

MINUTES of a meeting of **CABINET** held on **15 March 2016** at County Hall, Matlock.

PRESENT

Councillor A Western (in the Chair)

Councillors: D Allen, A Botham, D Collins and P J Smith

Councillors C Bisknell and B Lewis also attended the meeting.

Apologies for absence were submitted on behalf of Councillors J A Coyle and K P Morgan.

Mr I Stephenson, Chief Executive, declared that he was the sponsor of Shirebrook Academy, which was the subject of a report at Agenda item 7 (k).

80/16 **PUBLIC QUESTIONS** There were no public questions

81/16 **MINORITY GROUP LEADERS' QUESTIONS**

Question from Councillor B Lewis

(1) Agenda item 7(a) – Council Plan Update 2016/2017.

Congratulations on managing to fulfil the statutory requirement of a balanced budget. Does the Leader not agree that this is a good basis for achieving its statutory obligations next year?

Councillor Western replied that she looked forward to a fuller debate at the Council meeting.

(2) Agenda item 7(b) Departmental Service Plans – Economy, Transport and Environment Department

There has been a marked deterioration in the repair of potholes and that has been noted by the public and Elected Members. Could the Cabinet Member explain what he is doing to improve matters?

Councillor D Collins replied that it was not clear what was being referred to here – the speed, quality or quantity of repairs. The revenue maintenance budget has had to be cut for the fifth year in succession, from £25m to £15m, a total of around 40%. This in turn has affected the budgets available to carry out reactive maintenance and emergency repairs. At the same time, the government is investing £1.4m of capital per mile on the trunk road network up

until 2020, while local roads attract only £31,000 per mile over a similar period. While this money is welcome, it is clearly not enough.

Despite the relatively mild winter, the levels of rainfall have been exceptional, with long periods of sustained heavy rain. These conditions have caused problems with road foundations, ultimately leading to failure of the surface and the creation of potholes.

In 2015/16 we have carried out over 40,000 pothole repairs, roughly twice as many as a typical year. We also have a £23m programme Accelerated Highways Maintenance programme of patching and surface dressing that will improve road surfaces across the county and reduce the number of potholes in the future.

We have a much improved process for reporting, assessing, scheduling and repairing defects than in the past. This means we are able to make better use of our scarce resources, improving efficiency and reducing wastage.

We are also doing more repairs using a right first time approach – while this takes longer it does save money in the long run by reducing repeat repair costs. In addition we are looking at new methods of repair that might help us get more done for less.

(3) Agenda item 7(d) Budget Monitoring 2015/16

Winter Maintenance – given a relatively mild winter and one would assume lower levels of gritting, could the Cabinet Member explain the £1.3 m overspend? Also given the replacement of street lights with LEDs and lower electric costs, can the Cabinet Member explain why there is an overspend on street lighting?

Councillor D Collins replied that it is worth remembering that a reduction of £2m was made to the winter budget under the previous administration without any change to the size of the network. There was a £2m reserve set aside as contingency, which is still there. The £1.359m projected “overspend” includes vehicles, fuel, staff time, salt, snow clearing, depot costs, weather stations and weather forecasting etc. The biggest costs are vehicles, salt and salaries. We have a base budget of £1.973m that covers all the fixed costs of vehicles, depots, forecasting, weather stations etc, plus a stockpile of salt and a minimal level of actual gritting.

The majority of the “overspend” actually covers the cost of actions which clearly varies from year to year, depending on the weather. We will always “overspend” every year, but a reserve fund is created that covers these costs. This year, even with a mild winter, we have incurred significant costs, especially with recent precautionary salting operations and tackling snow conditions in the north west of the county.

This administration has invested £1.6m in 15 new gritters that are more fuel efficient, spread grit more accurately and some have greater carrying capacity, which has helped to reduce the cost of the operation. There are plans for further new vehicles in time for next winter as well. Two new weather stations at Brimington and Willington give us more accurate data and mean we can better target gritting actions and reduce the number of unnecessary runs.

(4) Agenda item 7(l) Children's Services Capital Programme 2015/16 Budget Adjustments

Could these issues, particularly the planning issues at Findern Primary School, have been avoided?

Councillor C Bisknell replied that projects such as the Kitchen scheme at Finder are chosen by Members for inclusion in the capital programme on the basis of a relatively high level feasibility study. These feasibility studies are intended to define a design solution and give an overall budget. It would not be desirable to invest too heavily in feasibility studies as not all projects are selected to go ahead. Clearly, sometimes, detailed planning can identify problems that were not apparent when the feasibility study was carried out. These can be due to the demands of planners, environmental mitigation following environmental surveys or a different technical solution being required following ground and structural surveys. It would not be good value for money to carry out these costly investigations as a part of the initial feasibility studies, not all of which will go ahead.

Naturally, a consequence of this is that sometimes it is necessary to increase project budgets to deal with the problems that have emerged but this happens in only a small minority of projects.

82/15 **MINUTES** **RESOLVED** that non-exempt Minutes of the meeting of Cabinet held on 23 February 2016 be confirmed as a correct record and signed by the Chair

83/15 **CABINET MEMBER MEETINGS – MINUTES** **RESOLVED** to receive the non-exempt minutes of Cabinet Member meetings as follows:-

- (a) Children's Services – 9 February 2016
- (b) Highways, Transport and Infrastructure – 9 February 2016
- (c) Council Services – 15 February 2016
- (d) Health and Communities – 18 February 2016

84/16 **COUNCIL PLAN UPDATE 2016/17** (Strategic Policy, Economic Development and Budget) The Council plan had been reviewed and an update for 2016/17 had been produced to ensure that the plan continued to reflect the priorities of the Council and remain fit for purpose.

RESOLVED that the Council Plan update 2016/17 be recommended for approval by Council.

85/16 **DEPARTMENTAL SERVICE PLANS 2016/17** (Strategic Policy, Economic Development and Budget) Approval was sought for the Departmental Service Plans for 2016/17 and their associated budgets. The Service Plans detailed how each department would contribute to the Council Plan priorities and they described how departments would deliver these priorities and how success or impact would be measured. Copies of the individual Service Plans were attached as appendices to the report

RESOLVED (1) to approve the 2016/17 departmental Service Plans; (2) that the Service Plans be submitted to full Council for endorsement; and (3) to note that a further report containing the Economy, Transport and Environment Departments Revenue Budget and Capital Works Programme would be presented to Cabinet during April 2016.

86/16 **VISIT PEAK DISTRICT AND DERBYSHIRE DESTINATION MANAGEMENT ORGANISATION – FINANCIAL CONTRIBUTION 2016/17** (Strategic Policy Economic Development and Budget) Approval was sought for core funding contribution to Visit Peak District and Derbyshire Destination Management Organisation for the financial year 2016/17.

A key driver of both the organisational reviews for the DMO had been to create a more sustainable funding model that was less reliant on local government core funding. This work was progressing well, not least evidenced by increased membership and the widening of focus of Visit Peak District and Derbyshire beyond the Peak District and across Derbyshire. Its strategic role in supporting the work and strategies of the Midlands Engine would also help sustain its relevance in the coming years.

Having regard to this changing emphasis, it was proposed that funding from the Council be sustained for a further year but that, in recognition of the continued financial pressures facing the Council, a gradual reduction in core funding be considered over the coming years as the DMO became more financially sustainable. It was proposed that officers work closely with the DMO to further develop the future funding model with the aim of creating a more self-sustaining organisation. Options for reduced funding would be provided for Members' consideration in due course.

RESOLVED (1) to approve the Council's contribution of £150,000 to support Visit Peak District and Derbyshire Destination Management Organisation for 2016/17 to be allocated from the Economic Regeneration revenue budget; and (2) that officers work closely with the DMO to develop a financial plan for 2017 onwards which recognises reduced grant funding from the Council.

87/16 BUDGET MONITORING 2015/16 (Strategic Policy Economic Development and Budget) **RESOLVED** to note the Revenue Budget position as at 31 December 2015.

88/16 CAPITAL BUDGET MONITORING TO MONTH 9 2015/16 (Strategic Policy Economic Development and Budget) **RESOLVED** to note the latest budget monitoring position for open capital schemes.

89/16 PROVISION OF EXTERNAL VENUE HIRE (Council Services) Approval was sought to undertake a procurement exercise to establish a multi-supplier framework agreement for the provision of external venue hire. Suppliers would be invited to submit tenders and meet certain criteria to be appointed onto the framework.

RESOLVED to approve a procurement exercise to establish a multi-supplier framework agreement for the provision of external venue hire.

90/16 COMMUNITY ASSET TRANSFER PROTOCOL (Council Services) Approval was sought to introduce a Community Asset Transfer Protocol to ensure that applications for community asset transfers were handled in a consistent and transparent way across the County. A draft protocol had been developed to define the corporate criteria, principles and process to be adhered to when an application for a community asset transfer from the voluntary and community sector organisation was received. The draft protocol set out a defined framework that would ensure consistency and transparency.

RESOLVED to approve the introduction of a Community Asset Transfer Protocol to ensure applications for community asset transfers are handled in a consistent and transparent way across the Council.

91/16 FUNDING FOR LUNCHEON CLUBS AND SERVICES IN RECEIPT OF SMALL GRANT AWARDS IN 2016/17 (Strategic Policy Economic Development and Budget/Adult Social Care) Cabinet was asked to agree to fund luncheon clubs by a permanent virement of budget from the Members Community Leadership Scheme to Adult Care.

The Council's approved revenue budget for 2016/17 incorporated proposals in relation to voluntary sector expenditure by Adult Care which included a commitment to review grant allocations to ensure that they met Adult Care priorities. As part of the review, it had been noted that, although the allocation of funding to luncheon clubs which received relatively small grant awards were highly valued by the Council, the responsibility for funding was not a priority for Adult Care. It was therefore proposed that the ongoing funding for these services should be supported through a permanent virement of budget from the Members' Community Leadership Scheme to Adult Care. It was proposed to top-slice £21,727 per annum and vire this to Adult Care. As a result, the

total amount available to each Member through the Members' Community Leadership Scheme would be reduced from £4,200 to £3,860 per annum.

RESOLVED (1) to approve the permanent virement of £21,727 in 2016/17 from the Members' Community Leadership Scheme budget to Adult Care to allow luncheon clubs to continue to be funded; and (2) to agree that the amount available to each Member to allocate through the Members' Community Leadership Scheme be reduced to £3,860 from 2016/17.

92/16 HIGH NEEDS AND EARLY YEARS BLOCK BUDGETS 2016/17

(Children's Services) Cabinet was asked to approve a number of matters to enable High Needs and Early Years Budgets of the Dedicated Schools Grant to be determined for 2016/17.

The current years overall DSG, including the School Block, was overcommitted by around £3.8m and this was largely as a result of the decision in 2014/15 to lift schools' formula multipliers by 1% to utilise some of the accumulated DSG reserves. The continued reliance on DSG cash reserves to support existing spending could not continue indefinitely and steps needed to be taken to close the gap, preferably by measures other than top-slicing schools' delegated budgets. Given that the Schools Block was currently subsidising the High Needs and Early Years Blocks, these two blocks would need to contribute towards closing the overall DSG gap. Proposals to begin this process and issues raised had been discussed at meetings of the School's Forum.

The report set out in detail the matters which had been under consideration and, in summary, the proposals, together with the changes agreed by Cabinet on 26 January, were estimated to reduce the overall gap between DSG income and annual spend from £3.85m in 2015/16 to around £2m in around 2016/17. Given the reduced level of DSG reserves and a cash-flat DSG for 2016/17 and beyond, reducing the reliance on funding from reserves remained a priority in order to avoid having to top-slice schools' and other budgets in the future. Work on closing the residual gap would continue during 2016 and proposals incorporated into future DSG budget reports.

RESOLVED to (1) note the Forum's refusal to allow the Authority to retain funding for Early Help provision for the Early Years sector centrally for 2016-17;

(2) note the Forum's approval to allow the Authority to retain funding centrally for the Early Years Services set out as items 2-14 of Appendix 1 for 2016-17;

(3) agree to retain the EYSFF multipliers for two, three and four year olds for 2016-17 at 2015-16 levels, other than for the removal of time limited Single Status funding within the Nursery Schools formula;

(4) agree the High Needs places for 2016-17 as set out in Appendix 3;

(5) agree to keep the High Needs pupil profiles (top ups) for 2016-17 at 2015-16 levels as set out in Appendix 4;

(6) agree to cease shadow funding allocations to ER Schools as set out in section 4.3.1;

(7) note the change in special schools' MFG protection calculations for 2016-17;

(8) agree to set aside £1.224m of the High Needs Block to help with the potential impact of demographic pupil changes and support the AEN contingency as set out in section 4.4;

(9) agree to the revised recharging arrangements in respect of support for pupils with medical needs in accordance with section 4.5.1;

(10) note the intention to consult schools during the summer regarding a cost recovery model in respect of excluded pupils;

(11) agree to delegate the Early Help funding in respect of special schools and PRUs as set out in section 5.1;

(12) agree to retain centrally the funding for Early Help services in respect of pupils with High Needs, other than those in special schools and PRUs; and

(13) agree that services' budgets funded by the High Needs Block should generally be retained at 2015-16 cash levels.

**93/16 PRE-PUBLICATION CONSULTATION ON THE
ORGANISATION OF PRIMARY EDUCATION IN TIBSHELF AND ON THE
DISPOSAL OF PART OF THE FORMER SECONDARY SCHOOL SITE**

(Children's Services) Cabinet was asked to agree to carry out a pre-publication consultation on a proposal to reorganise primary education in Tibshelf by utilising the former site of Tibshelf Community School. The proposal involved the retention of an area of the former Tibshelf Community School site that was sufficient to allow all the primary education in the town to be provided on the same site.

RESOLVED to undertake consultation on the disposal of a section of the playing field land at the site of the former Tibshelf Secondary School and at Tibshelf Town End Junior School and on a proposal to use the proceeds of these sales to reorganise primary education for the town.

**94/16 ICT SERVICES CONTRACT, BUILDING SCHOOLS FOR THE
FUTURE PROGRAMME**

(Children's Services) Approval was sought to terminate the ICT Services contract provided by Dell Corporation Limited at Shirebrook Academy, Bolsover Academy (including the Bolsover Support Centre) Netherthorpe Academy, Heritage High School, Spring Well Community School and Stubbin Wood Special School. The schools were facing budget shortfalls and they were considering other options. Following

consultation with the schools the Council's officers had carefully considered all the relevant issues and concluded that it was appropriate to recommend that the contract be terminated.

The Chair circulated a copy of a letter that she had received from Shirebrook Academy and Stubbin Wood Special School expressing their views on the proposals.

RESOLVED (1) to agree that the Council terminate the ICT Services Contract with Dell Corporation Limited; (2) to note that staff affected by the termination of the contract would be transferred to the employment of individual schools currently within the BSF programme or a new ICT provider; (3) that contributions to the ICT refresh fund end and each school should receive any unused funds it had contributed to refresh; and (4) that the respective Governing Body Agreements with the schools be amended as required to reflect the agreement to terminate the contract.

95/16 CHILDREN'S SERVICES CAPITAL PROGRAMME 2015/16 BUDGET ADJUSTMENTS (Children's Services) In February 2016 the Cabinet Member for Children's Services had approved a report which included a number of budget changes to projects in the Children's Services Capital Programme. The Authority's scheme of delegation only allowed the Cabinet Member to approve virements between capital schemes of up to £100,000 and, above this figure, Cabinet approval was required.

A number of changes above the threshold were reported.

RESOLVED that approval be given to change the project budgets of the schemes detailed in the report as follows:-

Longmoor Primary School £675,000 (increased from £525,000) and

Findern Primary School Kitchen £425,000 (increased from £300,000)

96/16 EXTENSION OF GRANT FUNDING IN 2016-17 – ADULT CARE SERVICE STATUTORY PRIORITIES (Adult Social Care) The Adult Care Grant Aid Budget had funded many of the services referenced in the current report for over 15 years. The services all contributed in some way in providing services that met the strategic priorities for Adult Care. It was now proposed to review this funding commitment with other funding agencies and to move funding commitment from Grant Aid to contracted services allowing a competitive process. This would enable the Council and other funding partners to link funding to meet Health and Wellbeing Board and Care Act strategic priorities in a planned way and offer providers greater surety of funding and expectations.

As a consequence of this change in approach, it was likely that some of these services currently funded by Grant Aid funding would no longer receive this financial support after 31 March 2017.

The proposals set out in the report would need to take account of the Derbyshire Compact and Best Value Statutory Guidance.

RESOLVED (1) to continue payments for services listed in appendices 1 and 2 of the report provided by voluntary and community sector organisations for up to a 12 month period from 1 April 2016 to 31 March 2017; (2) to review these services and develop commissioning proposals to ensure that future service delivery meets Adult Care's identified service priorities to meet statutory requirements as detailed in The Care Act 2014; and (3) that further reports be presented to Cabinet detailing the outcome of each of the proposed service reviews including any consultation exercise undertaking on future commissioning arrangements.

97/16 GRANT FUNDING IN 2016/17 – NON-STATUTORY SERVICE PRIORITIES (Adult Social Care) Approval was sought to commence a process of formal consultation with local Voluntary and Community Sector providers, service users and other stakeholders on proposals to identify a sustainable funding model for strategically relevant services provided by the VCS in Derbyshire.

VCS providers had been invited to pre-consultation events in November/December 2015 and they were advised at these meetings that the Council was facing unprecedented pressures to make cuts to services to meet government targets for reduction in spend. Providers were advised that it was likely that proposals would be made to terminate current arrangements and to use funding that might be available to commission new services following a competitive exercise.

It was likely that the outcome of the consultation would not be completed until after 31 March 2016 and, since all of the current agreements were funded up to 31 March 2016, it was proposed to extend all of them by up to six months to allow for full consideration of the proposals.

RESOLVED (1) to commence a process of formal consultation with local Voluntary and Community Sector providers, service users and other stakeholders as appropriate on proposals to identify a sustainable funding model for strategically relevant services provided by the VCS in Derbyshire; and (2) to continue payments to VCS organisations for services listed in the report for a six month period from 1 April 2016 to 30 September 2016 whilst the outcome of the consultation is considered by Cabinet.

98/16 PRIORITISATION OF PUBLIC HEALTH GRANT INVESTMENT (Health and Communities) A report outlined proposals for allocation of the Public Health Grant over the next 2 years based upon an analysis of existing commitments. The report detailed a package of measures to achieve financial balance, including redesign, releasing efficiencies and new investment measures in 2016/17 and 2017/18 together with further development in

collaboration with partners, of ambitious and realistic plans for new investment in prevention to support the priorities of the Health and Wellbeing Board.

The areas for redesign and proposed efficiencies were:-

- Over the next two years, release cost savings from a small number of historical contracts on the basis of planned end of contract, improved efficiency and targeting, inequitable delivery/ duplication and new joint commissioning arrangements to save a total of approximately £300k
- From April 2016 rebasing sexual health, adult drug and alcohol treatment, and health protection budgets to release a total of £200k
- Redesign of 0-19 Public Health Nursing services to place more emphasis on emotional wellbeing and apply a 5% reduction in contract value from October 2019
- Develop a holistic approach to young people and risky behaviours
- Redesign of early years provision - breastfeeding support together with HENRY (group parenting programme) - to focus on reducing inequalities and on emotional wellbeing and resilience for the whole family from April 2018
- Significant redesign of adult lifestyle support services with a view to recommissioning during 2017/18 to achieve a 10% reduction in contract value from December 2017
- Redesign the basket of public health commissioned physical activity interventions to develop a more systematic, evidence based approach, aligned with other Council and partner investment in physical activity, for implementation in 2018/19 with 10% reduction in overall public health investment from April 2018
- Redesign of adult substance misuse treatment services to shift the balance of activity from drugs to alcohol, and from treatment to prevention, support and recovery whilst achieving a 5% reduction in contract value from April 2017 and further a further 10% reduction from April 2020
- Develop with CCGs a new approach to self-care support from April 2017
- Address equity of investment across districts/boroughs in the Healthy Communities programme, and review activity in light of new approach to prevention, with a 10% reduction on total localities budget from April 2017; consider localities as vehicle for delivery of redesigned county wide programmes listed above.

The plans outlined above, allowing for 2% contingency to be retained to account for demand-led service pressures, would create a modest surplus. This surplus, when augmented with further forecast underspends on contracted activity in 2016/17 and 2017/18, could enable non-recurrent investment in line with a new system-wide approach to prevention. The plans

outlined above would result in an estimated total of £2.66m being available for investment in prevention over the next two years.

The overall aim is to use this non-recurrent funding in 2016-17 and 2017/18 to reorient investment towards aging well, supporting independence and quality of life, promoting mental and emotional wellbeing, and tackling the wider determinants of health (housing, the economy, jobs and workplace health, food poverty), whilst maintaining existing public health investment in children and young people and in anti-poverty programmes.

RESOLVED (1) to note the prioritisation process to be undertaken; (2) to approve the financial plans as described for 2016/17 and 2017/18; and (3) to support the proposal for Public Health officers to work with colleagues and partners to develop ambitious and realistic proposals for new investment in prevention as set out in the report.

99/16 EXCLUSION OF THE PUBLIC RESOLVED that the public be excluded from the meeting during the consideration of the remaining items on the agenda to avoid the disclosure of the kind of exempt information detailed in the following summary of proceedings.

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

- (1) To receive declarations of interest (if any).
- (2) To consider Minority Group Leader questions (if any).
- (3) To confirm the exempt minutes of the meeting of Cabinet held on 23 February 2016
- (4) To receive the exempt minutes of Cabinet Member meetings as follows:-
 - (a) Children's Services – 9 February 2016
 - (b) Highways, Transport and Infrastructure – 9 February 2016
 - (c) Council Services – 15 February 2016
- (5) To consider exempt reports as follows:-
 - (a) Provision of Energy (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
 - (b) Derbyshire Adult Community Education Services – Grading of Tutor Development Work and Assessor posts (contains information which is likely to reveal the identity of an individual)

- (c) Provision of Rehabilitation and Advice Services for Blind and Visually Impaired People – Award of Contract (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))
- (d) Recommendation for Sponsor for New Primary Schools at Hilton and Chellaston Fields (contains information relating to the financial or business affairs of any particular person (including the Authority holding that information))