

MINUTES of a meeting of **CABINET** held on 21 November 2019 at County Hall, Matlock.

PRESENT

Councillor B Lewis (in the Chair)

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

Declarations of Interest

There were no declarations of interest made.

179/19 MINORITY GROUP LEADERS' QUESTIONS

There were no Minority Group Leader questions.

180/19 MINUTES RESOLVED that the non-exempt minutes of the meetings of Cabinet held on 10 October 2019 be confirmed as correct records and signed by the Chairman.

181/19 CABINET MEMBER MEETINGS - MINUTES RESOLVED to receive the non-exempt minutes of Cabinet Member meetings as follows:

- (a) Young People – 8 October & 5 November 2019
- (b) Corporate Services – 10 October 2019
- (c) Economic Development & Regeneration – 10 October 2019
- (d) Health & Communities – 10 October 2019
- (e) Highways, Transport & Infrastructure – 10 October 2019
- (f) Strategic Leadership, Culture & Tourism – 24 October 2019

182/19 MINUTE'S SILENCE

At the Leader's request, all present at the meeting observed a minute's silence to mark the passing of John Williams, a former Leader of Derbyshire County Council.

183/19 BUDGET MONITORING 2019-20 (as at 31 August 2019)
(Strategic Leadership, Culture and Tourism) The Director of Finance and ICT informed Cabinet of the Revenue Budget position for 2019-20 as at 31 August 2019.

The report summarised the controllable budget position by Cabinet Member Portfolios as at 31 August 2019 and further reports would be considered at Audit Committee and Council in accordance with the Budget Monitoring Policy and Financial Regulations.

A Council portfolio underspend of £0.523m was forecast after the use of £3,382m of Earmarked Reserves to support the Highways, Transport and Infrastructure and Young People portfolios as detailed in the report. Any underspends in 2019-20 would be used to manage the budget in 2020-21.

The Risk Management Budget was forecast to underspend by £9.366m. This included an additional £5.117m of Business Rates Relief grant funding and a virement of £5.000m of budget from the Adult Care portfolio. It was proposed to use £5.000m of additional Business Rates Relief funding to establish a Business Rates Relief Earmarked Reserve.

Details of the Council's Earmarked Reserves balances as at 31 August 2019 were set out in Appendix One to the report and the recent review of the Council's reserves balances was reported to Cabinet later in the meeting.

RESOLVED to (1) note the 2019-20 budget monitoring position as at 31 August 2019;

(2) Approve the revision to the profile of the one-off reductions to the Capital Adjustment Reserve from 2019-20 to 2021-22; and

(3) Approve the establishment of a Business Rates Relief Earmarked Reserve and a contribution of £5.000m from additional Business Rates Relief Grant into this reserve, the purpose of which would be subject to further consideration by Members.

184/19 RESERVES POSITION (Strategic Leadership, Culture and Tourism) The Director of Finance and ICT reported on the current and forecast positions for both General and Earmarked Reserves and sought approval for the Reserves Policy.

Section 43 of the Local Government Finance Act 1992 required precepting authorities in England and Wales to assess the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. A range of safeguards were in place to prevent local authorities over-committing themselves financially. These requirements were reinforced by Section 114 of the Local Government Finance Act 1988, which required the Chief Finance Officer to report to Council if there is, or was likely to be, unlawful expenditure or an unbalanced budget. The Council had in place a Reserves Policy which ensured the Council met its statutory obligations and which set out the framework within which decisions were made regarding the

level of reserves. In line with this framework, the balance and level of Earmarked and General Reserves were regularly monitored to ensure they reflected a level adequate to manage the risks of the Council.

The Council's General Reserve position was reported to Cabinet on 11 July 2019, as part of the Revenue Outturn Report 2018-19. The level of General Reserve projections had been updated as part of the updated Five Year Financial Plan 2019-20 to 2023-24. General Reserves were forecast to be between £18m and £48m over the medium-term.

Earmarked Reserves were a means of smoothing expenditure to meet known or predicted liabilities. Funds should be used for the item for which they had been set aside. Any funds no longer required should be transferred to the General Reserve. Earmarked Reserves totalling £233.447m were held at 1 April 2019. Of this total, £125.625m (54%) was available to support future spending. Further details of the balances were categorised in accordance with the Reserves Policy within the report.

RESOLVED to (1) note the current position on Earmarked Reserves;

(2) Note the details of the balances to be released from Earmarked Reserve balances; and

(3) Approve the allocation of £1.015m Earmarked Reserves released to the General Reserve.

185/19 TREASURY MANAGEMENT ANNUAL REPORT 2018-19
(Corporate Services) The Director of Finance and ICT updated Cabinet on Treasury Management activities during the last financial year 2018-19, also indicating the Council's compliance with the prudential indicators set by Council at its meeting of 7 February 2018, in accordance with the Treasury Management in the Public Services: Code of Practice and Cross-Sectional Guidance Notes 2017.

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.

RESOLVED to (1) note the Treasury Management Annual Report 2018-19;

(2) Note the Council's compliance with the prudential indicators set by Council for 2018-19, in accordance with the terms of the Treasury Management in the Public Services: Code of Practice and Cross-Sectional Guidance Notes 2017.

186/19 SUPPLIER EARLY PAYMENT DISCOUNT SCHEME (Corporate Services) Cabinet approval was sought for the intention to procure an early payment discount scheme to be offered to suppliers of the Council who submitted invoices for payment in respect of goods and services.

The scheme aimed to enable to achieve greater efficiencies around procurement activities and reduce ordering and invoice processing costs. It was also likely to provide a cost-reduction stream for re-investment into further process improvements helping to meet the Council's budget reduction targets. An added benefit was that it would allow the Council to develop better relationships with suppliers, improve their cash flow, contributing to a better trading position allowing benefits to be passed to their employees and the local economy.

An early payment discount scheme involved the Council's suppliers signing up to a voluntary agreement whereby they offered the Council a percentage discount, between 0.25% and 2% of the invoice value in return for payment of the invoice being made sooner than the agreed contractual payment terms, leading to a payment generally within 10 to 20 days. External third party providers had entered the market with various offerings. These providers would undertake the supplier engagement on the Council's behalf, ensuring that the on-going systems and arrangements were in place to achieve a successful scheme. It was the intention to appoint a third party provider from a non-DCC framework. In return, the provider would take a percentage of any new discounts achieved, usually in the region of 50%. A number of other councils and public bodies had entered into such arrangements and achieved successful outcomes.

RESOLVED to (1) approve the procurement of an external third party provider to implement and deliver a supplier early payment discount scheme.

(2) Approve the re-investment of supplier discount income for further process and system improvements, contributing to budget reduction targets.

(3) Approve a transformational change programme around procuring, ordering and payment processes as part of a finance review across the Council.

187/19 CORPORATE ENVIRONMENT POLICY AND CARBON REDUCTION PLAN (Economic Development and Regeneration) Cabinet approval was sought for the Council's draft Carbon Reduction Plan and the

updated Corporate Environment Policy which supported the delivery of the Council's Climate and Carbon Reduction Manifesto.

The Council had set out its commitment to tackling climate change in its Climate and Carbon Reduction Manifesto which was published on 13 May 2019. To deliver the Manifesto, the Council committed to lead by example and bring together local people, voluntary groups, other councils and businesses to take action together. As part of the Manifesto, the Council also pledged to produce further targets and objectives for carbon reduction within six months.

Over the previous six months the Council had been working across the authority and with stakeholders to further develop and deliver commitments set out in the Manifesto. An update on overall progress and a new Derbyshire Environment and Climate Change Framework, which set out the approach the Council and district and borough councils would take to tackle the broader climate change agenda were the subject of a separate report to Cabinet.

To ensure the Council played its part in reducing harmful emissions from its own estate and operations, work had been taking place to develop a new Carbon Reduction Plan. The aim of the Plan, attached to the report at Appendix A, was to reduce greenhouse gas emissions, including carbon emissions, from the Council's own estate and operations with the aim of having net zero greenhouse gas (GHG) emissions by 2032. It set out GHG targets and details of how these targets could be achieved. The Plan was a vital component in supporting the Council Manifesto commitment to lead by example.

The Council had already made good progress in reducing greenhouse gas emissions from its own estate and operations. Latest provisional figures showed that the Council had reduced emissions from a baseline of 42,966 tonnes of carbon dioxide and equivalent greenhouse gases (CO₂e) in 2009/10 to 22,059 in 2018/19. This represented a reduction of 48% from the baseline. Whilst good progress had been made, further actions were required to ensure the Council achieved the target of net zero GHG emissions by 2032. The draft Plan set out the proposed actions and the Council's proposed approach moving forward.

Work had taken place to estimate the likely reduction in emissions arising from these and other actions set out in the draft Plan. This had enabled projected emissions figures to be produced to assist the Council in developing a roadmap and timetable for achieving net zero greenhouse gas emissions by 2032. Projections suggested that emissions could be reduced by 93% to 2,760 tonnes CO₂e by 2032. By offsetting the remaining emissions through carbon capture and storage by trees, the Council could become 'greenhouse gas neutral' by 2032.

The Carbon Reduction Plan was to be regularly reviewed and updated to monitor and evaluate progress and to take account of new technologies and developments as they become available. Data would be collated, analysed and monitored through the corporate performance management system, with an annual report on progress made to Cabinet.

The Carbon Reduction Plan supported the wider Corporate Environment Policy, which set out the Council's commitment to managing the environmental impacts of its operations and improving its environmental performance. The Policy covered water use, reducing waste, minimising pollution, protecting the natural and built environment and using the Council's purchasing power to reduce negative environmental impacts and improve the environmental standards of the products and services the Council purchased. The Policy had been updated to reflect the new targets set out in the Carbon Reduction Plan, attached to the report at Appendix B.

The Environment Policy was to be supported through two further policies which were in development. Guidance on water and energy use and management, for staff, was to be provided through a Corporate Utilities Policy. In addition, a Corporate Heating, Ventilation and Cooling Policy was being developed to provide guidance on this area of work.

The Leader, in supporting the proposals, also suggested the creation of a Climate Action Grant scheme, aimed at supporting environmental projects related to, for example, flood resilience, adaptation processes and community energy options.

RESOLVED to (1) note progress to date in reducing greenhouse gas emissions from the Council estate and operations;

(2) Approve the Council's draft Carbon Reduction Plan;

(3) Adopt the aim to have net zero greenhouse gas emissions by 2032 as set out in the Plan;

(4) Approve the updated Corporate Environmental Policy;

(5) Approve proposals to put in place a training and development plan for officers and Members; and

(6) Receive an annual report on further progress in reducing greenhouse gas emissions from the Council estate and operations in November 2020.

188/19 DELIVERING THE CLIMATE AND CARBON REDUCTION MANIFESTO (Economic Development and Regeneration) Cabinet was updated on progress on the delivery of the Council's Climate and Carbon Reduction Manifesto and approval was sought to adopt the Derbyshire Environment and Climate Change Framework and the Derbyshire Low Emission Vehicle Strategy.

On 13 May 2019, the Council had published its Climate and Carbon Reduction Manifesto, recognising the global challenge of climate change. The Manifesto set out the Council's commitment to take a strategic leadership role in bringing together partners and stakeholders across Derbyshire to work together to tackle climate change and was supported by a Motion approved at Full Council on 15 May 2019 containing a number of additional pledges to tackle climate change. Both the Manifesto and the Motion made a commitment to produce further targets and objectives for reducing carbon emissions across Derbyshire within six months. Agreement had been reached at the United Nations Framework Convention on Climate Change Paris Agreement in 2015 to limit the global temperature rise to a maximum of 2°C. Significant work had been carried out as a result of this agreement to calculate the cumulative amount of carbon dioxide (CO₂) emissions permitted to keep the earth within a certain temperature threshold. This was known as the global carbon budget.

The global carbon budget had then been divided amongst individual countries, including the UK. Further work had been undertaken by The Tyndall Centre, on behalf of the Government, to allocate the UK carbon budget amongst local authority areas. In September 2019 local carbon budgets were made available at district and borough level. To support work at a county level, local carbon budgets had subsequently been aggregated to produce a carbon budget for the county. There was no legal requirement for local authorities to take action to meet local carbon budgets, however in view of the UK's commitment to achieve at least net carbon zero emissions in the UK by 2050, emissions targets were likely to be set for local authorities at some point.

Since the launch of the Manifesto in May 2019, the Council had been working to develop and deliver agreed pledges. The Council had made significant progress on a number of areas as detailed in the report. The Council had also been working with partners to develop the Derbyshire Environment and Climate Change Framework and the Derbyshire Low Emission Vehicle Infrastructure Strategy, as again detailed in the report.

It was clear that local authorities alone could not achieve the necessary reduction in emissions in Derbyshire. Climate change was widely recognised by organisations, businesses and the general public as one of the most critical challenges in the world and there was widespread desire to tackle it. However,

understanding of how people could help was less widely understood. It was therefore necessary to gain a mutual understanding and consensus of the issues and solutions to ensure effective planning, co-ordination and implementation of the work moving forwards. A Climate Change Communications Plan had been developed to ensure that the Council had an effective programme of work in place. The Plan focused on a social media campaign demonstrating how the Council was committed to protecting the environment. A Climate Summit was also to be held in March 2020 to present the Framework and proposals to reduce emissions in order to publicise the work and to seek wider support. Work to deliver and monitor the framework was to be co-ordinated by the Derbyshire Environment and Climate Change Officer Working Group, which comprised of officers from the county, district and borough councils in Derbyshire. Oversight of the Framework was to be provided by the Derbyshire Chief Executives' Group and formal governance arrangements were to be developed.

As set out in the report, the development and implementation of a range of key strategies was fundamental to the success of the Framework and in reducing emissions across Derbyshire. Progress on these strategies was to be reported to Cabinet, as appropriate, on a regular basis, as part of the monitoring arrangements for each Strategy. Reports on the overall delivery of the Framework and the Manifesto pledges was to be brought to Cabinet every six months. These reports would provide an overview of the key actions undertaken and planned to reduce the county's emissions, and would provide updated figures, when available, on actual emissions by district and borough and for the county as a whole.

A key manifesto pledge was to call on the UK government to ensure the level of investment and national planning regulations supported the Council's climate change ambitions. Additional work was needed within the subsequent six months to understand the national landscape around climate change and to urge government to support local authorities in delivering meaningful action.

To ensure progress was maintained to help deliver the Low Emission Vehicle Infrastructure Strategy a cross Council working group was to be established. It would also be necessary to engage with a range of external stakeholders, including colleagues from all Derbyshire's local planning authorities. Governance and monitoring of the Strategy would be undertaken through the Environmental Sustainability Group, and reports were to be made to Cabinet on a regular basis.

RESOLVED to (1) note progress in delivering the Climate and Carbon Reduction Manifesto;

(2) Formally adopt the Environment and Climate Change Framework;

(3) Request that the UK government provide financial support for de-carbonisation and ensure that national planning regulations support efforts to reduce greenhouse gas emissions in Derbyshire.

(4) Approve the Low Emission Vehicle Strategy;

(5) Receive reports every six months on further progress in delivering the Framework and the Climate and Carbon Reduction Manifesto.

(6) Receive further reports on progress in delivering the Low Emission Vehicle Strategy.

189/19 INSURANCE CAPITAL MAINTENANCE POOL ALLOCATIONS IN 2019 (Young People/Corporate Services) Cabinet approval was sought for the jointly funded capital maintenance projects under the Insurance Capital Maintenance Pool for 2019-20.

The Insurance Capital Maintenance Pool (IMP) was a building capital maintenance scheme for those schools that joined for the period 2018-2021. Under the IMP, projects with a value of between £20K and £40K for primary schools and between £50K and £100K for secondary schools were jointly funded by the IMP and the School Condition element of the Children's Services Capital Budget if the project was deemed to be a priority condition in accordance with the condition survey, or the works were considered to be urgent in nature upon the advice of the surveying team. The projects detailed in Annex A to the report were further schemes proposed for 2019-20.

RESOLVED to approve the projects detailed in Annex A to the report and the expenditure of £1,195,800 from IMP and £452,000 from the Children's Services Capital Fund.

190/19 CHILDREN'S SERVICES CAPITAL PROGRAMME 2019-20 – URGENT DECISION TAKEN BY THE EXECUTIVE DIRECTOR FOR CHILDREN'S SERVICES (Young People) Cabinet was asked to note an urgent decision taken by the Executive Director for Children's Services to approve a further allocation from the Children's Services Capital Programme 2019-20 for the new primary school at Highfields Farm.

On 14 September 2017 Cabinet approved a consultation on the opening of a new primary school at Highfields Farm to accommodate the pupils from a development of 1,200 houses. Since then the Authority has been working with the Spencer Academy Trust to develop the project with a view to opening the school in September 2020. Under the terms of the Section 106 agreement, the developer was required to provide £4,384,581 in capital funds for the primary school and on 26 July 2018, Cabinet approved an additional £1,126,000 to provide a total of £5,510,581 to build a one form entry school. The contract for

the school was awarded under the SCAPE framework and the start of construction was imminent. In view of the short timescales for delivering the school, a modern form of construction (modular) was selected. Under this form of construction, the sections of building are constructed off site under factory conditions and then craned into position on site. This is the first time Derbyshire County Council has used this form of construction for a complete school.

The tender price was received from the framework contractor and the total price was £6.2M which was £689,419 above the available budget. Under the terms of the S106, there was scope for the Authority to request a further £228,672 as the tender prices has exceeded the original S106 contribution. This reduced the shortfall to £460,747 which would have had to be funded from the Children's Services capital budget for 2019-2020. As the additional S106 contribution was yet to be secured, it was proposed that the full sum of £689,419 be approved on the basis that the S106 contribution would be refunded in due course. To achieve an opening date in September 2020, the contract required agreement by 20 September 2019. Per the programme, the school was due to be completed on 18 August 2020 which was a tight timescale leaving little scope for delays. Within that programme there was a booked manufacturing slot with the off-site construction company and failure to achieve those programme dates could have resulted in a significant delay with the school. The Trust, in relation to another new school, had indicated that whilst it would accept a short period of temporary arrangements, if the delay was prolonged, it would wish to delay the opening for a full academic year. Such a delay was unacceptable to the residents of the new development and would place significant strain on places at nearby schools. The Cabinet Member for Young People was consulted and in agreement with this strategy.

RESOLVED to note the urgent decision taken on 17 September 2019 by the Executive Director for Children's Services for the approval of £689,419 for the new primary school at Highfields Farm.

191/19 VOLUNTARY AND COMMUNITY SECTOR GRANTS (Adult Social Care, Health and Communities, Strategic Leadership, Culture and Tourism) Cabinet approval was sought to extend recurrent payments to Voluntary and Community Sector (VCS) organisations for a period of six months from 1 April 2020 to 30 September 2020.

At Cabinet on 28 February 2019, the County Council agreed plans to undertake a council wide review of VCS grants. During the review process it was important to ensure that all current grant funded organisations were not adversely affected and that the security and stability of the sector was maintained. It was therefore proposed that funding for all 2019/20 grant funded organisations was maintained for the first six months of the 2020/21 financial year, until 30 September 2020, whilst the review continued.

RESOLVED to (1) note progress on the review of voluntary and community sector grants;

(2) Receive a further report on VCS infrastructure proposals and Grant review update in January 2020;

(3) Approve the proposed grant allocation of £713,446 to VCS organisations for six months from April 2020 to September 2020 for activity as set out in the report.

(4) Receive a further report, outlining the proposals for how VCS organisations would be funded beyond September 2020, for approval in July 2020.

192/19 EXCLUSION OF THE PUBLIC FROM THE MEETING.
RESOLVED that the public be excluded from the meeting during the consideration of the remaining items on the agenda to avoid the disclosure of the kind of exempt information detailed in the following summary of proceedings.

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

1. To consider Minority Group Leaders' Questions (if any).
2. To confirm the Exempt Minutes of the meetings of Cabinet held on 10 October 2019.
3. To receive the exempt minutes of Cabinet Member meetings as follows:
 - (a) Young People – 8 October 2019
 - (b) Corporate Services – 10 October 2019
 - (c) Health & Communities – 10 October 2019
4. To consider exempt reports as follows:-
 - (a) Corporate Maintenance Budget Planned Maintenance Programme (2019-2020) – Executive Director Commissioning, Communities and Policy (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
 - (b) Long Term Waste Management Contract – Funding for Advisors, Variation and Extension of Advisor Appointments and Noting of Urgent Decision taken by the Executive Director Economy, Transport and Environment (contains information relating to the

financial or business affairs of any particular person (including the Authority holding that information)) – This item was withdrawn.