

Public Document Pack



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PUBLIC

To: Members of Cabinet

Wednesday, 2 December 2020

Dear Councillor,

Please attend a meeting of the **Cabinet** to be held at **2.00 pm** on **Thursday, 10 December 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

A G E N D A

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 minutes of the meeting of Cabinet held on 19 November 2020 (Pages 1 - 20)

5. To receive minutes of Cabinet Member Meetings as follows:
 - 5 (a) Young People - 10 November 2020 (Pages 21 - 24)
 - 5 (b) Adult Care - 12 November 2020 (Pages 25 - 26)
 - 5 (c) Clean Growth & Regeneration - 19 November 2020 (Pages 27 - 28)
 - 5 (d) Highways, Transport & Infrastructure - 19 November 2020 (Pages 29 - 32)

To consider reports as follows:

- 6 (a) Capital Budget Monitoring/Forecast 2020-21 as at Quarter 2 (Pages 33 - 44)
 - 6 (b) Performance and Budget Monitoring/Forecast Outturn 2020-21 as at Quarter 2 (Pages 45 - 102)
 - 6 (c) Treasury Management Mid-Year Report 2020-21 (Pages 103 - 118)
 - 6 (d) Harrington Junior School (Pages 119 - 122)
 - 6 (e) Children's Diagnostic and Provision of Specialist Professional Services - use of a Non-DCC Framework (Pages 123 - 128)
 - 6 (f) Childcare Sufficiency Assessment Review 2019-20 (Pages 129 - 162)
 - 6 (g) Review of the Adoption and Children (Coronavirus) (Amendment) Regulations 2020 and subsequent The Adoption and Children (Coronavirus) (Amendment) (No.2) Regulations 2020 (Pages 163 - 178)
 - 6 (h) Direct Care Homes for Older People: Update on Actions (Pages 179 - 184)
7. Exclusion of the Public

To move "That under Regulation 4 (2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting for the following items of business on the grounds that in view of the nature of the items of business, that if members of the public were present, exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 would be disclosed to them."

PART II - EXEMPT ITEMS

8. To receive declarations of interest (if any)
9. To confirm the exempt minutes of the meeting of Cabinet held on 19

November 2020 (Pages 185 - 192)

10. To receive exempt minutes of Cabinet Member Meetings as follows:

10 (a) Adult Care - 12 November 2020 (Pages 193 - 194)

10 (b) Clean Growth & Regeneration - 19 November 2020 (Pages 195 - 198)

10 (c) Highways, Transport & Infrastructure - 19 November 2020 (Pages 199 - 200)

To consider exempt reports as follows:

11 (a) Corporate Maintenance Budget - Planned Maintenance Programme 2020-21 (Pages 201 - 206)

11 (b) Award of Contract for Supply of Temporary Agency Workers (Neutral Vendor) (Pages 207 - 210)

11 (c) Variation of Payment for the provision of Household Waste Recycling Centre Services due to Coronavirus (Covid-19) (Pages 211 - 216)

11 (d) Local Growth Fund Programme - update and proposals for the Hollis Lane Link Road (A61 Growth Corridor) (Pages 217 - 222)

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MINUTES of a meeting of **CABINET** held virtually on 19 November 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.

189/20 MINORITY GROUP LEADERS' QUESTIONS

Councillor P Smith asked the following question:

Agenda item 6g - Scrutiny of the Next Steps in relation to Direct Care Homes for Older People

The Interim Scrutiny Report into Direct Care Homes for Older People confirms that - despite problems with COVID 19 - the minor works required to ensure the safety of our care homes has been completed. Will the Cabinet Member for Adult Care join me in welcoming this report which - in turn - confirms the findings of the Scrutiny Committee chaired by Councillor Judith Twigg in September 2017?

Councillor J Wharmby, Cabinet Member for Adult Care responded that she was concerned that Councillor Smith appeared to have confused the two entirely separate scrutiny reviews. Councillor Wharmby confirmed that the review undertaken by Councillor Twigg in 2017, looked at how the Authority were providing care to residents in care homes. Members of the Working Group visited establishments and met with residents, staff members and family members to see the level of care provided to the residents, how members of staff were being supported and the overall standards that were being achieved. As such the review focussed on the staffing arrangements, the level of care provided, access to outside space, access to health services and the feel of the physical environment in the context of being able to efficiently provide care and support to residents.

The report considered today is an interim report that responds only to one element, the risk mitigation measures that are in place are as a result of the terrible conditions of the fabric of the buildings in question. Councillor Smith and the Labour Group are ignoring the seriousness of this issue. This is

not just minor work that is required on these buildings and the work that was being undertaken to make them safe was substantial. It must be stressed that they were only temporary measures and the issue had not gone away. It did not address the issues around the future maintenance and rewiring of these homes. Councillor Wharmby reiterated that this was not a position the Council wanted to be in, but we were left with no choice after decades of Labour's mismanagement and non-investment. On this basis therefore, the two reports referred to by Councillor Smith were not linked and were focussed very much on different areas of work. Councillor Wharmby could not therefore join him in confirming that the findings of the interim report today aligned with those presented by Councillor Twigg's presentation in 2017.

190/20 **MINUTES RESOLVED** that the non-exempt minutes of the meeting of Cabinet held on 08 October 2020 be confirmed as a correct record.

191/20 **CABINET MEMBER MEETINGS - MINUTES RESOLVED** to receive the non-exempt minutes of Cabinet Member meetings as follows:

- a) Adult Care – 1, 15 and 29 October 2020
- b) Young People – 6 October 2020
- c) Corporate Services – 8 October and 5 November 2020
- d) Highways, Transport & Infrastructure – 8 October 2020
- e) Strategic Leadership, Culture & Tourism – 13 and 28 October 2020
- f) Health & Communities – 5 November 2020

192/20 **THE SCRUTINY REVIEW – EXECUTIVE DIRECTOR COMMISSIONING, COMMUNITIES & POLICY** The Executive Director, Commissioning, Communities & Policy presented the final Scrutiny Review report, action plan and the consultation feedback for approval and recommendation to Council on 2nd December 2020.

The report detailed the timetable of the Review which commenced in 2019 and the appointment of a Programme Director in March 2020 who progressed the review of the four Improvement and Scrutiny Committees. The Centre for Public Scrutiny (CfPS) were commissioned to undertake the review, bringing independence, experience and a ready-made scrutiny review methodology.

The CfPS undertook two member surveys: one designed for Cabinet and members of Improvement and Scrutiny Committees and the other for all remaining members and a Scrutiny Review Steering Group was established to lead the review. Its Review Report was approved on 8 October 2020 and commenced a programme of continuous review and development of scrutiny at Derbyshire County Council.

A workshop took place on 12 October 2020 where the Scrutiny Review findings, Action Plan and significant questions were considered; the resulting

report was attached at Appendix 1. Fifteen recommendations were identified by the CfPS in their report, detailed in Appendix 2 with a further three actions being identified. A draft Action Plan was prepared by the Scrutiny Steering Group (Appendix 3) in response to the recommendations. The workshop, Governance, Ethics and the Improvement and Scrutiny Committees reviewed the Action Plan.

The Review had identified systems, practices and approaches that were developed as part of the original implementation in Derbyshire and had been largely unchanged over that period. The recommendations highlighted the need for cultural and practical change, ensuring the Scrutiny function was brought up to date and fulfilled more of a central role.

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 started. Findings also included the need to ensure that Improvement and Scrutiny's use of the corporate Key Decision Document was more readily facilitated to enable the Improvement and Scrutiny Committees to develop meaningful and focused work programmes to add value to the work of the Council.

It was proposed that a programme of continuous improvement for the operation of scrutiny within Derbyshire was initiated. It was recognised that the outcomes of the review were comprehensive and key in delivering change and it was anticipated that once initial actions had been completed, further areas for future development would be identified and progressed.

RESOLVED to (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 2nd December 2020; and (3) note that this review commenced a programme of continuous review and development of scrutiny at Derbyshire County Council.

193/20 **TREASURY MANAGEMENT ANNUAL REPORT 2019-20** The Director of Finance & ICT presented the report on Treasury Management activities during the last financial year 2019-20 and indicated 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).

Treasury risk management at the Council was 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 required 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 fulfilled 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 had borrowed and invested substantial sums of money and 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 was therefore central to the Council's Treasury Management Strategy.

The report went into some detail on the influences of external and local contexts of the economy and financial markets: Brexit and associated future trading arrangements, the UK Consumer Price Inflation Index (CPI), the unemployment rate and the average annual growth rate for pay, the annual UK Gross Domestic Product (GDP), the impact of global trade tensions on economic activity and then the coronavirus pandemic.

Table 1 showed a balance sheet summary – it was the Council's strategy to maintain borrowing and investments below their underlying levels in order to reduce risk and keep interest costs low. Table 2 showed the Treasury Management Summary position as at 31 March 2020 and the year-on-year change and table 3 showed the External Borrowing Position.

The Council held significant invested funds – table 4 showed the year-end investment position and the year-on-year change. The CIPFA Code and Government guidance require the Council to invest its funds prudently. The Council's objective when investing money was to strike an appropriate balance between risk and return, the Council therefore diversified into higher yielding, asset classes. Table 5 showed the progression of credit risk and return metrics for the Council's investments managed in-house.

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 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, gilt yields fell but credit spreads widened markedly, which saw corporate bonds yields rise and prices fall.

At 31 March 2020, the Council's portfolio of externally managed pooled strategic bond, equity, property and multi-asset funds were 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. These pooled funds had no defined maturity date but were available for withdrawal after a notice period.

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 was replicated in the Ministry of Housing, Communities and Local Government's (MHCLG) Investment Guidance, in which the definition of investments was further broadened to include all such assets held partially for financial return. This included service investments for operational and/or regeneration, as well as commercial investments which were made mainly for financial reasons. The Council measured 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; that was shown in table 6.

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 was demonstrated in tables 7 and 8. The Council measured and managed its exposure to treasury management risks using the indicators detailed in the report.

RESOLVED to note the Treasury Management Annual Report 2019-20 and note 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.

194/20 TEMPORARY PAYMENT ARRANGEMENTS TO BUS, COACH AND TAXI OPERATORS FOR CONTRACTUAL FARES REIMBURSEMENT DUE TO CORONAVIRUS ON-GOING MEASURES The Director of Economy, Transport & Environment presented the 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 ended on 31 October 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. 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; and
- Swimming services for primary schools (during initial lockdown.

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. This urgent decision was the subject of an Officer Decision Record (ODR) agreed by Gold CMT on 20 March 2020 and reinforced with a Cabinet Office 'Procurement Policy Note' 02/20 (PPN) about supplier relief which 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.

These payments ensured that service providers were able to continue to operate Council services and to undertake alternative activities. These actions also allowed the network of conventional bus services to continue to operate allowing key workers to travel as required. Making the payments gave the various operators some certainty about their short term financial stability as well as allowed them to be available to resume full services when required.

On 4 June 2020, the Executive Director made a further urgent decision to continue with these payment arrangements until 31 October 2020. This decision was confirmed by the Cabinet Member - Highway, Transport and Infrastructure on 9 July 2020 and it reflected a further Government PPN 04/20.

The coronavirus (COVID-19) had a devastating impact on the transport sector had been significantly reduced or cancelled altogether since the lockdown began in March 2020. The UK was still experiencing a significant increase in the number of reported COVID-19 cases and the national/local response was varied, based on a 'three tier system' which had resulted in unclear and unconfirmed national policy for support to the public and supported transport network since September 2020. Forward planning for 'return to service' had been exceptionally difficult as circumstances had changed almost daily.

There were still many uncertainties about the continued impact of COVID-19 on the Council's contracted transport and public bus services. A number of changes had been made since the date of the original decision on

4 June 2020 however, many of the fundamental concerns which led to the Executive Director's urgent decision continue to be valid.

There continued 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. Also, decisions on key elements of future demand from other departments within the Council had only recently been taken therefore, the Director considered the following proposals:

- 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, 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, the Director agreed that the suggested arrangements set out above should remain in place until 31 March 2021, or until the proposed review was completed and alternative recommendations made, whichever was soonest.

The Council was firmly and clearly committed to ensuring value for money in everything it did however, competing issues had to be balanced and a view taken on how best to protect the public purse and the economic and social wellbeing of local residents and businesses. The urgent decision taken by the Director made it clear what services were being paid for and why and efforts had been made to ensure there was no 'double compensation' being paid by the Council and any other party.

RESOLVED to note 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.

195/20 DERBYSHIRE ECONOMIC PARTNERSHIP RECOVERY AND EMPLOYMENT AND SKILLS STRATEGY The Director of Economy, Transport & Environment presented a report that sought the endorsement of the Derbyshire Economic Recovery and Employment and Skills Strategy that had been prepared in response to the Coronavirus (COVID-19) pandemic by the Economic Recovery Cell.

The Council had 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. Chaired by the Director of Economy and Regeneration, the Cell had 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.

Its focus was on the efforts in developing a shared strategy and action plan to guide economic recovery in the County over the next five years and potentially, beyond. An evidence-based approach had been adopted through a carefully crafted programme of interventions based around: 'Rescue – Resume - Revive – Regenerate – Renew'.

Hatch Regeneris to support the work and provide external expertise. Strong governance had been put in place not only to drive development of the Strategy but deliver the necessary interventions. The governance arrangements included 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, as illustrated in the accompanying diagram.

The COVID-19 recovery strategy for Derbyshire sat in the wider context of the Derby, Derbyshire, Nottingham, Nottinghamshire Local Enterprise Partnership (D2N2 LEP). A broader recovery strategy document was being prepared for the sub-region. The Derbyshire Economic Recovery and Employment and Skills Strategy set out a roadmap for how the Council could capitalise on the economic changes that were emerging from COVID-19. The detailed evidence base collated by Hatch Regeneris showed a trajectory of recovery and key areas of impact.

The final draft Strategy was attached to the report and had a mix of immediate and longer-term interventions to be delivered across a wide range of partners, including the County Council. 'Protective' and 'good growth' measures had been identified to help mitigate certain negative impacts, some of which were already in train prior to the COVID-19 pandemic and were part of Derbyshire's wider partnership economic programme.

The Strategy had a strong place-based focus but also explored potential new sectors, technologies and physical infrastructure. Opportunities for advancing market-leading projects, specifically around transport infrastructure, had been identified and a number of pilot/demonstrator projects are proposed.

Partners had been active in supporting COVID-19 recovery efforts since early April 2020 and had made tremendous progress through the 'rescue and resume' phase. Many other partners had been critical in their support/action for implementing recovery measures and significant achievements had been made in 'rescuing' the local economy. Additional work had also been undertaken by partners in helping local businesses to 'resume' and as from 1 September, partners were moving in the 'revive' phase however, increases in

Covid-19 cases, the introduction of the lockdown tier systems and the announcement of a new month-long lockdown meant that some aspects of the work had refocused on the 'rescue' phase. These were listed in detail within the report, together with longer term planned interventions.

Whilst the draft Economic Recovery and Employment and Skills Strategy set out the proposed themes and key interventions, the action plan identified the proposed lead partners, delivery responsibilities, timescales and funding opportunities to help ensure progress. A lead partner/sponsor had been identified for each intervention and other resources had been identified. Existing sources are proposed to be utilised or redirected where possible around funding to ensure the additional impact of COVID-19 on resources was minimised.

There had been wide and robust partner engagement in development of the Strategy with much input being taken from the recovery workstreams, the Recovery Cell and the high-level Board. Feedback from Hatch Regeneris was that the Derbyshire recovery strategy was amongst the most comprehensive and well-developed documents seen, a direct result of the partnership approach that has been adopted.

The draft Strategy had been well received by all partners and comments were invited to be submitted by 13 November 2020; these were yet to be included in the final version. The next steps were to publicise the approved Strategy more widely.

RESOLVED to (1) endorse the draft Derbyshire Economic Recovery and Employment and Skills Strategy; and (2) note the process for finalising the content based on the feedback of partners and delegate 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.

196/20 **ADDITIONAL INVESTMENT FOR PUBLIC HEALTH NURSING**
The Director of Public Health sought cabinet approval to provide additional investment to support the public health nursing service.

On 26 July 2018 Cabinet approved an enterprising approach to providing key public health services for the 0-19 age group and their families which 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 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.

The additional investment of £0.5m per annum was required to increase service capacity which had reduced since the introduction of the section 75. This investment would enhance the general public health offer and allow the service to develop its role as part of an integrated approach to help achieve positive outcomes. This would include, but not be limited to, positive outcomes around mental health, reducing levels of obesity and supporting healthy lifestyles. This would complement the whole system approach to commissioning and provision of services and contribute to an improvement in national indicators where Derbyshire had an identified need.

Public Health Nurses were ideally placed within the local community to identify and address local need and can signpost services that empower parents, as well as provide a range of support depending on individual circumstance. The additional investment would also enhance the opportunities available for children within Derbyshire.

DCC would continue to work closely with DCHSFT to enhance the service delivery model and agreed how this additional investment would be utilised. The £0.500m per annum could be met by the public health grant.

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

197/20 CHILDREN'S SERVICES CAPITAL PROGRAMME 2020-21 EXPANSION PROJECT AT JOHN PORT SPENCER ACADEMY The Executive Director, Children's Services sought the approval for funding a project to expand John Port Spencer Academy.

There had been significant housing growth in the normal area of John Port Spencer Academy; a result of which the Authority had secured £12M in Section 106 agreements. The Academy Trust had employed a specialist firm to assess the current accommodation, identify the need to expand the school by 300 places for 11–16 pupils and increase the post-16 provision. The masterplan consisted of 5 projects.

On 20 January 2020, the Executive Director, Children's Services approved £50,000 to commence the design on project 1E for changes to site access and car park expansion. On 29 July 2020, the Executive Director approved a further £50,000 for project 1C for the expansion of the Art and Design block. It had become clear that the access and car park project was a requirement to secure planning permission for any of the projects to start on site: project 1E had been combined with project 1C. This combined project would provide additional art and design teaching accommodation for all pupils through re-modelling three of the existing buildings. It would create additional classrooms, a graphics room and a larger ICT classroom together with

associated storage. The car park extension would create an additional 54 places.

The total cost of the project was £1,280,664.49. There was a total of £4,178,272.76 in funds held by Derbyshire County Council. A table within the report outlined the Section 106 funding relating to developments tied to the combined project. In addition to this, the academy had 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
Total	£1,280,664.49
Less S106 already paid	£ 100,000.00
Less leisure funding	£ 44,640.00
Total to be allocated	£1,136,024.49

As the projects had developed and the costings had been finalised, it had been necessary to move S106 allocations around in order to meet the cost of the project from available funds. The allocations above therefore vary from those detailed in the delegated paper of 10 January 2020: this did not change the previous financial approvals.

RESOLVED to approve allocations of £1,136,024.49 in Section 106 funding to the art block and car parking project at John Port Spencer Academy.

198/20 **SCRUTINY OF THE NEXT STEPS IN RELATION TO DIRECT CARE HOMES FOR OLDER PEOPLE – AN INTERIM REPORT** The Chairman of the Improvement & Scrutiny Committee – People presented a progress report by the Committee in overseeing the next steps in relation to direct care homes for older people.

On 4th 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. 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.

On 2 September 2020, the People Improvement and Scrutiny Committee 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 had been established and Members had held three meetings to gather evidence regarding the key lines of enquiry. A progress report had been received from the working group:

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 where decisions had already been made to close once local alternatives had been established. 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 listed and Members were advised that in addition to these, the Fire Service had been kept

informed of the situation with advice being sought and provided by them as appropriate.

The Direct Care Group Manager summarised the mitigating actions identified following the risk evaluation process from the TFRA's and from the OFRA's. The Direct Care Group Manager went on to summarise the actions that had been taken and provided an update regarding future actions: these were detailed in the report.

Members welcomed the 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". The working group meet on 9 September with the Electrical Operations Manager and the Head of Projects (Design and Build) from Property Services, to consider the implications of buildings needing to be rewired.

A fundamental question Members sought an answer to was were 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 had been undertaken and confirmed the following:

- The emergency lighting was operational and safe in all of the homes, although due to recent legislative changes it was not compliant to current standards.
- All homes had 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 had been addressed. As new issues arise, they were prioritised and added to the program of works.
- Property Services was working towards reissuing technical fire risk assessments for each home so that they were 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 was undertaken to bring the emergency lighting systems up to date it would 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 was safe. However, in many, the wiring was reaching the end of its life and a full rewire might be required within

the next two years. Comprehensive plans for rewiring, including details of the anticipated costs, had 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 were sufficiently robust and durable to address the increased risk associated with the properties that had 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 from the Direct Care Group Manager about the proposed approach for identifying suitable and local provision and a briefing from the Service Director about the methodology to assess current and future demand for residential care and the preparation of a Market Position Statement had been received. The working group was awaiting an update on the timeframe for this work and how it was progressing.

RESOLVED to (1) note that the Improvement and Scrutiny Committee – People, was assured that the mitigation measures in place were sufficiently robust and durable to address the increased risk associated with the properties that had been identified as needing rewiring, in the near future; and (2) note that the scrutiny working group would 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.

199/20 ICT SERVICE DATA CENTRE HARDWARE REPLACEMENT AND SAP PLATFORM The Executive Director Commissioning, Communities & Policy sought approval for replacement storage and computer 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.

On 23 April 2020 Cabinet approved the upgrade of the SAP software to the latest version SAP HANA and work had 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, hosted in the Council’s data centre, had proven to be highly resilient, providing high, robust availability of services and had enabled the Council to flexibly grow the solution and components. This had

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; additional hardware and solutions had been added in the interim. The ICT Service had continued to review its service offerings and had utilised cloud technologies to enhance the services where appropriate. It was envisaged that the move to the cloud would 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 needed to be hosted in a secure, reliable and cost-effective environment.

a soft market testing exercise was undertaken to assess the requirements for the new SAP HANA infrastructure. The following options and conclusions were arrived at:

Option 1 – Do Nothing - would put the council at risk of hardware failure and result in most ICT services being inaccessible whilst alternative hardware was procured.

Option 2 - Extend the current solutions support - would extend the life by up to 24 months and cost an estimated £370,000. 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, and be subject to any increase in future base charges by Microsoft. Alternative hardware may need to be procured which would also represent a potential significant cost.

Option 3 - Microsoft Azure (Infrastructure as a Service) – move 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. Engagement with Microsoft on a cloud readiness assessment had highlighted the significance of such a project, and would likely take several years to do in a risk-free manner. 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. This was 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 would be procured and implemented. The hardware was expected to last for around 5 years. The expected cost for the two projects combined was in 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.

Option 4 would be the preferred option as it would enable a controlled move to the cloud, over a five year period, and each workload assessed based on procurement lifecycles, cost and other success criteria to migrate to

the cloud in a controlled and successful manner. This option allowed 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 were already under severe pressure.

Due to the challenging procurement timeline and other external factors such as Covid19 and Brexit, it was reasonable to expect some delays to the implementation. An additional contingency had been included within the budget to fund the costs associated with any delays.

There was also 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 was estimated at £27,000 per month on a one-year reservation, until a Pre-Production solution could be created from new infrastructure implemented within the Council Data Centres. This funding would be drawn from the Change Management Reserve.

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

Costs would be incurred for delays for several services. Based on a delay of 2-3 months, these would be:

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

RESOLVED to approve (1) option 4 as set out in the report, and purchase replacement hardware with a 5-year plan to move in a controlled and planned way to the cloud; and (2) procurement to be undertaken via Crown Commercial Services framework Technology Products & Associated Services RM6068 Lot 1 Hardware & Software & Associated Services.

200/20 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 08 October 2020.
3. To receive exempt minutes of Cabinet Member meetings as follows:
 - a) Strategic Leadership, Culture & Tourism – 28 October 2020
 - b) Corporate Services – 5 November 2020
 - c) Health & Communities – 5 November 2020
4.
 - (a) Waste Management Contract – Second Inter Authority Agreement between Derbyshire County Council and Derby City Council – Director Economy, Transport & Environment (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
 - (b) A61 Growth Corridor Strategy – Funding for Chesterfield Station Masterplan (Hollis Lane Link Road Phase 1) – Director Economy, Transport & Environment (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
 - (c) Supply and Delivery of Liquid Fuels – Executive Director Commissioning, Communities & Policy (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
 - (d) Contract for the Supply of Postal Services – Executive Director Commissioning, Communities & Policy (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
 - (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' – Director of Public Health (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
 - (f) Extension of block payments for the Derbyshire Integrated Sexual Health Service for the remainder of the 2020-21 financial year - Director of Public Health (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))

(g) Extension of contract for the supply and delivery of frozen food—Executive Director Children’s Services (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 – YOUNG PEOPLE** held on 10 November 2020.

PRESENT

Cabinet Member - Councillor A Dale

Also in attendance – Councillors J Patten and J Coyle

44/20 **MINUTES** **RESOLVED** that the minutes of the meetings of the Cabinet Member for Young People held on 6 October 2020 be confirmed as a correct record.

45/20 **CONFIRMATION OF NOMINATIONS OF SCHOOL GOVERNORS**

The Cabinet Member was asked to confirm the nominations of persons 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 confirms the nominations for persons to serve as local authority governors as follows:-

W Bates	-	Mugginton Primary School
C Emmas-Williams	-	Codnor Primary School
S Marshall-Clarke	-	Woodbridge Junior School
R Wiggins	-	The Curzon Primary School
W Greensmith	-	Glebe Junior School
A Knyhynyckyj	-	Hunloke Park Primary School
D Ward	-	Hasland Junior School
A Colmar	-	Tansley Primary School
R Costello	-	Bradwell Junior School
C Nettell	-	Grindleford Primary School
C Thomas	-	Baslow St Anne's Primary School
K Wigley	-	Parwich Primary School
T Cameron Faulkner	-	Furness Vale Primary School
K Holtam	-	Hadfield Infant School
J Harvey	-	Dronfield Junior School
M Whitehead	-	Melbourne Junior School

46/20 **CHILDREN'S SERVICES CAPITAL PROGRAMME 2020-21- ALLOCATION OF SECTION 106 CAPITAL**

The Ecclesbourne School has over the last 5 years, undertaken a programme of expansion to increase its capacity. The academy funded the projects ahead of receipt of the associated Section 106 developer funds. The County Council has received £380,627.40 (Radbourne Lane Phase 1 AVA/2009/0359) and this was available to allocate to the

English Block project and would meet the requirements of the Section 106 legal agreement.

RESOLVED to approve the allocation of £380,627.40 to The Ecclesbourne School in respect of the English Block project.

**47/20 PERFORMANCE AND BUDGET MONITORING/FORECAST
OUTTURN 2020/2021 AS AT QUARTER 2**

The Cabinet Member received an update of the Council Plan performance position and the revenue budget position of the Young People portfolio for 2020-21 up to the end of September 2020 (Quarter 2) including budget savings, growth and one-off funding, risks and earmarked reserves. The request being made to Cabinet for the creation of an earmarked reserve to cover the expected costs of temporary additional staff within the Quality Assurance team that would fall into financial year 2021-22 was also detailed.

Progress was "good" for 2 out of the 5 Council Plan deliverables led by portfolio, however the deliverables to ensure that all Council run children's homes were 'Good' or 'Outstanding' and to increase the percentage of children in schools which were 'Good' or 'Outstanding' have been flagged as "requiring review". The key area for consideration was reviewing the Council's care and support offer for children with special educational needs and disabilities and adults.

The net controllable budget for the Young People portfolio is £119.205m and the Revenue Budget Monitoring Statement prepared at quarter 2 indicated that there was a projected year-end overspend of £14.737m. The overspend would be supported by the use of £8.276m of Covid-19 funding allocated to the Council to support the costs incurred by the pandemic. After the use of this funding the forecast position was an overspend of £6.461m. In addition to any use of earmarked reserves, the forecast outturn position includes one-off income of £1.390m, which related to Dedicated Schools Grant income transferred to contribute to costs incurred within Children's Services supporting Early Help services and children with additional needs.

The key variances included Placements for Children in Care/Unable to remain at home (overspend £12.713m), Support for children with disabilities (overspend £0.386m), Children's Safeguarding services (underspend £0.597m), Early Help and Preventative services (underspend £0.810m), Home to School Transport (overspend £0.954m), Education Support services (overspend £3.720m), Pensions payable to former teachers and other staff (overspend £0.372m), and Unallocated budget (underspend £2.294m).

The value of the savings initiatives originally identified for implementation in the current year was £2.350m and it was forecast that £1.126m of savings will have been achieved by the year-end.

The portfolio received additional budget allocations in 2019-20 for Social Worker recruitment (£1.300m ongoing, £1.300m one-off), Placement demand

pressures (£11.000m ongoing), Home to School Transport SEN (£1.000m ongoing, £0.971m one-off), SEND assessment and planning (£0.600m ongoing), Increase in Special Guardianship placements (£0.336m ongoing), Foster Carers (£0.100m ongoing), Care Leavers (£0.498m one-off), Child Protection (£0.500m ongoing), Children in Care Legal Proceedings (£1.100m one-off), Support to Achieving Great Futures (£0.108m one-off), Preventative Support to Families (£1.000m one-off), Elective Home Education (£0.207m one-off), Service Transformation (£0.438m one-off), and Quality Assurance SEND and Fostering (£0.214m one-off)

The service has commenced recruitment of the additional assessors required and these staff would be employed on a one year contract spanning across the 2020-21 and 2021-22 financial years. Approval was therefore requested to create an earmarked reserve up to £122,000 to hold the resources required to fund the costs of the newly recruited staff where their contracts extended into 2021-22.

The report also detailed the services that could negatively impact on the portfolio's forecast outturn position reported in the Forecast Summary, the earmarked reserves totalling £6.471m that were currently held to support future expenditure and the profile of the debt position.

Councillor Coyle expressed concern at the rising numbers of children in care and consequent overspend of the Placements for Children in Care/Unable to remain at home budget compared to the underspend in the Early Help and Preventative services budget. It was noted that the Early Help and Preventative services had a number of unfilled vacancies that needed to be recruited to. Councillor Dale requested that this matter be investigated with a view to preparing a report on recruitment to these unfilled posts.

RESOLVED to note (1) the report and the actions undertaken to improve the budget position and performance; and

(2) the request to be made to Cabinet to approve the creation of an earmarked reserve to cover the employment costs of additional Quality Assurance staff which are expected to be partially incurred in 2021-22.

48/20 DEDICATED SCHOOLS GRANT MONITORING 2020-21 – QUARTER 2 (as at 30 September 2020) The Cabinet Member was provided with an update of the Revenue Budget position of the Dedicated Schools Grant (DSG) (Young People portfolio) for 2020-21 up to the end of September 2020 (Quarter 2).

The expected Dedicated Schools Grant and 6th form grant income due to the Authority was £370.954m. The expected underspend compared to income was £0.616m however this included an underspend of £0.318m which was ring-fenced to schools, the underspend falling to the Authority was therefore £0.298m. The underspend included the benefit of £1.325m which the Schools Forum agreed could remain uncommitted to assist with the pressures within the DSG, therefore the underlying overspend against in-year grant was £1.027m.

The net total DSG reserves as at the end of 2019-20 were £0.188m surplus, within which the uncommitted DSG reserve stood at a deficit of £3.140m.

The Department for Education have included provisions in the School and Early Years Finance (England) Regulations 2020 that that a DSG deficit must be carried forward to be dealt with from future DSG income, unless the Secretary of State authorised the Authority not to do this.

The significant areas of expenditure were detailed in the report and the key variances were Central School Services Block (underspend £1.552m), Re-pooled school funding (underspend £0.318m) and High Needs Block (overspend £1.212m).

There was a risk that the High needs block placements and top-ups could negatively impact on the portfolio's forecast outturn position reported in the Forecast Summary.

RESOLVED to note the report.

PUBLIC

MINUTES of a meeting of the **CABINET MEMBER – ADULT CARE** held on 12 November 2020

PRESENT

Councillor B Lewis (in the Chair)

Also in attendance were Councillors C Dale and S Swann.

Apologies had been received from Councillor J Wharmby.

52/20 **MINUTES RESOLVED** that the minutes of the meeting held on 29 October be confirmed as a correct record.

53/20 **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 29 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.

54/20 PERFORMANCE AND BUDGET MONITORING/FORECAST
OUTTURN 2020/2021 AS AT QUARTER 2

The Cabinet Member had been provided with an update of the Council Plan performance position and the revenue budget position of the Adult Care portfolio for 2020/2021 up to the end of September 2020 (Quarter 2).

The report presented both financial and Council Plan performance data. The performance summary set out progress on the Council Plan deliverables and measures led by the Adult Care portfolio. The remainder of the report gave a summary and detail on the revenue budget position for the portfolio.

As an overview, the report showed that progress was "good" for 3 out of the 7 Council Plan deliverables led by the portfolio. After the use of additional Covid-19 funding, the budget forecast position for 2020/2021 was an overspend of £2.356m. It was forecast that £0.337m of savings would have been achieved by the year end. This compared to target savings of £3.357m and the value of savings initiatives, which had been identified for implementation in the current year, of £0.337m.

RESOLVED that the Cabinet Member note the report and 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.

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

1. To consider the report of the Executive Director Adult Social Care & Health on the Healthwatch Derbyshire Contract Extension (contains information relating to the financial or business affairs of any particular person (including the Authority holding the information))

PUBLIC

MINUTES of a meeting of the **CABINET MEMBER FOR CLEAN GROWTH AND REGENERATION** held virtually on 19 November 2020

PRESENT

Cabinet Member – Councillor T King

Also in attendance – Councillor R Mihaly

12/20 **MINUTES RESOLVED** that the minutes of the meeting held on 10 September 2020 be confirmed as a correct record and signed by the Cabinet Member.

13/20 **PERFORMANCE AND BUDGET MONITORING/FORECAST OUTTURN 2020-2021 AS AT QUARTER 2** The Cabinet Member was provided with an update on the Council Plan performance position and the revenue budget position of the Clean Growth and Regeneration portfolio for 2020-2021 up to the end of September 2020 (Quarter 2).

The report showed that progress was "good" or "strong" for the portfolio, however, the deliverables to assist in the successful implementation of a new manufacturing zone in North Derbyshire, to help deliver the Derbyshire Environment and Climate Change Framework and to encourage more people to choose sustainable methods of travel, create healthier lifestyles and reduce carbon emissions had been flagged as "requiring review". After the use of additional Coronavirus (COVID-19) funding, the budget forecast position for 2020-2021 was a small overspend of £0.031m. The report contained detailed tables and graphs showing an overview of progress on deliverables and measures.

Significant progress had been made in developing and commencing the COVID-19 Economic Recovery Strategy, specifically the 'rescue and revive' phase however, it was likely that progress would slow down and a return to 'rescue' interventions was expected. These were further detailed in the report.

Appendix A provided further information on funding of £6,222m which had been secured to support wider 'good growth' and regeneration ambitions. Secured external funding would continue to be monitored.

The net controllable budget was £0.695m, an additional £0.542m COVID-19 funding gave a total of £1.237m. The Revenue Budget Monitoring Statement forecasted a year-end overspend of £0.573m, resulting in a small overspend of £0.031m.

Economic Development saw an overspend of £0.448m due to COVID-19 hardship grant payments and an Employment and Skills overspend of £0.077m, due to there being no established budget for the Employment and Skills post.

Earmarked reserves totalling £0.695m were held to support future expenditure. There were detailed in the report.

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.

14/20 **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 Economy, Transport and Environment on the Progress Report on the Transfer of the Apprenticeship Levy to Businesses in Derbyshire (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).
2. To consider the exempt report of the Director of Economy, Transport and Environment on the Developing the Derbyshire China Relationship- Extension of D2 China Project Director Contract until July 2021 (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 19 November 2020

PRESENT

Cabinet Member - Councillor S Spencer

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

60/20 **MINUTES** **RESOLVED** that the Minutes of the meeting of the Cabinet Member for Highways, Transport and Infrastructure held on 8 October 2020 be confirmed as a correct record.

61/20 **PETITION – BRIDLE ROAD, STANFREE – OBJECTIONS TO THE INTRODUCTION OF WAITING RESTRICTIONS** Following receipt of a petition raising objections to the Council’s proposed introduction of waiting restrictions on Bridle Road, Stanfree and asking that the Council reconsiders this proposal, the matter has been investigated.

Parking predominately takes place on the residential side of Bridle Road and a short section of double yellow lines was already in place at the roads junction with Clowne Road which helped to facilitate the unobstructed movement of vehicles between Bridle Road and Clowne Road. It has been reported to the Council that when vehicles were parked opposite the access road to Moss Brook, large delivery vehicles associated with the fuel supply business experienced difficulties emerging from their Access, despite the owner of the business having already widened their access gates. Requests have therefore been made to the Council to install a section of double yellow lines to allow unobstructed passage in to the Moss Brook access road.

It was appreciated that parking was limited for the residents, however the proposed restrictions were the minimum length required and would minimise the impact the proposed restrictions would have on the parking needs of the residents.

RESOLVED that (1) the request to reconsider or compromise on the installation of the proposed parking restrictions is refused and that the Traffic Regulation Order is made as set out in Appendix 1 to the report; and

(2) the Local Member and lead petitioner be informed of the decision.

62/20 **PERFORMANCE AND BUDGET MONITORING/FORECAST OUTTURN 2020-2021 AS AT QUARTER 2** The Cabinet Member was updated on the Council Plan performance position and the revenue budget position of the Highways, Transport and Infrastructure portfolio for 2020-21 up to the end of

September 2020 (Quarter 2) including budget savings, growth and one-off funding, risks and earmarked reserves.

Progress was "good" for all of the Council Plan deliverables led by the portfolio. The key areas of success were the £40 million programme of highway improvements which has been developed; and work on the Derbyshire Infrastructure Investment Plan.

The net controllable budget for the Highways, Transport and Infrastructure portfolio was £74.837m. The Revenue Budget Monitoring Statement, prepared for Quarter 2, indicated that there was a forecast year-end overspend of £7.501m. The overspend would be supported by the use of £6.015m of additional COVID-19 funding which has been allocated to the Council to support the costs incurred as a result of the pandemic. After the use of this funding the forecast position was an overspend of £1.486m.

The key variances included Highway Maintenance (overspend £1.170m), Waste Management (overspend £0.624m), Winter Maintenance (overspend £1.777m) and Highway Management and Land Reclamation (overspend £0.817m).

Budget reduction targets totalling £1.426m were allocated for the year, with a brought forward figure from previous years of £5.234m, resulting in total reduction targets to be achieved of £6.660m at the start of the year. The value of identified savings initiatives in the current year was £3.226m and the shortfall between total targets and the identified savings initiatives was £3.434m. It was forecast that £2.658m of savings would have been achieved by the year-end.

Growth items and one-off funding in the 2020-21 budget included Ash Dieback (£0.270m one-off) and Elvaston Castle Masterplan (£0.200m one-off).

Earmarked reserves relating to this portfolio, totalling £18.715m, were currently held to support future expenditure. Financial risks and the debt position were also detailed in the report.

Councillor Wall referred to the delayed capital programme, the underlying issues in respect of repairs and the significant red flags in the budget monitoring report. It was noted that the capital programme was delayed due to the delay in the government funding announcement, repair delays were due to the flooding events in November, January and February and the Covid restrictions requiring assessments to ensure a safe working environments and all service areas were being monitored in respect of over and underspends.

RESOLVED to note the Council Plan performance position and the revenue budget position of the Highways, Transport and Infrastructure portfolio for 2020-2021 up to the end of September 2020 (Quarter 2) contained within the report.

63/20 **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 – Economy, Transport and Environment on Project Support – External Advisors Appointment (contains information relating to the financial or business affairs of a particular person (including the Authority holding that information))

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Agenda Item No 6(a)

DERBYSHIRE COUNTY COUNCIL

CABINET

10 December 2020

Report of the Director of Finance & ICT

**CAPITAL BUDGET MONITORING/FORECAST 2020/21 AS AT QUARTER 2
(STRATEGIC LEADERSHIP, CULTURE AND TOURISM)**

1 Purpose of the Report

To inform Cabinet of the latest Capital budget monitoring position as at 30 September 2020.

2 Information and Analysis

The report reflects those schemes that are currently under way and have had previous Cabinet approval. Each scheme has a nominated budget holder who is responsible for ensuring the scheme stays within budget, and who verifies the projected spend against their allocated schemes. The report contains schemes that were open at 1 April 2020 and those that have been completed and closed in-year.

Due to subsequent approvals and project adjustments the 2020-21 Capital programme now stands at £117.1m, an increase of £6.0m from the previously reported value of £111.1m. The schemes contained within this Report include previously approved Capital Programmes over numerous funding years, including 2020-21.

The current budget for open schemes as at 1 April 2020 (some of which have now closed) is approximately £661.804m, with the latest monitoring showing a forecast underspend over the life of the projects of £5.603m which is represented in Appendix 1. The current budget for schemes that remain open as at 30 September is £641.338m.

The prolonged effect of the Covid-19 virus is continuing to have an impact on some schemes and where necessary the profile of expenditure has been adjusted to reflect this fact.

Due to the transition of elements of the Authority's services to Concertus (Derbyshire) new working arrangements, processes and procedures need time to be embedded in order to be able to provide an efficient, effective and accurate projection of the position of all Capital projects.

2.1 Adult Care – projected underspend of £2.590m

There are 61 open schemes within Adult Care with a budget value of £91.79m as at 30 September 2020. Five schemes within the Department make up approximately 62% of the current departmental budget of schemes. The major projects are:-

Scheme Name	£m
Belper Integrated Specialist Facilities Centre	15.613
Bennerley Avenue – Care Home	15.000
Darley Dale Specialist Community Centre	10.520
Heanor Specialist Community Care Centre	9.750
Disabled Adaptations 2019-20	5.964

The Belper Integrated Specialist Facilities Centre

The Belper Centre offers accommodation for up to 40 older persons with dementia and includes a library on-site. Construction work commenced in May 2018 and the Centre opened in June 2020. The previous potential overspend risk reported to Cabinet as part of Period 9 2019-20 monitoring remains, currently estimated to be in the region of £1.5m (not currently reflected in the monitoring) but there are initiatives in place to mitigate this and potentially utilise underspends on other projects. In the interim the budget was moved from other projects to cover this. The success of these measures will be determined in 2020-2021.

Bennerley Avenue - Care Home

Cabinet approved the development of the Care Home in September 2019 including the use of a non-Derbyshire County Council Framework for the procurement of a construction contract. A fixed price tender has now been negotiated with Wates Construction Ltd and is awaiting Executive Director Approval to award the contract. The Scheme was due to start in November 2020, however, due to unforeseen circumstances with the extra-care provider this was amended to January 2021. It is anticipated that this may be delayed further to the middle of February due to the planning process; the completion date for the whole was estimated to be early 2022. The effect of these delays on the original completion date will be considered. The Home will replace the nearby Hazelwood Care home and will have 40 beds with the option of being extended to an 80-bed home at a later date if required

Specialist Care Centres

The Council also has 4 specialist centres, providing care for physically frail, elderly clients with dementia. These are all operational, some schemes are closed and others are awaiting sign-off – see details below:-

- Darley Dale - opened in March 2016 and had issues with its roof. Remediation is now complete. This scheme is due for sign-off pending the completion of some minor works and retention fees. The Council is awaiting the final certificate.

- Heanor - opened in August 2015 and is now complete and the final certificate has been issued. No further costs are envisaged. The project is awaiting closure.
- Long Eaton - opened in August 2015 and has had floor defects which have now been addressed. The project will be closed shortly. Any surplus funding will be allocated to the Belper Centre scheme.
- Buxton - opened in June 2018, the final certificate and invoice was paid in April 2020 and the project is now complete. All issues raised will be completed by the relevant contractor under the terms of the construction contract for each site.

Disabled Adaptations

The Disabled Adaptations scheme relates to aids and adaptations installed in residents own homes so they may remain as independent as possible. They will be financed from a combination of borrowing together with contributions from clients and the district/borough councils. Currently there is a predicted underspend of approximately £1.9m for the 2019-20 scheme as a result of waiting lists for assessments due to the COVID pandemic; this is partly offset by overspends on previous years schemes resulting in a projected overall underspend of £1.3m.

2.2 Children's Services - projected underspend - £1.893m

Children's Services currently have 629 open schemes with a budget value of £161.52 as at 30 September 2020. Five schemes within the Department make up approximately 37% of the current budgets open. The major schemes are:-

Scheme Name	£m
Glossopdale School – Replacement	27.814
Alfreton Park School Replacement	13.350
Tibshelf New Primary School	7.012
Highfield Farm School	6.240
Boulton Moor School	5.910

Glossopdale School

The new build at Glossopdale School is complete with the external works ongoing, this was previously delayed due to the COVID-19 outbreak, works to complete have recommenced now contractors are operational. Negotiations for the Phase 2 extension are ongoing with the incumbent contractor of phase one, Henry Brothers Limited. The Design for phase two has been commissioned to Henry Brothers Ltd, the planning period has been extended with a view to start on site in January 2021 and achieve practical completion by December 2021.

Alfreton Park

The project comprises the delivery of a replacement new build Special school on the site of Highfield Plantation, Alfreton Park which is to be acquired from Amber Valley Borough Council (AVBC). The scheme will also incorporate the demolition of the existing school and return it to AVBC as parkland together with a replacement adventure playground. The start of site was delayed slightly until 9 October 2020 due to the land transaction and is programmed to achieve practical completion of the school in October 2021. Practical completion for the Parkland is to follow shortly after in January 2022.

Tibshelf New Primary School

The feasibility for the new primary school at Tibshelf is complete and permission has been granted to approach planning. The project is currently being considered by Childrens Development and the Projects Team are awaiting feedback.

Highfield Farm School

The contract for the new build at Highfield Farm School was awarded to Morgan Sindall through the Scape framework. Practical completion has now been achieved with the project currently within the defects period. The project was completed on time as programmed despite initial delays due to COVID-19 and within budget.

Boulton Moor School

Morgan Sindall have been approached through the Scape framework to undertake the new build works at Boulton Moor and negotiations around the contract value and contract terms are ongoing as additional funding will be required to commence. Issues have arisen around the land transfer and consultation with Legal Services is ongoing, such issues together with the additional funding require resolution prior to the project progressing further. It has also been identified that an archaeological survey is required over the site to ensure the proposed development doesn't have an adverse impact on archaeological heritage.

2.3 Commissioning, Communities & Policy – projected underspend - £1.330m

There are 181 open schemes with a value of £68.39m as at 30 September 2020, the majority of which are funded from the Corporate Maintenance budget and cover all departments (excluding schools). Four schemes within the Department make up approximately 72% of the current budgets open. The major schemes under this portfolio are:-

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

Buxton Crescent

The Council's involvement with the Buxton Crescent Hotel and Thermal Spa is to provide funding through enabling development in order to address the conservation deficit with the objective to secure the future conservation of a heritage asset.

The main contractor reached practical completion of Buxton Crescent Hotel & Thermal Spa at the start of March 2020, just prior to the COVID-19 outbreak and the hotel has taken full possession of the site. The main building works are complete with the exception of minor snagging, finalising highways works and works to the pavilion gardens car park. The hotel has commenced the soft opening and testing phase, with paying guests booked from 1 October 2020. The hotel will be operating within COVID-19 restrictions and guidelines and will not operate at full capacity due to restrictions placed on event/functions together with some restrictions on the use of spa facilities. Likewise, the Trust will be limiting visitor numbers to the Visitor Experience. No formal launch event has been planned due to the current pandemic.

Ashbourne Library/Civic Centre

The project at Ashbourne Library is now complete, a period of making good defects followed the completion of the scheme. All defects have now been rectified by the contractor and the Certificate of Completion of Making Good Defects was issued on 17 October 2019. The final account has been prepared for the scheme and accepted with no further costs for the works, providing savings to the budget of £67k which is to be returned to the Ashbourne Library Capital budget.

Green Deal and Fuel Poverty Grant

Spending of the Green Deal and Fuel Poverty Grant has been delayed as other external funding with a deadline on spend is being used ahead of this grant. It is anticipated that spending of the grant will resume later in the year and continue into 2021.

Glossop Library

The project at New Glossop Library was completed on 29 March 2018. Following practical completion the defect rectification period commenced, outstanding defects were identified on completion which have now been addressed. The Certificate of Completion of Making Good Defects has been issued and the final account is being prepared.

2.4 Economy, Transport & Environment - projected overspend - £0.210m

The budget for the 101 open schemes under this portfolio is currently £319.62m as at 30 September 2020. Five schemes within the Department make up approximately 70% of the current budgets open. The current budget for the Department represents approximately 50% of the total Capital current budget for the Council. The major schemes under this portfolio are:-

Scheme Name	£m
Local Transport Plan 2016-2020	112.496
Markham Vale Employment Zone (MEGZ)	41.641
LED Street Lighting	32.100
Waste Project, Derby	25.000
Pothole and Challenge Fund 2020	12.906

Local Transport Plan

Management of the Local Transport Plan is under review with the emphasis on providing greater clarity, accountability and transparency. Whilst achieving those benefits in-line with the Future Highways Model, the objective remains to deliver the Highways Infrastructure and Integrated Transport Programme. These are managed within the Council's Local Transport Plans and funded from grants provided by the Department for Transport (DfT). All grants are fully utilised, and subject to approval, reallocated to other infrastructure projects.

Markham Vale

The remediation of Markham Vale is approximately 80% complete and development land is approximately 65% occupied.

The annual Markham Vale Jobs Survey was started in March 2020 but was not completed due to the start of the Covid-19 pandemic; based on the results that we have obtained it is estimated that there was a slight reduction in the number of people employed in full time equivalent roles to 2,102 down from 2,236 last year. Some companies have continued operating successfully throughout the past quarter but others have operated on a much reduced staffing level.

On Markham Vale North, construction started in June on Plot 15 for a £25m scheme for Aver, an investment company who have speculatively commissioned two large factory units, one sized at 221,518 sq. ft. and the second at 75,500 sq. ft. These two buildings are expected to be completed by March 2021 but marketing of them will commence during the Autumn this year.

On Markham Vale East, construction is almost complete for a new industrial building for Transcare Ltd on Plot 5. On Plot 2, the Chatsworth Group, who own the industrial building previously occupied by Andrew Page Ltd, have secured a replacement occupier in the form of X-Bite who have existing

premises in Barlborough which they will continue to use as their HQ. A major earthworks contract on the former rail sidings area of Plot 1 continues with the intention of bringing the site forward for industrial development subject to securing planning approval. On the western side of the M1 motorway, contracts have been exchanged with a new occupier and a planning application has been submitted for the fast food outlet; meanwhile negotiations continue with a major occupier for a development site on the opposite side of Enterprise Way.

Other significant developments include the Walking Together Mining memorial where 15 figures were installed sponsored through Viridor Landfill Tax Credits. A virtual launch event took place comprising a specially made video – this was extensively circulated via local press agencies and by use of social media. Plans are underway to install a further 11 figures this Autumn thanks to sponsorship from Great Bear, HBD and community contributions. Grant funding has been provisionally secured from Sustrans via Bolsover District Council towards the costs of constructing the planned walking and cycling route-to-work alongside the A632 between Bolsover Business Park and Markham Vale with the intention of commencing construction this Autumn. In addition, a Masterplan has been prepared for a mixed-use development at Staveley Town Basin; a business case is to be prepared and submitted to Cabinet for approval before the idea is developed further but in the meantime a funding bid has been submitted to the Staveley Town Fund.

LED Street Lighting

As of 12 October, 77,300 LEDs have been installed across Derbyshire. The residential road network is 96% complete and the strategic road network is 55% complete, overall the project is 86% complete. The Authority are in the process of inspecting the condition of the lighting columns on the strategic road network to ascertain suitability for conversion to LED, currently this has identified 5,200 lighting columns suitable for conversion which are being programmed as well as 1,000 lighting columns requiring replacement. A revised installation framework is being prepared alongside procurement to deliver the lighting column replacements.

Since the project commenced in 2016 the energy consumption of the street lighting asset has reduced by 15.5 million kWh which at today's energy prices is a saving of £2.3M.

Waste Project

The Council and Derby City Council entered into an Inter Authority Agreement (IAA) on 20 August 2014 in relation to the operation and management of a Public Private Partnership contract with Resource Recovery Solutions (Derbyshire) Ltd (RRS) for the construction of the long term Waste Treatment Facility in Sinfin and provision of associated services. It has been previously reported the contract with RRS was terminated on 2 August 2019.

Work has been progressing on the facility to determine its condition and capability, this will allow the councils to ascertain what measures need to be in place for the facility to become fully operational.

The councils are working through a contractual process under the previous contract to pay an 'estimated fair value' for the plant taking into account all of the costs of rectifying ongoing issues at the plant and the costs of providing the services to meet the agreed contract standards.

A further update report will be presented to Members shortly to ensure they are fully apprised of developments.

Pothole and Challenge Fund 2020

Late confirmation was received regarding a successful Challenge Fund bid allocated from the DfT. The funding is to be used to maintain structures along the A6 and to restore and maintain assets damaged during the recent floods. To date there has been minimal expenditure but effort will be dedicated to progressing schemes during 2021 with potential for some slippage into 2022.

2.5 Top Ten Capital schemes by value

Set out in Appendix 2 is a summary of the ten largest capital schemes that the Council currently has. These represent approximately 51% in value of all the capital schemes that were open as at 1 April 2020. The schemes remain largely unchanged from those previously reported as part of Period 3 monitoring, with the exception of the A61 Growth Deal project which has been removed from Appendix 2 due to a higher value Pothole and Challenge Fund 2020 scheme commencing on 1 September 2020. These schemes are currently projected to underspend by £0.043m.

3 Considerations

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

4 Key Decision

No.

5 Background Papers

Files held by the Director of Finance & ICT.

6 Call-in

Is it required that call-in be waived in respect of the decisions proposed in the report? No.

7 Officer's Recommendation

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

PETER HANDFORD

Director of Finance & ICT

Summary of Projected Capital Spend by Department

Department	Current Budget	Total spend to date (inc commitments)	Estimated spend remaining in 2020/21	Total projected spend to 31/3/2021	Planned expenditure 2021/22	Planned expenditure 2022/23	Planned expenditure 2023/24	Planned expenditure 2024 +	TOTAL Revised planned expenditure	(Under) / Over
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Care & Health	91,878	68,062	7,846	75,908	5,380	5,000	2,500	500	89,288	(2,590)
Commissioning, Communities & Policy	69,595	58,605	8,763	67,368	896	1	0	0	68,265	(1,330)
Children's Services	170,183	102,775	32,763	135,538	28,012	4,615	125	0	168,290	(1,893)
Economy, Transport & Environment	330,148	218,186	45,122	263,308	46,048	16,357	4,645	0	330,358	210
Grand Total	661,804	447,628	94,494	542,122	80,336	25,973	7,270	500	656,201	(5,603)

Top Ten Capital Projects According to Budget Value

	Approval Year	Current Budget	Total spend to date	Estimated spend remaining in 2020/21	Total projected spend to 31/3/2021	Planned expenditure 2021/22	Planned expenditure 2022/23	Planned expenditure 2023/24	Planned expenditure 2024+	TOTAL Revised planned expenditure	(Under) / Over
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Local Transport Plan	15/20	112,496	66,894	9,006	75,900	19,518	12,696	4,344	0	112,458	(38)
Markham Employment Growth Zone	88/89	41,641	37,409	946	38,355	2,529	757	0	0	41,641	0
Buxton, The Crescent	06/07	41,263	40,277	986	41,263	0	0	0	0	41,263	0
Street Lighting LEDs	15/16	32,100	23,770	3,330	27,100	4,000	1,000	0	0	32,100	0
New Glossopdale School - Ph 1 & 2	13/14	27,814	23,366	1,448	24,814	3,000	0	0	0	27,814	0
New Waste Treatment Facility Derby	07/08	25,000	18,281	6,719	25,000	0	0	0	0	25,000	0
Belper Integrated Specialist Facilities	12/13	15,613	14,336	892	15,228	380	0	0	0	15,608	(5)
Bennerley Avenue – Care Home	20/21	15,000	137	1,863	2,000	5,000	5,000	2,500	500	15,000	0
Alfreton Park Special School	17/18	13,350	1,301	4,271	5,572	7,278	500	0	0	13,350	0
Pothole Challenge Fund 2020	20/21	12,906	273	1,200	1,473	10,000	1,433	0	0	12,906	0
TOTAL		337,183	226,044	30,661	256,705	51,705	21,386	6,844	500	337,140	(43)

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Agenda Item No 6(b)

DERBYSHIRE COUNTY COUNCIL

CABINET

10 December 2020

**Joint Report of the Executive Director -
Commissioning, Communities and Policy and the
Director of Finance & ICT**

**PERFORMANCE AND BUDGET MONITORING/FORECAST OUTTURN
2020-21 AS AT QUARTER 2 (30 September 2020)
(STRATEGIC LEADERSHIP, CULTURE AND TOURISM)**

1 Purpose of the Report

To provide Cabinet with an update of Council Plan performance and the Revenue Budget position/forecast outturn for 2020-21 as at 30 September 2020 (Quarter 2).

2 Information and Analysis

2.1 Integrated Reporting

This report presents both Council Plan performance and financial budget monitoring and forecast outturn data.

The Performance Summary sets out the progress the Council is making on delivering the Council Plan with a focus on the achievement of the Council Plan priorities.

The Revenue Budget Position and Financial Summary provides an overview of the Council's overall budget position and forecast outturn as at 30 September 2020.

The remainder of the report summarises progress on Council Plan deliverables and the controllable budget position by Cabinet Member Portfolio as at 30 September 2020. Further reports will be considered at Audit Committee and Council in accordance with the Budget Monitoring Policy and Financial Regulations.

2.2 Performance Summary

The Council Plan 2020-21 sets out the future direction of the Council and the outcomes that the Council is seeking to achieve. The Plan identifies a small

number of focused priorities to direct effort and resource, supported by “deliverables” under each priority. These set out what the Council aims to deliver over the forthcoming year and are supported by key measures which enable the Council to monitor the progress it is making. The Council Plan was refreshed in July 2020 to reflect the impact, opportunities and challenges resulting from the pandemic.

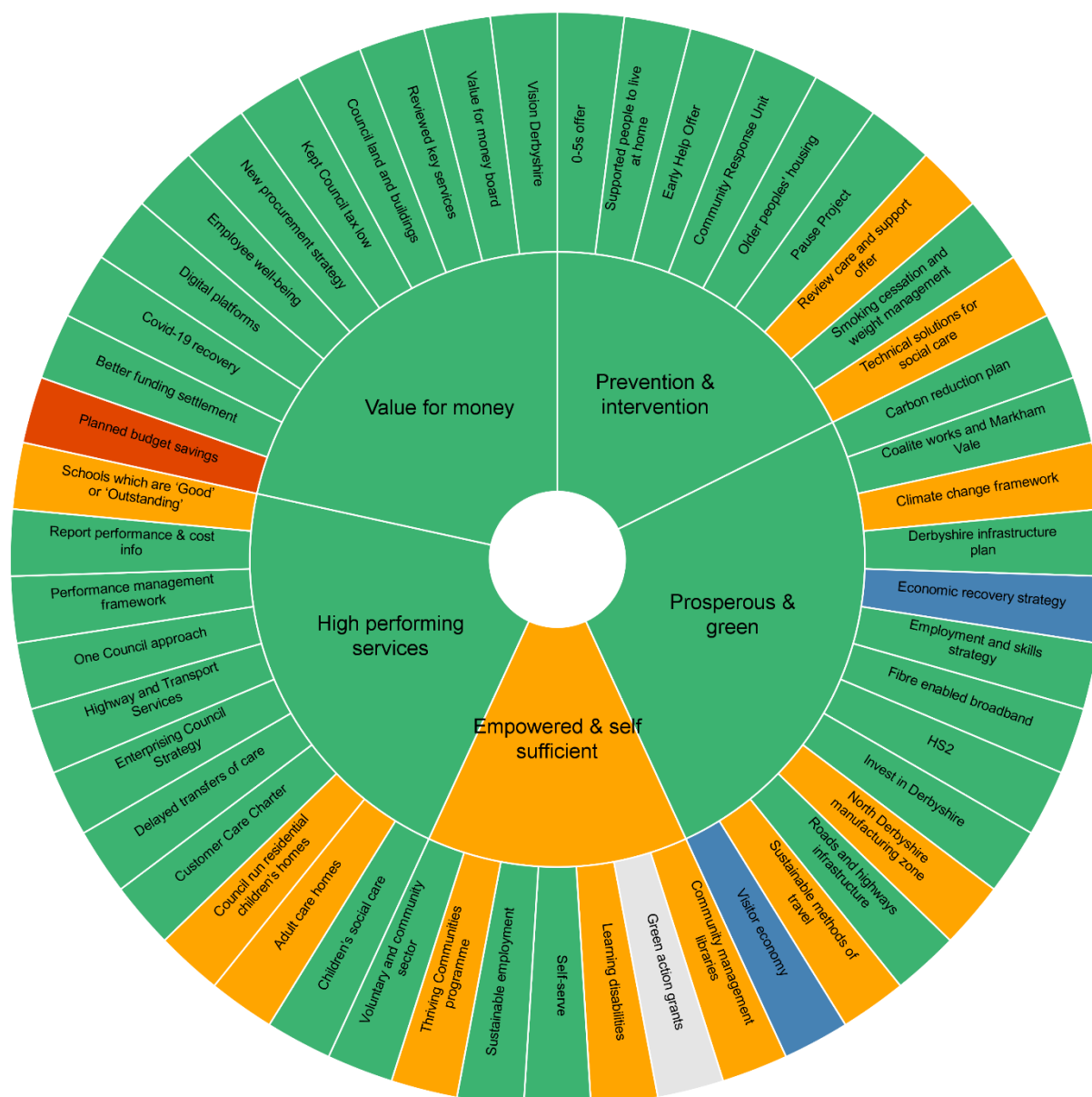
The Performance Report for Quarter 2, attached at Appendix One, sets out the position in full up to the end of September 2020 for each deliverable and associated key measures, and an overview of performance is set out below.

Performance over Time

The latest progress of the deliverables shows an improvement from the previous quarter. Of the 51 deliverables in the Council Plan, 38 (75%) have been categorised as strong or good, 11 as requiring review and 1 as requiring action as at 30 September 2020. One deliverable is categorised as “not yet started” and is excluded from the table below.

	Dec 2019	Mar 2020	Jun 2020	Sep 2020
	Deliverables	Deliverables	Deliverables	Deliverables
Strong	0	0	1	2
Good	34	32	35	36
Review	9	11	11	11
Action	1	1	2	1

Deliverable Progress by Priority



Performance by Priority

The graphic above gives an overview of the latest performance for each deliverable by Council Plan priority.

- The priority for “A Prosperous and Green Derbyshire” is performing well and reflects activity to maximise the opportunities presented by Covid-19 as well as address the challenges. Two deliverables are rated as strong, highlighting excellent progress on developing and implementing a Covid-19 economic recovery strategy and supporting the visitor economy. A further 8 deliverables are rated good and 3 are requiring review.
- The “Empowered and Self-sufficient Communities” priority has the lowest overall rating with 3 deliverables rated as good and 3 as

requiring review. The deliverables in this priority in particular have been impacted by challenges relating to Covid-19. A further deliverable, to implement the green grants action programme, is due to commence in Quarter 3.

- Good progress continues to be made to support the Council’s priority for “A Focus on Prevention and Intervention”; this priority has 8 deliverables rated as good and just 2 as requiring review.
- The priority for “High Performing Council services” is also progressing well with 8 deliverables rated as good and 3 as requiring review. Graded inspections of children’s residential homes, adult care homes and schools continue to be suspended due to Covid-19. This impacts on the Council’s ability to further improve the key measures relating to these deliverables.
- The “Value for Money” priority continues to perform well with 10 out of 11 deliverables rated as good, however the deliverable to achieve all planned budget savings in the medium term is the only deliverable within the Plan rated as requiring action, and reflects the impact of Covid-19 on the Council’s achievement of savings. The position has, however, improved from Quarter 1 and the following report gives a detailed analysis of progress against savings targets.

With 75% of deliverables rated as strong or good, there is much to celebrate in the progress the Council is making in delivering the Council Plan. Key highlights are set out by Cabinet Member portfolio in the following report, together with areas for consideration which detail the actions the Council is taking to improve performance where this is required. Further detail is set out in Appendix One.

2.3 Revenue Budget Position and Financial Summary

Forecast Outturn

The forecast outturn for 2020-21 as at Quarter 2 (30 September 2020), compared to controllable budget, is summarised below.

The Covid-19 pandemic is having a significant impact on the Council’s 2020-21 forecast outturn.

An overall Council underspend of £9.617m is forecast, after accounting for £45.037m of Ministry of Housing Communities & Local Government (MHCLG) Covid-19 emergency grant funding awarded and additional income of £4.853m compensation for lost sales, fees and charges income estimated to be claimable under the Government scheme announced on 2 July 2020.

	Budget	Use of MHCLG Covid-19 & SFC Grant Funding	Adjusted Budget	Forecast Outturn	Forecast Variance to Budget	Budget Performance
	£ Millions	£ Millions	£ Millions	£ Millions	£ Millions	
Adult Care	263.244	13.866	277.110	279.466	2.356	🚩
Clean Growth and Regeneration	0.695	0.542	1.237	1.268	0.031	🚩
Corporate Services	43.445	1.812	45.257	48.968	3.711	🚩
Health and Communities (exc. Public Health)	4.213	2.474	6.687	5.248	-1.439	✅
Highways, Transport and Infrastructure	74.837	6.015	80.852	82.338	1.486	🚩
Strategic Leadership, Culture and Tourism	12.209	1.038	13.247	12.476	-0.771	✅
Young People	119.205	8.276	127.481	133.942	6.461	🚩
Total Portfolio Outturn	517.848	34.023	551.871	563.706	11.835	🚩
Risk Management	66.487	-34.974	31.513	12.397	-19.116	✅
Debt Charges	34.378	0.000	34.378	32.054	-2.324	✅
Interest and Dividend Income	-6.198	0.552	-5.646	-5.646	0.000	✅
Levies and Precepts	0.343	0.000	0.343	0.343	0.000	✅
Corporate Adjustments	2.630	0.399	3.029	3.017	-0.012	✅
Total	615.488	0.000	615.488	605.871	-9.617	✅

Portfolio Costs

A Council portfolio overspend of £11.835m is forecast, after the use of MHCLG Covid-19 grant funding for Covid-19 related costs forecast to be incurred in 2020-21. The table above shows the Covid-19 related costs across the portfolios as £34.023m. This is the forecast additional cost and lost income of the Council's response up to the end of March 2021, including the impact of slippage to the planned programme of savings which cannot yet be implemented as a result. This amount allows for any specific funding to offset the gross Covid-19 related costs which has already been forecasted to be allocated to individual portfolios; these amounts are detailed in Appendix Six. Budget of £34.023m will be allocated to portfolios from the Risk Management Budget, where the emergency Covid-19 grant funding and reimbursement for lost income from sales, fees and charges received from Government has been temporarily allocated, to match these costs.

Portfolio costs are explained in more detail later in this report.

Risk Management Budget

There is a forecast underspend on the Risk Management Budget of £19.116m, which represents the funding the Council has received, or is expected to receive, additional to its planned requirements and forecast Covid-19 related costs for 2020-21. However, there is considerable uncertainty about the impact on the Council's finances of future waves of the pandemic and any local or national restrictions imposed in the Autumn and Winter months, therefore caution is advised when considering this figure. Should costs rise in excess of current and future funding allocations, there will be a drawdown on the General Reserve to fund the overspend.

The Risk Management Budget of £66.487m includes:

- £7.250m of contingency funding, including £2.200m for increases in costs of Continuing Health Care clients and £5.000m for social care cost increases.
- £5.348m of contingency funding set aside in the 2020-21 Revenue Budget that has been confirmed not to be required. This comprises:
 - £3.213 for independent sector care home fee increases;
 - £0.811m for increased employer pensions contributions;
 - £0.543m for Learning Disability Short Term Breaks;
 - £0.503m general contingency; and
 - £0.278m for Street Lighting energy inflation.
- £45.037m of MHCLG emergency grant funding received to help the Council respond to Covid-19 pressures across the services it delivers. The Council has received the following amounts:
 - £22.996m announced on 19 March 2020;
 - £14.111m announced 18 April 2020;
 - £4.888m announced 2 July 2020; and
 - £3.042m announced 22 October 2020.
- £4.667m of additional non-ringfenced grants received in the year, announced after the 2020-21 Revenue Budget was approved by Council on 5 February 2020. These additional grants are
 - £2.714m additional Business Rates Relief Grant;
 - £1.169m Extended Rights to Free Travel Grant;
 - £0.520m Local Reform Community Voices Grant
 - £0.106m Social Care in Prisons Grant and;
 - £0.158m War Pension Disregard.
- £3.677m of one-off funding transferred from the Adult Care portfolio, approved in the Council's 2020-21 Revenue Budget but no longer required after it was funded from the portfolio's 2019-20 underspend.
- £0.508m of additional Business Rates income, after amounts were finalised after the 2020-21 Revenue Budget was approved by Council on 5 February 2020.

The following £47.371m of forecast expenditure of the Risk Management Budget is:

- £2.250m drawdown of contingency funding for the purposes for which it was set aside.
- £34.023m to reimburse portfolios for Covid-19 costs incurred and lost income suffered in 2020-21, reflected in the portfolio outturn above.
- £0.552m to reimburse the Council's interest and dividend income budget for forecast lost dividend and interest income due to Covid-19.
- £0.399m to reimburse the Council's corporate adjustments budget for unachieved savings in respect of the Council paying its Local Government Pension Scheme contributions early due to Covid-19.
- £15.000m estimated to be required to support the wider county and the Council's recovery from the impacts of the Covid-19 pandemic, later in 2020-21. It should be noted that this figure may differ, as its affordability will ultimately depend on a range of factors, including the impacts of successive waves of the pandemic later in the year.
- Less: £4.853m of additional income estimated to be claimable under the Government's scheme to compensate local authorities for lost sales, fees and charges income, as a result of the Covid-19 pandemic, at a rate of 75p in every pound, over and above the first 5% of budgeted income for the year.

Following its announcement of national Covid-19 restrictions at the end of October 2020, the Government has awarded funding of £0.418m to the Council to aid the planning and delivery requirements for the reintroduction of shielding for Clinically Extremely Vulnerable (CEV) Individuals in Derbyshire. The Council is also expected to receive around £6m from the Contain Outbreak Management Fund, ring-fenced to support test and trace and other Public Health activities and £2.181m under the Winter Grant Scheme, ring-fenced to support families with children, other vulnerable households and individuals. The Comprehensive Spending Review 2020 announced on 25 November 2020 confirmed further financial support for those local authorities facing the highest ongoing Covid-19 restrictions, to support local public health initiatives through the Contain Outbreak Management Fund. None of these amounts of income, nor the associated costs, have been included in the forecasts in this report.

Debt Charges

The Debt Charges budget is projected to underspend by £2.324m. This is based on forecast interest payments, anticipated Capital Financing Requirement (CFR), a Minimum Revenue Provision (MRP) of 2.5% in keeping with the policy reported to Cabinet on 22 November 2016 and a £3.500m one-off reduction in the Council's Capital Adjustment Account Reserve. This reduction is made on the basis that the amounts set aside to repay debt over

the last ten years are well in excess of what is required to ensure the Council can repay its debts.

Interest and Dividend Income

The Council utilises a range of investments, including pooled funds, to maximise its interest and dividend income. Interest and Dividends received on balances is estimated to breakeven after the allocation of £0.552m of MHCLG Covid-19 grant funding, to address a forecast decrease in income from investments in pooled funds of £0.938m and other lost income due to Covid-19. The interest base rate has remained at an historically low rate of 0.10% since 10 March 2020. Interest also accrues to the loan advances to Buxton Crescent Ltd.

Corporate Adjustments

Corporate Adjustments are forecast to underspend by £0.012m after the allocation of £0.399m of MHCLG Covid-19 grant funding, reflecting that only £0.601m of the £1.000m savings target allocated is expected to be achieved by the Council paying its Local Government Pension Scheme employer contributions early. This is because of the decision not to pay in advance all the contributions due for the entire period 2020-21 to 2022-23, but rather to make separate early lump sum payments for each year over that period. This decision was made in light of Covid-19, to preserve the Council's liquidity of cash flow amongst other considerations.

Earmarked Reserves

Details of the Council's Earmarked Reserves balances as at 30 September 2020 are set out in Appendix Three.

Budget Savings

A summary of the expected achievement of budget savings targets is provided at Appendix Four. The budget savings target for 2020-21 is £18.795m, with a further £6.332m target brought forward from previous years. The savings initiatives identified to meet this target currently fall short by £8.074m, therefore further proposals will need to be brought forward to ensure the Council continues to balance its budget. Of this total target of £25.127m, £11.771m is expected to be achieved by the end of the financial year. Therefore, there is a £13.356m forecast shortfall in achievement of budget savings. The resulting base budget overspend is offset to some extent by one-off underspends or is being met from one-off funding from earmarked reserves and additional grant funding received.

Debt Age Profile

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

General Reserve

The General Reserve stands at £49.845m as at 30 September 2020. The level of General Reserve is currently 9.14% of the Council's Net Budget Requirement. Commitments are held against this General Reserve balance, which were referred to in the Council's 2020-21 Revenue Budget Report. At that time the General Reserve, in a pessimistic forecast, was predicted to decrease to 2.2% (£12.793m) of the Council's Net Budget Requirement by 2024-25. The majority of chief financial officers consider 3% to 5% of a council's net spending to be a prudent level of risk-based reserves.








2.4 Portfolio Summaries

A summary of each of the individual portfolio positions/forecast outturn for 2020-21 is detailed below.

Whilst budgets are monitored by portfolio, the individual portfolios are not separate entities. All the portfolios operate in conjunction with the others and it is important to consider the Council's budgetary position as a whole in the context of its Five-Year Financial Plan and its overall level of reserves.

Adult Care

Deliverable Progress

Priority	Deliverable	Progress Sep 2020
Empowered and self-sufficient communities	Co-designed the Council's offer to people with learning disabilities, focusing on their strengths to help them achieve their personal goals utilising the community networks built during the pandemic	
A focus on prevention and early intervention	Better supported people to live at home longer and feel part of their local communities using the thriving communities approach	
	Commissioned a new approach to provide innovative technological solutions to support people with social care needs to maintain their independence and reduce our carbon footprint	
	Continued the implementation of the Older People's Housing, Accommodation and Support Strategy	
	Reviewed the Council's care and support offer for children with special educational needs and disabilities and adults to improve efficiency, value for money and customer outcomes	
High performing council services	Ensured all Council run adult care homes have Quality of Care graded as 'Good' or 'Outstanding' by the Care Quality Commission	
	Maintained the Council's high performance in reducing delayed transfers of care from hospital	

The progress of the relevant Council Plan deliverables has been reviewed with three rated as good up to the end of quarter 2 and four as requiring review.

Key areas of success are:

- The Better Lives programme is being developed and an enhanced reablement offer has been created, with 75% of people still at home 91 days after discharge at the end of July 2020.
- New guidelines on discharge from hospital have been implemented.

Key areas for consideration are:

- There has been slower than expected progress in moving people with a learning disability from short-term residential placement to a supported living long term home. This is being addressed by work to co-produce a new offer.
- Progress in developing Assistive Technology has been delayed, however the future model is now being developed and following the initial Brain in Hand pilot work is being taken forward with the provider to commence the 12 month pilot.

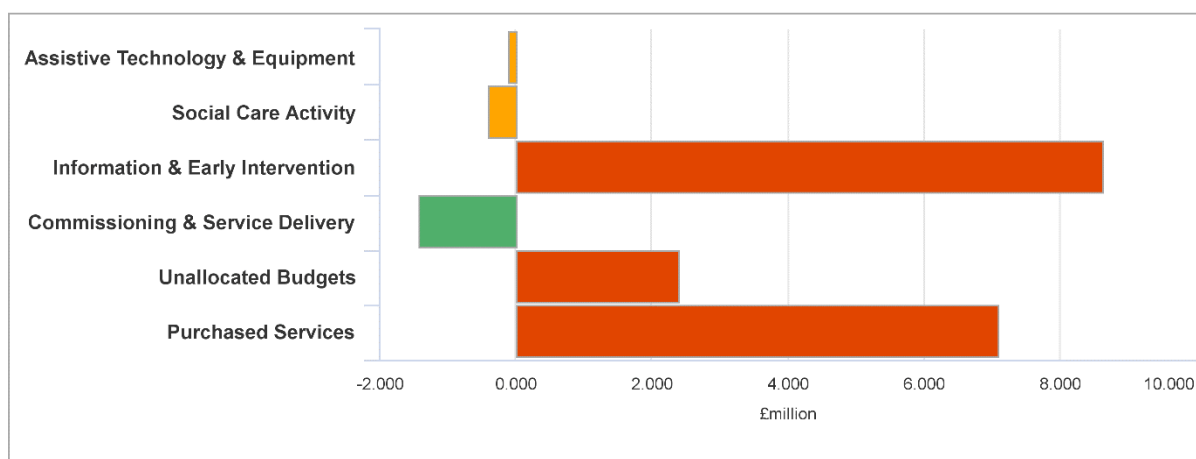
There is a projected year-end overspend of £2.356m, after the allocation of £13.866m of funding from MHCLG Covid-19 emergency grants and compensation for lost income under the sales, fees and charges scheme. Before the allocation of this funding, the main variances are:

- Information and Early Intervention, £8.634m overspend – mainly due to the additional costs of personal protective equipment (PPE) and additional independent sector fees in response to the Covid-19 pandemic.
- Purchased Services, £7.095m overspend – due to additional care package costs and hospital discharge services as a result of the Covid-19 pandemic.
- Unallocated Budgets, £2.408m overspend – relates to the shortfall in budget savings expected in the current financial year.
- Commissioning and Service Delivery, £1.421m underspend – due to vacancy control and reduced spend on staffing.

Forecast Outturn against Target Budget



Forecast Under (-)/Over Spend by Service Line



A sum of £3.677m of the £4.210m one-off funding identified in the 2020-21 Revenue Budget Report to fund the Better Lives Project has been transferred from the Adult Care portfolio to the Risk Management budget. The full amount was no longer required after Adult Care transferred its 2019-20 underspend to an earmarked reserve to fund these services.

The budget savings target for 2020-21 is £3.784m. An over-achievement of budget savings of £0.427m has been brought forward, resulting in total reductions to be achieved of £3.357m at the start of the financial year.











Of this target, £0.337m is expected to be achieved by the end of the financial year. Therefore, there is currently a £3.020m forecast shortfall in achievement of budget savings. The implementation of planned savings has been significantly delayed by the impacts of Covid-19.

Additional funding has been provided in the 2020-21 budget for the main growth items:

- Care Home and Home Care Fees - £8.787m, to meet the increase in independent sector fees. This has been fully allocated and the additional spend started in April 2020 and is expected to be incurred evenly throughout the whole year.
- Demographic Growth - £4.500m, to fund the additional costs due to the year-on-year increase in the number of clients supported.
- Winter Pressures - £3.627m, to fund the additional services put in place to help reduce hospital admissions and delays in hospital discharges.
- Homes for Older People - £3.000m (one-off), to meet some of the costs associated with the remedial work and additional staff required to meet safety standards in a number of the Council's homes.
- Transformational Care Programme - £0.800m, to fund the additional care packages for clients that have been discharged from long-term health provision. No additional clients have been discharged in the current financial year to date, so there is yet to be any spend against this allocation.
- Implementation of Better Lives - £0.533m (one-off), to fund the balance of the cost of consultancy services for the Better Lives project. This has not yet been spent but will be by the end of the year.

Clean Growth and Regeneration

Deliverable Progress

Priority	Deliverable	Progress Sep 2020
A prosperous and green Derbyshire	Assisted in the successful implementation of a new manufacturing zone in North Derbyshire	
	Completed the clean-up of polluted land at the former Coalite works in Bolsover and further developed Markham Vale	
	Delivered measures to encourage more people to choose sustainable methods of travel, create healthier lifestyles and reduce carbon emissions	
	Delivered the Employment and Skills Strategy action plan in line with programmed timescales including improved co-ordination of Council activity	
	Delivered the new "Invest in Derbyshire" programme	
	Developed and implemented a Covid-19 economic recovery strategy to support business and sector renewal	
	Implemented the Carbon Reduction Plan to reduce emissions from Council owned buildings and operations	
	Worked in partnership to deliver the Derbyshire Environment and Climate Change Framework, harnessing recent changes in employee, resident and business behaviour	
Empowered and self-sufficient communities	Helped people furthest from the labour market into sustainable employment	
	Supported communities to take action to tackle climate change within their local areas through our new green action grants programme	

Progress is good or strong for the majority of the Council Plan deliverables led by the portfolio.

Key areas of success are:

- Significant progress has been made in implementing 'rescue and revive' actions in support of local businesses during quarters 1 and 2 as part of the Covid-19 economic recovery strategy; these are now moving into the 'revive' phase of delivery which will set interventions over the next 12 to 18 months.
- Eight bids to Government for Reopening High Streets Safely funds were supported, which included footfall monitoring and environmental improvements to town centres.
- The online platform 'Shopappy' is to go live in October/November 2020, across 27 market towns that promotes local products, retailers and local businesses, not just to local residents but to visitors also.

Key areas for consideration are:

- During the first and second quarter of 2020-21 £6.222m of funding has been secured for the Ashbourne Airfield development, made up of £3.808m for A61 improvements, £1.930m in respect of a Recovery Town Deal. The amount of external funding secured will continued to be monitored and every opportunity to attract additional funding will be explored.

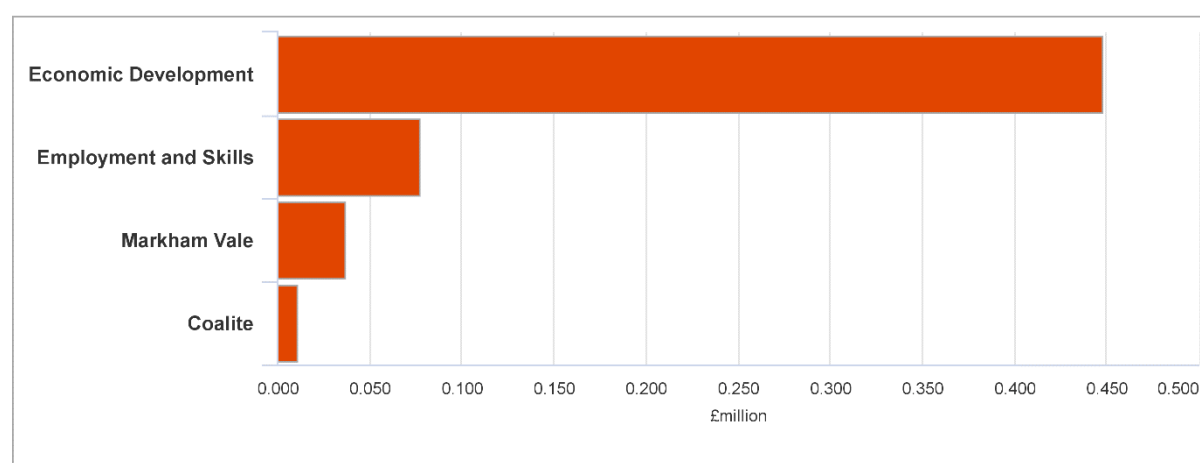
There is a projected year-end overspend of £0.031m after the allocation of £0.542m of funding from MHCLG Covid-19 emergency grants and compensation for lost income under the sales, fees and charges scheme. Before the allocation of this funding, the main variances are:

- Economic Development, £0.448m overspend – due to the cost of supporting businesses and administering grants as a result of the Covid-19 pandemic.

Forecast Outturn against Target Budget



Forecast Under (-)/Over Spend by Service Line



No budget savings target has been allocated to this portfolio for 2020-21.

No additional funding has been provided to this portfolio in the 2020-21 budget.

Corporate Services

Deliverable Progress

Priority	Deliverable	Progress Sep 2020
Value for money	Achieved key milestones in the implementation of the Procurement Strategy to help the Council to procure goods and services at reduced costs which achieve value for money	✓
	Ensured Council contract decisions deliver value for money through the Council Value for Money Board	✓
	Improved employee well-being by redefining and reprioritising the Wellbeing Action Plan	✓
	Maximised the opportunities presented by Covid-19 to reduce our operating footprint, enabling increased operational efficiency through rationalisation of our land and building assets	✓

All Council Plan deliverables have been rated as good up to the end of quarter.

Key areas of success are:

- The first business cases for asset rationalisation have been approved by the Limited Liability Partnership. Sales of land and buildings have raised over £2.600m in 2020-21 to date.
- Two joint ventures, Vertas (Derbyshire) Limited and Concertas (Derbyshire) Limited, went live in September 2020, taking responsibility for the delivery of non-core property services.
- The Council remains on track to achieve its target of ten days lost to sickness per appointment across the Council. There was only a marginal increase to 10.3 days in quarter 2 from 10.0 at quarter 1.

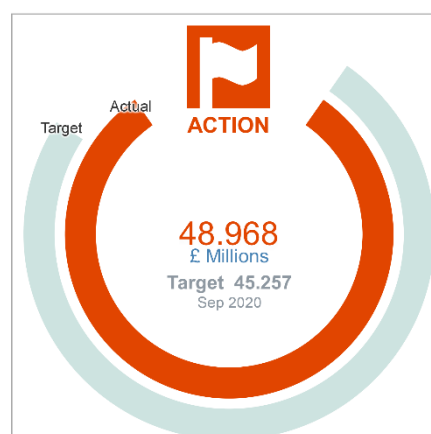
Key areas for consideration are:

- The Covid-19 pandemic caused initial delays to the Procurement Strategy and Value for Money Board however progress is now being made.

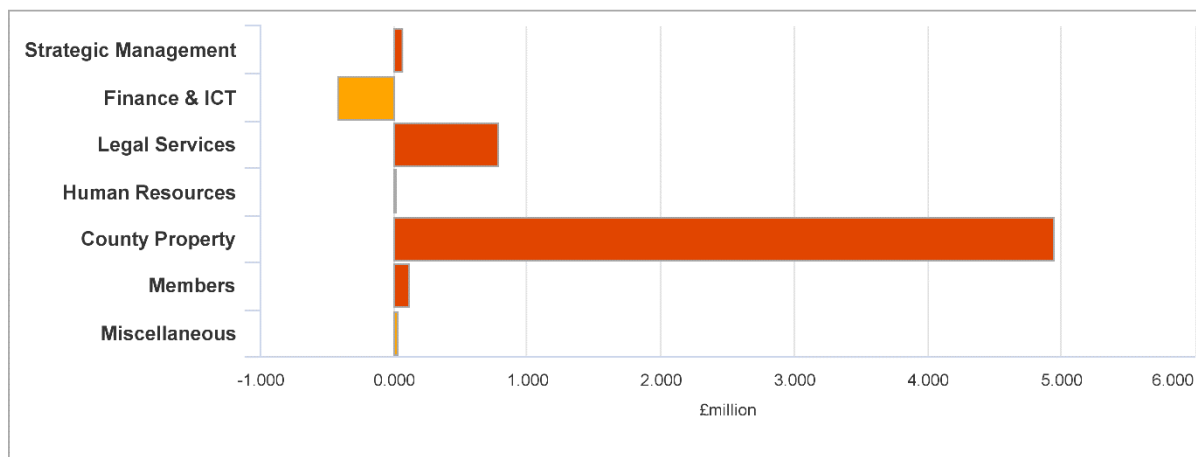
There is a projected year-end overspend of £3.711m after the allocation of £1.812m of funding from MHCLG Covid-19 emergency grants compensation for lost income under the sales, fees and charges scheme. Before the allocation of this funding, the main variances are:

- ❑ County Property, £4.943m overspend – costs associated with the Covid-19 pandemic such as savings from property rationalisation not expected to be realised, reduced design fee income from capital projects and the Disabled Facilities Grant scheme, reduced recovery of rents on some industrial and small business units. Also due to outstanding service charges payable in respect of the South Normanton Hub.
- ❑ Legal Services, £0.787m overspend - due to a delay in the implementation of the “Core/Core-Plus” offer. Under the offer, core legal functions are funded corporately, with all other legal activities funded by alternative means. Other contributing factors include salary overspends as vacant posts have been filled, ongoing costs for the audio-visual system in the Council Chamber, the impact of Covid-19 on the Business Centre and a savings target in Democratic Services which has yet to be identified.
- ✅ Finance and ICT, £0.422m underspend - due to vacancy control. This will assist in managing a planned restructure of the ICT function, aiming to deliver significant savings over the three years from 2020-21.

Forecast Outturn against Target Budget



Forecast Under (-)/Over Spend by Service Line



A budget savings target for 2020-21 of £5.090m has been allocated, with a further £0.676m target brought forward from previous years. Of this total target of £5.766m, £2.513m is expected to be achieved by the end of 2020-21. Therefore, there is currently a £3.253m forecast shortfall in the achievement of budget savings.

Additional funding has been provided in the 2020-21 budget for the main growth items:

- Legal Services - £0.300m (one-off), to support the high levels of demand for the service in respect of childcare cases. It is forecast that this allocation will be fully spent by the end of the financial year.
- ICT Strategy - £0.200m, to ensure that ICT is aligned with the needs of the business and to assist with the delivery of priorities. It is forecast that additional expenditure of this amount will be incurred by the end of the financial year.

Other significant additional items of funding that the portfolio has received since the budget was set are:

- GDPR (General Data Protection Regulation) - £0.180m (one-off) to complete the work to comply with these regulations.

As part of the Enterprising Council agenda, the externalisation of the Council's cleaning service has recently been completed. In order to manage this new arrangement effectively it is proposed to consolidate the existing cleaning budgets held by departments into one central budget. Therefore, Cabinet approval is sought to make a budget virement totalling £4.272m for this purpose.

Also, to provide additional flexibility to help the Council to balance its budgets in the short to medium term, Cabinet approval is sought to fund capital expenditure on the Property Planned Maintenance Programme 2020-21, estimated to be £1.236m, from borrowing, as an alternative to the planned contributions from revenue budgets.

Health and Communities

Deliverable Progress

Priority	Deliverable	Progress Sep 2020
Empowered and self-sufficient communities	Reviewed grants and developed a new offer to voluntary and community groups, learning from the remarkable response to the pandemic and supporting the sector to recover well, retain new volunteers and thrive	✓
A focus on prevention and early intervention	Embedded our newly redesigned universal and targeted 0-5s offer through Health Visiting services and Children's Centres in partnership with the NHS	✓
	Embedded the "Pause Project", an innovative programme to address the needs of women who have had multiple children removed from their care and to prevent this cycle recurring	✓
	Increased the number of people taking part in smoking cessation and weight management programmes to improve outcomes	✓
	Integrated the Community Response Unit, established during the pandemic, in the Council's strategic approach to improving health and wellbeing	✓

Progress is good for all of the Council Plan deliverables led by the portfolio.

Key areas of success are:

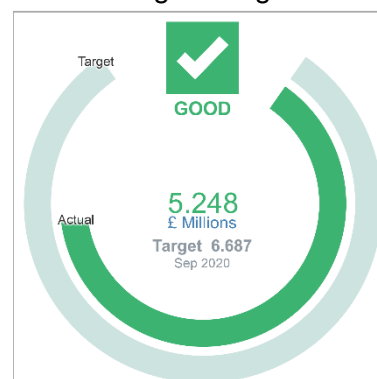
- Both support for children and families and the "Pause Project" have been maintained by a range of virtual options supported by Covid-safe meetings where required.
- Based on the confirmed quarter 1 figure the number of people stopping smoking after 4 weeks is on track to exceed the 2020-21 target of 1,050.
- A new Winter Pressures referral mechanism has been established to support those affected by Covid-19.

Key areas for consideration are:

- The Weight Management Programme continues to be suspended because of Covid-19, however a virtual service went live at the end of August 2020.

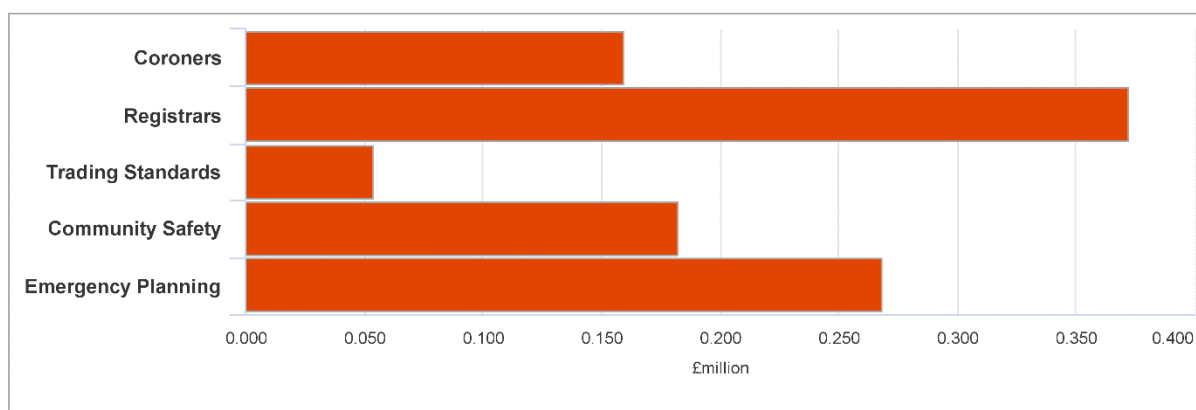
The Health and Communities portfolio includes the Public Health budget of £42.175m, which is fully funded by the ring-fenced Public Health Grant for 2020-21. The forecast year-end position for the portfolio is an underspend of £0.603m. Excluding Public Health, the portfolio is forecast to underspend by £1.439m after the allocation of £2.474m of funding from MHCLG Covid-19 emergency grants and the compensation for lost sales, fees and charges income scheme. Before the allocation of this funding, the main variances are:

Forecast Outturn against Target Budget



- ✔ Public Health, £1.638m underspend – the activity of the Live Life Better Derbyshire service and the Sexual Health genitourinary medicine (GUM) clinical activity has been affected by the Covid-19 pandemic and the need to socially distance and self-isolate. Also, several Outcome Based Accountability (OBA) projects have been paused or delayed due to Covid-19 restrictions.
- ❏ Registrars, £0.372m overspend – loss of income from registrations of births and marriages due to current Covid-19 restrictions.
- ❏ Emergency Planning, £0.268m overspend – additional cost of hand sanitiser and overtime for staff associated with the Covid-19 pandemic.
- ❏ Community Safety, £0.182m overspend – additional costs in Domestic Violence and Hate Crime services as a consequence of the Covid-19 pandemic.
- ❏ Coroners, £0.159 overspend – residual running costs on old premises and backlog of invoices relating to Pathology fees.

Forecast Under (-)/Over Spend by Service Line



A budget savings target of £0.216m has been allocated for 2020-21. An over-achievement of budget savings of £0.066m has been brought forward from

previous years, resulting in total reductions to be achieved of £0.150m at the start of the financial year.

A total of £0.216m of savings initiatives have been identified, all of which are anticipated to be achieved by the end of the financial year.

Additional funding has been provided in the 2020-21 budget for the following growth items:

- Coroners - £0.101m, to meet the increasing cost of fees due to a national shortage of pathologists.

Other significant additional items of funding that the portfolio has received since the budget was set are:

- Community Safety - £0.500m (one-off) to meet the increasing costs of the Domestic Violence service.

Highways, Transport and Infrastructure

Deliverable Progress

Priority	Deliverable	Progress Sep 2020
A prosperous and green Derbyshire	Completed the development and started the implementation of The Derbyshire Infrastructure Investment Plan to support good growth	✓
	Increased the fibre enabled broadband coverage across Derbyshire for homes and businesses	✓
	Invested in well maintained roads and highways infrastructure	✓
	Worked to maximise growth opportunities arising from HS2 and to mitigate impact	✓
High performing council services	Continued to maintain high levels of customer satisfaction in the Council's Highway and Transport Services	✓

Progress is good for all of the Council Plan deliverables led by the portfolio.

Key areas of success are:

- The £40.000m programme of highway improvements which has been developed, representing a significant increase in funding when compared to previous years. The schemes cover a wide range of maintenance and improvement work to roads and pavements, bridges and structures, street lighting and rights of way.
- The work on the Derbyshire Infrastructure Investment Plan has continued at pace but through discussion with the Derbyshire Chief Executives, Borough and District council planning officers, it is now proposed to shape the work into a more refined framework, known as the Strategic Growth and Infrastructure Framework (SGIF). This will help identify and prioritise the Council's pipeline of capital projects that enable the wider regeneration programmes for the County. A report is to be presented to the Derby and Derbyshire Chief Executives meeting

and the Derby and Derbyshire Joint Committee in quarter 3 to confirm the approach and the content of the new SGIF.

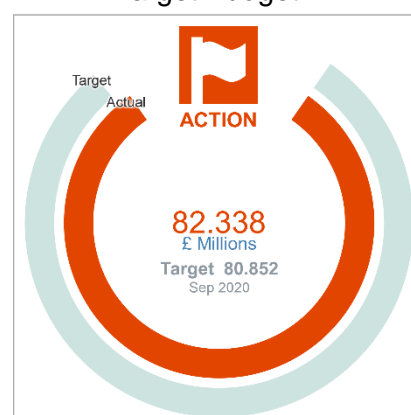
Key areas for consideration are:

- There has been an increase in the percentage of highway defects completed within target, however this will need to continue to be monitored in order to minimise the impact that any severe weather may have on the network during quarters 3 and 4.

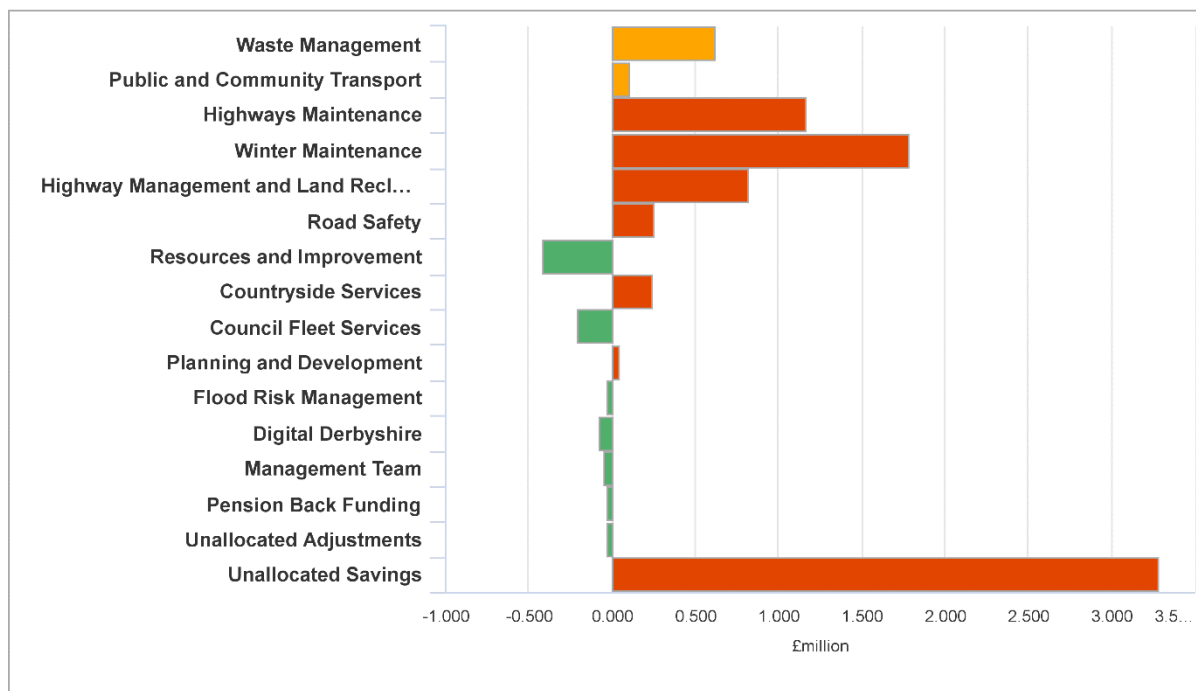
The Highways, Transport and Infrastructure portfolio is forecast to overspend by £1.486m after the allocation of £6.015m of funding from MHCLG Covid-19 emergency grants and the compensation for lost sales, fees and charges income scheme. Before the allocation of this funding, the main variances are:

- ❑ Unallocated Budget Savings, £3.284m overspend – savings targets not yet allocated to specific services.
- ❑ Winter Maintenance, £1.777m overspend – the Council has to build up a large stockpile of grit salt to comply with Department for Transport recommendations, based on an average year, prior to the onset of winter. The vehicles associated with gritting are a high fixed cost overhead, irrespective of the severity of the conditions. The Winter Service budget of £1.473m does not provide for more than a mild winter, so the Council is reliant on using contingency reserves for additional costs incurred as a result of a moderate or severe winter.
- ❑ Highways Maintenance, £1.170m overspend – mostly due to Covid-19 costs such as cycle and pedestrian temporary works, traffic management for testing centres and the supply of PPE.
- ❑ Highways Management and Land Reclamation, £0.817m overspend – mainly due to a reduction in the recharges to capital schemes as staff productivity has been affected by the need to self-isolate or shield because of the Covid-19 pandemic.
- ❑ Waste Management, £0.624m overspend – there has been an increase of around 13% in household residual waste tonnages for April to September 2020. This is due to more people working from home and home-schooling as part of the Covid-19 response. The forecast assumes these tonnages will continue to be somewhat elevated for the remainder of the year.
- ✅ Resources and Improvement, £0.414m underspend – due to vacancy control.

Forecast Outturn against Target Budget



Forecast Under (-)/Over Spend by Service Line



The budget savings target for 2020-21 is £1.426m, with a further £5.234m target brought forward from previous years. Of this total target of £6.660m, £2.658m is expected to be achieved by the end of the financial year. Therefore, there is currently a £4.002m forecast shortfall in achievement of budget savings, however the multi-year savings programme to 2024-25 does allow for some slippage to be covered by prior years' underspends, still delivering the savings target in total.

Additional funding has been provided in the 2020-21 budget for the main growth items:

- Ash Dieback - £0.270m (one-off), to develop an action plan initiated by a programme of inspection to quantify the scale of the Ash Dieback problem across the Council's estate. It is anticipated that a multi-year funding commitment to survey, fell and replant trees on Council land will be required once this evaluation work has taken place. There has been no significant expenditure to date because of delays caused by the impact of Covid-19. This funding is currently being used for the felling works and related management costs. It will also support the salary costs of a project officer who is expected to be in post by Spring 2021.
- Elvaston Castle Masterplan - £0.200m (one-off), being spent on preparatory costs and design work, mainly associated with the construction of the access drive and car park. This is part of a programme of capital investment and income generation at Elvaston Castle approved by Cabinet on 20 December 2018. A delivery programme and business case to identify the capital investment required and income generation opportunities involved in delivering the Masterplan was presented to Cabinet in September 2020. Work is

progressing and it is anticipated that all of this funding will be spent in 2020-21.

Strategic Leadership, Culture and Tourism

Deliverable Progress

Priority	Deliverable	Progress Sep 2020
A prosperous and green Derbyshire	Supported the survival and renewal of the visitor economy	★
Empowered and self-sufficient communities	Enabled residents to self-serve using an optimal combination of communication channels	✓
	Implemented the transfer of a minimum of five libraries to community management	◻
	Rolled out the Thriving Communities programme across 13 localities	◻
High performing council services	Began to develop a new Customer Experience Strategy setting out how we will meet people's needs	✓
	Delivered priority actions from the Enterprising Council Strategy and embedded the approach with staff and partners	✓
	Developed an integrated approach to reporting performance and cost information aligned to corporate priorities	✓
	Developed and embedded a more robust performance management framework	✓
	Maximised the effectiveness of the Council's operating model and strengthened the One Council approach to enable high performing services	✓
Value for money	Achieved all planned budget savings in the medium term	◻
	Introduced digital platforms for service delivery and embedded remote working, supporting a more agile and flexible workforce	✓
	Kept Council Tax as low as possible, recognising that Covid-19 has created unplanned cost pressures	✓
	Lobbied Government to secure a better funding settlement	✓
	Provided strategic leadership and worked alongside communities and partners to support the county's recovery and renewal from Covid-19	✓
	Reviewed and transformed key services to ensure a mix of in-house and commissioned provision	✓
	Strengthened joint working through Vision Derbyshire, building on effective collaboration with local, regional and national partners	✓

Progress is good or strong for the majority of the Council Plan deliverables led by the portfolio with two rated as requiring review and one as requiring action.

Key areas of success are:

- A comprehensive Vision Derbyshire case for change and proposition for Government has been developed and is now being considered by all district and borough councils in the county.
- A range of work has been delivered in partnership to support community safety, access to arts and library services and to protect vulnerable people.
- Collaboration through Microsoft Teams has been enhanced through an upgrade to Microsoft Office, and over 1,500 ICT users have received training in Microsoft Teams during the quarter.

- Phase 2 of the Enterprising Council approach has been approved by Cabinet and the Modern Ways of Working project learning set has been launched across the Council.

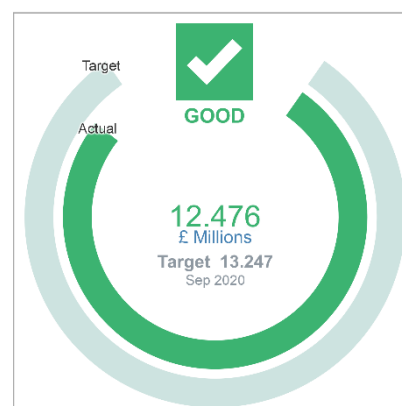
Key areas for consideration are:

- The projected achievement of budget savings across the Council at the end of the year is £10.841m. Whilst this is an improved position compared to £4.599m at quarter 1, it is substantially short of the target of £25.127m. A detailed analysis of progress against savings targets has been undertaken and is presented as part of this report.
- The Library Strategy has been temporarily paused since March 2020 and the Library Service is exploring the best way forward in view of the continuing Covid-19 restrictions.
- The roll out of the Thriving Communities programme has been affected by the pandemic and delays to the conclusion of the leadership development programme. Work has, however, continued in preparation, and the programme is now ready to move into the next phase of rolling out the programme across a number of localities. Difficulties in networking and maintaining relationships in communities due to the restrictions caused by the Covid-19 pandemic will continue to be a challenge.

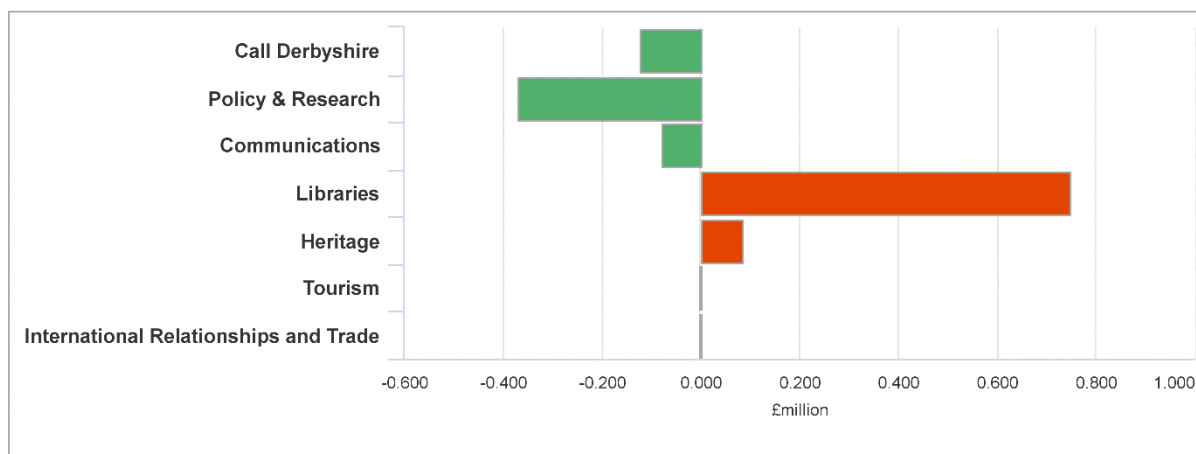
A year-end underspend of £0.771m is projected after the allocation of £1.038m of funding from MHCLG Covid-19 emergency grants and the compensation for lost sales, fees and charges income scheme. Before the allocation of this funding, the main variances are:

- ❌ Libraries, £0.750m overspend – savings are not expected to be realised as the Library Strategy and proposals to transfer the service to community management have been suspended due to the Covid-19 pandemic. School Library Service income has been affected due to the closure of the service.
- ✅ Policy and Research, £0.370m underspend – additional funding provided to support the Climate Change Manifesto is not forecast to be spent this year. The underspend is also due to vacancy control.
- ❌ Call Derbyshire, £0.122m underspend – mainly due to staff turnover.

Forecast Outturn against Target Budget



Forecast Under (-)/Over Spend by Service Line



The budget savings target for 2020-21 is £0.929m, with a further £0.086m target brought forward from previous years. Of this total target of £1.015m, it is expected that £0.320m will be achieved by the end of the financial year. Therefore, there is currently a £0.695m forecast shortfall in achievement of budget savings.

Additional funding has been provided in the 2020-21 budget for the following items:

- Climate Change - £0.200m (one-off), the Council published its Climate Change Manifesto in May 2019. This funding is to advance the priorities identified in the Manifesto. Due to the impact of Covid-19 it is uncertain when this funding will be utilised this financial year.

Young People

Deliverable Progress

Priority	Deliverable	Progress Sep 2020
A focus on prevention and early intervention	Embedded our newly redesigned Early Help Offer for Children, Young People and Families	✓
	Reviewed the Council's care and support offer for children with special educational needs and disabilities and adults to improve efficiency, value for money and customer outcomes	□
High performing council services	Continued to drive improvements in the delivery of children's social care	✓
	Strived to ensure that all Council run children's homes are 'Good' or 'Outstanding'	□
	Worked with schools to ensure they increased the percentage of children in schools which are 'Good' or 'Outstanding', so that Derbyshire is in line with the national average	□

Progress is good for two out of the five Council Plan deliverables led by the portfolio.

Key areas of success are:

- Children’s social care services continue to respond and adapt effectively to Covid-19 challenges. The workforce remains strong, dedicated and resilient. Performance against statutory duties is strong and regular risk assessments ensure children are kept safe.
- The newly designed Early Help offer continues to progress well with teams developing and using creative approaches for engaging with individual children and families, for group work and for advice and support.

Key areas for consideration are:

- The impact of Covid-19 on the Achieving Great Futures workstream; however delays are being mitigated in the overall delivery plan

Key areas to note are:

- The “requiring review” rating for Council-run children’s homes being ‘Good’ or ‘Outstanding’ and for increasing the percentage of children in schools which are ‘Good’ or ‘Outstanding’ are both reflecting the position back in March 2020. The suspension of Ofsted inspections means that these will not change until graded inspections re-start.

The Young People portfolio is forecast to overspend by £6.461m after the allocation of £8.276m of funding from MHCLG Covid-19 emergency grants and the compensation for lost sales, fees and charges income scheme.

The forecast outturn position includes £1.390m of Dedicated Schools Grant income, as a contribution to the cost of supporting Early Help services and children with additional needs. Income from this source is not guaranteed to continue at the same level in future years.

Forecast Outturn against Target Budget



Before the allocation of the Covid-19 grant funding detailed above, the main variances are:

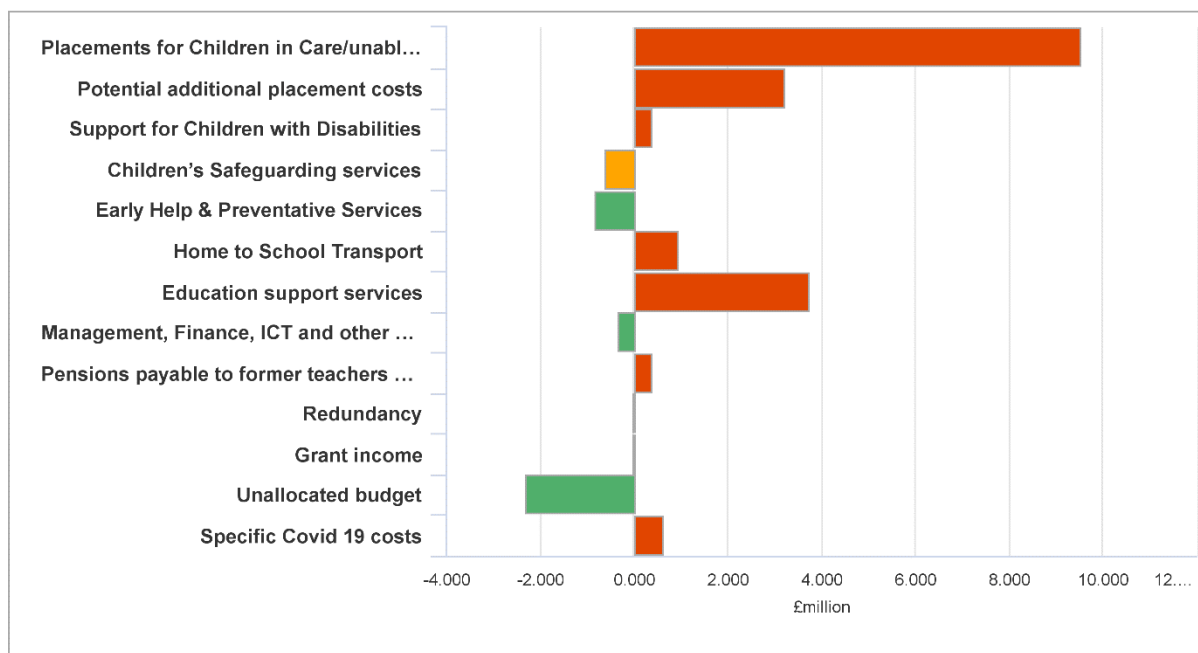
- Placements for Children in Care (or unable to remain at home), £9.513m overspend – placement numbers have continued to rise throughout the year in line with increases in the number of children in care, with the rate of increase in these numbers accelerating since May 2020. There are currently more placements required than can be funded from the allocated

budget. The needs of individual children and the availability of placements has also meant that there are an increased number of children placed in both more expensive fostering arrangements and more expensive residential provision. The rate of increase is higher for both external placement and external fostering numbers than the trend in the years before the pandemic. The planned introduction of a specialist fostering service for children with disabilities has been deferred for a year after the tender closing date for this service coincided with the Covid-19 pandemic resulted in no tenders to provide this service.

- Education Support Services, £3.720m overspend – Although schools have re-opened, the first week of September sales suggests that the number of children taking meals provided by the Catering Service has reduced by around 19% compared to plan. This forecast assumes that this reduction in sales persists for the rest of the financial year. The Sport and Outdoor Education service has been unable to provide outdoor experiences and adventure activities since March, which has resulted in a loss of income. Although the Education Improvement Service had experienced loss of income between March and July 2020, it has since adapted to operate on a virtual basis.
- Unallocated Budget, £2.294m underspend – this includes the following amounts which have not yet been allocated to services: £1.390m allocation from the Dedicated Schools Grant, £0.892m of other grant funding and £0.282m of service pressure yet to be allocated because the forecast spend is lower than the existing budget. These are offset by budget savings of £0.205m which have yet to be applied to a specific service.
- Home to School Transport, £0.954m overspend – this overspend includes the supplier relief support grants paid to providers covering the period between March and July 2020 when schools were closed.
- Early Help and Preventative Services, £0.810 underspend – due to vacancies in Multi-Agency Teams, Children’s Centres, Youth Support and Youth Offending Support.
- Other Covid-19 specific costs, £0.632m overspend – there have been increases in the costs associated with transporting SEN pupils to school as a result of Covid-19 requirements, partially offset by grant funding provided by the Department for Education. Funding allocated for the first six weeks of the school year will cover costs to mid-October 2020, therefore it has been assumed that additional costs throughout the rest of the year will be met by additional income.
- Support for Children with Disabilities, £0.386m overspend – increased demand for support and complexity of some individuals’ needs.
- Pensions Payable to Former Teachers and Other Staff, £0.372m overspend – enhanced pension obligations payable to staff who left under efficiency programmes during the early 1990s. Whilst the number of

pensions being paid reduces each year, this is outweighed by the annual increase to those pensions still in payment.

Forecast Under (-)/Over Spend by Service Line



A savings target of £2.350m has been allocated for 2020-21, with a further £0.829m target brought forward from previous years. Savings initiatives totalling £2.350m have been identified, of which £1.126m are expected to be achieved by the end of the financial year. Therefore, there is currently a £2.053m forecast shortfall in achievement of budget savings.

Additional funding has been provided in the 2020-21 budget for the main growth items:

- Placement Demand Pressures - £11.000m, to support the increase in the demand for placements and the increasing complexity of children and young peoples' needs. These costs have continued to increase in 2020-21 and there is concern for the wellbeing of children who have been less visible to school professionals during the first part of 2020-21. It is forecast that this allocation will be fully spent by the end of the financial year.
- Social Worker Recruitment - £1.300m plus one-off funding of £1.300m, as part of a recruitment plan to increase the number of social workers to ensure caseloads are at a healthy working level consistent with an individual worker's experience. It is forecast that this allocation will be fully spent by the end of the financial year.
- Home to School Transport (SEN) - £1.000m plus one-off funding of £0.971m, to support the increased cost of transporting children and young people to school, pupil referral units or alternative provision when they have been excluded from mainstream schools. It is forecast that this allocation will be fully spent by the end of the financial year.

- Children in Care Legal Proceedings - £1.100m (one-off), reflecting the greater number of court proceedings and the increased use of external legal firms to present cases. It is expected that around £0.600m of this funding will be spent by the end of the year. The remainder of this funding is offsetting other overspending budgets in the portfolio.
- Preventative Support to Families - £1.000m (one-off), to support work with children and families. The number of referrals and children identified as 'in need' is increasing. It is forecast that this allocation will be fully spent by the end of the financial year.
- SEND Assessment and Planning - £0.600m, to provide additional staffing. It is expected that this funding will not be fully spent in 2020-21 due to delays in recruitment.
- Child Protection - £0.500m, to fund the cost of staff needed to respond to an increased number of children on protection plans. It is forecast that this allocation will be fully spent by the end of the financial year.
- Care Leavers - £0.498m (one-off), to meet the cost of additional statutory duties towards care leavers. It is forecast that this allocation will be fully spent by the end of the financial year.
- Service Transformation - £0.438m (one-off), to identify and implement improvements to service quality and efficiency. It is expected that this funding will not be fully spent in 2020-21 due to delays in recruitment.
- Increase in Special Guardianship Placements - £0.336m, to ensure the budget is sufficient to meet the current level of costs payable to those who have parental responsibility under a special guardianship order. It is forecast that this allocation will be fully spent by the end of the financial year.
- Quality Assurance SEND & Fostering - £0.214m (one-off), to introduce new processes to enable managers to analyse the performance of the Fostering and SEND services. It is expected that this funding will not be fully spent in 2020-21 due to delays in recruitment, however approval will be sought to contribute any remaining funding to an earmarked reserve at the end of the year.
- Elective Home Education - £0.207m (one-off), to fund staff visits to assess the education provision to children educated at home by choice. The number of these children is increasing. It is forecast that this allocation will be fully spent by the end of the financial year.
- Support to Achieving Great Futures - £0.108m (one-off), to fund staff seconded to this project to review the pathways for people with disabilities and the services provided to them by the Council. It is expected that this funding will not be spent in 2020-21 as the associated staffing costs are being met by the Adult Care portfolio. This funding is offsetting other overspending budgets in the portfolio.
- Foster Carers - £0.100m, to cover the inflationary increase to foster carer allowances from April 2020. It is forecast that this allocation will be fully spent by the end of the financial year.

Dedicated Schools Grant

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

The Department for Education (DfE) have clarified the ring-fenced status of the DSG by putting provisions into the School and Early Years Finance (England) Regulations 2020 that require that a cumulative DSG deficit must be carried forward to be dealt with from future years' DSG income, unless otherwise authorised by the Secretary of State not to do so. The updated regulations require the Council to engage formally with the DfE on recovery plans if it has a deficit balance on its DSG or if it reports a substantial reduction in its DSG surplus.

There was a surplus of £0.188m in the closing net total DSG reserves at the end of 2019-20. However, after taking account of commitments the underlying balance was a deficit of £3.140m.

The expected DSG and sixth form grant income due to the Council in 2020-21 is £370.954m and the projected year-end expenditure is £370.338m. The expected underspend compared to income is £0.616m, of which £0.318m is ring-fenced to the Schools Block.

In January 2020, the Schools Forum agreed to leave £1.325m of the Pupil Growth Fund unallocated as a contribution to resolving the deficit. Therefore, there is an underlying overspend compared to grant income in 2020-21 of £1.027m.

The Council will also seek further opportunities to make reductions to DSG expenditure in 2020-21. The position will be further supported should Derbyshire receive another above inflation increase in its DSG settlement in 2021-22.

The forecast £0.318m underspend ring-fenced to the Schools Block is expected to arise due to maternity costs and contingency payments to Primary schools being below the allocated re-pooled schools funding.

The variances on the other three blocks are:

- Central Schools Services Block, £1.552m underspend – mainly due to unallocated growth. Also, support for schools to meet KS1 pupil/teacher ratios is projected to be below the allocated budget.

- High Needs Block, £1.212m overspend – additional places purchased at Derbyshire special schools and top-ups for individual pupils. Additional support paid to primary schools for pupils with high needs is above the allocated budget. Also, the overspend has arisen because of the cost of the team to support an increased number of children and young people who have been temporarily or permanently excluded, or to provide preventative measures.
- Early Years Block, £0.042m overspend.

3 Financial Considerations

As set out above.

4 Other Considerations

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

5 Background Papers

Performance papers held in Policy & Research, Room 124, County Hall.
Finance papers held electronically by Technical Section, Finance & ICT, Room 137, County Hall.

6 Key Decision

No.

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

No.

8 Officer's Recommendation

That Cabinet:

- 8.1 Notes the update of Council Plan performance and the Revenue Budget position/forecast outturn for 2020-21 as at 30 September 2020 (Quarter 2).
- 8.2 Considers whether there are any further actions that should be undertaken to improve performance where it has not met the desired level.
- 8.3 Approves a budget virement totalling £4.272m to centralise the Council's existing cleaning budgets.

- 8.4 Approves the funding of capital expenditure on the Property Planned Maintenance Programme 2020-21, estimated to be £1.236m, from borrowing, as an alternative to the planned contributions from revenue budgets.

EMMA ALEXANDER

Executive Director
Commissioning, Communities and
Policy

PETER HANDFORD

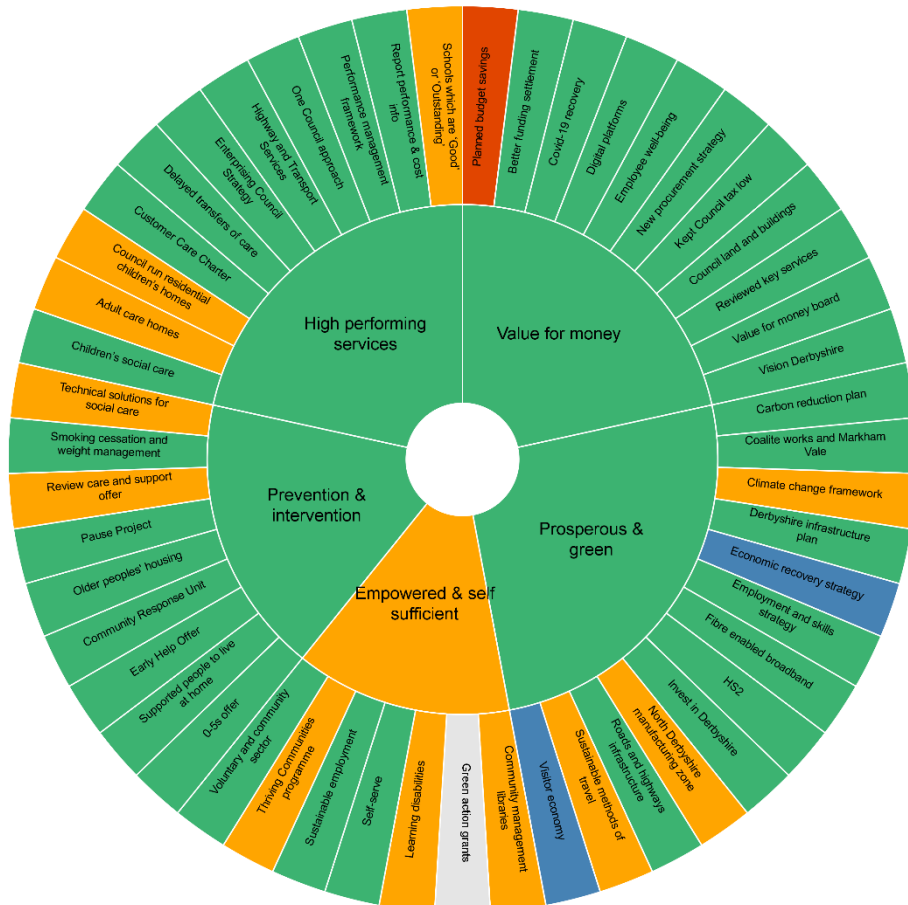
Director of Finance
& ICT

Quarter 2 Performance Report 2020-21

Overview

Deliverable Progress

Ongoing Deliverables



	Dec 2019	Mar 2020	Jun 2020	Sep 2020
	Deliverables	Deliverables	Deliverables	Deliverables
Strong	0	0	1	2
Good	34	32	35	36
Review	9	11	11	11
Action	1	1	2	1

Key

- Strong – performing strongly
- Good – performing well
- Review – will be kept under review to ensure performance is brought back on track
- Action – additional action will be/is being taken to bring performance back on track
- Not yet due to start

The priorities in the deliverable wheel are rated based on the average of all of the deliverables related to that priority.

Measure performance against target



	Dec 2019	Mar 2020	Jun 2020	Sep 2020
	Measures	Measures	Measures	Measures
Strong	4	3	4	3
Good	3	2	4	3
Review	0	1	0	1
Action	5	6	6	7

Key ★ Strong ✓ Good 🟡 Review 🚩 Action ■ Data not available/Target not set

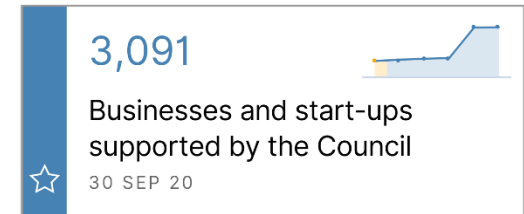
A prosperous and green Derbyshire

Progress on our deliverables and key measures

★ Developed and implemented a Covid-19 economic recovery strategy to support business and sector renewal

It is anticipated that the Strategy will be signed off by the Derbyshire Economic Partnership Board in October 2020. Significant progress made on implementing 'rescue and revive' actions over quarters 1 and 2; now moving into 'revive' phase of delivery which will set interventions over the next 12 to 18 months. Key themes emerging as priorities include market town renewal, sustainable visitor economy and tourism, development of natural capital including Derwent Valley Corridor and Trent Valley Vision.

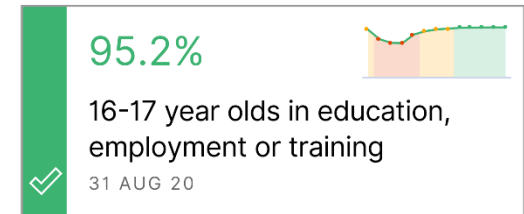
To date this year 3,084 businesses have been supported. In quarter one this included 1,793 businesses benefitting from the Business Hardship Fund and 60 participating in webinars. During quarter 2 Derbyshire based businesses of the Trusted Trader scheme have increased by 21 to 1,033 and Trading Standards continue to support 22 businesses through formal advice arrangements.



✔ Delivered the Employment and Skills Strategy action plan in line with programmed timescales including improved co-ordination of Council activity

As reported to the Employment and Skills Board in September, activities have been prioritised and adapted. For many of the actions that have been reviewed, the delivery has been adapted to the new ways of working, including more blended distance learning. Where individual actions cannot continue in their current form they are subject to further review and will either be ceased or re-purposed, moving them from red to green. Whilst delivery of some outputs has reduced the Employment and Skills Board accepted that delivery in the majority of cases was either green or amber, which is set to continue. The consultants report on recovery strategy for Employment and Skills is due to report in October which will further guide the prioritisation process. The Employment and Skills Recovery cell is meeting every two weeks and is moving forward a number of actions including developing proposals for the new Kickstart programme to support the young unemployed.

The percentage of young people aged 16 and 17 in education, employment and training (EET) for the 3 months of June, July and August 2020 is 95.2%. This is higher than the same time last year (90.9%) and above the most recent national figure of 92.1% for July 2020.



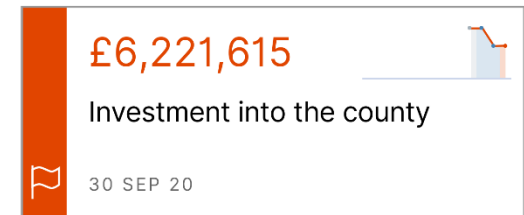
★ Supported the survival and renewal of the visitor economy

8 bids to Central Government for Reopening High Streets Safely funds were supported, these included footfall monitoring and environmental improvements to town centres. There are ongoing discussions with districts and boroughs regarding priorities for spend. Shopappy to go live in October/November across all 27 market towns – this is an on line platform that promotes local products, retailers and local businesses, not just to local residents but visitors also. Quarters 1 and 2 have seen some of the strongest Visitor Economy (VE) sector performance in recent years due to the high levels of staycations being taken – this level of performance is unlikely to continue without targeted efforts nationally. As we move into the 'revive' phase of the Recovery Strategy, preparations for a Tourism Action Zone submission to Government are being made, alongside continued lobbying to Department for Digital, Culture, Media and Sport (DCMS) to ensure further financial support for the VE sector. Given the continued rise in Covid-19 cases, the impact on hospitality and attractions is likely to suffer significantly and lower performance is anticipated next quarter.

✓ Delivered the new “Invest in Derbyshire” programme

Delivery against the existing European Regional Development Fund (ERDF) contract continues and targets are being met in line with the original agreement. However, an annual performance review is due in quarter 3 which will reset the planned actions and outputs to ensure they are in line with Council priorities and Covid-19 Recovery proposals. There are likely underspends over the whole ERDF programme towards the end of the financial year as planned events will not be able to go ahead in the same format (e.g. MIPIM and international marketing events). A proposed spend profile has been submitted to the Accountable Body Manager in advance of discussions with the Ministry of Housing, Communities and Local Government. International and domestic enquiries are still coming through despite Covid-19 albeit not at the same level. Activity to promote innovation, logistics and quality of life have been commissioned.

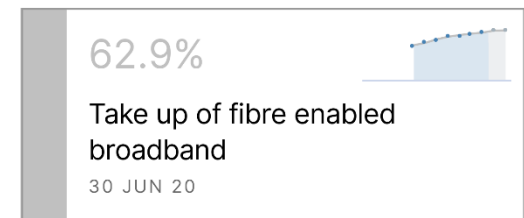
To date over £6m of funding has been secured made up of £3,808,000 for A61, £1,000,000 for Ashbourne Airfield, £930,000 for Public Transport, £477,000 for opening town centres and £6,615 for Recovery Town Deal



✓ Increased the fibre enabled broadband coverage across Derbyshire for homes and businesses

Progress is being made towards planned targets within the BT contract. Delays to BT installations have been experienced due to Covid-19 restrictions including road closures, civils teams and power companies. Openreach are working to complete the remaining installation commitments under the Phase 2 Contract but an extension of the current contract timescales will be required. We are also waiting for 3 change requests to be agreed (Data set realignment, descope and rescope). Once these are resolved we will have a clearer indication of timescales to complete the contract. The Digital Derbyshire Team are experiencing an increase in enquiries from communities across Derbyshire due to Covid-19 related dependence on broadband for Homeworking. The Derbyshire "Top Up" scheme was approved in quarter 2 and is now in place for supporting applications to the Rural Gigabit Voucher Scheme and the team are working with communities to identify opportunities and maximise take-up of this valuable initiative.

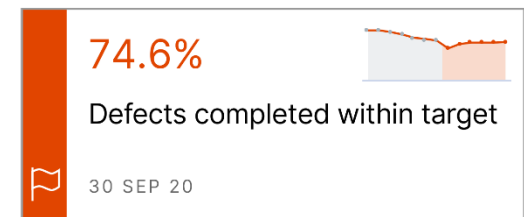
Take up was 63% up to June 2020 with 67,855 homes or businesses across phase 1 and 2 with fibre enabled broadband.



✓ Invested in well maintained roads and highways infrastructure

A £40 million programme of highway improvements has been put together, a significant increase in funding when compared to previous years. The schemes cover a wide range of maintenance and improvement work to roads and pavements, bridges and structures, street lighting and rights of way. Schemes are also included that will address local road safety issues and that will help to support an increase in cycling across the county. A significant slice of the funding will be targeted at repairs resulting from the floods that hit the county in late 2019 and early 2020 that left behind damaged carriageways and structures, and two major landslips that washed away roads are being addressed. A programme to tackle drainage and surface deterioration and prevent potholes is also in progress.

The year to date figure of 74.6% of defects completed within target reflects a recent improvement in performance with 84.2% of those defects completed in September being within target. Of the 26 urgent defects completed in quarter 2, 25 (96%) were completed on time



✓ Worked to maximise growth opportunities arising from HS2 and to mitigate impact

Limited progress has been made on mitigation works during quarter 2 as the Government's Integrated Rail Plan (IRP) and National Infrastructure Commission (NIC) reports are not due to be issued until November/ December. These reports will set out the scope and timescales of HS2 Eastern Leg going forward. Work has continued however, to develop the programme for future areas of evidence to be commissioned and the recruitment of an HS2 Project Manager. The HS2 Skills and Supply Chain workstream and the two delivery boards (Chesterfield and Toton) have continued to meet during quarter 2 and masterplanning for both sites is making good progress – but inevitably will be impacted by the findings of the two reports.

✔ Completed the development and started the implementation of The Derbyshire Infrastructure Investment Plan to support good growth

Work on the Derbyshire Infrastructure Investment Plan has continued at pace but through discussion with the Derbyshire Chief Executives, borough and district council planning officers, it is now proposed to shape the work into a more refined document, the Strategic Growth and Infrastructure Framework (SGIF). This will help identify and prioritise Derbyshire County Council's pipeline of capital projects that enable the wider regeneration programmes for the County. A report is to be presented to the Derby and Derbyshire Chief Executives meeting and the Derby and Derbyshire Joint Committee in quarter 3 to confirm the approach and the content of the new SGIF.

🔸 Assisted in the successful implementation of a new manufacturing zone in North Derbyshire

This work is being led by North East Derbyshire District Council. Limited progress has been made over quarter 2 due to the prioritisation of Covid-19 related work. In late quarter 2, discussions have begun on how best to promote the sites to potential investors and will link to the forward Invest in Derbyshire work.

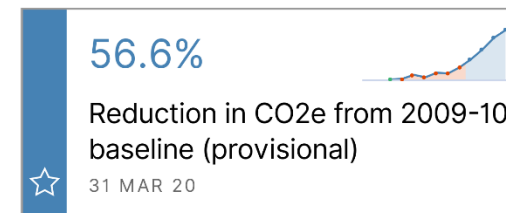
✔ Completed the clean-up of polluted land at the former Coalite works in Bolsover and further developed Markham Vale

The developer at Coalite has made good progress over the summer months in undertaking a second phase of cleaning-up contaminated land on the eastern side of Buttermilk Lane. The Council and the developer have agreed a programme for the drawdown of grant funding towards the costs of highway infrastructure which is now planned to be undertaken between November and March 2021. Markham Vale - Very good progress in developing this site is being made. Construction work is slightly ahead of programme on a £25m private sector development of two speculative factory units. In addition, construction was recently completed on Plot 5 for a new location for Transcare Ltd. Legal contract documents have been exchanged with the purchaser for a new drive-through restaurant on Plot 7. An earthworks contract started in July to release additional development - these works are being undertaken in two phases; Phase 1 is complete and Phase 2 will recommence in early 2021.

✔ Implemented the Carbon Reduction Plan to reduce emissions from Council owned buildings and operations

Though complete data is not yet available, data available to date suggests that the Council is currently on track to reach or exceed the annual target for emissions for 2019-20. Council emissions from streetlighting fell by 74% between 2009-10 and 2019-20. This is due to the continued LED replacement programme, part-night lighting and night dimming plus 'greening of the grid'. Emissions from grey fleet fell to 2,484 tonnes CO2 in 2019-20 from the baseline of 4,590 tonnes CO2 in 2009-10, a fall of 45%. This is well under the target emissions of 2,761 tonnes CO2. This is due to a small reduction in grey fleet mileage and more efficient vehicles. Emissions from the core fleet fell to 1,633 tonnes CO2 in 2019-20 from the baseline of 4,590 tonnes CO2 in 2009-10, a fall of 64%. This is well under the target of 2,662 tonnes CO2, part of this reduction is due to more effective data collection methods. Emissions data from corporate property for 2019-20 is not yet available, so the overall reduction of 56.6% is still provisional at this stage.

Workshops have also been held with senior leaders and elected members to develop action plans to provide detail on how the Council will reduce emissions from its own estate and operations to net zero by 2032.



🔸 Worked in partnership to deliver the Derbyshire Environment and Climate Change Framework, harnessing recent changes in employee, resident and business behaviour

The Framework was agreed in November 2019 and implementation was to be taken forward as part of the Vision Derbyshire partnership approach, however this was paused as county local authority leaders focussed on the Covid-19 response. Vision Derbyshire is now moving to the implementation phase and climate change will be taken forward as a key theme under this approach. The Council also has a new Climate Change lead, Helen Jones, Executive Director of Adult Social Care and Health, who will be leading collaborative work across the county to tackle climate change.





The Derbyshire Climate Change Officer Working Group, consisting of officers from all local authorities in Derbyshire including Derby City and the Peak District National Park, has met twice during the last quarter to develop joint action planning, led by Midlands Energy Hub. Learning from this joint working approach to tackling the energy agenda will feed into the planning and implementation of the work to address climate change in Derbyshire under Vision Derbyshire.

Senior leaders and Members from the Council have also had the opportunity to attend four workshops examining different aspects of the Council's role in reducing emissions from across the county. The workshops considered Natural Capital and Carbon Capture; Modelling Derbyshire's Emissions to 2050; Developing county-wide strategies to reduce emissions and Community engagement and involvement in reducing emissions.

 **Delivered measures to encourage more people to choose sustainable methods of travel, create healthier lifestyles and reduce carbon emissions**

Government Emergency Active Travel Fund application totalling £447k was successful. 27 of the county's market towns benefitted from measures aimed at assisting the public to choose more active forms of travel and comply with social distancing regulations due to Covid-19. Measures included widening footways, providing temporary cycle lanes, road closures to facilitate greater walking and cycling, adjustments to pedestrian crossings and providing bus borders to allow access to repositioned bus stops. An application for up to £1.7m for Tranche 2 of this Emergency Active Travel Fund to further enhance cycling provision through the re-allocation of road space was submitted on 7th August and the Council currently awaits the outcome of this. A further 4 x dual electric vehicle chargepoints were each installed at Shawcroft Car Park in Ashbourne, Edward Street in Glossop and Victoria Park Parade in Buxton, all aimed at benefitting local residents with electric vehicles. In addition another rapid electric vehicle chargepoint was installed at Canal Wharf Road in Whaley Bridge.

Key measures summary

	2018/2019	2019/2020	2020/2021	Target	Performance
Number of businesses and start-ups supported by the Council		1,152	3,091	1,000	
Percentage of 16 to 17 year olds in education, employment or training (3 month avg)	94.0%	93.1%	95.2%	96.0%	
Investment into the county		£9,601,992	£6,221,615	£10,000,000	
Percentage of homes and businesses with fibre enabled broadband	54.8%	62.6%	62.9%		
Percentage of defects completed within target	71.5%	77.2%	74.6%	90.0%	
Percentage reduction in CO2e from 2009-10 baseline (provisional)	47.9%	56.6%		55.0%	

Performance compares the latest data for 2020/2021 with the target, where both are available.

Grey boxes are where data is not available/comparable or where targets have not been set because the Council is collecting baseline data or because the target is under review.

Empowered and self-sufficient communities

Progress on our deliverables and key measures

Rolled out the Thriving Communities programme across 13 localities

Following the acceleration programme undertaken in Shirebrook during 2019 and the subsequent leadership training and development programme with Executive Directors, CMT and Directors, the Thriving Communities programme is now ready to move into Phase B. Whilst the roll out of the programme has been affected by the recent pandemic and delays to the conclusion of leadership development and training, work has continued in preparation.

Using the Thriving Communities bespoke Diagnostic and Evaluation Frameworks and Toolkits, a shortlist of communities has been identified for future activity. Through a light touch initial assessment, work is underway to ascertain:

Current need,

Capacity to implement Thriving Communities ways of working, and

Potential public value which could be created by working within the community.

As the Council expands and scales the programme, there are opportunities to tackle the complex and adaptive challenges facing communities of interest as well as communities of place. In this respect, work is begun with a range of public, private and voluntary sector partners, to apply the Thriving Communities approach to transform future support for homeless people and rough sleepers across Derbyshire.

A key focus of the Thriving Communities is the ability to identify and address barriers and problems within the system that emerge during the implementation of activities at a local level. A Community of Practice has been established to address commonly experienced property issues, involving officers from a range of Council departments to prototype a Spaces and Places Property Guardians concept. This is assessing the Council's relationship with local people, staff and groups to transform the role we play in jointly managing local spaces for greater public value.

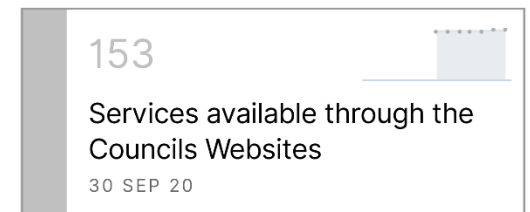
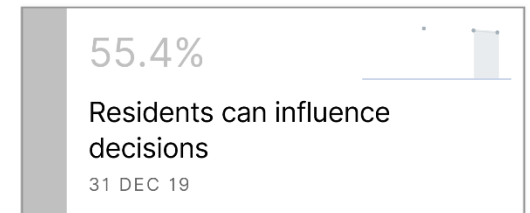
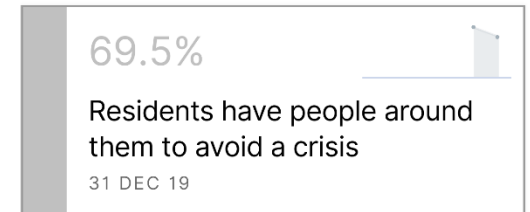
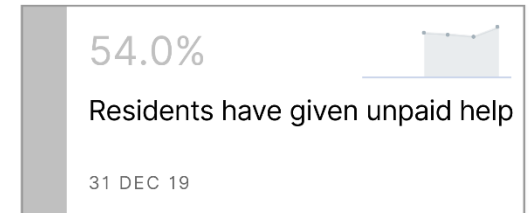
The biggest challenge over the last quarter has been the physical disappearance of local services on the ground, and the inability of staff and local people to be able to access local buildings through lock-down, as this is where connections and creativity to deliver locally-led solutions generally takes place. Thriving Communities teams have responded to this with courage and flexibility, making the best use of technology to communicate but the difficulty networking and maintaining relationships (central to Thriving model) has been a challenge. There is certainly a risk to the pace and success of the roll out of this work (as imagined pre-Covid-19) if restrictions continue.

The "Your Council Your Voice" survey will commence in early October 2020, this will gather up to date resident information.

Enabled residents to self-serve using an optimal combination of communication channels

Procurement of Content Management, complaints and booking systems which will enable residents to self-serve and enhance the customer experience is now underway. Initial assessment of tenders took place over August and (with clarifications, award and standstill period) a supplier is expected to be in place in November. A minimum of 15 new services, fully integrated with background systems, will be online by March 2021.

A baseline of 150 services available via e-forms was established for March 2020 with 3 additional services being added up to September



Co-designed the Council's offer to people with learning disabilities, focusing on their strengths to help them achieve their personal goals utilising the community networks built during the pandemic

During quarter 2 there has been a continued focus on the Better Lives programme of work. All people with learning disability and / or autism who have used building-based services and their carers / families have been written to and communication is ongoing to co-produce a new offer. This includes both those who attend directly provided day centres and those who attend day services in the private, voluntary and independent sector, a total number of 742 people. The new offer will focus on different ways of working to enable people with a learning disability to achieve personal goals, learn new skills, gain employment or volunteering opportunities and be more involved in their local communities. A central team of practitioners has now been established to work directly with people and their families / carers to co-produce the new offer. The team are currently actively working with 80 people. Recognising the need to have a range of services available plans are in place to re-open 3 building based offers within DCC and create the community offer. Progress is being made to support people with a learning disability to move from a short-term residential placement to a supported living long term home within local communities. 4 people have moved in this quarter.

Helped people furthest from the labour market into sustainable employment

Objective 1 of the Employment and Skills Action Plan, which target individuals, have all been reviewed to ensure they can be delivered within the new restrictions caused by the pandemic. A few examples are - The apprenticeship levy transfer is progressing well - as of September the Council has a further 18 apprentices in scope for transfer taking the total to 45 levy transfer apprentices. Our National Careers Service has continued to operate in a restricted way via virtual support. As a result our Service supported 591 residents, with 133 going into work. Individual Placement and Support project for people with mental health challenges was successful and will help residents over a two year period. The substance misuse programme supported 265 residents of which 40 secured employment. The support to individuals will continue to grow in the coming months responding to the pandemic so it is expected that progress will remain good.

Reviewed grants and developed a new offer to voluntary and community groups, learning from the remarkable response to the pandemic and supporting the sector to recover well, retain new volunteers and thrive

A report to Cabinet on 30 July 2020 outlined proposals on the future funding of Voluntary and Community Sector (VCS) and approved additional funding for infrastructure providers for a period of twelve months from 1 October 2020 to 30 September 2021, as well as extending current grant funding for organisations across the same period.

Since July 2020, work has taken place with all 13 infrastructure providers through a series of individual and joint meetings to discuss proposals and develop new Service Level Agreements with providers on an organisation/district basis. This has included a series of meeting with the Clinical Commissioning Groups to support complementary approaches moving forward. Service level agreements are now at the latter stages of being agreed, alongside development of monitoring and evaluation mechanisms for the next twelve months.

Work on the development of a new, single Council approach to grant funding has continued to develop at pace. Informal engagement has taken place across senior management teams to outline its essential elements. Following this positive engagement, proposals have been further developed through feedback and exploration of the approach. To support the further development of proposals, an end-to-end grants administration review has also been undertaken and this has included the drafting of a Council grant funding policy and grants board terms of reference.

Implemented the transfer of a minimum of five libraries to community management

The Library Strategy was approved by Cabinet on 20th December 2018. The first stage of implementation is focused upon transferring the 20 libraries and two mobile libraries over to community management. The community engagement work has concluded for the 20 libraries and two mobile libraries. Eight successful Expressions of Interest have been received and five Business Cases passed. The service will concentrate on the awarding of Service Level Agreements and Leases to groups and building community capacity in areas where appropriate. A reduction in opening hours at Tier 4 libraries with no Expression of Interest to 18 hours per week has been implemented. The Library Strategy has been temporarily paused since 24 March 2020 and the library service is exploring the best way forward in view of the continuing Covid-19 restrictions.

Supported communities to take action to tackle climate change within their local areas through our new green action grants programme

Work on the green action grants programme will commence shortly and an update will be provided for quarter 3.

Key measures summary


	2018/2019	2019/2020	2020/2021	Target	Performance
Percentage of residents who have given unpaid help to an individual, group or club in the last 12 months	43.7%	54.0%		56.0%	
Percentage of residents who agree that they have enough people around them to avoid a crisis	85.3%	69.5%		74.0%	
Percentage of residents agreeing that by working together people in the local area can influence decisions that affect the local area	57.5%	55.4%		58.0%	
Number of services accessed via e-forms on the Council websites		150	153		

Performance compares the latest data for 2020/2021 with the target, where both are available.

Grey boxes are where data is not available/comparable or where targets have not been set because the Council is collecting baseline data or because the target is under review.

A focus on prevention and early intervention

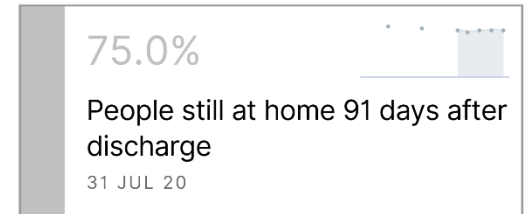
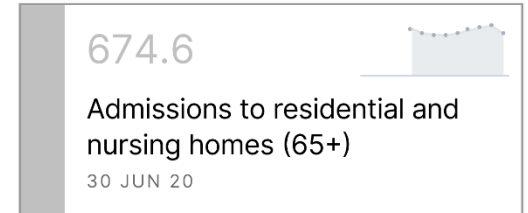
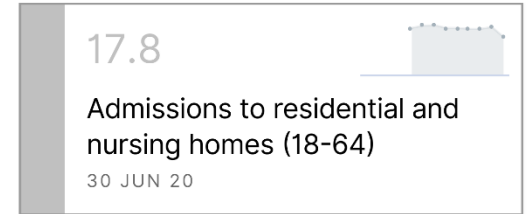
Progress on our deliverables and key measures

 **Better supported people to live at home longer and feel part of their local communities using the thriving communities approach**

The Better Lives programme work has continued in quarter 2 with a particular focus on supporting timely discharges from hospital which ensure older people are supported to return home and the creation of an enhanced reablement offer. The prototype of this new offer has been trialled with successful results and will be rolled out across the County during quarter 3.

The performance for those remaining within their own homes for 91 days following discharge from hospital has remained stable. Data since April has been available on a monthly basis with the latest year to date figure for July being 75% .

The admissions figures shown for the first quarter of 2020/21 are lower than previous years. It is anticipated that these figures will increase slightly, but will remain less than previous years. It is not currently possible to state with absolute certainty why this figure is lower, but highly likely that this is due to the impact of Covid-19. The first quarter of the current financial year saw the peak of Covid-19 and the ensuing significant restrictions placed on care homes. The impact that Covid-19 had on hospital throughput likely effected the number of long term placements into care homes, as hospital discharges are a key source of care home admissions.

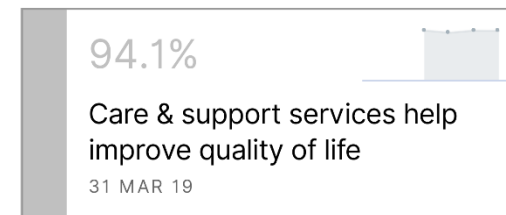


Reviewed the Council’s care and support offer for children with special educational needs and disabilities and adults to improve efficiency, value for money and customer outcomes

The achieving great futures (AGF) workstream has been impacted by Covid-19. Delays to the workstream have been mitigated in the overall delivery plan. Learning from AGF has been used in the Children’s Diagnostic and there are opportunities for greater impact working across the whole life pathway. In addition there is a Special Educational Needs and Disabilities (SEND) action plan which is currently being led by the Local Area SEND Board.

Rating set at 'Review' as there is still a risk to the timetable which is dependent on timing of the restart of this programme.

In the previous two years over 94% of clients responding to our Adult Care survey have agreed that care and support services help improve their quality of life. Results of the survey in 2019/20 will be published later in 2020.



Continued the implementation of the Older People’s Housing, Accommodation and Support Strategy

Collaboratively working alongside partners regarding opportunities for housing for older people, and the development of Local Plans and other strategic documents to ensure that housing for an ageing population is reflected as a key issue. We have reviewed the programme of activity in light of the impact of Covid-19 .

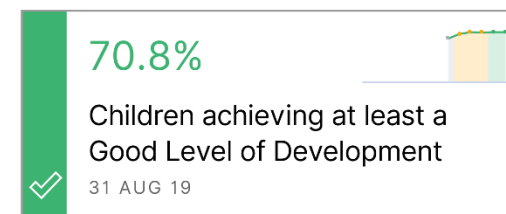
Commissioned a new approach to provide innovative technological solutions to support people with social care needs to maintain their independence and reduce our carbon footprint

Proposals on the next steps for Assistive technology have been reviewed in line with the Council's wider transformation and the future model for AT is being developed using models from other Councils and learning from diagnostic report. The Brain in Hand pilot has been reviewed and we are currently working with the provider to commence the 12 months pilot in October 2020 Brain in hand is a digital support system designed to help people to navigate day-to-day difficulties and to problem solve; support can also be accessed at any time from the individual's mobile. The Remote Assessments for Equipment and Adaptations pilot project continues to be rolled out; will implement digital solutions to reduce the number of visits for Occupational Therapist's and other professionals and to prescribe more adaptations and equipment through Call Derbyshire to improve the speed with which referrals are dealt with and to release capacity for more complex situations.

Embedded our newly redesigned universal and targeted 0-5s offer through Health Visiting services and Children’s Centres in partnership with the NHS

Over recent months Health Visiting have focused on reinstating the 3 contacts and undertaking mop ups for those families that were unable to receive this contact as part of the plans for the recovery and restoration of services. The pandemic led to the monitoring of the service specification in place with Children's Centres to be suspended. Staff have worked creatively and flexibly to continue supporting children and families by delivering targeted virtual support. Work is underway to get staff trained in the delivery of the Solihull Parenting Programme – Covid-19 presented a number of barriers to this training being delivered (as it required face to face delivery) but discussions are on-going with Solihull to remedy this. The Children's Centre staff maintain regular contact with all families by email, video calling, telephone, text messaging – and will visit families should the needs require this. Whilst the Children's Centres do not offer universal services, the Facebook pages include information on virtual groups such as BEARS, First Steps, the Happy App, Mush and Baby Buddy. There are also very strong links with the Early Help Transition Team who have developed a Community Directory which is widely distributed across the partnership. This directory will be promoted to parents using the Children's Centres' Facebook pages in order that they can be signposted to support at the earliest opportunity.

Last year children reached a good level of development at the early years foundation stage. Due to Covid-19, the Early Years Foundation stage assessments won't be taking place in 2020, therefore this data won't be updated in the forthcoming year. Meetings for the Strategic Governance Group (SGG) that oversees Section 75 Partnership agreement were suspended in April 2020 due to Covid-19, however these meetings were reinstated in July 2020.



✔ Embedded our newly redesigned Early Help Offer for Children, Young People and Families

The work of the Early Help service has predominately been on-line during the Covid-19 period although in recent weeks the face to face visiting has increased. The workforce has been eager to be able to see families in person to get a true picture of the well being of the children and the resilience in the families. Children's Centres have been working closely with health colleagues around the engagement with children under 5 years of age and developing methods of support to help children in their speech and language development preschool. The teams continue to work on creative methods to enable group work on-line and the ability to share advice and support. An outline of the scope of the evaluation of the early help service has commenced.

✔ Embedded the “Pause Project”, an innovative programme to address the needs of women who have had multiple children removed from their care and to prevent this cycle recurring

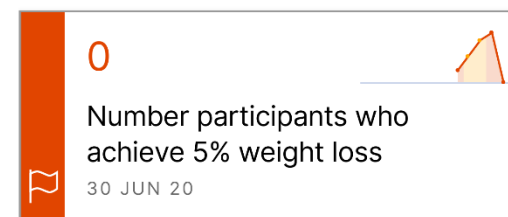
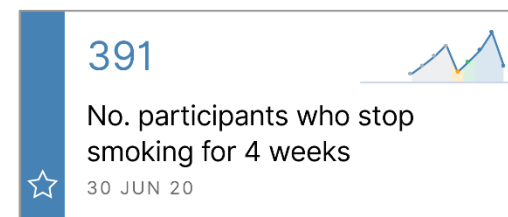
The Pause Derbyshire team have continued to face challenges due to the Covid-19 restrictions. The team have creatively utilised digital tools and safe relating practice to engage with extremely vulnerable women prioritised by the Council and they continue to show enthusiasm and innovation in the work they are doing. Risk continues to be carefully assessed and in some cases the practitioners are able to meet face to face with women in public spaces.

The practice is now working with the target cohort of 32 women on the Pause programme who are working positively with their practitioner and the teams. Pause Derbyshire are starting to consider group activities with the women which will observe the changing social distancing rules. Some women have expressed a desire to engage in keep fit and others would like to be in more creative group, and the team will be exploring this in more depth in the coming weeks with the women. Health needs specifically sexual health are being met through the agreed pathway across Derbyshire integrated sexual health services and this continues throughout the pandemic. Despite the challenges, the project is on track.

✔ Increased the number of people taking part in smoking cessation and weight management programmes to improve outcomes

Delivery of services remained significantly affected by Covid-19 with the weight management programme continuing to be suspended whilst an alternative virtual service offer was developed. This has now been completed and the new WM digital/telephone service went live at the end of August 2020.

Stop Smoking services continue to be delivered by telephone and in quarter 2 595 people have set a 4 Week Quit Date. The final number of 4 Week Quits for quarter 2 will not be available until mid November 2020. Live Lives Better Derbyshire continues to work with partners to promote the service.



✔ Integrated the Community Response Unit, established during the pandemic, in the Council's strategic approach to improving health and wellbeing

The current Community Response Unit model is evolving to meet the needs of communities over winter. A new Winter Pressures referral mechanism has been established (linked to integrated housing support hub plans) which will signpost people to a range of support in addition to supporting those directly affected by Covid-19. A phased plan has been drafted to integrate the CRU into the strategic approach to health and wellbeing and the Winter pressures work is part of phase 1.

Key measures summary

	2018/2019	2019/2020	2020/2021	Target	Performance
Rate of permanent admissions to residential and nursing homes (aged 18-64) per 100,000 population	22.1	22.5	17.8		
Rate of permanent admissions to residential and nursing homes (aged 65+) per 100,000 population	647.5	803.5	674.6		
Proportion of people (aged 65+) who are still at home 91 days after discharge from hospital into Short Term Services		75.2%	75.0%		
Percentage of Clients agreeing that care and support services help improve their quality of life	94.1%				
Percentage of children achieving at least a Good Level of Development (EYFS)	70.8%	70.8%			
Number of participants in Council delivered stop smoking programmes who stop smoking	860	1,158	391	262	★
Number participants in Council weight management programmes who achieve 5% weight loss		232	0	46	☐

Performance compares the latest data for 2020/2021 with the target, where both are available.

Grey boxes are where data is not available/comparable or where targets have not been set because the Council is collecting baseline data or because the target is under review.

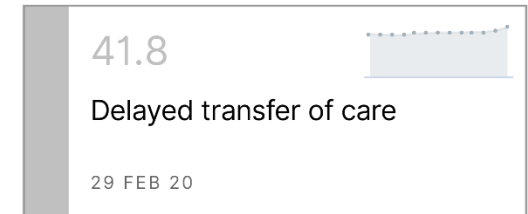
High performing council services

Progress on our deliverables and key measures

 **Maintained the Council’s high performance in reducing delayed transfers of care from hospital**

During the Covid-19 pandemic a new national approach to discharge from hospital was introduced across the country. The Council in partnership with Health has successfully implemented the new national guidelines. This has been further enhanced by the Better Lives workstream. This has resulted in people being able to leave hospitals earlier with higher numbers of people returning back to their own homes with community support. Work has continued in quarter 2. We remain focused on supporting timely discharges from hospital through the Better Lives programme and the creation of an enhanced reablement offer has delivered successful results which will be rolled out across the County during quarter 3.

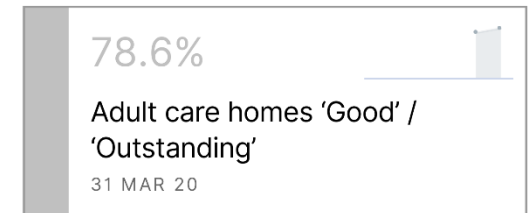
National publication of data has been suspended since February due to the impact of Covid-19.



 **Ensured all Council run adult care homes have Quality of Care graded as ‘Good’ or ‘Outstanding’ by the Care Quality Commission**

The Council has 27 residential care homes, of these 23 are homes for older people and 4 specialising in learning difficulties. Current performance shows that 85% of those homes are rated as good for quality of care.

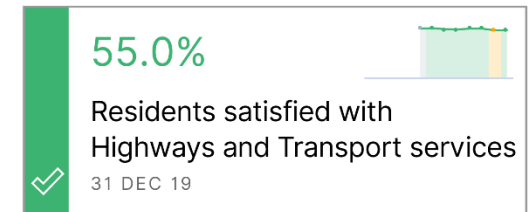
Currently on site Care Quality Commission inspections have ceased due to Covid-19 but the services are still being monitored at arm's length by the regulator through their Emergency Support Framework and the in house Quality and Compliance Team auditing processes. Feedback via the Quality Improvement Board which is responsible for the oversight of all the quality assurance and improvement work within directly provided regulated services is positive and provides assurance that quality improvement continues to be addressed as a priority.



 **Continued to maintain high levels of customer satisfaction in the Council’s Highway and Transport Services**

The diversion of all the highways construction services in the early stages of lockdown helped to make significant reductions to the backlog of repairs to the network following the winter and flood damage. Much of the current £40 million highways programme is aimed at addressing the condition of roads and footways, a key measure of customer satisfaction.

The results from the 2020 National Highways and Transportation (NHT) survey will be available in quarter 3.



Strived to ensure that all Council run children’s homes are ‘Good’ or ‘Outstanding’

Children’s home inspections have been suspended since the end of March 2020 due to Covid-19. An interim inspection phase started from September 2020 and will last at least until December 2020 with the possibility of extension if measures for responding to and recovering from Covid-19 carry on into 2021. Inspections during this interim phase will be prioritised and will not include a graded judgement. The Council has 11 children’s homes. At the point that inspections were suspended, nine homes (81.8%) were judged to be good or outstanding in their most recent inspection. There will be no opportunity to improve this performance position until full, graded-judgement inspections resume.

Derbyshire has had its first assurance visit to Glenholme children’s home. This commenced virtually on 15 September and inspectors visited the home in person on 16th. As the visit was largely virtual the inspector benefitted from other professionals views in the 'team around the home' and was also able to meet one of the young people who live at the home. The inspector confirmed that the home had tackled the issues identified in the last inspection and identified other ways in which the home could improve further. The staff team felt that the inspector was really approachable and understanding of the challenges that the home have been facing. This was a positive first assurance visit for Derbyshire.

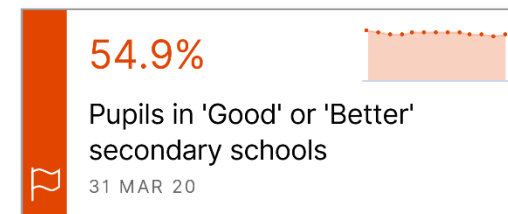
All of the children’s homes have continued to provide high quality care to our children in care throughout the Covid-19 period. Staffing has remained very strong despite difficulties with recruitment in some homes and challenges with cover for the waking night shifts where there are staffing gaps.



Worked with schools to ensure they increased the percentage of children in schools which are ‘Good’ or ‘Outstanding’, so that Derbyshire is in line with the national average

School inspections were suspended at the end of March due to Covid-19. Ofsted have started a phased return to inspection with an interim period of visits to schools and settings during the autumn term with an intention to resume full inspections in January 2021, although the exact timing of this is being kept under review. During this interim phase from September 2020, Ofsted will prioritise and visit all inadequate schools and a sample of schools across the other Ofsted grades (outstanding, good, requires improvement). Ofsted have been clear that these visits are not inspections, will not result in a graded judgement but will be based around a series of professional conversations with senior and middle leaders.

At the point that school inspections were suspended, the percentage of pupils in Derbyshire attending primary schools that were judged to be good or outstanding was 80.7% with performance below the national average of 87.9%, with Derbyshire ranked 132 nationally. The percentage of secondary aged pupils attending schools judged to be good or better was 54.9% with performance significantly below the national average (79.5%) with Derbyshire ranked 138 nationally. There will be no opportunity to influence this indicator until full, graded inspections of schools resume which will not be before January 2021.



Continued to drive improvements in the delivery of children’s social care

Social care demand, which experienced a drop at the start of the Covid-19 national lockdown, has now recovered closer to pre-Covid-19 levels. To date, services have been able to respond effectively, triaging new cases which are moving through to the locality teams for an assessment to be undertaken. During the quarter social care has continued to have a full compliment of staff which is to be commended as with all our workforce. Workers have continued to demonstrate a high level of performance against the statutory duties. Risk assessments continue to be regularly updated for all the children open to the service. These are signed off by a manager and determine the level of oversight needed regarding the welfare of the children. More face to face visiting has been undertaken

(bespoke to the child and family's needs) by the social workers. In person visiting has been particularly necessary for newly referred cases where there has been no direct sight of the home circumstances.

During the summer period workers took some leave which has been helpful to refresh colleagues. However, the morale of the workforce ebbs and flows and managers are working hard to maintain individual and group contact with their teams virtually. There are many creative methods being used to support staff, such as virtual break out rooms, virtual coffee mornings and lunch breaks, team meetings and training and development events. Gradually the numbers of workers spending time in the offices has increased, in line with risk assessments and PPE guidance. It is understood by workers that it is unsafe for everyone to return to office bases but many have expressed that they miss seeing and supporting their colleagues and being able to share reflections on social work practice which is so integral to the role.

Delivered priority actions from the Enterprising Council Strategy and embedded the approach with staff and partners

The Enterprising Council programmes continues to progress. In September 2020, a report to Cabinet outlined plans to take forward Phase two of the Enterprising Council approach, widening out the programme focusing on a number of priorities including: taking forward the outcomes of the Enterprising Council Strategy through three key projects: Modern Ways of Working, Demand Management, and Workforce and Leadership Behaviour under a project learning set style approach; the Council's wider approach to change and strategic transformation following the review of the Council's programme management methodology; the development of a strategy and roadmap setting out the Council's plans for organisational, community and economic recovery and renewal in response to the Covid-19 pandemic.

Further work has taken place on the Modern Ways of Working project learning set and this was recently launched across the Council in September, with the initial workshop scheduled for week commencing 19 October 2020.

Maximised the effectiveness of the Council's operating model and strengthened the One Council approach to enable high performing services

Progress continues to be made to strengthen corporate capacity. The Finance Review has continued to progress with a number of engagement sessions held with key stakeholders. Questionnaires have been distributed to the finance job family to ascertain the views on a range of themes including training, communication and collaboration within the finance function, which has seen an 80% response rate. A further questionnaire has been dispersed to budget holders to establish training and information requirements in support of budget management and ownership – this questionnaire received a 60% response rate. Analysis of the questionnaires has been completed and a detailed action plan is being developed. The analysis and evidence from the engagement sessions will help to shape the future operating model.

Human Resources (HR) functional reviews have commenced focused on Learning and Development, Health, Safety and Wellbeing and the Business Services provision within HR. The research phase continues with feedback and involvement from colleagues from within HR, departmental management teams and Trade Union representatives. Benchmarking is also underway to inform the research phase.

Developed and embedded a more robust performance management framework

Following the end of year performance report, it was agreed to increase the timeliness of reporting performance to Corporate Management Team for quarter 1 2020/21. This was achieved with the quarter 1 report reviewed by CMT three weeks after the period end. Work this quarter has focused on further developing the approach for integrated budget and performance reporting. Once this has been achieved, the focus will be to further expand performance reporting for corporate management and for the public.

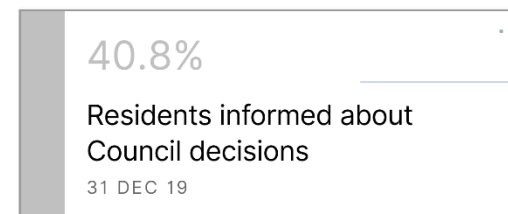
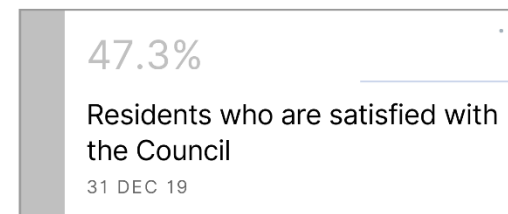
Developed an integrated approach to reporting performance and cost information aligned to corporate priorities

The Grant Thornton Value for Money benchmarking and analysis tool has now been rolled out to departments and training has been undertaken. The next step will be to further explore how it can best be used to understand value for money on a department and corporate basis. Integrated budget and performance report templates for each portfolio have been developed in readiness for reporting to Cabinet Member meetings.




 **Began to develop a new Customer Experience Strategy setting out how we will meet people’s needs**

One of the key elements of the Customer Experience Strategy - a revised Customer Charter - was delivered in April 2020. Proposals for a council-wide system of customer feedback management were reviewed in a range of forums, including the Improvement and Scrutiny Committee - Resources in September 2020 and work on the implementation of this part of the strategy will begin shortly.

The "Your Council Your Voice" survey will commence in early October 2020, this will gather up to date information on residents' satisfaction with the Council and to what extent residents feel informed about Council decisions.



Key measures summary

	2018/2019	2019/2020	2020/2021	Target	Performance
The daily average of days lost to delayed transfers of care per 100,000 population (aged 18+)	35.7	41.8			
Percentage of Council run adult care homes rated as 'Good' or 'Outstanding' for Quality of Care by Care Quality Commission		78.6%	85.7%		
Percentage of residents satisfied overall with Highways and Transportation services	55.0%	55.0%		55.0%	
Percentage of Council run children’s homes rated as 'Good' or 'Outstanding' by Ofsted	100.0%	81.8%	81.8%	100.0%	
Percentage of pupils in good or better primary schools	77.7%	80.7%	81.2%	91.0%	
Percentage of pupils in good or better secondary schools	59.9%	54.9%	55.0%	81.0%	
Percentage of residents who are satisfied with Derbyshire County Council		47.3%		49.0%	
Percentage of residents agreeing that they feel informed about Council decisions		40.8%		43.0%	

Performance compares the latest data for 2020/2021 with the target, where both are available.

Grey boxes are where data is not available/comparable or where targets have not been set because the Council is collecting baseline data or because the target is under review.

Value for Money

Progress on our deliverables and key measures

Strengthened joint working through Vision Derbyshire, building on effective collaboration with local, regional and national partners

A significant amount of work has been progressed over the last quarter regarding Vision Derbyshire, with PwC and district and borough council partners.

A comprehensive case-for-change and proposition for government has been developed with PwC as a statement of intent from Councils for Ministers and senior officers at the Ministry of Housing Communities and Local Government. These documents were developed through ongoing engagement with Derbyshire Local Authority Chief Executives and a small steering group of Councils and have been sent out for comment and approval to all district and borough councils.

Since June the Government has also announced its intention to publish a White Paper on Devolution and Local Recovery, during the final stages of the Vision Derbyshire case-for-change, with intelligence suggesting that local government restructuring is likely to be viewed as a prerequisite to future devolution deals. A report was agreed at Full Council on 16 September outlining the Councils approach to securing a devolution deal for the East Midlands, approved Vision Derbyshire as the preferred option for a devolution deal and also approved plans to pursue structural reform as a viable alternative option.

Provided strategic leadership and worked alongside communities and partners to support the county's recovery and renewal from Covid-19

The Strategic Recovery Group for Derbyshire and Derby City is now well established. The group has reduced meetings to fortnightly in light of the fact that work is now progressing into medium to long term planning, Jane Parfremment continues to chair, and the group continues to have good engagement from all agencies and government departments to oversee and plan Derbyshire's recovery and renewal. The six sub-groups/technical groups have delivery plans in place and regular communication briefings are embedded.

Key activities this quarter have included:

Continuing with the process of re-opening services

Supporting retail, hospitality and tourism sectors with guidance and planning through reopening and ongoing delivery

Analysis and developing work programmes in relation to the most vulnerable economic sectors

Ensuring the full opening of schools for the Autumn Term

Organising home to school transport for school and education returnees

Working with local Universities to plan for the return of students

Commencing a community survey on the impact of Covid-19

Preparing for, and putting in place mitigation measures for, a surge in vulnerable people

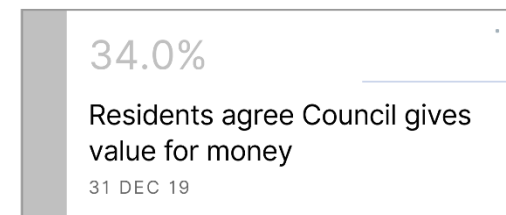
 **Kept Council Tax as low as possible, recognising that Covid-19 has created unplanned cost pressures**

The Council kept its Council Tax rise down to one of the lowest increases in the country and met the aspiration set by elected members.

Significant additional costs are estimated for the remainder of the year, including recovery costs, which could see unfunded costs of approximately £40m for 2020-21.

The impact of income losses from Council Tax and Business Rates will not be recognised until later in the financial year. There could be a 3%-4% loss of Council Tax income on a county wide basis, which equates to approximately £10m-£12m loss of Council Tax income for the 2021-22 budget. This may affect the aspiration for low Council tax rises in later years.

The "Your Council Your Voice" survey will commence in early October 2020. This will gather up to date information to enable the Council to monitor the extent to which residents agree that the Council provides good value for money.



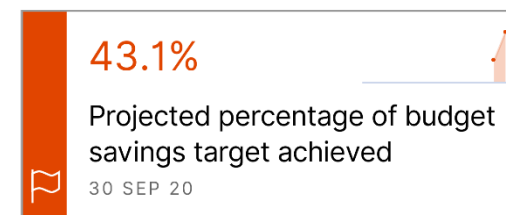
 **Lobbied Government to secure a better funding settlement**


The Council has submitted a written representation to the Government in respect of the Comprehensive Spending Review 2020, highlighting the financial pressures faced by the Council in the short and medium-term.

To date the Government has provided £42m to help meet the Covid-19 costs. In addition, funding has been provided to support highways and transport projects to address Covid-19 issues and opportunities. This includes funding for the Local Transport Plan, Pothole Fund and Active Travel which total £33m.

 **Achieved all planned budget savings in the medium term**

There is an improved position on the achievement of savings of £8.999m, compared to £4.599m at quarter 1. However, this is substantially short of the target of £25.127m. Covid-19 has had a significant impact on savings programmes resulting in major slippage. The quarter 2 budget monitoring report will be presented to Cabinet in December 2020 providing a detailed analysis of progress against savings targets.



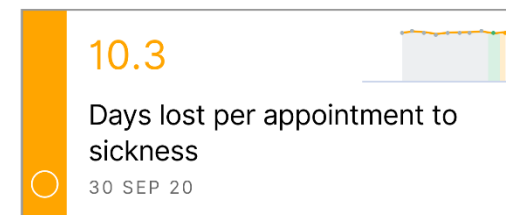
 **Ensured Council contract decisions deliver value for money through the Council Value for Money Board**

Unfortunately, the Value for Money Board scheduled for September 2020 was cancelled and is to be rescheduled for late October/November. The onboarding of the Social Value Portal has taken longer than expected, however engagement Terms and Conditions are now almost finalised. The intention and proposals submitted to the Value For Money Board members remain the same, which is to widen the scope of this group to ensure Value For Money considers whole life costing models to assess and evaluate costs and benefits (including Social Value) over the lifetime of our goods, works and services contracts.

Improved employee well-being by redefining and reprioritising the Wellbeing Action Plan

The average number of days lost to sickness was 10.3 for the 12 months up to the end of September 2020 slightly higher than the target for 2020/21 of 10.0. This is a marginal increase from 10.0 at June 2020. There is a wide range in the departmental figures with Adult Social Care and Health at 14.1, Commissioning, Communities and Policy at 11.7, Economy, Transport and Environment at 6.6 and Children's Services at 6.5.

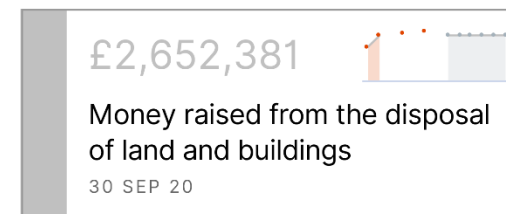
A new Health, Safety and Wellbeing plan focussing on Systems Resources and Data, with short medium and long term targets has been produced and agreed by Cabinet/CMT along with a sickness absence delivery plan to sit alongside it. Sickness absence delivery and wellbeing delivery working groups have been set up.



Maximised the opportunities presented by Covid-19 to reduce our operating footprint, enabling increased operational efficiency through rationalisation of our land and building assets

The rationalisation of the Council's property portfolio is progressing. In September, Cabinet approved the priorities to be reviewing the Council's administrative buildings, countryside assets, industrial estates and business centres. In addition opportunities to support the delivery of the Council's Older People's Accommodation, Housing and Support Strategy are also to be explored. Two joint ventures Vertas (Derbyshire) Limited and Concertas (Derbyshire) Limited went live in September 2020, taking responsibility for the delivery of non-core property services. Also in September the Partnership Board overseeing the Limited Liability Partnership (LLP) approved the first asset rationalisation business cases from the LLP. Further asset rationalisation business cases will be brought to the next meeting of the Partnership Board.

£2.65m was received from a property sale initiated during 2019/20 and completed in April 2020. A further £2,381 was received in July 2020.



Reviewed and transformed key services to ensure a mix of in-house and commissioned provision

Service reviews across the Council have continued to progress where possible throughout the current Covid-19 pandemic. The cleaning and caretaking service and the Council's design service transition to the Joint Ventures with Suffolk Group Holdings (Suffolk County Council) took place on 1st September 2020 as part of the Corporate Property 2020 review. The review is now progressing options surrounding the Council's grounds maintenance service.

Further work on the Council's programme management methodology is progressing with phase 2 of the work expected to commence mid-October 2020 for around a 12 week period. The further development of the Service Review Framework remains paused whilst this wider review takes place.

Achieved key milestones in the implementation of the Procurement Strategy to help the Council to procure goods and services at reduced costs which achieve value for money

Projects which support the implementation of the Procurement Strategy are now operational following delays due to Covid-19. Our key tool, Pro-Contract has a dedicated stream of development activity and significant improvements have now been implemented. However, several key deliverables, are dependent on further IT developments, a pilot of possible solutions has been undertaken but further work is currently on hold whilst Office 365/Teams is implemented across the Council. These will be picked up when IT staff can be made available to support further developments.



 **Introduced digital platforms for service delivery and embedded remote working, supporting a more agile and flexible workforce**

To ensure that users can use the full collaborative experience within Microsoft Teams an upgrade to Microsoft Office called Office ProPlus has been made available to users too; this includes SharePoint and OneDrive. Over 1,500 ICT users have also received training on Microsoft Teams and collaboration tools during the period.

A Digital Champions Network was set up during the quarter to assist with digital transformation and collaboration. A network of 600 Digital Champions from ICT users across the Council has been recruited to create a thriving community. A number of self-help resources have been created to assist the Council in adopting Microsoft Teams and collaborative ways of working and these are being promoted by the Digital Champions.






The Data Management review that was being led by external consultants has been completed. It provides clear direction on what the Council's approach to data management should be and how to enable secure data storage and collaboration using Microsoft 365. A subsequent Data Management strategy has been produced reflecting this. A proof of concept to see whether Microsoft telephony is a suitable replacement for the Council's ageing Voice over Internet Protocol (VoIP) solution has commenced and is due to be completed during the next quarter. A business case has been developed highlighting the additional licensing costs to support a move to mobile and agile working using Microsoft telephony and to implement the recommendations in the Data Management strategy.

Key measures summary

	2018/2019	2019/2020	2020/2021	Target	Performance
Percentage of residents agreeing that the Council provides value for money		34.0%		40.0%	
Projected percentage of budget savings target achieved			43.1%	100.0%	
Average number of days lost per appointment to sickness (Not including schools)	9.9	10.4	10.3	10.0	
Amount of money raised from the disposal of land and buildings		£2,898,546	£2,652,381		

Performance compares the latest data for 2020/2021 with the target, where both are available.

Grey boxes are where data is not available/comparable or where targets have not been set because the Council is collecting baseline data or because the target is under review.

	Strong 	Good 	Review 	Action 	Unknown 
Council Plan Deliverables	On track or complete with outcomes exceeding expectations /requirements.	On track or complete with outcomes in line with expectations/ requirements.	Some risk to achieving timetable and/or outcomes.	Unlikely to achieve timetable and/or not delivering required outcome.	Not yet due to start.
Council Plan Measures	More than 5% better than target.	Less than 5% better than target but not less than 2% worse than target.	Between 2% and 10% worse than target.	More than 10% worse than target.	No data received or no target set.
Service Lines Forecast Outturn		Forecast outturn below budget.		Forecast outturn over budget.	
Portfolio Forecast Outturn		Forecast outturn below budget.		Forecast outturn over budget.	
Budget Savings		Forecast savings better than target.		Forecast savings worse than target.	

Earmarked Reserves as at 30 September 2020

Adult Care		£ Millions
Older People's Housing Strategy	=	30.000
Other reserves	=	0.046
Total Adult Care	=	30.046
<hr/>		
Clean Growth & Regeneration		£ Millions
D2 Growth Fund	=	0.200
Markham Environment Centre	=	0.114
Other reserves	=	0.381
Total Clean Growth & Regeneration	=	0.695
<hr/>		
Corporate Services		£ Millions
Revenue Contributions to Capital	=	25.682
Loan Modification Gains	=	25.254
Insurance and Risk Management	↑	20.085
Planned Building Maintenance	↑	6.525
Prior Year Underspends	↑	5.532
Business Rates Relief Grant	=	5.000
Business Rates Pool	▼	4.672
Uninsured Financial Loss	=	3.500
Computer Purchasing	↑	2.828
Property Insurance Maintenance Pool	▼	2.655
Budget Management	▼	2.615
PFI Reserves	↑	2.340
Property DLO	↑	2.299
Change Management	▼	1.787
Business Rates Strategic Investment Fund	=	1.013
Other reserves	▼	5.155
Total Corporate Services	↑	116.942
<hr/>		
Health & Communities		£ Millions
Domestic Abuse	=	1.622
S256/External Funding	=	0.244
Proceeds of Crime	=	0.135
Trusted Trader	=	0.101
Other reserves	=	0.218
Total Health & Communities	=	2.320

APPENDIX 3**Controlled****Highways, Transport & Infrastructure****£ Millions**

Prior Year Underspends	↑	11.510
Winter Maintenance	=	2.000
Commuted Highways Maintenance	=	1.137
Road Safety Public Service Agreement (PSA)	=	1.079
Derby and Derbyshire Road Safety Partnership Reserve	=	0.632
Waste Recycling Initiatives	=	0.598
Other reserves	↑	1.759

Total Highways, Transport & Infrastructure	↑	18.715
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Strategic Leadership, Culture & Tourism**£ Millions**

Community Managed Libraries	=	0.742
Policy and Research	=	0.715
Library Restructure	=	0.429
Derbyshire Challenge Fund	▼	0.417
Derwent Valley Mills World Heritage Site	=	0.176
Other reserves	=	0.568

Total Strategic Leadership, Culture & Tourism	▼	3.047
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Young People**£ Millions**

Tackling Troubled Families	▼	3.436
Standards Fund (Schools)	=	0.726
School Rates Refunds	=	0.721
Childrens Services IT Systems	=	0.706
Prior Year Underspends/Commitments	↑	0.302
Foster Carer Adaptations	=	0.295
Youth Activity Grants	▼	0.271
Other reserves	▼	0.522

Total Young People	▼	6.979
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Total Portfolio Earmarked Reserves	↑	178.744
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Schools

Schools Balances	=	23.897
Dedicated Schools Grant (DSG)	▼	-0.020

Total balances held for and on behalf of schools	▼	23.877
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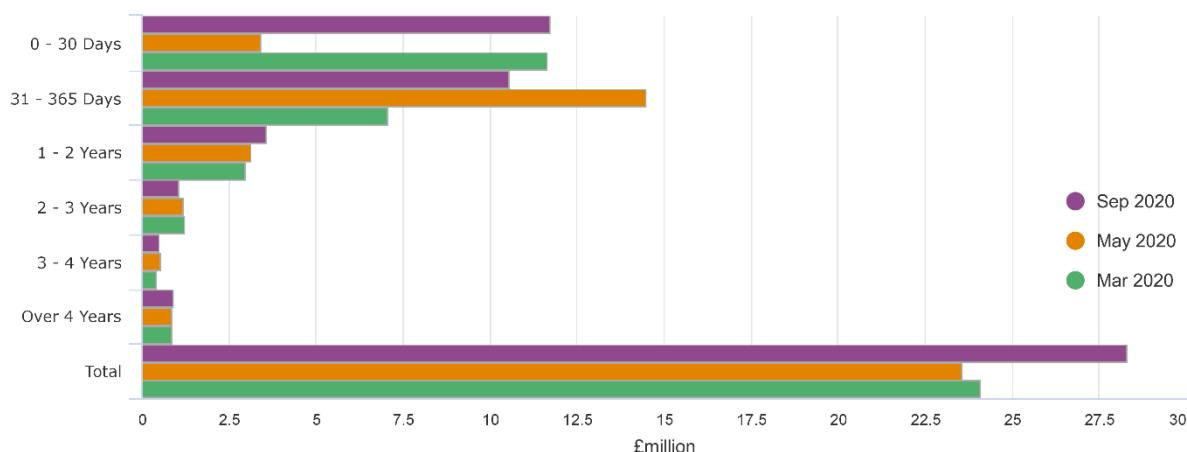
Public Health Grant	=	7.424
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Portfolio	Budget Savings Target			Ongoing Savings Initiatives			Actual Savings Forecast		
	Prior Year not yet achieved Brought Forward	Current Year	Total Target	Total Identified	Shortfall (-)/ Additional Identified Savings		Forecast to be achieved by Financial Year End	Shortfall (-)/ Additional Achievement of Savings Target	
	£ Millions	£ Millions	£ Millions	£ Millions	£ Millions		£ Millions	£ Millions	
Adult Care	-0.427	3.784	3.357	0.337	-3.020 		0.337	-3.020 	
Clean Growth & Regeneration	0.000	0.000	0.000	0.000	0.000 		0.000	0.000 	
Corporate Services	0.676	5.090	5.766	4.931	-0.835 		2.513	-3.253 	
Health and Communities	-0.066	0.216	0.150	0.216	0.066 		0.216	0.066 	
Highways, Transport & Infrastructure	5.234	1.426	6.660	3.226	-3.434 		2.658	-4.002 	
Strategic Leadership, Culture & Tourism	0.086	0.929	1.015	0.993	-0.022 		0.320	-0.695 	
Young People	0.829	2.350	3.179	2.350	-0.829 		1.126	-2.053 	
Cross Portfolio	0.000	5.000	5.000	5.000	0.000 		4.601	-0.399 	
Cabinet	6.332	18.795	25.127	17.053	-8.074 		11.771	-13.356 	

Age profile of debt, relating to income receivable, at 30 September 2020

	0 - 30 Days £m	31 - 365 Days £m	1 - 2 Years £m	2 - 3 Years £m	3 - 4 Years £m	Over 4 Years £m	Total £m
Adult Social Care and Health	9.175	6.994	1.403	0.534	0.385	0.685	19.176
	47.8%	36.5%	7.3%	2.8%	2.0%	3.6%	100.0%
Children's Services	0.423	0.611	0.078	0.004	0.015	0.013	1.144
	37.0%	53.4%	6.8%	0.3%	1.3%	1.1%	100.0%
Economy, Transport and Environment	0.993	1.564	1.367	0.341	0.016	0.016	4.297
	23.1%	36.4%	31.8%	7.9%	0.4%	0.4%	100.0%
Commissioning, Communities and Policy	1.129	1.381	0.735	0.180	0.082	0.181	3.688
	30.6%	37.4%	19.9%	4.9%	2.2%	4.9%	100.0%
All Departments	11.720	10.550	3.583	1.059	0.498	0.895	28.305
	41.4%	37.3%	12.7%	3.7%	1.8%	3.2%	100.0%

Aged Debt over Time



The value of debt written off in the 12 months up to 30 September 2020

Department	£m	
Adult Social Care and Health	0.215	↑
Children's Services	0.034	↓
Economy, Transport and Environment	0.011	↓
Commissioning, Communities and Policy	0.015	↑
All Departments	0.275	↑

Covid-19 Impacts: Forecast Costs and Additional Income by Portfolio

	Covid-19 Related Costs	LESS: Specific Funding for Portfolio Covid-19 Costs	Use of MHCLG Covid-19 and SFC Grant Funding
	£m	£m	£m
Adult Care	45.107	(31.241)	13.866
Clean Growth and Regeneration	0.542	0.000	0.542
Corporate Services	1.812	0.000	1.812
Health and Communities	7.141	(4.667)	2.474
Highways, Transport and Infrastructure	6.615	(0.600)	6.015
Strategic Leadership, Culture and Tourism	1.038	0.000	1.038
Young People	9.791	(1.515)	8.276
Total Portfolio Outturn	72.046	(38.023)	34.023

Agenda Item No 6(c)

DERBYSHIRE COUNTY COUNCIL

CABINET

10 December 2020

Report of the Director of Finance & ICT

**TREASURY MANAGEMENT MID-YEAR REPORT 2020-21
(CORPORATE SERVICES)**

1 Purpose of the Report

To report on Treasury Management activities during the first half of 2020-21 (to 30 September 2020) and to indicate the Council's compliance with the prudential indicators set by Council at its meeting of 5 February 2020, 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 Mid-Year Report.

The Council's Treasury Management Strategy for 2020-21 was approved by Council on 5 February 2020, 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 spread of the Covid-19 pandemic dominated during the period, as countries around the world tried to manage the delicate balancing act of containing transmission of the virus while easing lockdown measures and getting their populations and economies working again. Towards the end

of the period agreement between the UK and EU on a Brexit trade deal was looking increasingly difficult.

The Bank of England (BoE) maintained its Bank Rate at 0.1% and its Quantitative Easing (QE) programme at £745 billion. The potential use of negative interest rates has not been discounted by BoE policymakers. The September 2020 Monetary Policy Committee meeting minutes commented that the Central Bank was having a harder look at its potential impact than was previously suggested and this surprised financial markets.

Government initiatives continued to support the economy, with the furlough (Coronavirus Job Retention) scheme keeping almost 10 million workers in jobs, grants and loans to businesses and 100 million discounted meals being claimed during the 'Eat Out to Help Out' (EOHO) offer.

Gross Domestic Product (GDP) growth contracted by 19.8% in the first quarter of the financial year (April to June 2020) according to the Office for National Statistics (ONS). This caused the annual growth rate to reduce further, to -21.5%. Recent monthly estimates of GDP have shown growth recovering, with the latest rise of almost 7% in July but even with the two previous monthly gains this still only makes up half of the lost output.

The headline rate of UK Consumer Price Inflation (CPI) fell to 0.2% year on year in August 2020, further below the BoE's 2% target, with the largest downward contribution coming from restaurants and hotels influenced by the EOHO scheme. The ONS' preferred measure of CPIH, which includes owner-occupied housing, was 0.5% year on year.

In the three months to July 2020, the unemployment rate increased from 3.9% to 4.1% while wages fell 1.8% for total pay in real terms (-0.7% for regular pay). Despite only a modest rise in unemployment over the period, the rate was expected to increase in the coming months, as the furlough scheme was due to end in October. On the back of this, the BoE forecast that unemployment could hit a peak of between 8% and 9%. However, the furlough scheme was extended to 31 March 2021, in an announcement on 5 November 2020, with a new national lockdown, for at least a month, announced on 31 October 2020.

The US economy contracted at an annualised rate of 31.7% in the first quarter of the financial year (April to June 2020). The Federal Reserve (Fed) maintained the Fed Funds rate at between 0% and 0.25% but announced a change to its inflation targeting regime. The move will allow the Central Bank to maintain interest rates at low levels for an extended period, to support the economy, even when inflation is 'moderately' above the 2% average target.

The European Central Bank (ECB) maintained its base rate at 0% and deposit rate at -0.5%.

Financial markets: Equity markets continued their recovery during the period, with the US Dow Jones climbing to not far off its pre-crisis peak, with the recovery being driven by a handful of technology stocks. The UK Financial Times Stock Exchange (FTSE) 100 and 250 have made up around half of their losses at the height of the first wave of the pandemic in March 2020. Central Bank and government stimulus packages continue to support asset prices, but volatility remains.

Very low interest rates and a move out of perceived less safe, to safer, investments continued, keeping gilts yields low but volatile over the period, with the yield on some short-dated UK Government bonds remaining negative. The 5-year UK benchmark gilt yield started and ended the June to September 2020 period at -0.06% (with much volatility in between). The 10-year gilt yield also moved significantly, starting at 0.21% and ending at 0.23% over the same period, while the 20-year gilt yield rose from 0.56% to 0.74%. 1-month, 3-month and 12-month bid rates averaged 0.02%, 0.06% and 0.23%, respectively over the period.

At the end of September 2020, the yield on 2-year US treasuries was around 0.13%, while that on 10-year US treasuries was 0.69%. German bund yields remained negative across most maturities.

Credit review: In the first quarter of the financial year there were many changes to the credit ratings of the financial institutions on the Council's counterparty list, however this reduced significantly in the second quarter.

There continues to be much uncertainty around the extent of the losses that banks and building societies will suffer due to the impact of the pandemic and for the UK institutions on the Council's list there is the added complication that the Brexit transition period ends on 31 December 2020 and a trade deal has yet to be agreed.

The institutions on the Council's external Treasury Management Advisor's counterparty list and recommended duration remain under constant review.

(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

	31.3.20
	Actual
	£m
General Fund CFR	525.169
Less: *Other debt liabilities	-68.878
Borrowing CFR	456.291
Less: Usable reserves	-305.525
Less: Working capital	-47.096
Net borrowing	103.670

Borrowing CFR is comprised:

External borrowing	329.974
Internal borrowing	126.317
	456.291

* 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 30 September 2020 and the in-year change is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.03.20	2020-21	30.09.20	30.09.20
	Balance	Movement	Balance	Rate
	£m	£m	£m	%
Long-term borrowing	277.474	-4.575	272.899	4.50
Short-term borrowing	52.500	104.000	156.500	0.31
Total borrowing	329.974	99.425	429.399	2.98
Long-term strategic pooled funds	59.892	1.812	61.704	3.73
Long-term investments	15.000	0.000	15.000	1.78
Short-term investments	82.912	152.088	235.000	1.23
Cash and cash equivalents	68.500	-36.764	31.736	0.06
Total investments	226.304	117.136	343.440	1.58
Net borrowing	103.670	-17.711	85.959	

Borrowing Activity

At 30 September 2020, the Council held £429.399m of loans, an increase of £99.425m, as part of its strategy for funding previous and current years' capital programmes. The mid-year borrowing position and the in-year change is shown in Table 3 below.

Table 3: Borrowing Position	31.03.20	2020-21	30.09.20	30.09.20	30.09.20
	Balance	Movement	Balance	Interest	WAM*
	£m	£m	£m	Rate	Years
				%	
Public Works Loan Board	262.474	-4.575	257.899	4.50	18
Banks (LOBO)	5.000	0.000	5.000	4.50	19
Banks (fixed-term)	10.000	0.000	10.000	4.69	24
Local authorities (long-term)	0.000	0.000	0.000	N/A	N/A
Local authorities (short-term)	52.500	104.000	156.500	0.31	0
Total borrowing	329.974	99.425	429.399	2.98	18

*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 the first half of 2020-21, while £4.575m 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 borrowed short-term loans instead. Additional short term borrowing has been secured in the six months to 30 September 2020 to finance the lump sum payment to the Derbyshire Pension Fund for the Council's employer contributions, in full, on 30 April 2020, for the period 1 April 2020 to 31 March 2021, with the intention to achieve a budget saving, originally approved by Cabinet on 16 March 2020, and amended by the Urgent Officer Decision made by Corporate Management Team Gold on 30 March 2020 and further reported to Cabinet on 23 April 2020; and to hold additional funding received by the D2N2 Local Enterprise Partnership (LEP), for which the Council is the accountable body. The net movement in short term loans is shown in Table 3 above.

The Council continues to hold £5.000m of LOBO (Lender's Option Borrower's Option) loans, 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.

Borrowing Update

On 9 October 2019 the Public Works Loan Board (PWLB) raised the cost of borrowing at the certainty rate to 1.8% above UK gilt yields, making it relatively expensive. Market alternatives are available; however the financial strength of individual authorities will be scrutinised by investors and commercial lenders.

The Chancellor's March 2020 Budget Statement included significant changes to PWLB policy and launched a wide-ranging consultation on the PWLB's future direction.

The consultation, titled "Future Lending Terms", allows stakeholders to contribute to developing a system whereby PWLB loans can be made available at improved margins to support qualifying projects. It contains proposals to allow authorities that are not involved in "debt for yield" activity to borrow at lower rates, as well as stopping local authorities using PWLB loans to buy commercial assets primarily for yield. The consultation also broaches the possibility of slowing, or stopping, individual authorities from borrowing large sums in specific circumstances.

The Council responded to the consultation which closed on 31 July 2020. The announcement and implementation of the revised lending terms is expected in the latter part of this calendar year or early next year.

The Municipal Bonds Agency (MBA) has revised its standard loan terms and framework agreement. Guarantees for the debt of other borrowers are now proportional and limited and a requirement to make contribution loans in the event of a default by a borrower has been introduced. The agency has issued 5-year floating rate and 40-year fixed rate bonds in 2020, in both instances Lancashire County Council is the sole borrower and guarantor.

If the Council intends future borrowing through the MBA, it will first ensure that it has thoroughly scrutinised the legal terms and conditions of the arrangement and is satisfied with them.

Other Debt Activity

After £4.104m repayment of prior years' Private Finance Initiative (PFI) contracts, finance leases and transferred debt liabilities, total debt other than borrowing stood at £68.878m on 30 September 2020, taking total debt to £498.277m.

Treasury Investment Activity

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the first half of 2020-21, the Council's investment balance ranged between £253.342m and £407.018m 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)

	31.03.20	2020-21	30.09.20	30.09.20	30.09.20
	Balance	Movement	Balance	Income	Weighted
	£m	£m	£m	Return	Average
				%	Maturity
					days
Banks and building societies (unsecured)	37.402	-0.666	36.736	0.57	63
Government (including local authorities)	106.510	108.490	215.000	1.28	138
Registered Providers	5.000	0.000	5.000	2.15	513
Money Market Funds	17.500	7.500	25.000	0.08	0
Pooled Funds – Strategic Bond Funds	4.435	0.444	4.879	2.19	N/A
Pooled Funds – Equity Income Funds	10.267	0.616	10.883	4.37	N/A
Pooled Funds – Property Funds	23.243	-0.966	22.277	4.26	N/A
Pooled Funds – Multi Asset Income Funds	21.947	1.718	23.665	3.31	N/A
Total investments	226.304	117.136	343.440	1.58	123

**Weighted average maturity will apply to the first five categories above.*

Strategic Pooled Funds have no maturity date but are realised when all units are sold.

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 the light of the pandemic crisis and the likelihood of unexpected calls on cash flow, the Council kept more cash available at very short notice than is

normal. Liquid cash was diversified over several Money Market Funds, to manage both credit and liquidity risks.

On 25 September 2020, the overnight, 1 and 2-week deposit rates on Debt Management Account Deposit Facility (DMADF) deposits dropped below zero percent, to -0.03%, the rate was 0% for 3-week deposits and 0.01% for longer maturities.

The return on Money Market Funds, net of fees, also fell over the six months and for many funds net returns ranged between 0% and 0.1%. In many instances, the fund management companies have temporarily lowered or waived fees to maintain a positive net return.

Given the increasing risk and low returns from short-term unsecured bank investments, the Council diversified into higher yielding asset classes, as shown in Table 4 above. As a result, an additional 0.48% has been added on to total income return in 2020-21 and investment risk remains diversified.

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

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
31.3.2020	4.15	AA-	33%	110	-1.11
30.9.2020	4.11	AA-	22%	135	0.00
Similar Local Authorities	3.87	AA-	49%	991	-0.37
All Local Authorities	4.16	AA-	64%	18	-0.46

At 30 September 2020, the Council's portfolio of externally managed pooled strategic bond, equity income, property and multi-asset funds amounted to £61.704m. The Council holds these funds with the aim of receiving regular revenue income and because over the long-term their prices are relatively stable.

In the relatively short period since the onset of the Covid-19 pandemic in March 2020 and the ensuing enforced lockdown in many jurisdictions, the global economic fallout has been sharp and large. 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, business and individuals.

The Council is invested in bond, equity, multi-asset and property funds. The falls in the capital values of the underlying assets, in particular bonds and equities, were reflected in 31 March 2020 fund valuations, with all funds registering negative capital returns over a 12-month period. Since March 2020 there has been an improvement in market sentiment, which is reflected in an increase in capital values of the strategic bond and multi-asset income funds and all of the equity income funds in the Council's portfolio. However, the capital value of the property fund is below its value at 31 March 2020. Market values at 31 March 2020 and 30 September 2020 are as shown in Table 4, above.

Similar to many other property funds, dealing (i.e. the buying, or selling, of units) in the CCLA Local Authorities Property Fund was suspended by the fund in March 2020. The relative infrequency of property transactions in March 2020, as the pandemic intensified, meant that it was not possible for valuers to be confident that their valuations correctly reflected prevailing conditions. To avoid the material risk of disadvantage to buyers, sellers and holders of units in the property fund, the management company was obliged to suspend transactions until the required level of certainty was re-established. The dealing suspension was lifted in September 2020. There has also been a change to redemption terms for the CCLA Local Authorities Property Fund; from September 2020 investors are required to give at least 90 calendar days' notice for redemptions.

During the first half of 2020-21 these funds have generated £1.216m of income, which is being used to support services in 2020-21, and a recovery of £1.812m of the unrealised capital loss of £9.532m at 31 March 2020. 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 during the first half of 2020-21 (see Table 4).

Non-Treasury Investments

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 30 September 2020, the Council held £13.113m of investments in loans to local businesses and community trusts:

- £12.613m regeneration loan - Buxton Crescent Hotel Limited
- £0.500m loan to communities - Chesterfield Football Club Community Trust.

This represents an increase of £0.845m on the balance at 31 March 2020 because of a further investment of £0.345m in the Buxton Crescent Hotel Limited and a new investment of £0.500m in the Chesterfield Football Club Community Trust.

These investments generated £0.345m in interest and fees for the Council in first half of 2020-21, after taking account of direct costs, representing a rate of return of 5.51%.

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.

Table 6: Performance

	30.09.20 Actual £m	30.09.20 (CFR) Budget £m	Over/ (Under) £m	Interest Actual %	Interest Other LA Benchmark %	Interest Over/ (Under) %
Borrowing	5.515	9.213	(3.698)	4.30	3.42	0.88
Investments	4.140	3.125	1.015	0.02	-0.32	0.34

The Council's average interest rate on long term borrowing is higher than the Other Local Authority Benchmark because the majority of the Council's borrowing was taken out at the higher rates prevalent prior to the financial

crisis of 2008-09. The Council's policy has been to utilise its internal reserves rather than take additional external borrowing thus saving interest payments totalling millions of pounds.

The Council surpassed its first half 2020-21 net investment income (gross investment income less short-term borrowing costs) target of £3.125m by 30 September 2020.

Estimates for Income in 2020-21

The corporate world is still adjusting to the economic shock as a result of the pandemic, with probably more to come, and it is still too early to tell which companies will withstand the economic damage in the short to medium-term, or which will choose to conserve cash in very difficult economic conditions simply to survive.

Investment income in the Council's 2020-21 Revenue Budget was set against a very different economic backdrop. The BoE Bank Rate, which was 0.75% in January/February 2020, now stands at 0.10%. Interest earned from short-dated money market investments is also significantly lower. In relation to income from the Council's externally managed strategic funds, dividends and income distributions will ultimately depend on many factors, including, but not limited to, the duration of the pandemic and the extent of its economic impact, the fund's asset allocation in different sectors, securities held/bought/sold and, in the case of equities, enforced or voluntary dividend cuts or deferral.

Following guidance from the Council's external Treasury Management Advisors, the Council has reviewed its expectations for investment income in 2020-21 and has made downward adjustments as follows:

- Bond funds and property funds: 20% lower
- Multi-asset income funds: 25% lower
- Equity income funds: 50% lower

and will monitor and report on actual income received during the year.

Compliance Report

The Director of Finance & ICT reports that all treasury management activities undertaken during the first half of 2020-21 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

	Half Year Maximum £m	30.09.20 Actual £m	2020-21 Operational Boundary £m	2020-21 Authorised Limit £m	Complied
Short Term Borrowing	156.500	156.500	N/A	160.000	✓
Long Term Borrowing	277.474	272.899	N/A	N/A	N/A
PFI and Finance Leases	68.878	68.878	N/A	N/A	N/A
Total debt	502.852	498.277	816.000	847.000	✓

Table 8: Investment Limits

	Half Year Maximum £m	30.09.20 Actual £m	2020-21 Limit £m	Complied
Any single organisation, except UK Central Government (Lloyds Bank (Main Bank) includes additional £30m Operational Limit)	57.440	30.000	60.000	✓
Any group of organisations under the same ownership (Lloyds Bank – as above)	57.440	30.000	60.000	✓
Any group of pooled funds under the same management (Money Market Funds)	30.000	25.000	30.000	✓
Registered providers	5.000	5.000	50.000	✓
Money Market Funds – Total	112.500	25.000	300.000	✓
Non-Treasury Investments (loans to unrated bodies)	13.113	13.113	13.113	✓
Non-Specified investments (Local Authority Loans > 365 days, Strategic Pooled Funds & Non-Treasury Loans)	77.761	77.054	150.000	✓

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.

	30.09.20 Actual	2020-21 Target	Complied
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.

	30.09.20 Actual £m	2020-21 Target £m	Complied
Total cash available within 3 months	141.736	30.000	✓
OR			
Total sum borrowed in past 3 months without prior notice	113.000	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:

	31.03.20 Actual %	2020-21 Limit %	Complied
Upper limit on fixed interest rate exposure	62	100	✓
Upper limit on variable interest rate exposure	38	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:

	30.09.20 Actual %	Upper Limit %	Lower Limit %	Complied
Under 12 months	38	40	0	✓
12 - 24 months	0	20	0	✓
24 months - 5 years	4	20	0	✓
5 - 10 years	8	20	0	✓
10 - 20 years	23	40	10	✓
20 - 30 years	20	40	10	✓
Over 30 years	7	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:

	Beyond 30.09.21 £m	Beyond 30.09.22 £m	Beyond 30.09.23 £m
Strategic Pooled Funds	61.704	61.704	61.704
Long Term Deposits	28.113	13.113	13.113
Total Invested	89.817	74.817	74.817
Limit on Long Term Funds	150.000	125.000	100.000
Complied	✓	✓	✓

Other

The implementation of the new IFRS 16 Leases accounting standard has been delayed until 2021-22.

The medium-term global economic outlook is weak. While the strict initial lockdown restrictions had eased, Covid-19 has not been suppressed and second waves have prompted more restrictive measures on a regional, then national basis from 5 November 2020. This ebb and flow of restrictions on normal activity will continue for the foreseeable future, at least until an effective vaccine is produced and importantly, distributed.

The global Central Bank and government responses have been significant and are in many cases on-going, maintaining more stable financial, economic and social conditions than otherwise. This supported a sizeable economic recovery in the third quarter of 2020.

However, the scale of the economic shock to demand, on-going social distancing measures, regional lockdowns and reduced fiscal support will mean that the subsequent pace of recovery is limited. Early signs of this are already evident in UK monthly GDP and Purchasing Managers Index (PMI) data, even before the latest restrictions.

This situation will result in central banks maintaining low interest rates for the medium term. In the UK, Brexit is a further complication. BoE Bank Rate is therefore likely to remain at low levels for a very long time, with a distinct possibility of being cut to zero. Money markets have priced in a chance of a negative Bank Rate.

Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid inflation expectations. There is a chance that yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, or if the UK leaves the EU without a deal.

The Council's external Treasury Management Advisor expects BoE Bank Rate to remain at the current 0.10% level and additional monetary loosening in the future, most likely through further financial asset purchases (QE). While their central case for BoE Bank Rate is no change from the current level of 0.10%, further cuts to BoE Bank Rate to zero, or even into negative territory, cannot be completely ruled out.

Gilt yields are expected to remain very low in the medium term. Shorter-term gilt yields are currently negative and will remain around zero, or below, until either the BoE expressly rules out negative Bank Rate, or growth/inflation prospects improve.

Downside risks remain in the near term, as the Government attempts to dial down its fiscal support measures, reacts to the risk of a further escalation in infection rates and the Brexit transition period comes to an end.

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 2020-21.

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

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 Mid-Year Report 2020-21 and notes the Council's compliance to date with the prudential indicators set by Council for 2020-21, 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

DERBYSHIRE COUNTY COUNCIL

CABINET

10 December 2020

Report of the Executive Director Commissioning, Communities and Policy

HARRINGTON JUNIOR SCHOOL

(Corporate Services)

1. Purpose of the Report

Approval is sought to use a non-DCC Framework Agreement to undertake the design and construction of the replacement Harrington Junior School, Long Eaton.

2. Information and Analysis

The Council is seeking to competitively procure a contractor to design and build the replacement Harrington Junior School, Long Eaton, on the same site following its destruction by fire on 28th May 2020.

The school is currently operating from temporary buildings on the playground. The building must be completed by June 2022, in time for the start of the new school year in September 2022.

The procurement route has been selected for:

- speed,
- to pursue best value through competition,
- early contractor involvement in the design process
- client cost certainty with risk transfer to the contractor for ground conditions

The form of contract is proposed is the JCT Design and Build Contract (2016 Edition). There is no existing DCC framework for procuring the above scheme at this value in competition. Therefore, approval is requested to use a non-DCC framework, with the option to undertake tender competition through a one or two stage process.

Having reviewed alternative frameworks, it is proposed that the PAGABO Medium Works West Midlands Framework Agreement (Lot 2 suppliers, value £250,000 - £10m) is utilised for the scheme.

This is a compliant OJEU procured agreement known to the Council. The full list of suppliers on this framework are:

Ashe Construction Ltd
Engie Regeneration Ltd
GF Tomlinson Building Ltd
Interserve Construction Ltd
Morgan Sindall Construction
Seddon Construction
Speller Metcalf
Vinci Construction UK Ltd

PAGABO ensures compliancy checks have been carried out, however should the Council wish, further financial due diligence may be carried out prior to award of any contract.

A business case to support the use of the PAGABO framework has been submitted to the Chief Financial Officer and Director of Legal Services in accordance with Protocol 2a of the Council's Financial Regulations. The Framework, which covers works valued £250,000 - £10m for all public sector bodies across the UK, was tendered via a full open OJEU procedure in Autumn 2018. (OJEU Reference: 2018/S 195-440584). The Framework went live in January 2019. The Framework term is 3 years with the option to extend for a further 1 year.

Call-off of the contract under the framework will be facilitated by way of single or two stage competition.

Whilst Cabinet approval is required to utilise the Framework, the award of a contract under the framework is delegated to the Executive Director, Commissioning Communities and Policy, in accordance with Protocol 2b of the Council's Financial Regulations.

3. Financial Considerations

The total estimated cost of the scheme is as follows:

	£
Works	4,340,000
Fees	350,000
F&E, IT	150,000
Risk/ client contingency	660,000
TOTAL	5,500,000

The estimated value of the contract to be awarded for design & build of the new school is: £4,537,300.

As the value is close to the OJEU threshold, the more onerous financial regulations for above the OJEU threshold are being adopted in this procurement.

The replacement school will partially be funded from insurance monies (£1.28m), insurance excess (£1m), and the remainder (£3.22m), from a Capital Strategy bid and (if successful) available from April 2021.

4. Legal Considerations

The Director of Legal Services is satisfied that on the basis of the information contained in the report the procurement of a construction contractor via the use of a non-Derbyshire County Council framework is in accordance with the Council's Financial Regulations.

5. Social Value Considerations

The use of the PAGABO framework encourages social value to be implicit in the contract (eg: Benefit to Local Economy, Apprentices, new jobs, safeguarding jobs etc). PAGABO calculates a value, in real monetary terms, of the social value of the project. As of April 2020, PAGABO enabled £265.8m of social and economic impact in the Midlands.

6. Other Considerations

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

7. Key Decision **YES**

8. Call-in

Is it required that call-in be waived for any decision on this report? **NO**

9. Background Papers

Not applicable

10. Officer's Recommendation

That Cabinet:

10.1 Approves the use of non-DCC framework (PAGABO) to undertake the design and construction of the replacement Harrington Junior School, Long Eaton.

EMMA ALEXANDER
Executive Director Commissioning, Communities and Policy

DERBYSHIRE COUNTY COUNCIL

CABINET

10 December 2020

Report of the Executive Director Children's Services

**CHILDREN'S DIAGNOSTIC
AND
PROVISION OF SPECIALIST PROFESSIONAL SERVICES - USE OF A NON-DCC
FRAMEWORK**

CHILDREN'S SERVICES

1) Purpose of the Report

1. To inform Cabinet of the findings of the independent diagnostic report for Children's Services;
2. To seek Cabinet approval to implement a change programme to address the opportunity areas as identified by the diagnostic to deliver improved outcomes for children, young people and families and achieve savings across the service as described in this report;
3. To seek Cabinet approval for the use of the North East Procurement Organisation's (NEPO) Framework Solution NEPRO to procure specialist professional services to support the implementation of the diagnostic findings; and
4. To seek approval to award of contract using a non-Derbyshire County Council framework to be delegated to the Executive Director Children's Services, in consultation with the Cabinet Member for Young People, under the Officer's Scheme of Delegation as per Protocol 2b of the Council's Financial Regulations.

2) Information and Analysis

Newton Europe conducted a diagnostic of Older Adult Services and the Whole Life Disability in Spring 2019, which led to the Better Lives programme starting in January 2020 which is still currently underway. As part of this, one of the twelve workstreams was focussing on the transition for Disabled Children going from Children's Services to Adults Services from ages 16-25- the Achieving Great Futures workstream. Where this workstream paused in March 2020 along with several of the other Better Lives workstreams to prioritise programme resource to supporting COVID-19 initiatives,

Children's Services Senior Management Team agreed to not restart this piece of work in July 2020, unlike the other paused workstreams, and to prioritise a wider diagnostic piece.

The aim of the diagnostic was to build on past efforts to improve outcomes for children, young people and families and develop a forward plan that allows Children's Services to implement the necessary changes earlier and ensure those changes are embedded across the service to continuously improve outcomes for vulnerable and disabled children.

The diagnostic looked to understand the root cause of challenges in order to develop an evidence-based approach for how Children's Services can make significant and lasting improvement for children, young people and families. The approach recognised that whilst numbers and data are essential for identifying and quantifying where opportunities may exist, it also drew on front-line expertise and experience to complement data and evidence.

The diagnostic had four stages:

1. Set Up: Key information, activity, and engagement to ensure successful delivery of the diagnostic.
 - Developing a data table foundation with the Management Information Team to enable the digital diagnostic.
 - To ensure the right Information Governance and legal requirements are signed off and in place.
 - To agree key forums and stakeholders for involvement and informing throughout the diagnostic.
 - To review the scope of the programme for alignment to existing work and individuals working with them.
2. Digital Diagnostic: Develop an evidence-based model determining the specific factors which influence outcomes for children in Derbyshire and provide a data set which allows for further investigation.
3. Operational & Cultural diagnostic:
 - Develop an Opportunity Matrix, identifying opportunities to improve outcomes & deliver financial savings.
 - An understanding, through evidence, of the deep complexity to be tackled in achieving the identified opportunities.
 - Understanding of the wider pressures which need to be considered for any future activity.
 - Clear picture of the 'readiness' of the services to sustainability achieve the identified opportunities, leaving a positive legacy for Derbyshire County Council.

4. Implementation planning & dissemination of findings: Co-develop a high-level plan to successfully deliver the identified opportunities, with a view to maximising pace and scale. Outcome:
- Programme workstreams and plan
 - A clear 'what', with an initial 'how' to support starting targeted trials in the Design process
 - Opportunity Matrix and Cash Benefits Profile
 - Cultural and Environment for Change Output

Following the completion of the diagnostic work an outline implementation plan has been developed by the Council which allows for the Children's Services department to consider the most appropriate methods for realising the opportunities identified in the diagnostic to improve outcomes for children, young people and families. The diagnostic identified opportunities to improve outcomes for 7,000 vulnerable and disabled children a year.

The approach identified provides details of the expected workstreams required to implement the findings of the diagnostic work along with their estimated financial savings and proposed outcomes upon performance of services which again are subject to the proper operation of statutory processes in individual cases. These workstreams may alter during the design phase of the implementation work – but the associated savings will remain the same. It is expected that following the successful procurement the full implementation of the assessment recommendations will take approximately two years and delivery of benefits will be over 5/6 years.

Provision of Specialist Professional Services – Use of a Non-DCC Framework

It is recognised that the implementation of the assessment findings will have an impact on the capacity of the Children's Service departments. The Council is, therefore, considering the resource required to support this activity.

The Council is already in the process of developing and implementing a range of policy and service changes aimed at improving the outcomes for the people that they support now and in the future. This includes, but is not limited to, the following:

- Early Help Service changes - as approved by Cabinet on 31 January 2019;
- Implementation of the review of Organisation Development and Human Resource delivery model to support the Council's strategic priorities – as approved by Cabinet on 11 October 2018;
- Review of Voluntary and Community Sector (VCS) grants and infrastructure

- funding – as approved by Cabinet on 28 February 2019;
- Thriving Communities programme;
 - Implementation of the strategic review led by Isos Partnership of the support, services and provision for children and young people with high needs in Derbyshire – (approval for procurement by Cabinet Member for Young People on 5 December 2017)

These ongoing developments will be considered alongside the various workstreams identified to ensure that there is no duplication of effort. This will be a Children's Services led programme with a whole council approach. In order to ensure effective delivery of the outcomes identified an appropriate programme governance structure will need to be put in place with a defined programme board providing oversight.

As with the diagnostic assessment additional support will be required from a specialist professional organisation that has experience of managing and implementing largescale cultural and systems and processes transformation programmes within the field of children's social care. A specialist professional organisation would provide both the knowledge and practical experience in delivering this type of work at the pace required to achieve the optimal benefit and savings, as well as providing additional capacity to ensure there is no detrimental effect on business as usual.

Procurement approach

The Council needs to procure a Specialist Professional Organisation to provide additional resources and expertise to work with the Council to develop and support the delivery of an implementation plan that will achieve the outcomes and savings identified.

The Council has considered a number of OJEU compliant procurement options which identified the most appropriate route to market. This request is supported by a business case and options appraisal and benefits analysis which has been approved by the Chief Financial Officer and Director of Legal Services. The award of contract using a non-Derbyshire County Council framework will be delegated to the Executive Director Children's Services under the Officer's Scheme of Delegation as per Protocol 2b of the Council's Financial Regulations. The award will be subject to a call-off from the framework following a competitive process. The proposal is that the North East Procurement Organisation's (NEPO) Framework Solution NEPRO is used for the identification of a Specialist Professional Service. The use of this non-

Derbyshire County Council Framework will save the Council substantial time and resources and ensure delivery of the benefits are achieved sooner.

3) Financial Considerations

Children's Services are currently projecting an overspend of approximately £14.73m for the financial year 2020/21. After the use of Covid-19 funding to support the costs incurred by the pandemic, the forecast position is an overspend of £6.461m

The findings from the Children's Diagnostic work suggests projected potential savings against spend of up to £13.88m per annum once the full benefit has been achieved with the accumulation of financial benefit over a 5/6-year programme.

These savings would be predominantly realised across Children's Services with £1.08m realised across Adult Social Care.

In assessing the likely savings available from achieving the improved outcomes identified, consideration has been given to ensure there is no double counting of savings from other transformational programmes already under way in Children's Services.

For the implementation of the assessment findings to be undertaken in a manner which achieves the opportunities for individuals and the Council within the medium term there is a need to procure a specialist professional organisation to provide additional expertise.

On this basis the successful provider will be required to give a commitment to realising the identified savings through payments contingent on achieving specified outcomes. The final contract value will be determined once the procurement process has been completed. It is expected that the costs to the authority will be approximately £7.4m (exclusive of VAT) over a maximum 4-year period. These costs include both internal resourcing costs for the programme and external specialist support costs.

4) Legal Considerations

Based on the information set out in this report, the Director of Legal Services considers that the proposed use of a non-Derbyshire County Council framework satisfies the requirements of EU procurement law and that the use of the Framework is in accordance with the Council's Financial Regulations.

5) Other Considerations

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

6) Key Decision

Yes

7) Background Papers

Copies of the following are held on record by the Children's Services department:

- Outcomes from the diagnostics

8) Call-in – Is it necessary to waive the call-in period in respect of any decisions proposed in the report?

No

9) Officer's Recommendation

That Cabinet:

1. Receives and notes the findings of the independent diagnostic report for Children's Services;
2. Agrees to progress an implementation programme to realise the opportunities as set out in the report; and
3. Approves, under Protocol 2a of the Council's Financial Regulations the use of the North East Procurement Organisation's (NEPO) Framework Solution NEPRO to procure specialist professional services to support the implementation of the assessment findings.

Jane Parfremment
Executive Director Children's Services

DERBYSHIRE COUNTY COUNCIL

CABINET

10 December 2020

Report of the Executive Director for Children's Services

CHILDCARE SUFFICIENCY ASSESSMENT REVIEW 2019 - 2020

1. Purpose of Report

To report to Members on the outcome of the Childcare Sufficiency Assessment 2020-2021 COVID-19 Review as required by S11 of the Childcare Act 2006.

2. Information and Analysis

The Childcare Act 2006 was introduced to give every child the best start in life and parents/carers a greater opportunity to balance work and family life. The Act placed a duty on the local authorities to improve outcomes for young children, reducing inequalities between them. The Childcare Act gives local authorities a key role in shaping the childcare market for their area.

Section 6 of the Childcare Act places a duty on local authorities to secure sufficient childcare, so far as is reasonably practicable to meet the requirements of parents in their area who require childcare to enable them to take up or remain in work, or undertake training or education which could reasonably be expected to assist them to obtain work.

Although the focus is on the number of places, the local authority also takes into account affordability of provision and the Ofsted inspection outcome, in order to ensure there are sufficient 'outstanding' or 'good' places available for as many children as possible.

The COVID-19 pandemic has had an impact upon the childcare market. Whilst the full impact of the COVID-19 pandemic will not be evident for a number of months yet, the Childcare Sufficiency Assessment 2020 – 2021, COVID-19 Review has undertaken an initial analysis of the potential areas of concern and identified areas for further investigation.

The main focus of the assessment is the early years funded entitlements for two, three and four year olds.

The following information and data has been gathered relating to:

- Baseline socio-economic information including population profiles.
- Analysis of childcare places within Derbyshire through data collection and weekly DfE provider surveys.
- Demand for childcare services across Derbyshire evidenced through statistical data.

3. Financial Considerations

The Childcare Sufficiency Assessment and sufficiency duty is not anticipated to incur any additional financial costs. Where a need to create new places or expand existing provision is identified, officer support is available from the Early Years Sufficiency Team for business issues such as financial planning and marketing.

4. Legal and Human Rights Considerations

Section 6(1) of the 2006 Childcare Act places a duty on local authorities to secure, so far as is reasonably practicable, that the provision of childcare is sufficient to meet the requirements of parents who require childcare in order to enable them to take up or remain in work or to undertake education or training which could reasonably be expected to assist them to obtain work.

Local authorities must also have regard to the guidance issued by the Secretary of State. The current statutory guidance is “Early Education and Childcare, Statutory Guidance for Local Authorities, June 2018.

The Statutory Guidance for Local Authorities establishes a legal requirement on councils to report annually to elected members on how the duty to secure sufficient childcare is being met, and make this report available and accessible to parents.

5. Other Considerations

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

6. Background Papers

Draft Childcare Sufficiency Assessment 2020 – 2021 COVID-19 Review

7. Key Decision

No

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

No

9. Executive Director for Children’s Services Recommendations

That Cabinet agree the draft as Derbyshire County Council’s response to the Government’s requirements.

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

CHILDCARE SUFFICIENCY ASSESSMENT

COVID -19
REVIEW

2020 – 2021

This document provides a review of the sufficiency of early years education in Derbyshire following the COVID-19 pandemic.

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Childcare Sufficiency Assessment

2020-2021 COVID-19 Review

1. INTRODUCTION

- 1.1 Since spring 2020 the COVID-19 pandemic has had an unprecedented impact upon the lives of people in the UK. One of the most dramatic actions taken to reduce the spread of the virus was the closure of schools and childcare settings to all but vulnerable children and those from families of critical workers.
- 1.2 At the start of the autumn term Derbyshire schools and childcare providers saw a return to full re-opening. This has not been affected by the localised three tier system or the second lockdown period in November, but there are a number of challenges that remain for both parents and childcare providers. Unfortunately we do not know how long the virus will continue to affect our everyday lives or how it will impact upon both the demand and supply for childcare in the longer term. The purpose of this report is to consider the childcare market in light of the changes brought by the pandemic and attempt to identify where there may be issues and what can be done to mitigate these.
- 1.3 The childcare sufficiency duties outlined in the government's statutory guidance remain the same but the childcare market is clearly in a different situation to that of previous years and it will continue to change throughout the lifetime of the virus.

2. THE CHILDCARE DUTY

- 2.1 The statutory duty under sections 6, and 7 of the Childcare Act 2006 requires the local authority to secure sufficient childcare, so far as is reasonably practicable, for working parents or parents who are studying or training for employment, for children aged 0 – 14 (or up to 18 years for disabled children).
- 2.2 The local authority must report annually to elected members and make this report available and accessible to parents. The report should include specific information about:
 - How the local authority is ensuring there is sufficient childcare to meet needs of parents

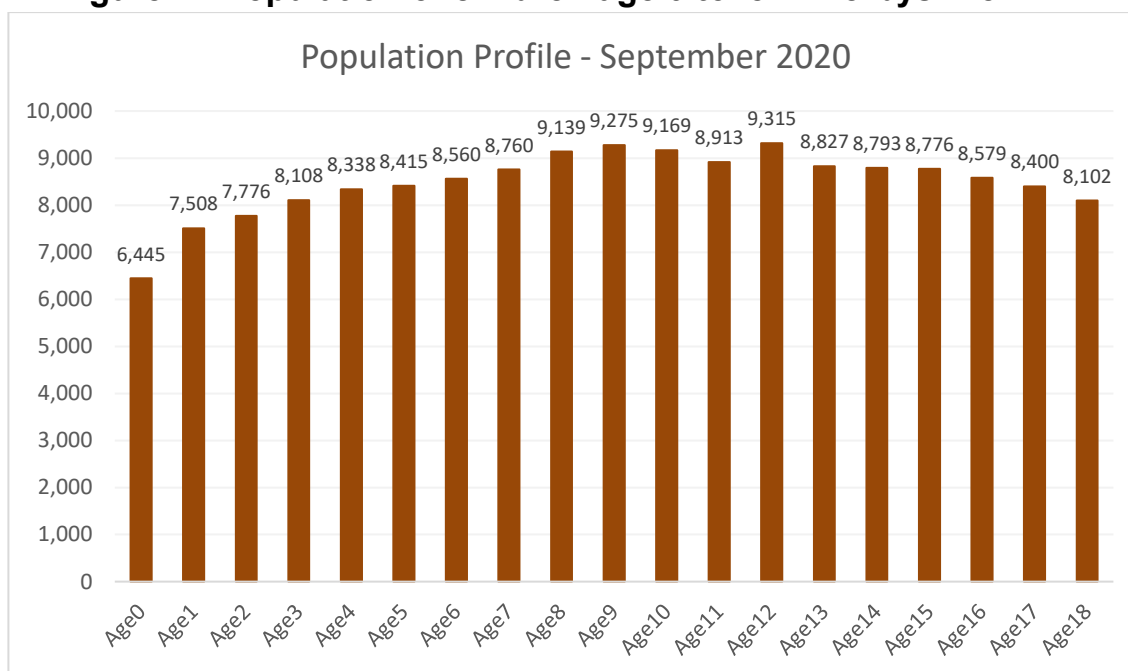
- Supply and demand of childcare, affordability, accessibility and quality of childcare provision
 - Details of how any gaps in childcare provision will be addressed.
- 2.3 Whilst the production of the report remains a statutory duty local authorities are responsible for determining the appropriate level of detail in their report, therefore this report focusses primarily on the impact that COVID-19 may have the early years free entitlements for two, three and four year olds.
- 2.4 The data in this report can only provide a snapshot and can change on a daily basis. While Derbyshire County Council believes this information to be correct, it does not guarantee its accuracy nor does the Council accept any liability for any direct or indirect loss or damage or other consequences arising from the use of such information supplied.

3. DEMAND FOR CHILDCARE

Population of children in Derbyshire

- 3.1 Understanding the population of children in Derbyshire is a key tool in estimating the potential demand for childcare to ensure there are sufficient childcare places, where reasonably practicable, for children age 0 – 14 and disabled children/young adults up to the age of 18 as required by the legislation.
- 3.2 Population data provided by NHS Digital based on the number of children on GP registers suggests a decline in the birth rate in recent years which could have implications for the demand for childcare now and in the future (figure 1).
- 3.3 The demand and type of childcare will differ in each age group, and as a child gets older the need for childcare will change or reduce. There are several age groups that require differing types of childcare and this can be found in figure 2 which shows the population of Derbyshire by district and the differing age groups.

Figure 1. Population of children age 0 to 18 in Derbyshire.



Source: NHS Digital 18th September 2020

Types of childcare

- 3.4 Children age 0 - 2 mainly require day care, usually provided by day nurseries and childminders (although some pre-schools and schools are registered to care for 2 year old children). Around 40% of two year olds are also eligible for 570 hours per year of free funded childcare (often taken as 15 hours per week over 38 weeks of term time). This is known as the two year old entitlement (see paragraph 3.20).
- 3.5 All 3 & 4 year olds are entitled to 570 hours of funded early education or childcare per year (the universal entitlement) which again is often taken as 15 hours a week for 38 weeks of the year. Working families may be entitled to a further 570 hours per year or 30 hours per week term time for their three or four year old. This is called the 30 hours extended entitlement. These hours alone are often enough to meet the childcare needs of many families although the option to pay for additional hours is available if needed. This type of provision can be provided by day nurseries, childminders, pre-schools and school nurseries.
- 3.6 As children aged 5-11 will be in full-time education, this group may require wrap around childcare before or after school or in the holidays, again this can be provided by the childcare providers listed above or by stand-alone out of school provision either on or off school sites.
- 3.7 As a child reaches secondary school age the need for childcare diminishes as they become more independent, for example, Figure 2 shows there are around 26,935 children age 12 - 14 in Derbyshire that could potentially

require childcare. The demand here is significantly less than other age groups. Official consultation results released by the Department of Education (DfE) in 2018¹ suggests only 26% of age group require formal childcare, therefore this figure could be as low as 7003.

Figure 2. Population by age group 0 – 18

District	Age 0 - 2	Age 3 - 4	Age 5 - 11	Age 12 - 14	Age 15 - 18 (SEND)	TOTAL
Amber Valley	3409	2657	9785	4180	310	20341
Bolsover	2469	1709	6432	2811	197	13618
Chesterfield	2958	2125	8261	3463	252	17059
Derbyshire Dales	1415	1155	4846	2319	191	9926
Erewash	3169	2416	9282	3776	296	18939
High Peak	2451	1880	7020	3177	236	14764
North East Derbyshire	2610	2069	7514	3239	249	15681
South Derbyshire	3257	2435	9091	3970	299	19052
TOTAL	21738	16446	62231	26935	2031	129381

Source: NHS Digital September 2020

- 3.8 In general, young people in the 15 -18 age group that require childcare are those with additional needs or disabilities. It is difficult to estimate the number of children and young people in Derbyshire with a disability or additional need but the Office for Disability Issues (Dept. for Work and Pensions) estimates that 6% of children are disabled². Using this figure it is estimated that there are currently approximately 2031 young people in Derbyshire aged 15 to 18 with an additional need or disability who may need childcare.
- 3.9 Childcare provision for disabled children/young people with special educational needs and disabilities (SEND) is provided by mainstream childcare settings and a number of specialist services in both the maintained and PVI sectors. All childcare provision must be inclusive and not treat children less favourably because of a disability or additional need and is required by law to make 'reasonable adjustments'. The Derbyshire Local Offer brings together information

¹ www.gov.uk/government/statistics/childcare-and-early-years-survey-of-parents-2018

² <https://www.gov.uk/government/publications/disability-facts-and-figures/disability-facts-and-figures#fnref:3>

about the services and support available for children/young people with SEND, and their families; <https://localoffer.derbyshire.gov.uk/>

- 3.10 As shown in figure 2, there are approximately 129,381 children in Derbyshire that could potentially require childcare of some form, but not all will. Not all families have both parents in employment, some may have working patterns that mean formal childcare is not required and others may prefer to rely upon friends and family to provide informal childcare.

Potential impact of COVID-19 on demand for childcare

- 3.11 Whilst it is too early to measure the full extent of the pandemic on the demand for childcare there are a number of issues that should be considered. Prior to the pandemic significant numbers of parents relied upon friends and family members such as grandparents to meet their childcare needs rather than use formal childcare. Even after the first lockdown was relaxed some families may have no longer had this option due to shielding requirements or tighter restrictions on households mixing.
- 3.12 But unlike the first lockdown, the localised three tier system and the second lockdown saw the introduction of childcare bubbles. This is where one household links with one other household to provide informal childcare (unpaid and unregistered) to a child or children aged 13 or under. They can provide the childcare in either or both of the homes from the 2 households.
- 3.13 Additionally, changes in employment legislation and working patterns can impact upon the demand for childcare. Following the COVID-19 lockdown many employees will have found themselves working from home for the first time using technology to support this. The longer term impact of this on regular working practices is uncertain but it may be that many employers and employees continue with these flexible working practices. This would impact upon the demand and type of childcare required in the future, for example, a parent who now works from home may have the flexibility to change their working pattern so they can work around the needs of their child, i.e. evenings and weekends
- 3.14 It is assumed that the COVID -19 outbreak will have some longer-term impact upon the childcare market, for example, demand for childcare may change if local businesses close or large employers have to make redundancies. Higher unemployment can reduce the numbers of parents who require both paid childcare places and the extended entitlement and ultimately may affect the sustainability of early years provision.

- 3.15 Because of all of the above factors it is only possible to estimate the potential numbers of children that will require childcare and in this changing environment it will be a continually evolving picture, particularly if there is a period of global recession or higher unemployment.

Universal entitlement for three and four year olds

- 3.16 Typically in Derbyshire the number of parents who choose to take up some or all of their universal entitlement for three and four year olds is consistently around 99% each year, this compares favourably to the national average of 94% in England as a whole and 96% in the East Midlands region³. Initial indications from childcare providers suggest that fewer parents are choosing to access this entitlement. Further clarification as to the reasons behind this downturn may need to be undertaken but initial assumptions are that it is largely due to parental anxiety about safety or a reduction in the need for childcare if parents are working from home or no longer working. In a recent Ofsted briefing it was reported that more than a third of the 121 schools visited for the report had noticed a rise in parents taking their children out of school to home school them due to safety concerns⁴ and this trend may well be replicated in early years.

Lost children

- 3.17 Any downturn in take up of early years education is a cause for concern if it continues to have a significant impact upon the numbers of children going into reception classes without having had any form of early years education (termed 'lost children'). This may have consequences for the 'school readiness' of children in future years. Not only does it raise concerns about the levels of independence for pre-school children but it may also have safeguarding consequences.

30 hours extended entitlement

- 3.18 Despite an ongoing twitter and media campaign from Derbyshire, fewer parents applied for their 30 hour code before the cut off deadline of 31 August 2020 than in previous years. To support parents this term Derbyshire took the decision to fund any parent that received a 30 hours code before 14 September 2020.
- 3.19 In addition the actual numbers of parents applying has reduced when compared to the same term in the last academic year, the number of children with a 30 hours code funded in the current autumn term

³ <https://www.gov.uk/government/statistics/education-provision-children-under-5-years-of-age-january-2019>
Table 8LA

⁴ <https://www.gov.uk/government/publications/covid-19-series-briefing-on-schools-september-2020>

(2020/2021) has reduced by around 313 when compared to the same term in the 2019/2020 term.

Figure 3. No. of 30 hour codes received by Derbyshire

	Autumn Term 2020/2021	Autumn Term 2019/2020
No of 30 hour codes funded	3103	3416

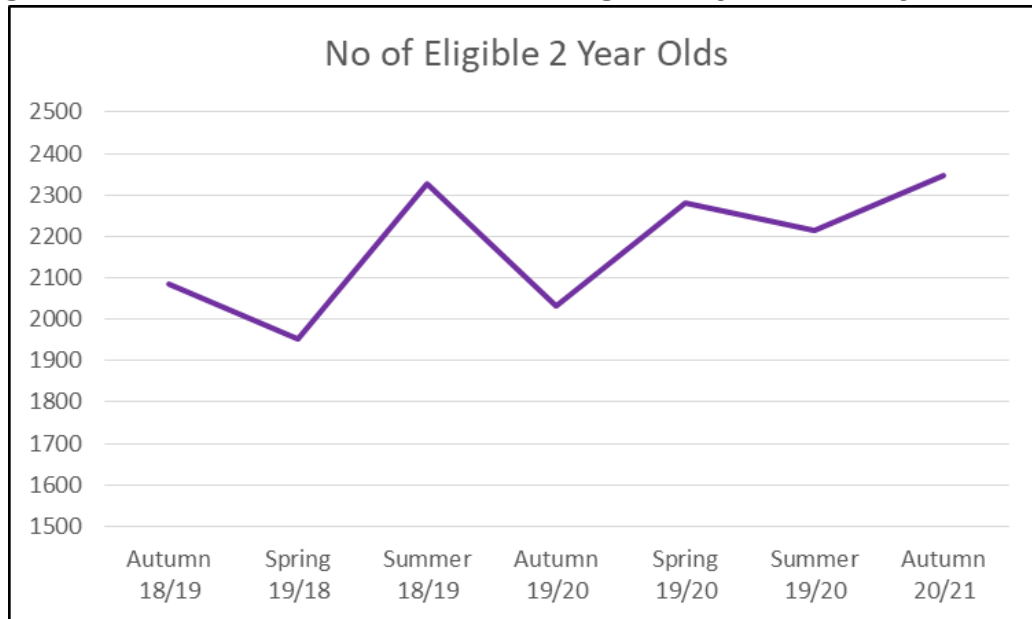
Source: Derbyshire County Council, Information and ICT, Children’s Services, Sep 2020

- 3.20 Investigation into the potential causes of this reduction will need to take place to confirm if it is due to fewer parents being eligible due to loss of employment or if it is due to health concerns around the coronavirus.

Two year old entitlement

- 3.21 Eligibility for the two year old entitlement is determined by the Department for Work and Pensions (DWP). To be eligible parents/carers must meet certain financial criteria which includes receiving income base Job Seekers allowance, Working Tax Credit or Universal Credit; but there are also some non-economic criteria. The full list of criteria can be found at: <https://www.gov.uk/help-with-childcare-costs/free-childcare-2-year-olds>
- 3.22 This means that the demand for two year old funded places could increase if more parents/carers claim these benefits due to unemployment.
- 3.23 By comparing the number of eligible two year olds on the DWP list over the last three academic years we can see there is a small uplift in the figures see figure 4. This will need monitoring over the next academic year to see if the eligible numbers continue to increase if there is a downturn in the economy.

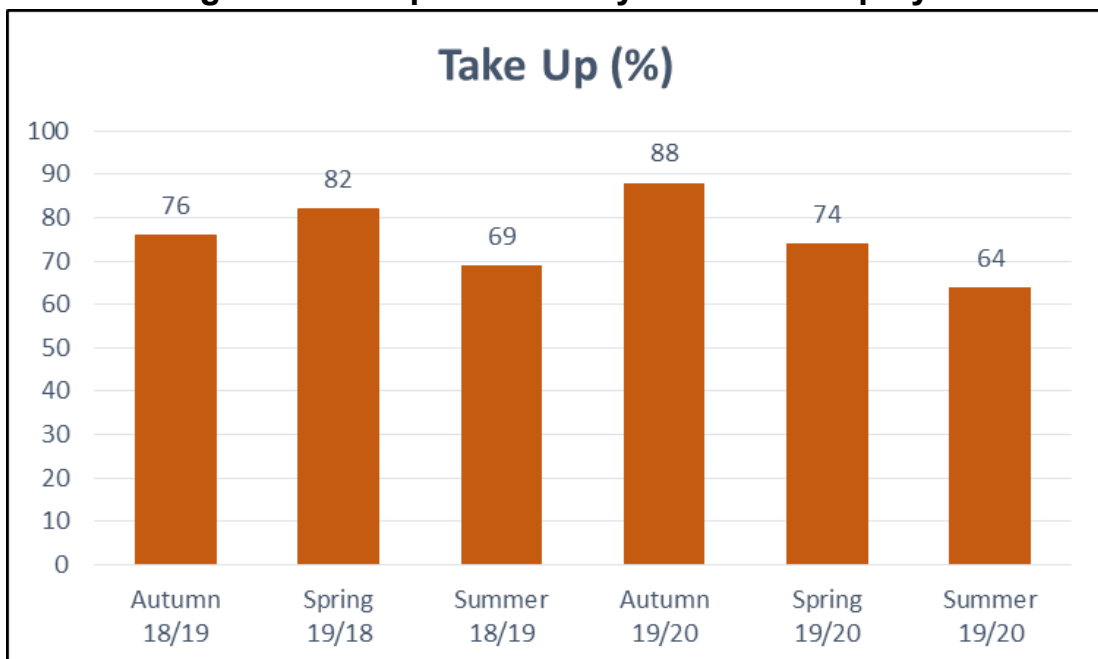
Figure 4. Comparison of the No. of eligible 2 year olds by term



Source: Derbyshire County Council, Information and ICT, Children’s Services, Sep 2020

3.24 Take up levels have been affected by the COVID-19 pandemic despite funding levels being maintained by the local authority see fig (below). This may be due to parents keeping their children at home due to health concerns even after the initial lockdown was relaxed and early years settings were fully re-opened again.

Figure 5. Comparison of 2 year old take up by term



Source: Derbyshire County Council, Information and ICT, Children’s Services, Sep 2020

Wraparound childcare

- 3.25 After school provision was instructed to close when the country first went into lockdown. Providers operating on a school site were allowed to open from 1 June 2020 and those operating off school sites from 4 July 2020.
- 3.26 The demand for wrap around childcare may be reduced if more parents are working from home or experience a period of unemployment as they will be at home when children return from schools and during school holidays. This potential fall in demand will need to be monitored going forward.

Affordability

- 3.27 During the COVID-19 pandemic the local authority received no feedback from parents regarding affordability, moreover the authority became aware of a few providers who were actually waiving fees for critical worker parents as a way of supporting the effort of the NHS staff.
- 3.28 Going forward the local authority will monitor this closely to ensure providers are not implementing 'top up' to offset any loss in income during the lockdown period. The definition of 'top up' as per A1.30 in the 'Early Education and Childcare Statutory Guidance for Local Authorities' June 2018 is:
- charge parents "top-up" fees (any difference between a provider's normal charge to parents and the funding they receive from the local authority to deliver free places).
 - require parents to pay a registration fee as a condition of taking up their child's free place.
- 3.29 It is a legal duty for local authorities to ensure providers do not charge top up and to work with providers and parents to ensure all parents, including disadvantaged families, have fair access to a free place, which must be delivered completely free of charge.

4. SUPPLY OF EARLY YEARS PLACES

Number of early years providers in Derbyshire

- 4.1 The number of early years childcare providers in the county registered to deliver early years funded places has reduced from 712 in September 2019 to 705 in September 2020 see figure 6 overleaf.

Figure 6. No. of providers delivering early years funded places

	Sep-19	Sep-20	Change
Day Nurseries	143	141	-2
Pre- Schools	110	107	-3
Childminders	328	319	-9
School run provision	121	127	6
Independent schools	10	11	1
TOTAL	712	705	-7

Source: Derbyshire County Council, Information and ICT, Children's Services, Sep 2020

- 4.2 The table shows a reduction in providers in the last 12 months, five of which were in group care settings. In any year there will be a small number of group care closures for different reasons such as retirement etc.
- 4.3 The provider type that has seen the largest area of growth in the last 12 months is school run provision. This is mainly due to schools creating or converting existing provision using the governor run model and could reduce the demand for non-school group care.
- 4.4 Childminder numbers have reduced by nine but this is only a 3% reduction on the previous year. The number of childminders has been falling nationally over an extended period and have reduced by 9,500 (20%) since 31 August 2015.⁵ Childminder closures have a smaller impact on the number of overall places than the closure of group care settings as they generally care for fewer children.

Potential impact of COVID-19 on the supply of early year places.

- 4.5 Early years childcare providers are currently working extremely hard to sustain their businesses where normal income streams have been reduced due to the COVID-19 pandemic.
- 4.6 Every autumn term providers see their lowest occupancy of children due to all four year olds taking up a full-time place in a reception class from September. This is the term when settings experience the most financial

⁵ <https://www.gov.uk/government/publications/childcare-providers-and-inspections-as-at-31-august-2019/main-findings-childcare-providers-and-inspections-as-at-31-august-2019>

difficulty until numbers increase again in the spring and summer terms. The higher revenue in the spring and summer terms offsets the funding shortfall in the autumn term. It is anticipated that restrictions placed on providers due to the COVID-19 crisis could mean that providers do not have their usual reserves and many may face financial uncertainty in the coming year.

- 4.7 In an attempt to mitigate the above, in line with government guidance, Derbyshire funded childcare settings at pre-pandemic levels (see paragraph 6.1 on page 18 for further details of this and the other financial support that was available to childcare settings). To survive the financial uncertainty of the COVID-19 pandemic settings will also need to make necessary changes to services including being more flexible and re-assessing future models of delivery.

Quality of provision during the COVID-19 pandemic

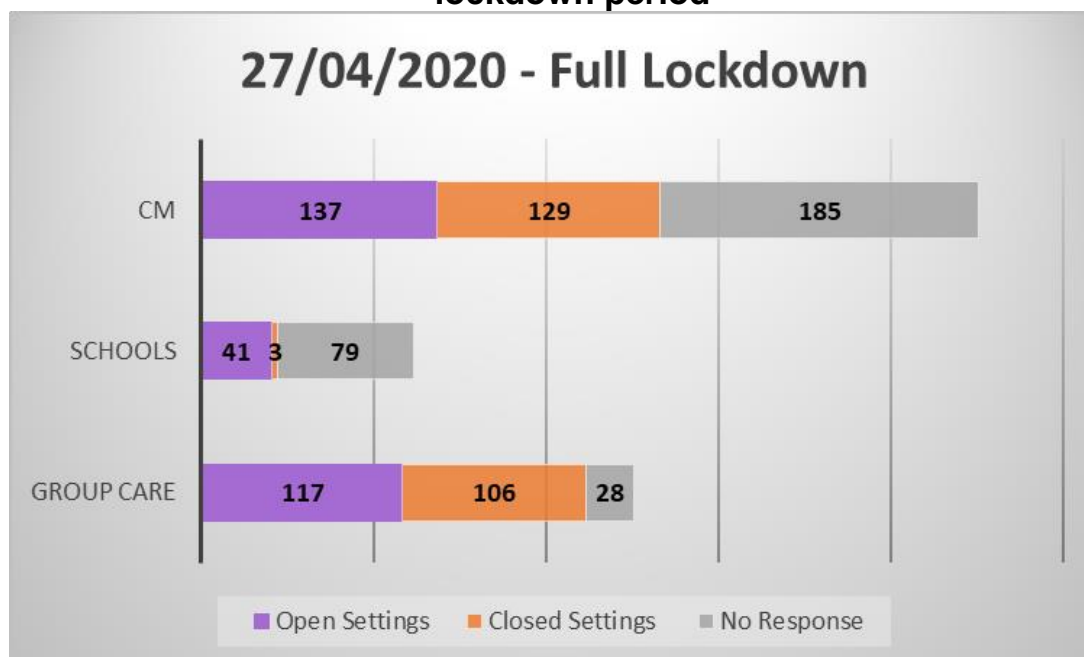
- 4.8 On 17 March, all routine Ofsted inspections for early years and childcare providers were suspended. From September Ofsted started a programme of visits to early years registered providers in addition to the registration and regulation work for early years and childcare providers.
- 4.9 In April, temporary disapplications to the Early Years Foundation Stage (EYFS) came into force. This was to allow providers greater flexibility to respond to changes in workforce availability and potential fluctuations in demand, while still providing care that is high quality and safe.
- 4.10 Between the period 28 September and 25 November 2020 these statutory requirements will be re-instated.
- 4.11 New regulations came into force on 26 September 2020. These allowed the temporary changes to the EYFS to be reapplied in the event of future coronavirus (COVID-19) related lockdowns imposed by government. This is because a lockdown may affect a provider's ability to comply with the EYFS.
- 4.12 To continue to support providers with the quality of provision throughout the pandemic several additional measures were put in place including:
- Frequently Asked Questions (FAQs) circulation
 - Key information and messages shared through virtual Leaders and Managers Briefings.
 - Monthly newsletters issued to the sector with key information, links to support and share good practice.
 - Virtual keeping-in-touch meetings delivered on a one to one basis with individual settings.

5. SUFFICIENCY OF EARLY YEARS CHILDCARE

Sufficiency of childcare during lockdown

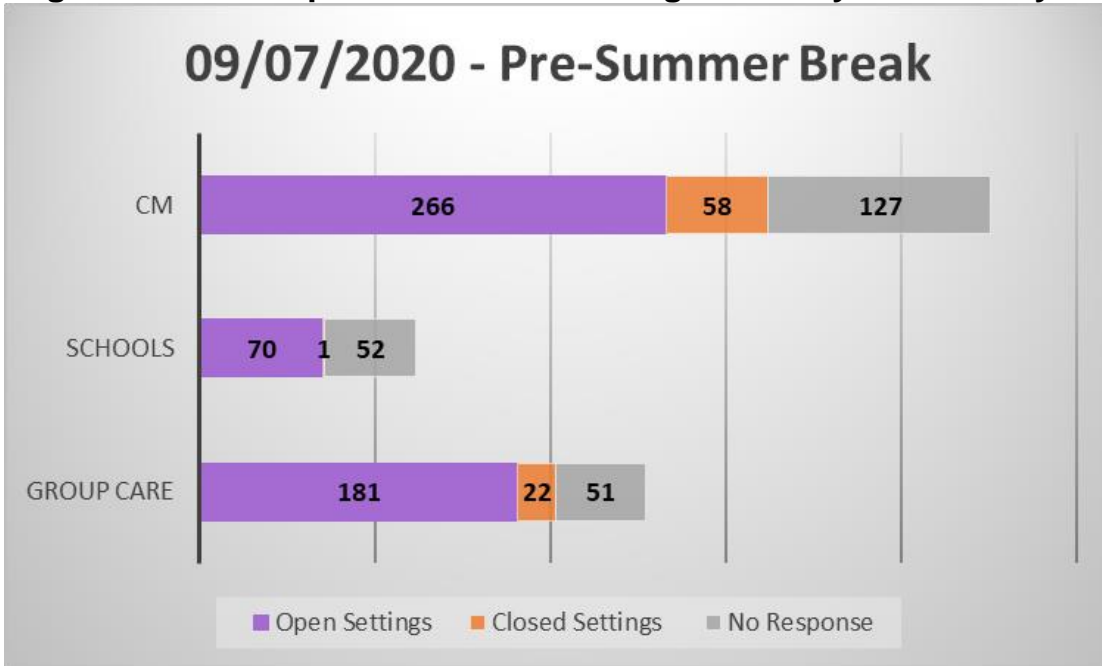
- 5.1 On 23 March 2020 the Government took the unprecedented decision to send the country into its first lockdown and as part of that measure all schools and childcare providers closed their doors to all but vulnerable children and children of critical workers.
- 5.2 During that period a number of childcare settings were forced to close their doors due to low numbers and/or health concerns. It was a requirement during this period that all schools and childcare providers reported weekly to the DfE to confirm if they were closed or open, and if so the number of children they were accommodating.
- 5.3 Figures 7, 8, 9 and 10 detail the numbers of Derbyshire childcare settings that responded to these weekly requests during full lockdown, prior to the summer break when lockdown restrictions were released and compared to full re-opening in the autumn of the new 2020-2021 academic year.

Figure 7. No. of open and closed settings in Derbyshire during full lockdown period



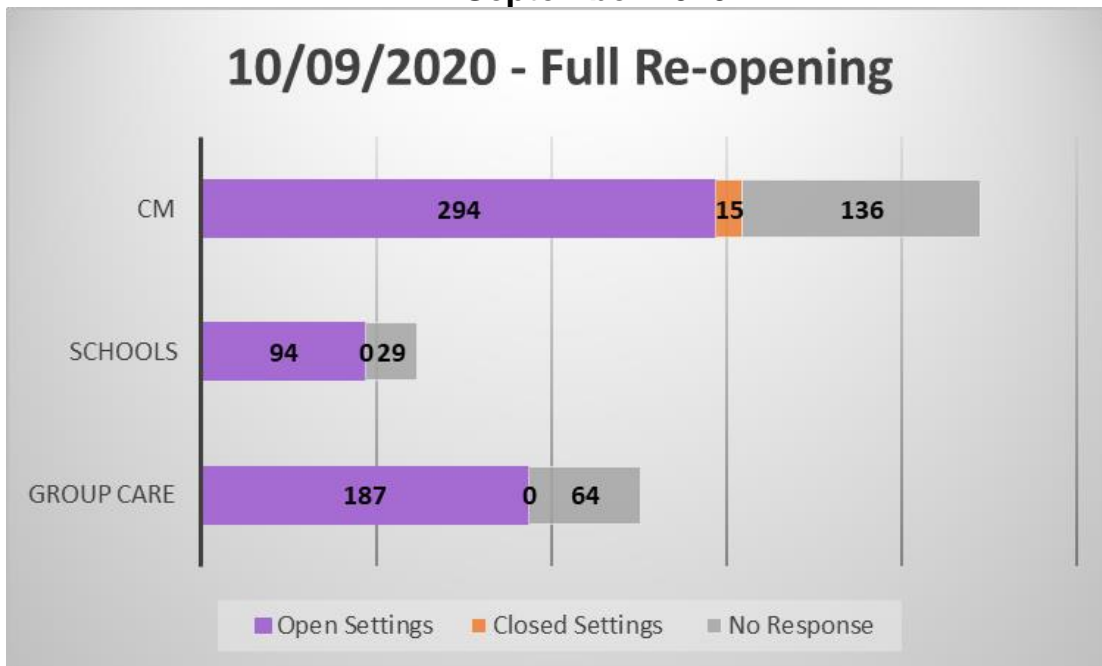
Source: Derbyshire County Council, Information and ICT, Children's Services, Sep 2020

Figure 8. No. of open and closed settings in Derbyshire in July 2020



Source: Derbyshire County Council, Information and ICT, Children’s Services, Sep 2020

Figure 9. No. of open & closed settings in Derbyshire in September 2020

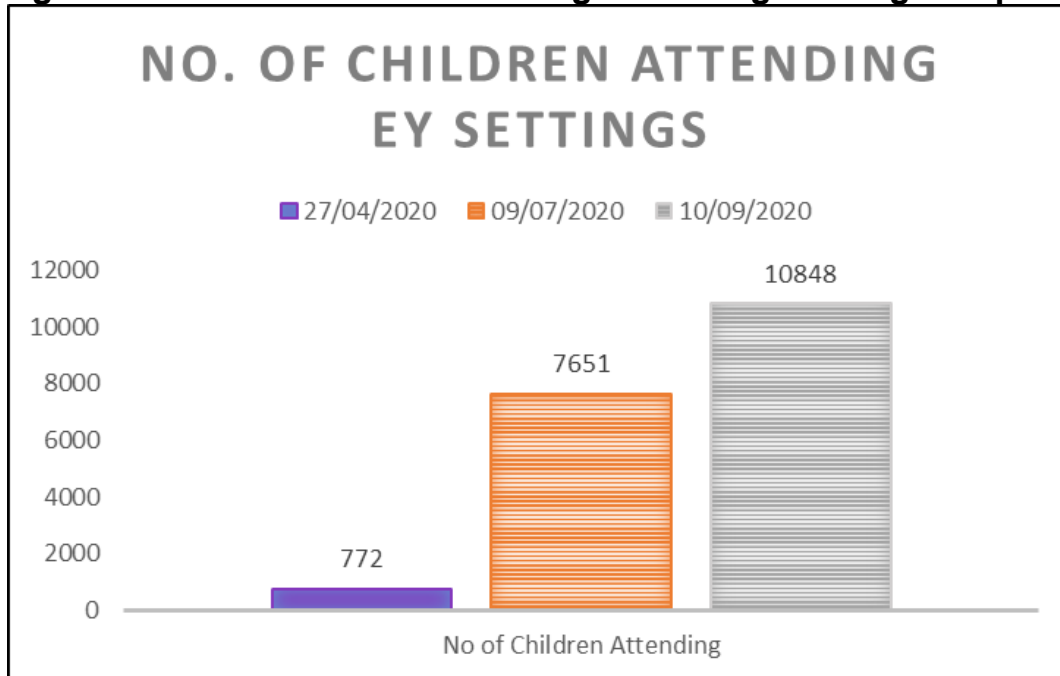


Source: Derbyshire County Council, Information and ICT, Children’s Services, Sep 2020

5.4 Figure 9 illustrates that all the group care and school based settings that responded were fully open again in September 2020 and only a minor number of childminders remained closed. Depending on how the virus spreads some settings may be forced to close again temporarily due to

confirmed cases of COVID-19 or staffing issues. It is too early to report on the impact of the second lockdown period on the number of settings that remain open. Ongoing monitoring will take places and settings will be supported where necessary.

Figure 10. No. of children attending EY settings throughout pandemic



Source: Derbyshire County Council, Information and ICT, Children’s Services, Sep 2020

5.5 Figure 10 shows the number of children that were attending at the crucial points of the epidemic, initially full lock down, prior to the summer break when lockdown restriction had been relaxed and more children were able to return to childcare, and at the start of the new academic year when all provision should be fully re-open. All settings are expected to remain open to all children during the second lockdown unless advised to close, or left with no option but to close, due to public health reasons.

5.6 As part of the weekly DfE returns providers are asked if they have concerns about sufficiency following the COVID-19 pandemic. Less than one percent of providers that responded have indicated they are concerned.

Permanent closures of early years providers

5.7 An increase in the number of private sector provider closures (non-schools) could be an indication of the negative impact COVID-19 has had on the childcare market. To measure this the number of closures

between 23 March 2020 and 30 September 2020 has been compared to the same period in the previous year.

Figure 11. Comparison of no. of childcare closures

	23/03/19 - 30/09/19	23/03/20 - 30/09/20
Childminders	21	28
Day Nurseries	2	3
Pre-schools	3	3
Total	26	34

Source: Derbyshire County Council, Early Years Service, Sep 2020

- 5.8 The table above illustrates that in the group care sector there is no significant increase but this will be monitored further in the coming months as the financial support schemes provided are phased out and as demand from parents could potentially change.
- 5.9 There has been a small increase in the number of childminder closures but this is only a small percentage of the total number of childminders. The childminding sector sees a greater number of both opening and closures over the course of a normal year as the personal circumstances of childminders can change relatively frequently which can impact on their ability to provide childcare. The impact on childminders will continue to be monitored to see if they have been disproportionately affected by the pandemic.
- 5.10 Currently there is no obvious impact in term of closures but this may change in the next year as the Government support schemes come to an end in spring 2021.

District analysis of early years sufficiency

- 5.11 Whilst Derbyshire as a whole does not indicate a deficit of early years funded places for 2, 3 & 4 year olds it is important to try and identify any specific areas that may have pockets of undersupply. The Early Years Sufficiency Team undertakes ongoing monitoring at both a district and ward level to identify areas of concern.
- 5.12 This monitoring compares the estimated number of early years childcare places required based on the population of 2, 3 and 4 year olds in each individual ward and compares it to the number of early year's places offered by the providers located in the ward.
- 5.13 Not every ward will have a childcare setting located within it but will have population data, therefore some wards will show a deficit of places.

- 5.14 Generally where one ward shows a deficit this is offset by the number of places available in neighbouring wards where there may be one or several childcare providers providing sufficient places to meet the needs of the population. This means that not all parents will access childcare within the ward in which they live and may be using childcare in neighbouring wards, districts or even other local authorities.
- 5.15 Across Derbyshire there is an oversupply of 1197 places in total but there are differences in the individual districts, the results of which have been indicated in the following RAG (red, amber green) rating.
- 5.16 Three districts indicate a shortfall in places but overall there are sufficient early years places in Derbyshire based on the population figures.

Figure 12. Sufficiency of places per district

District	Surplus/Deficit	RAG Rating
Amber Valley	-112	Undersupply
Bolsover	-12	Undersupply
Chesterfield	215	Oversupply
Derbyshire Dales	240	Oversupply
Erewash	384	Oversupply
High Peak	319	Oversupply
North East Derbyshire	182	Oversupply
South Derbyshire	-20	Undersupply
TOTALS	1197	Oversupply

Source: Derbyshire County Council, Early Years Service, Sep 2020

- 5.17 There are a number of points to consider in the interpretation of this data:
- Prior to the COVID-19 lockdown Derbyshire received no communications from parents/carers stating they are unable to find a suitable funded early years place for their child which is an indicator that there are sufficient places.
 - Parents do not access childcare within the boundaries of the districts and may use a setting from outside the area in which they live for a variety of reasons including work. For example, a parent from Amber Valley may work in Derby City and use a childcare provider located in this authority, or may use settings in neighbouring districts such as Erewash where there is a surplus in places.

- Whilst the figure of 1197 surplus places may seem significant, if averaged out across all providers this would result in only 1.69 surplus places per provider.

District sufficiency assessments

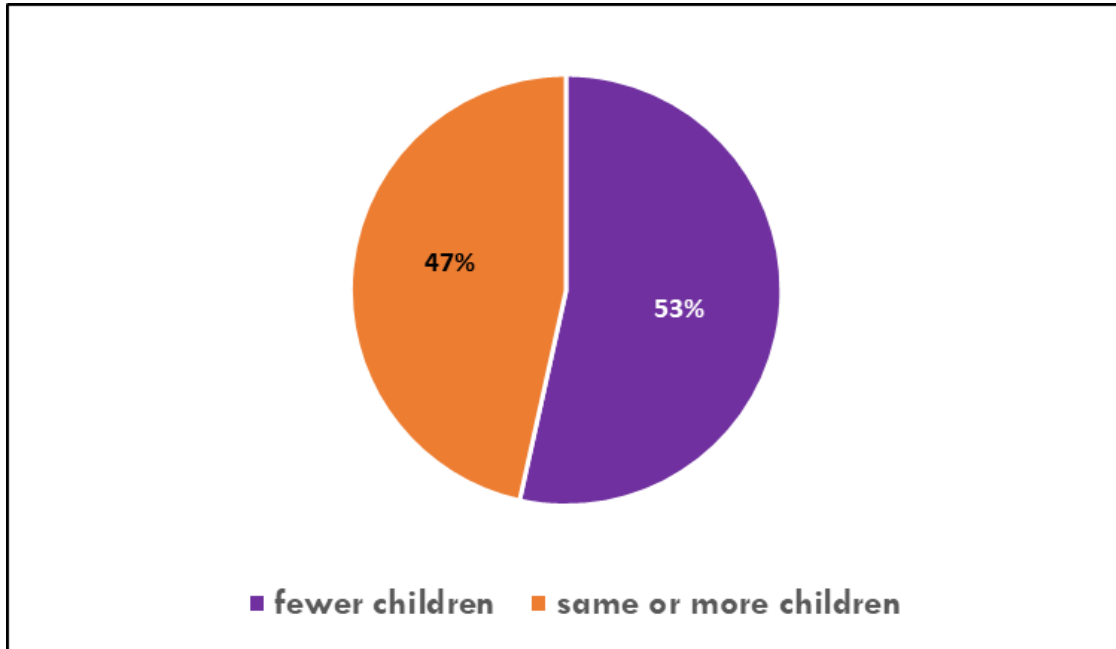
5.18 Further sufficiency analysis has been undertaken at a district level and individual district reports can be found in the Appendices.

6. SUSTAINABILITY

- 6.1 When the pandemic initially took hold in the summer 2019-2020 term the government confirmed that early years funding would continue during any periods of nursery, preschool or childminder closures, or where children were unable to attend due to COVID-19.
- 6.2 This meant that settings could claim for those children that were definitely due to attend for the summer period. Where a child of a critical worker or vulnerable child had to change childcare provider due to the closure of their normal setting the local authority took the decision that funding would follow the child to the new setting.
- 6.3 To provide additional support to providers in the autumn 2020 term, the DfE guidance stated that local authorities were to fund providers which were open at the levels they would have expected to see in the autumn term had there been no coronavirus outbreak.
- 6.4 Derbyshire followed these guidelines and in the autumn 2020 term funded providers based on their attendance figures for autumn 2019. There was no clawback of funding if actual attendance was lower. New providers or those who did not have funded children last year were paid on the actual attendance figures.
- 6.5 The guidance also recommended that providers which had been advised to close, or left with no option but to close, due to public health reasons should continue to be funded. Settings that were closed in the autumn 2020 term without public health reason did not receive any funding.
- 6.6 Based on this and using the number of hours funded as an indication of the number of children attending childcare settings, an analysis has been undertaken to compare the autumn term 2020 figures with the autumn 2019 data on which they will be funded. This shows that just under half of settings have more or the same number of children than in the same period in the previous year. Those settings that have fewer children will be

supported financially and receive additional funding to match last year's income.

Figure 13. No of children at providers in autumn 2020 compared to autumn 2019.



- 6.7 Further investigation into the potential reasons for a drop in the number of children attending settings for their free entitlement will be undertaken. This will also attempt to establish any particular trends or geographical locations that are adversely affected.
- 6.8 Other support offered to providers by Derbyshire during the pandemic and ongoing includes:
- Frequently Asked Questions (FAQs) circulation
 - Brokerage service for critical workers and vulnerable children where a child's normal provision was closed due to the pandemic
 - Virtual Leaders and Managers Briefings.
 - Virtual keeping-in-touch meetings with individual settings.
 - DfE COVID-19 updates forwarded to providers daily.

Government support for early years businesses

- 6.9 In addition to the support offered from the local authority a range of support measures were introduced by the Government to support businesses such as early years providers and their employees including self-employed childminders who have been affected by COVID-19, these include:

- Coronavirus Job Retention Scheme (furlough scheme)
- VAT and self-assessment payments deferred
- Self-employment Income Support Scheme
- Statutory sick pay relief package for small and medium sized businesses (SMEs)
- 12-month business rates holiday for nursery businesses in England
- Small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
- Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank
- HMRC Time To Pay arrangements
- Coronavirus Bounce Back Loan
- Coronavirus Local Restrictions Support Grant
- Information on data protection and the coronavirus provided by the Information Commissioner Office
- School funding: Exceptional costs associated with coronavirus (COVID-19)

6.10 Many organisations will not be able to fully assess their sustainability until these support schemes have ended. This means that the full extent of the longer term impact COVID-19 has on the childcare market may not be apparent until after April 2021.

7. CONCLUSIONS

- 7.1 As the country is still in the grip of the COVID-19 pandemic, it is too early to tell if the pandemic will permanently change the shape of the childcare market. The virus still impacts upon everyday life of parents, children and childcare providers and it is difficult to anticipate how the demand for and supply of childcare will look post pandemic
- 7.2 Unlike the initial lockdown, schools and childcare have remained fully open during the localised three tier system and the second lockdown. The Government has indicated that they will be the last places to close in the event of subsequent lockdowns or the localised three tier system.
- 7.3 Many of the additional support mechanisms put in place by the Government to support childcare businesses, schools and working parents have been extended into 2021. Until these measures are no longer available it will be difficult to measure the ongoing sustainability of childcare providers and the demand from working parents for childcare.

Actions

7.4 Further research and analysis on the longer term effects of the pandemic on the sector will be required over the next year including the following:

- Establish if demand from parents has changed and the reasons behind this.
- Continued monitoring of the supply of places to identify any trends or areas that have been more adversely affected.
- Identify the support providers and parents require from the Early Years Service and ensure this is responsive to changes in the childcare market.

Appendix I

Sufficiency assessment for Amber Valley district

Analysis shows that there is an approximate undersupply of -112 early years places for 2, 3 & 4 year olds in the district currently. Whilst the data shows an undersupply the local authority has received no indication from parents that they were unable to find a suitable place for their child prior to the COVID-19 outbreak, so it is assumed that parents are travelling to other areas to access childcare.

- The average number of early years funded places day nurseries in Amber Valley offer is 83
- The average number of early years funded places pre-schools in Amber Valley offer is 37
- Collectively the number of places in the district offered by childminders is 276

Based on this information any closures will exacerbate the deficit and potentially create issues for parents, including travelling further to access childcare.

Amber Valley potential local risk factors:

In May a large employer based in Derbyshire announced that they will be making up to 9000 redundancies following the impact of the COVID-19 and these would be largely from their Derby site. Whilst the company is based in Derby City, due to its close proximity to the west of the Amber Valley district it is possible that some parents within the district may be affected by the job cuts. Higher unemployment in an area can impact upon the demand.

Recommendations

The sufficiency picture in Amber Valley continues to be monitored closely as any further closures could significantly exacerbate the deficit in places. Parental feedback will need to be a vital part of the monitoring process.

Appendix II

Sufficiency assessment for Bolsover district

Analysis shows that there is an approximate undersupply of -12 early years places for 2, 3 & 4 year olds in the district currently. Whilst the data shows an undersupply the local authority has received no indication from parents that they were unable to find a suitable place for their child prior to the COVID-19 outbreak, so it is assumed that parents are travelling to other areas to access childcare.

- The average number of early years funded places day nurseries in Bolsover offer is 60
- The average number of early years funded places in pre-schools in Bolsover offer is 40
- Collectively the number of places in the district offered by childminders is 54

Based on this information any closures will exacerbate the deficit and potentially create issues for parents, including having to travel further to access childcare.

There are no potential local risk factors specific to the Bolsover district identified at present.

Recommendations

The sufficiency picture in Bolsover continues to be monitored closely, as one group care closure could impact significantly on the sufficiency of places in the district.

Appendix III

Sufficiency assessment for Chesterfield district

Analysis shows that there is a significant surplus of places across the district which means Chesterfield could sustain a reduction in the number of early years settings providing the number of places does not reduce by more than 215.

- The average number of early years funded places day nurseries in Chesterfield offer is 77
- The average number of early years funded places pre-schools in Chesterfield offer is 49
- Collectively the number of places in the district offered by childminders is 217

A small number of PVI provider closures in this district may not significantly impact upon the sufficiency of early years places, but such closures could mean parents have to travel further to access their childcare. Chesterfield is the smallest in size of all the districts in Derbyshire with the highest geographical concentration of childcare provider so distances may not be an issue.

There are no potential local risk factors specific to the Chesterfield district identified at present.

Recommendations

The sufficiency picture in Chesterfield continues to be monitored closely, but the current data suggests that this area could sustain a reduction in the number of early years providers located in the district.

Appendix IV

Sufficiency assessment for the Derbyshire Dales district

Analysis shows that there is a significant surplus of places across the district which means Derbyshire Dales could sustain a reduction in the number of early years settings, providing the number of places does not reduce by more than 240.

- The average number of early years funded places day nurseries in Derbyshire Dales offer is 65
- The average number of early years funded places pre-schools in Derbyshire Dales offer is 27
- Collectively the number of places in the district offered by Childminders is 54

A small number of PVI provider closures in this district may not significantly impact upon the sufficiency of early years places, but such closures could mean parents have to travel further to access their childcare. Given the rurality of the district parents may already be travelling further distances to access childcare than in other districts.

Potential local risk factors in Derbyshire Dales:

- A significant proportion of the district is reliant on tourism. The full impact of the COVID-19 pandemic on this tourism and leisure sector of the local economy has yet to be measured.

Recommendations

The sufficiency picture in Derbyshire Dales continues to be monitored closely, particularly the unemployment rate but currently the data suggests that this area could sustain a reduction in the number of early years providers located in the district.

Appendix V

Sufficiency assessment for the Erewash district

Analysis shows that there is a significant surplus of places across the district, and therefore in theory Erewash district could, sustain a reduction in the number of early years settings, providing the number of places does not reduce by more than 384.

- The average number of early years funded places day nurseries in Erewash offer is 71
- The average number of early year funded places pre-schools in Erewash offer is 40
- Collectively the number of places in the district offered by childminders is 359

A small number of PVI provider closures in this district may not significantly impact upon the sufficiency of early years places, but such closures could mean parents have to travel further to access their childcare.

Potential local risk factors in Erewash district:

- In May a large employer based in Derbyshire announced that they will be making up to 9000 redundancies following the impact of the COVID-19 and these would be largely from their Derby site. Whilst the company is based in Derby City, due to its close proximity to the east of the Erewash district it is possible that some parents within the district may be affected by the job cuts. Higher unemployment in an area can impact upon the demand for childcare places and ultimately can affect the sustainability of early years provision.

Recommendations

The sufficiency picture in Erewash continues to be monitored closely but the current data suggests this area could sustain a reduction in the number of early years providers located in the district.

Appendix VI

Sufficiency assessment for the High Peak district

Analysis shows that there is a significant surplus of places across the district, and therefore in theory Derbyshire Dales could, sustain a reduction in the number of early years settings, providing the number of places does not reduce by more than 319.

- The average number of early years funded places day nurseries in High Peak offer is 50
- The average number of early years funded places pre-schools in High Peak offer is 29
- Collectively the number of places in the district offered by childminders is 268

A small number of PVI provider closures in this district may not significantly impact upon the sufficiency of early years places, but such closures could mean parents have to travel further to access their childcare.

Potential risk factors in the High Peak district

- Parts of the High Peak are reliant on tourism which has been hard hit by the COVID-19 pandemic, although the full extent of the job losses related to this this is not yet known

Recommendations

The sufficiency picture in High Peak continues to be monitored closely but the current data suggests that this area could sustain a reduction in the number of early years providers located in the district.

Appendix VII

Sufficiency assessment for the North East Derbyshire district

Analysis shows that there is a significant surplus of places across the district, and therefore in theory North East Derbyshire could, sustain a reduction in the number of early years settings, providing the number of places does not reduce by more than 182.

- The average number of early year funded places day nurseries in North East Derbyshire offer is 64
- The average number of early years funded places pre-schools in North East Derbyshire offer is 41
- Collectively the number of places in the district offered by childminders is 206

A small number of PVI provider closures in this district may not significantly impact upon the sufficiency of early years places, but such closures could mean parents have to travel further to access their childcare.

There are no potential local risk factors specific to the North East Derbyshire district identified at present.

Recommendations

The sufficiency picture in High Peak continues to be monitored closely but the current data suggests that this area could sustain a reduction in the number of early years providers located in the district.

Appendix VIII

Sufficiency Assessment for the South Derbyshire District

Analysis shows that there is an approximate undersupply of -20 early years places for 2, 3 & 4 year olds in the district currently. Whilst the data shows an undersupply the local authority has received no indication from parents that they were unable to find a suitable place for their child prior to the COVID-19 outbreak, so it is assumed that parents are travelling to other areas to access childcare.

- The average number of early years funded places day nurseries in South Derbyshire offer is 60
- The average number of early years funded places pre-schools in South Derbyshire offer is 35
- Collectively the number of places in the district offered by childminders is 416

Based on this information any closures will exacerbate the deficit and potentially create issues for parents, including having to travel further to access childcare.

Potential Local Risk Factors in South Derbyshire District:

- A number of large employers located in the South Derbyshire district have announced significant job cuts.
- The full impact upon the travel industry is not yet known but air travel has been significantly affected and there could be implications for South Derbyshire parents employed by the regions airport and its airlines, two of which have announced job cuts due to the pandemic

Higher unemployment in an area can impact upon the demand for childcare places and ultimately can affect the sustainability of early years provision.

Recommendations

The sufficiency picture in South Derbyshire continues to be monitored closely, as one group care closure could impact significantly on the sufficiency of places in the district.

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Author: Smruti Mehta (x35864)

Agenda Item 6(g)

DERBYSHIRE COUNTY COUNCIL

CABINET

10 December 2020

Report of the Executive Director of Children's Services

Review of The Adoption and Children (Coronavirus) (Amendment) Regulations 2020 and subsequent The Adoption and Children (Coronavirus) (Amendment) (No2) Regulations 2020

1. Purpose of the Report

The purpose of this report is to inform Cabinet of the urgent decision made by the Executive Director on 9th June which was subsequent to changes in national guidance made that related to a decision of the council, in accordance with the Council's Constitution, regarding the application of the legislative amendments.

And to further update with reference to The Adoption and Children (Coronavirus) (Amendment) (No2) Regulations 2020.

2. Information and Analysis

On 23rd April the Adoption and Children (Coronavirus) (Amendment) Regulations 2020 were enacted on 24th April; to end 25th September 2020. Under the 'savings provisions', certain amendments will still apply after 25th September.

The Department of Education have undertaken consultation from 16th July to 5th August which Derbyshire responded to.

The regulations make temporary variations to provide additional flexibility for local authorities, fostering providers and related services in England to meet statutory duties while maintaining a clear focus on safeguards and promoting the welfare of children.

Derbyshire did not adopt changes to all the sets of regulations allowed, only to those that were considered to be necessary. The broad intention was not to change general practice around children without a strong rationale and need to do so, some processes have been adopted which enabled case work to be responded to within statutory expectations and within a timely manner so reducing any potential for delays in child’s plans in light of the impact of the pandemic circumstances.

It is important to note that in line with the national guidance, there is an expectation that there will be full statutory compliance.

Further to the consultation, on the 28th August the Government introduced a new statutory instrument - The Adoption and Children (Coronavirus) (Amendment) (No2) Regulations 2020 which will enter force on 24 September, thus meeting Government’s commitment to provide Parliament with the customary opportunity for scrutiny. They will remain in force until 31 March 2021 and there is accompanying provisional guidance.

The new statutory instrument has been introduced to recognise that some services may continue to face specific and exceptional challenges into the autumn. And as more children are seen by schools, and social distancing eases further and hitherto hidden harms come to light, the Government recognised the requirement to be prepared for the potential additional demands that may still be placed on services.

The temporary regulations are intended to be used:

- Where the flexibilities are still needed to provide effective support for children involved with children’s social care services during the pandemic.
- Only due to lockdown, self-isolation or social distancing due to coronavirus (COVID-19).

Summary of officer decision review record for decision subject to ongoing review

Officer Decision re:	Reason why decision for continued subject to review
The Adoption and Children (Coronavirus) (Amendment) (No2) Regulations 2020	
Social work visits & Children in Care visits	To respond to potential local lockdown measures and previous messages from the Government. Whilst virtual means of engagement have proved invaluable, as the

	<p>lockdown has eased the level of face to face work is increasing where it is necessary to do so.</p> <p>To ensure visibility of children is maintained during these times albeit virtually. This method of practice is fundamental to offering a level of assurance around child welfare when face to face visiting is compromised due to safety issues for families and workers.</p> <p>This will continue with the new regulations supporting flexibility in visiting practice, in response to Covid restrictions and messages from the Government. This approach is consistent with the expectations that any visit must be carried out in accordance with any recommendations given by the relevant senior manager (nominated officer).</p>
<p>Fostering assessments - allowing for self-reporting of health information by the applicant in the first stage of the assessment.</p>	<p>In recognition by the government that the demands on health professionals to prioritise their capacity for other matters may impact on the timely receipt of medical information and therefore cause delay in making safe care arrangements for children.</p> <p>This flexibility has enabled fostering assessments to be progressed but in Derbyshire the following safeguards have been followed:</p> <ul style="list-style-type: none"> • Writing to the GP to explain the intention to assess the applicant as a foster carer and asking them to advise the local authority if they have information to the contrary, within 14 days.

	<ul style="list-style-type: none"> • Seeking the medical advisor's view if there are concerns. • Planning to obtain a fuller medical report as soon as possible. <p>This has been working well with good co-operation from GPs, no foster carers have been approved without the necessary health report. The fostering service have also reviewed the content of personal references to strengthen the assessment with reference to health.</p> <p>The temporary regulations do not remove the need for medical reports as they still must be obtained before the fostering agency can consider the suitability assessment of the prospective foster carer and their household.</p> <p>A final decision cannot be made without a medical report being obtained and considered as part of the suitability assessment.</p>
Children's Homes – Reg 44 Visits	<p>As a result of the lockdown measures and concerns around infection, it was agreed that monthly visits by independent people to report on how children's homes are being run would be undertaken on a virtual basis.</p> <p>This flexibility has not been extended and visits have already resumed to children's homes; the consequence of the amendment not being extended is that face-to-face visits need to resume to the disability homes, with a consequent increased risk of infection. Comprehensive risk assessment had been undertaken to minimise the risk of infection however it cannot be eliminated.</p>

	<p>However, in the light of increasing Covid 19 infection levels and Public Health guidance in late September, the intention is to revert to undertaking the monthly visit virtually to report on how a home is being run, unless there are home specific reasons which warrant it being done in person.</p>
<p>Care Planning, Placement and Case Review and Fostering Service</p> <p>PART 7 Care Planning and Independent Reviewing Officer (IRO) service</p>	<p>The timescales for Initial Child In Care Reviews is within 20 days of initial placement and there are no changes to this requirement however the role of the IRO has been amended to enable them to adjourn the review meeting for not more than 20 working days, without the need to satisfy the condition that there is insufficient information to consider.</p> <p>Child in Care Reviews should usually be held at intervals of not more than six months and the timing of reviews under Reg 33(2) is relaxed, meaning that where a review within six months is not possible, they must now take place ‘where reasonably practicable thereafter’.</p> <p>Derbyshire’s Independent Reviewing Officer Service has not adopted these flexibilities since the introduction of the revised regulations and there are no plans to adopt them at any time moving forward.</p> <p>Performance in relation to the level of IRO oversight during the COVID period has continued to be strong with increased levels of the IRO footprint being demonstrable in casework. The IRO Service has continued to be sufficiently</p>

	<p>resourced to deliver scrutiny of care plans, adding value to the experiences and outcomes for children in our care.</p> <p>Reviews are currently being conducted virtually through a number of social media means, with IROs prioritising separate conversations and video calls with children and young people where they are of an age where this is appropriate.</p> <p>Individual assessments are being made in relation to face to face visits, whilst adhering to the child's risk assessment and government guidance. It remains a priority to the service to increase face to face engagement when this is possible and policy guidance is being regularly reviewed.</p>
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Summary of officer decision review record for decisions that are no longer subject to review

Officer decision re: The Adoption and Children (Coronavirus) (Amendment) (No2) Regulations 2020	Reasons why decision no longer subject to review
Emergency placement with existing foster carers	Flexibility is not extended though emergency placements under regulation 23 of the Care Planning, Placement and Case Review Regulations 2010 that were made before 25 September 2020 can continue to last for up to 24 weeks in accordance with the amendments made by the Adoption and Children (Coronavirus) (Amendment) Regulations 2020. Placements made after this date must comply with

	<p>regulation 23 of the 2010 Regulations and must not last for longer than 6 working days.</p> <p>Compliance is achieved with the original statutory regulations though this could potentially limit flexibility and thus possibly impact on placement sufficiency.</p>
<p>Placements with Connected Persons</p>	<p>Flexibility is not extended though where assessment of a person as a temporary foster carer under regulation 24 has started, or a person under regulation 24 has been approved, before 25 September 2020, the assessment and approval process can continue in accordance with the amendments made by the Adoption and Children (Coronavirus) (Amendment) Regulations 2020.</p> <p>Such placements can continue for 24 weeks.</p> <p>Assessments under regulation 24 started after 25 September must comply with the original regulations and as such can only allow the temporary approval of a connected person for a maximum of 16 weeks while an assessment of suitability is completed.</p> <p>Compliance is achieved with the original statutory regulations though this does limit flexibility and thus could potentially impact on placement sufficiency. There is also the risk that decisions on approval may be deferred or based on limited information which may result in non-approval and thus unregulated placements, or changes in care planning which are not in the best interests of the child.</p>

<p>Duration of short break placements</p>	<p>This provision has not been extended.</p> <p>The usual requirement is that short; break placements last no more than 17 consecutive days (75 days in total in a 12-month period). Under these amendments, a child can now remain in the same short break placement for up to 75 days. To date it has not been necessary to use this amendment in Derbyshire.</p> <p>Compliance is achieved with the original statutory regulations though may limit flexibility and thus possibly impact on placement sufficiency.</p>
<p>Foster Care Panels</p>	<p>This has not been extended.</p> <p>Compliance is achieved with the original statutory regulations.</p> <p>At the time the Government first announced the lockdown on 23rd March and subsequently the communication from Ofsted on 09th April, Derbyshire set up systems to enable the fostering panel to meet virtually so that it can continue to meet and fulfil its function as usual, though virtually.</p> <p>To date this has not been required and Derbyshire's fostering panel has continued with the normal size and functions; but the availability of this option could enable greater agility to meet new demands in a timely manner or less complex matters to be addressed swiftly were the ongoing Coronavirus situation to worsen and impact on operational capacity</p>

<p>Enforcing self-isolation – deprivation of liberty</p>	<p>This has not been extended.</p> <p>This instrument enabled children’s homes to enforce a temporary deprivation of a child’s liberty in respect of a young person who is infectious or suspected of being infectious with coronavirus (COVID-19), to prevent the virus from spreading.</p> <p>To date Derbyshire have had no need to enforce any deprivation of liberty powers for any child in the care of the local authority.</p>
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3. Finance

The amendments do not overall incur additional costs, as they relate to temporary changes to practice, which can be met through existing resources and some changes will enable savings, such as mileage costs.

The imperative remains to adhere to statutory duties, maximise the sufficiency, availability and utilisation of DCC foster care over more costly placement types and these amendments, albeit greatly restricted from 25th September, support that objective.

4. Human Resources Considerations:

As part of the urgent officer decision-making process, regard has been had to human resources implications and these are detailed where appropriate on the original Officer Decisions

5. Legal Consideration

As detailed above, on the 28th August the Government introduced a new statutory instrument - The Adoption and Children (Coronavirus) (Amendment) (No2) Regulations 2020 which will enter force on 24th September and will remain in force until 31 March 2021.

Since the amendments were first enacted there has been national debate and some legal challenge by the voluntary sector e.g. by Article 39 who unsuccessfully applied to the High Court for a judicial review of the amendments.

It is not possible to predict the on-going impact of Coronavirus on practice and related operational challenges though in Derbyshire it is expected that the national picture will apply locally, i.e. some services may continue to face specific and exceptional challenges into the autumn and as hitherto hidden harms come to light, pressures on safeguarding services and children in care provision will grow.

Thus the intention is to maintain the approach detailed in the report agreed on 9th June i.e. not to change general practice around children without strong rationale; but to adapt some processes which will ease some complexity in light of current circumstances and reduce potential for delay in progressing/delivering on children's plans.

This will continue with reference to the reduced The Adoption and Children (Coronavirus) (Amendment) (No2) Regulations 2020; recognising that there will be full statutory compliance unless/until either that the LA is no longer in a position to do so or the existing statutory processes prevents the LA from discharging its responsibilities towards children effective in the current context.

Future planning will consider any legislative changes. This is a proportionate and appropriate response to the situation.

6. Equality Implications

The general principles and proposals within the original report were agreed through discussion with colleagues in Legal services and Finance.

An Equalities Impact Analysis was completed which remains current.

The Foster Care Council have discussed practice during the pandemic to identify both positives and challenges.

Additionally, the Participation and Children's Rights team undertook consultation with young people about how they felt about speaking to their social worker virtually and this was shared with the relevant managers to inform practice, some of the information is included above. Further consultation with children and young people was carried out during the Big Conversation in October.

7. Other Considerations

In preparing this report the relevance of the following factors has been considered: Social Value, Human Rights, equality of opportunity, health, environmental, transport, property, social value and crime and disorder considerations.

8. Background Papers

Officer Decision Recorded considered by Cabinet on 09th July

9. Key Decisions

As indicated in report

10. Call-in:

Is it required that the Call-in period be waived in respect of the decisions being proposed within this report?

No

11. Officer's Recommendations

1. Note how The Adoption and Children (Coronavirus) (Amendment) Regulations 2020 and amendments to practice and procedure have been applied to date.
2. Note how The Adoption and Children (Coronavirus) (Amendment) (No2) Regulations 2020 which will enter force on 24 September and will remain in force until 31 March 2021 will be applied, as approved by the Executive Director for Children's Services on 11th November 2020.
3. Agree that any further revisions of practice and procedure (falling within that permitted by The Adoption and Children (Coronavirus) (Amendment) (No2) Regulations 2020 including any subsequent extension can be made utilising the delegated powers of the Executive Director in consultation with the Lead Member for Children's Services.

Jane Parfremment
Executive Director for Children's Services

DERBYSHIRE COUNTY COUNCIL
OFFICER DECISION AND DECISION REVIEW RECORD

Officer: Jane Parfremment <i>*For emergency powers, this would be the Executive Director</i>		Service: Children's Services
Delegated Power Being Exercised: <i>*The delegation detailed in the Constitution to the specified officer or emergency powers</i>		
Executive Director - delegated Power under the emergency powers contained in the constitution		
Subject of Decision: (i.e. services affected)	<p>Cabinet on 9th July 2020, a number of the 10 amendments made to the regulations under the children act legislation. The Adoption and Children (Coronavirus) (Amendment) Regulations 2020, provided for flexibilities to be applied to the regulations during the Covid 19 period until the 25th September, which have now lapsed.</p> <p>Due to the strength of the children's social care workforce not all the amendments were deemed necessary to be applied in Derbyshire and delegated powers were also approved to the Executive Director for Children's Services in the specific areas as listed below and greater details is provided in the attached report intended for Cabinet.</p> <p>Below is an outline of those amendments that are deemed necessary to continue and those that are not.</p>	
Is this a review of a decision? If so, what was the date of the original decision?	Yes 9 th July 2020	
Key decision? If so have Democratic Services been notified?	Yes	
Decision Taken (specify precise details, including the period over which the decision will be in place and when it will be (further) reviewed):	<ul style="list-style-type: none"> • Continue to respond appropriately to any further potential of lockdown, social work and children in care visits; where direct visits are not possible due to potential risk to health, virtual visits to continue. • Continue to apply with additional safeguards, the flexibility of self-reporting of health information by the person making an application to foster. • Fostering Panels to continue to meet through virtual means. 	

	<ul style="list-style-type: none"> • Continue to assess the way independent visits to children’s homes are conducted to ensure the correct protective measures are put in place. • The flexibility for emergency placement with existing foster carers is not extended. • Assessment and temporary placement of a child with people not connected to the child is not extended. • Modifications the care planning for children and access short break placements with the same foster carer is not extended. • Enforcing self-isolation has not been extended
<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>Details in attached report – overarching theme is to maintain best practice wherever possible and only apply these amendments where there is a strong rationale to do so.</p> <p>Related Council policy objectives include;</p> <ul style="list-style-type: none"> • Keeping children safe • Achieving timely adoption • Improving the Sufficiency of placements for Children in care
<p>Alternative Options Considered (if appropriate) and reasons for rejection of other options</p>	<p>Full adoption of amendments – but the intention is to maintain robust practice wherever possible and only apply these permissive powers where there is a strong rationale to do so.</p>
<p>Has a risk assessment been conducted ?- if so what are the potential adverse impacts identified and how will these be mitigated?</p>	<p>Yes – as detailed in the EIA submitted with the report in July 2020. Main points:</p> <ul style="list-style-type: none"> • Where virtual visits risk missing the necessary scrutiny – other sources of information will be used to check the well-being of children.
<p>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</p>	<p>No</p>

or will be taken to communicate the decision	
Has any adverse impact on groups with protected characteristics been identified and if so, how will these be mitigated?	As detailed in EIA submitted in July 2020
Background/Reports/Information considered and attached (including Legal, HR, Financial, Equality and other considerations as required))	<p>Report attached with HR, legal and financial implications. Background papers available:</p> <ul style="list-style-type: none"> • The Adoption and Children (Coronavirus) (Amendment) Regulations 2020 • The Adoption and Children (Coronavirus)(Amendment) (No.2)Regulations 2020 • Review of The Adoption and Children (Coronavirus) (Amendment) Regulations 2020 and subsequent The Adoption and Children (Coronavirus) (Amendment) (No2) Regulations 2020 - Report to Cabinet 10th December 2020 <p>The purpose of The Adoption and Children (Coronavirus) (Amendment) Regulations 2020 is the instrument temporarily amended 10 sets of Regulations relating to children’s social care to support services manage the coronavirus (COVID-19) outbreak. The changes prioritise the needs of children, whilst relaxing some administrative and procedural obligations to support delivery of children’s services but maintaining appropriate safeguards in such extraordinary circumstances. Of the 10 amendments DCC will continue adopting four to support services to manage the increased pressure on children’s social care and staff. The amendments will continue to be in force until 31st March 2021. The proposals detailed in the report are therefore a proportionate response to the current COVID-19 situation.</p>
Consultation with relevant Cabinet Member (s) – please note this is obligatory.	Yes with Cllr Dale
Approval of Chair of appropriate Improvement and Scrutiny Committee where call in is intended to be waived – please	Yes with Gary Musson – previous report in July 2020

note this is obligatory in those circumstances

Decision:

1. To approve the amendments to practice and procedure as detailed above until 31st March 2021 or such earlier review of the The Adoption and Children (Coronavirus) (Amendment) Regulations 2020.
2. Continue to utilise delegated powers of the Executive Director in consultation with the Lead Member for Children's Services to agree that any further revisions of practice and procedure falling within that permitted by the The Adoption and Children (Coronavirus) (Amendment) Regulations 2020.

Signature and Date:



JANE PARFREMENT
11th November 2020

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Agenda Item.6(h)

DERBYSHIRE COUNTY COUNCIL

CABINET

10 December 2020

**REPORT OF THE EXECUTIVE DIRECTOR FOR ADULT SOCIAL CARE
AND HEALTH**

DIRECT CARE HOMES FOR OLDER PEOPLE: UPDATE ON ACTIONS

ADULT SOCIAL CARE AND HEALTH

1. Purpose of the Report

For Cabinet to note the progress report on the actions and subsequent proposed next steps following the 4 June Cabinet report.

2. Background

On 4 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)

In this report 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 them, 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.

3. Information and Analysis

Progress report:

1. Programme of essential works on seven homes: Property have compiled a schedule of essential works required on the homes for older people which has been submitted for consideration as part of the capital programme. This schedule includes all works which relate to the safety and soundness of the seven buildings listed above including (where required) roof works, heating works/replacement of boilers, replacement of kitchen ventilation, etc. These are works which are deemed to be required over the next one to two years, but this does not include rewiring or full refurbishment which would need to be part of a longer-term plan. The funding for this proposed programme will be considered as part of the overall Capital Programme which will be reported to Cabinet in January 2021.

Should the Council consider the use of the older homes beyond two years, it will be necessary to develop a further plan for their continued use as they will require a comprehensive invasive re-wire and major refurbishment of their fabric. To develop this plan feasibility studies will be required that will describe potential options and provide budgeting estimates. Evaluation of the feasibilities will inform a subsequent capital strategy bid that will be required in twelve months to complete the additional, essential major refurbishment work. It should be noted that the outline budgeting cost for seven home refurbishments approximates to £30.000m.

2. Refurbishment of three homes: The Business Case for this programme of work has been finalised and the funding and procurement process were approved by Cabinet on 10 September 2020. The procurement process is now underway with a view to awarding a contract in January 2021, with work commencing in Spring 2021. It is envisaged that the three homes will be refurbished including rewiring and installation of sprinkler systems by September 2022.
3. Scrutiny oversight: People Scrutiny committee established a working group which has considered the current mitigation arrangements associated with the homes which require rewiring, and also considered key principles in developing any new proposals for the homes (i.e. definition of terminology “local”, “suitable” and “reasonable”). On the basis of the review so far the Committee reports it 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, and that it 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. An interim report from the Scrutiny committee, “Next Steps in Relation to Direct Care Homes for Older People”, was presented to Cabinet on 19 November 2020. It is requested that the People Scrutiny committee complete the remainder of their work programme by the end of January 2021.
4. Revised Market Position Statement needs analysis and strategy development: preparations for undertaking public and stakeholder engagement in order to revise the Market Position Statement were well advanced prior to the COVID-19 pandemic. The programme of engagement and development activity has been reviewed in light of this and a revised programme plan is in place with a focus on market shaping and market development. Recognising the impact COVID-19 has had on the care market, an Interim Market Position Statement 2021-22 will be produced to support the Council’s approach to fee modelling in 2021-22. It is intended to have a first draft of the Interim Market Position Statement by the end of December 2020 using data from the new reporting arrangements introduced as a result of the pandemic, for example the national Capacity Tracker data; and following completion of the citizen engagement process, an updated version will be completed by February 2021.

A virtual Older People’s Housing, Accommodation and Support investment event will take place on 14 December 2020 which will help to inform the medium/ longer-term development opportunities to support the implementation of the Strategy. There is also a requirement to undertake a review of the overarching Health and Wellbeing Strategy and Joint Strategic Needs Analysis in order to inform any future strategic planning.

Next steps:

Revised prospective key dates for future actions are as follows:

- December 2020 – January: citizen engagement and with care providers undertaken (including information from the virtual investment event 14 December 2020)
- February 2021: completion of an interim Market Position Statement to respond to the impact of COVID-19, which will be reported to Cabinet in March 2021
- Summer 2021 (estimated post pandemic): commencement of a full review of the care market to develop a refreshed Market Position Statement, review of the Health and Wellbeing Strategy and Joint Strategic Needs Analysis.
- Summer 2021: completion of feasibility work on the seven homes which require rewiring
- Autumn 2021: consideration of a longer-term strategic plan taking account of the revised Market Position Statement, Health and Wellbeing Strategy and Joint Strategic Needs Analysis.

4. Financial Considerations

There are no direct financial implications as a result of this report. The feasibility studies described above will be funded through existing revenue budgets. The funding for essential works will be considered by Cabinet as part of the overall Capital Programme in January 2021.

5. Other Considerations

In preparing this report the relevance of the following factors has been considered: Human resource, Legal, Social Value, Human Rights, equality of opportunity, health, environmental, transport, property and crime and disorder considerations.

6. Background Papers

4 June 2020 Cabinet report: Outcome of the consultation on the future of Direct Care homes for older people

7. Key Decision

Yes

8. Is it required that the Call-in period be waived in respect of the decisions being proposed within this report? -

No

9. Officer's Recommendation

For Cabinet to:

- Note the update on actions outlined in this report
- Agree to the revised timeline for reporting on the revised Market Position Statement

**Helen Jones
Executive Director – Adult Social Care & Health
County Hall
MATLOCK**

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