council will be pursuing new delivery and commissioning models to achieve its priorities. It will review the way it works, ensuring its operation is fit for purpose.

To ensure an element of transparency in its decision making, a value for money board has been established which will examine and review Council contracts.

The Council faces a period of funding uncertainty beyond 2019-20 and it will await the outcome of the Government's review of the funding distribution methodology.

REFERENCE DOCUMENTS

Department for Communities and Local Government -
2019-20 Final Local Government Finance Settlement:
<https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2019-to-2020>

HM Treasury –
Autumn Budget 2018
<https://www.gov.uk/government/publications/budget-2018-documents>

BUDGET SAVINGS PROPOSALS SUMMARY

	BUDGET SAVINGS				
	£				
	2020-21	2021-22	2022-23	2023-24	TOTAL
Budget Savings Target	33,424,000	15,372,000	618,000	361,000	49,775,000
Shortfall b/f from 2019-20*	3,382,000	0	0	0	3,382,000
Departmental Budget Savings Identified					
Adult Care	-3,784,000	-8,970,000	-7,720,000	-1,860,000	-22,334,000
Children's Services	-2,350,000	-1,972,000	-786,000	-200,000	-5,308,000
Economy, Transport and Environment	-1,426,000	-2,013,000	-2,220,000	-2,370,000	-8,029,000
Commissioning, Communities and Policy	-6,235,000	-2,586,000	0	0	-8,821,000
Total Departmental Budget Savings Identified	-13,795,000	-15,541,000	-10,726,000	-4,430,000	-44,492,000
Departmental Budget Savings Identification Annual Shortfall/(Surplus)	23,011,000	-169,000	-10,108,000	-4,069,000	8,665,000
Total Cross Departmental Annual Budget Savings	-5,000,000	-1,000,000	-2,000,000	0	-8,000,000
Annual Budget Savings Shortfall/(Surplus)	18,011,000	-1,169,000	-12,108,000	-4,069,000	665,000
Overall Cumulative Budget Shortfall^	18,011,000	16,842,000	4,734,000	665,000	40,252,000

* A shortfall of £3.382m remains from the 2019-20 target of £13.393m. This will be funded from the General Reserve in 2019-20.

^ The cumulative shortfall will be met from the General Reserve.

BUDGET SAVINGS PROPOSALS SUMMARY – DEPARTMENTAL

ADULT CARE

	BUDGET SAVINGS				
	£				
	2020-21	2021-22	2022-23	2023-24	TOTAL
Budget Savings Target	14,305,000	6,579,000	264,000	155,000	21,303,000
Savings Proposals RAG Status*					
Green	-250,000	-100,000	0	0	-350,000
Amber	-2,934,000	-8,620,000	-7,720,000	-1,860,000	-21,134,000
Red	-600,000	-250,000	0	0	-850,000
Total Savings Identified	-3,784,000	-8,970,000	-7,720,000	-1,860,000	-22,334,000
Savings Identification					
Annual Shortfall/(Surplus)	10,521,000	-2,391,000	-7,456,000	-1,705,000	-1,031,000
Plan Cumulative					
Budget Shortfall/(Surplus)	10,521,000	8,130,000	674,000	-1,031,000	18,294,000

BUDGET SAVINGS PROPOSALS SUMMARY – DEPARTMENTAL

CHILDREN'S SERVICES

	BUDGET SAVINGS				
	£				
	2020-21*	2021-22	2022-23	2023-24	TOTAL
Budget Savings Target	8,901,000	3,459,000	139,000	81,000	12,580,000
Budget Savings Proposals					
RAG Status*					
Green	-812,000	-616,000	-343,000	-200,000	-1,971,000
Amber	-1,293,000	-456,000	-300,000	0	-2,049,000
Red	-245,000	-900,000	-143,000	0	-1,288,000
Total Savings Identified	-2,350,000	-1,972,000	-786,000	-200,000	-5,308,000
Savings Identification					
Annual Shortfall/(Surplus)	6,551,000	1,487,000	-647,000	-119,000	7,272,000
Plan Cumulative					
Budget Shortfall/(Surplus)	6,551,000	8,038,000	7,391,000	7,272,000	29,252,000

* A shortfall of £1.382m remains from the 2019-20 target of £3.013m and has been included with the 2020-21 budget savings target of £7.519m. This will be funded from the General Reserve in 2019-20.

BUDGET SAVINGS PROPOSALS SUMMARY – DEPARTMENTAL

ECONOMY, TRANSPORT AND ENVIRONMENT

	BUDGET SAVINGS				
	£				
	2020-21*	2021-22	2022-23	2023-24	TOTAL
Budget Savings Target	8,654,000	3,060,000	124,000	72,000	11,910,000
Budget Savings Proposals					
RAG Status*					
Green	-450,000	0	0	-150,000	-600,000
Amber	-888,000	-2,013,000	-2,220,000	-2,220,000	-7,341,000
Red	-88,000	0	0	0	-88,000
Total Savings Identified	-1,426,000	-2,013,000	-2,220,000	-2,370,000	-8,029,000
Savings Identification					
Annual Shortfall/(Surplus)	7,228,000	1,047,000	-2,096,000	-2,298,000	3,881,000
Plan Cumulative					
Budget Shortfall/(Surplus)	7,228,000	8,275,000	6,179,000	3,881,000	25,563,000

* A shortfall of £2.000m remains from the 2019-20 target of £2.666m and has been included with the 2020-21 budget savings target of £6.654m. This will be funded from the General Reserve in 2019-20.

BUDGET SAVINGS PROPOSALS SUMMARY – DEPARTMENTAL

COMMISSIONING, COMMUNITIES AND POLICY

	BUDGET SAVINGS				
	£				
	2020-21	2021-22	2022-23	2023-24	TOTAL
Budget Savings Target	4,946,000	2,274,000	91,000	53,000	7,364,000
Budget Savings Proposals					
RAG Status*					
Green	-2,218,000	-878,000	0	0	-3,096,000
Amber	-1,599,000	-1,011,000	0	0	-2,610,000
Red	-2,418,000	-697,000	0	0	-3,115,000
Total Savings Identified	-6,235,000	-2,586,000	0	0	-8,821,000
Savings Identification					
Annual Shortfall/(Surplus)	-1,289,000	-312,000	91,000	53,000	-1,457,000
Plan Cumulative					
Budget Shortfall/(Surplus)	-1,289,000	-1,601,000	-1,510,000	-1,457,000	-5,857,000

***RAG Status**

Red – The saving proposal is identified as difficult to achieve, either because the project has a risk that the stated savings will not be achieved, or that they may slip in terms of time-scales, or both.

Amber – The saving proposal is identified as being at risk, either because the saving is complicated in nature and requires significant change management to progress or has yet to receive formal Member approval.

For Red and Amber budget savings proposals the Council is considering whether there is anything that can be done, either internally within the Council, or with the support of Members, that would make the savings more likely to be delivered.

Green – The saving proposal is identified as highly likely to be delivered, both to value and to timescale.

BUDGET SAVINGS PROPOSALS 2020-21

Adult Care – Total - £3,784,000

Electronic home care recording - £350,000

The Council commissions home care from agencies and uses an electronic time-recording system, which logs time spent with clients. It is currently looking at replacing this system with a more efficient, fully computerised system which will more accurately record this time. The result will be that the council will pay for the amount of time spent with a client, rather than blocks of time, resulting in a saving. The new system would also alert staff quickly to a missed call.

Reduction in finance staffing - £100,000

Two ICT systems for prepaid accounts and electronic home care recording will allow streamlining of current processes and will reduce the level of staffing required in some areas within this team.

Increase client contributions (co-funding) - £250,000

The Department of Health is currently planning to issue revised guidance on charges for care services. This is expected to increase the amount of income received by the council.

Review other prevention services - £150,000

Efficiency savings in the welfare benefits service.

Whole life disability pathway and assistive technology - £1,029,000

This is part of a four-year programme that will seek to promote greater independence for people living with a disability across the whole county, from those preparing for adulthood upwards.

Older people's pathway and assistive technology - £1,905,000

This is part of a four-year transformation programme that will seek to promote greater independence for older people in Derbyshire. This will include ensuring consistency and equity of access to the council's short-term services through the implementation of consistent strength-based and outcome-focussed assessments and reviews.

Children's Services – Total - £2,350,000

Improved efficiency – £230,000

Children's Services will continue with actions to improve use of resources such as rationalising management structures, making effective use of new technologies, regional partnerships and continuing to improve working processes.

Placements for children unable to live at home – £450,000

Children's Services will continue with actions to ensure cost-effective placement arrangements for those children that are unable to remain with their birth family. These will include ensuring effective use of both Derbyshire provided placements and those placements provided by other agencies. In addition, the Care Leavers service will work with young people from the age of 15 to ensure they are well-prepared for their transition to adulthood.

Continuation of already announced actions in respect of Early Help Services – £167,000

The Council, in conjunction with its partnership agencies, is in the process of completing a major review of early help provision for vulnerable children and their families.

Continuation of already announced actions in respect of Services for Teenagers – £162,000

Savings can be achieved by taking away centralised and back office management functions.

Continuation of already announced actions in respect of Donut Creative Arts Centre – £81,000

The Council will negotiate with other providers to take over the running of the centre, reducing the need for direct staffing and day-to-day running costs.

Continuation of already announced actions in respect of Outdoor education – £130,000

The Council's outdoor education service will continue to reduce its net costs by widening the facilities available to schools and families and at weekends, for example weddings, functions and camping, to generate additional income and will review its charges to help deliver cost reductions.

Continuation of already announced actions in respect of Special Educational Needs and Disabilities (SEND) – £39,000

The Council's educational psychology service will further reduce its net cost by increasing income generation.

Continuation of already announced actions in respect of preventing newborn children being taken into care – £143,000

The Council will be working with a partner organisation to support women with the aim of avoiding the need to take newborn children into care because of safeguarding concerns.

Continuation of already announced actions in respect of a combined Children's Safeguarding Board with Derby City – £25,000

Delivery of previously planned actions to reduce duplication and delivery economies of scale through shared arrangements with other Local Authorities.

Disabled Children's Services – £300,000

There will be a review of Disabled Children's Services to ensure that the provision Derbyshire offers remains appropriate for the need across the county and that there is equity in access to support. Additionally, the Council will ensure that services and provision support and prepare young people and their families as they approach adulthood.

Home to School Transport – £70,000

The Council will continue to seek efficiencies in its provision of transport to all pupils to ensure that there is equity across the county. This includes ceasing transport that is not provided for a statutory reason and reviewing the level of subsidy provided to the Council where transport is non-statutory and a contribution is made. It also includes looking at ways of working with parents and carers to help them take their own child to school where it is cost-effective to do so or where there is a statutory responsibility on the parent/carers to take their child to school.

Back office costs – £538,000

This saving will be achieved by reducing general business support and specialised back office functions, including staffing, in line with reductions in frontline services and better use of technology.

Youth Council – £15,000

The operation of the Youth Council will be reviewed to ensure the offer remains relevant and appropriate for young people.

Economy, Transport and Environment – Total - £1,726,000

Waste – £230,000

The cost of disposing of waste will be reduced through restricting use of household waste recycling centres by businesses and people who live outside Derbyshire.

Public Transport – £450,000

Following the additional investment in 2017, the amount the Council spends on subsidised bus services will reduce. This will be achieved by re-tendering services to get a better price and by reviewing some services to make sure they are still being used.

Countryside Service – £400,000

The Council is looking for a combination of alternative sources of funding to generate income through commercial activity or to reduce the cost of this service.

Staffing – £258,000

Staff budgets will be reduced by identifying other sources of income to pay for staff costs.

b_line – £88,000

The Council will no longer provide a public transport discount card for young people, although some operators will continue to provide discounted rates on their trains and buses.

Commissioning, Communities and Policy – Total – £6,235,000

Administration and employee savings – £2,081,000

The number of staff in finance and ICT, communications, human resources, policy, trading standards and community safety will be reduced by not replacing some people when they leave and by restructuring services. Back office costs will also be regularly reviewed. There are also a number of new initiatives, such as channel shift, and procurement exercises being carried out to reduce costs.

Insurance reductions – £350,000

This money will be saved by reducing the contribution to the insurance fund, which means the Council accepting a higher level of risk against the fund.

Interest receipts – £250,000

By managing the Council's cash balances in a more pro-active manner, it is anticipated that this would increase interest receipts. One way that this could be achieved is by looking to invest in longer term, pooled funds which would generate a higher return.

ICT – £275,000

Existing IT contracts and systems will be reviewed and the Council will seek to rationalise the number of systems in use across the authority.

Property Services – £1,893,000

The Council will reduce running costs by rationalising its land and property and releasing the resulting surplus assets. Fees will also be generated from capital schemes.

Legal services – £375,000

A new delivery model will be introduced to manage the demand for Legal Services across the Council.

Additional income – £278,000

The Council will look to raise additional income, e.g. by charging for advertising, increasing income from the Registration Service and the Derbyshire Business Centre and by introducing a charge for the free training currently provided by Community Safety.

Trade Union (TU) Facilities Time – £50,000

The Council is looking to reduce its expenditure on TU Facilities to bring the Council in line with similar county councils which have the lowest percentage of TU Facility Time as a proportion of their pay bill.

Libraries – £320,000

The multi-year programme to transfer 20 libraries to community management, together with regularly reviewing staffing levels and opening hours, will continue, as well as the review of the Mobile Library Service.

Arts – £208,000

The Council will look at alternative ways to deliver the arts service and also review the current arrangements for awarding grants to organisations.

Buxton Museum – £70,000

In line with the proposals to transfer libraries to community management the Council will investigate using volunteers to help to deliver services at Buxton Museum.

Derbyshire Record Office – £60,000

Opening hours and staffing levels will be reviewed.

Trading Standards – £25,000

The service will no longer undertake weight restriction work on Derbyshire roads.

BUDGET SAVINGS PROPOSALS 2021-22

Adult Care – Total - £8,970,000

Continuation from 2020-21 Schemes:

Reduction in finance staffing - £100,000

Increase client contributions (co-funding) - £250,000

Whole life disability pathway and assistive technology - £1,850,000

Older people's pathway and assistive technology - £6,770,000

Children's Services – Total – £1,972,000

Continuation from 2020-21 Schemes:

Improved efficiency – £290,000

Disabled Children's Services – £1,000,000

Back office costs – £266,000

Outdoor Education – £130,000

Preventing newborn children being taken into care – £286,000

Economy, Transport and Environment – Total - £2,013,000

Waste – £230,000

The cost of disposing of waste will be reduced through restricting use of household waste recycling centres by businesses and people who live outside Derbyshire.

Staff Budgets: Economy & Regeneration – £381,000; Environment - £71,000; Highways – £681,000; Resources & Improvement – £475,000

The number of staff will be reduced by not replacing some people when they leave, staff reorganisations and looking for other sources of income to pay for staff costs.

Highway Agency Agreements – £150,000

The Council will reduce the cost of highway maintenance work carried out on its behalf by other organisations.

Parking Services – £25,000

The Council will save money by managing its on street parking service differently.

Commissioning, Communities and Policy - Total - £2,586,000

Continuation from 2020-21 Schemes:

Administration and employee savings – £832,000

The number of staff in finance and ICT, communications, human resources, policy, community safety and trading standards will be reduced by not replacing some people when they leave and by restructuring services. Back office costs will be regularly reviewed. There are also a number of new initiatives and procurement exercises being carried out to reduce costs.

Insurance reductions – £200,000

Further money will be saved by reducing the contribution to the insurance fund, which means the Council accepting a higher level of risk against the fund.

Interest receipts – £250,000

By managing the Council's cash balances in a more pro-active manner, it is anticipated that this would increase interest receipts.

ICT – £256,000

The Council will continue to review its existing IT contracts and systems and seek to rationalise the number of systems in use across the Council.

Property Services – £619,000

The Council will continue to reduce running costs by rationalising its land and property and releasing the resulting surplus assets. It will also generate fees from capital schemes.

Legal services – £223,000

The new delivery model will be utilised to manage the demand for Legal Services across the Council.

Libraries – £206,000

The multi-year programme to transfer some libraries to community management, and the review of staffing levels and opening hours, will continue.

BUDGET SAVINGS PROPOSALS 2022-23

Adult Care – Total - £7,720,000

Continuation from 2020-21 Schemes:

Whole life disability pathway and assistive technology - £1,990,000

Older people's pathway and assistive technology - £5,730,000

Children's Services – Total - £786,000

Continuation from 2020-21 Schemes:

Improved efficiency – £143,000

Disabled Children's Services – £300,000

Preventing newborn children being taken into care – £143,000

Back office costs – £200,000

Economy, Transport and Environment – Total - £2,220,000

Elvaston Castle and Country Park – £120,000

The cost of running Elvaston Castle and Country Park will reduce by investing in projects identified in the Master Plan to help the estate to generate sufficient income to cover its costs.

Waste – £100,000

The Council will work with partners, including district and borough councils, to reduce the cost of disposing of the county's waste.

Future Highways Model – £2,000,000

Additional income will be generated from making better use of the Council's assets by delivering a major improvement plan for the highways service.

BUDGET SAVINGS PROPOSALS 2023-24

Adult Care – Total - £1,860,000

Continuation from 2020-21 Schemes:

Whole life disability pathway and assistive technology - £1,170,000

Older people's pathway and assistive technology - £690,000

Children's Services – Total – £200,000

Continuation from 2020-21 Schemes:

Back office costs – £200,000

Economy, Transport and Environment – Total - £2,370,000

Continuation from 2022-23 Schemes:

Elvaston Castle and Country Park – £120,000

Waste – £2,100,000

The Council will work with partners, including district and borough councils, to reduce the cost of disposing of the county's waste.

Digital Derbyshire – £150,000

The team responsible for ensuring superfast broadband is available across the county will be funded from the Council's reserves instead of a revenue budget.

BUDGET SAVINGS PROPOSALS 2024-25

Economy, Transport and Environment – Total - £120,000

Continuation from 2022-23 Schemes:

Elvaston Castle and Country Park – £120,000

BUDGET SAVINGS PROPOSALS 2025-26

Economy, Transport and Environment – Total - £120,000

Continuation from 2022-23 Schemes:

Elvaston Castle and Country Park – £120,000

BUDGET SAVINGS PROPOSALS – CROSS DEPARTMENTAL

Work has taken place to identify possible savings from the following sources over the life of the Five Year Financial Plan.

Risk Management Budget - £3,000,000

Through tight control of costs it has been possible to release back, for Council-wide use, amounts no longer required by, principally, the Adult Care and Social Health Department. It is proposed to utilise this sum in 2020-21.

Pension Contributions - £1,000,000

It is proposed that the Council pay –upfront – its whole expected pension contribution to the Pension Fund in one payment during 2020-21. This will then generate a longer term saving from saving from the enhanced rates of return available to fund.

Revenue Contribution to Capital - £1,000,000

There is an opportunity in 2020-21 to release a sum of revenue base budget that is used to finance capital, by funding the capital expenditure from borrowing instead.

Procurement Strategy

As part of the implementation of the Council's Procurement Strategy it has become clear that further opportunities for savings exist. It is proposed that a reasonable expectation for further savings is possible at around the £3m level.

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DERBYSHIRE COUNTY COUNCIL

CABINET

11 September 2019

Report of the Director of Finance & ICT

PREPARATION OF BUDGET 2020-21
(STRATEGIC LEADERSHIP, CULTURE AND TOURISM)

1 Purpose of the Report

To seek Cabinet approval for the proposed timetable for the Council's 2020-21 budget preparation and procedures and the associated consultation arrangements.

2 Information and Analysis

Preparation of Budget 2020-21

The production of the Council's budget is undertaken in accordance with the requirements of the Council's Constitution. The Constitution requires that a timetable is publicised by Cabinet for making proposals to the full Council in relation to the annual Revenue Budget, along with arrangements for consultation with stakeholders, which should be for a period of not less than six weeks. The proposed timetable is attached at Appendix 1.

A key element of the Council's budget setting process is consultation with stakeholders.

It is proposed to undertake the following consultation activities, which have been determined by the Director of Finance & ICT and Policy and Research, in consultation with the Leader of the Council:

- Four focus groups to frame the public budget consultation survey questions, highlighting how residents' priorities and areas of Council funding need can differ. Each focus group meeting will be led by an Executive Director, with the Director of Finance and a Cabinet Member also in attendance. The meetings will run with approximately 25 participants and will be held at different times of day, to allow people to attend who may be at work. In the event of there being more interest than available places, participants will be selected, where possible, to align the demographic profile of the meeting to that of the wider Derbyshire population. High Street Vouchers will be offered to participants to cover

their expenses. The focus groups will be held during September, at locations across the county. Locations have yet to be finalised but the proposals are:

- County Hall, Matlock
 - Chesterfield Library
 - Buxton
 - Ilkeston/Long Eaton
- Online Residents Survey, including public budget consultation questions informed by the focus groups alongside the annual survey in respect of the Council Plan. This will align the planning cycle for the budget with that for the Council Plan. The consultation will run for six weeks. Hard copies will be available on request.
- The consultation will be publicised as follows:
 - E-mail to members of the Citizens' Panel
 - E-mail to respondents to past consultations who have consented to be contacted
 - Articles on Council's internal and external websites and in Our Derbyshire employee newsletter and Derbyshire Now
 - Promotion in employee payroll letter
 - Facebook/Instagram paid-for campaigns
 - E-newsletters to community groups, parish councils, partner organisations and community publications
 - Media releases and blogs
 - Organic social media campaign
- Statutory consultation with business ratepayers. A request will be made to attend a scheduled Business Ratepayers' meeting for this purpose.
- Consultation with trade unions.
- Consultation with Improvement and Scrutiny Committee.

Cabinet will take account of the consultation when drawing up firm proposals to the Council. Results will be communicated after the consultation has ended.

As in previous years an initial Equality Impact Assessment (EIA) will be undertaken at a corporate level. It is anticipated that this corporate assessment will help identify areas where there is a significant risk of adverse impact which would then be subject to a full equality impact assessment process. Alongside the budget consultation, the budget saving proposals in the updated Five Year Financial Plan will be considered to assess which proposals will need a separate targeted consultation with staff, the public

and/or with current/potential service users. The outcomes of these processes will be reported to Council/Cabinet as part of the budget process and specific assessments/consultation outcomes reported to Cabinet before decisions are made on individual services.

Five Year Financial Plan

The Council's Five Year Financial Plan 2019-20 to 2023-24 (FYFP) has been updated during 2019-20 and the results are included in a separate report to this meeting.

The FYFP will be updated again as part of the budget setting process, to reflect the Government's Autumn Budget, the outcome of the anticipated Comprehensive Spending Review and the Provisional Local Government Finance Settlement, which are expected to be announced in November 2019 and December 2019.

Reserves

The Council has in place a Reserves Policy which sets out the framework within which decisions will be made regarding the level of reserves. In line with this framework the balance and level of reserves over the medium term are regularly monitored to ensure they are adequate to manage the risk of the Council. This covers both the General and Earmarked Reserves.

The results of a review of the General Reserves Position is included in the FYFP in a separate report to this meeting. A review of the Earmarked Reserves Position is being undertaken and the results will be included in a report to Cabinet in November 2019.

3 Other Considerations

In preparing this report the relevance of the following factors has been considered: financial, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property, transport and social value considerations.

4 Background Papers

Papers held in Technical Section, Finance & ICT Division, Room 137.

5 Key Decision

No.

6 Officer's Recommendations

That Cabinet:

- (i) Approves the timetable for completion of the 2020-21 budget, including arrangements for consultation with stakeholders and the carrying out of an assessment of the need for full equality impact assessment on budget saving proposals.
- (ii) Notes the proposals for reviewing and updating the Five Year Financial Plan.
- (iii) Notes the arrangements for reviewing Earmarked Reserves and updating the General Reserve projections.

PETER HANDFORD

Director of Finance & ICT

APPENDIX 1

Budget Preparation Timetable

<i>September 2019</i>	Four focus groups across the county to frame the public budget consultation questions.
<i>18 October – 1 December 2019</i>	Public budget consultation forming part of the Residents' Survey.
<i>15 November 2019</i>	Deadline for 2020-21 budget savings proposals alongside any bids to be submitted to the Director of Finance & ICT by Executive Directors for direct inclusion in Revenue Budget Report.
<i>6 December 2019</i>	Results of public budget consultation available for informing the Revenue Budget Report and reporting in the Budget Consultation Report.
November - December 2019	Priorities for revenue and capital spending, budget savings and risks facing the Council are evaluated. Improvement and Scrutiny Committees consulted. Trades Unions consulted. Business Ratepayers consulted. Outcome of the Government's Autumn Budget analysed.
<i>December 2019</i>	Government announces details of Provisional Local Government Finance Settlement.
15 January 2020	Deadline for collection fund and business rates figures to be submitted to the Council by district/borough councils.
16 January 2020	Cabinet considers report on final revenue/capital settlements, results of consultation/budget priorities, reserves position and five year financial plan and determines budgets and Council Tax recommendations to Full Council.
31 January 2020	Deadline for taxbase figures to be submitted to the Council by district/borough councils.
5 February 2020	Council debates Cabinet recommendations/results of consultation and determines revenue/capital budgets and Council Tax level for 2020-21.
1 March 2020	Notify district/borough councils of precepts.

* Dates in bold are statutory deadlines. Date in italics is a key milestone in the timetable. These dates must be met. The other dates are for indication only.

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DERBYSHIRE COUNTY COUNCIL

CABINET

11 SEPTEMBER 2019

Report of the Director of Public Health

CONSULTATION ON PROPOSED ADDITIONAL SMOKEFREE PUBLIC SPACES ACROSS DERBYSHIRE

Consultation findings and recommendations

1. Purpose of the report:

To provide a summary of the findings of the consultation to create additional smokefree public spaces across Derbyshire.

2. Purpose of the consultation:

To allow the communities of Derbyshire to communicate their views on future smokefree public spaces initiatives, specifically around protecting children from the dangers second hand smoke.

3. Rationale for additional smoke-free public places

The Health and Wellbeing Strategy for Derbyshire 2018 onwards includes the priority to “enable people in Derbyshire to live healthy lives”. One of the commitments towards achieving this priority directly relates to tobacco control:

- Supporting the delivery of a tobacco control strategy and action plan for Derbyshire, with priorities that include increasing the number of smoke-free environments

Introducing additional smoke-free public spaces will have the following benefits;

- to reduce the uptake of smoking by children and young people by helping to make smoking less socially acceptable
- to reduce the risk of exposure to second-hand smoke, particularly for children
- to reduce smoking-related litter, which is non-biodegradable and toxic to children, wildlife and the environment
- to reduce fire risk

4. What we wanted to find out

- Importance of this work to the communities of Derbyshire
- Importance of ensuring children are not affected by second hand smoke
- Would the communities of Derbyshire support the creation of additional smokefree public spaces?

- Would the communities of Derbyshire support the creation of smokefree public spaces at specific public venues?

5. Consultation findings

The online consultation was available to complete from Monday, 3rd June 2019 to Monday 29th July 2019 at the following address

<https://www.derbyshire.gov.uk/council/have-your-say/consultation-search/consultation-details/additional-smoke-free-public-spaces.aspx>.

Number of responses

A total of 645 responses were received via the online questionnaire.

Content of responses

The results of the consultation show high levels of support for creating additional smokefree public spaces across Derbyshire.

Key questions

- 97% of respondents answered either 'Very Important' or 'Fairly important' to the question **'How important is it to you that people do not smoke in the presence of children'?**
- 86% of respondents answered either 'Very Important' or 'Fairly important' to the question **'How important do you feel it is to create additional smokefree public spaces across Derbyshire to reduce the risk of second hand smoke'?**
- 85% of respondents answered yes to the question **'Would you support the creation of additional smokefree public spaces'?**

Question regarding specific public spaces

The consultation also asked respondents if they would support measures to create smokefree public spaces at the 9 public venues listed above. The responses were:

<u>Proposed Public Space</u>	<u>Answered 'yes'</u>	<u>Answered 'no'</u>	<u>Answered 'don't know'</u>
1. Infant, junior and primary school gates	99%	0%	1%
2. Children's play areas/play grounds	99%	0%	1%
3. Children's sports clubs	99%	0%	1%
4. Adults sports clubs	85%	7%	8%
5. Bus and taxi stands	92%	5%	3%

6. Outside DCC and district/borough council buildings	87%	6%	7%
7. Leisure centre entrances	96%	3%	1%
8. Skate parks	93%	2%	5%
9. Theme Parks (targeted at Childrens specific areas)	96%	2%	2%

6. Other considerations

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations

7. Background papers:

- “Our Lives, Our Health” Derbyshire Health and Wellbeing Strategy 2018-2023.
- Paper for Cabinet – Consultation on proposed additional smokefree public spaces across Derbyshire - April 2019.

8. Key Decision:

No

9. Is it necessary to waive the call in period?

No

10. Officer's Recommendation:

That Cabinet:

- Notes the outcomes from the Additional smoke-free public spaces consultation
- Delegates any further approvals required to take forward expansion of smoke-free places agenda to Health and Wellbeing Board.

Dean Wallace - Director of Public Health

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PUBLIC

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Agenda Item No

DERBYSHIRE COUNTY COUNCIL

CABINET

11 September 2019

Report of the Director of Public Health

PUBLIC HEALTH FUNDING FOR DOMESTIC ABUSE SERVICES (Health and Communities)

1. Purpose of the report:

To request retrospective authorisation for public health funding to the value of £2.000m to be transferred to the Community Safety department for the purpose of re-procuring domestic abuse services for Derbyshire.

2. Information and analysis:

Domestic abuse is a significant public health issue, impacting on the physical and mental health of victims and witnesses of abuse. Derbyshire County Council commissions a range of domestic abuse services that respond to victims, witnesses and perpetrators of abuse. Currently commissioned services include Independent Domestic Violence Advisor/high risk services, medium risk outreach services, children's domestic abuse support services, accommodation and housing related support services, a perpetrator programme and a domestic abuse helpline. Some of these services are being re-commissioned under a three plus one year contract length with a service commencement date of April 2020.

Derbyshire Public Health department has historically made a substantial financial contribution to domestic abuse services, along with other key departments within Derbyshire County Council. In order to ensure that Community Safety had some certainty regarding their budget at an early stage, £2.000m was transferred from the ring-fenced Derbyshire Public Health reserve in order that the re-procurement process could commence. However, in order to ensure compliance with Council Procedures, Cabinet is now requested to retrospectively approve this decision.

3 Social Value considerations:

Domestic abuse is a complex crime that can affect anyone, leaving physical and emotional scars on victims for a lifetime and impacts on their families and society into the future. Supporting victims and their families to access

specialist support services at the appropriate time enables them to make their own choices and live independently, reducing the impact on communities and the need for them to access wider services, for example social care and health services.

4. Financial considerations:

The £2.000m contribution from the Public Health ring-fenced reserve will be passed via an internal transfer to Safer Derbyshire (Community Safety) in a lump sum to be held in a Community Safety Reserve for the purpose of delivering domestic abuse services across Derbyshire.

5. Other considerations:

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality of opportunity, human resources, environmental, health, property and transport considerations.

5. Background papers:

Cabinet Papers:

18 April 2019 Re-commissioning of Domestic Abuse Services

28 July 2015 Re-commissioning of Domestic Abuse Support Services

24 March 2015 Re-commissioning of Domestic Abuse Services

02 December 2014 Integrated Commissioning of Domestic Abuse Services

6. Key Decision:

Yes

7. Call-in:

Is it required that call-in be waived for any decision on this report?

No

8. Officer's Recommendation:

That Cabinet retrospectively authorises public health funding to the value of £2.000m to be transferred to the Community Safety department for the purpose of delivering domestic abuse services across Derbyshire.

Dean Wallace
Director of Public Health

Author: Roberta Foster (x39493)

Agenda Item No: 6 (i)

DERBYSHIRE COUNTY COUNCIL

CABINET

11 September 2019

Report of the Executive Director for Children's Services

**CHILDCARE SUFFICIENCY ASSESSMENT REVIEW 2019 - 2020
(CHILDREN'S SERVICES)**

1. Purpose of Report

To report to Members on the outcome of the Childcare Sufficiency Assessment Review 2019 – 2020 as required by S11 of the Childcare Act 2006.

2. Information and Analysis

The Childcare Act 2006 was introduced to give every child the best start in life and parents/carers a greater opportunity to balance work and family life. The Act placed a duty on the local authorities to improve outcomes for young children, reducing inequalities between them. The Childcare Act gives local authorities a key role in shaping the childcare market for their area.

In April 2008, section 6 of the Childcare Act placed a duty on local authorities to secure sufficient childcare, so far as is reasonably practicable to meet the requirements of parents in their area who require childcare to enable them to take up or remain in work or undertake training or education which could reasonably be expected to assist them to obtain work.

Although the focus is on the number of places, the local authority also takes into account affordability of provision and the Ofsted inspection outcome, in order to ensure there are sufficient 'outstanding' or 'good' places available for as many children as possible.

In order to achieve this, information and data has been gathered relating to:

- Baseline socio- economic information including population profiles and employment rates.
- Analysis of childcare places within Derbyshire through data collection and consultation with providers.
- Demand for childcare services across Derbyshire, evidenced from statistical data and parental enquiries.

3. Financial Considerations

The Childcare Sufficiency Assessment and sufficiency duty is not anticipated to incur any additional financial costs. Where a need to create new places or expand existing provision is identified, officer support is available from the Early Years Sufficiency Team for business issues such as financial planning and marketing.

4. Legal and Human Rights Considerations

Section 6(1) of the 2006 Childcare Act places a duty on local authorities to secure, so far as is reasonably practicable, that the provision of childcare is sufficient to meet the requirements of parents who require childcare in order to enable them to take up or remain in work or to undertake education or training which could reasonably be expected to assist them to obtain work.

Local authorities must also have regard to the guidance issued by the Secretary of State. The current statutory guidance is “Early Education and Childcare, Statutory Guidance for Local Authorities, June 2018.

The Statutory Guidance for Local Authorities establishes a legal requirement on councils to report annually to elected members on how the duty to secure sufficient childcare is being met, and make this report available and accessible to parents.

5. Other Considerations

In preparing this report the relevance of the following factors have been considered: human resources, equality and diversity, health, environmental, transport, property and the prevention of crime and disorder,

6. Background Papers

Draft Childcare Sufficiency Assessment Review 2019 – 2020

7. Key Decision

No

8. Is it necessary to waive the call in period?

No

9. Strategic Director for Children's Services Recommendations

That Cabinet agree the draft as Derbyshire County Council's response to the Government's requirements.

**Jane Parfremment
Executive Director for Children's Services**

CHILDCARE SUFFICIENCY ASSESSMENT



REVIEW

2019 – 2020

This document provides a summary of childcare in Derbyshire to meet the statutory requirements of the early education and childcare sufficiency duty.

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Childcare Sufficiency Assessment

1. AIMS AND OBJECTIVES

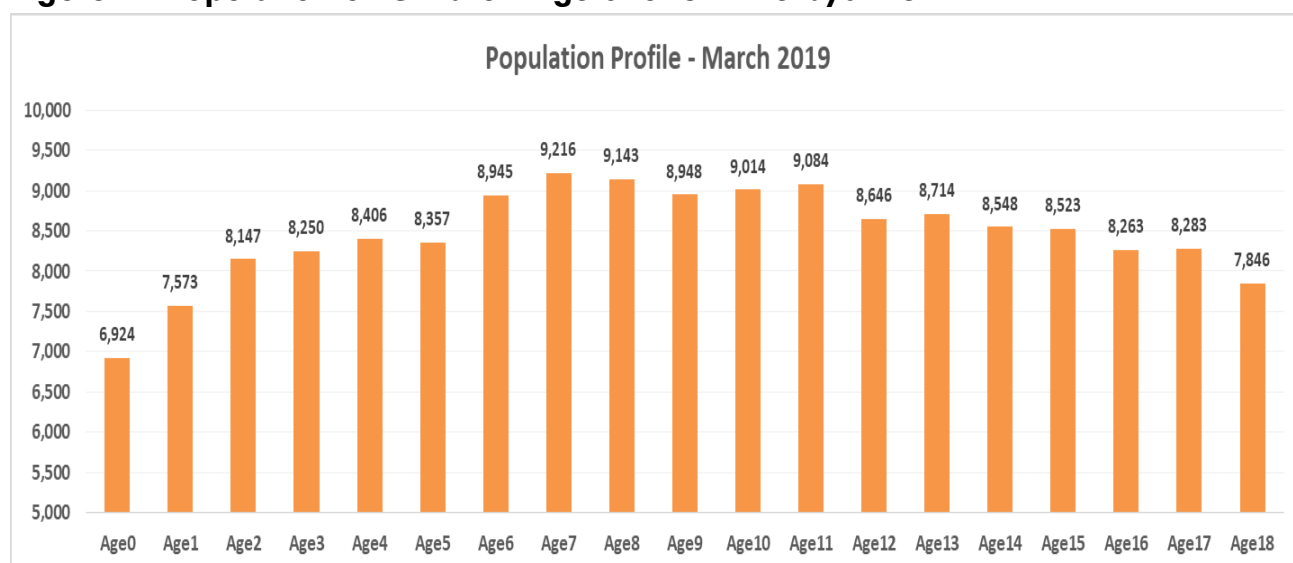
- 1.1 The purpose of this Childcare Sufficiency Assessment is to meet the statutory duty under sections 6, and 7 of the Childcare Act 2006 in line with the Early Education and Childcare Statutory Guidance. This requires the local authority to secure sufficient childcare, so far as is reasonably practicable, for working parents or parents who are studying or training for employment, for children aged 0 – 14 (or up to 18 years for disabled children).
- 1.2 It is also a requirement of the statutory duty to report annually to elected members and make this report available and accessible to parents. The report should include specific information about:
- How the local authority is ensuring there is sufficient childcare to meet needs
 - Supply and demand of childcare, affordability, accessibility and quality of childcare provision
 - Details of how any gaps in childcare provision will be addressed.
- 1.3 The data in this report can only provide a snapshot and can change on a daily basis. While Derbyshire County Council believes this information to be correct, it does not guarantee its accuracy nor does the Council accept any liability for any direct or indirect loss or damage or other consequences, however arising from the use of such information supplied.

2. DERBYSHIRE OVERVIEW

Population of Children in Derbyshire

- 2.1 Where possible the most current and relevant population data has been used in the compilation of this report, however, it is acknowledged that fluctuations in population can occur daily and therefore the figures quoted are only an estimate.
- 2.2 Understanding the population of children in the county is a key tool in the planning of early education and childcare to ensure there are sufficient childcare places, where reasonably practicable, for children age 0 – 14 and disabled children/young adults up to the age of 18.
- 2.3 Population data provided by NHS Digital based on the number of children on GP registers suggests a decline in the number of children being born in recent years which could have implications for the demand for childcare.

Figure 1. Population of Children Age 0 to 18 in Derbyshire.



Source: NHS Digital 4th March 2019

- 2.4 There are specific age groups that are relevant to the type of childcare required and are covered by this report in more detail. Figure 2 shows the population of Derbyshire by district and age group.

Figure 2. Population size by age group 0 – 18

District	Age 0 - 4	Age 5 - 11	Age 12 - 14	Age 15 - 18 (SEND)	TOTAL
Amber Valley	6,196	9,889	4,003	308	20,396
Bolsover	4,217	6,491	2,657	195	13,560
Chesterfield	5,239	8,432	3,207	246	17,124
Derbyshire Dales	2,737	4,948	2,333	184	10,202
Erewash	5,962	9,305	3,722	284	19,273
High Peak	4,451	7,209	3,052	232	14,944
North East Derbyshire	4,755	7,449	3,147	243	15,594
South Derbyshire	5,743	8,984	3,787	283	18,797
TOTAL	39,300	62,707	25,908	1,975	129,890

Source: NHS Digital 4th March 2019,

- 2.5 As shown above there are approximately 129,890 children in Derbyshire that could potentially require childcare of some form, but not all will. Some families may rely on family members rather than use formal childcare.
- 2.6 Additionally, changes in employment legislation and practices mean that there is now more flexibility in the workplace. A recent YouGov survey¹ has revealed that only 6% of working Britons still work the traditional 9am to 5pm day, with 42% already working flexibly in some form or another. 78% of those that worked flexibly and were parents said it allowed them to juggle work with family commitments. Clearly changes and trends in working patterns are likely to impact upon the demand for childcare.
- 2.7 Furthermore, the demand for childcare will differ in each age group, and as a child gets older the need for childcare will change or reduce. For example, Figure 2 shows there are around 25,908 children age 12 - 14 in Derbyshire that could potentially require childcare, however the demand here is significantly less than other age groups. Official consultation results released by the Department of Education in 2018

¹ <https://yougov.co.uk/topics/economy/articles-reports/2018/08/24/over-nine-ten-not-working-usual-9-5-week>

suggest only 26% of children in this age group require formal childcare, therefore this figure could be as low as 6,736 ².

- 2.8 Because of all of the above factors it is only possible to estimate the potential numbers of children that will require childcare.
- 2.9 Defining the exact number of children/young people with a disability or additional needs in Derbyshire is difficult. The Office for Disability Issues (Dept. for Work and Pensions) estimates that 6% of children are disabled³. Using this figure it is estimated that there are 1975 children/young people in Derbyshire aged 15 to 18 with an additional need or disability.
- 2.10 Childcare provision for disabled children/young people with special educational needs and disabilities (SEND) is provided by mainstream childcare settings and a number of specialist services in both the maintained and PVI sectors. All childcare provision must be inclusive and not treat children less favourably because of a disability or additional need and is required by law to make 'reasonable adjustments'.
- 2.11 A feedback exercise was undertaken in 2018 with parents and carers of three and four year olds with SEND regarding the nursery education offer including the 30 hours. This small scale survey did not suggest there were any common barriers preventing children with SEND accessing the early years funded places.
- 2.12 The Derbyshire Local Offer brings together information about the services and support available for children/young people with SEND, and their families. The website can be found at <https://localoffer.derbyshire.gov.uk/>

² www.gov.uk/government/statistics/childcare-and-early-years-survey-of-parents-2018

³ www.gov.uk/government/publications/disability-facts-and-figures/disability-facts-and-figures

3. EARLY YEARS AND CHILDCARE PROVISION

SUPPLY OF EARLY YEARS PROVISION FOR CHILDREN 0 – 4 YEARS

Number of Early Years Providers in Derbyshire

- 3.1 The number of early years childcare providers in the county registered with Ofsted has reduced from 898 to 859 in the last 12 months, this is in line with nationally reported national trends.

Figure 3. Ofsted Registered Early Years Childcare Providers in Derbyshire

	Day Nurseries		Pre-School		Childminder		Schools		Total	
	May 18	May 19	May 18	May 19	May 18	May 19	May 18	May 19	May 18	May 19
Amber Valley	18	17	16	16	92	87	18	18	144	138
Bolsover	13	12	5	5	33	29	17	17	68	63
Chesterfield	21	21	4	4	62	54	23	23	110	102
Derbyshire Dales	9	9	24	24	25	21	7	7	65	61
Erewash	18	18	13	13	88	80	15	15	134	126
High Peak	25	26	17	18	66	62	12	12	120	118
NE Derbyshire	16	16	15	15	59	56	20	20	110	107
S Derbyshire	24	27	22	24	93	85	8	8	147	144
TOTAL	144	146	116	119	518	474	120	120	898	859
Change since 2018		2		3		-44		0		-39

Source: Derbyshire County Council, Information and ICT, Children's Services, May 2019

- 3.2 The data shows that the childminding sector is the only provider group in Derbyshire that has seen a reduction in numbers in the last 12 months, this is in line with a nationally reported trend, which has seen the number of childminders decrease by 15,700, or 27%, since 2012⁴. However, this will have a smaller impact on the number of overall places than the closure of group care settings as they generally care for fewer children.
- 3.3 Conversely, whilst the overall number of childminders is reducing there has been a significant increase in the number contracting with the Local Authority to deliver the Free Early Education places (FEE), therefore, whilst

⁴ www.gov.uk/government/publications/childcare-providers-and-inspections-as-at-31-march-2018/childcare-providers-and-inspections-as-at-31-march-2018-main-findings

there are fewer childminders the number of FEE places in the childminding sector has increased (see figure 6 paragraph 3.20).

Number of Early Years Places in Derbyshire

3.4 Derbyshire County Council holds data collected from Ofsted and providers on the number of places they are registered to deliver.

Figure 4. Number of Childcare Places per Childcare Type and District

District	Childminder		Day Nursery		Pre-School		Schools		TOTALS	
	No.	Places	No.	Places	No.	Places	No.	Places	No	Places
Amber Valley	87	554	17	1045	16	409	20	1140	140	3148
Bolsover	29	170	12	720	5	132	17	1115	63	2137
Chesterfield	54	311	21	1165	4	124	23	1123	102	2723
Derbyshire	21	97	9	536	24	498	7	232	61	1363
Erewash	80	516	18	1123	13	377	15	1176	126	3192
High Peak	62	368	26	1463	18	455	11	708	117	2994
NE Derbyshire	56	332	16	760	15	378	20	1470	107	2940
S. Derbyshire	85	519	27	1502	24	621	7	2642	143	5284
Totals	474	2867	146	8314	119	2994	120	9606	859	23781

Source: Derbyshire County Council, Information and ICT, Children's Services, May 2019

3.5 Despite the data in Figure 3 showing an overall reduction in the number of early years providers, an analysis of the data and other sources of information, including the number of contacts with the Families Information Service, concur that there are still sufficient childcare places in Derbyshire to meet demand.

3.6 The Early Years Sufficiency Service (EYSS) will continue to monitor the local childcare market to ensure it does not indicate a detrimental pattern of decline in available provision.

DEMAND FOR EARLY YEARS PROVISION FOR CHILDREN 0 – 4 YEARS

Early Years Free Entitlements

Free Early Education Places for Two Year Old Children

3.7 Nationally around 40% of all two year old children are eligible for 570 hours of government funded free early education (FEE) which can be taken as 15 hours per week term time or fewer hours per week for 39 or more weeks of the year.

- 3.8 Eligibility is determined by the Department for Work and Pensions (DWP). To be eligible parents/carers must meet certain financial criteria which includes being in receipt of Working Tax Credit or Universal Credit; but there are also some non-economic routes to eligibility, the full list of eligibility criteria can be found at www.gov.uk/help-with-childcare-costs/free-childcare-2-year-olds
- 3.9 In Derbyshire presently there are approximately 8,417 two year old children (see fig 1), which means in theory around 3,258 children in Derbyshire are eligible, however in reality the actual numbers provided by the DWP each term are much lower than this (see fig 5 below).

Fig 5. Two Year Old FEE Take up Figures

	Autumn 17/18	Spring 17/18	Summer 17/18	Autumn 18/19	Spring 18/19
No of eligible children	2431	2345	2312	2084	1951
No of children funded	1773	1641	1592	1593	1596
Take up (%)	73%	70%	69%	76%	82%

Source: Derbyshire County Council, Information and ICT, Childrens Services May 2019

- 3.10 The latest take up figure (Spring 2018/19) is 82% which is an increase of 12% on the same term in the previous academic year. The Early Years Sufficiency Service (EYSS) will continue to promote the take up of two year old places and investigate the reasons some parents do not take up the offer.
- 3.11 Plans are in place to trial a new system of issuing 'golden tickets' to eligible parents/carers, which it is hoped will make the parent journey much easier for parents. Work will continue in partnership with front line services such as Children's Centres, Health Visitors, Job Centre Plus and childcare providers to encourage take up.
- 3.12 Sufficiency of places for two year old children is not currently an issue. In the 2018/2019 Spring term there were a total of 21 school settings and 286 Private Voluntary and Independent (PVI) settings delivering funded places for 1596 two year olds.

- 3.13 There is no indication that the introduction of the 30 hours extended entitlement in autumn 2017 has had a detrimental effect upon the number of two year old places as take up has remained relatively consistent and Derbyshire has not received feedback from parents unable to find a place, however the EYSS will continue to monitor this term on term.

Free Early Education Entitlement for Three & Four Year Old Children

The Universal Offer

- 3.14 All three and four year old children are entitled to a maximum of 570 hours per academic year of free early education (FEE) from the term following their third birthday. This can be taken as 15 hours per week term time only or as fewer hours over 39 or more weeks of the year, but it cannot be taken over fewer than 38 weeks per year.
- 3.15 The free entitlement can have a number of advantages. It may allow a parent/carer to seek employment or training or reduce a parent/carers existing childcare bill, but equally as important is the positive effect it may have on a child's outcomes. It is largely accepted that good quality childcare can improve a child's aspirations and life chances as detailed further in section 5.
- 3.16 The Local Authority has a duty to ensure that every three and four year old child can access a FEE place, this includes universal and extended entitlement places for those children who are eligible, (see paragraph 3.21 for further details of the extended entitlement).
- 3.17 Due to single point entry for admissions into reception year, approximately 50% of all four year olds will be in full time school and will not need an early years place. According to the population figures available from NHS Digital's GP registrations (March 2019) the estimated figure for three year olds and four year olds not in full-time education in Derbyshire is approximately 8,250 and 4,203 respectively (12,453 in total).
- 3.19 The FEE entitlement is government funded and can be provided by Ofsted registered providers. In May 2019 there were 739 Private, Voluntary and Independent (PVI) childcare providers in Derbyshire registered with

Ofsted, of which 605 of these were delivering free early education which equates to 81%. In addition there are 120 schools that deliver FEE.

- 3.20 Historically, it has been primarily childminders who have chosen not to deliver FEE, however this is changing. Despite an overall reduction in the number of childminders there has been a significant increase in the number registering with the local authority to deliver the entitlement. This number has risen consistently since 2013 as the table below shows.

Figure 6. No of FEE Registered Childminders per Year

	2014	2015	2016	2017	2018	2019
Registered to deliver EEF	81	172	229	305	327	339
Not yet registered to deliver EEF	571	433	328	233	192	135
% Childminders Registered to deliver EEF	12%	28%	41%	57%	63%	71%

Source: Derbyshire County Council, Information and ICT & EYSS, May 2019

The Extended Entitlement (30 Hours)

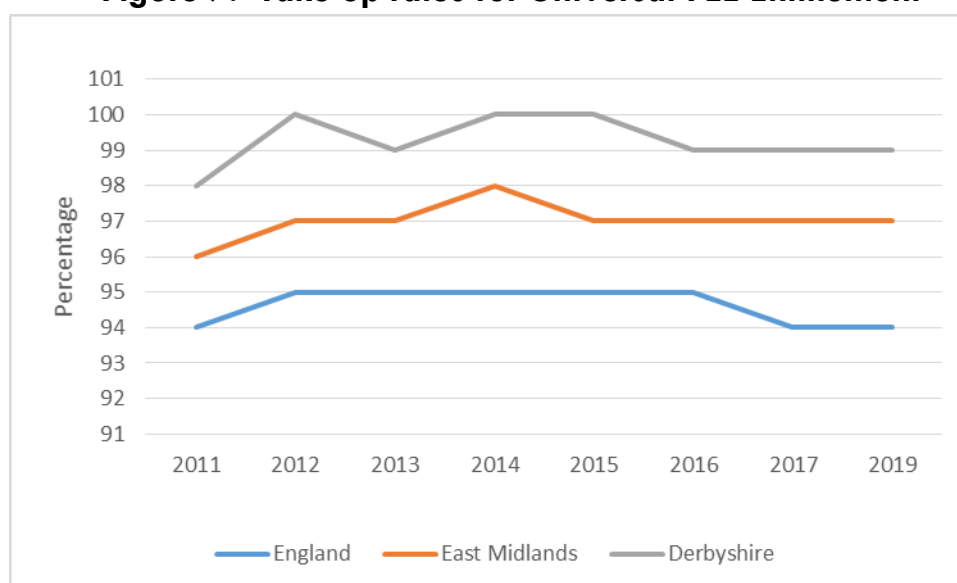
- 3.21 In September 2017 the FEE entitlement for three and four year olds increased for children of working families from 570 (15 hours per week if accessed term time) to 1,140 hours per academic year (30 hours per week if accessed term time).
- 3.22 This additional free childcare is intended to help working families by reducing the cost of childcare and will support parents into work or to work more hours, should they wish to do so.
- 3.23 To be eligible families must meet a number of criteria which can be found at www.gov.uk/30-hours-free-childcare.
- 3.24 Current data indicates that 92% of PVI providers and approximately 73% of schools are now offering the 30 hours, with more schools each term providing extended entitlement places. Derbyshire will work with schools and PVI providers to increase these figures further.

Demand for Three and Four year Old FEE Places

Universal Entitlement

3.25 In Derbyshire the number of parents who choose to take up some or all of their children's universal entitlement of FEE, is consistently around 99% each year this compares favourably to the national average of 94% in England as a whole and 97% in the East Midlands region⁵.

Figure 7. Take up rates for Universal FEE Entitlement



Extended Entitlement (30 Hours)

3.26 The Government estimates that nationally around 80% of parents will be eligible for the 30 hours and of this figure approximately 80% will choose to take up the offer. Based on the latest population data this indicates a total of around 7,967 three and four year old children will require a place in the 2018/2019 academic year although not all of these will require a place for all three terms as children are only eligible from the start of the term following their third birthday.

3.27 For the spring 2019 term it is estimated that around 5,300 children will be eligible. Statistics released by the HMRC eligibility checking system

⁵ www.gov.uk/government/statistics/education-provision-children-under-5-years-of-age-january-2018, table7A

(Figure 8) shows that in the spring 2019 term just over five thousand parents had applied for an eligibility code for their three or four year old child and of this 91% were in a place.

Figure 8. No of Eligibility Codes Issued by HMRC and Take up

	Spring 2018		Spring 2019	
	Derbyshire	England	Derbyshire	England
No of eligibility codes issued	5016	32,9195	5257	35,3763
No of children in a 30hr place	4438	294,000	4769	325,000
Children in a place as a % of codes issued	88%	89%	91%	92%

Source: www.gov.uk/government/statistics/30-hours-free-childcare-spring-term-2019,
www.gov.uk/government/statistics/30-hours-free-childcare-spring-term-2018

- 3.28 This data shows an increase since spring 2018 but overall the take up is a percentage lower than the national average. Parents/carers automatically receive a code even if they apply for the Tax Free Childcare scheme only (see section 6), which could explain why the percentage is not nearer 100%. It may also be the case that some Derbyshire children could be getting their codes validated in any of the several other councils that border the authority.
- 3.29 Analysis at a ward level has shown that there are generally sufficient FEE places across Derbyshire. It is important to note, however, that parents do not always access childcare in the area or ward they live in, therefore, the data can only ever be a guide and surplus places in neighbouring wards/areas may offset what initially appears to be a deficit.
- 3.30 Although there have been issues around the HMRC systems and deadlines, Derbyshire has received no communications from parents/carers stating they are unable to find a universal or extended entitlement FEE place for their child which is an indicator that there are sufficient places.

Increasing Take up of funded places for Two, Three and Four Year Olds

- 3.31 Increasing take up of all the free entitlements will be a priority for the EYSS in the 2019/20 academic year.

The Golden Ticket

- 3.32 In 2020 the EYSS will trial a new voucher system for the two year old funded scheme known as the 'Golden Ticket'. This has been very successful in other authorities and has increase take up by simplifying the procedure thus making it easier for parents to access their entitlement.

Parent Champions

- 3.33 With support from the Family and Childcare Trust the EYSS has established a Parent Champions Volunteer Scheme which aims to increase the take up of two, three and four year old funded places and promote the early years' services available to families. The scheme works with Children's Centres to help recruit volunteers and initially focused on the Bolsover district but has been rolled out to Chesterfield and North East Derbyshire.

Wrap Around Childcare for Early Years Children

- 3.34 Parents are able to use their free entitlement in early years registered out of school provision or wrap around childcare such as breakfast or after school clubs. This allows parents to work a longer day or find childcare that meets their individual working pattern, and has resulted in an increase in the number of wrap around childcare provisions accepting HMRC eligibility codes. It is anticipated that demand for these type of places will increase further in the next few years as the 30 hours becomes embedded further.
- 3.35 The EYSS will continue to work with providers, particularly schools and out of school settings to encourage them to deliver flexible childcare to meet the needs of parents/carers such as offering 8am to 6pm childcare and accepting 30 hour codes in wrap around childcare provision.
- 3.36 It is also anticipated that the introduction of the extended entitlement will increase demand for wrap around childcare for school aged children as parents/carers will have become accustomed to having the flexibility of

childcare to suit their working patterns for their early years' child and will require this to continue into the statutory school phase.

CHILDCARE PROVISION FOR CHILDREN AGED 5 YEARS AND OVER

Wrap Around Childcare for School Aged Children

- 3.37 Out of school wrap around childcare for school aged children can operate either on or off a school site and may be run by the school directly or by Private, Voluntary or Independent partners (PVI).
- 3.38 Not all wraparound provision has to be Ofsted registered and there is no legal requirement to inform the local authority of operation. For example, settings that operate for two hours or less or only take children over eight years old are not legally required to register with Ofsted, but they may choose to join the voluntary part of the childcare register.
- 3.39 It is recognised that good quality wraparound childcare has a positive effect upon children's outcomes. Research has shown that children from disadvantaged backgrounds that attended after school clubs on average achieve two points higher score in their Key Stage 2 assessment in English, Maths and Science than those who did not take part in after school clubs⁶ and research has shown that good quality wraparound childcare can improve a child's behavioural, social and emotional skills.
- 3.40 The EYSS is currently undertaking a large scale mapping exercise to provide a comprehensive picture of the availability of wraparound childcare in Derbyshire. The data will be available in the autumn 2019 term and will include an analysis of childcare available before and after school, holiday periods and irregular hours.

⁶ Wraparound Childcare and holiday childcare, Guidance for local authority maintained schools, academies and free schools, May 2016, p5, paragraphs 12 - 14

4. QUALITY OF CHILDCARE

Quality of Provision

- 4.1 Evidence shows that the quality of childcare is a significant factor affecting a child's future chances. High-quality early education improves children's school readiness and cognitive development, whilst poor-quality early education does very little to boost children's development⁷.
- 4.2 The quality of early provision is measured through inspections undertaken by Ofsted (Office for Standards in Education). Ofsted is the sole arbiter of quality and each setting will receive one of four grades (outstanding, good, requires improvement or inadequate) depending on the inspection findings.
- 4.3 Figure 9 provides data on the inspection outcomes of registered early years and childcare providers at their last inspection.

Figure 9. Ofsted Inspection Grades by Provider Type

Childminders	Outstanding	Good	RI	Inadequ
England	17%	78%	4%	1%
Derbyshire	11%	86%	3%	1%

Source: www.gov.uk/government/statistics/childcare-providers-and-inspections-as-at-31-december-2018

Group Care Providers (Childcare on non-domestic premises)	Outstanding	Good	RI	Inadequate
England	24%	73%	3%	1%
Derbyshire	13%	84%	3%	1%

Source: www.gov.uk/government/statistics/childcare-providers-and-inspections-as-at-31-december-2018

⁷ 2014 Joseph Roundtree Foundation, www.jrf.org.uk/blog/30-hours-free-childcare-worth-fighting

- 4.4 As the table shows the quality of provision across Derbyshire is high. The Early Years & Childcare Service will continue to support providers to improve the quality of delivery and meet the requirements of the Early Years Foundation Stage (EYFS) and Ofsted. The quality of provision plays an important part in the sufficiency of places.

Early Years Professional Development Fund

- 4.5 Derbyshire have secured funding for the new DfE initiative for Early Years - The Early Years Professional Development Fund. This national initiative prioritises the development of communication, language and literacy in the Early Years.
- 4.6 The local authority will recruit early years practitioner volunteers to become 'CPD Champions'. The local authority will facilitate this initiative alongside the Education Development Trust who are working in partnership with Elklan. The CPD Champions will receive high quality training and coaching from Elklan before cascading their learning via a 'train-the-trainer' model to other early practitioners (settings, childminders & school nurseries) across Derbyshire. This is due to commence in early 2020.

Early Years Pupil Premium (EYPP)

- 4.7 Since April 2015 childcare providers delivering the free nursery education entitlement for three and four year olds have been able to apply for additional funding of up to £302.10 per year, per eligible child, to support disadvantaged children. Children are also eligible if they are looked after by the local authority, adopted from care or have left care under a special guardianship or residence order.
- 4.8 EYPP is paid directly to providers who should use the additional funding effectively and with a clear plan of how it will make an impact upon identified children and reduce differences in outcomes between children. This should also be evidenced to Ofsted.
- 4.9 It is estimated that nationally around 20% of the population are eligible for EYPP, which means there are approximately 2,490 three and four year old eligible children in early years' settings in Derbyshire.

- 4.10 In the 2018/19 spring term EYPP payments were made for 1057 eligible children to childcare providers in both the PVI and maintained sectors across Derbyshire. This represents around 42% of the number of children who could claim this additional funding.
- 4.11 The identification of eligible children relies upon parents making providers aware of their financial situation so that they are able to apply for the funding. In order to ensure as many parents as possible notify their childcare provider, publicity work will continue to improve the take up and therefore benefit the setting and the children.

5. AFFORDABILITY OF CHILDCARE

Childcare Costs

- 5.1 Cost can be one of the main barriers to childcare, however it can be difficult to compare providers with accuracy as opening times or sessions times will vary and costs will reflect this. In addition there will be differences in what is included in the fees, some providers may include items such as nappies, meals and may offer discounts for siblings or shorter sessions whilst others may not.

Early Years Childcare Provision

- 5.2 Childcare for younger children is often the most expensive due to factors such as staff/child ratios etc. Most parents find that their childcare costs reduce as their child grows and all children are entitled to the universal 15 hours of Free Early Years Entitlement (FEE) from the age of three which can reduce a parent/carers childcare bill.
- 5.3 The introduction of the extended entitlement should assist with the cost of childcare and reduce a parents/carers childcare bill. This will vary dependent upon how different providers deliver the 30 hours and what is included in the funded hours and what is an additional charge. Parents are always advised to ensure they check a providers pricing structure to clarify this.
- 5.4 The Department for Education stipulate that providers are not permitted to charge 'top-up'. This is where a provider deducts the amount of funding they received from the local authority from their normal hourly rate and charge the parent/carers for the difference. All FEE hours must be completely free, although providers can make charges for additional hours, meals and sundries, however paying for such extras cannot be compulsory. This is again stipulated by the DfE and is a criteria in the Provider Agreement contract that providers must sign and comply with to deliver FEE places on behalf of the local authority. The EYSS monitor the adherence to the contract including the charging of top up through their compliance team.
- 5.5 The Early Years Sufficiency Service (EYSS) will continue to monitor the cost of childcare particularly in relation to the introduction of the extended

entitlement to measure any adverse impact this may have upon the cost of childcare.

Help with Childcare Costs

- 5.6 There are a number of schemes available to parents and carers to help with childcare costs. The Childcare Choices website provides details of all the support available with childcare costs. The site is a one stop shop for information on childcare schemes and allows parents/carers to see if they are likely to be eligible and apply at the click of a button on-line at www.childcarechoices.gov.uk
- 5.7 Parents and carers must select the scheme that is best suited to their personal circumstances as one scheme may affect the eligibility for other schemes or may impact upon other benefits. The Government has an on-line childcare calculator to help parents decide which scheme is best for them, this can be found at www.gov.uk/childcare-calculator
- 5.8 Information on the following schemes can be found at this website:
- 15 hours Free Childcare for Two Year olds
 - 15 hours Universal Childcare for all 3 & 4 Year Olds
 - 30 Hours Extended Entitlement for eligible 3 & 4 Year Olds
 - Tax Free Childcare (for 0 – 11 year olds)
 - Tax Credits for Childcare
 - Universal Credit for Childcare
 - Childcare Voucher Scheme (Salary Sacrifice Schemes)
 - Support Whilst You Study

Sustainability

- 5.9 In order for childcare to be sustainable, providers need to ensure their operating costs are met by the income generated but at the same time childcare needs to be affordable to parents and carers.
- 5.10 Managing the childcare market is a part of the local authority statutory duty to secure sufficient childcare places. This involves not only creating, but supporting existing provision to ensure these places remain available to meet demand. The EYSS provides business support to providers as required.

- 5.11 Demand must always be balanced against sustainability. All providers, including schools, need to ensure they can function as a solvent business and it may not always be financially viable for a provider to meet the needs of just one or two parents. Any childcare provision whether in the maintained or PVI sector, will need to attract enough children to make it sustainable and ensure long term viability.
- 5.12 The local authority cannot determine the pricing structure of individual childcare providers, the Department for Education's Statutory Guidance stipulates that Local Authorities should not intervene in providers' private business outside of a child's early education place which includes charges for provision and services outside a child's FEE place.
- 5.13 However the local authority has a legal duty to ensure there is sufficient and *affordable* childcare and where a gap in the market is identified, it may consider providing alternative arrangements to meet this duty.

6. FUTURE PLANNING

- 6.1 The publishing of the annual Childcare Sufficiency Assessment is only one part of the local authority's legal duty in managing the childcare market to ensure there is sufficient childcare. It must be recognised that statistics and data are fluid and constantly changing and as a result this document only provides a snapshot of the position of the childcare market at any given time. Nevertheless, this assessment still provides a good indication of trends or areas for further investigation and action, and the tools used in the production of the assessment enable on-going analysis and monitoring of the childcare data.
- 6.2 The Early Years Sufficiency Service (EYSS) will continue to manage the Derbyshire childcare market taking into account existing data and developing new data streams where possible to identify gaps in the market and future trends that may require action. Where a gap in the market is identified the EYSS will endeavour, where reasonably practicable, to meet the needs of parents/carers whilst taking into account the financial viability of new and existing provision.

Priorities for 2019 - 2020

- 6.3 Based on the findings of this Childcare Sufficiency Assessment the following priorities have been identified for the EYSS:
- Continue to ensure there are sufficient good quality early years education places in Derbyshire, focusing on areas where an undersupply is indicated.
 - Increase take up of two, three and four year old FEE entitlement places by ensuring parents/carers are aware of their entitlements and are receiving them in accordance with the statutory guidance.
 - Undertake data analysis to ensure 30 hours has not had a detrimental impact upon the number of 2 year old places
 - Trial the Golden Ticket scheme for the early years FEE entitlement for two year olds

Priorities for 2019 – 2020 (cont.)

- Increase take up of Early Years Pupil Premium
- Analyse data from the wrap around childcare survey
- Undertake data review to analyse the cost of childcare in Derbyshire

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DERBYSHIRE COUNTY COUNCIL**CABINET****11 September 2019****Report of the Executive Director for Children's Services****CHILDREN'S SERVICES CAPITAL PROGRAMME 2018-19 –
S106 PROJECT ALLOCATIONS AND FURTHER ALLOCATIONS PAPER 1 –
(YOUNG PEOPLE)****1. Purpose of Report**

To inform Cabinet of a capital project at Dunston Primary and Nursery Academy and seek approval for the allocation of Children's Services Capital funding to allow the project to proceed ahead of the receipt of S106 developer funding.

2. Information and Analysis

There is significant housing development within the normal area of Dunston Primary and Nursery Academy as follows:

Planning Reference	Location	Number of Dwellings	Primary Pupil Yield	S106 Contribution
CHE/16/00016/OUT	Land West of Dunston Lane, Chesterfield	300	60	£481,980
CHE/15/00116/OUT	Cammac Coal, Dunston Road, Chesterfield	99	20	£157,244 (plus indexation)

To accommodate the additional pupils, Cavendish Learning Trust which is the multi academy trust operating Dunston Primary and Nursery Academy has developed a scheme which includes a 160m² extension to create 2 additional multi -purpose teaching spaces, the re-provision of WCs, additional storage and a dual purpose corridor/learning space. The project will also include the re-modelling of existing accommodation to improve nursery and reception accommodation, enhance safeguarding at the entrance and increase storage

and staff facilities. The total cost of the project will be £672,542. The project will result in an increase in net capacity of 45 and an increase in planned admission number from 40 – 45 which satisfies the terms of the S106 agreements. The project will be undertaken by the Trust and the funding will be secured by a legal agreement between the Authority and the Trust. On 11 October 2018, Cabinet approved the allocation of £481,980 to the expansion project at Dunston Primary (Minute number 251/18) however as the project has been designed, the scope and cost has increased and the second element of S106 will be required to fund it. Whilst there is a S106 legal agreement in place to secure the contribution from the Cammac Coal site, the funding is not due to be paid to the Authority until 2020/2021. The purpose of this report is therefore to fund the balance on the project of £190,562 from 18/19 basic need allocation with the S106 contributions (which will be increased by RPI by the time of payment) being used to refund the basic need fund in due course.

3. Financial Considerations

The financial consideration are explained in Section 2 of the report. There is a legal agreement in place in support of the £481,980 already held by the Authority and a further agreement will be required to support the second sum of £190,562.

In the Cabinet report of 11 July 2019, the balance of the Children's Services Capital fund was detailed as £5,196,357. If the requested allocation is made, the balance of the fund will be £5,005,795.

4. Social Value Considerations

This funding is to ensure that there is sufficient capacity at all the schools involved. The schools will have the option to deliver the projects themselves under their own financial regulations. Where the projects are delivered by County Property, this will be done under its usual procedures.

5. Legal Considerations

Local Authorities have a duty to ensure sufficient school places and to work with Academies to ensure that these places are delivered. The S106 agreements name Dunston Primary and Nursery Academy as the recipient of the education contributions. A legal agreement will be put in place to ensure that the Academy complies with the terms of the various S106 agreements and indemnifies the Authority in respect of any claim from a developer.

6. Other Considerations

In preparing this report the relevance of the following factors has been considered:- prevention of crime & disorder, equality of opportunity, environmental, health, human rights, human resources, property and transport considerations.

7. Key Decision Yes

8. Call-in

Is it necessary for the call-in period to be waived in respect of the decisions being proposed in the report? No

9. Background Papers

These are held on file in the Children's Services Development Section.

10. Officer Recommendation

It is recommended that Cabinet:-

approves the allocation of £190,562 basic need funding to support the project at Dunston Primary and Nursery Academy in anticipation of further S106 funding.

**Jane Parfrement
Executive Director for Children's Services**

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Author: Sue Pegg (x36040)/Jennie McCusker (x36557)

Agenda Item No: 6 (k)

DERBYSHIRE COUNTY COUNCIL

CABINET

11 September 2019

Report of the Executive Director for Children's Services

**CHILDREN'S SERVICES CAPITAL PROGRAMME 2018-19 –
S106 PROJECT ALLOCATIONS PAPER 2– (YOUNG PEOPLE)**

1. Purpose of Report

To inform Cabinet of the receipt and availability of recent Section 106 developer contributions and to seek approval for the allocation of those contributions to projects in line with the individual Section 106 agreements:-

To also seek approval that, where appropriate, procurement exercises be undertaken to commission services and undertake works associated with the schemes.

2. Information and Analysis

Overseal Primary School

A developer contribution of £66,351 is available to claim from South Derbyshire District Council.

A project has been agreed with the school to create a secure lobby and new toilet (previously agreed by Cabinet 20 December 2018, minute number: 310/18).

Chellaston Fields New Primary School

A developer contribution of £83,529 is available to claim from South Derbyshire District Council.

This contribution will be used towards the provision of a new 1 form entry primary school (previously approved by Cabinet 20 July 2017, minute number: 213/17).

Chellaston Academy

A developer contribution of £128,902 is available to claim from South Derbyshire District Council.

A project has been agreed for the school expansion which includes a sports hall and other multi-use accommodation (previously approved by Cabinet 21 March 2019, minute number: 64/19).

Belmont Primary School

A developer contribution of £134,311 is available to claim from South Derbyshire District Council.

This contribution will be used towards a classroom extension project (previously approved by Cabinet 5 October 2017, minute number: 287/17).

Stanton Primary School

Two developer contributions of £43,184 and £44,241 are available to claim from South Derbyshire District Council.

Further to Cabinet approvals (24 May 2016, 20 July 2017, 26 July 2018) for expansion of the school to a 1 form entry primary school, it was agreed that future S106 funds would be used to repay the Capital Programme 2016/17).

Melbourne Junior School

A developer contribution of £24,588 has been received (detailed in Appendix A) and will be used to support an existing project to provide an additional classroom (previously approved 21 February 2017, 14 September 2017 and 31 January 2019).

As previously agreed by Cabinet (21 February 2017, minute number: 67/17) these funds will be repaid to the Capital Programme 2017/18.

Hasland Infant School

A developer contribution of £10,000 has been received (detailed in Appendix A) and will be used to provide PE storage with access from the school hall, which forms part of a larger refurbishment scheme. The total project cost is £41,000.

The scheme will be funded as follows:

£16,000: School contribution

£15,000: Joint Matched Funding 2018/19

£10,000: Section 106 funding.

3. Financial Considerations

The contributions are S106 Developer Contributions that have been received by the Authority or are available to claim from the District and Borough Council. Appendix A summarises the funds received/awaiting claiming, the school that will benefit from the investment, together with the planned project. The contributions received are awaiting allocation. The total is £535,106.

Where appropriate, it may be necessary to undertake a procurement exercise to commission services in order to undertake works associated with these schemes / budgets, and this report also seeks approval to commence this process. It should be noted that these procurement exercises would normally take the form of a competitive tender process, but should it be decided that using a Framework is the best option, a separate report will be submitted seeking approval for this.

4. Social Value Considerations

This funding is to ensure that there is sufficient capacity at all the schools involved. The schools will have the option to deliver the projects themselves under their own financial regulations. Where the projects are delivered by County Property, this will be done under its usual procedures.

5. Other Considerations

In preparing this report the relevance of the following factors has been considered:- prevention of crime & disorder, equality of opportunity, environmental, health, legal & human rights, human resources, property and transport considerations.

6. Key Decision Yes

7. Call-in

Is it necessary for the call-in period to be waived in respect of the decisions being proposed in the report? No

8. Background Papers

These are held on file in the Children's Services Development Section.

9. Officer Recommendation

That Cabinet:-

9.1 notes the receipt/availability of S106 funding and approves the following allocations:

- Overseal Primary School, Findern: £66,351
- Chellaston Fields New Primary School: £83,529
- Chellaston Academy: £128,902
- Belmont Primary School: £134,311
- Stanton Primary School: £87,425
- Melbourne Junior: £24,588
- Hasland Infant School: £10,000.

9.2 approves that, where appropriate, procurement exercises be undertaken to commission services and undertake works associated with the schemes.

Jane Parfremment
Executive Director for Children's Services

Appendix A

School	Development location	Funds	Project
Overseal Primary School	Valley Road, Overseal	£66,351	S106 funds available at South Derbyshire District Council to claim, and will be used towards creation of a lobby and new toilet.
Chellaston Fields – new primary school	Woodgate Drive, Chellaston	£83,529	S106 funds available at South Derbyshire District Council to claim, and will be used towards provision of a new primary school.
Chellaston Academy	Woodgate Drive, Chellaston	£128,902	S106 funds available at South Derbyshire District Council to claim, and will be used towards school expansion which includes a sports hall and other multi-use accommodation.
Belmont Primary School	Midland Road, Swadlincote	134,311	S106 funds available at South Derbyshire District Council to claim, and will be used towards a classroom extension project.
Stanton Primary School	Land at William Nadin Way, Swadlincote	£43,184	S106 funds available at South Derbyshire District Council to claim, these will be used to repay the Capital Programme 2016/17.
Stanton Primary School	Land at William Nadin Way, Swadlincote	£44,241	S106 funds available at South Derbyshire District Council to claim, these will be used to repay the Capital Programme 2016/17

Total contribution for Stanton Primary School		£87,425	
Melbourne Junior School	Jawbone Lane, Melbourne	£24,588	This contribution will be used to repay the Children's Services Capital Programme 2017/18.
Hasland Infant School	146 - 150 Spital Lane Spital Chesterfield	£10,000	This contribution will be used to provide PE storage with access from the school hall.
TOTAL		£535,106	

Author: Catherine O'Melia (x32181)

Agenda Item No: 6 (I)

DERBYSHIRE COUNTY COUNCIL

CABINET

11 September 2019

**Report of the Executive Director for Children's
Services**

**ESTABLISHMENT OF THE DERBY AND DERBYSHIRE SAFEGUARDING
CHILDREN PARTNERSHIP (YOUNG PEOPLE)**

1. Purpose of Report

The purpose of the report is to provide an update for Cabinet regarding the establishment of the Derby and Derbyshire Safeguarding Children Partnership (Young People). Following the permissions granted by Cabinet on 21st March 2019 a process was undertaken to determine which authority should host the combined partnership arrangements. This culminated in a decision by the Chief Officers of the statutory safeguarding partners (Derbyshire County Council, Derby City Council, Derby and Derbyshire CCG, Tameside and Glossop CCG, Derbyshire Constabulary) on 25th February 2019 that Derby City Council should host the business unit for the partnership. Arrangements are therefore being put in place to give effect to this decision.

2. Information and Analysis

The purpose of local arrangements is to support and enable organisations and agencies across Derby and Derbyshire to work together so that:

- children are safeguarded and their welfare promoted;
- partner organisations and agencies collaborate, share and co-own the vision for how to achieve improved outcomes for vulnerable children;
- organisations and agencies challenge appropriately and hold one another to account effectively;
- there is early identification and analysis of new safeguarding issues and emerging threats;
- learning is promoted and embedded in a way that local services can become more reflective and implement changes to practice identified as positive for

children and families; information is shared effectively to facilitate more accurate and timely decision making for children and families.

An implementation plan has been devised which details the process by which the DDSCP will be given effect. This document is included in the background papers. Strong leadership will be critical for the new arrangements to be effective in bringing together the range of organisations and agencies within the partnership. The statutory safeguarding partners across Derby and Derbyshire have equal and joint responsibility for local safeguarding arrangements.

In order to ensure that the responsibilities of the partnership are being effectively discharged, a Chief Officer Group will lead the Derby and Derbyshire Safeguarding Children Partnership and includes representation from the following:

- Derby City Council: Chief Executive
- Derby City Council: Cabinet member for Children and Young People
- Derby City Council: Director of Children's Services (statutory role)
- Derbyshire County Council: Executive Director
- Derbyshire County Council: Cabinet member for Children and Young People
- Derbyshire County Council: Director of Children's Services (statutory role)
- Derby and Derbyshire Clinical Commissioning Group: Chief Executive
- Tameside and Glossop Clinical Commissioning Group: Chief Executive
- Derbyshire Constabulary: Chief Constable
- Derbyshire Police and Crime Commissioner

The Chief Officer Group will:

- speak with authority for the safeguarding partner they represent;
- take decisions on behalf of their organisation or agency and be empowered to commit them on policy, resourcing and practice matters;
- hold their own organisation or agency to account on how effectively they participate in and implement the local arrangements;
- hold the Executive Board to account on how effectively it delivers the business plan of the partnership and implements the local arrangements;
- play an active role in facilitating and driving action beyond institutional constraints and boundaries.

The Chief Officer Group will:

- publish a strategy outlining its priority areas of work and a business plan to monitor the effectiveness and drive forward improvements in local safeguarding arrangements across Derby and Derbyshire;
- review and report on the effectiveness of the implementation of the new

arrangements, including the effectiveness of the Executive Board, the partnership working groups and stakeholders group;

- ensure the local safeguarding arrangements drive forward improvement in conjunction with other relevant public boards including Health and Wellbeing Boards, Safeguarding Adult Boards, Channel Panels, Improvement Boards, Community Safety Partnerships, the Local Family Justice Board and Multi-Agency Public Protection Arrangements (MAPPAs);
- publish an annual report;
- respond to recommendations from local and/or national child safeguarding practice reviews;
- respond to issues arising from the review of child deaths across Derby and Derbyshire;
- drive forward learning and organisational development to improve safeguarding arrangements.

The Executive Board is responsible for delivering strategic influence through the business plan and the work of the partnership groups to improve safeguarding arrangements. The Executive Board will be responsible for obtaining assurance of the effectiveness of safeguarding arrangements and emerging concerns across Derby and Derbyshire. The Executive Board is accountable to the Chief Officer Group.

The Executive Board will articulate and communicate a clear vision across the local partnership. This will include the fundamental message that safeguarding children is everybody's responsibility. The Executive Board will hold to account the work of the partnership groups through a programme of formal reporting delivered by the Chairs of each group. The frequency of reporting will be determined by the function and role of each group and is illustrated in Appendix 1. The Executive Board, through the work of the partnership groups will ensure that there is a coordinated approach to improving the multi-agency responses to vulnerable children.

The Executive Board will drive the agenda for the bi-annual stakeholder events and ensure that partner agencies and members of the community are active participants contributing to the evaluation of safeguarding arrangements across Derby and Derbyshire and driving forward improvement.

In order to achieve effective multi-agency engagement, scrutiny and challenge across the partnership with suitable seniority, the Executive Board will comprise of core representation at each quarterly meeting from:

- Derby City Council
- Derbyshire County Council
- Derby and Derbyshire Clinical Commissioning Group
- Tameside and Glossop Clinical Commissioning Group
- Derbyshire Constabulary
- Derbyshire Community Health Services NHS Foundation Trust

- University Hospitals of Derby and Burton NHS Foundation Trust
- Derbyshire Healthcare NHS Foundation Trust
- Chesterfield Royal Hospital NHS Foundation Trust
- The Chair of the Derby Education Group
- The Chair of the Derbyshire Education Group
- East Midlands Ambulance Service (EMAS)
- Derbyshire Health United / NHS 111

In addition to the core representation, the Chairs of the following Derby and Derbyshire groups will report *at each quarterly meeting*:

- Quality Assurance Groups
- Child Safeguarding Practice Review Groups (previously known as Serious Case Review Panels)

In addition to the core representation, the Chairs of the following Derby and Derbyshire groups will report *two times a year*:

- Education Groups
- Exploitation and Vulnerable Young People Groups
- Joint Policies and Procedures Group

In addition to the core representation, the Chairs of the following Derby and Derbyshire groups will report *on an annual basis*:

- Joint Learning and Organisational Development Group
- Districts Safeguarding Group
- Child Death Review Group (previously known as Child Death Overview Panel)

In addition to the planned reporting cycle, partnership groups will be expected to report by exception to the Executive Board at either the request of Executive Board or Chief Officer Group.

The Executive Board is responsible for the effective work of the partnership groups and will approve the appointment of the chair for each group against agreed and robust criteria and hold them to account for the work carried out as part of the partnership business plan.

The Executive Board will:

- ensure that the priorities and business plan set out by the Chief Officer Group are effectively delivered;
- monitor and challenge the effectiveness of work between the partnership groups, so that the business plan across Derby and Derbyshire is joined up and makes an observable and proven difference;
- ensure that young people and members of the community are active

- participants in the work of the relevant partnership groups;
- ensure the work of the partnership is aligned with other strategic groups so that safeguarding priorities and learning are embedded and inform development;
- ensure that there is consistency in the terms of reference and work plans for the partnership groups;
- respond to recommendations from local and national child safeguarding practice reviews;
- ensure that there are effective interim governance arrangements for the Child Death Overview Panel during the transition to new arrangements and implementation of the Child Death Review Group.

The new arrangements will commence on 29th September 2019 and they will be subject to an initial review of their effectiveness in December 2019.

The arrangements are proposed for an initial period of years and to be reviewed thereafter.

3. Financial Considerations

The budget for the new arrangements is detailed in the report of 21/03/2019. This will be reviewed on an annual basis. It is anticipated that the move to a single business unit for the new partnership will result in financial savings in subsequent years. The new streamlined arrangements will enable the partners to work more efficiently by avoiding duplication of meetings and actions.

4. Legal and Human Rights Considerations

The Children and Social Work Act 2017 makes provision for deletion of sections 13 to 16 of the Children Act 2004, which means that the obligation to establish a local safeguarding children board will be abolished. The Children and Social Work Act 2017 inserts a new section, section 16E, into the Children Act 2004, which requires the “safeguarding partners” for a local authority area in England to make arrangements for the safeguarding partners, and any relevant agencies that they consider appropriate, to work together in exercising their functions, so far as the functions are exercised for the purpose of safeguarding and promoting the welfare of children in the area. Those arrangements must include arrangements for the safeguarding partners to work together to identify and respond to the needs of children in the area.

The definition of “safeguarding partner” for these purposes is: “(a) the local authority; (b) a clinical commissioning group for an area, any part of which falls within the local authority area; and (c) the chief officer of police for a police area, any part of which falls within the local authority area. The Children and Social Work Act 2017 also inserts into the Children Act 2004 section 16J, which gives the safeguarding partners for two or more local authority areas in England power to agree that their areas are to be treated as a single area for the purposes of sections 16E to 16I and 16J(3) to 16J(5) of the Children Act 2004. Sections 16J(3) to 16J(5) make provision for the following arrangements for carrying out functions if there is an agreement to treat local authority areas as a single area:

The proposed arrangements for delegation of functions between the local authorities would involve a delegation of functions under section 16J of the Children Act 2004. This would only allow for the delegation of the functions specified in sections 16E to 16I of the Children Act 2004.

The delegation of functions extends solely to the arrangements of the safeguarding partnership and not the overriding responsibility for ensuring the safeguarding of children in Derbyshire.

A legal agreement will be established between the statutory partners to set out their shared responsibilities and accountability for the new Multi-Agency Safeguarding Arrangements (Derby and Derbyshire Safeguarding Children Partnership).

It is proposed that those staff currently working for the existing Derbyshire Safeguarding Board will transfer to the new joint arrangement and it has been agreed between the partners that the transfer of the staff will be undertaken in accordance with the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), as amended. The staff transferring will transfer on their existing terms and conditions of employment, including pension provision save for such amendments to procedures as are necessary given that they will be working for a new employer. Changes to terms and conditions can only be made in limited circumstances, including where there is an economic, technical or organisational (ETO) reason which entails changes in the workforce. The new Partnership is proposing that a new structure will be implemented to enable the new Partnership to meet its objectives in due course following transfer. The implementation of the new structure may be considered to be an ETO reason.

5. Human Resources Considerations

The combined partnership arrangement will be serviced by a single business unit hosted by Derby City. Consultation with staff and unions will be ongoing regarding the specific posts within the unit. There will not be any redundancies as a result of this process.

It is proposed that two members of staff will transfer to Derby City Council in order that they can work within the business unit. Their presence will facilitate the transition and assimilation of knowledge and information relating to the Derbyshire Safeguarding Children Board into the new partnership arrangement.

6. Other Considerations

In preparing this report the relevance of the following factors has been considered – equality of opportunity, health, social value, prevention of crime and disorder, environmental, property and transport considerations.

7. Background Papers

1. Report of 21st March 2019

2. Implementation Plan.

8. Key Decision

No

9. Call-In

Is it required that call-in be waived in respect of the decision proposed in the report?

No

10. Executive Directors Recommendation

1. To approve the delegation of functions as outlined.
2. To approve the proposed transfer of two members of staff under TUPE arrangements, but notes the future proposals of the new Partnership
3. To note the arrangements for the operation of the Derby and Derbyshire Safeguarding Children Partnership to commence on 29th September 2019.

Jane Parfremment
Executive Director for Children's Services

**DERBYSHIRE COUNTY COUNCIL
CABINET
21 March 2019**

Report of the Strategic Director for Children's Services

**Establishment of the Derby and Derbyshire Safeguarding Children
Partnership – (Young People)**

1. Purpose of Report

This report seeks Cabinet(s) approval to establish new Multi-Agency Safeguarding Arrangements across the Derby City and Derbyshire County areas replacing both the Derby Safeguarding Children Board and the Derbyshire Safeguarding Children Board.

The new arrangements would be called the Derby and Derbyshire Safeguarding Children Partnership and would bring together the lead members and chief officers from the statutory agencies to oversee and scrutinise the work of a joint executive board comprising both statutory and other key partners. It would continue to be independently chaired.

The new arrangements would boost the capacity within the system to improve its scrutiny of safeguarding arrangements, retaining a distinct focus on the respective issues of Derbyshire and Derby City respectively through a structure of dedicated sub-groups for each area, whilst ensuring duplication is minimised. The arrangements would build on the excellent performance of the two separate boards but allow for wider sharing of both learning and resources.

To support the new arrangements the report seeks approval to establish a joint business unit hosted by one of the local authorities. The detail of this team is yet to be finalised and as statutory timescales are tight, with implementation of the new arrangements being required no later than 29th September 2019, it is requested that the detailed structure of the team is delegated to the relevant Directors and Cabinet Members.

2. Information and Analysis

Section 30 of the Children and Social Work Act 2017 Act 'abolishes' Local Safeguarding Children Boards by deleting sections 13 to 16 of the Children Act 2004. Under the Children and Social Work Act 2017 Act, the three statutory safeguarding partners [Local Authorities, Chief Officers of Police, and Clinical Commissioning Groups (CCGs)] must make arrangements to work together with relevant agencies to safeguard and protect the welfare of children in the area. These are referred to as Multi-Agency Safeguarding Arrangements.

Working Together to Safeguard Children (July 2018), sets out the statutory guidance to which all new Multi-Agency Safeguarding Arrangements must adhere. Under the guidance, it is permissible for the new arrangements to cover more than one local authority area with the same principle applying for Clinical Commissioning Groups and Chief Officers of Police.

The new guidance offers an opportunity to refresh the design of the Multi-Agency Safeguarding Arrangements across Derbyshire and Derby.

Opportunities exist, therefore, to improve the co-ordination and impact of the work partnership as the new Multi-Agency Safeguarding Arrangements enable partner agencies who work

across the City and County boundaries to maximise strategic use of resources and reduce some duplication of their activity.

Implementing the new Derby and Derbyshire Safeguarding Children's Partnership arrangements will require the additional redesign of the business support function to enable the two separate LSCB teams to join together to fully support the work of the combined body. As the new arrangements will need to be published in June 2019 and be operational by September 2019, it is proposed to delegate the final design of this team to the relevant Directors and Cabinet Members. This will reduce the risk of any delays to the establishment of the new arrangements.

At the meeting between the Independent Chairs of both the Derby and Derbyshire Safeguarding Boards and Chief Officers of the two LSCBs on 12 March 2018, it was agreed that a working group should be set up to establish a proposal for new arrangements to replace the two existing LSCBs.

The working group was established and comprises both Directors of Children's Services (Derby City Council and Derbyshire County Council), Head of Public Protection (Derbyshire Constabulary), the Chief Nurse and Head of Safeguarding Children / Lead Designated Nurse for Safeguarding Children (Derbyshire CCGs¹) and the two Independent Chairs of the two LSCBs. The Tameside and Glossop Clinical Commissioning Group has been represented at one meeting. The business managers for the two LSCBs support the working group.

The working group drew up proposals for the new arrangements based on:

- Parameters set out by the Children and Social Work Act 2017;
- Analysis of the effectiveness of outstanding Local Safeguarding Children Board functions reviewed by Ofsted;
- Analysis of published reports of Multi-Agency Joint Targeted Area Inspections;
- Commentary from existing LSCB partner agencies about the effectiveness of local arrangements.

Following consultation with partner agencies from both LSCBs on 29 June 2018 and publication of the national guidance *Working Together to Safeguard Children* (4 July 2018), an updated proposal was developed in light of minor amendments requested by partners during the consultation period. This proposal details the new arrangements and was endorsed by the Chief Officers of the two LSCBs on 5 October 2018.

The functions as prescribed for the Derby and Derbyshire Multi-Agency Safeguarding Arrangements are no less complex and detailed than the functions carried out by the two LSCBs. Opportunities exist, therefore, to improve the co-ordination and impact of the work as the two areas join together the two LSCB business teams to provide a single business support function.

The current business support function of the two Boards is currently delivered by staff comprising 3.92 FTE employed by Derby City Council and 5.6 FTE employed by Derbyshire County Council. Work is underway to agree a single joint business team arrangement with equivalent capacity. The hosting arrangements were the subject of detailed discussion between the Independent Chairs and the statutory partners. Both local authorities would be happy to host and a process is underway to present an independent analysis of the strengths of each authority for consideration by the Chairs and the statutory partners. It is proposed that the decision regarding the hosting arrangements be delegated to the statutory partners in

¹ Derbyshire CCG's which consist of Southern Derbyshire CCG, North Derbyshire CCG, Hardwick CCG and Erewash CCG

order to avoid further uncertainty and delay.

Risks

Risk to both Derby City Council and Derbyshire County Council arises from a delay in the decision-making in respect of this proposal, leading to a failure to participate with statutory partners in the establishment of new multi-agency safeguarding arrangements, as set out in national guidance. The failure to establish these arrangements within prescribed timescales could result in Derby and Derbyshire safeguarding arrangements being unable to uphold their statutory duties to safeguard children according to new guidance. This may lead to adverse reputational risk, possible regulatory sanction for the local authorities in respect of their responsibilities to safeguard children and ultimately be potentially detrimental to local agencies' ability to effectively safeguard children across the area. This risk extends to both the Derbyshire Clinical Commissioning Groups and Derbyshire Constabulary who share legal responsibility for implementation of the new multi-agency safeguarding arrangements.

The proposal is supported by the statutory partners to lead to better working arrangements across the partnership and value for money.

The risks arising from any delay in decision-making would be mitigated through delegation of decisions as outlined in this paper to the Director of Children's Services (statutory post holders) for the two local authorities to enable progress to be made within the prescribed timescales.

Information Governance Risks

There is a lack of certainty as to whether the Multi-Agency Safeguarding Arrangement as a whole will be considered a separate data controller. Clarity is being sought in writing from the Information Commissioners' Office; this is likely to have an impact on the project timescales, as the relevant contractual arrangements cannot be put in place without this being resolved. Failing to register as a data controller with the ICO can result in a maximum fine of £4,350.

A determination by the ICO will enable the appropriate completion of the mandatory data privacy impact assessment as a priority, to give an appropriate overview of the compliance risks and ensure that the risks are being managed by the two local authorities, CCGs and Police within the new arrangements.

Non-compliance with the provisions of the data protection act can result in fines of up to £20m, reputational damage that would impact relations with service user and other agencies.

Public/stakeholder engagement

The Proposals set out in this report have been developed through a chief officer working group with representation from the Clinical Commissioning Groups, Police, both Local Authorities and the independent chairs.

Wider engagement has taken place and is ongoing with partners; including staff, education representatives and members of the sub-groups. Subject to Cabinet approval of this proposal, part of the work plan for the Multi-Agency Safeguarding Arrangements will include engaging stakeholders including children and young people in the development of the Derby and Derbyshire Safeguarding Children Partnership.

Other options

Current arrangements comprising the two safeguarding children boards could be used as a model for creating two separate new multi-agency safeguarding arrangements for each local authority area. However, this option would not be the preferred model for the key statutory partners as it would continue to duplicate arrangements for them. Separate arrangements would not allow for the two existing Boards to combine strengths, co-ordinate resources and deliver a shared approach. It is envisaged that there will be improved co-ordination and areas of duplication will be avoided, whilst retaining a focus on the distinct and different issues in Derbyshire and Derby City, leading to greater impact and effectiveness over time; the extent of this will be established during the first 12 months of implementation of the new arrangements.

The option of including the Derby and Derbyshire Adult Safeguarding Boards (DSAB's) within the new partnership arrangements was considered by the chief officer group. However, at this stage, it is felt beneficial to retain a strong focus on safeguarding children and minimise the risks inherent in further change. This could be a consideration in the future.

3. Financial Considerations

The chief officer working group has established the principle of future funding on an equal contribution basis from the statutory partners. The Police, two Local Authorities and the CCGs (which includes Southern Derbyshire CCG, North Derbyshire CCG, Hardwick CCG, Erewash CCG and Tameside and Glossop CCG) contribute 25% equally after other partner contributions have been taken into account, to the funding arrangement;

Currently, the National Probation Service, Community Rehabilitation Company and CAFCASS contribute to both local safeguarding children boards on the basis of nationally agreed funding formulae for the new arrangements. Clarity has been requested as to whether the contributions will continue and it is envisaged that the position will be established by April 2019.

The review of the business support functions will include a review of funding arrangements to ensure best value principles are adhered to and cost-effectiveness is achieved. No budget savings are attached to the proposal at the point of implementation and in the initial year of operation.

The illustration of the proposed funding below is based on the funding levels of the two LSCBs 2018-2019. Any potential areas of activity that can be achieved with greater cost-effectiveness that ensure children are safe will be identified through the review of the business functions and the annual review of the effectiveness of the new arrangements.

Any identified over or underspends at the end of the financial year will be considered by the new Derby and Derbyshire Safeguarding Partnership (MASA) with notification to the partners that the any variance will be shared between them as determined in the partnership agreement.

There will be additional, non-recurrent, resources required to facilitate the transition to the new arrangements, which include the need to obtain appropriate legal advice and project management. It is expected that these can be met from existing resources.

Illustration of funding 2018-2019

- Funding for the Derby LSCB 2018-2019 £197,282

- Funding for the Derbyshire LSCB for 2018-2019 £329,578

	Derby LSCB	2018-2019
Derby City Council	57.43%	£113,295
Derbyshire CCG's	25%	£49,691
Derbyshire Constabulary	13%	£25,839
National Probation Service *	0.99%	£1,945
Community Rehabilitation Company *	1.01%	£2,000
CAFCASS *	0.28%	£550
Shortfall made up from reserves	2.01%	£3,962
Total	100.00%	£197,282

	Derbyshire LSCB	2018-2019
Derbyshire County Council	40.55%	£133,650
Derbyshire CCG's	44.25%	£145,850
Tameside and Glossop CCG	2.14%	£7,069
Derbyshire Constabulary	11.82%	£38,945
National Probation Service *	0.54%	£1,765
Community Rehabilitation Company *	0.54%	£1,765
CAFCASS *	0.16%	£534
Total	100.00%	£329,578

***national funding formula applies**

The combined funding (illustration above) for 2018-2019 is £526,860

Derby and Derbyshire Safeguarding Children Partnership: Illustration of proposed funding 2019-2020.

Derby and Derbyshire Safeguarding Partnership (with similar contributions NPS,CRC and CAFCASS for the two areas)	2019-2020	Percentage difference With 2018-2019 contribution to the LSCB
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			in 1 or both combined areas*
Derby City Council	24.59%	£129,575	Increase of £16280 (14.39%)
Derbyshire County Council	24.59%	£129,575	Decrease of £4075 (3.05%)
Derbyshire CCG's			Total decrease* (across both areas) of £73035 (36.05%)
Tameside and Glossop CCG	24.59%	£129,575	
Derbyshire Constabulary	24.59%	£129,575	Total increase* (across both areas) of £64791 (100.01%)
National Probation Service	0.70%	£3,710	Nil Change
Community Rehabilitation Company	0.71%	£3,765	Nil Change
CAFCASS	0.21%	£1,084	Nil Change
Total			
		£526,860	
(Equivalent to the funding for the two LSCBs 2018-2019)			

4. Legal and Human Rights Considerations

Under the current arrangements, it is the responsibility of the Chief Executive (Head of Paid Service) drawing on other LSCB partners and, where appropriate, the Lead Member, to hold the Independent Chair of a LSCB to account for the effective working of the LSCB.

Under the new legislation, the three safeguarding partners [Local Authorities, Chief officers of Police, and Clinical Commissioning Groups (CCGs)] must make arrangements to work together to ensure that their collective responsibilities are discharged effectively through their work and that with other partners.

A legal agreement will be established between the statutory partners to set out their shared responsibilities and accountability for the new Multi-Agency Safeguarding Arrangements (Derby and Derbyshire Safeguarding Children Partnership).

5. Human Resources Considerations

At such time when the arrangements for the business support function for the new partnership have been agreed (through decision-making delegated to relevant Directors), consultation with trade unions and employees will commence in respect of potential hosting arrangements including: potential transfer in or out of Derbyshire County Council staff under TUPE regulations and work location, new structures, job roles and any potential redundancies.

6. Other Considerations

In preparing this report the relevance of the following factors has been considered – equality of opportunity, health, social value, prevention of crime and disorder, environmental, property and transport considerations.

The proposals outlined in this report were considered by the Derby City Council cabinet at their meeting on 13th March. At the time of writing the decision of their cabinet is not known.

7. Background Papers

Children and Social Work Act 2017
Working Together To Safeguard Children 2018

8. Key Decision

No

15. Call-in

Is it required that call-in be waived in respect of the decision proposed in the report?
No

16. Strategic Director's Recommendation

To approve the establishment of the Multi-Agency Safeguarding Arrangements (called the Derby and Derbyshire Safeguarding Children Partnership) to replace the two existing Safeguarding Children's Boards in line with Working Together to Safeguard Children 2018 statutory guidance and the Children and Social Work Act 2017.

To establish a joint business support team for the new partnership to be hosted by one of the local authorities. The decision on hosting arrangements to be made by the statutory partners supported by an independent analysis of who is best placed to host. The hosting arrangements and specific details of the roles and responsibilities of the team be delegated to the Derby Director of People's Services and the Derbyshire Strategic Director of Children's Services in consultation with the relevant Cabinet Members.

To agree 25% proportion (for each local authority) of the future finance arrangements.

Jane Parfremment
Executive Director for Children's Services



Derby and Derbyshire

Safeguarding Children Partnership

Derby and Derbyshire Safeguarding Children Partnership Plan for new arrangements

Published Thursday 27th June 2019



Derby City Council



Derby and Derbyshire
Clinical Commissioning Group



Tameside and Glossop
Clinical Commissioning Group

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**Signatories to the Derby and Derbyshire Safeguarding Children
Partnership Implementation Plan
Derby City Council:**



Carole Mills, Chief Executive Officer

Derbyshire County Council:



Emma Alexander, Executive Director

Derby and Derbyshire Clinical Commissioning Group



Dr Chris Clayton, Chief Executive Officer

Tameside and Glossop Clinical Commissioning Group



Steven Pleasant MBE, Chief Executive Officer

Derbyshire Constabulary



**Assistant Chief Constable Paul Gibson, for and on behalf of The Chief
Constable**

Arrangements for the safeguarding partners to work together to identify and respond to the needs of children in Derby and Derbyshire

The purpose of local arrangements is to support and enable organisations and agencies across Derby and Derbyshire to work together so that:

- children are safeguarded and their welfare promoted;
- partner organisations and agencies collaborate, share and co-own the vision for how to achieve improved outcomes for vulnerable children;
- organisations and agencies challenge appropriately and hold one another to account effectively;
- there is early identification and analysis of new safeguarding issues and emerging threats;
- learning is promoted and embedded in a way that local services can become more reflective and implement changes to practice identified as positive for children and families; information is shared effectively to facilitate more accurate and timely decision making for children and families.

This plan sets out how the new arrangements will operate. The plan will be implemented on the 29th September 2019; at this point the Derby and Derbyshire Safeguarding Children Partnership will take responsibility for the implementation of the new arrangements as set out below.

Strong leadership will be critical for the new arrangements to be effective in bringing together the range of organisations and agencies within the partnership. The statutory safeguarding partners across Derby and Derbyshire have equal and joint responsibility for local safeguarding arrangements.

In order to ensure that the responsibilities of the partnership are being effectively discharged, a Chief Officer Group will lead the Derby and Derbyshire Safeguarding Children Partnership and includes representation from the following:

- Derby City Council: Chief Executive
- Derby City Council: Cabinet member for Children and Young People
- Derby City Council: Director of Children's Services (statutory role)
- Derbyshire County Council: Executive Director
- Derbyshire County Council: Cabinet member for Children and Young People
- Derbyshire County Council: Director of Children's Services (statutory role)
- Derby and Derbyshire Clinical Commissioning Group: Chief Executive
- Tameside and Glossop Clinical Commissioning Group: Chief Executive
- Derbyshire Constabulary: Chief Constable
- Derbyshire Police and Crime Commissioner

The Chief Officer Group will:

- speak with authority for the safeguarding partner they represent;
- take decisions on behalf of their organisation or agency and be empowered to commit them on policy, resourcing and practice matters;
- hold their own organisation or agency to account on how effectively they participate in and implement the local arrangements;

- hold the Executive Board to account on how effectively it delivers the business plan of the partnership and implements the local arrangements;
- play an active role in facilitating and driving action beyond institutional constraints and boundaries.

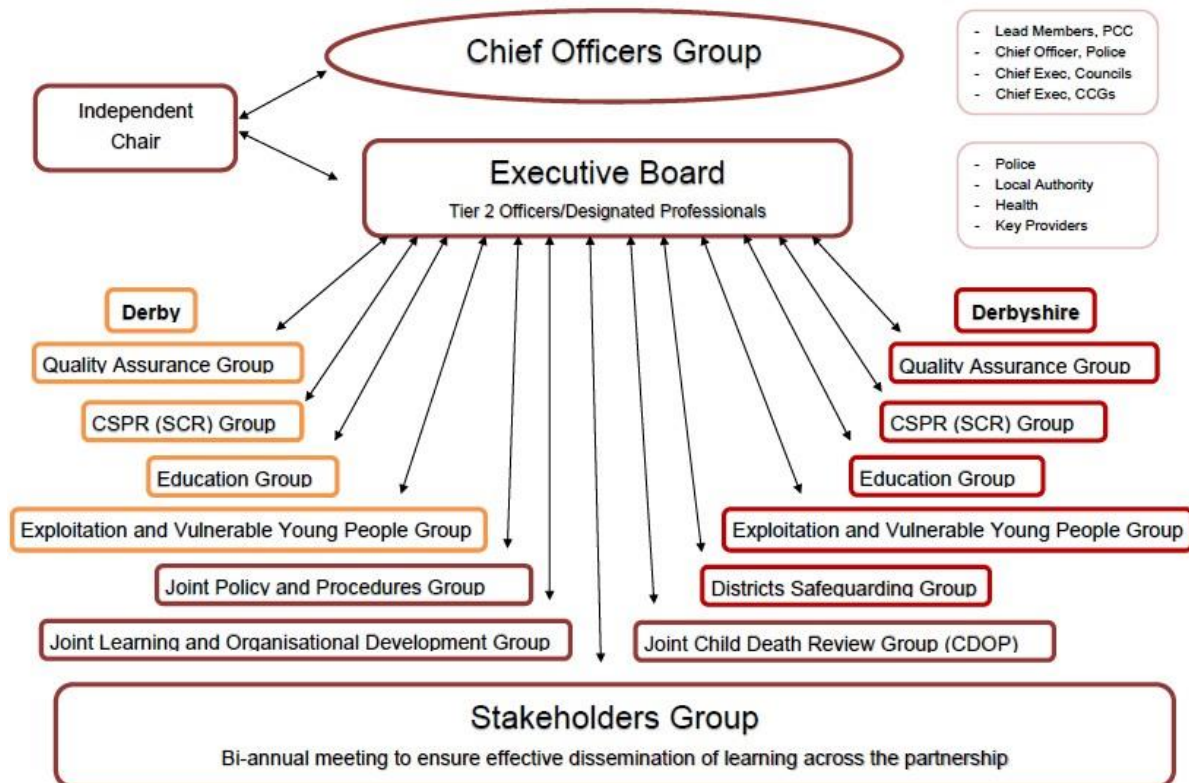


Image 1: Flow diagram depicting the proposed governance arrangements for the Derby and Derbyshire Safeguarding Children Partnership.

Detailed governance arrangements will set out how statutory partners will work together and work with other agencies to ensure that the responsibilities of the partnership will be carried out, mindful of the ongoing responsibilities for each Director of Children's Services for the safety of children in their area (as set out in section 18 of the Children Act 2004).



The Chief Officer Group will:

- publish a strategy outlining its priority areas of work and a business plan to monitor the effectiveness and drive forward improvements in local safeguarding arrangements across Derby and Derbyshire;
- review and report on the effectiveness of the implementation of the new arrangements, including the effectiveness of the Executive Board, the partnership working groups and stakeholders group;
- ensure the local safeguarding arrangements drive forward improvement in conjunction with other relevant public boards including Health and Wellbeing Boards, Safeguarding Adult Boards, Channel Panels, Improvement Boards, Community Safety Partnerships, the Local Family Justice Board and Multi-Agency Public Protection Arrangements (MAPPAs);
- publish an annual report;
- respond to recommendations from local and/or national child safeguarding practice reviews;
- respond to issues arising from the review of child deaths across Derby and Derbyshire;
- drive forward learning and organisational development to improve safeguarding arrangements.

The Executive Board is responsible for delivering strategic influence through the business plan and the work of the partnership groups to improve safeguarding arrangements. The Executive Board will be responsible for obtaining assurance of the effectiveness of safeguarding arrangements and emerging concerns across Derby and Derbyshire. The Executive Board is accountable to the Chief Officer Group.

The Executive Board will articulate and communicate a clear vision across the local partnership. This will include the fundamental message that safeguarding children is everybody's responsibility. The Executive Board will hold to account the work of the partnership groups through a programme of formal reporting delivered by the Chairs of each group. The frequency of reporting will be determined by the function and role of each group and is illustrated in Appendix 1. The Executive Board, through the work of the partnership groups will ensure that there is a coordinated approach to improving the multi-agency responses to vulnerable children.

The Executive Board will drive the agenda for the bi-annual stakeholder events and ensure that partner agencies and members of the community are active participants contributing to the evaluation of safeguarding arrangements across Derby and Derbyshire and driving forward improvement.

In order to achieve effective multi-agency engagement, scrutiny and challenge across the partnership with suitable seniority, the Executive Board will comprise of core representation at each quarterly meeting from:

- Derby City Council
- Derbyshire County Council
- Derby and Derbyshire Clinical Commissioning Group
- Tameside and Glossop Clinical Commissioning Group
- Derbyshire Constabulary

- Derbyshire Community Health Services NHS Foundation Trust
- University Hospitals of Derby and Burton NHS Foundation Trust
- Derbyshire Healthcare NHS Foundation Trust
- Chesterfield Royal Hospital NHS Foundation Trust
- The Chair of the Derby Education Group
- The Chair of the Derbyshire Education Group
- East Midlands Ambulance Service (EMAS)
- DHU Healthcare / NHS 111

In addition to the core representation, the Chairs of the following Derby and Derbyshire groups will report *at each quarterly meeting*:

- Quality Assurance Groups
- Child Safeguarding Practice Review Groups (previously known as Serious Case Review Panels)

In addition to the core representation, the Chairs of t

- Education Groups
- Exploitation and Vulnerable Young People Groups
- Joint Policies and Procedures Group

In addition to the core representation, the Chairs of the following Derby and Derbyshire groups will report *on an annual basis*:

- Joint Learning and Organisational Development Group
- Districts Safeguarding Group
- Child Death Review Group (previously known as Child Death Overview Panel)

In addition to the planned reporting cycle, partnership groups will be expected to report by exception to the Executive Board at either the request of Executive Board or Chief Officer Group.

The Executive Board is responsible for the effective work of the partnership groups and will approve the appointment of the chair for each group against agreed and robust criteria and hold them to account for the work carried out as part of the partnership business plan.

The Executive Board will:

- ensure that the priorities and business plan set out by the Chief Officer Group are effectively delivered;
- monitor and challenge the effectiveness of work between the partnership groups, so that the business plan across Derby and Derbyshire is joined up and makes an observable and proven difference;
- ensure that young people and members of the community are active participants in the work of the relevant partnership groups;
- ensure the work of the partnership is aligned with other strategic groups so that safeguarding priorities and learning are embedded and inform development;
- ensure that there is consistency in the terms of reference and work plans for



the partnership groups;

- respond to recommendations from local and national child safeguarding practice reviews;
- ensure that there are effective interim governance arrangements for the Child Death Overview Panel during the transition to new arrangements and implementation of the Child Death Review Group.

Arrangements for commissioning and publishing local child safeguarding practice reviews

Local child safeguarding practice reviews will be commissioned by the Derby and Derbyshire Safeguarding Children Partnership following the completion of rapid reviews of Serious Child Safeguarding Incidents in accordance with national guidance.

A partnership group will be maintained for the Derby area and one for the Derbyshire area with specific responsibilities for:

- commissioning and completing rapid reviews on cases where notifications are made by local authorities in response to Serious Child Safeguarding Incidents (as defined by Working Together 2018);
- commissioning, facilitating and publishing local child safeguarding practice reviews;
- communicating a decision to the (national) Child Safeguarding Practice Review Panel ('the Panel') about whether a local or national child safeguarding practice review is appropriate for cases considered locally;
- completing serious case reviews and local learning reviews which started prior to 29 September 2019;
- cooperating and supporting the work of the Panel to complete national child safeguarding practice reviews;
- publishing, promoting and embedding learning from local child safeguarding practice reviews in a way that local services for children and families can become more reflective and implement changes to practice.

The two Local Safeguarding Children Boards in Derby and Derbyshire will continue to carry out all of their statutory functions, including commissioning serious case reviews where the criteria are met, until the point at which safeguarding partner arrangements begin to operate on 29 September 2019 and adhere to the statutory transitional arrangements and timescales.

The process for undertaking local child safeguarding practice reviews, setting out the arrangements for embedding learning across organisations and agencies

The process for undertaking local child safeguarding practice reviews will be managed by two partnership groups in Derby and Derbyshire areas and comply with national guidance.

Learning from local and national child safeguarding practice reviews will be used to improve safeguarding practice across Derby and Derbyshire. This learning will inform:

- revisions to policies and guidance for practitioners from all agencies and the commissioning of new policies and guidance where needed;
- revisions to training and development resources for practitioners from all agencies and the commissioning of resources where needed;
- audit activity to obtain assurance that improvements identified by local child safeguarding practice reviews are having a positive impact on practice;
- learning activity to be shared at the twice yearly stakeholder events so that learning is broadly promoted across all partners and the community.

Arrangements for independent scrutiny of the effectiveness of the arrangements

The Derby and Derbyshire Safeguarding Children Partnership is committed to ensuring that effective independent scrutiny of the arrangements is in place to provide assurance of the effectiveness of multi-agency arrangements that safeguard and promote the welfare of all children, including arrangements to identify and review serious child safeguarding incidents and conduct child safeguarding practice reviews.

Independent scrutiny will occur through ongoing and specific activity so that partners and communities across Derby and Derbyshire have robust assurance of local arrangements.

An independent chair will provide scrutiny and challenge to the Chief Officer Group and the Executive Board. The independent chair will act with demonstrable independence and a sufficient degree of authority to ensure that the agencies respond positively and work to address areas of practice requiring development across Derby and Derbyshire. The independent chair will have the authority to commission specific assurance activity to obtain the necessary confidence that local arrangements are effective.

Independent scrutiny of partnership arrangements will be carried out by external organisations. Independent scrutiny will routinely occur through inspection carried out by regulatory inspection of the services provided by individual safeguarding partners. There will also be multi-agency Joint Targeted Area Inspections of the local area. "Peer reviews" may also be commissioned drawing upon external agencies who are invited to review local arrangements, sometimes with particular themes.

Young people and members of the community will have an essential role in shaping service development across all agencies and contributing to the scrutiny processes that hold agencies to account. The voice and influence of the child will be heard through practice audit, in order to inform strategic developments.

Lay members representing local communities, including young people, will be actively involved within the work of the partnership subgroups so that their influence, challenge and contributions can impact directly on specific areas of work. This will provide an additional source of independent scrutiny of the arrangements delivered by the partnership.



Who the local safeguarding partners are

The safeguarding partners are defined under the Children Act 2004 (as amended by the Children and Social Work Act 2017). The safeguarding partners for the Derby and Derbyshire Safeguarding Children Partnership are as follows:

- a) the Local Authority: **Derby City Council** and **Derbyshire County Council**
- b) Clinical Commissioning Group's for an area any part of which falls within the Local Authority area: **Derby and Derbyshire Clinical Commissioning Group** and **Tameside and Glossop Clinical Commissioning Group**
- c) the Chief Officer of Police for an area any part of which falls within the local authority area: **Derbyshire Constabulary**

An inter-agency Governance and Accountability Framework will be in place which is an agreement that has been signed by each of the statutory partners to set out the legal arrangements to ensure there is effective governance and decision making. The agreement includes the role that each statutory partner has to carry out their responsibilities so that the Derby and Derbyshire Safeguarding Children Partnership is effective and works to keep children safe from harm.

Geographical boundaries

The Derby and Derbyshire Safeguarding Children Partnership will coordinate safeguarding services and act as a strategic leadership group across the Derby city and Derbyshire county areas. Activity by the partnership will incorporate identifying the needs of children and young people living in diverse urban and rural areas and ensuring that effective action is taken to safeguard them.

Driving forward effective local arrangements requires attention to the detail of what works and where improvement is needed. In order to achieve this level of detail across the diverse areas of need, the new arrangements will include reporting and scrutiny of identified functions in each geographical area. The activity carried out by each of the groups will need to ensure that there is sufficient detail so that the partnership can be assured that arrangements are robust.

The arrangements will be subject to review and this will include analysis of future opportunities to bring together any of the groups to establish a joint group where the effectiveness of the coordination and scrutiny of arrangements across the two geographical areas can be sustained and improved.

The District Councils have and will retain essential safeguarding responsibilities. In order to uphold their responsibilities, the District Councils will continue to actively participate in their existing joint arrangements to coordinate their safeguarding duties. The effectiveness of their arrangements will be reported to the Derby and Derbyshire Safeguarding Children Partnership and they will be supported as active stakeholders in their roles to keep children safe in their local areas.

The relevant agencies with whom the safeguarding partners will work; why these organisations and agencies have been chosen; and how they will collaborate and work together to improve outcomes for children and families

Stakeholders from both local safeguarding children boards were consulted in the drawing up of the new arrangements across the two areas. In June 2019 agencies across Derby and Derbyshire were consulted on their role as relevant agencies who safeguard children and young people and have a key role collaborating and working as members of the Derby and Derbyshire Safeguarding Children Partnership.

A full list of relevant agencies will be maintained and publicly available on the Derby and Derbyshire Safeguarding Children Partnership website.

Relevant agencies will be involved in the work of partnership groups directly depending on their role and invited to participate in twice yearly stakeholder events to drive forward improvement to safeguarding arrangements across Derby and Derbyshire.

The stakeholder group events will ensure that:

- Ongoing learning and improvement is shared across the partnership from the work of the sub groups;

- Partners and stakeholders have the opportunity to shape ongoing development and business plans for the partnership;
- Partners and stakeholders are able to identify emerging thematic safeguarding concerns for children both from within and from outside their families.

This approach will enable joint identification of, and response to, existing and emerging needs and agreement on priorities to improve outcomes for children.

How all early years settings, schools (including independent schools, academies and free schools) and other educational establishments will be included in the safeguarding arrangements

The Derby and Derbyshire Safeguarding Children Partnership recognises that early years settings, schools (including independent schools, academies and free schools) and other educational establishments have an essential role identifying and supporting vulnerable children and young people.

The role of early years settings, schools (including independent schools, academies and free schools) and other educational establishments will be represented in a partnership group in each area with specific responsibilities for:

- collaboration across the education sector and the wider children's safeguarding arena to share and co-own the vision for how to achieve improved outcomes for school-aged children;
- strengthening the safeguarding measures across the education sector so that each setting has effective assurance of its own arrangements;
- promoting and embedding learning in a way that education services for children and families can become more reflective and implement changes to practice;
- ensuring the education sector identifies concerns and shares information effectively to facilitate more accurate and timely decision making for children and families.



How any youth custody and residential homes for children will be included in the safeguarding arrangements

There is no youth custodial establishment within Derby or Derbyshire. The Derby and Derbyshire Safeguarding Children Partnership will ensure therefore that there is active monitoring of the effectiveness of arrangements for local children placed in custody through the work of the Youth Offending Services. This will include monitoring of children within the secure estate on a longer term basis and monitoring of children kept overnight in police custody in Derby and Derbyshire.

There are a range of residential homes for children within Derby and Derbyshire provided by the two local authorities and independent sector organisations. The Derby and Derbyshire Safeguarding Children Partnership will ensure therefore that there is active monitoring of the effectiveness of these arrangements through a range of sources including: reporting by the Independent Reviewing Officer services, inspection reports and direct engagement with service providers through stakeholder events and training.

How the safeguarding partners will use data and intelligence to assess the effectiveness of the help being provided to children and families, including early help

The Derby and Derbyshire Safeguarding Children Partnership will actively monitor the effectiveness of services being provided to children and families, including early help through a range of data and qualitative audit reports.

Timely and accurate information from across different agencies, including from multi-agency audits, will inform analysis to:

- understand current and projected local need overall and against specific demand areas;
- build an understanding of frontline practice;
- develop well-informed priorities;
- decide what action to take to improve frontline services.

A partnership group will be maintained in each area with specific responsibilities for:

- obtaining and evaluating performance data using an agreed set of performance measures which support the Partnership's strategic aims and priorities
- obtaining and evaluating evidence from single and multi-agency audit and feedback from children and young people;
- ensuring that the voice of the child is heard through practice audit and this informs strategic development;
- providing analysis about the effectiveness of local safeguarding arrangements and areas for improvement;
- early identification and analysis of new safeguarding issues and emerging trends and threats;
- promoting and embedding learning in a way that local services for children

and families can become more reflective and implement changes to practice;

- evaluating the impact of the work of the partnership to demonstrate improvement arising from audit and assurance activity.

The learning about performance and areas for development will inform reporting on effectiveness to the Executive Board and Chief Officer Groups and be summarised in the published Annual Report of the Derby and Derbyshire Safeguarding Children Partnership.

How inter-agency training will be commissioned, delivered and monitored for impact and how the partnership will undertake multiagency and inter-agency audits

Good quality and innovative learning opportunities including training, along with effective supervision, need to be in place for the whole multi-agency partnership to create an environment in which practice can flourish. A culture of continuous development and improvement will draw from the learning arising from the other partnership groups to improve safeguarding practice.

A joint partnership group will be maintained for both areas with specific responsibilities for:

- conducting analysis of safeguarding training needs across the workforce and taking account of learning from Case Reviews and Quality Assurance activity;
- producing an annual training programme which takes account of the identified training needs of the workforce, practice findings from the annual audit cycle and the priorities of the Partnership;
- reviewing and updating the training programme and commissioning training as required;
- promoting and embedding learning in a way that local services for children and families can become more reflective and implement changes to practice;
- innovating to ensure that learning and improvement is delivered effectively;
- assuring the quality of single and multi-agency training and securing evidence of the ongoing impact it has on practice and the wellbeing of children.

The Derby and Derbyshire Safeguarding Children Partnership will carry out multi-agency and inter-agency audit through the work of the quality assurance groups. Strong effective links will be in place to make sure that learning from audit informs practice development through both multi-agency and single agency training and development activity.



How the arrangements will be funded

The Derby and Derbyshire Safeguarding Children Partnership has established a funding agreement in accordance with the guidance set out in Working Together 2018 and that includes the following principles:

- a) The Police, two Local Authorities and the CCG's (which includes Derby and Derbyshire Clinical Commissioning Group and Tameside and Glossop Clinical Commissioning Group) contribute 25% equally, after other partner contributions have been taken into account, to the funding arrangement;
- b) A review of the business support functions will be conducted using best value principles, ensuring that the new partnership is able to meet its statutory duties to a high standard in a cost effective manner.

The funding arrangements are addressed in detail as part of the inter-agency agreements signed off by the statutory members of the Derby and Derbyshire Safeguarding Children Partnership.

How the arrangements will include the voice of children and families

The voice of children and families will be explicitly embedded in the work of the partnership groups. The Derby and Derbyshire Safeguarding Children Partnership will be particularly focused on the voice of children and families informing:

- audit work leading to practice improvement and service development;
- participation in the work of the partnership led through activity facilitated by the vulnerable children and young people development officer;
- participation and representation in training, learning and organisational development activity.

The representation and impact of the voice of children and families will be summarised in the published Annual Report of the Derby and Derbyshire Safeguarding Children Partnership.

How the threshold document setting out the local criteria for action aligns with the arrangements

The Derby and Derbyshire Safeguarding Children Partnership thresholds document is embedded within the Derby and Derbyshire Safeguarding Children Procedures. The threshold document sets out the local criteria for action.

Driving forward high quality guidance for staff and ensuring that it is both being used and having a positive impact on outcomes for children is a key outcome of effective arrangements.

A joint partnership group will be maintained for both areas with specific responsibilities for:

- maintaining threshold guidance that clearly defines levels of needs and the responsibilities of agencies to take action;
- developing, reviewing and updating essential multi-agency safeguarding procedures and guidance that is consistent with national guidance and available for all staff;
- promoting and embedding the use of policies and procedures in a way that local practice improves services for young people and families;
- auditing the impact of the use of policies and procedures on practice and providing analysis about the effectiveness of local safeguarding arrangements and areas for improvement;
- analysing whether decision making about the threshold of need provides evidence for the partnership of the effectiveness of joint working and helps recognise whether there are areas of pressure upon resources within local safeguarding arrangements.



In summary

The Derby and Derbyshire Safeguarding Children Partnership is committed to providing effective leadership, to ensure a full range of organisations, agencies and members of the community are able to understand the effectiveness of local safeguarding arrangements and to enable all partners to work together to drive forward improvements in safeguarding children, young people and their families.

Review

An initial review of the implementation of this plan will be carried out in December 2019 to identify its effectiveness in improving safeguarding arrangements and identify any further developments required.

Publication

The Implementation Plan will be publicly available on the Derby Safeguarding Children Board [website](#) and the Derbyshire Safeguarding Children Board [website](#). It will be subsequently published on the Derbyshire Safeguarding Children Partnership website.



Appendix 1

Illustration of reporting cycle to the Executive Board

Quarter 1	Quarter 2	Quarter 3	Quarter 4
Quality Assurance	Quality Assurance	Quality Assurance	Quality Assurance
Child Safeguarding Practice Review	Child Safeguarding Practice Review	Child Safeguarding Practice Review	Child Safeguarding Practice Review
Exploitation and Vulnerable Young People	Education	Exploitation and Vulnerable Young People	Education
Policy and Procedures	Child Death Review Group	Policy and Procedures	Learning and Organisational Development
Business Plan		Districts Safeguarding Group	Annual Report

DERBYSHIRE COUNTY COUNCIL

CABINET

11 September 2019

Report of the Executive Director for Commissioning, Communities & Policy

CORPORATE PROPERTY FUTURE DELIVERY

(Corporate Services)

1. Purpose of the report

To seek Cabinet approval on proposals to commence the next stages in respect of the implementation of a new operating model for the Corporate Property division.

A further report, titled 'Corporate Property Future Delivery and Outline Business Case' containing information not for publication is to be considered separately by Cabinet in the exempt part of this meeting.

2. Information and Analysis

2.1. Background

In February 2019, Cabinet considered a review undertaken by Ernst Young in respect of the Corporate Property division within the Commissioning, Communities & Policy department. Having considered the review, Cabinet agreed to redesign the service delivered by Corporate Property and in particular with respect to non-core property services:

- to approve in principle the externalisation of the Facilities Delivery service;
- to approve in principle the externalisation of the Design & Build service; and
- the redesign of the Repairs & Maintenance service and the externalisation of the balance of the service.

This report addresses the above three recommendations and follows a Cabinet report in July 2019 which established a new structure for the senior management and extended management teams within the division, as well as

a new operating model. The new operating model has six new sections with clear areas of responsibility and a certain and stable supply chain to deliver non-core property services is now required. This report addresses the supply chain and when complete will:

- ensure Corporate Property has capacity and expertise to support the Enterprising Council programme;
- strengthen the Corporate Property function to better meet the service delivery requirements of the operational departments; and
- provide a basis to secure revenue and capital savings from future realignment of the property portfolio, including the necessary capacity and expertise.

2.2. Outline Business Case

As there are a number of options for externalisation available to the Council a Business Case has been prepared in accordance with best practice HM Treasury Guidance. The Business Case, attached to the exempt report has five sections within it, and each will be updated as the next stages of implementation are progressed. The five sections are:

- **Strategic Fit** - Description of the Council's requirement and its contribution to the Council Plan 2019-2021, 'Working for Derbyshire';
- **Options Appraisal** – an assessment of the options available to the Council, having regard to cost, benefit and risk;
- **Affordability** – a consideration of the financial issues arising from the preferred option(s);
- **Commerciality** - this sets out the potential commercial arrangement with any third parties; and
- **Achievability** - this addresses the 'how' of undertaking the next stages including procurement.

2.3. The externalisation of the Facilities Delivery services

There are a number of options for externalising the Facilities Delivery services. Accordingly, an options appraisal has been prepared that considers five options, including a base case 'do-nothing' option, as briefly summarised below. The options appraisal is a structured qualitative assessment that considers strategic, financial and deliverability issues.

- **Option 1 Base Case, Maintain Status Quo:** The Council continues to operate as now, with a mixed economy of in-house expertise and capacity and the use of an ad-hoc external supply chain of consultants and contractors.
- **Option 2 Single Contractor:** The Council procures a single organisation to deliver all or the majority of externalised property services delivery.

- **Option 3 Several Contractors:** The Council procure 'best in class' (specialist) organisations to provide all or the majority of externalised property services delivery.
- **Option 4 Framework of Contractors:** The Council procures a framework of organisations to provide all or the majority of externalised property services delivery. Mini-competitions would be undertaken when individual commissions are required.
- **Option 5 'Teckal' Joint Venture (JV) Company:** A 'Teckal' company is a company which benefits from contracts for works, services or supply from its controlling Contracting Authority (or Authorities) without having to go through a competitive tender process and is codified within the Public Contracts Regulations 2015. The Council establishes a JV company between itself and a qualifying organisation for all, or the majority of externalised property services delivery. Alternatively, the Council could establish its own 'arm's length' arrangement.

Having identified the range of options to be modelled, a qualitative assessment has been undertaken, based on 21 criteria in three subject areas: Strategic Objectives; Economy & Efficiency; and Deliverability. The subject areas and criteria are based on the Council's key policies and objectives and for the purpose of the analysis, are weighted.

The weighted % scores from the qualitative analysis are:

Ranking	Service Delivery Option	Subject Area			
		Strategic Objectives	Economy & Efficiency	Deliverability	Total
	Overall Weighting	20%	30%	50%	100%
5	Option 1 Status Quo	5.71%	6.43%	16.07%	28.21%
4	Option 2 Single Contractor	14.29%	15.00%	30.36%	59.65%
3	Option 3 Several Contractors	13.57%	17.14%	32.14%	62.85%
2	Option 4 Framework of Contractors	15.71%	21.43%	30.36%	67.50%
1	Option 5 'Teckal' JV Company	17.86%	23.57%	41.07%	82.50%

The 'Teckal' JV Company is the highest scoring option. The Council is able to establish such an organisation without formal procurement, subject to satisfying its own financial and procurement regulations. There are a number of ways in which a 'Teckal' JV company could be established and a further options appraisal has been undertaken to identify a preferred structure for the company. This options appraisal is similar to the qualitative evaluation that would be undertaken under a conventional procurement exercise, having regard to financial standing, capability and the Council's strategic objectives.

- **Option 1 A Council Arm's-Length organisation:** The Council establish its own arm's length property organisation.
- **Option 2 A Council JV with Partner A.** A local authority 'Teckal' company comprising a FM organisation and property consultancy.
- **Option 3 A Council JV with Partner B.** A local authority 'Teckal' company comprising FM, property consultancy and recruitment agency.
- **Option 4 A Council JV with Partner C.** A partnership comprised of a number of public authorities providing strategic asset management, property management, project management and FM services

The weighted % scores from the qualitative analysis are:

Ranking	Service Delivery Option	Subject Area			
		Financial Standing	Capability	Council Strategic Objectives	Total
	Overall Weighting	30%	30%	40%	100%
4	Option 1 Council's own Organisation	15.00%	12.5%	20.00%	47.50%
2	Option 2 Partner A	15.00%	28.75%	37.14%	80.89%
1	Option 3 Partner B	24.00%	28.75%	40.00%	92.75%
3	Option 4 Partner C	16.50%	26.25%	28.57%	71.32%

This second qualitative options appraisal concludes that establishing a Teckal Company with an existing provider is the preferred option and an arrangement with Partner B is preferred.

Partner B is Suffolk County Council. Suffolk County Council owns Suffolk Group Holdings Ltd which has three subsidiaries Vertas Group, Concertus

Group and OPUS. Vertas provides FM services, Concertus provides multi-disciplinary design and property consultancy and Opus is a recruitment agency. Vertas employs 3000 people and provides cleaning, caretaking, property management, professional services for schools and academies, commercial catering, energy consultancy, grounds landscaping and maintenance, waste and recycling, design and print and reception services.

Concertus specialise in the delivery of architectural and interior design, building design, quantity surveying structural and civil engineering. It has secured Building Information Modelling (BIM) Level 2 accreditation, as well as ISO and Investors in People Silver award.

Accordingly, it is recommended that a period of exclusivity is offered to Suffolk County Council and its subsidiaries with a view to finalising the terms of a 'Teckal' company(s) in partnership with Derbyshire County Council. This would see a company(s) owned by the public sector with operational and financial control in the public sector. Initially the focus would be in respect of cleaning and caretaking with other facilities delivery services to follow.

2.4. Construction Delivery

The Council currently undertakes some construction delivery itself, as well as procuring contractors. The latter is undertaken using a mix of frameworks and project specific tenders. This approach to construction delivery is complex. It also means the Council is not maximising the value of its capital spend by having to consider internal delivery rather than the cost-time-scope of the project itself.

The new operating model does not envisage the Council undertaking any construction delivery, with the exception of low value (circa. less than £10,000) property maintenance. Larger projects up to circa £50,000 and including the delivery of adaptations under the Disability Facility Grant regime would continue to be designed and managed by the Council and delivered by small local contractors. For the procurement of the small contractors, the Council would establish a new Dynamic Purchasing System (DPS)/framework agreement system. This is particularly suited to small contractors and will enable more local Derbyshire contractors to benefit from the Council's capital spend.

For larger projects, in excess of £50,000, the design element would be undertaken by a second 'Teckal' company joint venture with Suffolk County Council (Concertus), similar to facilities delivery services. For the construction element, local authority 'Teckal' companies do not undertake construction work and a framework of contractors would not be an option for TUPE to

apply. Therefore, it is proposed to appoint a lead contractor in lieu of the existing in-house construction delivery and to which TUPE will apply. Appointment of a single contractor is Option 2 in the first options appraisal and scores more highly than the alternative of retaining the work in-house. The procurement of this contractor would commence following consideration of the Outline Business Case.

In respect of construction work that is currently *not* undertaken internally the Council would utilise existing external frameworks, enabling the Council to take the benefit of the greater buying power of these frameworks and contractor initiatives, such as pro-bono work that are only available from the larger frameworks. Such frameworks would include SCAPE of which the Council is a shareholder, therefore recovering part of the framework fee through its shareholder dividend.

Corporate Property will also produce a procurement plan as part of the department's service plan to expedite procurement, enabling the Executive Director to award contracts from both the minor works DPS/Framework Agreement and external frameworks.

2.5. Property Disposal & Development

A key driver for establishing the new operating model is to secure greater value and benefit as well as speeding up the process of declaring assets surplus to the requirements of the Council and then disposing of them. In part this will be achieved through a greater Asset Management focus. It will also require identifying new methods of delivery to complement or replace existing arrangements.

There are in effect two stages to the disposal of property; firstly the identification of property that is surplus and secondly the disposal itself. The Council's current approach to the first of these stages is, officers undertaking an internal due-diligence exercise, i.e. what are the Council's requirements; and then undertaking external due-diligence, what are the market opportunities for the surplus asset. The approach to the second stage is to add value where possible, for example secure planning permission, undertake demolition, resolve title queries, etc., and then use informal tender, auction, or private treaty as a disposal process. The rationale for undertaking added value activities is to reduce the 'risk' to a subsequent purchaser/developer and therefore increase development certainty and disposal price. Not all added value activities necessarily increase sale price and this is where market intelligence is essential. It should also be noted that 'disposal' is not simply about receiving a capital receipt, it is also using Council property to secure

greater benefits such as regeneration, economic development, new housing, etc.

To undertake more disposals or speed up the disposal process this will require more effective resource. There are several ways in which this could be achieved which are briefly considered below.

- Increase the size of the internal teams.
- Appoint third party consultants.
- Dispose of property directly to an end user / developer subject to an overage payment, where greater value is created than recognised in the initial sale price.
- Establish a joint venture / partnership whereby a third party undertakes the due-diligence and added value activities at their expense and shares in the upside in land value with the Council.

Whilst each of the above options have merits, there is one organisation whose trading name is Public Sector Plc who have developed a JV model specifically for local authorities and who currently work with 19 Councils. Their model called Relational Partnering is discussed below and is the recommended approach to the Council.

The Relational Partnering Model is a delivery option that can be used to complement existing arrangements. This will involve the creation of a Limited Liability Partnership (**LLP**) between the Council and PSP Facilitating Ltd (**PSPF**), and would be called PSP Derbyshire LLP under the provisions of the Limited Liability Partnership Act 2000. In this partnership, PSPF provide resources, expertise and funding to the Council to unlock value in the Council land and property assets to deliver regeneration, new housing, and employment.

The PSPF Relational Partnering Model works by establishing a jointly owned (50% the Council partner and 50% the PSPF partner) LLP. Decisions are made collectively and must be unanimous. Once the relationship has been established the partners in the LLP then work through an agreed project by project process designed to ensure statutory compliance, for example; by ensuring that any disposal of land complies with Section 123 of the Local Government Act 1972 and/or the Public Contract Regulations 2015. Only when due diligence is concluded, will a project proceed on an agreed basis.

The Relational Partnering Model is one which works by using a “conversation before contract” approach and requires no prior commitment or guarantee of project opportunities by the Council to the LLP. Through the LLP governance processes, the Council has the assurance that it will receive the market value

of its property assets, as confirmed by CIPFA, whether this is in terms of revenue income from improved asset management or a capital receipt from a disposal of land with planning permission for development by a third-party buyer. Any additional revenue income or capital value generated by the specific LLP project over and above the market value is shared between the Council and the PSPF Partners. Whilst the Council may make profit by virtue of the land transaction, it is the wider regeneration objectives and the expediting of property disposals to reduce running costs which are the primary drivers.

In addition, the LLP project driven property initiatives must be able to objectively demonstrate that they deliver at least as good an outcome as the Council's traditional approaches. An independent report is produced by CIPFA (property) to confirm this, and a further independent legal report from Anthony Collins Solicitors to confirm statutory compliance with Section 123 and PCR 2015.

2.6. Affordability (Financial Case)

Affordability or the Financial Case assesses funding and links proposed expenditure to the available budget, to deliver property services. At this stage a high level financial model has been prepared that considers the financial implications of externalising the cleaning and caretaking services only. Future externalisations will be considered at the appropriate time using the same financial modelling approach.

Although the driver for the Corporate Property 2020 programme is not initially to specifically deliver operational cost savings, it is important that the project demonstrates that a future operating model does not result in an increased operational cost for the Council.

The cleaning and caretaking functions deliver services to schools and external organisations as well as Council occupied buildings. As at July 2019, there are 344 individual sites at which Council cleaners and caretakers deliver services. Approximately 65% of the current workload relates to revenue generating activity delivered to schools and external/non Council buildings. Vertas and Concertus are owned by the public sector and have experience of delivering services to schools and other public bodies. The Teckal options as described would wish to continue to deliver services to schools and other external bodies. As operational and financial control continues in the public sector, it is hoped that schools will continue to be an important customer. The external service would continue similar to now, save that it would be undertaken by an organisation whose sole purpose is delivering 'core' facilities services to customers.

2.7. Commercial Appraisal

This section of the Business Case details further the proposed sourcing options and the key features of the proposed commercial arrangements (e.g. contract terms, contract length and payment mechanisms). The procurement approach/strategy is also set out with supporting rationale and informed from a 'soft-market' testing exercise.

The Options Appraisal and Financial Model illustrate the benefits in progressing with the realignment of Corporate Property and in particular:

- Establishing a JV company for the externalisation of cleaning and caretaking services and design services;
- Creating a LLP with PSP Facilitating Ltd;
- Procuring a lead contractor to deliver the future capital programme in part;
- Utilising a number of established frameworks for the future programme of consultants and contractors to further support the delivery of property services; and
- Establishing a Council DPS for the appointment of contractors to deliver minor works.

Following consideration by Cabinet of the Outline Business Case attached to the report in Part 2 of the agenda for this meeting, it is proposed that a period of exclusivity is offered to Suffolk County Council and its subsidiary Suffolk Group Holdings to allow detailed terms to be negotiated for subsequent recommendation to the Council in respect of the establishment of a JV company(s). At the same time the Director of Legal Services will proceed with the establishment of a LLP with PSP Facilitating Limited.

The procurement of a lead contractor for capital works will follow the competitive dialogue procedure as set out in The Public Contracts Regulations 2015 (PCR). The reason for using this procurement route is because of the need for TUPE transfer of employees, different options for contract length, value and scope. Within the PCR this is provided for within Regulation 26(4)(a)(iii), whereby contracting authorities may apply a competitive procedure with negotiation or a competitive dialogue, where "the contract cannot be awarded without prior negotiation because of specific circumstances related to the nature, the complexity or the legal and financial makeup or because of risks attaching to them."

As the changes proposed are significant, a communication with Members, staff, contractors, schools and other stakeholders is being issued to appraise them of the proposals.

2.8. Achievability (The Project Management Case)

To date a structured programme management arrangement has been adopted with regular Cabinet Member engagement; a Programme Board, chaired by the Executive - Director Commissioning, Communities & Policy; and a Programme Team led by Corporate Property with HR, Legal, Finance, Procurement and Communications support. This structured arrangement will continue through the next stages of the programme.

In addition a detailed programme plan has been prepared with the following milestone dates to be noted.

Date	Activity
September 2019	<ul style="list-style-type: none"> • Outline Business Case approved • Commence exclusivity negotiations and financial due diligence with Suffolk County Council (JV Company(s)) • Commence legal negotiations and financial due diligence with PSPF to establish PSP Derbyshire LLP • Programme of Communications for staff, Members, schools and other third parties
November 2019	<ul style="list-style-type: none"> • Commence Competitive Dialogue Procurement for a Lead Contractor • Commence procurement of a Council DPS for minor Works • Finalise commercial due-diligence with PSPF, establish PSP Derbyshire LLP
December 2019	<ul style="list-style-type: none"> • Finalise commercial due diligence with Suffolk County Council. Prepare Full Business Case including affordability statement for design services • Commence preparation of Business Cases for using external framework contractors
January 2020	<ul style="list-style-type: none"> • Cabinet report on terms of new JV company(s) • New management team for Corporate Property appointed • Commence 'hand-over' to new JV company(s)
February 2020	<ul style="list-style-type: none"> • Prepare financial model for next stage of transfer of non-core property services to the JV Company(s) (grounds maintenance).

Date	Activity
March 2020	<ul style="list-style-type: none"> • Establish new JV company(s) and TUPE transfer of cleaning, caretaking and design services employees
July 2020	<ul style="list-style-type: none"> • Prepare financial model for next stage of transfer of non-core property services to JV Company(s) (roofing and joiners shop).
December 2020	<ul style="list-style-type: none"> • Finalise procurement of lead contractor and TUPE transfer of employees • Cabinet report on the terms of the lead contractor appointment

3. Financial Considerations

The Full Business Case which will be developed to support the final Cabinet approval paper scheduled for January 2020 will articulate and quantify the financial implications of the future proposed operating model. Finance and ICT services will continue to have a significant input into both the development and approval of the final approval processes.

4. Legal Considerations

The Director of Legal & Democratic Services will advise the Council on the legal elements of the recommendations set out in this report, in particular, concerning the use of the LLP and creation of any JV company taking external legal advice where necessary and ensuring that the recommendations, prior to implementation, comply with the Council's Financial Regulations and applicable procurement law.

Where it is proposed that employees transfer to the new joint ventures then the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) as amended will apply to protect the terms and conditions of employment. The employees transferring will transfer on their existing terms and conditions of employment, save for such amendments to procedures as are necessary given that they will be working for a new employer.

Should potential redundancies arise as a result of the proposals within this report, consultation will be undertaken with Trade Unions and affected employees, suitable alternative employment and opportunities for redeployment will be considered in accordance with legislation and the Council's policies and procedures, namely the Redundancy, Redeployment, Protection of Earnings and Buy Out of Hours Policy.

Legal advice will continue to be sought from the Director of Legal & Democratic Services throughout the duration of the project.

5. Human Resources Considerations

Should the proposals to commence the procurement process, set out in the report be approved by Cabinet, it is anticipated that the Transfer of Undertakings (Protection of Employment) Regulations 2006, as amended (TUPE) will apply to affected employees within Facilities Management, Design Services and Construction Services where appropriate. Formal consultation will take place at the appropriate time with the affected employees and trade unions in accordance with the provisions of the TUPE Regulations. Those employees who are not affected by the transfer will be retained within Corporate Property and may be subject to further staff realignments and reviews within Corporate Property.

The transfer of services set out in the report are likely to impact on the posts retained by the Council in Corporate Property requiring a further realignment of the structure. Engagement will take place with affected employees and trade unions at the appropriate time. Any new or changed jobs resulting from the revised service delivery model will be subject to job evaluation and grading levels in line with the HAY job evaluation scheme.

Should potential redundancies arise from the subsequent realignment of structures retained within Corporate Property, the Council will make every effort to avoid job losses as a result of the changes, however in the circumstances that this is not possible, proposals will be subject to formal consultation and managed in line with the Council's Redundancy, Redeployment, Protection of Earnings and Buy Out of Hours Policy. In those circumstances, approval is sought to make the Council's voluntary release schemes available to affected employees as appropriate.

Any such changes will be approved by the Executive Director for Commissioning, Communities & Policy in conjunction with the Director of OD & Policy, Director of Finance & ICT and Director of Legal & Democratic Services.

6. Equality Considerations

The proposals have been reviewed to consider and reduce any disproportionate impact on protected groups and an Equality Impact Analysis (EIA) has been completed. Ongoing monitoring of impact will be carried out throughout the project with the EIA being reviewed and updated as necessary

7. Other considerations

In preparing this report the relevance of the following factors has been considered: Human rights, health, environmental, transport, and social value.

8. Key decision

Yes.

9. Is it required that the Call-in period be waived in respect of the decisions being proposed within this report?

No.

10. Officer's Recommendations

That Cabinet notes the content of this report.

Emma Alexander
Executive Director – Commissioning, Communities & Policy

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