

MINUTES of a meeting of **CABINET** held on 20 July 2017 at County Hall, Matlock.

PRESENT

Councillor B Lewis (in the Chair)

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

Also in attendance - Councillor A Western

Apologies for absence were submitted on behalf of Councillor A Foster.

201/17 MINORITY GROUP LEADERS' QUESTIONS

Councillor A Western asked the following question:

Agenda Item 6(c) - Revised Budget 2017-18 and Five Year Financial Plan

The revised Five Year Financial Plan shows a significant reduction in expenditure on the Living Wage when compared to the Plan approved by the Council in February. The narrative in the report does not explain this. What is the reason for the almost £7m reduction in expenditure in the current year and £2m reduction thereafter?

Councillor B Lewis, Leader of the Council and Cabinet Member for Strategic Leadership, Culture and Tourism, responded that when the Government announced in its Summer Budget 2014, the intention to increase the National Living Wage for workers over the age of 25 starting at £7.20 from April 2016 to £9 an hour by 2020, the Council, based on best estimates at that time, estimated the cost to be £7m per annum over the medium-term to initially cover increased costs to home care and residential care providers. In 2017-18, the costs relating to Care Home and Home Care Fees were £4.668m, and they were estimated to be similar over the medium-term, which explained the decision to reduce the amount to £5m from £7m.

As the Council did not yet have an indication of the Government's intentions regarding the National Living Wage increases beyond 2020-21, a prudent sum of £1m per annum had been assumed.

202/17 MINUTES **RESOLVED** that the non-exempt minutes of the meeting of Cabinet held on 29 June 2017 be confirmed as a correct record and signed by the Chairman.

203/17 CABINET MEMBER MEETINGS – MINUTES **RESOLVED** to receive the non-exempt minutes of Cabinet Member meetings as follows:-

- (a) Strategic Leadership, Culture and Tourism – 23 June 2017
- (b) Health and Communities – 28 June 2017
- (c) Council Services – 29 June 2017
- (d) Highways, Transport and Infrastructure – 29 June 2017
- (e) Young People – 4 July 2017

204/17 COUNCIL PLAN 2017-2021 (Strategic Leadership, Culture and Tourism) The Chief Executive reported on the draft Council Plan 2017-2020/2021. The Plan set the strategic direction for the Council's work over the next four years and outlined the Council's ambition, values and the over-arching outcomes for Derbyshire that the Authority would work towards with partners and local people. The Plan also outlined the priorities the Council would focus on during 2017-18 to contribute towards these outcomes. Further details of these priorities were set out in the report. A copy of the draft Plan was attached at Appendix A to the report.

It was recommended that the draft plan be distributed to key stakeholders for consultation and once all comments had been received, it was anticipated that the final document would be formally signed-off by the meeting of full Council on 13 September 2017.

RESOLVED to approve the draft Council Plan 2017-2021 for consultation.

205/17 REVENUE OUTTURN 2016-17 (Strategic Leadership, Culture and Tourism) The Director of Finance and ICT presented the final outturn position for 2016-17 identifying significant variations from the revised estimates and commitments already agreed against the underspend, together with proposals for further use of underspends. The allocations for further use of underspends would be held in departmental Earmarked Reserves and would only be released to departments subject to final approval by the appropriate Cabinet Member. The report also detailed the Council's General and Earmarked Reserves position. The general reserve balance was £51.267m as at 31 March 2016, although it was noted that there were commitments held against this balance.

Earmarked Reserves were held to meet unknown or unpredicted liabilities and the funds should be used for the item for which they have been set aside. Any funds no longer required were returned to the general reserve and the Council reviewed the level of Earmarked Reserves at least annually. A summary of outstanding balances on Earmarked Reserves as at 31 March 2017 was detailed in Appendix 2 to the report.

RESOLVED to (1) note the departmental outturn position for 2016-17;

- (2) note the position on General and Earmarked Reserves;
- (3) approve the creation of an Earmarked Reserve for high needs strategic funding of £0.305m;
- (4) approve the allocation of underspends amounts to portfolio; and
- (5) note that requests a further use of underspends would be subject to further Cabinet Member Reports.

206/17 REVISED BUDGET 2017-18 AND FIVE YEAR FINANCIAL

PLAN (Strategic Leadership, Culture and Tourism) The Chief Executive and Director of Finance and ICT updated Cabinet on changes to the Revenue Budget 2017-18 and Five Year Financial Plan, detailing proposed budget savings with a view to making recommendations to Council. Details in respect of the Revenue Budget 2017-18, the outturn for 2016-17, changes in funding in 2017-18, the Contingency Budget, service priorities and budget savings were presented in the report.

The Five Year Financial Plan was updated on an annual basis. The Plan had been revised, where possible, to reflect the latest funding announcements including those announced in the Government's Spring Budget 2017 and it supported corporate planning and shaped the Council's Financial Strategy and annual budgets by establishing the resources that were likely to be available for allocation to meet service priorities contained in the Council Plan. A copy of the updated Plan was updated at Appendix 2 to the report together with the assumptions used in its development.

The Council had in place a Reserves Policy which set out the framework within which decisions would be made regarding the level of reserves. In line with this framework, the balance and level of reserves over the medium-term were regularly monitored to ensure they were adequate to manage the risk of the Council. This covered both the General and Earmarked Reserves. Details of the last review were reported to Cabinet on 24 January 2017 and a further review of Earmarked Reserves was scheduled to take place in the summer, details of which would be reported in due course. It was noted that as at 31 March 2017, the Council had a General Reserve balance of £51.267m, further details of which were presented in the report.

RESOLVED to (1) note the changes to funding received since the Council approved the budget in February 2017;

(2) approve the allocation of base budget and one-off funding to departments for 2017 and 18 and future years;

(3) approve the allocation of £1.000m from Earmarked Reserves to support grants to the voluntary sector;

(4) note and approve the revised Five Year Financial Plan as detailed in the report and Appendix 2 to the report;

(5) note the General Reserve projections; and

(6) note the budget savings proposals as detailed in Appendix 1 to the report.

207/17 DERBYSHIRE ECONOMIC REVIEW – JUNE 2017 (Strategic Leadership, Culture and Tourism) The Chief Executive presented the latest quarterly Economic Review to June 2017, which provided an overview of the current economic conditions in the County and summarised key economic trends to support broader discussions and policy developments across the Authority. The review also supported and facilitated delivery of partnership activity, most notably through Derbyshire Economic Partnership, the D2N2 Local Enterprise Partnership and the D2N2 Infrastructure and Investment Board. A copy of the review was attached as an Appendix to the report.

RESOLVED to note the information presented in the Derbyshire Economic Review – June 2017 and that the findings would be used for future service planning and policy development

208/17 REFINANCING OF THE DERBYSHIRE SCHOOLS' BUILDING SCHOOLS FOR THE FUTURE (BSF) PROGRAMME (Council Services) The Strategic Director – Corporate Resources sought approval to conclude the refinancing of the Derbyshire Schools' BSF programme and to enter into the relevant legal documentation.

The Derbyshire BSF programme financial close and award of contract was agreed at the meeting of Cabinet on 30 June 2009 with the contract being awarded to Equitix Limited to manage the delivery of the programme. The programme had been successful in terms of delivering a number of new schools which were all fully operational and Equitix had secured finance from the market, currently the Nationwide Building Society. However, given the recent market conditions, Equitix were seeking to refinance the programme with the aim of making savings against the existing costs, which would be shared between the Council and Equitix. Initial market research in the form of a funding competition, indicated that the Council could generate a refinancing gain of approximately £1.2m.

The Council needed to ensure that due diligence and value for money were being achieved and to facilitate this, independent legal and financial advisers had been appointed in accordance with the decision of the Cabinet

Member for Council Services on 27 February 2017. It was anticipated that the bulk of the work would be managed by the Council's own legal and financial sections with the appointment of advisers providing assurance and verification of the process. The potential benefit to the Council diminished each month due to the shortened remaining timeframe on which to base any refinancing upon.

The Council's Constitution delegated specific powers to Chief Officers in the discharge of the functions of the County Council. The Director of Finance and ICT had delegated authority to "carry out all Treasury Management activities within the Treasury Management Policy Statement and Annual Treasury Management Strategy approved from time to time by the Executive and in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities and the raising of loans and the issuing of County Council bills in the case of 'emergency'".

The Treasury Management Strategy formed part of the Prudential Code Report which was approved by Council on 8 February 2017, further details of which were presented in the report. The Director of Finance and ICT routinely dealt with Treasury Management activities which included refinancing deals for all County Council debt, both short and long-term. Whilst the Director of Finance and ICT had delegated authority in respect of the proposed refinancing of the Derbyshire BSF programme, Cabinet approval was sought for the amendment of various legal documents which formed part of the original BSF contract and for any additional documents which might be required.

RESOLVED to authorise the refinancing of the Derbyshire BSF programme and the management and completion of that refinancing by the Director of Finance and ICT under the delegations given via the Council's Treasury Management Strategy and further authorise the Director of Legal Services to sign and execute the necessary documents to facilitate the refinancing and authorising;

(1) the execution of the deed of variation to the Project Agreement and entry into the Lender's Direct Agreement;

(2) the issuing of necessary certificates under Section 3 of the Local Government (Contracts) Act 1997 in respect of the PA DoV and the Lenders Direct Agreement; and

(3) the signing and execution of any other documents required for the refinancing ; and in all cases the Director of Legal Services being authorised to sign such documents in accordance with the Council's Standing Orders.

209/17 SMOKING IN PREGNANCY (Health and Communities) The Director of Public Health sought approval to reallocate funds currently used to fund the pregnancy financial incentive scheme vouchers to increase the capacity of stop smoking support available for pregnant smokers.

Smoking during pregnancy increased the risk of premature birth, low birth weight, still birth and miscarriage and babies born to mothers who smoke were twice as likely to die from sudden unexplained death in infancy and those children born to mothers who smoke were more likely to have respiratory problems, learning difficulties and behavioural problems. The prevalence of smoking status at time of delivery for pregnant smokers in Derbyshire was significantly worse than the national average with the current rate for Derbyshire being 14.2% compared to the national average of 10.6%.

Live Life Better Derbyshire was currently provided by Derbyshire Community Health Services Foundation Trust, and the contract for this service ended on 30 November 2017. The future provision of this service would be provided by Derbyshire County Council directly. Among other lifestyle areas the Live Life Better service provided support to smokers wishing to quit. For pregnant smokers, alongside the core provision of behavioural support and access to stop smoking medicines, a pregnancy financial scheme was also currently provided.

The pregnancy financial incentive scheme was initially set up to increase the number of pregnant smokers quitting and remaining quit throughout pregnancy. The scheme provided Love 2 Shop vouchers to pregnant smokers who had quit smoking and were receiving behavioural support with the stop smoking service, further details of which were presented.

Despite the introduction of this scheme, the number of pregnant smokers accessing the service remained low and smoking status at time of delivery was still significantly higher than the national average. Even if the amount of vouchers was to be reduced for each pregnant smoker, the continuation of the scheme would still require funds of £0.100m to be spent on vouchers.

The transfer of the Live Life Better Derbyshire service to Derbyshire County Council provided the ideal opportunity to review the provision of smoking cessation support for pregnant smokers. There was an urgent need to increase the number of women accessing and quitting with the service. It was proposed therefore, to cease the pregnancy financial incentive scheme from the end of July 2017 for any new clients entering the service and that pregnant smokers currently on the scheme would continue to receive the vouchers until they had completed the programme.

The funds that would have been spent on vouchers would be invested in ensuring the stop smoking service had the appropriate capacity to deliver support to reduce smoking prevalence rates. The funds would also be used to ensure the service delivered against national guidance and best practice concerning smoking in pregnancy to reduce local prevalence rates. This would include ensuring professionals had the relevant skills and knowledge, having an effective referral pathway into the service in place which included feedback on the outcome of referrals and the service, and resources and communications to meet the needs of local pregnant smokers.

RESOLVED to approve the discontinuation of the pregnancy financial incentive with the funds reinvested into the smoking cessation pregnancy programme as part of the Live Life Better Derbyshire service.

210/17 RE-PROCUREMENT OF DERBYSHIRE INTEGRATED SEXUAL HEALTH SERVICE (DISHS) (Health and Communities) The Director of Public Health sought approval to the Final Report: Consultation on the DISHS Re-procurement Undertaken in June 2017; Findings and Recommendations and the Equality Impact Analysis report, May 2017; Findings and Recommendations. The report also informed Cabinet of the development of the Derbyshire Sexual Health Strategy 2017-2020. F

RESOLVED to (1) note and approve the:

- (a) final report; consultation on the Derbyshire Integrated Sexual Health Service re procurement, June 2017; Findings and Recommendations;
- (b) Equality Impact Analysis Report, May 2017; Findings and Recommendations; and

(2) note the development of the Derbyshire Sexual Health Strategy 2017-20.

211/17 SCHOOLS DEVOLVED FORMULA CAPITAL (DFC) 2017-18 (Young People) The Strategic Director – Childrens Services reported on the Government's DFC grant allocation for 2017-18 totalling £2.529m and sought approval to incorporate the grant in to the Children's Services Capital Programme and to inform schools and support centres of their allocation.

The Department for Education had confirmed that the amount of DFC grant each school received in 2017-18 would be calculated using the annual school census return at January 2016 (pupil numbers on role) based on two elements; a fixed amount per school/support centre and an allocation per pupil according to the type of school.

RESOLVED to approve (1) the incorporation of the 2017-18 DFC grant totalling £2.314m on to the Children's Services Programme; and

(2) individual DSE allocations for 2017-18 be confirmed to schools and support centres, as outlined in the appendix to the report.

212/17 CHILDREN'S SERVICES CAPITAL PROGRAMME 2016-17 – S106 PROJECT ALLOCATION (Young People) The Strategic Director - Children's Services informed Cabinet of the receipt of Section 106 Developer Contributions and sought approval for the allocation of those contributions to projects in line with the individual Section 106 Agreements. The report detailed allocations in respect of: -

- Fieldhouse Infant School and Hallamfields Junior School
- Heanor Langley Infant School
- Duffield Meadows Primary School
- Ecclesbourne School
- Belper School
- Heath Primary School
- Etwall Primary School

RESOLVED to note the receipt of S106 funding and approve the following allocations:

- (1) £22,748 towards a MUGA and internal remodelling at Field House Infant School;
- (2) £22,748 towards the creation of support spaces at Hallam Fields Junior School;
- (3) £30,397 for internal remodelling to create a library of outdoor learning space at Heanor Langley Infant School;
- (4) £18,944 for a group space at Duffield Meadows Primary School;
- (5) £52,980 for the creation of science laboratories at The Ecclesbourne School;
- (6) £325,721 for improved PE facilities at Belper School;
- (7) £284,975 for two new classrooms at Heath Primary School; and
- (8) £22,798 towards two new classrooms at Etwall Primary School.

213/17 NEW PRIMARY SCHOOL AT CHELLASTON FIELDS (Young People) The Strategic Director – Children’s Services updated Cabinet on the progress of the new primary school at Chellaston Fields and requested authority for the project development fund and the transfer of Section 106 capital to the developer in preparation of the construction of the school.

In March 2015, Cabinet approved the George Spencer Academy Trust as the preferred trust to operate the new school at Chellaston Fields and the proposal was subsequently confirmed for Department for Education (DfE). Following that decision, extensive discussions had taken place with the Trust and the housing developer – Persimmon Homes. Under the current programme, the School was due to open in September 2019. To enable the Trust to enter into a funding agreement with the DfE, the project development funding had to be agreed with the local authority. For new schools, where the local authority was leading the process, it was the local authority that must provide revenue funding to allow the Academy to carry out the task as necessary before the opening of the school. The proposed funding for the School was detailed at Appendix A of the report and, at a total cost of £0.213m, was in line with the level of funding provided by the DfE for free schools under its administration.

Under the Terms of the Section 106 for the development at Swarkestone Road, the housing developer was designing and building the one-form entry school to the specification agreed by the Authority. There was however, a requirement for the County Council to make a contribution of £600k towards the School following notification with at least two months’ notice of the date on which the construction was due to commence. This was due to be funded from Section 106 contributions in respect of the other developments at Holmeleigh Way and Woodlands Farm and was to be held in escrow by Howes Percival LLP as stakeholders. Money would only be released on written confirmation from the County Council that a drawdown was due.

RESOLVED to (1) note that the Chellaston Fields Academy was due to open in September 2019;

(2) approve the funding of the project development funding of £0.213m; and

(3) approve the payment of £600k to Howes Percival LLP as required under the terms of the Swarkestone Road Section 106 Agreement

214/17 CHILDREN’S SERVICES CAPITAL PROGRAMME 2017-18 (Young People) The Strategic Director – Children’s Services sought approval to the Children’s Services Capital Programme and allocations to individual projects as detailed in the Appendices to the report.

RESOLVED to approve the Childrens Services Capital Programme 2017-18 as detailed in Appendices A, B and C to the report.

215/17 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 29 June 2017.
3. To receive the Exempt Minutes of Cabinet Member meetings as follows:
 - (a) Council Services – 29 June 2017
 - (b) Young People – 4 July 2017
4. Report of the Strategic Director – Economy, Transport and Communities on the review of the Derbyshire Record Office and Picture the Past (Strategic Leadership, Culture and Tourism) (Contains information relating to any consultations or negotiations or contemplated consultations or negotiations in connection with any labour related matters arising between the Authority or a Minister of the Crown and employees of, or office holders under, the Authority).
5. Report of the Strategic Director – Corporate Resources on the award of a contract for the supply of internet connectivity and associated services (Council Services) (Contains information relating to the financial or business affairs of any particular person, including the Authority holding that information).
6. Report of the Strategic Director – Corporate Resources on the upgrade to content server V16 (Council Services) (Contains information relating to the financial or business affairs of any particular person, including the Authority holding that information).
7. Report of the Strategic Director – Corporate Resources on the supply of fixed wire electrical testing (Council Services) (Contains information

relating to the financial or business affairs of any particular person, including the Authority holding that information).

8. Report of the Strategic Director – Corporate Resources on the contract for the supply and support of a replacement learning management system (Council Services) (Contains information relating to the financial or business affairs of any particular person, including the Authority holding that information).
9. Report of the Strategic Director – Economy, Transport and Communities on the award of a contract for the provision of services for the collection and disposal of landfill leachate (Highways, Transport and Infrastructure) (Contains information relating to the financial or business affairs of any particular person, including the Authority holding that information).
10. Report of the Strategic Director – Economy, Transport and Communities on highways and transport professional consultancy services (Highways, Transport and Infrastructure) (Contains information relating to the financial or business affairs of any particular person, including the Authority holding that information).
11. Report of the Strategic Director – Economy, Transport and Communities on Derbyshire Sport – transfer of responsibilities (Health and Communities) (Contains information relating to any consultations or negotiations or contemplated consultations or negotiations in connection with any labour related matters arising between the Authority or a Minister of the Crown and employees of, or office holders under, the Authority).
12. Report of the Director of Public Health on the restructure of the Public Health Department including functions, resources and staff from Derbyshire Community Health Services NHS Foundation Trust (Health and Communities) (Contains information relating to the financial or business affairs of any particular person, including the Authority holding that information).
13. Report of the Strategic Director – Childrens Services on the transportation of school meals (Young People) (Contains information relating to the financial or business affairs of any particular person, including the Authority holding that information).
14. Report of the Strategic Director – Children’s Services on school staff redundancies 2017 (Young People) (Contains information which was likely to reveal the identity of any individual).

15. Report of the Strategic Director – Children’s Services on the approval to award a contract for a classroom extension at Aston-on-Trent Primary School (Young People) (Contains information relating to the financial or business affairs of any particular person, including the Authority holding that information).