

MINUTES of a meeting of **CABINET** held on 5 October 2017 at County Hall, Matlock.

PRESENT

Councillor B Lewis (in the Chair)

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

275/17 MINORITY GROUP LEADERS' QUESTIONS

There were no Minority Group Leaders' questions.

276/17 MINUTES **RESOLVED** that the non-exempt minutes of the meeting of Cabinet held on 14 September 2017 be confirmed as a correct record and signed by the Chairman.

277/17 CABINET MEMBER MEETINGS – MINUTES **RESOLVED** to receive the non-exempt minutes of Cabinet Member meetings as follows:-

- (a) Young People – 5 and 11 September 2017
- (b) Council Services – 14 September 2017
- (c) Highways, Transport and Infrastructure 14 September 2017

278/17 IMPROVEMENT AND SCRUTINY REVIEW OF TOURISM IN DERBYSHIRE The Chairman of the Improvement and Scrutiny Committee – Places presented the final report into the Improvement and Scrutiny review of tourism in Derbyshire. The report detailed the research, meetings and evidence gathered which informed the review and helped develop the observations and recommendations. It was agreed to note the review and its recommendations and use them as the basis for a wider strategic review of tourism in the County.

RESOLVED to note the Improvement and Scrutiny Committee – Places review of tourism in Derbyshire and its recommendations.

279/17 BUDGET MONITORING 2017 – 18 (AS AT 30 JUNE 2017)

(Strategic Leadership, Culture and Tourism) The Director of Finance and ICT updated Cabinet on the latest Budget Monitoring position as at 30 June 2017 and provided a summary of the controllable budget position by Cabinet Member Portfolio. In addition, it was noted that further reports would be considered at Cabinet Member Meetings, the Audit Committee and Council in accordance with Budget Monitoring Policy and Financial Regulations.

Overspends were highlighted in the Young People, Economic Development and Regeneration Highways, Transport and Infrastructure Portfolios. However, Young People would use the £2.154m balance of previous year underspends to off-set their overspend. The General Reserve would be used to meet the overspend on local bus services which would reduce the overspend for the Highways, Transport and Infrastructure portfolio to £0.713m. Details of the projected outturn compared to controllable budget were presented in the report.

RESOLVED to note the 2017-18 budget monitoring position as at 30 June 2017.

280/17 CAPITAL BUDGET MONITORING TO MONTH 3 2017 – 18.

(Strategic Leadership, Culture and Tourism) The Director of Finance and ICT informed Cabinet of the latest budget monitoring position for open capital schemes. The current budget was approximately £679m with the latest monitoring showing a forecast overspend over the life of projects of £1.197m. The position statement by departments was attached at Appendix 1 to the report.

RESOLVED to note the current position on the monitoring of Capital Schemes

281/17 FINANCIAL STRATEGY (Strategic Leadership, Culture and Tourism) The Strategic Director of Finance and ICT sought approval to the Council's Financial Strategy. The Council's Financial Regulations state that the Strategy should be reviewed annually to remain consistent with the Council Plan and to ensure that the Strategy drove the Five Year Financial Plan, Capital Programme and Revenue Budget. The Strategy had been reviewed and it was proposed that no changes be made. A copy of the Strategy was attached at Appendix 1 to the report.

RESOLVED to approve the Financial Strategy.

282/17 BUSINESS RATES POOLING (Strategic Leadership, Culture and Tourism) The Director of Finance and ICT reported on details of the Government's invitation to local authorities to pilot 100% Business Rates Retention in 2018-19.

Under the Business Rates Retention Scheme, local authorities were able to come together on a voluntary basis, to pool their business rates, giving them scope to generate additional business rates growth through collaborative effort and to smooth the impact of volatility in rates income across a wider economic area.

The Government had previously announced the expansion of pilot programmes for Business Rates Retention for 2018-19 and these would run alongside the five current 100% pilots which had been in operation since 1 April 2017. The pilots were deemed as an opportunity for Government to test more technical aspects of the 100% Business Rates Retention system such as tier splits. It would also provide the opportunity to evaluate how collaboration between local authorities worked in practice. The Government was interested in exploring how rates retention could operate across more than one authority to promote financial sustainability and to support coherent decision-making across functional economical areas.

A proposal for a pool must be in the form of business case with supporting analysis, further details of which were presented in the report. All proposals needed to be submitted by 27 October 2017 and must be signed-off by the Section 151 Officer for each authority in the pool. Details of successful pilots would be announced in December 2017 and launched in April 2018, and between these dates, the Government would support authorities in preparing for implementation.

The Council had been in preliminary discussions with the current members of the Derbyshire Pool who had, in the main, expressed an interest in forming a 100% pool for 2018-19. Given the technical and complex nature of submitting a proposal in a short timeframe, the local authorities in the pool would initially seek specialist support to draft the business case, the costs of which were estimated to be less than £0.002m and these costs would be shared between the pool members with the Council's share being met from Earmarked Reserves. It was proposed that the Director of Finance and ICT, in consultation with the Cabinet Member - Strategic Leadership, Culture and Tourism, be authorised to submit an expression of interest on behalf of the Council.

RESOLVED to (1) note the contents and requirements of the invitation to pilot 100% Business Rates Retention in 2018-19; and

(2) grant approval for the Director of Finance and ICT, in his capacity as the Council's 151 Officer and, in consultation with a Cabinet Member for Strategic Leadership, Culture and Tourism, to submit an expression of interest to proceed with a 100% business rates pool pilot in 2018-19.

283/17 DERBYSHIRE ECONOMIC REVIEW – SEPTEMBER 2017

(Economic Development and Regeneration) The Strategic Director – Economy, Transport and Communities presented the latest quarterly Economic Review to September 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, and most notably through the Derbyshire Economic Partnership, the D2N2 Local Enterprise Partnership and the D2N2 Infrastructure and Investment Board.

RESOLVED to note the information presented within the Derbyshire Economic Review – September 2017 and that the findings be used to support future service planning and policy developments.

284/17 INWARD INVESTMENT: DEVELOPING INTERNATIONAL TRADE AND WORKING RELATIONSHIPS WITH CHINA (Economic Development and Regeneration) The Strategic Director – Economy, Transport and Communities reported on the continued development of China: UK Relationships as part of the Council’s active strategy to safeguard and grow the local economy, including an overview of the recent visit to Derbyshire by a high level delegation of colleagues from the Yellow Mountain Area of Anhui Province.

In early November 2017, the Midlands Engine was planning a return trade mission to China to coincide with the China International Industry Fair (IIF) in Shanghai between 6 – 8 November. This was being organised by the Government’s Department of Industry and Trade (DIT) and the Midlands Engine, supported by Sir John Peace. An invitation has also been extended to the Prime Minister, Theresa May, to accompany the visit as the UK was the guest of honour at the IIF. As part of the visit, the Anhui Tourism Bureau had offered to support a substantial D2 (Derby and Derbyshire) Conference Area to promote UK: China Tourism; Cultural Education Exchange; and the development of improved trade links with creative industries and advanced engineering.

Business from Derbyshire were being encouraged to attend the IIF and would be part of the wider D2 delegation in Hefei that was due to take place between 9 – 10 November 2017. The proposed D2 visit to Anhui would now also include a tourism focussed visit to the Yellow Mountains (Huangshan) to build upon the links made with the Huangshan delegation to Derbyshire in September and followed a direct invite from the Governor of Anhui in November 2016.

Alongside civic representation, the visit would include a number of local Derbyshire business from key sectors who were looking to commence and expand current activity in China. The proposed visit aligned with the National “Britain is GREAT” campaign designed to expand foreign markets and the initial Midlands Engine China Strategy which was in preparation.

A vital aspect to developing links with China was securing representation that could effectively promote further economic activity, investment and trade on behalf of Derbyshire and D2 partners, primarily other local authorities. The

political nature of the “Peoples’ Republic of China presented considerable challenges for Councils and businesses wishing to commence or develop trade relations.

The County Council recently joined the China Britain Business Council (CBBC), the leading organisation for developing business links with China, to help facilitate and broker some of the initial government to government discussions that were necessary. CBBC worked alongside the DIT and the British Chamber of Commerce in China, acting as broker for businesses with both the UK and Chinese Government’s and providing a range of services to promote trade and investment.

Discussions had been held between the Council, Derby City Council, University of Derby and CBBC to secure dedicated D2 partner representation through the “Launch Pad” service operated by CBBC. “Launch Pad” provided a cost-effective, low-risk and legally compliant means of having a presence in China by employing a dedicated Project Manager who would be employed by CBBC, but would be accountable to the commissioning organisations namely the consortium of local authorities and the University.

Derby City Council had agreed to lead on procuring the arrangements with CBBC Launch Pad Service. Although currently based in Nanjing, bespoke arrangements had been negotiated with the University of Derby to provide a local office for the Project Manager in Hefei University, located in the administrative heart of Anhui Province. A fixed annual cost was being finalised with CBBC for employment of the Project Manager and the services to be provided. The indicative cost was £52k per year and it was proposed the County Council and Derby City Council share the cost equally (i.e. £26k per annum), with the County Council’s contribution being funded from the newly re-profiled Inward Investment Budget in Economy and Regeneration Service.

The City Council had entered into a pre-contract agreement with CBBC to deliver recruitment of the Project Manager. Once approved, a partnership contract would be signed between the two Councils and CBBC for the delivery of services. The contract would be on a twelve month rolling basis and it was proposed that an initial two year budget be approved, subject to annual review. The draft contract was currently being reviewed by the Council’s Legal Services Department.

RESOLVED to (1) note the success of the recent delegation from Huangshan and agrees to host delegations from Anhui Province during 2017-18 to support further development of international relations and inward investment;

(2) approve the Council's participation in the Midlands Engine Trade Mission to Shanghai and Anhui in November 2017 and support to organising inbound delegations from China;

(3) approve a budget of up to £15k to support the Trade Mission and inbound trade delegations from the Economy and Regeneration Service core budget.

(4) note and approve the proposal to commission the China Britain Business Council (CBBC) "Launchpad" service, in partnership with Derby City Council, for an initial period of two years and delegate responsibility for finalising contractual arrangements for the appointment of a China-based Project Manager to the Strategic Director – Economy, Transport and Communities following consultation with the Cabinet Member - Economic Development and Regeneration;

(5) approve a budget of £26,000 per annum for the next two years to fund the Project Manager through Launchpad from the Economy and Regeneration core budget; and

(6) note and endorse the preparation of a further Cabinet report setting out proposals for developing the Council's strategic approach to promoting international trade and investment with China and other potential global partners as required.

285/17 ADDITIONAL ACCOMMODATION, AMBERGATE DEPOT

(Highways, Transport and Infrastructure) The Strategic Director - Economy, Transport and Communities sought approval to implement the necessary changes to Ambergate Depot to accommodate additional staff, in order to vacate Duffield Depot in advance of the redevelopment of the site by Derbyshire Developments Limited.

It had been the intention of the Highways Service to vacate Duffield depot for some time due to operational requirements, and plans had been put in place to relocate operations and staff to other sites. Whilst the majority of staff had already been relocated, in order to operate in the Amber Valley, Erewash and Derbyshire Dales area, it was essential to locate the Reactive Team, Highway Inspectors, the relevant supervisors and the Area Clerk of Works at Ambergate Depot. Inspectorate staff could be accommodated in existing facilities, but it would be necessary to provide additional accommodation in a pre-fabricated unit for the Reactive Gangs. Other works included bases for the tarmac hotbox, storage for materials and parking at a total estimated cost of £58k. The Department had been asked to vacate the Duffield site by October/November 2017 to enable demolition of the site to take place in accordance with the ecology report and planning conditions.

RESOLVED to approve (1) the remaining Highways Service operations currently undertaken at Duffield Depot to be relocated to Ambergate Depot; and

(2) the estimated cost of £58k to relocate to the Ambergate Depot to be met from Departmental budgets and added to the Capital Programme 2017-18.

286/17 EDUCATION AND EARLY YEARS SYSTEM (Young People)

The Strategic Director – Children’s Services reported on the current position regarding the Synergy system which supported the operational delivery of a number of functions across the Education and Early Years Services. Synergy hosted Children’s Services Central Pupil Database and included modules which supported statutory and traded services, further details of which were presented.

During 2017, Children’s Services implemented an Early Years Financial Solution within Synergy to meet new legislation which expanded the offer of free childcare for working families to thirty hours a week which became operational in September 2017, and which would need a period of time to embed as councils and childcare providers across England adjusted to the new ways of working.

On 3 March 2015, Cabinet approved the extension of the existing contract to 31 March 2018, to bring it in line with the contract expiry dates of other systems within the Department. This was done in order to explore opportunities through soft-market testing to rationalise and integrate systems across Children’s Services. The results of the soft-market testing would inform the scope and requirements of the proposed procurement exercise and would seek to further integrate the Synergy system with the Department’s Social Care and Early Intervention Case Management System. It was anticipated that the procurement exercise would take at least twelve months to complete and depending upon the outcome, there might be a requirement to extend the Synergy contract with Servolec for up to two years, from 1 April 2018 – 31 March 2020.

RESOLVED to approve (1) the extension of the Synergy contract with Servolec, for a minimum of one additional year from 1 April 2018 – 31 March 2019, with the option to extend for a further year from 1 April 2019 – 31 March 2020 if required; and

(2) the commencement of a procurement exercise to purchase an Education and Early Years System.

287/17 CHILDREN’S SERVICES CAPITAL PROGRAMME 2017-18 – SECTION 106 PROJECT ALLOCATIONS (Young People) The Strategic

Director – Children’s Services informed Cabinet of the receipt of recent Section 106 developer contributions to projects in line with individual Section 106 agreements.

Appendix A to the report detailed the Section 106 contributions that had been received by the Authority or available to claim from the District/Borough Councils. South Derbyshire District Council had recently amended its Financial Regulations and required confirmation that projects had been approved by the County Council before releasing the funds it had received from developers, hence the inclusion of these in the report. The Appendix also detailed the schools that were to benefit from the investment together with the planned project. The total value of the contributions was £1,314,376.

RESOLVED to note the receipt/availability of S106 funding and approves allocations of:

- £516,158.56 towards phase 1 of the new teaching block on the Boothby site of Queen Elizabeth’s Grammar School.
- £247,522.80 towards a two classroom block at Leys Junior School.
- £34,352.34 for internal remodelling to create additional teaching space at Chapel High School.
- £39,577.53 towards the redevelopment of Pottery Primary School.
- £9,431 towards a classroom extension project at Belmont Primary School.
- £14,105 for improvements to science classrooms at Granville Sports College.
- £181,987.52 towards the extension of the foundation block at Woodville Infant School.
- £79,184.75 towards an additional classroom at Willington Primary School.
- £192,056.77 for the expansion of Stanton Primary School.

288/17 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 14 September 2017.
3. To receive the Exempt Minutes of the Cabinet Member meetings as follows:

- (a) Young People – 5 September 2017
- (b) Council Services – 14 September 2017
- (c) Highways, Transport and Infrastructure – 14 September 2017

4. To consider exempt reports as follows:

- (a) Report of the Strategic Director - Commissioning, Communities and Policy on repair works to Shipley Lake Reservoir (Council Services) (Contains information relating to the financial or business affairs of any particular person, including the Authority holding that information).
- (b) Report of the Strategic Director – Economy, Transport and Communities on the supply of cables, cut outs and sundries for street lighting (Highways, Transport and Infrastructure)(Contains information relating to the financial or business affairs of any particular person, including the Authority holding that information).
- (c) Report of the Strategic Director – Economy, Transport and Communities on drivers for winter maintenance (Highways, Transport and Infrastructure) (Contains information relating to the financial or business affairs of any particular person, including the Authority holding that information).
- (d) Report of the Director of Public Health on the provision of a nicotine replacement therapy to support the delivery of the Live Life Better Derbyshire Stop Smoking Service (Health and Communities) Contains information relating to the financial or business affairs of any particular person, including the Authority holding that information).