

# Public Document Pack



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PUBLIC

To: Members of Cabinet

Wednesday, 11 November 2020

Dear Councillor,

Please attend a meeting of the **Cabinet** to be held at **2.00 pm** on **Thursday, 19 November 2020.** This meeting will be held virtually. As a member of the public you can view the virtual meeting via the County Council's website. The website will provide details of how to access the meeting, the agenda for which is set out below.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'S Hobbs', written over a light blue horizontal line.

**Simon Hobbs**  
**Director of Legal and Democratic Services**

## **AGENDA**

### **PART I - NON-EXEMPT ITEMS**

1. To receive apologies for absence
2. To receive declarations of interest (if any)
3. To consider Minority Group Leader questions (if any)
4. To confirm the non-exempt minutes of the meeting of Cabinet held on 8 October 2020 (Pages 1 - 8)

5. To receive minutes of Cabinet Member Meetings as follows:
  - 5 (a) Adult Care - 1, 15 & 29 October 2020 (Pages 9 - 12)
  - 5 (b) Young People - 6 October 2020 (Pages 13 - 14)
  - 5 (c) Corporate Services - 8 October & 5 November 2020 (Pages 15 - 18)
  - 5 (d) Highways, Transport & Infrastructure - 8 October 2020 (Pages 19 - 22)
  - 5 (e) Strategic Leadership, Culture & Tourism - 13 & 28 October 2020 (Pages 23 - 26)
  - 5 (f) Health & Communities - 5 November 2020 (Pages 27 - 32)

To consider reports as follows:

- 6 (a) The Scrutiny Review (Pages 33 - 66)
  - 6 (b) Treasury Management Annual Report 2019-20 (Pages 67 - 80)
  - 6 (c) Temporary Payment Arrangements to Bus, Coach and Taxi Operators for Contractual Fares Reimbursement due to Coronavirus Ongoing Measures (Pages 81 - 96)
  - 6 (d) Derbyshire Economic Partnership Recovery and Employment and Skills Strategy (Pages 97 - 120)
  - 6 (e) Additional Investment for Public Health Nursing (Pages 121 - 124)
  - 6 (f) Children's Services Capital Programme 2020-21 Expansion Project at John Port Spencer Academy (Pages 125 - 128)
  - 6 (g) Scrutiny of the Next Steps in relation to Direct Care Homes for Older People - an interim report (Pages 129 - 136)
  - 6 (h) ICT Service Data Centre Hardware Replacement and SAP Platform (Pages 137 - 142)
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**

8. To receive declarations of interest (if any)
9. To consider Minority Group Leader questions (if any)
10. To confirm the exempt minutes of the meeting of Cabinet held on 8 October 2020 (Pages 143 - 150)
11. To receive the exempt minutes of Cabinet Member Meetings as follows:
  - 11 (a) Strategic Leadership, Culture & Tourism - 28 October 2020 (Pages 151 - 152)
  - 11 (b) Corporate Services - 5 November 2020 (Pages 153 - 154)
  - 11 (c) Health & Communities - 5 November 2020 (Pages 155 - 156)

To consider exempt reports as follows:

- 12 (a) Waste Management Contract - Second Inter Authority Agreement between Derbyshire County Council and Derby City Council (Pages 157 - 240)
- 12 (b) A61 Growth Corridor Strategy - Funding for Chesterfield Station Masterplan (Hollis Lane Link Road Phase 1) (Pages 241 - 248)
- 12 (c) Supply and Delivery of Liquid Fuels (Pages 249 - 252)
- 12 (d) Contract for the Supply of Postal Services (Pages 253 - 256)
- 12 (e) Extension of Contracts beyond current award period for the 'Intensive Home Visiting', 'Advisory Services in General Practices' and 'Advisory Services for Community Wellness Approach' (Pages 257 - 264)
- 12 (f) Extension of block payments for the Derbyshire Integrated Sexual Health Service for the remainder of the 2020-21 financial year (Pages 265 - 268)
- 12 (g) Extension of Contract for the Supply and Delivery of Frozen Food (copy to follow)

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PUBLIC

**MINUTES** of a meeting of **CABINET** held on 8 October 2020.

**PRESENT**

Councillor B Lewis (in the Chair)

Councillors A Dale, A Foster, C A Hart, T King, S A Spencer and J Wharmby.

**Declarations of Interest**

There were no declarations of interest made.

**176/20      MINORITY GROUP LEADERS' QUESTIONS**

Councillor P Smith asked the following question:

**(a) Agenda Item 6a - Care Leavers Support Measures**

Having submitted the original motion to Full Council to extend these support measures to those leaving Care, I'm particularly happy to see the plans to support Care Leavers eventually coming to fruition, even if somewhat delayed. Can you confirm that the measures will be backdated so that no one is disadvantaged?"

Councillor A Dale, Cabinet Member - Young People responded that the County Council had written to the District and Borough Council several weeks prior to the motion being submitted to invite them to consider this proposal. It had taken a significant amount of work and negotiation, but it was pleasing that the 100% council tax discount had been agreed and implemented across the County, although it was noted that four of the Councils had already implemented this in the 2019 financial year. The Council had also ensured that those care leavers living outside of Derbyshire and in areas where the local council would not exempt them from the charge, would not have to pay the charge. In terms of whether exemptions could be backdated, unfortunately it was the District and Borough Councils themselves that managed council tax collection and the County Council had no powers to urge or force them to backdate. If this was something Councillor Smith wished to pursue, it would be best directed towards the District and Borough Councils. Some Councils did have their own mechanisms in place to backdate to the beginning of the financial year. Councillor Dale stated that whilst back dating is a good thing to do, it should be recognised that getting all eight district and borough councils exempting was a really positive step. However, it didn't stop there and the key

thing going forward was about what else the Council could do along with the other councils.

### **(b) Agenda Item 6b – The Scrutiny Review**

The Labour Group are pleased to see the detail coming together from their input to the review of Scrutiny and are particularly supportive of many of the recommendations being made in Appendix 2 to improve the Scrutiny function at the Authority. Will the Cabinet be as eager and willing to embrace the recommendations as we are?

On a point of clarification, is it correct in Appendix 2, recommendation 14, that experts/advisors have been allowed to appear on all scrutiny committees since February 2020 or is that a typo?

Councillor A Foster, Cabinet Member – Corporate Services responded that the review had been commissioned by the Conservative Group and that Councillor Smith's Group had had plenty of opportunity to review the Scrutiny function when they were in power. There had been no changes to Scrutiny function for the last twenty years and the Conservative Group were keen to review it and to make it effective. The review was commissioned following feedback from the Conservative Chairs and other Conservative Members who had been on the Council before 2017 and who experienced how ineffective the Scrutiny function was under Labour. The Enterprising Council approach that it was intended to implement, meant that the Council were keen to systematically work on improving how the Council works by modernising all services to achieve value for money for the benefit of our residents.

Councillor Foster reminded Councillor Smith that aside from the Scrutiny review, in her portfolio alone, substantial improvements had been made. The Property function for instance, had been completely transformed to deliver efficient services. The procurement approach of the Council had also been improved and HR delivery had been modernised to make sure it was a whole Council service and this would reduce the costs by over £1m. The review showed the Council's commitment to provide a modern and effective service which was outcome focussed. As a Cabinet, the recommendations for improvement which have been made by the independent Centre for Public Scrutiny were welcomed and it was intended to drive up standards working with the Scrutiny Chairs and to make sure that the function from now on helped the Council achieve high quality and effective services.

Councillor Foster confirmed in relation to the second element of the question, that it should refer to February 2021.

**177/20** **MINUTES RESOLVED** that the non-exempt minutes of the meetings of Cabinet held on 10 and 15 September 2020 be confirmed as correct records.

**178/20** **CABINET MEMBER MEETINGS - MINUTES RESOLVED** to receive the non-exempt minutes of Cabinet Member meetings as follows:

- (a) Adult Care – 3 and 17 September 2020
- (b) Health & Communities – 4 and 17 September 2020
- (c) Clean Growth & Regeneration – 10 September 2020
- (d) Corporate Services – 10 September 2020
- (e) Highways, Transport & Infrastructure – 10 September 2020
- (f) Strategic Leadership, Culture & Tourism – 23 September 2020

**179/20** **REVIEW OF THE DERBYSHIRE CARE LEAVERS OFFER – INTERIM REPORT** (Young People) Councillor G Musson, Chairman of the Improvement and Scrutiny Committee – People presented to Cabinet the initial outcomes of the Scrutiny review of the Derbyshire Care leavers' Offer.

The review focussed on three discrete aspects of the Derbyshire Care Leaver's Offer: council tax, Accommodation and Financial support. During the review a series of scrutiny working group meetings were held to ensure that Members were kept informed about partnership working undertaken by the Young People's Department to develop a more consistent offer throughout Derbyshire, further details of which were presented.

**RESOLVED** that (1) the Committee commends the partnership working that had led to the countywide improvements to the Derbyshire Care Leavers' Offer. The agreement of all District and Borough Councils within Derbyshire to provide council tax discount would bring significant benefits to care leavers up to the age of 25 and would help their transition to independent living. The removal of the local connection from the districts to the whole of Derbyshire will open-up opportunities for care leavers when setting up home and seeking employment or training;

(2) publicity regarding council tax discount for care leavers, that was delayed as a result of the Covid19 pandemic, should be progressed as soon as practicable;

(3) Children's services work in partnership with District and Borough Councils to identify an approach that would enable a care leaver to make an "expression of interest" for a property in sufficient time to allow them to move in when they reached the age of 18;

(4) in addition to allocating each young person a designated Leaving Care Support Worker, the service explores the feasibility of identifying a second point of contact within the service. This would provide each young person the opportunity to get to know and feel comfortable with another member of staff who would be available for them in the event of their designated support worker being on leave or leaving the Derbyshire service; and

(5) the Leaving Care Service explores mechanisms that would facilitate care leavers having access to ongoing guidance or mentoring with a person that they know, beyond the age of 21.

**180/20**      **THE SCRUTINY REVIEW** (Strategic Leadership, Culture and Tourism) The Executive Director – Commissioning, Communities and Policy informed Cabinet of the Scrutiny Review findings and proposed actions.

The Scrutiny Review commenced in 2019 at the request of Cabinet and the Chairs of Scrutiny and a workshop was held for the Chairman and Vice-Chairman of the four Improvement and Scrutiny Committees. A lack of officer capacity prevented the review from being progressed further at that time, and, to resolve this, a Programme Director was appointed in March 2020 to progress a range of projects, including the scrutiny review. It was determined that the Centre for Public Scrutiny (CfPS) were to be commissioned to undertake the review, bringing independence, a substantial experience of scrutiny from across the country and a ready-made scrutiny review methodology. As part of the review process, the CfPS undertook two member surveys: one designed for completion by members of Cabinet and members of Improvement and Scrutiny Committees and the other designed for all remaining members. CfPS also carried out a series of one to one meetings and discussion groups, further details of which were presented.

A Scrutiny Review Steering Group was established to lead the review. The Steering Group comprised the Improvement and Scrutiny Chairmen and the Cabinet Member for Corporate Services. It was supported by the Executive Director - Commissioning, Communities and Policy and the Programme Director. A Scrutiny workshop was scheduled for 12 October 2020, the outcomes of which would be considered by the four Improvement and Scrutiny Committees on 3 and 4 November and the Governance, Ethics and Standards Committee on 22 October. The final report and action plan would be considered by Cabinet on 19 November for approval and recommendation to Council on 2 December 2020.

Fifteen recommendations were identified by the CfPS, as set out in their report: Derbyshire County Council Scrutiny Improvement Review, July 2020, as detailed at Appendix 1 to the report and a further three actions were identified by senior officers and the Scrutiny Steering Group. The Scrutiny



Review Steering Group had prepared a draft Action Plan which was presented at Appendix 2 to the report in response to the recommendations.

The review had identified systems, practises and approaches that were developed as part of the original implementation in Derbyshire and had, in many respects, been largely unchanged over that period. As a result, the recommendations highlight the need for cultural change, as well as practical change, ensuring that the Scrutiny function was brought up to date and fulfilled more of a central role and was better able to add value to the work of the Council. The draft Action Plan proposed that Cabinet and senior officers work more collaboratively with Scrutiny, to improve the integration of Improvement and Scrutiny into the functioning of the council. This collaborative approach had already started, for example, the Cabinet Member for Corporate Services had been working alongside the Improvement and Scrutiny Chairman throughout this review.

In addition, the findings from the review included the need to ensure that Improvement and Scrutiny's use of the corporate Key Decisions Document was more readily facilitated. This would enable the Improvement and Scrutiny Committees to develop meaningful and focussed work programmes which in turn would add value to the work of the Council. It was proposed that this review initiates a programme of continuous improvement for the operation of scrutiny within Derbyshire. It was recognised that the outcomes of the review were comprehensive and a key aim was to deliver cultural change as well as practical changes to the scrutiny function. Therefore, the development of the scrutiny approach would take place over the medium and long-term, as well as the short term and it was anticipated that once initial actions had been completed, further areas for future development would be identified and progressed.

**RESOLVED** to (1) approve the Scrutiny Review Report, including recommendations and draft action plan, for consideration at a scrutiny member workshop and by the four Improvement and Scrutiny Committees and Governance, Ethics and Standards Committee;

(2) agree Cabinet receives a further report on the Scrutiny Review and action plan, as informed by the workshop, the Improvement and Scrutiny Committees and the Governance, Ethics and Standards Committee, for approval and recommendation to Council; and

(3) note that this review commences a programme of continuous review and development of scrutiny at Derbyshire County Council.

**181/20      REVIEW OF URGENT OFFICER DECISIONS TAKEN TO SUPPORT COVID-19 RESPONSE THAT HAVE BEEN IN PLACE FOR LONGER THAN EIGHT WEEKS** (Health and Communities) The Director of

Public Health provided an update in relation to those actions which were the subject of Officer's Decisions utilising emergency decision making powers as detailed in the constitution.

The current challenges relating to the COVID-19 pandemic had necessitated urgent decision-making processes by the Executive Director - Adult Social Care and Health and Director of Public Health to be implemented to ensure the welfare of service users and the public and to safeguard the interests of the Council. The decisions had been made under the urgent delegated powers to Executive Directors as set out in the Constitution. All urgent decisions made relating to Public Health were made in consultation with the Cabinet Member for Health and Communities, and Cabinet were informed of the decisions made on 23 April 2020.

At the 4 June 2020 Cabinet meeting, it was agreed that Cabinet would formally delegate review decisions to the relevant Cabinet Member meeting as these were meetings held in public, virtually if necessary, in order to ensure maximum transparency. This process was put in place from 8 July 2020 with the Cabinet Member reviewing decisions on a fortnightly basis. Prior to this, all decisions were reviewed on a regular basis by the Cabinet Member for Health and Communities in conjunction with the Director of Public Health. As outlined in the report to Cabinet on 4 June it was a requirement that a summary of review decisions made by Cabinet members would be reported to Cabinet every two months.

The report contained a summary of the Public Health decisions that remained in place at the time of the last report to Cabinet on 30 July and were now no longer subject to on-going fortnightly review by the Cabinet Member for Health and Communities.

**RESOLVED** to note the review of decisions made under urgent delegated powers arising from the COVID-19 Pandemic.

**182/20      CORPORATE PROPERTY DELIVERY – GROUNDS MAINTENANCE** (Corporate Services) The Strategic Director-Commissioning, Communities and Policy advised Cabinet approval on proposals to externalise part of the Grounds Maintenance services in accordance with the implementation of a new operating model for the Corporate Property Division, further details of which were presented. A further report, titled 'Corporate Property Delivery - Grounds Maintenance, Full Business Case' containing information not for publication was to be considered separately by Cabinet in the exempt section of the meeting.

**RESOLVED** to note the report.

**183/20      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 meeting of Cabinet held on 10 September 2020.
3. To receive exempt minutes of Cabinet Member meetings as follows:
  - (a) Corporate Services – 10 September 2020
  - (b) Health & Communities – 17 September 2020
4.
  - (a) Corporate Property Delivery – Grounds Maintenance Full Business Case – Executive Director Commissioning, Communities & Policy (contains information relating to labour relations matters and; contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
  - (b) Extension of Specialist Transport Contracts for Home to School Transport and Adult Care Transport under Coronavirus Pandemic and Retrospective Award of Additional Vehicles for School Transport for September 2020 – Director Economy, Transport & Environment, Executive Director Children's Services and Executive Director Adult Social Care & Health (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
  - (c) Supply of Temporary Agency Workers - Executive Director Commissioning, Communities & Policy (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 – ADULT CARE** held on 01 October 2020

**PRESENT**

Councillor J Wharmby (in the Chair)

Also in attendance were Councillors C Dale and S Swann

**48/20** **MINUTES RESOLVED** that the minutes of the meeting held on 17 September be confirmed as a correct record.

**49/20** **REVIEW OF URGENT OFFICER DECISIONS TAKEN TO SUPPORT THE COVID-19 RESPONSE** The Cabinet Member received an update in relation to Officer's Decisions utilising emergency decision making powers and assurance in relation to the reviews which had been made.

The decisions related to short-term temporary arrangements which were subject to regular review. It had been intended that as Cabinet was now able to function by meetings being held 'remotely' the need for officers to make urgent decisions would diminish, however, they would be kept under regular review by elected members and officers. On 4 June 2020, it had been agreed that Cabinet would formally delegate review decisions to the relevant Cabinet Member, with a summary of review decisions made be reported to Cabinet every two months.

The report detailed summary updates on the reviews taken place since the last Cabinet Member meeting on 17 September 2020. All review decisions had been discussed with the Executive Director and Cabinet Member following review by Senior Management Team. A copy of the most up to date version of the Officer Decision Records was attached at Appendix 1.

The Principal Social Worker had been engaged and consulted with over the initial decisions and had reviewed the latest updates. They were satisfied that the original decisions had been made with due regard for the Department of Health and Social Care Ethical Framework, the Care Act easement guidance and were aware of the review processes in place.

**RESOLVED** – that the Cabinet Member note (1) the review of decisions made under urgent delegated powers arising from the COVID-19 Pandemic; and (2) that future review decisions will be made on a fortnightly basis by the Cabinet Member for Adult Care.

PUBLIC

**MINUTES** of a meeting of the **CABINET MEMBER – ADULT CARE** held on 15 October 2020

**PRESENT**

Councillor J Wharmby (in the Chair)

Also in attendance were Councillors C Dale and S Swann

**49/20** **MINUTES RESOLVED** that the minutes of the meeting held on 01 October be confirmed as a correct record.

**50/20** **REVIEW OF URGENT OFFICER DECISIONS TAKEN TO SUPPORT THE COVID-19 RESPONSE** The Cabinet Member received an update in relation to Officer's Decisions utilising emergency decision making powers and assurance in relation to the reviews which had been made.

The decisions related to short-term temporary arrangements which were subject to regular review. It had been intended that as Cabinet was now able to function by meetings being held 'remotely' the need for officers to make urgent decisions would diminish, however, they would be kept under regular review by elected members and officers. On 4 June 2020, it had been agreed that Cabinet would formally delegate review decisions to the relevant Cabinet Member, with a summary of review decisions made be reported to Cabinet every two months.

The report detailed summary updates on the reviews taken place since the last Cabinet Member meeting on 01 October 2020. All review decisions had been discussed with the Executive Director and Cabinet Member following review by Senior Management Team. A copy of the most up to date version of the Officer Decision Records was attached at Appendix 1.

The Principal Social Worker had been engaged and consulted with over the initial decisions and had reviewed the latest updates. They were satisfied that the original decisions had been made with due regard for the Department of Health and Social Care Ethical Framework, the Care Act easement guidance and were aware of the review processes in place.

**RESOLVED** – that the Cabinet Member note (1) the review of decisions made under urgent delegated powers arising from the COVID-19 Pandemic; and (2) that future review decisions will be made on a fortnightly basis by the Cabinet Member for Adult Care.

PUBLIC

**MINUTES** of a meeting of the **CABINET MEMBER – ADULT CARE** held on 29 October 2020

**PRESENT**

Councillor J Wharmby (in the Chair)

Also in attendance were Councillors C Dale and S Swann.

**51/20** **MINUTES RESOLVED** that the minutes of the meeting held on 15 October be confirmed as a correct record.

**52/20** **REVIEW OF URGENT OFFICER DECISIONS TAKEN TO SUPPORT THE COVID-19 RESPONSE** The Cabinet Member received an update in relation to Officer's Decisions utilising emergency decision making powers and assurance in relation to the reviews which had been made.

The decisions related to short-term temporary arrangements which were subject to regular review. It had been intended that as Cabinet was now able to function by meetings being held 'remotely' the need for officers to make urgent decisions would diminish, however, they would be kept under regular review by elected members and officers. On 4 June 2020, it had been agreed that Cabinet would formally delegate review decisions to the relevant Cabinet Member, with a summary of review decisions made be reported to Cabinet every two months.

The report detailed summary updates on the reviews taken place since the last Cabinet Member meeting on 15 October 2020. All review decisions had been discussed with the Executive Director and Cabinet Member following review by Senior Management Team. A copy of the most up to date version of the Officer Decision Records was attached at Appendix 1.

The Principal Social Worker had been engaged and consulted with over the initial decisions and had reviewed the latest updates. They were satisfied that the original decisions had been made with due regard for the Department of Health and Social Care Ethical Framework, the Care Act easement guidance and were aware of the review processes in place.

**RESOLVED** that the Cabinet Member note (1) the review of decisions made under urgent delegated powers arising from the COVID-19 Pandemic; and (2) that future review decisions would be made on a fortnightly basis by the Cabinet Member for Adult Care.

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PUBLIC

**MINUTES** of a meeting of the **CABINET MEMBER – YOUNG PEOPLE** held on 6 October 2020.

**PRESENT**

Cabinet Member - Councillor A Dale

Also in attendance – Councillors J Patten and J Coyle

**41/20**      **MINUTES**      **RESOLVED** that the minutes of the meetings of the Cabinet Member for Young People held on 4 August 2020 be confirmed as a correct record.

**42/20**      **CONFIRMATION OF NOMINATIONS OF SCHOOL GOVERNORS**  
The Cabinet Member was asked to confirm the nominations of persons listed within the report to serve as local authority school governors. Appointments made by governing boards would be subject to the completion of a Declaration of Eligibility form, a proof of identity check and an enhanced DBS check.

**RESOLVED** that the Cabinet Member confirm the nominations for persons to serve as local authority governors.

**43/20**      **YOUNG PEOPLE CAPITAL PROGRAMME 2020-21 FURTHER ALLOCATION** The Cabinet Member was asked to note allocations approved under delegated powers by the Executive Director for Children's Services and the DfE additional School Condition Allocation for 2020-21 and to approve a further allocation to the Children's Services Capital Programme 2020-21 for an expansion project at Kilburn Junior School.

The report outlined the background to the approval of funding for the design of a one class extension to increase the School's capacity from 170 to 200. This was a high priority basic need case with the accommodation being required for September 2021. A budget cost of £400,000 had been received for the scheme and a further £350,000 school condition funding was required in addition to the already approved £50,000.

Cabinet had approved the Children's Services Capital Programme 2020-21 which left a balance of £3,821,794 from the 2020-21 School Condition allocation and an overall unallocated balance of £6,062,026. Approvals made under delegated powers by the Executive Director for Children's Services for allocations from the 2019-20 Children's Services Capital budget were set out in Appendix A. The allocations totalled £232,000, leaving an overall unallocated balance of £5,830,026. The DfE announced an additional School Condition Allocation of £3,322,356 for 2020-21 which increased the overall unallocated balance to £9,152,382.

Following approval of the allocation for Kilburn Junior School, a balance of £6,794,150 would remain from the 2020-21 School Condition allocation and an overall unallocated balance of £8,802,382 was available for future allocations. Work was in hand to provide a full breakdown of funds by years for future Cabinet meeting.

The report also sought approval to commence a procurement exercise to commission services to undertake works associated with these schemes/budgets if necessary. These would normally take the form of a competitive tender process, but a separate report would be submitted seeking approval if it was decided that using a Framework was the best option.

**RESOLVED** that the Cabinet Member (1) noted the allocations approved under delegated powers by the Executive Director for Children's Services from the 2019-20 Childrens Service's Capital budget totalling £232,000;

(2) noted the additional £3,322,356 School Condition Allocation for 2020-21 from the DfE; and

(3) approved the allocation of £350,000 school condition funding from the 2020-21 Children's Services Capital budget to the classroom project at Kilburn Junior School.

PUBLIC

**MINUTES** of a meeting of the **CABINET MEMBER FOR CORPORATE SERVICES** held on 8 October 2020.

**PRESENT**

Cabinet Member – Councillor A Foster

Also in attendance – Councillor P Murray

**24/20** **MINUTES RESOLVED** that the minutes of the meeting held on 10 September 2020 be confirmed as a correct record.

**25/20** **SHARED COST ADDITIONAL VOLUNTARY CONTRIBUTIONS SCHEME** Members of the Local Government Pension Scheme (LGPS) already had the option to contribute to additional voluntary contributions (AVCs) which were deducted through their salary and received tax relief on the amount they paid. AVCs were effectively a long term savings plan that ran alongside the mainstream LGPS to supplement their income at retirement and allow a member to build up a capital sum with flexible drawdown options at retirement.

Scope existed to implement a shared cost AVC scheme (SCAVC) through the Council's chosen pension provider (currently the Prudential) for members of the LGPS. The LGPS had a provision within its regulations to allow employees to enter into an agreement in which the employer could also contribute to their employee's AVC arrangement. This was known as a SCAVC and could be done under a salary sacrifice arrangement. HMRC rules allowed employers to implement salary sacrifice arrangements for AVC's. The advantages of implementing this new arrangement over the current scheme was that in addition to the tax relief that was currently received, the employee would pay lower national insurance contributions. In addition, the Council would benefit from a reduction in the employer national insurance contributions. The Council already provided employee benefits through salary sacrifice arrangements for Childcare Vouchers and Cycle to Work scheme.

An example of the savings an individual employee and the Council could make from a SCAVC scheme was set out in Appendix 1 to the report.

Prudential were the Derbyshire Pension funds current nominated AVC provider, and they had recommended that the Council sought specialist tax advice for support during the implementation. If approved, the Council would seek to procure an implementation partner who would provide the necessary support with HMRC application on behalf of the Council.

The Council provided salary sacrifice schemes for Childcare Vouchers and the Cycle to Work Scheme. Calculations for the purposes of overtime, allowances, pay awards and redundancy were based on notional pay and would be consistent across all schemes. Counsel's advice was sought regarding the implications of adopting a salary sacrifice scheme for AVC's in addition to the existing schemes for Childcare Vouchers and Cycle schemes. Counsel had recommended applying a consistent method of calculation for occupational maternity pay based on notional pay for all new salary sacrifice scheme members.

**RESOLVED** to approve the Council's intention to (1) adopt a Shared Cost Additional Voluntary Contributions scheme;

(2) procure a tax advice and implementation partner; and

(3) include salary sacrifice schemes within the LGPS non-mandatory discretions policy.

**26/20**      **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 10 September 2020

**27/20**      **MINUTES RESOLVED** that the exempt minutes of the meeting held on 10 September 2020 be confirmed as a correct record.

PUBLIC

**MINUTES** of a meeting of the **CABINET MEMBER FOR CORPORATE SERVICES** held on 5 November 2020.

**PRESENT**

Cabinet Member – Councillor A Foster

Also in attendance – Councillor P Murray

**28/20** **MINUTES RESOLVED** that the minutes of the meeting held on 8 October 2020 be confirmed as a correct record.

**29/20** **REVENUE OUTTURN 2019-20** The net controllable budget for the Corporate Services portfolio was £45.020m and the Revenue Budget Outturn Statement indicated that there was an underspend of £1.698m. The significant areas which made up the underspend highlighted and the key variances were as follows:

Strategic Management- underspend £0.480m

Savings from the deletion of senior management posts in 2017.

Finance & ICT - underspend £1.071m

The underspend in Finance was mainly due to the planned non-filling of vacancies. The ICT section was in the process of undertaking restructuring of various parts of the business over two years, with the first tranche of the review having been implemented in 2020-21. The underspend in ICT was as a result of planned vacancy control, which would assist in managing the restructure more effectively.

Human Resources - underspend £0.556m

The major area of underspend related to vacancies. The Division was currently undergoing a review of its functions as part of the centralisation of the HR function. The review would make a significant contribution towards the 2020-21 and 2021-22 savings targets. The planned holding of vacancies would help to contribute towards the ability of HR to manage its restructure and deliver against savings targets in future years

County Property - overspend £0.426m

The overspend was due to a combination of:

- County Buildings was overspent largely due to vacant buildings that were waiting to be sold incurring costs.
- Industrial Development units had an income target based on 100% occupancy which had not been achieved. In addition, they had rental

agreements that were below market rate to support charitable organisations.

Budget reductions totalling £1.435m had been allocated for the year. Additionally, there was a brought forward balance of savings not achieved during the prior year of £0.377m. Of this, savings of £1.279m had been achieved.

The portfolio had received the following additional budget allocations in 2019-20:

- ICT strategy - £0.200m (ongoing)
- Legal Services - £0.300m (one off)
- Enterprising Council - £0.150m (one off) £0.094m (ongoing)
- Learning Management System - £0.083m (one off)
- Shared Service Centre HR consultant – SAP development £0.045m (one off)

The current earmarked reserves totalled £69.261m and details of these reserves were provided.

**RESOLVED** to note the report.

**30/20**      **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 consider the exempt reports of the Executive Director Commissioning, Communities and Policy on:
  - a) Quarterly Report of Delegated Authority Approvals for Property Transactions – not exceeding £500,000
  - b) Quarterly Report of Delegated Authority Approvals for Property Transactions – not exceeding £100,000  
(contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))

PUBLIC

**MINUTES** of a meeting of the **CABINET MEMBER FOR HIGHWAYS, TRANSPORT AND INFRASTRUCTURE** held on 8 October 2020**PRESENT**

Cabinet Member - Councillor S Spencer

Also in attendance – Councillors T Ainsworth, G Hickton and M Wall

**56/20**      **PETITIONS**      **RESOLVED** (1) to receive the under-mentioned petitions: -

<b>Location/Subject</b>	<b>Signatures</b>	<b>Local Member</b>
Glapwell, Back Lane – Request for Installation of Barriers or Gate	41	Councillor C Moesby
Stanfree, Bridle Road – Objection to proposed Double Yellow Lines	67	Councillor A Western

(2) that the Director – Economy, Transport and Environment be asked to investigate and consider the matters raised.

**57/20**      **MINUTES**      **RESOLVED** that the Minutes of the meeting of the Cabinet Member for Highways, Transport and Infrastructure held on 10 September 2020 be confirmed as a correct record.**58/20**      **SECTION 278/38 COMBINED AGREEMENT – LONDON BOROUGHS ESTATE, BARROW HILL, CHESTERFIELD** Chesterfield Borough Council had secured funding to undertake public realm improvements at the London Boroughs Estate, Barrow Hill, Chesterfield. The works included new paving and surfacing along with new drainage and street lighting.

Any third party (including another local authority) who wished to fund or carry out improvement works within the public highway, required the permission of the County Council as Highway Authority. This was normally formalised using an Agreement under Section 278 of the Highways Act 1980. Such agreements with commercial developers usually included a bond or other financial security to provide indemnity which would allow the County Council to complete the works on their behalf in the event that the developer ceased to trade or otherwise defaults on the acceptable completion of the works. The bond for this particular project had been calculated as £1,982,675.

The Borough Council was prepared to enter into a Section 278 Agreement but, in view of its status as a local authority, had asked whether the need for a bond or other financial security could be waived in this instance. Written confirmation had been provided by the Borough Council that it would underwrite the works and complete them to an adoptable standard.

**RESOLVED** to (1) note the intention to enter into a Combined Agreement under Section 278/38 of the Highways Act 1980 with Chesterfield Borough Council; and

(2) approve the proposal that, in this case, Chesterfield Borough Council, as developer be exempted from having to provide a Guarantee Bond or other financial security in respect of the cost of the highway improvement/development works.

**59/20      CONSULTATION ON PLANNING WHITE PAPER: PLANNING FOR THE FUTURE** On 6 August 2020, the Ministry of Housing, Communities and Local Government (MHCLG) had published a consultation on its Planning White Paper entitled '*Planning for the Future*', which set out the Government's proposed reforms to the planning system in England. The proposals sought to streamline and modernise the planning process; improve outcomes on design and sustainability; reform the system of developer contributions; and ensure more land was available for development where it was needed.

The proposed reforms were set out under three key 'pillars':

- Pillar 1: Planning for Development;
- Pillar 2: Planning for Beautiful and Sustainable Places; and
- Pillar 3: Planning for Infrastructure and Connected Places.

The final section of the White Paper, entitled 'Delivering Change', set out how the Government expected the proposed reforms to be implemented, including transitional arrangements in moving towards the introduction of the reforms. The range of proposed reforms were extensive and were likely to have significant implications for the County Council's planning functions in the future and the way in which it worked with other local authorities on strategic planning matters, particularly on the delivery of key infrastructure. A brief summary of the key proposals of the White Paper were presented.

The report explained how the Government proposed the reforms would be implemented and included the development of a 'comprehensive resources and skills strategy' for the planning sector.

National consultation on the White Paper had opened 6 August 2020 and was running to 29 October 2020. It included a total of 25 questions covering each of the main proposals under the three pillars. The full White Paper could be viewed via the link below at: <https://www.gov.uk/government/consultations/planning-for-the-future>.

The Council's Planning Service had undertaken local consultation on the White Paper between 10 August 2020 and 2 September 2020 (with internal services and



other local authorities). On the basis of detailed analysis of the proposals and the feedback received, it was clear that a number of key service areas were likely to be impacted by the proposed reforms and the Council's proposed response to Government was set out in detail in Appendix A to the report.

In principle, many of the reforms proposed in the White Paper were to be welcomed, particularly those that sought to streamline the plan making and decision making processes, which were aimed at reducing the burden on local planning authorities in terms of bureaucracy, excessive regulation and staff and financial resources. However, the key overall concern with the White Paper was that it was lacking in detail in many areas of the proposed reforms and did not provide the detail necessary to fully assess whether the proposed changes were going to deliver positive and intended outcomes for the County Council. It will be crucial, therefore, that Government gave more detailed consideration to many of the proposed reforms and consulted further with local authorities to finalise a well reformed and improved planning system. General concerns about the proposals in the White Paper were summarised as follows (and were expressed in more detail in the draft response at Appendix A to the report):

- there appeared to be a democratic deficit with reduced member and community engagement proposed as part of the reforms.
- many of the proposed reforms in the White Paper were aimed at bringing more standardisation to the new planning system, particularly with a range of nationally set, top-down, targets, standards and requirements. This did not reflect the local social, economic, environmental and financial challenges that affected many local authorities, such as in Derbyshire.
- climate change was not given sufficient prominence or priority in the reforms and there needed to be fundamental provision for supporting the delivery of good growth and creation of truly sustainable communities.
- whilst the need for housing was well understood, there was too much emphasis on housing requirement in the White Paper. Greater focus needed to be given to economic development, employment and skills, wider roll-out and coverage of superfast broadband and public health and well-being, of which there was no or little mention currently.
- the proposed abolition of Section 106 agreements and the Community Infrastructure Levy and their replacement with a new consolidated Infrastructure Levy gave great cause for concern.

In relation to the three pillars, a summary of the key issues was highlighted. Reference was made in particular to the opportunity through the White Paper to explore how National Parks, such as the Peak District National Park, could contribute more effectively to meeting local housing needs, whilst still respecting National Park purposes.

The proposals in the White Paper were likely to have significant implications for each of these core roles and responsibilities. In addition, a number of other service areas provided direct advice to the district and borough councils in the County on planning applications, particularly on highway matters as the Highway Authority for

Derbyshire; on flood risk matters as the Lead Local Flood Authority; and on ecology heritage, landscape and design matters through service level agreements. These other service areas were also likely to be significantly impacted by the proposals in the White Paper.

It was clear the proposed reforms would, if enacted and implemented, have considerable implications for local authorities generally, and the County Council specifically, in its role and responsibilities as a strategic planning authority. Whilst many of the proposed themes of reform were welcomed in principle, the lack of clarity or detail on many areas raised a wide range of issues and concerns that required careful attention by Government. Overall, it was seriously questioned whether the proposed reforms would produce the required improved outcomes for the built and natural environment, specifically around tackling and mitigating climate change.

Proposals for major reform of the developer contributions system, particularly the abolition of Section 106 agreements, raised many concerns and uncertainties for the County Council and the way it would impact the Council's ability to secure funding to deliver key infrastructure in the future. Appendix 1 attached to the report set out the Council's substantive draft response to Government on the White Paper and Appendix 2 provided the draft response to the 25 questions raised by Government. The response was welcomed particularly in relation to affordable housing and infrastructure.

It was also important that the Government understood that Derbyshire produced 50% of the nations' minerals requirement which was essential in the production of bricks and cement. Therefore, it was essential for the Authority to have a minerals policy.

**RESOLVED** to (1) agree the draft response as set out in the summary in the report and detailed in Appendix 1 to the report; and

(2) authorise the Director Economy, Transport & Environment to take account of any further comments and considerations (in consultation with the Cabinet Member) prior to submitting a response to Government on the White Paper 'Planning for the Future', on behalf of the County Council.

PUBLIC

**MINUTES** of a meeting of the **CABINET MEMBER FOR STRATEGIC LEADERSHIP, CULTURE AND TOURISM** held on 13 October 2020.

**PRESENT**

Cabinet Member – Councillor B Lewis

Apologies for absence were received on behalf of Councillor R Flatley

**35/20** **MINUTES RESOLVED** that the minutes of the meeting held on 23 September 2020 be confirmed as a correct record.

**36/20** **REVENUE OUTFURN 2019-20** The controllable expenditure for the Strategic Leadership, Culture and Tourism portfolio was £13.153m against a budget of £13.175m resulting in a controllable underspend of £0.022m. The key variances were as follows:

**Communications - underspend £0.033m**

The underspend resulted from staffing vacancies and savings on Derbyshire Now which varied on an annual basis.

**Policy and Research - underspend £0.083m**

The underspends related to:

- Temporary vacancy in Performance Management which had been advertised but was not filled before the end of the financial year. (£0.030m)
- Voluntary Community Sector grants – Bolsover Community Voluntary Partners closure due to lack of sufficient funding. A new Community Voluntary Partnership was to be set up in 2020-21 due to new funding streams. (£0.015m)
- Vacancy control to achieve savings targets. (£0.038m)

**Call Derbyshire - underspend £0.052m**

The underspend related to higher than expected staff turnover due to experienced employees achieving promotion into other Council roles.

**Libraries – overspend £0.186m**

The overspend related to delivery of planned budget savings through reduced hours for Branch Libraries being built in from October and therefore the full year impact not being realised by the end of the year. There was also a higher than budgeted increase to business rates for the Records Office. Furthermore, there were higher than budgeted salary costs arising from sickness cover at Buxton Museum, and residual costs of the School Library Service incurred after decommissioning the service.

Tourism - underspend £0.059m

In the main, the underspend related to The Festival of Derbyshire which had estimated costs of upwards of £0.045m, however it had been cancelled due to Covid-19.

International Relationships and Trade – underspend £0.015m

There were many planned activities in the year, such as the Toyota delegation (planned for March 2020), and exchange visits to Japan and China, which had been cancelled due to Covid-19.

Heritage - overspend £0.034m.

The overspend was due to Environmental Studies not achieving the total of their budget savings allocation.

Budget reductions totalling £0.760m had been allocated for the year, of which £0.245m was brought forward from the previous year. Of this, £0.685m of savings had been achieved.

The portfolio had received the following additional budget allocations in 2019-20:

- Thriving Communities £0.368m ongoing
- Enterprising Council £0.094m ongoing
- Community Managed Libraries - £0.742m one-off

Earmarked reserves totalling £3.090m were currently held to support future expenditure. Details of these reserves were provided.

A year-end overspend of £0.035m was projected after the allocation of £0.315m of MHCLG Covid-19 grant funding. The main variances prior to the allocation of this funding were highlighted.

The budget savings target for 2020-21 was £1.899m, with a further £0.161m target brought forward from previous years. Of this total target of £2.060m, it was expected that £0.320m would be achieved by the end of the financial year. Additional funding had been provided in the 2020-21 budget for the following items:

- Climate Change - £0.200m (one-off), the Council had published its Climate Change Manifesto in May 2019. This funding was to advance the priorities identified in the Manifesto. It was forecast that this allocation would be fully spent by the end of the financial year.

The Council continued to monitor its overall financial position, as well as the cost implications of Covid-19. The next formal reporting of the financial

position would be completed as at September 2020 and would be reported to the Cabinet Member later in the year.

**RESOLVED** to note the revenue outturn position for 2019-20 and the summary forecast outturn for 2020-21.

PUBLIC

**MINUTES** of a meeting of the **CABINET MEMBER FOR STRATEGIC LEADERSHIP, CULTURE AND TOURISM** held on 28 October 2020.

**PRESENT**

Cabinet Member – Councillor B Lewis

Also in attendance – Councillor R Flatley

Apologies for absence were received on behalf of Councillor P Smith

**37/20** **MINUTES RESOLVED** that the minutes of the meeting held on 13 October 2020 be confirmed as a correct record.

**38/20** **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 consider the exempt report of the Executive Director Commissioning, Communities and Policy on approval to procure Phase 2 of the Strategic Transformation Case and Centralised Programme Management Office via Direct Award (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))

**MINUTES** of a meeting of the **CABINET MEMBER FOR HEALTH AND COMMUNITIES** held on 5 November 2020 virtually on MS Teams

**PRESENT**

Councillor C Hart – Cabinet Member

Also in attendance: Councillor D Allen

**43/20** **MINUTES** **RESOLVED** that the non-exempt minutes of the meeting of the Cabinet Member for Health and Communities held on 17 September 2020 be confirmed as a correct record.

**44/20** **PERFORMANCE AND BUDGET MONITORING FORECAST OUTTURN 2020/2021 QUARTER 2** The Cabinet Member was provided with an update of the Council Plan performance position and the revenue budget position of the Health and Communities portfolio for 2020/2021 up to the end of September 2020 (Quarter 2).

The report showed that progress was "good" for all of the Council Plan deliverables led by the portfolio. After additional Covid-19 funding, the budget forecast position for 2020/2021 was an underspend of £3.077m, with forecasted savings of £0.216m by the year end. The key areas of success and for consideration were listed within the report, with further information on the portfolio's performance included at Appendix A.

The net controllable budget for the portfolio was £10.138m, with an additional £2.474m Covid-19 funding being added to give a total of £12.612m. The Revenue Budget Monitoring Statement prepared for quarter 2 indicated a forecast year-end underspend of £0.603m. This would be increased by the use of £2.474m of additional Covid-19 funding giving an underspend of £3.077m. These were detailed within the report.

Budget reduction targets totalled £0.216m for the year. These were detailed within the report, as were the growth items and one-off funding. Financial risks that could negatively impact on the portfolio were summarised:

<b>Service</b>	<b>Risk</b>	<b>Sensitivity* £m</b>	<b>Likelihood 1 = Low, 5 = High</b>
Service-wide	Covid-19 pressures – loss of fee income, increase in instances of Domestic Violence and Hate Crime, continuing increase in costs.	2.474	3
Coroners service	Accommodation at Chesterfield.	0.008	5
Coroners service	Increased costs of Case Management system.	0.060	5

\*Sensitivity represents the potential negative impact on the outturn position should the event occur.

Earmarked reserves totalled £9.704m.

**RESOLVED** - that the Cabinet Member (1) note the report; and

(2) consider whether there were any further actions that should be undertaken to improve the budget position moving forwards or to address performance, where it had not met the desired level.

**45/20**      **ACTION GRANTS PROGRAMME ROUND 8** The Cabinet Member was updated on the projects supported under round eight of the Community Activity and Community Safety Action Grants Programme. Approval was also sought to formerly close the scheme.

The Action Grant Programme ran for a period of two years from May 2018 until May 2020. Applicants were able to apply for three levels of funding across four grant areas covering youth activity, community safety, community activity and physical/sports activity and had to meet the selection criteria. The report provided an update on the applications received and approved, for both the Community Activity and Community Safety grants under round eight.

Community Activity Grants – 78 medium and large applications were received. Due to the small amount of funding available, round eight was extremely competitive, resulting in four applications, totalling £20,115, being approved. Further details of the applications and selection process were set out at Appendix A.

Community Safety Grants - five small grant applications were received. Four applications were approved totalling £1,869. Further details of the applications and selection process were set out at Appendix B. 10 medium and large grant applications were received with five being approved, totalling £23,804. Further details of the applications and selection process were set out at Appendix C.

A total of £62,500 was allocated over the life of the action grants programme for Community Safety medium and large applications. The total spend was £66,502, an overspend of £4,002 and which would be offset from the Community Safety small grants allocation which was underspent. This was approved by The Director of Finance and ICT on 28 July 2020.

Monitoring of the programme and take up of the different levels of grants as well as geographical coverage, had taken place on a regular basis to ensure equality of access across different communities in Derbyshire:

<b>Theme</b>	<b>Total supported small applications</b>	<b>Total supported medium and large applications</b>	<b>Total funding awarded</b>
Community Activity	392	13	£250,000
Community Safety	29	10	£80,714.05
Total	421	23	£330,714.05



The programme had been active for a total of two years and had awarded funding over eight scheduled rounds. The programme was no longer taking applications and it was recommended that remaining funds of £231,786 not committed from the Community Safety Grants scheme be returned to the General Reserve and the Action Grant Programme, for both Community Activity and Community Safety Grants, be formally closed. Physical Activity Grants were also no longer taking applications but Youth Grants had extended applications until the end of the year.

**RESOLVED** - that the Cabinet Member (1) note the four medium and large grants for Community Activity approved to the value of £20,115;

(2) note the four small grants and five medium and large grants for Community Safety approved to the value of £25,673;

(3) note the total programme spend to date of the Community Activity and Community Safety themes to the value of £330,714;

(4) approve the closure of the Community Activity and Community Safety themes; and

(5) approve the return of uncommitted funding of £231,786 to the General Reserve.

**46/20 PUBLIC HEALTH COVID-19 FUND – UPDATE** The Cabinet Member was given an update on organisations supported through the Public Health COVID19 fund. Approval was sought for allocating an additional £50,000 towards the fund.

The response to the COVID19 pandemic had seen many organisations across Derbyshire working to ensure the basic needs of the most vulnerable residents were met and it had become apparent that a number of community and voluntary sector organisations had insufficient resources to maintain current levels of response. In addition, the national shielding, social isolation and social distancing requirements had compelled many organisations to quickly adapt their service delivery model to operate within the guidance, often requiring additional resources.

The Cabinet Member had previously approved the establishment of a Public Health COVID19 Fund to support voluntary and community sector organisations in mitigating the impact of COVID19 on local communities, and work to improve the health and wellbeing of local populations. Funding of up to a maximum value of £2,000 was available for constituted groups and £250 for non-constituted groups.

The Fund was supported from the Public Health Grant and all applications needed to be linked to an existing Public Health work programme to allow the Public Health Emergency Fund to run concurrently with other corporate grant schemes, whilst retaining a clear focus on improving public health outcomes. Authority for approval of applications was delegated by the Cabinet Member to the Director of Public Health, with quarterly updates reported to Cabinet Member meetings.

To date, a total of 30 applications had been reviewed and approved for funding, initially by a panel comprising of an Assistant Director of Public Health and a Health Improvement Practitioner before ratification by the Director of Public Health. These were detailed in the report. The fund had an initial allocation of £50,000, with a total of £50,047 being awarded. It was therefore proposed that the fund was extended by a further £50,000 to be met from the Public Health Reserve.

**RESOLVED** - that the Cabinet Member (1) note the allocation of the Public Health COVID-19 fund to date;

(2) approve the extension of the fund by an additional £50,000;

(3) continue to delegate authority to the Director of Public Health to approve awards of no more than £2,000 to individual organisations; and

(4) receive details of recipient organisations on a quarterly basis.

**47/20**      **IMPLEMENTATION OF MICROSOFT DYNAMICS** Approval was sought from the Cabinet Member to allocate funding for the implementation of Microsoft Dynamics software package to support the delivery of Test and Trace activities in response to COVID-19.

Public Health were leading the work in Derbyshire to prepare for potential outbreaks of coronavirus in the county and helping to contain any outbreaks as part of the national test and trace programme. The COVID-19 Outbreak Management Plan set out the approach which involved working with partners to protect local residents. This involved partner organisations at every level from the government and the NHS through to the local district and borough councils, and the people who live and work in Derbyshire. This included monitoring data sent on a weekly basis from Public Health England about the number of new cases in Derbyshire.

Residents who were contacted were asked more in-depth questions about their movements and who they had been in contact with. A software system was required to capture the data, identify hotspot areas and help manage the workload. It would provide a much more efficient way of collating local information and assist the public health team build up a comprehensive picture of where transmissions were happening and make important links between cases. Benefits included:

- Management of complex cases and settings including 360° view;
- Manage the local action plan response;
- Capture symptom, test and movement data;
- Capture and process support requests from citizens in isolation;
- Automate tasks and activities;
- COVID-19 Data Analytics and Data Management;
- Reduce risk and time to value using proven technology used to support local and national response to COVID-19 and from a proven partner;
- Easily adapt to evolving requirements;
- Simplify data management challenges;
- Gain insights and predict trends in the local area.

Microsoft had designed and built a proof of concept (POC) solution to manage outbreak action plans and Test and Trace activities in response to COVID-19. Hitachi Solutions, who specialised in working with UK Local Authorities to leverage Microsoft Cloud technologies and were already supporting over 18 authorities with their COVID-19 response, had re-built the POC into a robust, production-ready solution.

The costs for the implementation of this software depended on the number of licenses required and this was broken down in the report. These costs would be met from the Public Health budget.

**RESOLVED** - that the Cabinet Member approve the allocation of funding up to a total value of £89,064.40 for the implementation of Microsoft Dynamics software package to support the delivery of Test and Trace activities in response to COVID-19.

#### **48/20      EMOTIONAL WELLBEING FOR YOUNG PEOPLE PROJECT**

Approval was sought from the Cabinet Member for the provision of grant funding of £12,000 to Men Talk for delivery of a project to support the emotional wellbeing of young people for a period of 1 year from 1 December 2020.

Mental health and emotional wellbeing remained a key public health priority. Covid-19 and the widening health inequalities gap had seen an increase of people experiencing emotional wellbeing issues and young people had been identified as a group at higher risk. Early identification and early intervention were essential to prevent symptoms from escalating and this aligned with national guidance and the Derbyshire Mental Health Prevention Framework.

Local charity Men Talk had developed an innovative idea for the supply of a digital wrist band to young people; that was based on engagement talks in secondary schools in Chesterfield and at Chesterfield College. The band contained an encrypted storage facility which the user could store personalised tools to help their emotional wellbeing. It could contain direct contact information to local services, including school nurses, hold online tools such as a safety plan or positive messages, and other personalised features such as a music playlist or personalised notes to help in times of anxiety or stress.

It was proposed that during the 1 year project, Men Talk would develop the product with support from a working group and related organisations, then roll out an engagement programme of talks to support the direct supply of the product to young people. This would be delivered at a minimum of four designated secondary schools or further education establishments in Derbyshire, targeted at young people aged 16 to 19. It had been widely reported that stress and anxiety levels were high amongst this cohort together with the additional uncertainty created by Covid-19. The approach would be evaluated to gauge the level of impact.

**RESOLVED** - that the Cabinet Member approve the provision of grant funding to Men Talk for delivery of a project to support the emotional wellbeing of young people, at a value of £20,000 per annum for a period of 1 year from 1 December 2020.

**49/20**      **MENTAL HEALTH FRIENDLY PROJECT** Approval was sought from the Cabinet Member for the provision of grant funding to Fuzzy Ducklings for delivery of a project to support the development of a mental health friendly project for a period of 2 years from 1 December 2020.

Covid-19 had exacerbated existing symptoms for many people who suffered with anxiety, stress or depression on a trip outside the home. Safe places and friendly faces might help overcome some of their anxieties. By linking with the existing Safe Places scheme run by Public Health, this would extend the number of safe spaces into private businesses and retail settings. It was proposed that a pilot scheme was initiated in Chesterfield, where foundation work had already taken place. In order for Chesterfield to become a “mental health friendly” place, a model had been developed that comprised 3 strands:

- Raising mental health awareness, addressing stigma, and promoting inclusivity;
- Developing a digital resource that will provide support to people by highlighting the location of safe spaces they can access if they feel unwell; and
- Engaging local business to play a role in improving mental health outcomes, though for example, adoption of staff training on mental health awareness.

The initial scheme was being overseen by Chesterfield Mental Health Network, a multi-agency partnership with representatives from community and voluntary sector, health and social care and business sector. Initial insight had been provided by a local entrepreneur and a mental health service-receiver. The pilot scheme would be evaluated and if successful, delivery expanded across Derbyshire.

It was proposed to award a grant of up to £45,000, funded from the Public Health Grant, to Fuzzy Ducklings. An initial payment of £5,432 would be paid to pilot the proposal in Chesterfield, with the remainder to be paid to expand the project across Derbyshire.

**RESOLVED** - that the Cabinet Member approve the provision of grant funding to Fuzzy Ducklings for delivery of a mental health friendly project at a value of up to £45,000 for a period of 2 years from 1 December 2020.

**50/20**      **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 Director of Public Health on the Provision of Service for Children and Young People affected by the Substance Misuse of Others: Additional Funding (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

PUBLIC

Agenda Item No.6 (a)

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**19 November 2020**

**Report of the Executive Director - Commissioning, Communities and Policy**

**THE SCRUTINY REVIEW**

**Strategic Leadership, Culture and Tourism**

**1 Purpose of the Report**

To consider the final Scrutiny Review report, action plan and the consultation feedback for approval and recommendation to Council on 2nd December 2020.

**2 Information and Analysis**

The Scrutiny Review commenced in 2019 at the request of Cabinet and Chairs of Scrutiny and a workshop was held for the Chairs and Vice Chairs of the four Improvement and Scrutiny Committees. A lack of officer capacity prevented the review from being progressed further at that time, and, to resolve this, a Programme Director was appointed in March 2020 to progress a range of projects, including the scrutiny review.

It was determined that the Centre for Governance and Scrutiny (formerly known as the Centre for Public Scrutiny- CfPS) were to be commissioned to undertake the review, bringing independence, a substantial experience of scrutiny from across the country and a ready-made scrutiny review methodology. As part of the review process the CfPS undertook two member surveys: one designed for completion by members of Cabinet and members of Improvement and Scrutiny Committees and the other designed for all remaining members. CfPS also carried out a series of one to one meetings and discussion groups with:

- The Leader of the Council;
- Improvement and Scrutiny Chairs and Vice Chairs;
- Improvement and Scrutiny Members by political group;
- Cabinet Members;
- Opposition Leaders;
- Executive Directors;

- A sample of Directors;
- A sample of partners and past Improvement and Scrutiny witnesses;
- The Statutory Scrutiny Officer and the two Improvement and Scrutiny Officers

A Scrutiny Review Steering Group was established to lead the review. The Steering Group comprises the Improvement and Scrutiny Chairs and the Cabinet Member for Corporate Services. It is supported by the Executive Director, Commissioning, Communities and Policy and the Programme Director.

Cabinet considered the draft Scrutiny Review findings and proposed actions at their meeting on the 8<sup>th</sup> October 2020 and approved the Scrutiny Review Report, including recommendations and draft action plan, for consideration at a scrutiny member workshop and by the four Improvement and Scrutiny Committees (special combined I&S meeting for Resources, Health and Places on the 3<sup>rd</sup> November and the People I&S Committee on the 4<sup>th</sup> November) and Governance, Ethics and Standards Committee (22<sup>nd</sup> October). Cabinet noted that this review commenced a programme of continuous review and development of scrutiny at Derbyshire County Council.

The Scrutiny workshop took place on the 12<sup>th</sup> October 2020. Four Member Break Out Groups, supported by CMT and Democratic and Scrutiny Services Officers considered the Scrutiny Review findings, Action Plan and the following three questions:

- What are the key findings of the review that you believe are the top priorities?
- What are the opportunities and risks to effective implementation of the action plan?
- What does success look like in 12 months' time?

The workshop report is attached at Appendix 1.

Fifteen recommendations were identified by the Centre for Governance and Scrutiny (CfPS), as set out in their report: Derbyshire County Council Scrutiny Improvement Review, July 2020, (Appendix 2) and a further three actions were identified by senior officers and the Scrutiny Steering Group.

The Scrutiny Steering Group have prepared a draft Action Plan (Appendix 3) in response to the recommendations. The workshop, Governance, Ethics and the Improvement and Scrutiny Committees have reviewed the action plan and no changes to it were required. For ease of reference, the Centre for Governance and Scrutiny recommendations appear as sections 1-15 and the additional recommendations can be found in section 16 of the Action Plan.

### **3 Key Considerations**

Overview and Scrutiny was first introduced to local government in England as part of the Local Government Act 2000. This review has identified systems, practices and approaches that were developed as part of the original implementation in Derbyshire and have, in many respects, been largely unchanged over that period.

As a result, the recommendations highlight the need for cultural change, as well as practical change, ensuring that the Scrutiny function is brought up to date and fulfils more of a central role and is better able to add value to the work of the Council.

The draft Action Plan proposes that Cabinet and senior officers work more collaboratively with Scrutiny, to improve the integration of Improvement and Scrutiny into the functioning of the council. This collaborative approach has already started, for example, the Cabinet Member for Corporate Services has been working alongside the Improvement and Scrutiny Chairs throughout this review. The four Improvement and Scrutiny Chairs and the Cabinet Member for Corporate Services formed the Scrutiny Review Steering Group.

In addition, the findings from the review include the need to ensure that Improvement and Scrutiny's use of the corporate Key Decision Document is more readily facilitated. This would enable the Improvement and Scrutiny Committees to develop meaningful and focused work programmes which in turn will add value to the work of the Council.

It is proposed that this review initiates a programme of continuous improvement for the operation of scrutiny within Derbyshire. It is recognised that the outcomes of the review are comprehensive, and a key aim is to deliver cultural change as well as practical changes to the scrutiny function. Therefore, the development of the scrutiny approach will take place over the medium and long term, as well as the short term and it is anticipated that once initial actions have been completed, further areas for future development will be identified and progressed.

#### **4. Background Papers**

Files held by the Executive Director of Commissioning, Communities and Policy.

#### **5. Legal Considerations**

The Scrutiny function is carried out in accordance with the Local Government Act 2000.

#### **6. Officers Recommendation**

It is recommended that Cabinet:

- (1) Note the feedback and endorsement of the review and associated action plan from the all member workshop and the I&S Committees for People, Place, Health and Resources
- (2) Approve the Scrutiny Review Report, including recommendations, action plan for recommendation to Council on the 2<sup>nd</sup> December 2020;
- (3) Note that this review commences a programme of continuous review and development of scrutiny at Derbyshire County Council;



## Appendix 1

### **The Scrutiny Review**

#### **Workshop Report 12<sup>th</sup> October 2020**

The Scrutiny Review commenced in 2019 at the request of Cabinet and Chairs of Scrutiny and an initial workshop was held for the Chairs and Vice Chairs of the four Improvement and Scrutiny Committees.

Cabinet considered the Scrutiny Review findings and proposed actions at their meeting on the 8<sup>th</sup> October 2020 and approved the Scrutiny Review Report, including recommendations and draft action plan, for consideration at a scrutiny member workshop and by the four Improvement and Scrutiny Committees and Governance, Ethics and Standards Committee. Cabinet noted that this review commences a programme of continuous review and development of scrutiny at Derbyshire County Council.

#### **The 2020 Scrutiny Review Workshop**

The Scrutiny workshop took place on the 12th October 2020.

Cllr Tony Kemp chaired the online workshop and Jacqui McKinlay, Chief Executive of the Centre for Governance and Scrutiny (CfPS) presented the report and findings. She noted, that like many authorities, this was the first in-depth review of Scrutiny that had taken place for many decades. The CfPS were commissioned to undertake the review in 2020, bringing independence, a substantial experience of scrutiny from across the country and a ready-made scrutiny review methodology. As part of the review process the CfPS undertook two member surveys: one designed for completion by members of Cabinet and members of Improvement and Scrutiny Committees and the other designed for all remaining members. CfPS also carried out a series of one to one meetings and discussion groups with:

- The Leader of the Council;
- Improvement and Scrutiny Chairs and Vice Chairs;
- Improvement and Scrutiny Members by political group;
- Cabinet Members;
- Opposition Leaders;
- Executive Directors;

- A sample of Directors;
- A sample of partners and past Improvement and Scrutiny witnesses;
- The Statutory Scrutiny Officer and the two Improvement and Scrutiny Officers

A Scrutiny Review Steering Group comprising the Improvement and Scrutiny Chairs and the Cabinet Member for Corporate Services, was established to lead the review.

Cllr Kemp shared the action plan which will help the recommendations of the review.

He explained that the report findings, action plan and feedback would be considered by the Improvement and Scrutiny Committees, the Governance, Ethics and Standards Committee, followed by Cabinet and Council.

There was a period during the workshop for questions and comments.

Participants left the main workshop and joined four Member Breakout Groups which were supported by CMT and Democratic and Scrutiny Services Officers. Participants considered the Scrutiny review findings, action plan and the following three questions:

- What are the key findings of the review that you believe are the top priorities?
- What are the opportunities and risks to effective implementation of the action plan?
- What does success look like in 12 months' time?

Everyone then re-joined the main workshop for the plenary session.

It was clear that key themes emerged from the report findings, questions and comments and the breakout groups.

## **Key Themes**

The key themes were as follows:

- Overall support for the review;
- Cross-Party engagement was welcomed;
- The action plan was well-received;
- Development of comprehensive, strategic and longer-term work programmes to enable Scrutiny to focus on strategic issues including the Council's priorities and emerging national policies and provide challenge rather than receiving reports for information
- Scrutiny should take more of a central role and should be supported by senior officers
- Collaborative working arrangements should be enhanced between Scrutiny Chairs, Executive Directors and Cabinet Members to facilitate information exchange about forthcoming policy development and key decisions
- A Key Decisions Document which has a lead-in time of at least four months should enable better planning and more focused Scrutiny work programmes;

- Pre-decision scrutiny should add value to the work of the Council;
- Ensure effective Member development opportunities are in place including opportunities to learn from others, learning 'on the job' and courses seminars etc
- Task and finish work is important and needs to continue
- The proposed quarterly meetings between the Chairs of Governance, Ethics and Standards Committee, Audit Committee and the Improvement and Scrutiny Committees are to be welcomed. They will help to ensure better coordination, avoid duplication and should add value.

**Key Risks Included:**

- The need for continued support from all Members and senior officers

**Conclusion**

The Scrutiny Review has been welcomed by Members and Officers, alike. The Centre for Governance and Scrutiny (CfPS) Report provides a good steer for the future and the recommendations have been carefully considered and widely consulted upon. The Action Plan will ensure that improvement is delivered.





Derbyshire County Council  
Scrutiny Improvement Review



Report

July 2020

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## Review of Scrutiny

### Introduction

Derbyshire County Council believes that the essential role of scrutiny is to help to shape policy, actively support good decision-making and hold the Cabinet to account. To do this effectively the council recognises that its scrutiny function and Members need a clear and shared understanding of the role, purpose and objectives of scrutiny, and to engage constructively in its work.

The context of this review covers the evolution of the scrutiny function over a number of decades; as past practice and experience has helped to shape the current position. The Chairmen of the Improvement and Scrutiny Committees requested that this review take place in order to ensure continuous improvement.

Members are clear that scrutiny needs to be strong on prioritisation, develop strategic work programming and engage in evidence-based, objective enquiry. It must have a measurable impact on policy, service delivery and Cabinet decision making.

Scrutiny has been consistently supported and resourced by the authority but has not been evaluated externally for some time. Like many authorities, DCC has taken a conscious decision to reflect and review its scrutiny process to build on existing good practice.

DCC has set itself some bold corporate objectives to secure efficient, effective and value for money services, and a sturdy financial base through an ambitious 'enterprising council' strategy and careful management of its budget, including achieving a significant reduction in its costs. It also intends to support its local economy and small local businesses, through a range of growth and investment initiatives. It has set clear goals to support and empower communities to be more resilient and self-sufficient together with a robust strategy to support families through greater focus on prevention and early intervention. It has also set challenging objectives to revise and improve its adult and children's social care offer.

The council plan therefore presents considerable challenges in its implementation and delivery. Importantly it will also place a significant responsibility upon its scrutiny function to ensure that council plan and the associated strategy and targets, together with key-decisions, changes and initiatives are robustly and objectively scrutinised.

The Centre for Public Scrutiny (CfPS) was invited to undertake a Scrutiny Improvement Review and identified some principal areas of focus for evaluation. These have been considered using CfPS's Scrutiny Improvement Review (SIR) method.

The CfPS SIR method aligns with both latest statutory guidance and best practice experience accumulated by CfPS over many years. This review also takes into account the latest government (MHCLG) guidance on Overview and Scrutiny in Local Authorities (May 2019) and the latest Good Scrutiny Guide (published by the Centre for Public Scrutiny – July 2019).

### The Centre for Public Scrutiny

CfPS is the leading national body promoting and supporting excellence in governance and scrutiny. Its work has a strong track record of influencing policy and practice nationally and locally. CfPS is respected and trusted across the public sector to provide independent and impartial advice.

CfPS is an independent national charity founded by the Local Government Association (LGA), Local Government Information Unit (LGIU) and Chartered Institute of Public Finance Accountants (CIPFA). Its governance board is chaired by Lord Bob Kerslake.

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## Review outline

### To conduct a review of the Council's scrutiny arrangements.

The Council wishes to explore what it can do to further strengthen the quality of its scrutiny arrangements and develop them in light of challenges and opportunities ahead.

#### Scope

- **Culture.** The mindset and mentality underpinning the operation of the overview and scrutiny process. This will involve a focus on the Council's corporate approach to scrutiny and how this has been shaped over a number of decades
- **Information.** How information is prepared, shared, accessed and used in the service of the scrutiny function.
- **Impact.** Ways to ensure that scrutiny is effective, that it makes a tangible and positive difference to the effectiveness of the council, and to local people.

Further to discussion with Members and officers, the following broad areas of focus were identified, which are explored by way of the Scrutiny Improvement Review method:

- Prioritisation, timeliness and focus of the work programme (informed by a clear, well-articulated role for scrutiny overall).
- The current scrutiny committee structure. Considered on the basis of scrutiny focus, members' needs and expectations, and whether other structures and formats might be more appropriate for carrying out scrutiny work.

#### Evidence sourcing

The following elements are used as a framework for further discussion on those issues and areas most important to the Council.

1. Organisational commitment and clarity of purpose
2. Members leading and fostering good relationships
3. Prioritising work and using evidence well
4. Having an impact

These four elements were used to ensure that all key aspects of DCC's scrutiny activity are evaluated and mapped against the DCC-specific areas of focus identified above.

Evidence gathering consisted of:

- **Desktop work.** A check of the Council's constitution and rules of procedure insofar as they relate to scrutiny, recent work plans, scrutiny scopes and review reports. This will provide an evidence base for the rest of the work;
- **Interviews.** Including the Leader of the Council, leading Members in scrutiny (Chairs, Vice Chair, Opposition Group Leader, Cabinet Members, other scrutiny Members, Senior Corporate Officers, Statutory Scrutiny Officer, and Improvement and Scrutiny Officers.
- **Discussions** with witnesses and representatives from partner organisations.
- **Observation.** An Improvement & Scrutiny Committee.
- **Member surveys.**

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## Summary of findings

### 1. Overall assessment:

- 1.1 Overall the Council has a strong ongoing commitment to scrutiny in terms of the level of activity undertaken, and time and resource dedicated across the organisation. Scrutiny's role as part of the democratic decision-making process is respected and valued in the Council and political leaders and Cabinet Members are very supportive.
- 1.2 There is a clear realisation and commitment from Members and Officers that scrutiny could be more effective and productive. Everyone interviewed welcomed the opportunity to make changes and improvements. Members, Scrutiny Chairs, Political Group Leaders, and Executive Directors also support the need for change - to enable scrutiny to improve.
- 1.3 Although elements of how scrutiny works may need updating and could be seen as traditional, its Member engagement, resources, council support and ambition provide a strong platform upon which scrutiny could successfully develop.
- 1.4 The majority of those interviewed believed that scrutiny can play a greater role in the way democratic decisions are made. The scrutiny function is currently underused and has potential to offer and provide more. To support the council in its ambitious future plans there is a real need to expose political decision-making to more open, robust and quality scrutiny which would help to shape and improve outcomes and strengthen confidence in governance arrangements.
- 1.5 Members expressed a genuine interest in scrutiny but felt that its focus and work was having less impact than they would like and, at times, lacked sufficient focus on strategic issues. Scrutiny Members overall have an appetite to achieve more and recognise the value of involving frontline councillors in actively shaping and improving policy development.
- 1.6 To achieve the improvements which are clearly desired by the council there are some barriers and practices that may need to be addressed together with commitment to invest in Member development.
- 1.7 Scrutiny does make every effort to be strategic and focus on the areas of importance, although in practice it sometimes falls short of this ambition. Scrutiny can very often become a conversation' or an information exchange or become too operational and council performance focused.
- 1.8 There are missed opportunities for scrutiny to add value and to be an integral part of the Council's corporate plans and overall improvement. This may not be for the want of trying, but for scrutiny to be more strategic, there needs to be change in approach by both scrutiny and the Cabinet, to draw closer together to create a purposeful role and agenda. To achieve the stated desire of giving scrutiny a greater role in shaping policy, constructively challenging and holding to account, there will need to be support from across the Council. Early access to information and the ability to operate as an integral part of policy and decision-making activities of the Cabinet could make a real difference to the value and impact of scrutiny.
- 1.9 The Leader and Cabinet members attend scrutiny meetings as contributors but are often not sufficiently held to account and constructively challenged. Cabinet members and the



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Leader expressed support for a more challenging style of accountable scrutiny. This could be readily achieved with more planning and engagement.

1.10 The Scrutiny Chairs and committee members value the support provided by the Scrutiny Team and Governance Services in assisting Members in developing work programmes, managing agendas and liaising with Council departments and external partners to generate reports, evidence and information. This is recognised and widely appreciated internally and externally.

1.11 There is potential to review whether the level of officer resource available to support scrutiny is sufficient. Whilst the dedicated resource is valued, the team is small and would benefit from additional capacity particularly in terms of research and policy support. The team also currently needs to work hard to bring scrutiny to the attention of officers, a wider ownership for the success of scrutiny within the senior and wider leadership team would be beneficial.

There is also a need to adopt a Member and Officer scrutiny development and skills programme. This will support greater understanding of the role of scrutiny and improve its effectiveness. (See recommendation 8.9)

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## 2. Members, meetings and agendas:

- 2.1 Members engage in scrutiny and understand that it plays an important role. However, there is inconsistency when Members describe the role of scrutiny and its purpose and can sometimes lose sight of the key objectives of scrutiny to hold decision-makers to account, to shape policy and to drive improvement.
- 2.2 Members have suggested that further training will enhance a greater understanding of the role of scrutiny and improve its effectiveness. (See recommendation 8.9: The adoption of a Member and Officer scrutiny development and skills programme.)
- 2.3 Overall, most members work hard to ask useful and enquiring questions, but scrutiny meetings can often tend to favour detail over strategy and may overlook the bigger picture. Some Members can tend to prefer to ask information-gathering questions, rather than questions which explore and challenge issues. Greater emphasis could be given to improving and shaping policies and decision through enquiry and constructive challenge.
- 2.4 The council operates four Improvement and Scrutiny Committees. Each has their own terms of reference and a clear scope which details each committees' responsibilities.
- 2.5 The I&S Resources Committee held on 4<sup>th</sup> June was observed via recording. As an on-line meeting and the first held via a video conference facility, it was unlikely to be typical. The meeting was skillfully chaired and overall, it ran smoothly and efficiently. There were three substantive subjects on the agenda, which allowed time to give adequate attention to each one. The main item was a status report by the Council Leader on the Covid-19 crisis and the council's response and recovery plans. This was clearly a subject of high importance, as such it presented a crucial opportunity to explore the council's role and responsibility in the crisis and therefore likely to involve a fairly lengthy and detailed response and enquiry from the committee. However, there were only a few question or requests for information and the questioning session was therefore relatively short. Members might consider how they could better organise and plan questioning strategies that ensure more robust holding to account and rigorous enquiry for similar high-level issues.

Other topics covered by the committee at this meeting centred on officer presentations. Similarly, there were some more general questions or comments but minimal constructive challenge that might lead to improving or shaping. There was one Cabinet Member (Cllr King - in addition to the Leader) present, and although he was able to comment on an item relevant to his portfolio, he was not required to take questions from the committee. Members could consider how Cabinet Members could be incorporated into their meetings, held to account and take questions on the underlying policy or strategy for which they are politically responsible.

- 2.6 The Health Improvement and Scrutiny Committee has a strong external focus and good relations with health partners, as reflected in regular senior attendance and engagement. External partners talked positively about their experience of attending scrutiny, particularly with the recent focus on finances, and good officer relations. The Committee was seen as being fair in its approach in considering proposed changes to services. However, they could benefit further from a more strategic approach to work programming, measuring impact and outcomes. Member training and support in this highly complex area may also be welcomed.
- 2.7 Other I&S Committee agendas and minutes have been reviewed. From our conversations with Members and Officers, there is a pattern of meetings being largely officer presentations, with Cabinet Members often present but not integrated into the

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session as the accountable person. Members could refresh this practice and consider the Cabinet Member as the focal point of scrutiny sessions with Officer support.

- 2.8 Committees might also consider ways to give more time to planning and organising scrutiny meetings, to set objectives, develop appropriate lines of enquiry, set a questioning strategy and decide who they would require to appear at the meeting. This would introduce a more 'Select Committee' style of scrutiny and elevate its status and impact, to produce high quality outcomes such as convincing recommendations or compelling improvements.
- 2.9 Reports presented to committees tend to be dominated by up-dates and progress reports. Many reports simply ask the committee to 'note' the report which may lead to Members simply commenting on its content or seeking clarification. Scrutiny may need to check its purpose and objective in receiving 'for information or update' reports, where there might be limited scope for it to add value or influence improvement. Such reports can often be reviewed by scrutiny outside of committee. Our observations suggest that scrutiny could more clearly set out its objectives on specific agenda items, which would assist committees to construct key lines of enquiry and develop outcomes that may add more value.
- 2.10 Whilst most Members take the opportunity to speak at committee, the engagement and contribution is varied with often just a few members ask most of the more useful questions. Members may benefit from more training and experience in the area of questioning techniques.
- 2.11 There is good cross-party working and little evidence of political management activity. Generally, Scrutiny Committee Members get along and co-operate with each other. Member behaviour is cordial and respectful. The independence of scrutiny and of political groups is maintained and respected
- 2.12 Whilst trying to encourage public engagement is difficult, exploring and experimenting with ways to allow greater access, openness and involvement could include:
- Simple video recording via website
  - Community listening panels
  - Invite public to offer ideas for work programmes
  - Greater use of social media channels

### 3. Structure and work programming:

- 3.1 Committee work programmes exist for committees, except Health. There is also on-going work to increase Member involvement in constructing these and there has been some senior officer time spent in supporting Members with this process. Historically, work programmes have largely been assembled by scrutiny officers with Members approving or amending suggested plans. It is therefore pleasing to note that Members, led by committee chairs intend to switch the emphasis of work planning to be Member-led and take a more strategic approach to focus on key priorities.

Members might consider developing a methodology for their work programme selection and prioritisation, given that the sources to choose from (including Council Plan, MTFs, Delivery Plans, Cabinet forward plan/key decisions etc) provide an extensive menu of options. The need to rationalise selection could be helped by a simple scoring or prioritisation process.

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- 3.2 Work programmes are therefore currently under-developed, partly due to the current Covid-19 restrictions, but in part also due to the short timescales which work programmes are set - typically a few months. Committees may benefit from looking at a longer work-programme timeframe which would enable scrutiny to be planned more effectively. Work programmes could be regularly refreshed to ensure they remain relevant.
- 3.3 I&S Committees do recognise the need to be focused on strategic matters, but this may become hindered at times by the lack of early access to the Cabinet forward plan and scrutiny not involved in earlier stages of the policy development and decision-making process. This lack of early visibility can therefore mean that Scrutiny is not provided with a sufficient timeframe for effective pre-decision scrutiny. The committees therefore use some of their energy examining operational performance and detail rather than inputting in future ideas and delivery.
- 3.4 Work programming therefore needs to identify the big, high impact subjects in the council's corporate plan, the key decision document and other strategic documents and to integrate these into the work programme of each I&S Committee. Scrutiny should be able to engage earlier and be supported in this task. Working across the four committees a join-up scrutiny and work programming structure would allow all parts of the council's priorities to receive quality scrutiny.
- 3.5 There is a real intent to engage in pre-decision scrutiny and committees are often presented with Cabinet reports to scrutinise. However, this may not be where scrutiny can offer maximum value. As outlined above, for scrutiny to offer greater impact and value and to help shape or constructively challenge Cabinet proposals, the work of pre-decision scrutiny needs to operate more up-stream as things are forming rather than at the point when decisions are imminent. Pre-decision scrutiny is a key function of scrutiny and it is an area that could be developed further. The Committee Chairs do want to bring scrutiny into play earlier and have more impact in pre-decision activity. For this to work effectively Scrutiny will need greater co-operation and a whole council commitment to integrating scrutiny in the decision and policy forming process. This may mean that Scrutiny, by agreement with Cabinet, has access to forward decisions, possibly months before final Cabinet approval. Scrutiny will then be able to make the bigger, positive and constructive contribution that everyone seeks and strives for.
- 3.6 Committee Chairs endeavour to maintain good relations and communications with Cabinet counterparts. This is a positive and essential part of ensuring that scrutiny is properly sighted on important issues. Chairs would like to build on this and have more structured communications that would encourage greater collaboration. In addition to regular informal conversations, this could be strengthened and enhanced through timetabled individual committee quarterly triangulation sessions. These could involve the scrutiny Chair and Vice Chair of each I&S Committee, together with scrutiny Officers and appropriate Senior Officers and the Cabinet Member(s) relevant to each committee, to discuss the next quarter of council business and key deliverables. This could, through a discussion and negotiation, form part of the basis for future scrutiny work planning and scheduling.
- 3.7 Scrutiny of the council budget and medium-term financial plan can take up a significant amount of scrutiny capacity. Members recognise that scrutiny input into the process of budget construction is essential if the Council's resourcing plans and long-term financial viability are to be constructively challenged in an open and transparent way. Members will be aware of the serious financial challenge that all Councils, including Derbyshire,

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face. There are several recent examples from other councils where a scrutiny deficiency in this area contributed to serious consequences. Our observation in DCC was that financial scrutiny tends to be geared towards monitoring with less input into future financial planning. Scrutiny might consider being more directly involved in the planning of the future budget and MTFs and to start this at an early phase. In many councils this process of scrutiny can span September-January. As most councils will also be reviewing their current budget due to the financial impact of the current crisis, scrutiny may also want to explore how it could have a positive contribution to that process also.

- 3.8 Task and Finish (T&F) groups seem to be used effectively. There appears to be support from Members to use this option to focus on helping to shape policy or exploring issues of community concern where the council or its partners may need to respond. These T&F assignments or similar focused 'project scrutiny' can, if used well, build more versatility and agility for scrutiny. However as these can be very demanding on officer time and resources, committees might consider limiting the number running consecutively and having a finite number per year. Whilst each T&F does currently have a detailed scope, timeframe and objective we would also suggest that where possible they are designed as collaborative ventures with input from relevant Cabinet Members at an early stage of scoping. This may further increase the value and benefit T&F already provide.
- 3.9 Some councils also use single episode events to dig deeper and wider into suitable issues. These include Inquiry days or focus events, where all of the stakeholders appear to provide evidence and insight and to help shape options or solutions.

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## 4. Support and resources:

- 4.1 There is a small, experienced team of Officers who support scrutiny. They are proactively engaged in advising Chairs and Members on their roles and in developing scrutiny activity. Members told us that they do feel in control of their own work programmes and agendas.
- 4.2 There is potential to review whether the level of officer resource available to support scrutiny is sufficient. Whilst the dedicated resource is valued, the team is small and may benefit from additional capacity particularly in terms of research and policy support. The team also currently needs to work hard to bring scrutiny to the attention of officers, a wider ownership for the success of scrutiny within the senior and wider leadership team would be beneficial.
- 4.3 It is possible that Members could also play a greater role in how scrutiny operates and is resourced. Members could be more central in the preparing of programmes, projects and agendas, or researching issues and helping each other to be well-prepared and informed. It might be worth exploring how simple currently available technology such as closed social media groups, conference and video calling, and the use of shared file systems could give members more capacity to share, discuss and plan their scrutiny activities.
- 4.4 The council's website has useful content on scrutiny, which is relatively easy to access and has helpful guidance. The site is up-to-date and offers a good public oversight of scrutiny activity.

## 5. Relationships, behaviours and culture:

- 5.1 It is evident from our research, that a deep-rooted culture dating back some decades, exists in respect of the organisation's view and approach towards scrutiny.
- 5.2 The role of scrutiny in 'holding to account' is not used consistently, although there are some signs that this is recognised, and efforts have been made to improve. However, our observation and interview evidence would suggest that political accountability could be made stronger and be a more constant feature in committee meetings. Often there seems to be a preference to challenge and hold officers to account rather than political decision makers. The principle of scrutiny's duty to hold the Leader and Cabinet Members to account, could be refreshed and strengthened. The council may also choose to strengthen the Cabinet accountability sessions to allow scrutiny to examine the work programme of individual Cabinet Members and assess progress against plans.
- 5.3 Cabinet Members frequently attend Scrutiny, but their role in attending is sometimes unclear. They often introduce reports and make useful comments during the discussion. However, there is no obvious democratic accountability for decisions, performance, delivery and policy. The Leader and Cabinet are very supportive of scrutiny and recognise its value. They also actively support a more central role in being held to account, supported by their officers for technical advice. The experience from elsewhere is that when Cabinet Members attend and are the focus of the questioning, a more strategic exchange takes place and better recommendations, or advice is achieved.



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- 5.4 Relationships between political groups are generally co-operative in the context of scrutiny. Clearly there are differences in policy and approach, but all Members appear to work towards a similar goal in committee.
  - 5.5 Member surveys were undertaken. One asked for the views and opinions of scrutiny committee Members and Cabinet Members and a similar survey was issued to Members who did not currently sit on a scrutiny committee. The results of these surveys are summarised in Appendix A

## **6. Development, skills gaps:**

- 6.1 DCC is fortunate to have a good pool of talent and experience among its Members. Many councillors have relevant backgrounds and experience who bring a very useful set of skills to many areas of the council. Good practice also suggests that Members' interests, experience and background knowledge can also be useful in allocating a spread of skills to committees.
- 6.2 Training and development were raised by some Members, who were clearly aware of the gaps in their knowledge and understanding. There is also a number of relatively new councillors with limited experience of local government scrutiny, particularly in large complex councils like DCC, who would benefit from further training and development.

## **7. Contribution, performance and value-adding:**

- 7.1 Scrutiny impact is a key issue. A high volume of scrutiny activity does not necessarily deliver corresponding quality outcomes.
- 7.2 While scrutiny has made some positive progress and there are examples of good practice, and positive results, it could have even greater impact and make a significant difference within the council. This ambition and desire should be shared as a council-wide issue and be addressed by ensuring that scrutiny has the support, parity, access to timely information and early engagement to allow it to operate in a more strategic way.
- 7.3 Scrutiny and Cabinet could collaborate further. Scrutiny needs to provide a regular source of quality recommendations to Cabinet, and Cabinet needs to provide clear feedback so that scrutiny's effectiveness and contribution can be tracked.
- 7.4 Scrutiny at DCC can overburden itself with too much activity and agendas focused on 'for information' reports. Doing less, but doing it really well, is worth considering. Asking the question; 'what value can scrutiny add to this' is also a useful test. Scrutiny's output must aim to shape and improve policy and decision-making as well as transparently testing the suitability of decisions being considered by Cabinet in the future.
- 7.5 Further consideration of pre-scrutiny activity would be useful as this has a crucial role in shaping, improving and influencing future Council plans. Pre-scrutiny of Cabinet decisions, through selective scrutiny of Cabinet forward programmes and the Council plan could add significant impact. This would require a change in practice by enabling earlier access to information.
- 7.6 From our observations and evidence gathering the I&S Committees may benefit from ensuring greater clarity about what it is trying to achieve or what impact they are aiming to make. Similarly, the process for deciding what is important to scrutinise and what is not, is sometimes unclear. Scrutiny cannot examine everything, nor is it necessary to do so, therefore establishing realistic priorities based on clear objectives is essential. It is therefore necessary to 'let go' of too much operational scrutiny and focus resource on strategy and policy.

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## 8. Recommendations:

These recommendations are for discussion. They are presented for consideration as potential areas of improvement, with further assistance and planning.

### Planning, organizing and resourcing scrutiny

- 8.1 **Work programme prioritisation and focus.** Developing a clear methodology focused on DCC's key corporate or community priorities should itself be a priority. Items on each work programme to have a clear rationale to justify their inclusion and a clear system for selection.
- 8.2 **Scrutiny and Cabinet needs to work more collaboratively.** This will achieve stronger pre-decision scrutiny, allow greater influence and contribution to policy shaping and supply more high-quality recommendations. A triangulation meeting held regularly could include Scrutiny Chair and Vice Chair, Cabinet Member or Leader taken in relevant rotation and Scrutiny Officers plus relevant Senior Officers. The purpose of this would be to jointly scope future areas for scrutiny to develop, but without compromising scrutiny's independence and authority.
- 8.3 **Ensure scrutiny inclusion in Cabinet papers.** Establish a routine that embeds scrutiny in all papers presented to cabinet to show how and where scrutiny has been included in the journey of the plan, policy or decision.
- 8.4 **Consider bringing Cabinet public accountability and transparency into more focus at scrutiny committees.** Cabinet Members or the Leader (if appropriate) could be the main focus of scrutiny questioning and accountability sessions. A more parliamentary select committee approach could be considered.
- 8.5 **Reduce the reliance on officer presentations and cabinet reports.** Instead, scrutiny should set its objective for each subject to be considered and material presented or verbally reported by Cabinet members, with officer assistance.
- 8.6 **Establish a practice of core knowledge briefings.** To allow Members to gain essential background, facts and core knowledge on the more involved and complex issues that are considered by scrutiny.
- 8.7 **Extend video conferencing.** There are new opportunities to use VC resources to;
  - Hold pre-Agenda meetings to set agendas and arrange meeting requirements etc
  - Committee pre-meeting to agree objectives and set themes or questioning plans
  - Hold core knowledge briefing sessions
  - Invite external witnesses via video conference links to join scrutiny meetings
- 8.8 **Adopt a Member and Officer scrutiny development and skills programme.** This will support greater understanding of the role of scrutiny and improve its effectiveness.
- 8.9 **Officer support.** Consider reviewing the officer support resource available to scrutiny to find ways to increase the capacity and skills available.
- 8.10 **Adopt a protocol.** This would outline how scrutiny, cabinet and officers would work together to ensure each part works collaboratively and ensure council wide ownership and support for the success of scrutiny.



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## Structures and settings

- 8.11 **Recreate Improvement and Scrutiny Committees. Consider moving to a modern 'select committee' style of scrutiny**, with agendas that focus on high priority issues and involve insight and evidence gathering as well as holding to account and a policy shaping functionality. There would perhaps need to be some reorganizing of committee roles to gain a better balance between committees. CfPS would be pleased to offer some suggestions on how this could be achieved. As an early suggestion for consideration Committees could be recreated as;
- Policy & Finance Select Committee
  - Transport & Infrastructure Select Committee
  - Children, Families and Communities Select Committee
  - Health and Adult Social Care Select Committee
- 8.12 **Establish a scrutiny Co-ordination Group.** This could comprise Chairs and possibly Vice Chairs of each committee and Chaired by the Chair of Resources (P&FSC). The purpose would be to discuss alignment of work programmes and where possible to achieve a joined-up approach to scrutiny of council policies, priorities and delivery plans.
- 8.13 **Consider further use of task and finish and other 'set piece' scrutiny techniques.** Focused events or enquiry days can highlight major areas of policy development or community concern.
- 8.14 **Allow experts/advisors on all scrutiny committees.** Consider inviting external advisors to sit as observer status non-voting members of committees to provide additional insight and expertise to the committee. They could be set period appointments or invited to a one-off relevant meeting. Payment or reimbursement may encourage candidates. Some selection may be necessary, and terms of reference made clear.
- 8.15 **Member workshop.** We recommend that a Member workshop is held to consider the findings of this review and to engage in ideas for change and improvement.

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## Acknowledgments and thank you

The Centre for Public Scrutiny (CfPS) was commissioned by Derbyshire County Council to advise and support an internal review on the effectiveness and impact of their current approach to overview and scrutiny.

We would like to thank the Chairs and Vice-Chairs of Scrutiny for their time and support and those Improvement and Scrutiny Committee Members, Cabinet Members, and Officers who took part in interviews, survey and observations, for their time, insights and open views.

A schedule of Members and Officers who were involved in scrutiny conversations is attached as Appendix B

## CfPS Project Management and Delivery

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**Action Plan**

- The table below sets out the 18 recommendations:
  - 15 recommendations were identified by the Centre for Public Scrutiny (CfPS), as set out in their report entitled ‘Derbyshire County Council Scrutiny Improvement Review’, July 2020, and
  - a further three actions were identified by senior officers and the Scrutiny Steering Group.
  
- It is recommended that the table should be read in conjunction with the full report and recommendations. (The numbers in brackets within the table below, reflect the numbering of the recommendations within the CfPS report).
  
- The Action Plan has been prepared by the Scrutiny Steering Group. It will be considered by a scrutiny member workshop the Improvement and Scrutiny Committees, and the Governance, Ethics and Standards Committee.
  
- The final Action Plan will be presented to Cabinet and Council.

	<b>Recommendations</b>	<b>Action Plan</b>	<b>Implementation</b>
	<b>Planning, Organising and Resourcing Scrutiny</b>		

<p>1 (8.1)</p>	<p><b>Work programme prioritisation and focus.</b> <i>Developing a clear methodology focused on DCC's key corporate or community priorities should itself be a priority. Items on each work programme to have a clear rationale to justify their inclusion and a clear system for selection.</i></p>	<p>(i) Ensure that each Improvement &amp; Scrutiny (I&amp;S) Committee prepares a focused Work Programme which is aligned to the Council's corporate priorities and Key Decision Document</p>	<p>Development of the Work Programme to commence December 2020</p>
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<p>2 (8.2)</p>	<p><b>Scrutiny and Cabinet needs to work more collaboratively</b> <i>This will achieve stronger pre-decision scrutiny, allow greater influence and contribution to policy shaping and supply more high-quality recommendations. A triangulation meeting held bi-monthly could include Scrutiny Chair and Vice Chair, Cabinet Member or Leader taken in relevant rotation and Scrutiny Officers plus relevant Senior Officers. The purpose of this would be to jointly scope future areas for scrutiny to develop, but without compromising scrutiny's independence and authority.</i></p>	<p>(i) Scrutiny Chairs and Cabinet to meet regularly on an informal basis;</p> <p>(ii) Scrutiny Chairs to inform and provide brief to the relevant Cabinet Member in advance of attendance at I&amp;S meetings; thereby ensuring that contributions are focussed, structured and value-added. Such attendance should be linked to the respective I&amp;S Work Programmes;</p> <p>(iii) Hold triangulation meetings at least, quarterly and invite:</p> <ul style="list-style-type: none"> <li>• Scrutiny Chair</li> <li>• Vice Chair</li> <li>• Cabinet Member and or The Leader</li> </ul> <p>Supported by:</p> <ul style="list-style-type: none"> <li>• CMT Chair</li> <li>• Monitoring Officer</li> <li>• Statutory Scrutiny Officer</li> </ul> <p>(iv) Develop a Pre-Decision Scrutiny approach. Commenced with the Scrutiny review of residential care homes</p>	<p>Commence September 2020 and continue on a regular basis</p> <p>Commence October 2020</p> <p>From December 2020</p> <p>Commenced and ongoing</p>
<p>3 (8.3)</p>	<p><b>Ensure reference of scrutiny in all Cabinet papers</b> <i>Establish a routine that embeds scrutiny in all papers presented to cabinet to show how and where scrutiny has been included in the journey of the plan, policy or decision.</i></p>	<p>(i)The current report template to include reference to scrutiny within the body of reports, where appropriate.</p>	<p>From December 2020</p>
<p>4</p>	<p><b>Consider bringing Cabinet public accountability and</b></p>	<p>(i)Scrutiny to consider this approach, taking into account the need to balance the two-fold role</p>	<p>June 2021</p>

(8.4)	<p><b>transparency into more focus at scrutiny committees</b>  <i>Cabinet Members or the Leader (if appropriate) could be the main focus of scrutiny questioning and accountability sessions. This could take on a more parliamentary select committee approach.</i></p>	<p>of Improvement and Scrutiny Committees to both support policy development (overview) and to hold Cabinet members to account (scrutiny).</p> <p>(ii) To ensure that I&amp;S Committee request for Cabinet member attendance sets out purpose and scope to enable a productive session with clear, planned outcomes.</p>	
5 (8.5)	<p><b>Reduce the reliance on officer presentations and cabinet reports.</b>  <i>Scrutiny should set its objective for each subject to be considered and material presented or verbally reported</i></p>	<p>(i) Each I&amp;S Committee to agree a Work Programme with an emphasis upon I&amp;S Committees being highly proactive and Member-led.  Set objectives for each subject to be considered;</p> <p>(ii) Officer attendance at Committee to be focused on support to Scrutiny members through the provision of technical and/or professional advice and information.</p>	November 2020
6 (8.6)	<p><b>Establish a practice of core knowledge briefings</b>  <i>To allow Members to gain essential background, facts and core knowledge on the more involved and complex issues that are considered by scrutiny.</i></p>	<p>(i) Executive Directors, Directors to work with Cabinet and Scrutiny Chairs to develop a programme of Core Knowledge Briefings linked to the Scrutiny Work Programmes and update on a rolling basis</p>	Commence December 2020, ongoing
7 (8.7)	<p><b>Extend video conferencing</b>  <i>There are new opportunities to use VC resources to:</i></p>	<p>(i) Scrutiny Committee Meetings held electronically during COVID-19;</p> <p>(ii) I &amp; S Chairs and Vice Chairs to hold pre-Agenda meetings to set agendas and arrange</p>	Commenced and will continue, where appropriate

	<p><i>-Hold pre-Agenda meetings to set agendas and arrange meeting requirements etc .</i></p> <p><i>-Committee pre-meeting to agree objectives and set themes or questioning plans</i></p> <p><i>-Hold core knowledge briefing sessions</i></p> <p><i>-Invite external witnesses via video conference links to join scrutiny meetings</i></p>	<p>meeting requirements with support from lead senior officer and scrutiny officer.</p> <p>(iii) I&amp;S Chairs and Vice-Chairs to attend Committee pre-meetings in order to agree objectives and set themes or questioning plans;</p> <p>(iv) Core knowledge briefing sessions to be available electronically;</p> <p>(v) Invite external witnesses via video conference links to join I&amp;S meetings;</p> <p>(vi) Hold hybrid meetings in order to maximise accessibility ie some people in a Committee Room and others may join via a video link</p>	
8 (8.8)	<p><b>Adopt a Member and Officer scrutiny development and skills programme.</b> <i>This will support greater understanding of the role of scrutiny and improve its effectiveness.</i></p> <p><b>Ensure personal development is ongoing and that DCC learns from other local authorities</b></p>	<p>(i) Member Development Programme in place (and supported by Member Development Strategy, recently approved by Council);</p> <p>(ii) Continuously identify training needs and agree how those needs may be met;</p> <p>(iii) Officers, Scrutiny Chairs and the Cabinet Member to have the opportunity to attend the East Midlands Councils Scrutiny Meetings</p> <p>(iv) To have the opportunity to attend LGA and CfPS events and workshops</p>	<p>Programme in place.</p> <p>Ongoing</p> <p>July 2021</p> <p>Ongoing</p>
9	<b>Officer support</b>	(i) Review the officer support resource available to scrutiny.	December 2020

(8.9)	<i>Consider reviewing the officer support resource available to scrutiny to find ways to increase the capacity and skills available.</i>	(ii) The following senior officers to support the Scrutiny Steering Group and I&S Committees: <ul style="list-style-type: none"> <li>• CMT rotating Chair,</li> <li>• Monitoring Officer,</li> <li>• Statutory Scrutiny Officer</li> <li>• Members' Support Officer</li> </ul>	November 2020
10 (8.10)	<b>Adopt a protocol</b> <i>This would outline how scrutiny, cabinet and officers would work together to ensure each part works collaboratively and ensure council wide ownership and support for the success of scrutiny.</i>	(i) Review the existing Scrutiny officer and Member protocol  Develop it further to outline how scrutiny, cabinet and officers can ensure collaborative working, council-wide ownership and support for the success of scrutiny. <ul style="list-style-type: none"> <li>- Prepare the collaborative draft protocol;</li> <li>- Report to I&amp;S Committees; Cabinet and Council;</li> </ul> Add the approved document to the Council's Constitution  (ii) Review the protocol annually	March 2021
	<b>Structures and Settings</b>		
11 (8.11)	<b>Recreate Improvement and Scrutiny Committees.</b> <i>Consider moving to a modern 'select committee' style of scrutiny, with agendas</i>	(i) Review the merits of moving to a modern select committee style of scrutiny and bring back to Cabinet	September 2021



	<p><i>that focus on high priority issues and involve insight and evidence gathering as well as holding to account and a policy shaping functionality. There would perhaps need to be some reorganizing of committee roles to gain a better balance between committees. CfPS would be pleased to offer some suggestions on how this could be achieved. As an early suggestion for consideration Committees could recreated as:</i></p> <ul style="list-style-type: none"> <li>- <u>Policy &amp; Finance Select Committee</u></li> <li>- <u>Transport &amp; Infrastructure Select Committee</u></li> <li>- <u>Children, Families and Communities Select Committee</u></li> <li>- <u>Health and Adult Social Care Select Committee</u></li> </ul>		
12 (8.12)	<p><b>Establish a scrutiny Co-ordination Group</b>  <i>This would comprise Chairs and Vice Chairs of each committee and Chaired by the Chair of Resources (P&amp;FSC). The purpose would be to discuss alignment of</i></p>	<p>(i) Scrutiny Steering Group to continue and to include:</p> <ul style="list-style-type: none"> <li>- I&amp;S Chairs;</li> <li>- I&amp;S Vice Chairs</li> <li>- Cabinet Member</li> </ul> <p>To be supported by the rotating CMT Chair, the Monitoring Officer, Statutory Scrutiny Officer and Member Support Officer;</p>	<p>Established and ongoing</p> <p>From November 2020</p>

	<p><i>work programmes and where possible to achieve a joined-up approach to scrutiny of council policies, priorities and delivery plans.</i></p>	<p>(ii) Scrutiny Officers to schedule quarterly meetings with the relevant Executive Director, key Directors and Cabinet Member.</p> <p>(iii) The Scrutiny Steering Group should liaise with the Cabinet Member in the first instance, and regularly report to Cabinet thereby ensuring a completely joined up approach</p>	<p>Commence December 2021</p>
<p>13 (8.13)</p>	<p><b>Consider further use of task and finish and other ‘set piece’ scrutiny techniques</b> <i>Focused events or enquiry days can highlight major areas of policy development or community concern.</i></p>	<p>(i) Align this consideration to the Scrutiny Work Programmes and tailor the relevant methodology for each piece of work</p>	<p>Ongoing</p>
<p>14 (8.14)</p>	<p><b>Allow experts/advisors on all scrutiny committees</b> <i>Consider inviting external advisors to sit as observer status non-voting members of committees to provide additional insight and expertise to the committee. They could be set period appointments or invited to a one-off relevant meeting. Payment or reimbursement may encourage candidates. Some selection may be necessary, and terms of reference made clear.</i></p>	<p>(i) The I&amp;S Committees to consider inviting experts and advisors for specific topics. Such experts/advisors are likely to attend a particular meeting or for a specific period to aid exploration of a specific topic, as expert advisors.</p>	<p>February 2020</p>

15 (8.15)	<b>Member workshop</b> <i>We recommend that a Member workshop is held to consider the findings of this review and to engage in ideas for change and improvement.</i>	Workshop Scheduled and stakeholders invited	12 October, 11am-1pm
16	<b>Additional Actions not Included within the Report Recommendations</b>		
16.1	<b>Review the relationship and interface between the Audit; Governance Ethics and Standards Committees and Improvement and Scrutiny Committees.</b> Ensure that these Committees have a clear focus, avoid any potential overlap or duplication and consider matters of mutual importance and refer key issues to the relevant committee for further action, where necessary.	(i) Initial meeting between the 6 Chairmen, supported by their respective senior officers;  (ii) Thereafter, quarterly meetings	February 2021
16.2	<b>Map and identify the financial and human resource implications of the review</b> to ensure that the recommendations are adequately identified, costed and prioritised.	(i) The Scrutiny Steering Group to lead this work, supported by the Monitoring Officer and Statutory Scrutiny Officer;  (ii) This work to feed into the budget planning process; and any recommendations to be considered by Cabinet and ultimately by Council  (iii) The Statutory Scrutiny Officer and Monitoring Officer to ensure	Timeline to align with the annual budget -setting process

		close liaison with the Council's S.151 Officer and HR professionals	
16.3	<b>The Statutory Scrutiny Officer Role</b>	Review how the role of the Statutory Scrutiny Officer is discharged.	September 2021



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**Agenda Item No 6(b)**

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**19 November 2020**

**Report of the Director of Finance & ICT**

**TREASURY MANAGEMENT ANNUAL REPORT 2019-20**  
**(STRATEGIC LEADERSHIP, CULTURE AND TOURISM)**

**1 Purpose of the Report**

To report on Treasury Management activities during the last financial year 2019-20 and to indicate the Council's compliance with the prudential indicators set by Council at its meeting of 6 February 2019, in accordance with the Treasury Management in the Public Services: Code of Practice and Cross-Sectorial Guidance Notes 2017 (the Code).

**2 Information and Analysis**

**(i) Introduction**

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve a Treasury Management Strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report fulfils the Council's obligation under the CIPFA Code to produce a Treasury Management Annual Report.

The Council's Treasury Management Strategy for 2019-20 was approved by Council on 6 February 2019, as part of the Capital Programme Approvals, Treasury Management and Capital Strategies Report. The Council has borrowed and invested substantial sums of money and is therefore potentially exposed to financial risks, including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk is therefore central to the Council's Treasury Management Strategy.

## **(ii) External Context**

### **Economy**

The United Kingdom's exit from the European Union (Brexit) and associated future trading arrangements remained one of the major influences on the UK economy during 2019-20. The Brexit deadline of 29 March 2019 was extended to 12 April 2019, then to 31 October 2019 and finally to 31 January 2020. Politics played a major role in financial markets over the period, with negotiations, over Brexit and future trading arrangements, driving volatility, particularly in foreign exchange markets. The outcome of the December 2019 General Election removed much economic uncertainty, at that time, and looked set to provide a 'bounce' to confidence and activity.

The UK Consumer Price Inflation Index (CPI) fell to 1.7% year on year in February 2020, below the Bank of England's target of 2%. UK labour market data remained positive. For the three months to January 2020 the unemployment rate was 3.9%, while the employment rate hit a record high of 76.5%. The average annual growth rate for pay excluding bonuses was 3.1% in January 2020, providing some evidence that a shortage of labour had been supporting wages.

There was no growth in Annual UK Gross Domestic Product (GDP) in the last three months of 2019. Service sector growth slowed and production and construction activity contracted, on the back of what, at the time, were concerns over the impact of global trade tensions on economic activity. The annual rate of GDP growth remained below-trend, at 1.1%.

Then the coronavirus pandemic very rapidly changed everything. Covid-19, which had first appeared in China in December 2019, started spreading across the globe, causing plummeting sentiment and falls in financial markets not seen since the Global Financial Crisis, as part of a flight to quality into sovereign debt and other perceived 'safe' assets.

In response to the spread of the virus and the sharp increase in those infected, governments enforced lockdowns and central banks and governments around the world cut interest rates and introduced massive stimulus packages, in an attempt to reduce some of the negative economic impact to domestic and global growth.

The Bank of England, which held its Base Rate steady at 0.75% through most of 2019-20, moved to cut rates to 0.25% in March 2020 and then swiftly reduced them further, to a record low of 0.10%. In conjunction with these cuts, the Government introduced a number of measures to help businesses and households impacted by a series of ever-tightening social restrictions, culminating in what was, in substance, the entire lockdown of the United Kingdom.



The United States economy grew at an annualised rate of 2.1% in the last three months of 2019. After escalating trade wars and a protracted stand-off, the signing of Phase One of the trade agreement between the United States and China in January 2020 was initially positive for both economies, but Covid-19 severely impacted sentiment and production in both countries. Against a slowing economic outlook, the United States Federal Reserve began cutting rates in August 2019. Following a series of five cuts, the largest of which were in March 2020, the target interest rate fell from 2.5% to a range of 0% - 0.25%. The United States government also unleashed a raft of Covid-19 related measures and support for its economy, including a \$2 trillion fiscal stimulus package.

With interest rates already on (or below) the floor, the European Central Bank held its base rate at 0% and deposit rate at -0.5%.

### **Financial markets**

Financial markets suffered a rapid sell-off of securities, such as shares and bonds, as the impact of Covid-19 worsened. After starting positively in 2020, the FTSE 100 fell over 30% at its worst point, with stock markets in other countries seeing similar huge falls. In March 2020 Sterling fell to its lowest level against the US dollar since 1985. The measures implemented by central banks and governments helped to restore a degree of confidence and financial markets regained some losses but remain extremely volatile. The flight to quality caused gilts yields to fall substantially. The 5-year benchmark gilt yield fell from 0.75% to 0.26% over the period. There were similar falls in the 10-year and 20-year gilt yields over the same period, dropping from 1% to 0.4% and from 1.47% to 0.76%, respectively. 1-month, 3-month and 12-month bid rates averaged 0.61%, 0.72% and 0.88% respectively over the period. In the first three months of 2020, the yield on 2-year US treasuries fell from 1.57% to 0.20% and for 10-year treasuries the fall was from 1.88% to 0.61%. German Bund yields remained negative.

### **Credit background**

In the first three months of 2020, the Bank of England announced its latest stress tests results for the main seven UK banking groups. All seven passed on both a common equity Tier 1 (CET1) ratio and a leverage ratio basis. Under the test scenario the banks' aggregate level of CET1 capital would remain twice their level before the 2008 financial crisis.

Credit Default Swap spreads rose sharply in March 2020, as the potential impact of Covid-19 on bank balance sheets gave cause for concern. Spreads declined from late March 2020 to mid-April but remained above their initial 2020 levels.

Fitch downgraded the UK sovereign rating to AA- in March, which was followed by a number of actions on UK and Non-UK banks. Although the UK and Non-UK banks on the counterparty list of the Council's Treasury Management Advisor remained in a strong and well-capitalised position, the duration advice on all these banks was cut to 35 days in mid-March 2020.

**(iii) Local Context**

On 31 March 2020, the Council had net borrowing of £103.094m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in table 1 below.

Table 1: Balance Sheet Summary

	<b>31.3.20</b>
	<b>Actual</b>
	<b>£m</b>
General Fund CFR	525.169
Less: *Other debt liabilities	-68.878
<b>Borrowing CFR</b>	<b>456.291</b>
Less: Usable reserves	-305.525
Less: Working capital	-47.672
<b>Net borrowing</b>	<b>103.094</b>
<b>Borrowing CFR is comprised:</b>	
External borrowing	329.974
Internal borrowing	126.317
	<b>456.291</b>

\* finance leases, PFI liabilities and transferred debt that form part of the Council's total debt.

The Council's strategy was to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low. The treasury management position as at 31 March 2020 and the year-on-year change is shown in table 2 below.

Table 2: Treasury Management Summary

	<b>31.3.19 Balance £m</b>	<b>2019-20 Movement £m</b>	<b>31.3.20 Balance £m</b>	<b>31.3.20 Rate %</b>
Long-term borrowing	286.624	-9.150	277.474	4.57
Short-term borrowing	26.500	26.000	52.500	0.30
<b>Total borrowing</b>	<b>313.124</b>	<b>16.850</b>	<b>329.974</b>	<b>3.89</b>
Long-term strategic pooled funds	68.244	-7.776	60.468	4.32
Long-term investments	23.510	-8.510	15.000	1.78
Short-term investments	144.709	-61.797	82.912	1.42
Cash and cash equivalents	36.700	31.800	68.500	0.98
<b>Total investments</b>	<b>273.163</b>	<b>-46.283</b>	<b>226.880</b>	<b>2.13</b>
<b>Net borrowing</b>	<b>39.961</b>	<b>63.133</b>	<b>103.094</b>	

### Borrowing Activity

At 31 March 2020, the Council held £329.974m of loans, an increase of £16.850m, as part of its strategy for funding previous and current years' capital programmes. The year-end external borrowing position and the year-on-year change is shown in table 3 below.

Table 3: External Borrowing Position

	<b>31.3.19 Balance £m</b>	<b>2019-20 Movement £m</b>	<b>31.3.20 Balance £m</b>	<b>31.3.20 Interest Rate %</b>	<b>31.3.20 WAM* Years</b>
Public Works Loan Board	271.624	-9.150	262.474	4.56	18
Banks (LOBO)	5.000	0	5.000	4.50	19
Banks (fixed-term)	10.000	0	10.000	4.69	24
Local authorities (short-term)	26.500	26.000	52.500	0.30	0
<b>External Borrowing</b>	<b>313.124</b>	<b>16.850</b>	<b>329.974</b>	<b>3.89</b>	<b>18</b>

\*WAM – Weighted Average Maturity

The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with

flexibility to renegotiate loans being a secondary objective, should the Council's long-term plans change.

In furtherance of these objectives, no new long-term borrowing was undertaken in 2019-20, while £9.150m of existing loans were allowed to mature without replacement. This strategy enabled the Council to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

With short-term interest rates remaining much lower than long-term rates, the Council considers it to be more cost effective in the near term to use both internal resources and short-term loans instead. The net movement in short-term loans is shown in table 3 above.

The internal borrowing (reserves and working capital) of the Council at 31 March 2020 was £126.317m. If the Council had externally borrowed £126.317m over 18 years at a rate of 2.56% (the PWLB Certainty rate for 18 years, the average length of borrowing), the Council would have incurred additional interest of £3.234m. If the Council had invested this sum of £126.317m at 2.13% (the Council's investment return for 2019-20, including pooled funds), then the Council would have received £2.691m of interest. In 2019-20, the Council saved net interest of £0.543m by utilising internal borrowing.

The Council continues to hold a £5.000m LOBO (Lender's Option Borrower's Option) loan, where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option during the year.

### **Other Debt Activity**

After £4.104m repayment of prior years' Private Finance Initiative contracts, finance leases and transferred debt liabilities, total debt other than borrowing stood at £68.878m on 31 March 2020, taking total debt to £398.852m.

### **Treasury Investment Activity**

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2019-20, the Council's investment balance ranged between £218.195m and £403.008m, because of timing differences between income and expenditure. The year-end investment position and the year-on-year change is shown in table 4 below.

Table 4: Investment Position (Treasury Investments)

	<b>31.3.19 Balance £m</b>	<b>2019-20 Movement £m</b>	<b>31.3.20 Balance £m</b>	<b>31.3.20 Income Return %</b>	<b>31.3.20 WAM* days</b>
Banks and building societies (unsecured)	56.201	-18.799	37.402	1.02	23
Government (including local authorities)	138.010	-31.500	106.510	1.43	131
Corporate Bonds	10.709	-10.709	0	N/A	N/A
Registered Social Providers	0	5.000	5.000	2.15	696
Money Market Funds	0	17.500	17.500	0.71	1
Pooled Funds – Strategic Bond Funds	4.865	-0.377	4.488	2.19	N/A
Pooled Funds – Equity Income Funds	14.362	-4.034	10.328	5.31	N/A
Pooled Funds – Property Funds	24.106	-0.496	23.610	4.41	N/A
Pooled Funds – Multi Asset Income Funds	24.910	-2.868	22.042	4.21	N/A
<b>Total investments</b>	<b>273.163</b>	<b>-46.283</b>	<b>226.880</b>	<b>2.13</b>	<b>N/A</b>

\*WAM – Weighted Average Maturity

Both the CIPFA Code and Government guidance require the Council to invest its funds prudently and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

In furtherance of these objectives and given the increasing risk and low returns from short-term unsecured bank investments, the Council diversified into higher yielding, asset classes. As a result, the average rate of income return on investments has increased to 2.13%. This compares to 1.26% on traditional investments.

The progression of credit risk and return metrics for the Council's investments managed in-house are shown in the extracts from the Council's external

investment advisor's (Arlingclose) quarterly investment benchmarking in table 5 below.

Table 5: Investment Benchmarking – Treasury investments managed in-house

	<b>Credit Score</b>	<b>Credit Rating</b>	<b>Bail-in Exposure</b>	<b>Weighted Average Maturity (days)</b>	<b>Rate of Return %</b>
31.03.2019	4.15	AA-	33%	201	1.92
31.03.2020	4.15	AA-	33%	110	2.13
Similar Local Authorities	3.83	AA-	41%	644	1.55
All Local Authorities	4.03	AA-	56%	20	1.23

The global economic fallout of the Covid-19 pandemic was sharp and large, impacting on 2019-20 returns. Market reaction was extreme with large falls in equities, corporate bond markets and, to some extent, real estate, echoing lockdown-induced paralysis and the uncharted challenges for governments, businesses and individuals. Volatility was almost as high as during the global financial crisis of 2008-09, evidenced in plummeting equity prices and the widening of corporate bond spreads, very close to rivalling those twelve years ago. Gilt yields fell but credit spreads widened markedly, reflecting the sharp deterioration in economic and credit conditions associated with a sudden stagnation in economies, so corporate bonds yields (comprised of the gilt yield plus the credit spread) rose and prices therefore fell.

At 31 March 2020, the Council's portfolio of externally managed pooled strategic bond, equity, property and multi-asset funds amounted to £59.892m. The Council holds these funds with the aim of receiving regular revenue income and because over the long-term their prices are relatively stable. However, falls in the capital values of the underlying assets were reflected in 31 March 2020 fund valuations, with every fund registering negative capital returns over twelve months to March 2020. During 2019-20 the Council's pooled funds generated a net total loss of £5.232m (-7.68%), comprising a £3.120m (4.54%) income return, which has been used to support services in 2019-20, and a £8.352m (-12.22%) unrealised capital loss. The value of these pooled funds was £61.704m at 30 September 2020, which is an increase of £1.812m since 31 March 2020, reducing the unrealised capital loss.

These pooled funds have no defined maturity date but are available for withdrawal after a notice period. Their performance and continued suitability in meeting the Council's investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down over months, quarters and even years; but with the

confidence that over a three to five-year period total returns will exceed cash interest rates. The Council is using the alternative fair value through profit and loss (FVPL) accounting method to account for these funds, which means that if there are any long term unrealised losses in the funds' fair values there will not be an impact on the Council's General Reserve balance until 2023-24 at the earliest. In light of their performance over the medium-term and the Council's latest cash flow forecasts, investment in these funds has been maintained.

### **Other Non-Treasury Holdings and Activity**

The definition of investments in CIPFA's revised Treasury Management Code covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. This is replicated in the Ministry of Housing, Communities and Local Government's (MHCLG) Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return. This includes service investments for operational and/or regeneration, as well as commercial investments which are made mainly for financial reasons.

At 31 March 2020, the Council held £12.268m of investments in loans to local businesses and subsidiaries, with the whole balance being in respect of a regeneration loan to Buxton Crescent Hotel & Thermal Spa Co Ltd. This represents an increase on the previous year of £4.860m because of further investment in the company. This investment generated £0.878m of interest for the Council, after taking account of direct costs, representing a rate of return of 4.65%. This interest has been capitalised and is included in the value of the outstanding loan at 31 March 2020. The loan will become repayable one year after the Buxton Crescent hotel opened, on 1 October 2021.

### **Treasury Performance**

The Council measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 6 below. Investment benchmarking is performed quarterly and debt benchmarking is performed annually. Debt benchmarking is performed less frequently than investment benchmarking because of the long term nature of debt the Council holds, as opposed to the shorter term nature of the Council's investments.

Table 6: Performance

	<b>Actual £m</b>	<b>Budget (CFR) £m</b>	<b>Over/ (Under) £m</b>	<b>Interest Actual %</b>	<b>Interest Other LA (Counties) Benchmark %</b>	<b>Interest Over/ (Under) %</b>
Borrowing	14.295	17.126	-2.831	4.30	3.42	0.98
Investments	-6.011	-6.000	-0.011	2.13	1.55	0.58

The Council's average interest rate on borrowing is higher than the Other Counties Benchmark as all the Council's longstanding debt was taken before the global financial crisis, when interest rates were significantly higher. The Council uses a strategy of internal borrowing, as the saving from not borrowing is greater than the interest foregone on investments, even at the lower prevailing interest rates.

The Council achieved its 2019-20 investment target and continued to exceed the Other Counties Benchmark.

### **Compliance Report**

The Director of Finance & ICT reports that all treasury management activities undertaken during 2019-20 complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy.

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 7 below and compliance with specific investment limits is demonstrated in table 8 below.

Table 7: Debt Limits

	<b>2019-20 Maximum £m</b>	<b>31 March 2020 Actual £m</b>	<b>2019-20 Operational Boundary £m</b>	<b>2019-20 Authorised Limit £m</b>	<b>Complied</b>
Total debt	454.502	398.852	625.000	655.000	✓



Table 8: Investment Limits

	2019-20 Maximum *	2019-20 Limit	March 2020 Actual	Complied
	£m	£m	£m	
Any single organisation, except UK Central Government (+£30m Lloyds (Main Bank))	52.907	60.000	31.402	✓
Any group of organisations under the same ownership	30.000	30.000	17.500	✓
Any group of pooled funds under the same management	29.626	30.000	27.766	✓
Negotiable instruments held in a broker's nominee account	10.709	100.000	0	✓
Foreign countries	0	50.000	0	✓
Registered providers	5.000	50.000	0	✓
Unsecured investments with Building Societies	0	100.000	0	✓
Money Market Funds – Total	130.037	200.000	17.500	✓
Non Treasury Investments (loans to unrated bodies)	12.268	50.000	12.268	✓

\*Maximum held at any one time.

### **Treasury Management Indicators**

The Council measures and manages its exposure to treasury management risks using the following indicators.

**Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted

by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	<b>31 March 2020 Actual</b>	<b>2019-20 Target</b>	<b>Complied</b>
Portfolio average credit rating	AA-	A	✓

**Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available within a rolling three-month period and additional borrowing secured without giving prior notice.

	<b>31 March 2020 Actual £m</b>	<b>2019-20 Target £m</b>	<b>Complied</b>
Total cash available within 3 months	123.903	30.000	✓
Total sum borrowed in past 3 months without prior notice	72.500	30.000	✓

**Interest Rate Exposures:** This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed were:

	<b>31 March 2020 Actual</b>	<b>2019-20 Limit</b>	<b>Complied</b>
Upper limit on fixed interest rate exposure	83	100	✓
Upper limit on variable interest rate exposure	17	40	✓

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year, or the transaction date if later. All other instruments are classed as variable rate.

**Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	<b>31 March 2020 Actual</b>	<b>Upper Limit</b>	<b>Lower Limit</b>	<b>Complied</b>
	<b>%</b>	<b>%</b>	<b>%</b>	
Under 12 months	19	40	0	✓
12 - 24 months	0	20	0	✓
24 months - 5 years	5	20	0	✓
5 - 10 years	12	20	0	✓
10 - 20 years	29	40	10	✓
20 - 30 years	30	40	10	✓
Over 30 years	5	40	0	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

**Principal Sums Invested for Periods Longer than 365 days:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	<b>Beyond 31 March 2020 £m</b>	<b>Beyond 31 March 2021 £m</b>	<b>Beyond 31 March 2022 £m</b>
Actual principal invested beyond the year end	87.160	72.160	72.160
Limit on principal invested beyond the year end	150	125	100
Complied	✓	✓	✓

### Other

**IFRS 16:** CIPFA/LASAAC has proposed delaying the implementation of the new IFRS 16 Leases accounting standard for a further year to 2021-22.

### 3 Considerations

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

#### **4 Background Papers**

Treasury Management Strategy 2019-20.

Papers held electronically by Technical Section, Finance & ICT Division, Room 137.

#### **5 Key Decision**

No

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

No

#### **7 Officer's Recommendation**

That Cabinet notes the Treasury Management Annual Report 2019-20 and notes the Council's compliance with the prudential indicators set by Council for 2019-20, in accordance with the terms of the Treasury Management in the Public Services: Code of Practice and Cross-Sectorial Guidance Notes 2017.

PETER HANDFORD

Director of Finance & ICT

**Agenda Item No. 6(c)**

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**19 November 2020**

Report of the Director – Economy, Transport and Environment

**TEMPORARY PAYMENT ARRANGEMENTS TO BUS, COACH AND TAXI OPERATORS FOR CONTRACTED TRANSPORT SERVICES AND CONCESSIONARY FARES REIMBURSEMENT DUE TO CORONAVIRUS ONGOING MEASURES (HIGHWAYS, TRANSPORT AND ENVIRONMENT)**

(1) **Purpose of Report** To note the urgent Officer Decision for the payment arrangements to bus, coach and taxi operators for contracted Council transport services and concessionary fares reimbursement after the current provision ends on 31 October 2020.

(2) **Information and Analysis** On 20 March 2020, following the worsening health situation and the Government's more specific advice in relation to travel by public transport, it became clear that urgent action was required to secure the short term future of the Council's contract transport services and public bus services more generally. The Executive Director - Economy, Transport and Environment therefore made an emergency decision to guarantee continuation of the normal contractual payments made to transport providers who operated the following services for the Council:

- Adult Social Care and Health (ASCH) Transport Services.
- Contracted Local Bus Services.
- 'Derbyshire Connect' Services.
- Mainstream Home to School Transport Services.
- Special Education Needs and Disabilities (SEND) Home to School Transport.
- Swimming services for primary schools (normally recharged to schools but during initial lockdown from March 2020 to July 2020 this cost was absorbed by Children's Services).

At the same time, the Executive Director also agreed to maintain payments to bus operators for accepting English National Concessionary Travel Scheme cards, known as Gold Card in Derbyshire, based on the level of travel before the pandemic. Both of these arrangements were to continue until 30 June 2020.

This urgent decision was the subject of an Officer Decision Record (ODR) agreed by Gold CMT on 20 March 2020. It was also reinforced with a Cabinet Office 'Procurement Policy Note' 02/20 (PPN) about supplier relief. The guidance advised public bodies to issue a memorandum of understanding to suppliers about terms of payment relief to allow for them to undertake other civic duties in the national emergency. A variation of contract notice was issued and agreed by all transport providers in Derbyshire.

These payments ensured that service providers were able to continue to operate Council services where required to do so and to undertake alternative activities, such as taking food and medical supplies to people who had no access to any other transport when the normal contractual services were not necessary, for example, due to the closures of schools or day centres. These actions also allowed the network of conventional bus services to continue to operate allowing key workers to travel as required. Making the payments also gave the various operators some certainty about their short term financial stability and allowed them to be available to resume full services when required.

On 25 March 2020, the Department for Transport (DfT) issued guidance nationally to all local transport authorities that they needed to take the same actions in their own areas. At the same time they also provided emergency direct funding to bus companies to allow them to continue to operate their commercial services for the time being.

On 4 June 2020, the Executive Director - Economy, Transport and Environment made a further urgent decision to continue with these payment arrangements until 31 October 2020 because of the continued uncertainty around future transport requirements as a result of the COVID-19 pandemic. This decision was subsequently confirmed by the Cabinet Member - Highway, Transport and Infrastructure at the meeting on 9 July 2020. In addition, it reflected a further Government PPN 04/20, which issued further advice to public bodies about continued payment and transitional relief arrangements.

The transport sector is exceptionally vulnerable to changes in the economy and shocks, such as Coronavirus (COVID-19) have had a devastating impact. Commercial bus services, day excursions, airport runs and most other types of journey have either been significantly reduced or cancelled altogether since the lockdown began in March 2020. Even at the time of writing (mid-October), this level of uncertainty has not improved and to some degree, has actually worsened. The UK is now experiencing a significant increase in the number of reported COVID-19 cases and the national/local response is varying, based on a 'three tier system'. This has resulted in unclear and unconfirmed national policy for support to the public and supported transport network since September 2020 and has also meant that forward planning for 'return to

service' in areas such as education, adult day care etc has been exceptionally difficult as circumstances have changed almost daily.

Whilst there are still many uncertainties about the continued impact of COVID-19 on the Council's contracted transport and public bus services, more generally, there have been a number of changes since the date of the original decision on 4 June 2020. These include:

- The full re-opening of schools and colleges at the beginning of September 2020 and the reintroduction of Mainstream and SEND home to school transport services. In some cases, more services are now being provided to ensure the social distancing of pupils. These additional services are being funded with temporary grant monies until 31 December 2020 provided by the Department for Education.
- Small scale re-opening of some ASCH day centres to provide for emergency placed clients.
- The reintroduction of the majority of the Contracted and Commercial Local Bus Services across Derbyshire.
- The reintroduction of the majority of the Derbyshire Connect services.
- Changes to the Government's advice around the use of public transport more generally.
- The continuation of the DfT's direct funding to bus operators and local authorities through the COVID-19 Bus Service Support Grant (CBSSG) to help services resume.

However, many of the fundamental concerns which led to the Executive Director's urgent decision continue to be valid, including:

- The continued probability that transport operators will go out of business without further support.
- The limited availability of Public Service Vehicle drivers.
- The lack of alternative capacity in the market to allow other operators to pick up additional business within a short timescale.
- The continued costs being faced by bus operators to maintain their 'O Licence' which includes maintaining 'financial standing' in their bank account, vehicle insurance and vehicle maintenance.
- Self-employed nature of many taxi drivers which mean they are very vulnerable to the economic shock of COVID-19.
- Continued low levels of bus use with Contracted and Commercial Local Bus Services carrying between 40%-70% fewer passengers than the same time in 2019.

In addition, there continues to be a lack of clarity on a number of issues including DfT advice around using public transport and school services under the various localised restriction regimes and the continuation of Government funding streams, such as CBSSG. When advice does appear it is often

superseded by other changes shortly after which makes any kind of medium term planning very difficult.

Also, decisions on key elements of future demand from other departments within the Council have only recently been taken. For example, although a small number of ASCH day centres have re-opened for emergency placements and six larger centres are being opened in the near future, it will still only leave approximately a third of the ASCH Adult Care contracts fully operational, with no imminent plans to re-open the remaining day services. However, it is likely that due to social distancing, combined with the reduced capacity able to safely attend day services, there will be a greater demand for transport at some centres than currently. Therefore, it is proposed the Council will implement the variation contract agreement to utilise the spare capacity to support this demand at no additional cost. As a result, the Adult Care Senior Management Team has only recently been able to confirm that it is willing to continue to support its transport services as part of its on-going planning to re-open day services.

The Specialised Transport Team normally commissions transport to swimming classes on behalf of Children's Services at an annual cost of approximately £450,000. This, in turn, is then recharged by them to the individual schools concerned. Due to the continuing and (currently) escalating number of COVID-19 cases within schools and changing policies around gyms and pools, no such provision has yet been commissioned this term and it is now clear that swimming lessons will not recommence until January 2021 at the earliest, with a reduced 20 week programme. This is 10 weeks fewer than normal. This will further affect the income for coach operators who have been significantly affected already by the cancellation of day and holiday excursions, school trips and private hire bookings, leaving some operators exceptionally vulnerable. However, following discussions with Childrens Services, it has become clear that maintaining the payment arrangement that were in place from March to July where 100% of contract prices were paid to operators is no longer appropriate or affordable. Therefore, no payments will be made for swimming contracts for the autumn term and the situation will be reviewed for the spring term 2021.

Having regard to the changing situation and continued advice from the DfT around councils maintaining payments for concessionary fares and supported services, the Director considered the following proposals in respect of payments from 1 November 2020:

- Payments for Adult Care transport to be reduced to 75% of the contracted levels for those services which continue not to operate due to the closure of the day care centre concerned. Services which are operating normally will be paid at 100% of the contracted levels. ASCH and Economy, Transport and Environment Specialised Transport will urgently review the



remaining transport contracts with a view to creating a transitional plan to assess where services may need to be re-designed or terminated from January 2021.

- Payments for Contracted Local Bus Services remain at 100% of contract levels as services are now operating and concerted efforts are being made to promote the safe use of public transport.
- Payments for Derbyshire Connect Services remain at 100% as services are now operating and similar concerted efforts are being used to promote its safe use.
- Payments for Mainstream Home to School Transport Services remain at 100% as services are now operating.
- Payments for SEND Home to School Transport remain at 100% as services are now operating.
- Payments for swimming transport services during the autumn term, from September 2020 to December 2020, will be reduced to 0% of contracted costs. The existing contractual arrangements will however remain in place in the anticipation that services can resume as normal at the start of the new school term in January. Were this to happen then 100% of contractual payment would resume. If swimming services do not resume in the spring term, a further review will take place between the Economy, Transport and Environment Department and Children's Services about the suspended contracts
- Concessionary Fares payments continue to be made based on the level of bus travel before the pandemic.

Due to the dynamic nature of the virus and the need to introduce local restrictions to take account of this, the Director also considered the following further proposals:

- Should local lockdown arrangements be introduced that require the withdrawal of any local bus, Derbyshire Connect, Mainstream or SEND Home to School transport services or Adult Care services in the affected area, then payments would be reduced to 75% of the contracted levels for those services until such time as normal services could be reintroduced or until the proposed review is completed and alternative recommendations are made, whichever is soonest.
- Should a transport operator be unable to fulfil a contracted service due to instruction by an authorised body (such as NHS Test and Trace) that a driver or passenger assistant must self-isolate, then the operator should find a replacement member of staff to cover that service. However, in the extreme circumstance that an entire company has to self-isolate and therefore is unable to provide any contracted services, then payments will be reduced to 75% of the contracted level until such time as normal services are resumed.

In view of the need to take an urgent decision in respect of payments because there was no scheduled meeting of Cabinet, the Director – Economy, Transport and Environment agreed that the suggested arrangements as set out above should remain in place until 31 March 2021, or until the proposed review is completed and alternative recommendations are made, whichever is soonest.

### **Alternative Options**

In considering the most appropriate way forward, the Director – Economy, Transport and Environment considered a number of issues which were taken into account and other options assessed.

The Council is firmly and clearly committed to ensuring value for money in everything it does, and this meant not paying for goods and services that were not due to be received. However, the exceptional circumstances that are being faced nationally; the changing/late/unclear advice from Government; the precarious nature of the external market for transport operators; and the changing/unclear forward demands of customers such as schools and care centres, etc, means that competing issues had to be balanced and a view taken on how best to protect not only the public purse, but the economic and social wellbeing of local residents and businesses.

With this in mind, other funding/support options were considered and these are set out below:

- 1) Continue with the current arrangements in place since March 2020 – this is not considered appropriate as continuing to make full payments for services which are not operating and are unlikely to do so in the near future, is not financially sustainable in the medium to long term. However, in terms of the ASCH contracts, this will be subject to a review which will be carried out in November/December 2020 and may require some contracts to be terminated.
- 2) Do nothing and removal all payments for services not operating from 1 November 2020 – this is not considered an appropriate option given the significance of the economic and social impact on passengers and local businesses, and the difficulties that would be faced in resuming operations once the crisis has passed. It also is contrary to DfT advice (PPN 04/20) and the need to review and re-design services, particularly in ASCH.

On balance, it was therefore considered that the ‘Proposal’ as set out above, represented the most appropriate way forward. The urgent decision taken by the Director – economy, Transport and Environment makes it clear what services are being paid for, and why and efforts have been made to ensure there is no ‘double compensation’ being paid- i.e. by the Council and any other party – e.g. the Government paying towards ‘furlough’.

(3) **Financial Considerations** The Council has a total of around £35m committed expenditure per annum across these services. This includes around £10m of concessionary fare payments which is a statutory duty. Any saving against this planned expenditure would be ‘windfall’ but a wider consideration is the social and economic value of helping bus operators and transport contractors to survive this period of uncertainty so that service provision can immediately be resumed, when required, as the lockdown/local restrictions are eased. The source of demand, such as schools or Adult Care centres, cannot sustain any lengthy time delays.

(4) **Legal Considerations** The Council’s Constitution provides that:

*“...notwithstanding any other provision of the Constitution, the Executive Directors shall have power, after discussion, if practicable, with the Leader of the Council or the relevant Cabinet Member or Chair, to take such action deemed to be necessary and expedient in matters requiring urgent consideration and which, because of the timescales involved, or the need to safeguard the interests of the County Council, cannot be dealt with by submission to the next following meeting of the Council, Cabinet, Cabinet Member or Committee.”*

Section 63(1) of the Transport Act 1985 places a duty on Derbyshire County Council to secure the provision of ‘such passenger transport services as the Council considers appropriate to meet any public transport requirement within Derbyshire which would not, in its view, be met, apart from any action taken by them for that purpose’.

Under Section 63(8) of the Act, the Council also has a duty to have regard to the transport needs of members of the public who are elderly and disabled when exercising the Section 63(1) duty referred to above.

Under Section 508B and Schedule 35B of the Education Act 1996, local authorities are under a duty to provide free school transport to ‘eligible children’, and under Section 508A of the Education Act 1996.

(5) **Equality and Diversity Considerations** Ordinarily, significant changes relating to home to school transport, SEND transport, Adult Care transport and local bus service provision are usually the subject of public consultation. However, these temporary measures are considered urgent due to the unprecedented situation caused by the COVID-19 pandemic and its impact on the resumption of safe passenger travel.

(6) **Human Resources Considerations** The workforce which undertakes these contracted transport services are drivers and passenger assistants who are either employees or sub-contractors of external providers. It should be noted there may be local difficulties with some companies where

a number of their driving personnel remain unable to work due to COVID-19 shielding measures. Suppliers have been asked to make the transport teams aware of any difficulties in fulfilling the terms of their contracts due to personnel shortages, and this has not presented any insurmountable issues to date.

**(7) Environmental and Health Considerations** Whilst making the full contractual and concessionary fare payments does not present practical environmental or health considerations, there are significant concerns from a transport operational perspective in responding to the Government directive. These concerns fall into the following categories:

- Social distancing (school transport and local bus services) – reduced provision due to social distancing requirements.
- Social distancing (SEND) and ASCH services – necessary to reduce capacity to one student and passenger assistant in one taxi and 2-3 students on a 16 seat minibus (depending if one travels in a wheelchair).
- Capacity of vehicles – the market does not have the drivers or vehicles to supply a large amount of additional routes.
- Operator concerns – age/gender profile of many drivers (older males); driver availability as some remain shielded; handling of cash; risk of transmission; enforcement of mask wearing and adherence to social distancing by students; limiting numbers alighting the vehicle at bus stops, etc.
- Personal Protective Equipment (PPE) availability and conformity – particularly relevant for the transport of SEND students who typically travel in smaller vehicles, such as taxis with an accompanying passenger assistant. Some SEND children have challenging behaviours (such as spitting, touching) and some require personal contact during the journey to school.

**(8) Social Value Considerations** The Council issues free bus passes to students who have a statutory entitlement to travel assistance to enable them to travel to school on the contracted school bus network. The Gold Card concessionary pass system also allows older people and those with specific disabilities to use bus services at no charge.

It should be noted that the transport suppliers and many of the operators impacted by the proposals in this report are local small and medium enterprises (SMEs). Continuing with the payments will thereby help to protect jobs and the local economy, at least for the immediate future.

## **Other Considerations**

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, property and transport considerations.

(9) **Key Decision** Yes.

(10) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? Not applicable.

(11) **Background Papers** None.

(12) **OFFICER'S RECOMMENDATION** That Cabinet notes the urgent Officer Decision of the Director - Economy Transport and Environment and the introduction of the proposed revision in payment arrangements to bus, coach and taxi for contracted Council transport services and concessionary fares reimbursement from 1 November 2020 to 31 March 2021, in response to measures required as a result of the Coronavirus (COVID-19) pandemic

**Tim Gregory**  
**Director – Economy, Transport and Environment**

**DERBYSHIRE COUNTY COUNCIL  
OFFICER DECISION AND DECISION REVIEW RECORD**

Officer: Tim Gregory <i>*For emergency powers, this would be the Executive Director</i>		Service: Economy Transport and Environment
Delegated Power Being Exercised: <i>*The delegation detailed in the Constitution to the specified officer or emergency powers</i>		
Subject of Decision: (i.e. services affected)	Payment arrangements due to the ongoing Covid-19 situation for Adult Social Care and Health Transport Services, Contracted Local Bus Services, Derbyshire Connect Services, Mainstream Home to School Transport Services, Special Educational Needs and Disabilities Home to School Transport Services and Swimming Transport. Also payments to bus operators for concessionary fares reimbursement.	
Is this a review of a decision? If so, what was the date of the original decision?	<p>Original decision taken 20<sup>th</sup> March 2020 to pay the full contractual payment for those operators providing transport services to the Council under contract for 3 months. This decision was taken in line with Government policy (Procurement Policy Note PPN 02/20). This was extended until 31<sup>st</sup> October 2020 following Executive Director decision taken on the 4<sup>th</sup> June 2020 and further Government guidance PPN 04/20.</p> <p>This review seeks to alter some of the arrangements taking account of the ongoing change in circumstances and to provide certainty to the transport market by ensuring these new payment arrangements for services under contract continue until the end of March 2021. These changes are also in line with current Government policy.</p>	
Key decision? If so have Democratic Services been notified?	Yes key decision	
Decision Taken (specify precise details, including the period over which the decision will be in place and <b>when it will be (further) reviewed</b> ):	<p>Following a review of current Government policy, the ongoing high level of uncertainty for affected services (e.g. adult day care) and the level of vulnerability being experienced by the transport operators a decision is required to alter some of the contractual payment arrangements for those operators providing transport services to the Council under contract which have been in place since 20<sup>th</sup> March 2020. The proposals relate to the following areas of service delivery:</p> <ul style="list-style-type: none"> <li>• Adult Social Care and Health (ASCH) Transport Services</li> <li>• Contracted and Commercial Local Bus Services</li> <li>• Derbyshire Connect Services</li> <li>• Mainstream Home to School Transport Services</li> <li>• Special Educational Needs and Disabilities (SEND) Home to School Transport Services</li> <li>• Swimming Transport</li> </ul> <p>In summary, the proposals are to:</p> <ul style="list-style-type: none"> <li>• Maintain until the end of March 2021 the existing arrangement of full 100% contract payments for all those local bus, Derbyshire Connect, Mainstream or</li> </ul>	

	<p>SEND Home to School transport services or Adult Care services which are now operating.</p> <ul style="list-style-type: none"> <li>• Payments for ASCH Transport Services which are not operating due to the continued closure of the day care centre concerned, will be reduced to 75% of normal contract levels from 1<sup>st</sup> November 2020 and subject to a review between ETE and ASCH.</li> <li>• Payments for swimming transport contracts in the autumn school term until the end of December 2020 be reduced to 0% of contracted costs as no further funding is available from either the Children and Young People department or ETE to continue the arrangements in place from March to July 2020. The contracts will however remain in place in anticipation that services can start again when the new school term begins in January. If services do not resume in January 2021, then a review will take place between ETE and Children’s Services about the suspended contracts</li> <li>• Should local lockdown arrangements be introduced that require the withdrawal of any contracted local bus, Derbyshire Connect, Mainstream or SEND Home to School transport or ASCH services in the affected area which are already operating , then payments would be reduced to 75% of the contracted levels for those services until such time as normal services could be reintroduced or until the proposed ASCH transport review is completed and alternative recommendations are made, whichever is soonest</li> <li>• In the extreme circumstance that an entire company providing transport for the Council has to self-isolate and therefore is unable to provide any contracted services, then payments will be reduced to 75% of the contracted level until such time as normal services are resumed.</li> <li>• These actions will ensure these services continue to be provided and allow the Council to amend them as necessary to meet changes in demand. It will also ensure the viability of the operators’ businesses where these services are not fully required at the moment.</li> </ul> <p>Also, to maintain the:</p> <ul style="list-style-type: none"> <li>• Concessionary fares reimbursement payments to bus operators using average concessionary passenger use up to March 2021 in line with Government advice.</li> </ul>
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	<p>These arrangements to be reviewed in February 2021, taking account of the latest Government guidance at the time.</p> <p>Note these new payment arrangements can be met from existing budgets and will not (with the exception of swimming transport) incur additional financial expenditure.</p>
<p>Reasons for the Decision (specify all reasons for taking the decisions including where necessary reference to Council policy and anticipated impact of the decision) Where the decision is subject to statutory guidance please state how this has been taken into consideration.</p>	<p>Following the Council’s decision on the 20<sup>th</sup> March to make these payments until the end of June, the Department for Transport issued a letter to all local transport authorities on the 25<sup>th</sup> March requiring them to take the same actions.</p> <p>A further letter was issued by the Department for Transport on the 20<sup>th</sup> May to transport operators which advised that local authority payments were to continue for the time being, along with other funding provided directly by the Department. As a result on the 4<sup>th</sup> June the Executive Director decided to extend the arrangements until the 31<sup>st</sup> October.</p> <p>Since the decision was taken to extend the original arrangement on 4<sup>th</sup> June there have been a number of changes, including-</p> <ul style="list-style-type: none"> <li>• The full re-opening of schools and colleges at the beginning of September 2020 and the reintroduction of Mainstream and SEND home to school transport services. In some cases, more services are now being provided to ensure the social distancing of pupils. These additional services are being funded with temporary grant monies until 31 December 2020 provided by the Department for Education.</li> <li>• Small scale re-opening of some ASCH day centres to provide for emergency placed clients.</li> <li>• The reintroduction of the majority of the Contracted and Commercial Local Bus Services across Derbyshire.</li> <li>• The reintroduction of the majority of the Derbyshire Connect services.</li> <li>• Changes to the Government’s advice around the use of public transport more generally.</li> <li>• The continuation of the DfT’s direct funding to bus operators and local authorities through the COVID-19 Bus Service Support Grant (CBSSG) to help services resume. It should be noted that a condition of CBSSG funding for local authorities is that local authorities maintain funding for concessions and local bus contracts at pre-Covid levels.</li> </ul> <p>However, many of the fundamental concerns which led to the Executive Director’s emergency decision continue to be valid, including-</p>



	<ul style="list-style-type: none"> <li>• The continued probability that transport operators will go out of business without further support.</li> <li>• The limited availability of Public Service Vehicle drivers.</li> <li>• The lack of alternative capacity in the market to allow other operators to pick up additional business within a short timescale.</li> <li>• The continued costs being faced by bus operators to maintain their 'O Licence' which includes maintaining 'financial standing' in their bank account, vehicle insurance and vehicle maintenance.</li> <li>• Self-employed nature of many taxi drivers which mean they are very vulnerable to the economic shock of COVID-19.</li> <li>• Continued low levels of bus use with Contracted and Commercial Local Bus Services carrying between 40%-70% fewer passengers than the same time in 2019.</li> </ul> <p>There also continues to be a lack of clarity on a number of issues including DfT advice around using public transport and school services under the various localised restriction regimes and the continuation of direct Government funding streams to transport operators. When advice does appear, it is often superseded by other changes shortly after which makes any kind of medium term planning very difficult.</p> <p>The Council has an agreed priority in the Corporate Plan to support sustainable economic growth and the use of public transport. Bus operators, private hire coach and the taxi sector are also critical in supporting the Council's statutory transport function in the areas of home to school, special needs and adult care travel. The council also has a statutory responsibility to operate the English national Concessionary Travel Scheme in Derbyshire.</p> <p>The Council has a total of around £35m committed expenditure (per annum) across these services – including around £10m worth of concessionary fare payments which is a statutory requirement. Any saving against this planned expenditure would be 'windfall' but a wider consideration is the social and economic value of helping bus operators and transport contractors to survive through this period of uncertainty so that service provision can immediately be changed when required as restrictions alter.</p>
Alternative Options Considered (if appropriate) and reasons for rejection of other options	<ol style="list-style-type: none"> <li>1) Continue with the current arrangements in place since March 2020 – this is not considered appropriate as continuing to make full payments for services which are not operating and are unlikely to do so in the near future, is not financially sustainable in the medium to long term. However, in terms of the ASCH contracts, this will be subject to a review which will be carried out</li> </ol>

	<p>in November/December 2020 and may require some contracts to be terminated.</p> <p>2) Do nothing and removal all payments for services not operating from 1 November 2020 – this is not considered an appropriate option given the significance of the economic and social impact on passengers and local businesses, and the difficulties that would be faced in resuming operations once the crisis has passed. It also is contrary to DfT advice (PPN 04/20) and the need to review and re-design services, particularly in ASCH.</p>
Has a risk assessment been conducted ?- if so what are the potential adverse impacts identified and how will these be mitigated?	No formal risk assessment has been conducted, however a review of the options has been considered and given the adverse impact on the transport market in Derbyshire and the users of these services, the recommendations are considered the best and most inclusive option
Would the decision normally have been the subject of consultation with service users and the public? If so, explain why this is not practicable and the steps that have or will be taken to communicate the decision	These proposals to alter the funding arrangements will not result in any major changes to the services provided but will instead allow them to continue to run. If the decision to continue making payments is not taken these services will rapidly cease to be provided as the operators run into financial difficulties. This will result in the Council being unable to meet its statutory duty to provide school, adult care and local bus transport
Has any adverse impact on groups with protected characteristics been identified and if so, how will these be mitigated?	The continuation of funding will ensure transport services to all of the nine protected characteristics groups including young and old people, and those with disabilities are maintained.
Background/Reports/Information considered and attached (including Legal, HR, Financial, Equality and other considerations as required))	<p>Officer Decision Report agreed at CMT Gold on 20 March 2020.</p> <p>Procurement Policy Note 02/20 issued by Cabinet Office on 20 March 2020.</p> <p>Department for Transport communications</p> <p>Officer decision on 4<sup>th</sup> June to extended funding provisions until 31<sup>st</sup> October 2020 following review and receipt of further Government guidance PPN 04/20</p>
Consultation with relevant Cabinet Member (s) – please note this is obligatory.	<p>Councillors Alex Dale and Jean Wharmby have been consulted on this revised proposal.</p> <p>CLlr Spencer is currently on holiday but has been consulted on the relevant previous proposals.</p>
Approval of Chair of appropriate Improvement and Scrutiny Committee where call in is intended to be waived – please note this is obligatory in those circumstances	
Decision:	To approve the alteration of payment to contracted operators for the provision of transport services as outlined above until end March 2021

Signature and Date: Tim Gregory

A handwritten signature in black ink, consisting of a stylized 'T' followed by 'GREGORY'.

22/10/2020

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**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**19 November 2020**

Report of the Director - Economy Transport and Environment

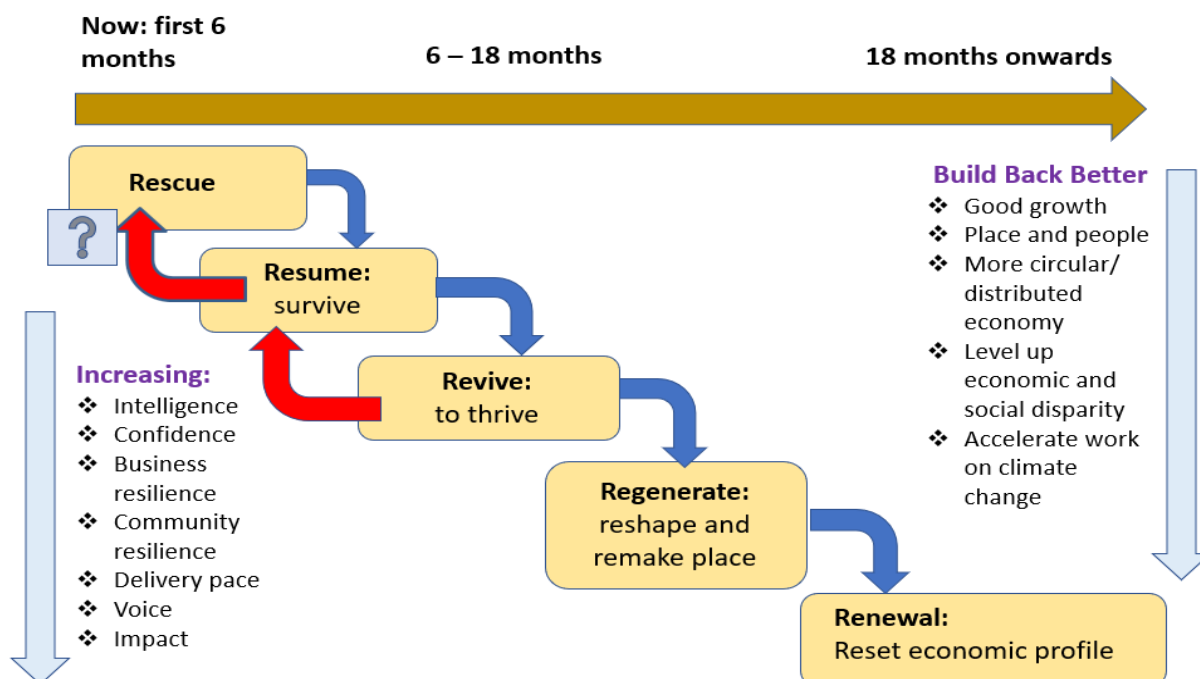
**DERBYSHIRE ECONOMIC PARTNERSHIP RECOVERY AND  
EMPLOYMENT AND SKILLS STRATEGY (CLEAN GROWTH AND  
REGENERATION)**

(1) **Purpose of Report** To endorse the Derbyshire Economic Recovery and Employment and Skills Strategy that has been prepared in response to the Coronavirus (COVID-19) pandemic by the Economic Recovery Cell.

(2) **Information and Analysis** The Council has provided a robust and dynamic response to the COVID-19 pandemic since March 2020 through its leadership of the Strategic Recovery Group (SRG) and associated workstreams, specifically the Economy, Business and Transport (EBT) Cell. This Cell, chaired by the Director - Economy and Regeneration, has corralled a wide range of strategic delivery partners, including representatives from further and higher education, local businesses, the Chamber of Commerce, Marketing Peak District and Derbyshire, bus and rail transport operators, district authorities, Government departments and many others.

The Cell has focused its efforts in developing a shared strategy and action plan that will guide economic recovery in the County over the short to long term (over the next five years and potentially, beyond). An evidence-based approach has been adopted that embeds the Government's principles to 'Build Back Better' by creating a more circular economy, leveling up economic and social disparity and accelerating work on climate change through a carefully crafted programme of interventions based around: 'Rescue – Resume - Revive – Regenerate – Renew'.

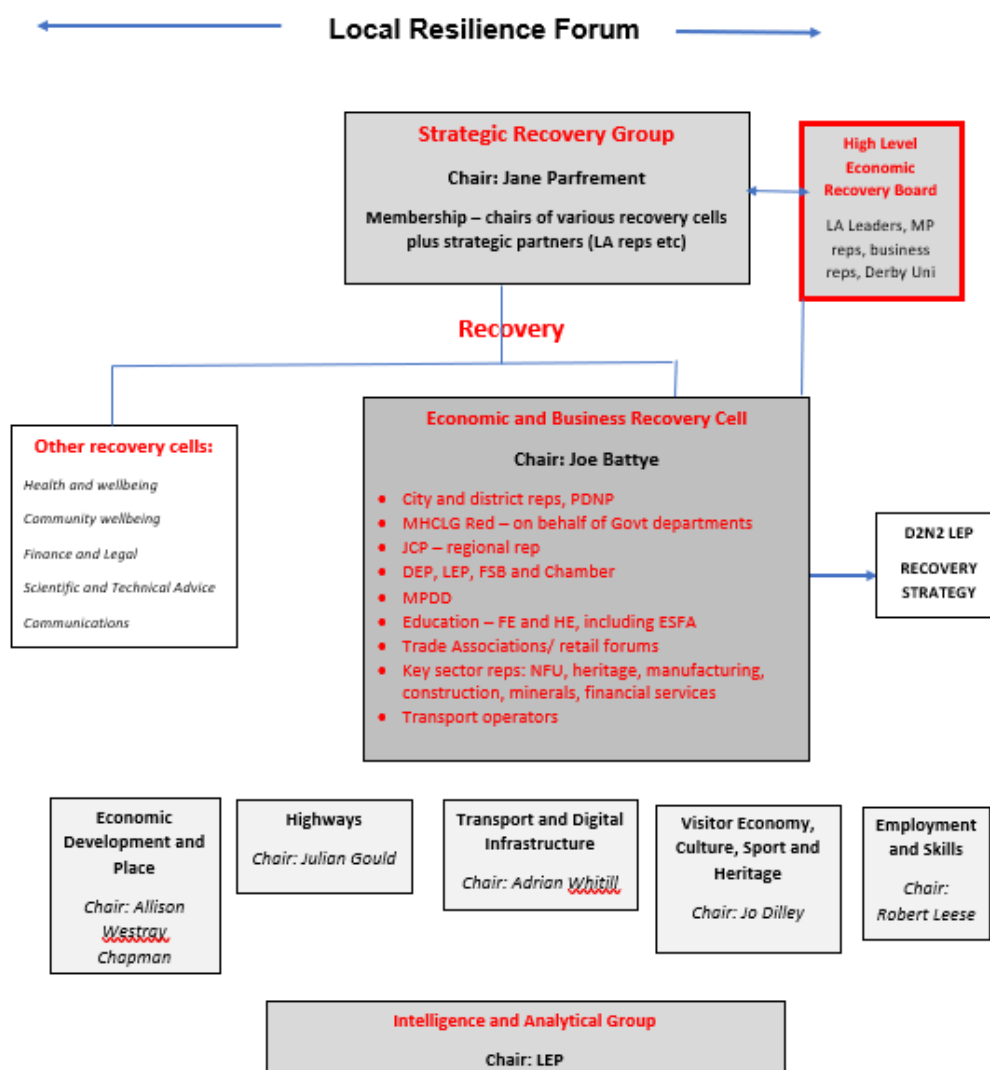
## Approach to Recovery



In ensuring a fully collaborative approach to preparation of the ‘Economic and Employment and Skills Recovery Strategy’ and action plan, Hatch Regeneris was appointed via the Derbyshire Economic Partnership (DEP) to support the work and provide external expertise, specifically around good practice advice, evidence-gathering and crafting of the written document.

Strong governance has been put in place not only to drive development of the Strategy but deliver the necessary interventions that have been identified. The governance arrangements include a ‘high level’ Economic Recovery Board chaired by the Leader of the County Council, with membership taken from all Derbyshire local authorities and industry leaders such as Henry Boot Ltd, Longcliffe Quarry and Toyota Manufacturing UK. The diagram below illustrates the arrangements. Further work is in progress to assess the governance arrangements that will be required for ensuring delivery and monitoring of progress.

DIAGRAM SHOWING RECOVERY GOVERNANCE



It is worth noting that the COVID-19 recovery strategy for Derbyshire sits in the wider context of the Derby, Derbyshire, Nottingham, Nottinghamshire Local Enterprise Partnership (D2N2 LEP) and, to this end, a broader recovery strategy document is being prepared for the sub-region. Both documents have gone through an iterative process to ensure strong alignment in terms of objectives, proposed interventions and timescales etc, and will be used to inform discussions with Government officials around the comprehensive spending review and future targeted support for the D2N2 area.

Specifically, the Derbyshire Economic Recovery and Employment and Skills Strategy sets out a roadmap for how the Council can capitalise on the economic changes that are emerging from COVID-19, articulating the

County's unique selling point and distinctive offer to UK PLC. The detailed evidence base collated by Hatch Regeneris shows a trajectory of recovery and key areas of impact such as:

- Ways of working, learning and socialising – with the potential for long term changes in behaviour - urban exodus, de-commercialisation of town centres.
- Potential positive lessons and good practice (digitalisation, high productivity).
- More modern economic policies, for example, trade, investment and innovation.
- Need for stronger business resilience planning – to cope with economic shocks (including Brexit transition).
- Significant sector impact – e.g. visitor economy, hospitality and entertainment sectors.
- Geographical impacts – e.g. Derbyshire Dales, South Derbyshire due to heavy reliance on certain industries impacted by COVID-19.
- Vulnerabilities of key sectors - e.g. public transport, particularly buses.
- Need for improved digital capabilities – both in terms of infrastructure which require urgent upgrade and skills.

A copy of the final draft Strategy attached to this report is a blend of immediate and longer term interventions to be delivered across a wide range of partners, one of which is the County Council.

Both 'protective' and 'good growth' measures have been identified to help mitigate certain negative impacts. Some of these measures were already in train prior to the COVID-19 pandemic and were part of Derbyshire's wider partnership economic programme (e.g. market town renewal programme) but the current situation has provided an ideal opportunity to review and consolidate targeted action towards recovery and 'building back better' – specifically in relation to tackling climate change for which the Strategy provides a real opportunity for developing inclusive and 'good growth' proposals.

The Strategy has a strong place-based focus but also explores potential of new sectors, technologies and physical infrastructure to realise competitive advantage for the County. Opportunities for advancing market-leading projects, specifically around transport infrastructure, have been identified and a number of pilot/demonstrator projects are proposed, working closely with sector leaders such as Toyota.

Improved mobility and connectivity feature heavily and the Strategy has the potential to be used as a springboard for ambitious transport solutions such as demand responsive transport hubs, exemplar low carbon logistics, carbon free zones, etc. In addition to place-based measures, key themes linked to the



'business journey' and 'people journey' provide the framework for the Employment and Skills element of the Strategy. They have enabled interventions to be brought forward that support key/new skills development and target support at young people or those most likely to require re-training through unemployment in vulnerable sectors.

As shown in Diagram 1 above, partners have been active in supporting COVID-19 recovery efforts since early April 2020 and have made tremendous progress through the 'rescue and resume' phase (April 2020 to September 2020). Whilst the County Council is a key delivery agency, many other partners have been critical in their support/action for implementing recovery measures, specifically the borough and district councils, the Chamber of Commerce, Marketing Peak District and Derbyshire, transport operators, colleges and the University of Derby. Significant achievements have been made to date in 'rescuing' the local economy with different partners taking the lead on implementation; they include:

- 1,792 business supported through the Council's Hardship Fund (the County Council).
- Business support grants (£10,000 - £25,000) – implemented in May/June 2020 (District and Borough councils)
- Discretionary business grants implemented by June/July 2020; circa £60,000 per district (District and Borough councils)
- Direct business support and advice issued to all/any business in Derbyshire (County Council, Districts, Boroughs)
- Marketing Peak District and Derbyshire - 21 webinars delivered to 349 visitor economy businesses (MPDD).
- 66 webinars delivered with 356 businesses (Chamber of Commerce).
- Peak Business - 13 webinars held with 229 individuals (key partners, including University of Derby).
- Three visitor economy business impact surveys undertaken (MPDD).
- Safe and Active Travel - Tranche 1 programme of - £443,000 initiated to help get people moving in a sustainable way (the Council).
- Seven applications submitted to Reopening High Street Fund for town centre initiatives (Districts, Boroughs and County Council).
- Re-opened Derbyshire countryside – June 2020 onwards (County Council, Districts and Boroughs).
- Re-opened Derbyshire town and local centres – June 2020 onwards (Districts, Boroughs, County Council and Derbyshire Police)
- Re-opened hospitality sector – joint approach working with Derbyshire Police, MPDD and Districts, Boroughs and County Council.
- Partnership communications plan to support businesses, visitors, residents and communities through: 'Think, Act, Respect'; 'enjoy at home' and virtual tours (all partners).

In helping local businesses to 'resume', additional work has been undertaken by partners:

- Coordinated communication activity across economic partners - consistent 'Derbyshire is open for business' messaging (all partners).
- All schools and colleges successfully reopened and supported by enhanced home to school transport – Derby, Chesterfield, Burton and South Derbyshire, Buxton and Leek Colleges, University of Derby, the County Council).
- Safe and Active Travel - Tranche 2 application, maximum bid of £1.7m achieved (the Council working on behalf of District and Borough Councils).
- Test and trace advice issued to all Derbyshire businesses (districts, borough, business organisations such as Chamber of Commerce and Federation of Small Businesses).
- £10m passported directly to supported bus services, £5.5m passported to contracted bus services (the Council).
- Passported grant payments to make up shortfall in bus fare income - approximately £50/week (the Council).
- £838,000 secured in Better Deal for Buses to support further action (the Council).
- Pavement licences introduced for cafes/ restaurants (District and Borough councils).
- Rolled out 'Good to go' and 'Eat out to help out' - 722 businesses signed up (MPDD and other partners)
- 60 town and local centres supported to re-open, including key visitor areas (Districts, Boroughs and County Council, MPDD, Chamber of Commerce).
- Online local shopping platform 'Shopappy' procured for all 27 County towns (Districts, Boroughs and the Council and Chamber of Commerce, FSB, MPDD).
- Total £40m Market Town Renewal Programme expression of interest submitted to Local Economic Partnership.
- County-wide wifi enabling programme developed for town centres - project submitted to LEP.

As of September, partners were collectively moving into the revive phase of recovery. However, increases in the number of COVID-19 cases, the introduction of different 'lockdown tiers' and the very recent announcement of a new, month-long, national lockdown has meant that some aspects of work are now refocusing on 'rescue' Interventions particularly in relation to public transport, retail, visitor economy etc. although some However, some 'revive' actions are continuing to be developed to ensure the Derbyshire economy is able to recover as quickly as possible over the months after lockdown; these include:

### **Place Journey**

- Three projects have been successfully developed and submitted to the LEP as part of the Getting Building Fund – (e.g. Drakelow, etc).
- Market towns renewal – agreement of Phase 1 of the programme and now awaiting confirmation of funding.
- Three Town Deal submissions and Town Investment Plans being finalised between September and January 2021 for Clay Cross, Staveley and Long Eaton to secure up to £25m each for much needed regeneration.
- Identifying future commercial heartlands, linked to One Public Estate programme.
- Developing low emission mobility and infrastructure pilot programmes – National Park, Peak Resort, Chesterfield Station.
- Developing an active programme of work to tackle ‘digital not spots’, including interventions to support 5G roll out.
- Development of a critical support programme for public transport– September to March 2021.

### **Business Journey**

- Development of support programme for visitor, culture, heritage and entertainment sectors.
- Need/demand – post furlough support to business.
- Development of Brexit transition support programme and communications package.
- Finalising Phase 1 of business start-up and business support programme– low carbon, new technologies, business support, soft landing, joint funding (Business Rate Retention Pilot).
- Completing initiation and roll out of Shopappy – which will provide much needed e-commerce support for local retailers and local products.
- Development of Tourism Action Zone proposals.
- Development and launch of Green Entrepreneurs programme.
- Reviewing and reshaping Derbyshire inward investment service to support longer term good growth.

### **People Journey**

- National Kickstart scheme launched – engagement with 550 Derbyshire businesses to provide high quality work placement opportunities.
- Developing critical routes to employment for vulnerable cohorts and sectors as part of re-train, reskill, upskill (April ‘21 programme).
- Developing proposals for immediate education support – specifically key GCSE, A level and graduate cohorts.
- Finalising and implementing skills capital projects – e.g. Chesterfield College, DRIVE.
- Developing partnership approach to improving return on social value e.g. through securing better/more apprenticeships, traineeships and use of Section 106.

- Careers hub roll out in north Derbyshire and developing approach for rest of County.

These proposals are planned for commencement from October 2020 onwards and will be supported by additional interventions that will be developed for the medium to long term (mid 2021 onwards). Examples of these longer term interventions include:

- Sector deals – ‘green enterprise zone’
- Mobility infrastructure – demonstrator transport projects, major transport (CSRR, Woodville, Manufacturing Corridor A50/A500).
- HS2 – connectivity implementation, development corporation, freeports.
- International collaboration with Toyota City on living and moving sustainably.
- Connectivity implementation – e.g. WIFI enablement across Derbyshire.
- Phase 3 - market towns renewal programme.
- Major Place programme – Derwent Valley Corridor, Trent Valley Transformation, low carbon energy generation.
- Skills development for green and new economies, new profiles.

Whilst the draft Economic Recovery and Employment and Skills Strategy sets out the proposed themes and key interventions, the action plan identifies the proposed lead partners, delivery responsibilities, timescales and funding opportunities to help ensure progress. In terms of delivery, very few of the proposed interventions are the sole responsibility of the County Council – or any other individual organisation. However, to ensure clear lines of accountability, a lead partner/sponsor has been identified for each intervention and other resources have been identified. In relation to funding, existing sources are proposed to be utilised or redirected where possible (e.g. European Social Fund, retained business rates, etc) to ensure the additional impact of COVID-19 on resources is minimised as far as possible.

The current governance arrangements outlined in Diagram 2 have been instrumental in driving forward development of the Strategy, however, a further review is required to ensure the most appropriate delivery and management mechanisms are in place as implementation of the action plan commences.

It is expected that all partners will have a key role to play in driving forward relevant initiatives and the Derbyshire Economic Partnership will be critical in providing strategic oversight to ensure progress against the action plan.

### **Engagement and Consultation**

There has been wide and robust partner engagement in development of the Strategy over the last four months with much input being taken from the recovery workstreams, the Recovery Cell and the high level Board. Feedback from Hatch Regeneris is that the Derbyshire recovery strategy is amongst the

most comprehensive and well-developed documents they have seen and this is a direct result of the partnership approach that has been adopted.

The draft Strategy was shared with chief officers in the County Council during October 2020, the DEP Board on 27 October 2020 and other partners via the Recovery Cell in early November 2020. The draft has been well received by all partners and comments were invited to be submitted by 13 November 2020; these have yet to be included in the final version of the Strategy. On that basis, Cabinet is being requested to consider and endorse the draft Strategy as attached to this report but note that final amendments are likely to be included over the period 13 November to end of November, with final sign off being proposed by the Cabinet Portfolio holder for Clean Growth and Regeneration and the Interim Director – Economy, Transport and Environment, in consultation with the Leader of the Council (as vice chair of the Derbyshire Economic Partnership)

Once signed off, the next steps are to publicise the approved Strategy more widely with the D2N2 LEP, Midlands Connect, East Midlands Councils, central Government and local residents and businesses.

**(3) Financial Considerations** Delivery of the Strategy and associated action plan will be driven according to the availability of funding and other resources and it is likely that multiple sources will be accessed over the period of implementation. Specifically, the Council has identified £15m to support economic, community and social recovery activity across the County. Very few of the interventions identified in the Strategy are the sole responsibility of the Council, most are with, or through, partner organisations. However, the following initiatives have been identified for funding by the Council: appropriate low carbon initiatives (as part of the Council's climate change commitment), the Green Entrepreneurs Fund and expansion of Digital Derbyshire through the Gigabit Voucher Scheme. The Council's support to wider partner initiatives includes business start-up and business support grants, the Market Town Renewal Programme and wifi-enabling 'smart towns'.

In addition, it is proposed that £25,000 be drawn from Derbyshire Economic Partnership funds and £25,000 from the core budget in Economy and Regeneration to support delivery of the Strategy.

Other external funding opportunities will be secured to support delivery of the action plan including, LEP capital funding (e.g. Shared Prosperity Fund), European Social Fund, European Regional Development Fund and national Government support packages.

**(4) Human Resources Considerations** For those actions with an identified the Council lead, existing Derbyshire Economic Partnership staff based within the Economic Development and Employment and Skills teams of

the Economy and Regeneration Service will be directed to support implementation. Other partner organisations within DEP will also lead initiatives as appropriate and as agreed through the Recovery Cell and DEP Board.

### **Other Considerations**

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

(5) **Background Papers** Derbyshire Economic Partnership Economic Recovery and Employment and Skills Strategy attached as Appendix 1.

(6) **Key Decision** No.

(7) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(8) **OFFICER'S RECOMMENDATIONS** That:

8.1 The Council endorses the draft Derbyshire Economic Recovery and Employment and Skills Strategy as set out in the attached document.

8.2 Cabinet notes the process for finalising the content based on the feedback of partners and delegates authority to the Director – Economy, Transport and Environment and Cabinet Portfolio holder Green Growth and Regeneration, in consultation with the Leader of the Council (as Vice Chair of Derbyshire Economic Partnership) to agree final amendments to the Strategy prior to publication.

**Tim Gregory**  
**Director – Economy, Transport and Environment**

## Derbyshire Economic Partnership

Board Meeting Tuesday 27<sup>th</sup> October 2020

ITEM 4

**DEP ECONOMIC RECOVERY AND EMPLOYMENT AND SKILLS STRATEGIES****1. Purpose of Paper**

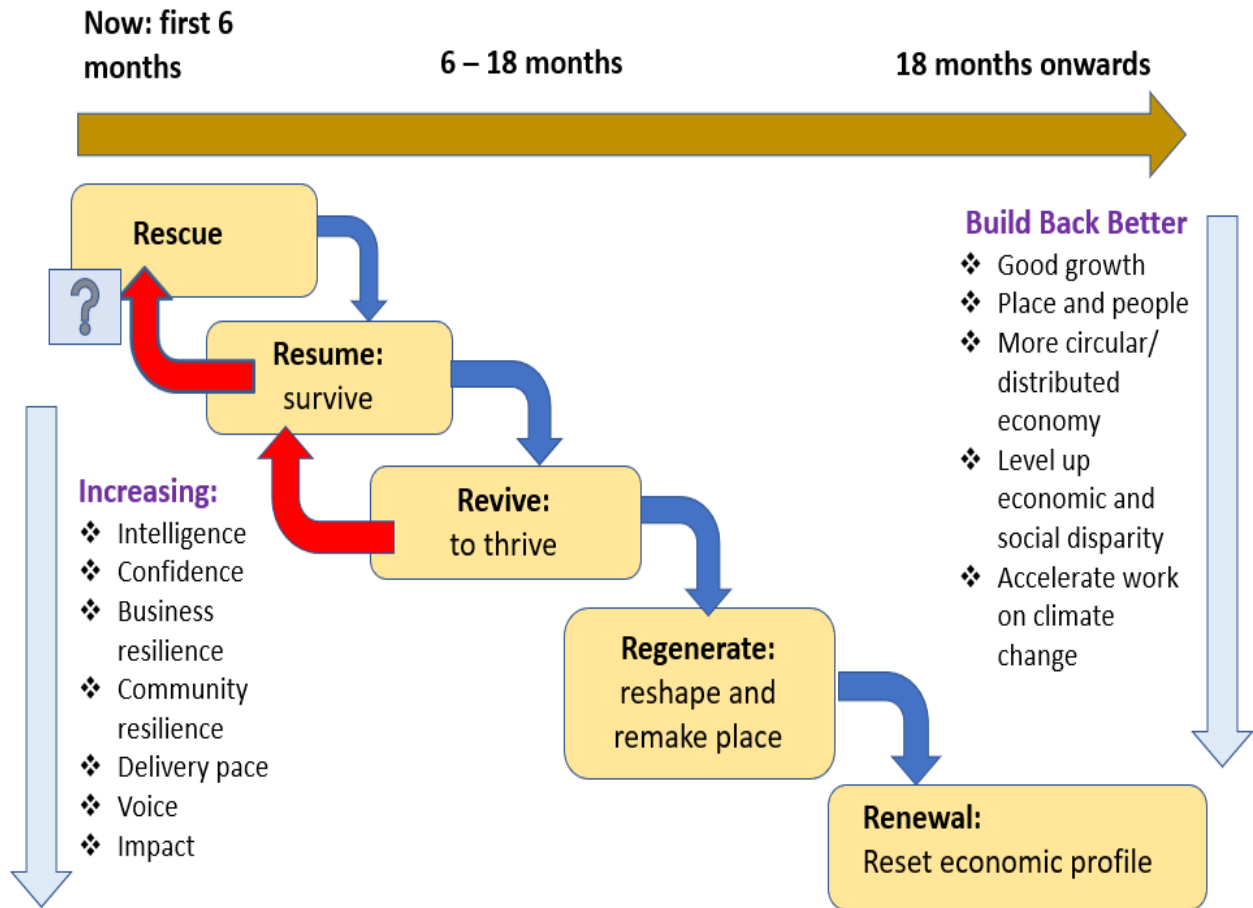
- To approve the draft Derbyshire Economic Partnership (DEP) Economic Recovery and Employment and Skills Strategies 2020-25 for consultation.
- To delegate approval of the final amendments to the strategies to the Chair and Vice Chair of DEP.

**2. Background**

DEP has been central to a robust and dynamic response to the COVID-19 pandemic since March 2020 through the Strategic Recovery Group (SRG) and associated workstreams, specifically the Economy, Business and Transport (EBT) Cell. This Cell has corralled a wide range of strategic delivery partners, including DEP and representatives from further and higher education, local businesses, the Chamber of Commerce, Marketing Peak District and Derbyshire, bus and rail transport operators, district authorities, Government departments and many others.

The Cell has focused its efforts in supporting DEP develop a shared strategy and action plan that will guide economic recovery in the County over the short to long term. An evidence-based approach has been adopted that embeds the Government's principles to 'Build Back Better' by creating a more circular economy, levelling up economic and social disparity and accelerating work on climate change through a carefully crafted programme of interventions based on: 'Rescue – Resume - Revive – Regenerate – Renew'.

# Approach to Recovery



In ensuring a fully collaborative approach to preparation of the ‘Economic and Employment and Skills Recovery Strategy and action plan, Hatch Regeneris was appointed via the Derbyshire Economic Partnership (DEP) to support the work and provide external expertise, specifically around good practice advice and evidence-gathering.

Strong governance has been put in place not only to drive development of the Strategy but deliver the necessary interventions that have been identified. The governance arrangements include a ‘high level’ Economic Recovery Board, chaired by the Leader of the County Council, with membership taken from all Derbyshire local authorities and industry leaders, and includes the Chair of DEP. The diagram below illustrates the arrangements.

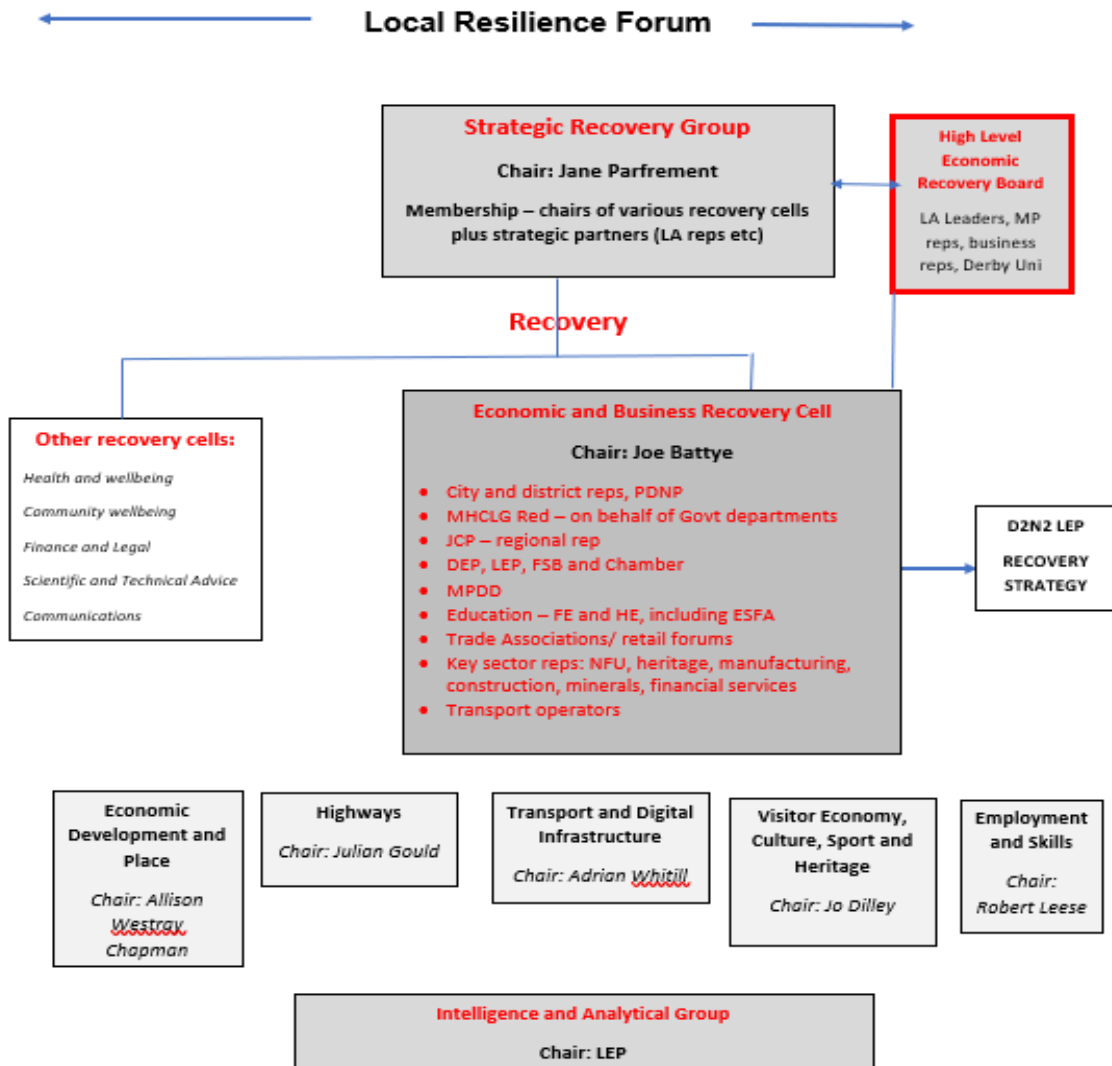


# Derbyshire Economic Partnership

Board Meeting Tuesday 27<sup>th</sup> October 2020

ITEM 4

## DIAGRAM SHOWING RECOVERY GOVERNANCE



It is worth noting that the COVID-19 recovery strategy for Derbyshire sits in the wider context of the Derby, Derbyshire, Nottingham, Nottinghamshire Local Enterprise Partnership (D2N2 LEP) and, to this end, a broader recovery strategy document is being prepared for the sub-region. Both documents have gone through an iterative process to ensure strong alignment in terms of objectives, proposed interventions and timescales, etc. and will be used to inform discussions with Government officials around the comprehensive spending review and future targeted support for the D2N2 area. It is also a roadmap for delivery setting Derbyshire’s Unique Selling Point an offer to UK PLC, setting Derbyshire on the front foot to capitalise on economic changes.

## Derbyshire Economic Partnership

Board Meeting Tuesday 27<sup>th</sup> October 2020

ITEM 4

Specifically, the Derbyshire Economic Recovery and Employment and Skills Strategy sets out a roadmap for how Derbyshire can capitalise on the economic changes that are emerging from COVID-19, articulating the County's unique selling point and distinctive offer to UK PLC. The detailed evidence base collated by Hatch Regeneris shows a trajectory of recovery and key areas of impact such as:

- Ways of working, learning and socialising – with the potential for long term changes in behaviour - urban exodus, de-commercialisation of town centres.
- Potential positive lessons and good practice (digitalisation, high productivity).
- More modern economic policies, for example, trade, investment and innovation.
- Need for stronger business resilience planning – to cope with economic shocks (including Brexit transition).
- Significant sector impact – e.g. visitor economy, hospitality and entertainment sectors.
- Geographical impacts – e.g. Derbyshire Dales, South Derbyshire due to heavy reliance on certain industries impacted by COVID-19.
- Vulnerabilities of key sectors - e.g. public transport, particularly buses.
- Need for improved digital capabilities – both in terms of infrastructure which require urgent upgrade and skills.

A copy of the draft Strategy is attached at Appendix A and is a blend of immediate and longer term interventions to be delivered across a wide range of partners, one of which is the County Council. Very few of the proposed interventions are the sole responsibility of an individual partner; the action plan identifies a lead partner but also those other agencies key to successful delivery.

Both 'protective' and 'growth' measures have been identified to help mitigate certain negative impacts. Some of these measures were already in train prior to the COVID-19 pandemic and were part of Derbyshire's wider partnership economic programme (e.g. market town renewal programme) but the current situation has provided an ideal opportunity to review and consolidate targeted action towards recovery and 'building back better' – specifically in relation to tackling climate change for which the Strategy provides a real opportunity for developing inclusive and 'good growth' proposals.

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As shown in Diagram 1 above, partners have been active in supporting COVID-19 recovery efforts since early April 2020 and have made tremendous progress through the 'rescue and resume' phase (0-6

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## Derbyshire Economic Partnership

Board Meeting Tuesday 27<sup>th</sup> October 2020

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months to September 2020). Partners have been critical in their support/action for implementing recovery measures, specifically the county council, borough and district councils, the Chamber of Commerce, Marketing Peak District and Derbyshire, Colleges and the University of Derby. Significant achievements have been made to date in 'rescuing' the local economy with different partners taking the lead on implementation; they include:

- 1,792 business supported through the Council's Hardship Fund (DCC).
- Business support grants (£10,000 - £25,0000) – implemented by district/borough councils in May/June 2020 (District and Borough councils)
- Discretionary business grants implemented by district/borough councils June/July 2020; circa £60,000 per district (District and Borough councils)
- Direct business support and advice issued to all/any business in Derbyshire (Districts, Boroughs and County Council)
- Marketing Peak District and Derbyshire - 21 webinars delivered to 349 visitor economy businesses (MPDD).
- 66 webinars delivered with 356 businesses (Chamber of Commerce).
- Peak Business - 13 webinars held with 229 individuals (key partners, including University of Derby).
- Three visitor economy business impact surveys undertaken (MPDD).
- Safe and Active Travel - Tranche 1 programme of - £443,000 initiated to help get people moving in a sustainable way (DCC).
- Seven applications submitted to Reopening High Street Fund for town centre initiatives (Districts, Boroughs and County Council).
- Re-opened Derbyshire countryside – June 2020 onwards (Districts, Boroughs and County Council).
- Re-opened Derbyshire town and local centres – June 2020 onwards (Districts, Boroughs and County Council)
- Re-opened hospitality sector – joint approach working with Police, MPDD and Districts, Boroughs and County Council.
- Partnership communications plan to support businesses, visitors, residents and communities through: 'Think, Act, Respect'; 'enjoy at home' and virtual tours (all partners).

In helping local businesses to 'resume', additional work has been undertaken by partners:

- Coordinated communication activity across economic partners - consistent 'Derbyshire is open for business' messaging (all partners).
- Safe and Active Travel - Tranche 2 application, maximum bid of £1.7m achieved (DCC working on behalf of District and Borough Councils).
- Test and trace advice issued to all Derbyshire businesses (districts, borough, business organisations such as Chamber of Commerce and Federation of Small Businesses)
- £10m passported directly to supported bus services, £5.5m passported to contracted bus services (DCC).
- Passported grant payments to make up shortfall in bus fare income - approximately £50/week (DCC).
- £838,000 secured in Better Deal for Buses to support further action (DCC).
- Pavement licences introduced for cafes/ restaurants (District and Borough councils).
- Rolled out 'Good to go' and 'Eat out to help out' - 722 businesses signed up (MPDD and other partners)

# Derbyshire Economic Partnership

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- 60 town and local centres supported to re-open, including key visitor areas (Districts, Boroughs and County Council, MPDD, Chamber of Commerce).
- Online local shopping platform 'Shopappy' procured for all 27 County towns (Districts, Boroughs and DCC and Chamber of Commerce, FSB, MPDD).
- Total £40m Market Town Renewal Programme expression of interest submitted to Local Economic Partnership.
- County-wide wifi enabling programme developed for town centres - project submitted to LEP.
- Schools and colleges successfully reopened and supported by enhanced home to school transport – September Derby, Chesterfield, Burton and South Derbyshire, Buxton and Leek Colleges, University of Derby, DCC).

As Derbyshire now moves into the 'revive' phase of economic recovery journey, a number of additional interventions have been developed by partners and are included in the Strategy action plan as proposals for implementation.

## Place Journey

- Three projects have been successfully developed and submitted to LEP for Getting Building Fund – (e.g. Drakelow etc).
- Market towns renewal — agreement of Phase 1 of the programme and awaiting confirmation of funding.
- Three Town Deal submissions to be finalised and Town Investment Plans prepared for Clay Cross Staveley and Long Eaton.
- Identify future commercial heartlands, linked to One Public Estate programme.
- Develop low emission mobility and infrastructure pilot programmes – National Park, Peak Resort, Chesterfield Station.
- Develop programme to tackle 'digital not spots', including interventions to support 5G roll out.
- Development of critical support programme for public transport– September to March 2021.

## Business Journey

- Development of support programme for visitor, culture, heritage and entertainment sectors.
- Need/demand – post furlough support to business.
- Development of Brexit transition support programme and communications package.
- Finalise Phase 1 of business start-up and business support programme– low carbon, new technologies, business support, soft landing, joint funding (Business Rate Retention Pilot).
- Complete initiation and roll out of Shopappy – support for local products.
- Development of Tourism Action Zone.
- Development and launch of Green Entrepreneurs programme.
- Review and reshape Derbyshire Inward investment service to support growth.

## People journey

- National Kickstart scheme launched – engagement with 550 Derbyshire businesses to provide high quality work placement opportunities.
1. Develop critical routes to employment for vulnerable cohorts and sectors as part of re-train, reskill, upskill (April '21 programme).
  2. Consider need for recovery curriculum – young people, not in Education Employment or Training.
  3. Finalise and implement skills capital projects – e.g. Chesterfield College, DRIVE.
  4. Develop partnership approach to improving return on social value e.g. through securing better/more apprenticeships, traineeships and use of Section 106.

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# Derbyshire Economic Partnership

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5. Careers hub roll out in north Derbyshire and develop for rest of County.

Sitting within the 'revive' phase of the Strategy, these proposals are planned for commencement from October 2020 onwards and will be supported by additional interventions that will be developed for the medium to long term (mid 2021 onwards). Examples of these longer terms interventions include:

- Sector deals – 'green enterprise zone'
- Mobility infrastructure – demonstrator transport projects, major transport (CSRR, Woodville, Manufacturing Corridor A50/A500).
- HS2 – connectivity implementation, Development Corporation, freeports.
- International collaboration with Toyota City on living and moving sustainably.
- Connectivity implementation – e.g. WIFI enablement across Derbyshire.
- Phase 3 - market towns renewal programme.
- Major Place programme – Derwent Valley Corridor, Trent Valley Transformation, low carbon energy generation.
- Skills development for green and new economies, new profiles.

Whilst the Economic Recovery and Employment and Skills Strategy sets out the proposed themes and key interventions, the action plan identifies the proposed lead partners, delivery responsibilities, timescales and funding opportunities to help ensure progress. It is expected that all partners will have a key role to play in driving forward relevant initiatives.

There has been wide and robust partner engagement in development of the Strategy over the last three months, with much input being taken from the recovery workstreams, the Recovery Cell and the high level Board. The next steps are to share the approved Strategy more widely with the D2N2 LEP, Midlands Connect, East Midlands Councils and central Government following final sign off.

### 3. Recommendation(s)

- a. To approve the draft DEP Economic Recovery and Employment and Skills Strategies 2020-25 for wider consultation to close on 10<sup>th</sup> November at 5pm. Comments to be sent to [Allison.westray-chapman@derbyshire.gov.uk](mailto:Allison.westray-chapman@derbyshire.gov.uk).
- b. To agree that final amendments to the strategy are delegated to the Chair and Vice Chair of DEP Board.

Allison Westray-Chapman  
Interim Head of Economic Development  
Derbyshire County Council

# Derbyshire Economic Partnership

COVID-19 Economic and Skills Recovery Strategies 2020-2025: Executive Summary

**HATCH**



# Executive summary

## 01

**COVID-19 will fundamentally re-shape Derbyshire's economy over the next decade and beyond. The fallout from the pandemic will generate both unprecedented challenges and new opportunities for our county. The Derbyshire Economic Partnership Recovery Strategy will enable us to respond to a post-COVID world, establishing our priorities to protect and grow Derbyshire's economy.**

This strategy is underpinned by a robust evidence base which provides deep understanding of Derbyshire's economy and labour market. Our approach has combined historical evidence to understand economic exposure to the effects of COVID-19 with live metrics to measure the impact of the pandemic on Derbyshire's economy and labour market.

The evidence points to a compelling need for county-wide recovery coordination – detailing the challenges and opportunities brought to the fore by the pandemic.

### The case for intervention: the impact of COVID-19



#### Impact on our Economy:

The OBR estimates Derbyshire will experience a 15% loss of output in 2020 as a result of COVID-19, equating to a loss of £2bn.



#### Impact on our Places:

Urban centres have been significantly impacted. Whilst these areas may require protective action, market towns represent Derbyshire's post-Covid growth opportunity



#### Impact on our Businesses:

Many of Derbyshire's key sectors, such as the Visitor Economy, have been significantly affected by lockdown and social distancing restrictions. However, businesses that have been able to adapt have thrived



#### Impact on our Infrastructure:

Enhancing digital and public transport infrastructure will define the inclusiveness of Derbyshire's recovery - ensuring that everyone can benefit from post-COVID opportunities.



#### Impact on our Workforce:

Despite unprecedented government support Compared to June 2019, the number of benefit claimants had risen by over 250% across the county in July 2020



#### Impact on our Labour Market:

Job postings have been significantly reprofiled. We need to secure investment to enable us to be more agile and responsive in tailoring interventions to meet business need



#### Impact on our Skills:

Apprenticeship postings and starts fell significantly over lockdown - limiting opportunities for Derbyshire's young people



#### Our Recovery Opportunity:

Derbyshire has a unique offer to underpin our county's recovery, drive innovation and accelerate economic growth which can be delivered through this strategy

Responding directly to the evidence presented within the case for intervention, our overarching Recovery Plan brings two complementary recovery strategies which will guide our actions over the next five years. These strategies comprise a blend of short-term interventions to protect our economy, fused with longer-term actions positioned to enable our county to re-orientate and grow our economy to capitalise on new opportunities. Our vision for Derbyshire’s recovery is articulated below.

## Our vision for Derbyshire’s economy:

*“COVID will be the catalyst for Derbyshire’s economic renewal and we will balance protective and growth interventions to enable our economy to build back better”*



## Our vision for Derbyshire’s skills and labour market:

*“Derbyshire will be an inclusive and resilient economy where residents and businesses thrive and can take full advantage of the opportunities ahead of them to secure success and prosperity”*



Realising this vision requires actions which DEP partners will lead and interventions that we will lobby for in order to deliver our recovery ambitions for Derbyshire. The Recovery Strategies will be delivered through nine thematic priorities, and the actions that we will prioritise to build back better are summarised overleaf.



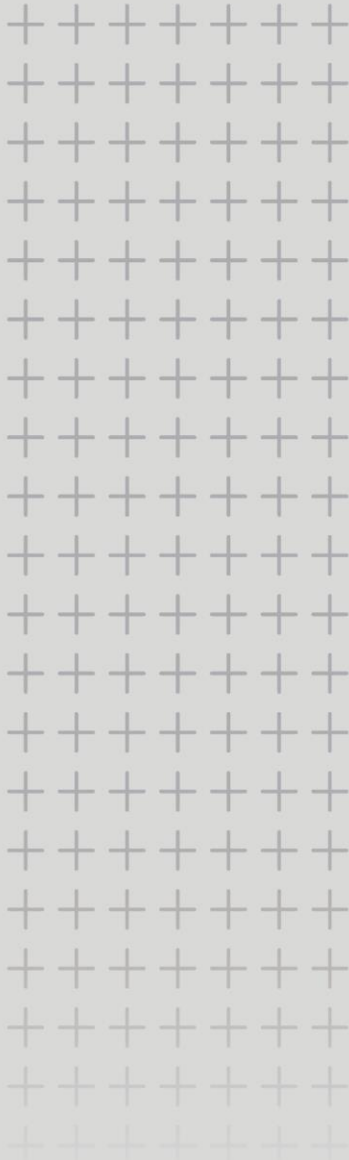
## Derbyshire's Economic Recovery Strategy



## Derbyshire's Skills and Labour Market Recovery Strategy



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Author: Abid Mumtaz

Agenda Item No.6(e)

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**19 November 2020**

**Report of the Director of Public Health**

**Additional Investment for Public Health Nursing  
(Health and Communities)**

**1. Purpose of the report:**

To seek cabinet approval to provide £0.500m per annum additional investment to support the public health nursing service.

**2. Information and analysis:**

On 26 July 2018 Cabinet approved an enterprising approach to providing key public health services for the 0-19 age group and their families, including; Public Health Nursing (Health Visiting and School Nursing) and the National Child Measurement Programme (NCMP). This included the transfer of responsibility for NCMP to the Council's Live Life Better Derbyshire Service, the development of a Section 75 Agreement between the Council (Public Health and Children's Services) and DCHS NHSFT for the delivery of Public Health Nursing at a budget not to exceed £12 million per annum, and the transfer of £1 million to support Children's Centres to continue to deliver services to vulnerable families across Derbyshire.

This additional investment of £0.5m per annum is required to increase service capacity within the public health 5-19 nursing service as the capacity of this element of the service has reduced since the introduction of the section 75. As a result, this additional investment will enhance the general public health offer and allow the service to develop their role as part of an integrated approach to help achieve positive outcomes for the 5-19 age group across Derbyshire. This could include but not be limited to positive outcomes around mental health, reducing levels of obesity and supporting healthy lifestyles, by ensuring services are flexible and responsive to population need, and by expanding a partnership approach to service design and delivery. This will complement the whole system approach to commissioning and provision of services and contribute to an improvement in national indicators where Derbyshire has an identified need.

Public Health Nurses are ideally placed within the local community to identify and address local need. With their close working relationship with families and communities, they can signpost to services that empower parents to express their needs, and can provide a range of support depending on individual circumstance, such as referral onto specialist services, support to access community services,

or providing ongoing support for families with additional needs. This additional investment will enhance the opportunities available for children within Derbyshire.

The service specification for the 0-19 Public Health Nursing Service states 'DCHS shall work closely with Derbyshire County Council to develop and design a model for future service delivery that maximises the effective use of available resources, is flexible and responsive to emerging evidence and maintains a strong focus on prevention across 0-19 years'. DCC will continue to work closely with DCHSFT to enhance the service delivery model as part of this additional investment into the service, and will agree, based on local need, how this additional investment will be utilised to improve health outcomes and reduce health inequalities for children and young people across Derbyshire.

### **3 Social Value considerations:**

The provision of the public health nursing service will support the local community, with regard to the health and wellbeing of the population and will contribute to a thriving Derbyshire by providing a service that enables residents to develop healthy behaviours.

In addition to delivery of the overall public health nursing service, DCHSFT have committed to delivering the following outcomes in Derbyshire:

- Supporting local businesses to expand,
- Developing the talents and skills of local people,
- Reducing organisations' running costs so they can target their resources where they are needed most, and,
- Investing in local businesses, and working with them to design and shape services that meet local needs

In delivering on these outcomes, DCHSFT will provide specialist coaching and training for community and voluntary organisations within Derbyshire and will offer facilities for use by community and voluntary organisations who are delivering services that support the wider determinants of health locally.

### **4. Legal Considerations:**

Both Procurement and Legal Services have been consulted as part of the business case approval which is required as part of Protocol 9 of the Council's Financial Regulations to make the additional payments to support the Public Health Nursing service. Business case approval is attached with this report.

### **5. Financial Considerations:**

The Section 75 Agreement between the Council (Public Health and Children's Services) and DCHS NHSFT for the delivery of Public Health Nursing was originally set at a budget not to exceed £12 million per annum.

The additional investment of £0.500m per annum can be met by the public health grant.

**5. Other considerations:**

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

**6. Background papers:**

10 October 2019, Cabinet Report, Achieving Public Health 0-19 Outcomes – Section 75 Agreement between Derbyshire County Council and Derbyshire Community Health Services NHS Foundation Trust

28 February 2019, Cabinet Report, Public Health Nursing and Achieving Population Health and Wellbeing Outcomes in 0-19 Year Olds across Derbyshire through the Development of a Section 75 Agreement

26 July 2018, Cabinet Report, New Approach to Public Health Nursing and Achieving Population Health and Wellbeing Outcomes in 0-19 Year Olds across Derbyshire.

**7. Key Decision:**

Yes

**8. Call-in:**

Is it required that call-in be waived for any decision on this report?

No

**9. Officer's Recommendation:**

That cabinet grant approval to increase the investment into the public health nursing service as outlined in this report.

**Dean Wallace  
Director of Public Health**

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Author: Sue Pegg (x36040)

Agenda Item No: 6(f)

## **DERBYSHIRE COUNTY COUNCIL**

### **CABINET**

**19 November 2020**

#### **Report of the Executive Director for Children's Services**

#### **CHILDREN'S SERVICES CAPITAL PROGRAMME 2020-21 EXPANSION PROJECT AT JOHN PORT SPENCER ACADEMY (YOUNG PEOPLE)**

##### **1. Purpose of Report**

To approve the funding for a project to expand John Port Spencer Academy in response to housing growth in its normal area.

##### **2. Information and Analysis**

There is significant housing growth in the normal area of John Port Spencer Academy and to date, the Authority has secured £12M in Section 106 agreements. Given the size of the development, the Academy Trust has employed a specialist firm to assess the current accommodation and identify the projects needed to expand the school by 300 places for 11–16 pupils and increase the post 16 provision. At present the masterplan consists of 5 projects.

On 20 January 2020, the Executive Director for Children's Services approved £50,000 to commence the design on a project identified as 1E which was for changes to site access and car park expansion. On 29 July 2020, the Executive Director approved a further £50,000 for a project identified as 1C which was the expansion of the Art and Design block. As design has progressed and it has become clear that the access and car park project is a requirement to secure planning permission for any of the projects to start on site, project 1E has been combined into a larger project 1C.

The combined project will provide additional art and design teaching accommodation for both 11-16 and sixth form pupils through re-modeling 3 of the existing buildings. The project will create additional classrooms, a graphics room and a larger ICT classroom together with associated storage. The car park extension will create an additional 54 places. The total cost of the project is £1,280,664.49

There is a total of £4,178,272.76 in funds held by Derbyshire County Council however this table focuses on the Section 106 funding relating to developments tied to this combined project:

Planning Reference	Site	Available Funds	Funds to be Allocated to Project
9/2013/1044	The Mease, Hilton (secondary)	£693,987.86	£155,062.38
9/2013/1044	The Mease, Hilton (post 16)	£249,017.63	137,916.99
9/2014/1093	Mount Pleasant, Repton (secondary)	£195,988.34	£195,988.34
9/2015/0768	Ladybank Rd, Mickleover (secondary)	£291,465.85 (£50K already allocated)	£291,465.85
9/2013/0745	Etwall Rd, Willington (post 16)	£49,641.64 (£50,000 already allocated)	£49,641.64
9/2012/0889	Clayton Works, Hatton	£20,000	£20,000
9/2013/0643	Longlands Repton (secondary)	£106,025.85	£106,025.85
9/2013/0643	Longlands Repton (post 16)	£45,994.78	£45,994.78
9/2016/1216	Willington Rd, Etwall (secondary)	£52,001.25	£52,001.25
9/2016/1216	Willington Rd, Etwall (post 16)	£18,798.80	£18,798.80
9/2014/0562	Hackwood Farm	£63,128.61	£63,128.61
<b>Total</b>		<b>£1,786,050.61</b>	<b>£1,136,024.49</b>

In addition, the academy has access to £44,640 in leisure S106 funding from South Derbyshire District Council. The project would therefore be funded as follows:

S106 funding (education)	£1,236,024.49
S106 funding (leisure)	£ 44,640.00
<b>Total</b>	<b>£1,280,664.49</b>
Less S106 already paid	£ 100,000.00
Less leisure funding	£ 44,640.00
<b>Total to be allocated</b>	<b>£1,136,024.49</b>

As the projects have developed and the costings have been finalised, it has been necessary to move S106 allocations around in order to meet the cost of the project from available funds. The allocations in the table above therefore varies from those detailed in the delegated paper of 10 January 2020 however that does not change the previous financial approvals.

### **3. Financial Considerations**

The financial considerations are as explained in section 2 of the report

The project will be procured and managed by the Trust and the funding will be the subject of a legal agreement between DCC and the Trust to ensure that the funds are used in accordance with the Section 106 agreement. The balance of funds available for John Port as identified above will be allocated to the remaining projects and will be the subject of a separate report to Cabinet in due course.

### **4. Property Considerations**

John Port Spencer Academy has academy status and therefore whilst the land is owned by Derbyshire County Council, it is leased to the Spencer Academies Trust. Derbyshire County Council retains its responsibility for pupil places planning and securing Section 106 funding to achieve expansion at both maintained and academy school.

### **5. Social Value Considerations**

This funding is to ensure that there is sufficient capacity at the school involved by responding to the housing growth in the area.

### **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, legal & human rights, human resources 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 allocations of £1,136,024.49 in Section 106 funding to the art block and car parking project at John Port Spencer Academy.

**Jane Parfremment  
Executive Director for Children's Services**

PUBLIC

Agenda Item No.6(g)

**Derbyshire County Council**

**Cabinet**

**19 November 2020**

**Scrutiny of the Next Steps in Relation to Direct Care Homes for Older People – An Interim Report**

**1. Purpose of the Report**

To inform Cabinet of the progress made by the People Improvement and Scrutiny Committee in overseeing the next steps in relation to direct care homes for older people.

**2. Background Information**

On 4<sup>th</sup> June 2020 Cabinet received a report on the outcome of the consultation on the proposed closure of seven, and the refurbishment of three, Direct Care homes for older people. These homes were as follows:

Proposed for closure:

- Ladycross House (Sandiacre)
- Beechcroft (West Hallam)
- East Clune (Clowne)
- Holmlea (Tibshelf)
- The Spinney (Brimington)
- Goyt Valley House (New Mills)
- Gernon Manor (Bakewell)

Proposed for refurbishment:

- Briar Close (Borrowash)
- Rowthorne (Swanwick)
- New Bassett House (Shirebrook)

Cabinet approved the following:

- Further to the consultation none of the homes proposed for closure will close unless a local care home or alternative provision is available to replace it, and further consultation is undertaken as appropriate.
- That a further report setting out a programme of repair and refurbishment for these seven homes, to include any works required immediately to ensure their soundness and safety, will be presented to Cabinet in due course.

- That the plans to undertake a programme of work to refurbish New Bassett House, Briar Close and Rowthorne will continue with a further report presented to Cabinet seeking a business case and procurement approval in due course.
- That People Scrutiny Committee be invited to consider including within its work programme, oversight of the next steps (with particular reference to the need for and type of local provision required) to ensure transparency of decision making and to make any recommendations to Cabinet or elsewhere that may arise as a result of such scrutiny.
- That a revised strategy and investment plan taking into account reviews of the Market Position Statement and of the strategic needs analysis will be presented to Cabinet by the end of 2020.

The People Improvement and Scrutiny Committee at a meeting on 2 September agreed their approach to their role of overseeing the next steps in relation to Direct Care Homes for Older People, and identified the following key lines of enquiry.

1. How will the robustness and durability of ongoing mitigation measures be assessed?
2. How will demand for current and future provision for older people be assessed?
3. How will the market be assessed?
4. What factors will be considered when determining what is local provision?
5. How will factors that determine what is suitable alternative provision be identified and assessed?
6. How will stakeholders be engaged?

A scrutiny working group has been established, and to date Members have held three meetings to gather evidence in relation to the key lines of enquiry. At its meeting on 4 November the People Improvement and Scrutiny Committee considered a progress report from the working group, the content of which is set out in the following section of this report.

### **3. Information and Analysis**

The working group was mindful that property condition surveys conducted in 2019 reported that some of the Council's Homes for Older People were in poor condition and highlighted that 12 homes required rewiring. This included the 7 homes previously proposed for closure, the 3 homes proposed for refurbishment plus 2 homes (Ada Belfield, Belper and Hazelwood, Cotmanhay) where decisions have already been made to close once local alternatives have been established. Therefore, Members considered it a priority to ascertain the effectiveness and durability of the mitigation measures in place to address any increased risk associated with the need for properties to be rewired.

Members met with the Direct Care Group Manager on 25 August 2020 and was advised that a comprehensive risk evaluation had been undertaken to establish whether the homes were safe and what mitigating actions were required.

The key elements of the risk evaluation were as follows:

- Technical Fire Risk Assessments (TFRA): these focus on the building related issues in respect of fire safety, they are undertaken by Property Services. They consider issues to do with the fire alarm system, fire doors, smoke detectors, emergency lighting and compartmentation. Once a TFRA is completed it provides a list of actions to address for each home.
- Operational Fire Risk Assessments (OFRA): these focus on the training and deployment of staff, arrangements for evacuation of the building, fire drills and use of equipment within homes. These are undertaken by the Unit Manager of the home.
- Personal Emergency Evacuation Plans (PEEPs): these are individual risk assessments and evacuation plans for each resident which are required to be reviewed regularly and updated by the unit manager as necessary (i.e. on first admission and on an ongoing basis as a person's needs change). The plan will describe how and with what equipment an evacuation will be affected for that individual from a compartment (a section of a building between fire doors which typically includes 4 or 5 bedrooms per compartment). Evacuation of an affected compartment must be completed within 2 ½ minutes as per Fire Service requirements.
- Electrical installation (hard wiring) safety testing: these focus on the safety of the electrical system and are commissioned by Property Services and are normally undertaken every 5 years but given the current circumstances will now be done every 2 years. For the 12 homes which require rewiring they were last undertaken in September 2018 and they will be repeated in September 2020. There is an action list for each home when non compliances are identified, and these are graded according to urgency and level of risk.
- Overall risk evaluation: the Council's Risk and Insurance Manager co-ordinated a comprehensive evaluation of all of the information contained in the above (at that time) for the 12 homes in October 2019. Officers from Property, Adult Care and Health and Safety were involved in this evaluation. This evaluation led to the decision that immediate evacuation of the homes was not required provided that the actions identified were address within the required timescales.

Members were advised that in addition to the above the Fire Service have been kept informed of the situation and advice has been sought and provided by them as appropriate.

The Direct Care Group Manager summarised the mitigating actions identified following the risk evaluation process, firstly from the TFRA's:

- Replacement of old fire alarm systems with modern addressable systems
- Replacement of non-compliant fire doors and repairs to existing fire doors
- Improved compartmentation where possible
- Improved emergency lighting
- Improved escape routes (clearing pathways from fire exits)

And secondly from the OFRA's:

- Refresher training for all managers and senior staff in fire safety management and evacuation techniques
- Fire safety refresher training for all staff working in all HOPs
- Monthly (at least) fire evacuation practice drills
- Updating of PEEPs for all residents
- Provision of improved evacuation equipment in line with PEEPs
- Deployment of additional night staff in order to ensure that the compartment with the highest need can be evacuated in 2 ½ minutes
- Suspension of long-term admissions to the 12 homes which need rewiring in order to assist in managing the risk

The Direct Care Group Manager went on to summarise the actions that had been taken so far and provided an update regarding future actions. He stated that:

- All of the actions associated with the OFRA's have been put in place and maintained and these are being monitored on a weekly basis. All of the 12 homes have confirmed that in the event of a fire the affected compartment could be evacuated within 2 ½ minutes, day or night.
- Delivery of the TFRA actions has been somewhat hampered by Covid-19 in terms of supply chain issues and restrictions on entering care homes. All of the new fire alarm systems have been installed, except for East Clune which will be completed by 10<sup>th</sup> September 2020. All of the fire door issues have been addressed apart from Rowthorne, the supply of these doors has been badly affected by the supplier not operating during the recent lockdown. A new supply arrangement is now being made and work should commence imminently. Work has been completed on ensuring pathways from escape routes are cleared. Some improvements to compartmentation remain to be completed at Goyt Valley House, Hazelwood and East Clune. We are advised that unfortunately the improvements to emergency lighting cannot be undertaken as this requires the homes to be rewired.



- Work associated with higher risk issues from the electrical safety testing have been addressed. We are advised that some lower priority issues can only be addressed when the homes are rewired.
- OFRA and TRFA actions continue to be monitored on a weekly basis and reported to the Adult Care Senior Management Team. Property are arranging for new TFRA's to be undertaken as all of the works listed above are completed in order to review previous actions and identify any new ones. As previously stated, the electrical installation testing will be repeated in September 2020 at all 12 HOPs. Once all of these elements are complete an overall risk evaluation exercise led by the Risk and Insurance Manager will be repeated to review the safety of each home and any high priority actions which need addressing. This will then be reported back to Cabinet and the Corporate Management Team.

Members welcomed the detailed briefing about the mitigation measures. However, they wished to explore further issues relating to the emergency lighting systems in some of the homes, following the statement that "improvements to emergency lighting cannot be undertaken as this requires the homes to be rewired". Therefore, a further working group meeting was held on 9 September with the Electrical Operations Manager and the Head of Projects (Design and Build) from Property Services, to consider in more depth the implications of buildings needing to be rewired. A fundamental question that Members sought an answer to was, Are the homes equipped with emergency lighting systems that would facilitate the safe evacuation of residents in the event of an emergency?

The officers present provided an update on the mitigating actions that have been undertaken and confirmed the following:

- The emergency lighting is operational and safe in all of the homes, although due to recent legislative changes it is not compliant to current standards.
- All homes have a compliant fire alarm system to current standards.
- Technical fire risk issues, such as damage to fire doors that occur over time due to wear and tear have been addressed. As new issues arise, they will be prioritised and added to the program of works.
- Property Services is working towards reissuing technical fire risk assessments for each home so that they are fully compliant from a fabric point of view, with no outstanding items listed on the program of works.
- To improve operational procedures in the event of an emergency evacuation the Adult Care Department requested additional compartmentation in some of the homes. So, although the buildings

were compliant with the building regulations, an enhanced compartmentation was required to aid operational issues.

- If work is undertaken to bring the emergency lighting systems up to date it will be necessary to disrupt the fabric of the building and therefore it makes good property management sense to see what other work could be carried out during the disruption. As previously stated, in all of the homes the fixed wiring is safe. However, in many, the wiring is reaching the end of its life and a full rewire may be required within the next two years. Comprehensive plans for rewiring, including details of the anticipated costs, have been prepared.

After having the opportunity to vigorously question officers from Adult Care and Property Services, Members of the working group agreed that they felt assured that the mitigation measures in place are sufficiently robust and durable to address the increased risk associated with the properties that have been identified as needing rewiring, in the near future. It was also agreed that the working group would continue to pursue the other key lines of enquiry regarding its role in overseeing the next steps in relation to direct care homes for older people. A briefing( on 25 August) from the Direct Care Group Manager about the proposed approach for identifying suitable and local provision, and a briefing (on 2 September) from the Service Director about the methodology to assess current and future demand for residential care and the preparation of a Market Position Statement have been received. The working group is now awaiting an update on the timeframe for this work and how it is progressing.

On 4 November the People Improvement and Scrutiny Committee agreed to an interim report being submitted to Cabinet confirming that the Committee is assured that the mitigation measures in place are sufficiently robust and durable to address the increased risk associated with the properties that have been identified as needing rewiring.

#### **4. Considerations:**

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

#### **5. Background Papers: - None**

#### **6. Key Decision – No**

#### **7. Call-in – No**

## **8. Officer's Recommendations**

It is recommended that Cabinet:

- (1) Note that the Improvement and Scrutiny Committee – People, is assured that the mitigation measures in place are sufficiently robust and durable to address the increased risk associated with the properties that have been identified as needing rewiring, in the near future
- (2) Note that the scrutiny working group will continue to pursue the other key lines of enquiry regarding the Committee's role in overseeing the next steps in relation to direct care homes for older people.

**Cllr Gary Musson**  
**Chairman of the Improvement and Scrutiny Committee - People**

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**DERBSYHIRE COUNTY COUNCIL**

**CABINET**

**19 November 2020**

**Report of the Executive Director for  
Commissioning, Communities and Policy**

**ICT SERVICE DATA CENTRE HARDWARE REPLACEMENT AND SAP  
PLATFORM  
(CORPORATE SERVICES)**

**1 Purpose of the Report**

To ask members to approve the replacement storage and compute hardware within the two county council data centres (County Hall and Shand House) to enable the retirement of current hardware, and to facilitate the current SAP HANA upgrade. These procurements were identified in the CCP Service Plan 2017-2021 Update (July 2020). The upcoming Data Centre storage and compute Infrastructure at £1,500,000 and SAP Project hardware allocated £2,000,000.

**2 Information & Analysis**

**Current Situation**

On 23 April 2020 Cabinet approved the upgrade of the SAP software to the latest version SAP HANA. As indicated in that report work has since been undertaken to establish the ICT hardware requirements to support this significant implementation and manage the rest of the Council's needs.

The current solution is hosted in the Council's data centre and has proven to be highly resilient, providing high, robust availability of services and has enabled the Council to flexibly grow the solution and components. This has proven particularly important during the significant changes to the way employees have worked during the current pandemic.

The last major storage and compute technology refresh in the data centre was in 2014 and in the intervening period additional hardware and solutions have been added to address increases in utilisation and capacity. Since 2014 the ICT Service has continued to review its service offerings and has utilised cloud technologies to enhance the services where appropriate. The most significant example of this flexible approach has been the adoption of

Microsoft 365 solutions and hybrid-cloud delivery services which are being utilised as a key enabler to transformation within the Council and have been utilised to great effect during the Covid-19 pandemic. It is envisaged that this move to the cloud will continue over the next 5 years, with each application or workload being assessed for its ability to efficiently function within the public cloud, based on technical and procurement assessment. However, the current legacy applications need to be hosted in a secure, reliable and cost-effective environment.

As part of assessing the requirements for the new SAP HANA infrastructure a soft market testing exercise was undertaken and the following options and conclusions arrived at:

## **Options**

### **Option 1 - Do Nothing**

Doing nothing would put the council at risk of hardware failure and resulting in most ICT services being inaccessible whilst alternative hardware was procured.

### **Option 2 - Extend the current solutions support**

Extension of the current hardware contract would extend the life by up to 24 months and cost an estimated £370,000.

Equipment asset sweating in the Councils data centres has resulted in parts of the infrastructure being in excess of 7 years old; the further extended use of these components increases the risk of failure and the most significant ICT services being inaccessible.

The SAP HANA Project infrastructure would need to be located in the Microsoft Azure public cloud environment, which would generate an estimated annual cost of over £300,000, this is a revenue expenditure and subject to any increase in future base charges by Microsoft.

At the end of the period alternative hardware may need to be procured which would also represent a potential significant cost.

### **Option 3 - Microsoft Azure (Infrastructure as a Service)**

Moving all services to the public cloud, often referred to as a lift and shift approach to cloud migration, would represent a high-risk project with a very short timeline, and potentially put at risk ICT Service stability, currently in excess of 99.75%. Engagements with Microsoft on a cloud readiness assessment have highlight the significance of such a project, and it would likely take several years to do in a risk-free manner.

If a lift and shift approach was adopted then the estimated cost of a running the current ICT footprint and the new SAP HANA in the cloud would be around

£800,000, equating to £4,000,000 over a 5-year period. Again, this is a revenue expenditure and subject to any increase in base charges by Microsoft

#### **Option 4 – Hardware replacement of the current solution based in the Council's Data Centres**

Replacement hardware could be procured and implemented, which could reasonably be expected to be the last major data centre storage and compute hardware implemented by Derbyshire County Council. It would be expected that the hardware would last for around 5 years.

The expected cost for the two projects combined based on the Soft Market responses in April 2020 is the region of £2,000,000 for an initial five-year period. A further increase in the capacity of the backup solution would be required at an estimated cost of £100,000

This would be the preferred option as it would enable a controlled move to the cloud, over a five year period, and will be undertaken with each workload being assessed based on procurement lifecycles, cost and other success criteria to migrate to the cloud in a controlled and successful manner.

This option allows the Council to manage the significant move from a capital cost model to a revenue cost model over the medium term instead of taking a sudden increase in revenue costs at a time when budgets are already under severe pressure.

Due to the challenging procurement timeline and other external factors such as Covid19 and Brexit, it is reasonable to expect some delays to the implementation. For example, earlier in the year COVID19 had an adverse effect on the supply chain leading to longer delivery times for ICT hardware and equipment. Staff availability may become an issue if there are enforced periods of isolation and/or absences due to COVID19. An additional contingency has been included within the budget to fund the costs associated with any delays should this be experienced.

#### **Other Considerations**

##### **Initial SAP proof of concept**

In addition to the main hardware implementation there is a business requirement to undertake the build of full pre-prod proof of concept for the SAP HANA upgrade. The indicative cost for the SAP Project proof of concept to be created by Microsoft is estimated at £27,000 per month on a one-year reservation, until a Pre-Production solution can be created from new infrastructure implemented within the Council Data Centres. This funding will be drawn from the Change Management Reserve.

## Project time dependencies

In order to meet the SAP HANA project timeline and the successful retirement of the current data centre hardware by 30 September 2021 it is imperative the formal procurement starts in November 2021, leading to an expected implementation date of early July 2021. These timeframes are assuming no project delays caused by external factors, such as Covid19 or Brexit.

### Estimated additional costs resulting from a delay

Should there be any delays due to the reasons detailed above, there will costs incurred for several services. Based on a delay of 2-3 months, these would be as follows:

- Additional funding for Microsoft Azure services in order to build temporary development and quality assurance (QA) services for the SAP HANA project. Delays to the SAP programme will incur cost for the SAP Solution Implementor to extend the implementation programme.
- Maintenance and support for some aspects of the current hardware environment would need to be continued along with licencing.

A summary of the costs for a 2-3 months delay are as follows:

Requirements	Estimated cost
Additional Microsoft Azure build and licensing	£90,000
Solution implementor costs (3 weeks)	£50,000
Maintenance and support extensions	£60,000
Total	£200,000

A longer delay to the solution implementation would require hardware support and licensing for the current data centre hardware to be renewed for a further 12 months. This is estimated to be an additional £175,000.

## 3 Financial Considerations

In July 2018 Cabinet agreed capital investment of up to £2m per year (£10m over 5 years) to be built into the annual capital programme to support ICT hardware replacement. To support the proposed upgrade of the Council's SAP solution a number of key hardware, compute and storage components needed to be replaced in the Council's data centre.

The timing of the SAP upgrade has meant that a number of other data centre hardware components that have become or are nearing end of life have been held back and a number brought forward to enable rationalisation and alignment with the SAP project. The ICT Service requirement for capital borrowing in 2021/22 includes the figure of £2.1m for the hardware components to support infrastructure upgrades.



Any delay in the procurement or supply of hardware because of other external impacts will have an adverse impact on the SAP upgrade and existing hardware components and support contracts. A contingency of £375,000 has been included within the project as outlined in the report. It is recommended that funds are earmarked within the Change Management Reserve for this purpose

The SAP proof of concept project is a requirement of the business in order that they can begin work in preparation for the new solution. The proof of concept can be built in a Microsoft Azure and is anticipated to cost £325,000 for a 12-month period. It is recommended that funds are earmarked within the Change Management Reserve for this purpose.

The proposal is that a procurement is undertaken via Crown Commercial Services framework Technology Products & Associated Services RM6068 Lot 1 Hardware & Software & Associated Services to replace the Storage and Compute infrastructure and provide a platform for SAP HANA.

A business case to support the use of the CCS framework has been approved by the Director of Finance and ICT and Director of Legal Services in accordance with protocol 2a of the County Councils financial regulations.

The award of the contract is a matter which is delegated to the Executive Director of Commissioning, Communities and Policy under protocol 2b of Financial Regulations.

Call off under the CCS framework will be by way of mini competition.

#### **4 Legal Considerations**

The Director of Legal Services is satisfied that on the basis of information set out in the report it is appropriate to use the CCS framework for the procurement of a replacement Storage and Compute infrastructure and provision of a platform for SAP HANA.

The use of the CCS framework is in accordance with the County Councils financial regulations.

#### **5 Other Considerations**

In preparing this report the relevance of the following factors have been considered: human rights, equality of opportunity, health, environmental, transport, property, crime and disorder and social value considerations.

## 6 Background Papers

Information held by Director of Finance and ICT in relation to the replacement of the Storage and Compute infrastructure and provision of a platform for SAP HANA.

## 7 Key Decision

Yes

## 8 Call-In

Is it necessary to waive call in, in respect of decisions contained in this report?

No

## 9 Officer's Recommendations

That Cabinet approves

- 9.1 That Option 4 as set out in the report is approved, and replacement hardware is purchased with a 5-year plan to move in a controlled and planned way to the cloud.
- 9.2 A procurement is undertaken via Crown Commercial Services framework Technology Products & Associated Services RM6068 Lot 1 Hardware & Software & Associated Services.

EMMA ALEXANDER

Executive Director, Commissioning, Communities & Policy

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