

**MINUTES** of a meeting of **CABINET** held on 13 February 2020 at County Hall, Matlock.

**PRESENT**

Councillor B Lewis (in the Chair)

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

Apologies for absence were received on behalf of Councillor S A Spencer.

**Declarations of Interest**

Councillors A Dale and B Lewis declared personal interests in Agenda Item 6(a) – Income Generation Through Advertising as Members of North East Derbyshire District Council.

**24/20 MINORITY GROUP LEADERS' QUESTIONS**

There were no Minority Group Leader questions.

**25/20 MINUTES RESOLVED** that the non-exempt minutes of the meetings of Cabinet held on 16 and 23 January 2020 be confirmed as a correct record and signed by the Chairman.

**26/20 CABINET MEMBER MEETINGS - MINUTES RESOLVED** to receive the non-exempt minutes of Cabinet Member meetings as follows:

- (a) Young People – 7 January 2020
- (b) Economic Development & Regeneration – 16 January 2020
- (c) Adult Social Care – 23 January 2020
- (d) Highways Transport & Infrastructure – 23 January 2020
- (e) Strategic Leadership, Culture & Tourism – 23 January 2020

**27/20 INCOME GENERATION THROUGH ADVERTISING** (Corporate Services) The Executive Director – Commissioning, Communities and Policy sought approval to generate income for Derbyshire County Council, through selling advertising space on selected Council platforms, procuring a specialist company to deliver the initiative by a Concession Contract awarded under Protocol 1 of the Council's Financial Regulations, in partnership with two District Councils in the initial phase.

In line with around fifty other councils across the UK, the Council had the opportunity to achieve its savings targets in the Communications area by generating income through advertising on carefully selected platforms.

An internal precedent for income generation through Communications activity already existed, with the provision of a crisis communications service to schools, which generated in the region of £50,000 per annum. Income generation through advertising embraced the 'Enterprising Council' approach and would see managed advertising appear on the Council's website, in Derbyshire Now magazine, with the issuing of the Gold Card travel permit and in newspaper/magazine advertising related to the Trusted Trader scheme. It was estimated, through benchmarking against other local authorities, that an income of over £125,000 could be made in the first year of the contract.

Most councils restricted advertising that was not aligned with social value aims, prohibiting areas like gambling, alcohol, fast food and pay day loan companies and it was recommended that the Council followed these principles. Political advertising was prohibited by law on local government websites and intrusive advertising such as pop-ups were also largely banned. An advertising policy for the Council was set out in Appendix 1 to the report, which would ensure that only appropriate advertising was carried on Council platforms.

The introduction of advertising to the Council website, and potentially other relevant websites within the Council's control, was one of the main drivers of this approach. Advertising was now a feature on 52 local government websites. In areas where advertising had been allowed, there had been relatively few complaints from residents largely because the use of advertising was so widespread across the internet. Advertising would be placed in agreed areas of web pages and would not detract from the information presented. It was expected that the website would make around 26% of the income target in the first year of delivery, with that percentage increasing significantly over time.

It was proposed that an equivalent of eight full pages of Derbyshire Now be dedicated to advertising, with the introduction of three regional editions to maximise income generation opportunities (north-east, mid and south Derbyshire). In order to maintain the space currently enjoyed for Council articles and to keep within postal cost brackets, it was proposed to add eight pages to the publication and to reduce the physical size of the magazine by a third. It was anticipated that Derbyshire Now would make around 53% of the income target in the first year of delivery.

The Gold Card opt-in scheme currently attracted approximately 35,000 people to sign up or be issued replacement cards each year. Promotional materials could be included when cards were issued or replaced at no cost

other than production, which would be no more than a few thousand pounds per year and would be mitigated by income. It was expected that the Gold Card would make around 9% of the income target in the first year of delivery.

There were around 1,000 traders registered within the Trusted Trader Scheme and there were opportunities to promote the scheme in a more commercial way which could include newspaper and magazine advertising placed by the Council, with traders paying to be featured within adverts and/or features in Derbyshire Now online (our e-newsletter). It was anticipated that the Trusted Trader Scheme would make around 12% of the income target in the first year of delivery.

Gaining income from advertising required a sales-based operation, targeting companies who might want to take advantage of the offer and significant logistical expertise to manage and deliver the technical and offline requirements. The Council could appoint an existing company to deliver its requirements, or could set up an in-house service. An in-house service would enable the Council, over time, to embed commercial advertising expertise within the organisation. However, it would also; be a higher risk model if the Council underachieved on sales, given the cost of employing staff; be difficult to implement within the Council's pay structure given the need to pay a commission based on the sales achieved (which will drive higher income targets); require new resource-intensive processes to manage administration and finance and require a commercial skillset that did not currently exist within the organisation.

As such, it was recommended that a delivery model be adopted which gives the Council access to commercial expertise, without the risk and overhead costs of employing staff directly. The preferred approach would be to commission a company with a proven track record of working with councils, to generate income from advertising on a payment-by-results model. A number of such organisations exist and the Council would expect to pay a commission of between 35% and 25% based on volume of sales.

The procurement of this service falls within the Concession's category and due to the value of the contract, it would not require advertising in the Official Journal of the European Union (OJEU), but would require advertising on Source Derbyshire and Contracts Finder. Clear requirements for reporting, auditing and payment would be laid out in the Procurement documents, with the contract managed by Communications and Customers and offered initially on two year contract term, with the option for the Council to extend for a further year.

Once established, this income generation model might provide an opportunity for district councils to utilise their assets in a similar way in partnership with the Council. In order to test this, North-East Derbyshire and

Bolsover District Councils would join the Council in the procurement exercise, in order to deliver advertising on their own platforms. Their requirements would be part of the Council's tender documents, but all councils would hold their own contracts with any chosen supplier.

**RESOLVED** to approve (1) the principle of generating income through advertising at the Council;

(2) the appointment of an external company to deliver this opportunity, paid on a commission basis through the award of a Concessions Contract awarded under Protocol 1 of the Council's Financial Regulations; and

(3) North-East Derbyshire and Bolsover District Council's inclusion in the initial phase as a pilot, with a view to potential expansion to other District Councils in the future (with future approval of District Council involvement being delegated to the Executive Director for Commissioning, Communities & Policy).

**28/20      PROCUREMENT TRANSFORMATION MID-PROGRAMME  
UPDATE ENTERPRISING PROCUREMENT AND VISION AND MISSION  
PROCUREMENT STRATEGY 2019-24 AND IMPLEMENTATION PLAN**

(Corporate Services) The Executive Director – Commissioning, Communities and Policy provided Cabinet with an update of the progress to date on the delivery of the previous 2018-21 Procurement Strategy at the halfway stage of the Procurement Improvement Programme including the additional actions taken which were outside of the scope of the previous Strategy.

The report also explained how the Procurement Vision and Mission utilised CIPS best practice to shape the future activity of Corporate Procurement to most effectively support the Council in achieving the objectives defined in the Council Plan 2017-21.

The report also included the annual iteration of the Procurement Strategy as required by Financial Regulations. Copies of all three documents were appended to the report.

**RESOLVED** to approve and endorse the Council's 2019 iteration of the Procurement Strategy covering the period 2019-2024

**29/20    AUDIT CHARTER, ROLE OF THE HEAD OF INTERNAL AUDIT IN  
PUBLIC SERVICE ORGANISATIONS AND RESULT OF EXTERNAL  
ASSESSMENT OF AUDIT SERVICES**

(Corporate Services) The Assistant Director of Finance (Audit) informed Cabinet of the review and update of the Audit Charter, which was a specific requirement of the Public Sector Internal Audit Standards (PSIAS), and recommended that Cabinet endorsed the Audit Charter as Council policy. The report also informed Cabinet of the update to

the Chartered Institute of Public Finance and Accountancy's (Cipfa) Statement on the Role of the Head of Internal Audit in Public Service Organisations and also of the result of the external assessment of Audit Services which was a requirement of the Public Sector Internal Audit Standards. A copy of the revised Charter was attached at and the CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations were attached as Appendices 1 and 2 respectively to the report.

**RESOLVED** to note (1) the review of the Audit Charter and approve it as Council policy;

(2) the update to the Chartered Institute of Public Finance and Accountancy's (Cipfa) Statement on the Role of the Head of Internal Audit in Public Service Organisations; and

(3) the result of the external assessment of Audit Services confirming that the Unit complies with the PSIAS overall and in each of the four areas of focus assessed.

### **30/20 CHILDREN'S SERVICES CAPITAL PROGRAMME 2019-20**

**FURTHER ALLOCATIONS** (Young People) The Executive Director – Children's Services reported on allocations approved under delegated powers by the Executive Director - Children's Services and the Head of Development and sought approval to further allocations from the 2019-20 Capital Programme and the allocation of Section 106 contributions.

On 11 July 2019, Cabinet approved and noted further allocations to the Children's Services Capital Programme which left an unallocated balance of £5,196,357. Approvals made under delegated powers by the Executive Director - Children's Services and the Head of Development to top up previously approved allocations were detailed in Appendix A to the report. The allocations totalled £589,884, leaving an unallocated balance of £4,606,473.

On 12 September 2019, Cabinet approved a further allocation of £190,562 for Dunston Primary School and an urgent decision by the Executive Director - Children's Services to approve £689,419 for the new primary school at Highfields Farm was reported to Cabinet on 21 November 2019, leaving an unallocated balance of £3,726,492.

School Devolved Formula Capital (DFC) Contributions totalling £129,257 from the 2018-19 programme of works were reported to Cabinet on 18 April 2019, as being paid into the Capital budget. This figure had now been revised down to £124,952 leaving the unallocated balance at £3,722,187.

Appendix B to the report detailed Section 106 Developer contributions totalling £319,167 that had been received. The Executive Director - Children's

Services approved, under delegated powers, for the monies to be repaid to the Children's Services Capital Programme Basic Need which funded the expansion schemes at the schools. The repayment of these contributions would increase the unallocated balance to £4,041,354.

On 26 July 2018, Cabinet approved £130,000 condition funding for a small extension to create new toilets and to refurbish the existing toilets at Rosliston CE Primary School. Following the approval, the School indicated they did not support the project and it was removed from the Programme. The funding could therefore be returned to the 2018-19 Capital Programme, bringing the unallocated balance to £4,171,354.

A project had been developed at Chinley Primary School to replace a terrapin building which had reached the end of its economic life. The total value of the project was £606,231. The project would be partially funded from S106 funding amounting to £288,413 from developments in the School's normal area and topped up with £317,818 from Basic Need, part of which would be repaid from further S106 contributions when received. On 11 July 2019, Cabinet approved the Basic Need allocation. However, due to an oversight, the £288,413 S106 funding was not formally allocated to the project. This allocation would not have any effect on the overall balance of the budget.

On 7 October 2019 the Executive Director - Children's Services approved £50,000 Basic Need funding under delegated powers to begin design work on a two classroom extension to increase the Chapel-en-le Frith Primary School's capacity from 420 to 490 as detailed in Appendix A to the report. The expansion of the School had been identified as a high priority Basic Need case with the accommodation being required for September 2020. A budget cost of £750,000 had been received for the scheme and £700,000 school condition funding (insufficient basic need) was required in addition to the already approved £50,000 in order to progress the scheme. This would leave an unallocated balance of £3,471,354.

Queen Elizabeth's Grammar School had developed an expansion scheme with a value of £2,462,015 to meet the demands of local housing growth. This scheme was the subject of a separate Cabinet report also due to be considered at the meeting on 13 February 2020, but kept separate due to the detail of the project and its funding. The Basic Need element was £629,506 and was included in this report to ensure that the balance of the Children's Services budget is correctly reported. This would leave an unallocated balance of £2,841,848.

**RESOLVED** to (1) note the allocations approved under delegated powers by the Executive Director - Children's Services totalling £463,684. 52;

(2) note the allocations approved under delegated powers by the Children's Services Head of Development totalling £126,200;

(3) note the change to the amount of DFC contributions received from schools as reported to Cabinet on 18 April 2019;

(4) note the cancellation of the project at Rosliston CE Primary School;

(5) approve the allocation of the £288,413 Section 106 funding towards the classroom project at Chinley Primary School;

(6) note the approval by the Executive Director - Children's Services for the repayment of £319,167 Section 106 Developer contributions to the Children's Services Capital Programme;

(7) approve the allocation of £700,000 school condition funding from the 2019-20 Capital Programme to expand Chapel-en-le Frith Primary School; and

(8) approve the allocation of £629,506 school condition funding from the 2019-20 Capital Programme to expand Queen Elizabeth's Grammar School in advance of the receipt of Section 106 contributions.

### **31/20 QUEEN ELIZABETH'S GRAMMAR SCHOOL – SECTION 106**

**FUNDING** (Young People) The Executive Director – Children's Services sought approval to the allocation of Section 106 funding from three housing developments in the Ashbourne area to Queen Elizabeth's Grammar School for an expansion project on the Boothby site.

The Academy had drawn up a feasibility study which would convert an existing building on the Boothby Site adjacent to the playing fields into a new two storey building to accommodate new changing rooms and a total of 9 classrooms as well as ancillary spaces at a total cost of £2,462,015. This would increase the net capacity of the school by 180 places.

Cabinet had approved a total of £700,818 S106 funding towards phase 1 of the Boothby project, details of which were presented. A further £631,691 was now available to the project and it was recommended that approval be given for the allocation of these funds to the project.

**RESOLVED** to approve the allocation of £631,691 S106 funding to the project.

### **32/20 PREVENTION GROUP CHANGE OF ELECTED MEMBER**

**PORTFOLIO** (Adult Social Care and Health) The Executive Director – Adult Social Care and Health sought approval to change lead member responsibility

for the Adult Care Prevention Group and associated budget, from the Elected Member Portfolio Holder for Adult Care to the Elected Member Portfolio Holder for Health and Communities with effect from 1 April 2020.

**RESOLVED** to approve the change of responsibility for the Prevention Group of services and associated budget from the Elected Member Portfolio Holder for Adult Social Care to the Elected Member Portfolio Holder for Health and Communities with effect from 1 April 2020.

**33/20 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 16 January 2020.
3. To receive the exempt minutes of Cabinet Member meetings as follows:
  - (a) Young People – 7 January 2020
  - (b) Adult Social Care – 23 January 2020
  - (c) Strategic Leadership, Culture & Tourism – 23 January 2020
4. To consider exempt reports as follows:-
  - (a) PSP (Derbyshire) LLP – A proposed Limited Liability Partnership – Executive Director - Commissioning, Communities and Policy (Corporate Services) (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
  - (b) Waste Management Contracts – Approval to Award a Contract for the Amber Valley and Erewash Organic Waste Treatment Contract - Executive Director - Economy, Transport and Environment (Highways, Transport and Infrastructure) (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
  - (c) Donut Creative Arts Studio (DCAS) – Executive Director - Children's Services (Young People) (contains information which is likely to reveal the identity of an individual)