

MINUTES of a meeting of **CABINET** held on **22 September 2015** at County Hall, Matlock.

PRESENT

Councillor A Western (in the Chair)

Councillors D Allen, A Botham, D Collins, J A Coyle and P J Smith.

Councillors B Lewis and K P Morgan also attended the meeting.

319/15 MINORITY GROUP LEADERS' QUESTIONS

Councillor K P Morgan asked the following question:

(1) Agenda item 7(a) - Government Announcements and Local Authority Funding

Given that our Financial Plan Pay Award assumes 2% for our staff but that Government is locking public sector pay increases at 1%; two questions:

(1) Will the money saved by our advance planning be enough to balance the full increase in wage bill to accommodate the Living Wage for which we have so long campaigned?

(2) Can the Chair explain the degree to which our contracts already in place will be affected?

Councillor A Western, Leader of the Council and Cabinet Member for Strategic Policy, Budget and Economic Development responded that the savings made by the Council's advance planning would not cover the costs of the full increase in wage bill of the Living Wage, but it would go some way towards it. More information would be provided when it was available. The impact was slightly less on the County Council as it employed its own staff, provided services directly and paid above the Living Wage. This was not however, to minimise the problem which was serious for Derbyshire and other councils across the country.

In terms of Council contracts, the situation was an unfolding picture which was affecting all Councils with social care responsibilities.

Councillor B Lewis asked the following questions:

(2) Agenda item 7(f) – Ground Mounted Solar PV Development Work – Grid Connections

Given the costs involved and the time sensitive nature of the projects, what are the likely long-term returns now?

Councillor A Botham, Cabinet Member for Council Services responded that the returns delivered by the scheme were fully detailed in the previous report presented to Cabinet. This report deals with connectivity to the network.

(3) Agenda item 7(m) - Independent Sector Homecare Fees

In cash terms, expressed as yearly figures and a final total to 2020, what will be the cumulative impact in the rise of minimum and living wage for Derbyshire County Council?

In the paper the following is written on page 9 "No allowance was made when setting the 2015-16 budget to cover this inflationary pressure, so the £1.312m yearly cost will be an additional budgetary pressure for Adult Care." Why was no allowance made?

Councillor P J Smith, Cabinet Member for Adult Social Care responded that the answer to the first part of the question had already been addressed in the response to Councillor Morgan's question on 7(a), Government Announcements and Funding.

The Council did not receive, as part of the Comprehensive Spending Review, any increase in the overall grant to cover the increase of minimum wage from 1 October 2015 so the burden had fallen on the Council at a time when the Adult Care budget had already reduced significantly. The Association of Directors of Adult Social Services had written to the Government to express concern about the additional pressures being faced by councils.

(4) Agenda item 7(n) - Organisational Review of the Council's Senior Management Structure – Update and Next Steps

Will the recommendation (8.5) to agree on the engagement of a professional consultant to advise on the Combined Authority/Devolution Deal, be put out to competitive tender?

Councillor A Western, Leader of the Council and Cabinet Member for Strategic Policy, Budget and Economic Development responded that the procurement of the professional consultants would be dealt with in line with the Council's agreed procedures.

320/15 MINUTES RESOLVED that the non-exempt minutes of the meeting of Cabinet held on 1 September 2015 be confirmed as a correct record and signed by the Chair.

321/15 CABINET MEMBER MEETINGS - MINUTES RESOLVED to receive the non-exempt minutes of Cabinet Member meetings as follows;

- (a) Council Services – 25 August 2015
- (b) Strategic Policy, Economic Development and Budget – 4 September 2015

322/15 GOVERNMENT ANNOUNCEMENTS AND LOCAL AUTHORITY FUNDING (Strategic Policy, Economic Development and Budget) The Director of Finance provided Members with details of the Government announcements and the latest estimates for local authority funding. The Government announced details of the Summer Budget 2015 on 8 July and alongside this, the Office for Budget Responsibility had published its forecast for the economy and the public finances, together with an assessment of whether the Government was likely to achieve its fiscal mandate and supplementary target. Further details on the key announcements for Local Government were presented.

RESOLVED to note the details of the Government's Summer Budget 2015.

323/15 BUDGET MONITORING 2015–2016 (AS AT 30 JUNE 2015) (Strategic Policy, Economic Development and Budget) The Director of Finance updated Cabinet on the latest budget monitoring position as at 30 June 2015 and provided a summary of the controllable budget position by Cabinet Member Portfolio. The position showed improvements to overspends for the Adult Care and Children and Young People Portfolios. Further reports would also be considered at Cabinet Member Meetings, Audit Committee and Council in accordance with the Budget Monitoring Policy and Financial Regulations, and where Departments had asked for carry forwards of budgets in 2014-2015, final approval from the appropriate Cabinet Member would be required.

The projected overspends in the Children and Young People and Highways Transport and Infrastructure would be financed by one-off funding currently held in earmarked reserves. Since the original budget was approved by Council in February 2015, the Government had issued further general grant funding to local authorities in addition to that included in the Finance Settlement. This related to adjustments to the decision to cap business rates and ensured Local Authorities were compensated accordingly. The Risk Management Budget was forecast to underspend by approximately £12m and

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the Council had planned use of the Risk Management Budget over the medium-term to support demographic growth in Adult Social Care.

The Debt Charges budget was projected to underspend by £4m as a result of the slowdown in the Capital Programme and interest on balances was estimated to break-even.

An overall underspend of £2.622m was forecast before the use of one-off measures such as earmarked reserves. Once these were taken into account, it was likely that the overall underspend would be nearer £8m.

Details of the Council's outstanding earmarked reserves as at 30 June 2015 was shown at Appendix 1 to the report. The Council's Reserves Policy stated that reserves should be reviewed at least annually and the review had commenced and would be reported to Cabinet alongside details of the Council's General Reserves projections later in the year.

RESOLVED to note the 2015-2016 budget monitoring position as at 30 June 2015.

324/15 INSURANCE FUND ACTUARIAL REVIEW JUNE 2015 (Council Services) The Director of Finance advised Cabinet of the outcome of the latest Actuarial Report on the Council's Insurance Fund. The Report detailed the aims and objectives, the Actuarial Review, the Legacy Fund, Fund Contributions 2015-2016 and the Future Insurance Deductible Strategy.

RESOLVED to note the Report

325/15 INDEPENDENT INSURANCE SCHEME OF ARRANGEMENT (Council Services) The Director of Finance advised Cabinet on the Independent Insurance Scheme of Arrangement and the recommendation of the options for recovery under it.

Independent Insurance was a substantial Insurance Company based in the UK which, on 13 June 2001, ceased to write new business and went into "run-off" and was placed in provisional liquidation. The Company was insolvent and unable to pay its creditors in full and the Provisional Liquidators were proposing a Scheme of Arrangement as a means of making dividend payments to creditors in respect of their claims against the Company. The Scheme was approved by a meeting of creditors on 1 June 2015, and became effective on 13 June 2015. A Scheme of Arrangement was a way of binding creditors to a proposed compromise in accordance with provisions in the Companies Act 2006, and had become an acknowledged method of administering claims and distributing assets in the insolvency of insurance companies in the UK. Further details of the Scheme, the qualifying policies

held, claims exposure and payments under the Scheme were presented in the report.

The County Council had a number of Excess Public Products Liability insurance policies between 1993 and 1997 which applied to individual losses in excess of £2m and were arranged on a joint basis with other insurers. Details of the exposure were presented in the report.

Where there was only premium invoice evidence located it was not confirmed that Independent Insurance were a party or that the quoted percentage was that applied to them. To obtain formal confirmation, contact would be needed with the Council's previous insurance broker, Henderson, as the Council no longer had some of the original policy records. Formal confirmation was only needed as evidence for an IBNR claim under the Scheme Arrangements, or if cover was in dispute. The overall likelihood of claims occurring now under the Independent Excess Layer Policies was remote. Once any dividends were paid under the Scheme Arrangement, the Council would be its own insurer for these policies. There was no specific Insurance Fund provision if any claims occurred under these policies with any claim being met from the General Reserves.

To produce an actuarially derived IBNR satisfying the Scheme requirements and undertaking subsequent negotiation with the Administrator, the cost of using the Council as existing Actuary was anticipated to be approximately £20,000-£25,000. Any claim must be submitted to the Scheme Administrators by 11 January 2016. It would take a minimum of one month for the Actuary to prepare supporting calculations for any claim. A copy of the Actuarial Summary advice was attached at Appendix A to the Report.

RESOLVED to note (1) that no claim be made under the Independent Scheme of Arrangement; and

(2) Cabinet accept the position that the Council would become "uninsured" for those insurance policies underwritten by the Independent Insurance between 1993-1997.

326/15 MUNICIPAL MUTUAL INSURANCE – SCHEME OF ARRANGEMENT (Council Services) The Director of Finance advised Cabinet on the latest position in relation to the "run-off" of the business of the former local authority insurer Municipal Mutual Insurance (MMI). As an alternative to liquidation, the business of the company was being wound up by a Scheme of Arrangement with creditors. The County Council was a Scheme Creditor and the Scheme would only be triggered if the company's known liabilities exceeded its assets and it could not guarantee a solvent run-off of its liabilities.

Until recently, the Directors of the company had been of the opinion that a solvent run-off would be achieved and the Scheme would not be triggered. Unfortunately however, this was not the case and MMI confirmed on 13 November 2012, that the Scheme would be triggered and control of the company was passed to the Scheme Administrator, who undertook a financial review of the company and, in consultation with the Scheme Creditors Committee, considered the extent to which any levy was to be imposed upon the Scheme Creditors. The Scheme Administrators confirmed in May 2013, that an initial call under the Scheme would be made in the amount of 15%. After validating the claims data presented given the limited records held, the Council paid the balance of its levy of £1,179,802 in April 2014. The Scheme Administrator had indicated it could take a further 15 to 20 years for MMI to have a clearer idea of its ultimate financial exposure.

The Council prepared the most conservative long-term repayment of 90% of pay claims, as recommended by the Independent Actuary, and this advice had been amended to 75% in the 2015 Actuary Review of the Insurance Fund.

As at 31 March 2015, £8.1m of claim payments had been made under the Council's MMI policies with a further £0.8m of known claims outstanding and still to be settled. There was also a further £4m of estimated incurred, but not reported claims. If a maximum of levy of 75% were applied, the Council would be faced with having to make a potential additional payment of £8.1m under the Scheme and this figure took into account estimated recoveries from Derbyshire Police and the levy payment already made.

The current insurance reserve contained an allowance for potential liability at 75% levy level and separate report had been presented to Cabinet regarding the balance of the overall Insurance Fund. Any future fund deficit arising from the MMI Scheme Arrangement would need to be met from the General Reserves.

RESOLVED to note that (1) £8.1m had been set aside in the Insurance Reserves as a contribution to the clawback; and

(2) future uninsured claims would be monitored and budgetary provision made to meet those claims as and when required, with any deficit being met from General Reserves.

327/15 GROUND MOUNTED SOLAR PV DEVELOPMENT WORK – GRID CONNECTIONS (Council Services) The Chief Executive sought approval to initially fund potential grid connection offers for proposed ground mounted Solar PV Projects from General Reserves to secure the connection.

In May 2015, following public consultation, Cabinet approved recommendations to submit full planning applications for five sites and to undertake a joint procurement approach with other local authorities, led by Northumberland County Council. Subsequently grid connection applications were submitted to Western Power Distribution (WPD) for each of the proposed sites with budget connection costs for the sites totalling £1.5m for all potential projects, with WPD indicating that they would determine the applications during September.

The grid connection costs were anticipated to be paid for and planned for as part of the capital works, having been included in the initial costs modelling and would inform the final business cases that were planned to be presented to Cabinet. However, it had recently been made apparent by WPD and APSC Energy Consultants, that to accept a formal grid offer and secure connection to the grid, a percentage (likely to be 10%) of the connection costs would need to be paid up front. Once the grid connection offer and quotation was made, it was available for three months. WPD may cancel the application in that time however, if the offer was not accepted and connection becomes unavailable in that period. As a result, it was necessary for the Council to act quickly in accepting the grid connection offer and pay the upfront cost to secure the connection. If the ground mounted solar PV project did not go ahead, WPD would refund the connection deposit so long as they had not undertaken any works at the time. Based on the budget costs previously provided by WPD, it was estimated that initial costs to accept any formal grid offers would be in the region of £150,000.

RESOLVED to approve the use of £150,000 of General Reserves to secure any formal grid connection offers for the ground mounted solar PV scheme.

328/15 SUBSTANCE MISUSE (DRUGS) ADULT TREATMENT CONTRACT EXTENSION AND COMMISSIONING FOR NEW SUBSTANCE MISUSE TREATMENT CONTRACT (Health and Communities) The Director of Public Health sought approval under Protocol 10 of Finance Regulations, to extend the Substance Misuse (Drugs) Adult Treatment contract, currently provided by Derbyshire Healthcare Foundation Trust, for one year to 31 March 2017. Approval was also sought to confirm the approach to recommission all Substance Misuse services including drugs, alcohol, and Children and Young People's Services, with a commencement date of 1 April 2017.

The contract for delivering the Substance Misuse (Drugs) Adult Treatment contract, commenced on 1 April 2012 for an initial three year period, with the option available to extend for one year plus one year, taking the total period of the contract to a potential five years to the end of March 2017. At Cabinet on 4 November 2014, it was agreed that the service was suitable for extension for a year to 31 March 2016, with the expectation that

the final additional year would be awarded if performance continued to be measured at expected levels. From May 2014, there had been local problems with the change of IT system, which were further compounded by the temporary cessation of the National Data Recording System. These issues were outside the control of the local providers and the Authority, but resulted in an inability to measure service performance until the National Data System was restored in early 2015. When performance problems were identified at this point, a remedial action plan had been put in place in addition to an increase in the frequency of performance review meetings. The provider had worked well and openly with the Authority to resolve problems and to work towards improvements in performance and, given that the Authority was currently working to a procurement timetable of the services in April 2017, any re-procurement of the Substance Misuse contract at that stage would be destabilising for both the service and clients.

The procurement timetable with a commencement date of 1 April 2017 for all substance misuse services was previously approved by Cabinet in July 2013. The timetable would allow for the option of a fully integrated service contract, if it was determined that this was the most efficient use of resources, and would produce the highest quality of service delivery.

A public consultation was taking place between August and October 2015 regarding the future commissioning of all Substance Misuse services and evidence and experience indicated that frequent contract changes often resulted in a reduction in quality and performance, destabilising services, staff and service users and causing confusion for professional referrers. As the new service might become fully integrated, a longer contract period of three years plus two years plus two years was preferred to avoid such destabilisation, as well as unnecessary use of both provider (NHS and Charity) and public resources on recommissioning. Clearly identified breakpoints in the contract allowed for recommissioning should performance be unacceptable, and a potentially longer overall contract period allowed for greater confidence and investment by providers in the new service.

RESOLVED to approve (1) the Substance Misuse (Drugs) contract extension for a further year to 31 March 2017; and

(2) the approach to commissioning Substance Misuse Treatment Services (Drugs, Alcohol and Children and Young Peoples) to take into account the outcome of the public consultation, for a contract period of three plus two plus two years.

329/15 IMPROVEMENT WORKS AT EVERGREEN CHILDREN'S HOME, ILKESTON AND SPIRE LODGE CHILDREN'S HOME, CHESTERFIELD (Children and Young People) The Strategic Director – Children and Younger Adults requested approval to place orders for capital

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improvement works at Evergreen Children's Home, Ilkeston and Spire Lodge Children's Home, Chesterfield.

An Ofsted Inspection in November 2014 at Evergreen Children's Home, provided a requirement for various building improvements to the Home, for which a tender price from the Director of Property had been received in the sum of £122,744.

The Annual Property Review at Spire Lodge in October 2014 had identified the need for the re-modelling of two adjoining bathrooms that would better accommodate the needs of disabled children who used the service. A tender price had been received from the Director of Property in the sum of £47,500. These works would be a charge on the Children and Younger Adults Capital Programme 2015-2016 Children's Home capital (£46,854), and a charge on the capital allocated in 2010 to a replacement for Linden House, Children's Home in Swadlincote (£123,390)

RESOLVED to approve the placement of an order with Corporate Property to the value of £122,744 for capital improvements at Evergreen Children's Home, Ilkeston and a further order to the value of £47,500 to Corporate Property for capital improvements to Spire Lodge Children's Home, Chesterfield.

330/15 PROPOSAL FOR THE EXPANSION OF STENSON FIELDS PRIMARY SCHOOL (Children and Young People) Cabinet considered a report of the Strategic Director Children and Younger Adults on the outcome of the consultation held with interested parties on the proposal for the increase in the capacity of Stenson Fields Primary School from 280 places to 420 places, and to agree funding for the project. Details of the consultation undertaken and the responses were presented in the report.

Negotiations with the housing developer, Hallam Land, secured a financial contribution of £1.5m through a Section 106 Agreement to fund the provision of Primary School places and, in addition, £1.2m was approved for the project as part of the 2015-2016 Capital Programme. A project to deliver the required additional places had been developed if the expansion was approved by the Schools Adjudicator.

RESOLVED to (1) support the expansion of the Stenson Fields Primary School from 280-420 places and to recommend approval to the Schools Adjudicator; and

(2) agree to allocate the £1.5m Section 106 contribution from Hallam Land, the Developer of Stenson Fields, to support expansion of the project to be used alongside the £1.2m already allocated within the 2015-2016 Children and Younger Adults Capital Programme.

331/15 CHILDREN AND YOUNGER ADULTS APPOINTMENT OF SPONSOR FOR NEW PRIMARY SCHOOLS AT HILTON AND CHELLASTON FIELDS

(Children and Young People) The Strategic Director – Children and Younger Adults sought approval to the process and the details of Derbyshire County Council’s advertising for Academy sponsors for new Primary Schools at Chellaston Fields and Hilton and future new development of schools across the County.

The Local Authority must initiate a robust process for the appointment of the new Academy Sponsor to ensure that the ethos within Derbyshire Schools was included, developed and sustained in the new provision being opened, whilst meeting the assessment criteria for a sponsor which had been drafted by the Secretary of State.

The process must be rigorously defined in order that applicants to become a Sponsor were aware of the Council’s criteria for analysis of their application, the process by which all applications would be assessed and graded and the selection process by which one sponsor would be identified. The selection of an Academy Sponsor was a two-stage process with the final decision on the appointment resting with the Secretary of State for Education.

The appropriate documents had been drafted to establish the process, copies of which are attached at Appendices A, B and C to the report. It was proposed that the responses from potential sponsors be evaluated by an Officer/Member Working Group with conclusions reported back to Cabinet for decisions.

RESOLVED to approve the proposals for the Local Authority to initiate the process to appoint an Academy Sponsor for the new Primary Schools at Hilton and Chellaston Fields.

332/15 ILKESTON RAILWAY STATION – DIVERSION OF HIGHWAY

(Highways Transport and Infrastructure) The Strategic Director – Economy, Transport and Environment sought approval to make an application under Section 116 of the Highways Act 1980, to divert a public highway onto the new footbridge access at Ilkeston Railway Station and permit the removal of the existing footbridge adjacent to Coronation Road, Ilkeston.

RESOLVED to authorise the making of an application under Section 116 of the Highways Act 1980, to divert a public highway onto the new footbridge access to Ilkeston Railway Station, and to stop up the public highway over the existing footbridge adjacent to Coronation Road, Ilkeston.

333/15 SOUTHERN DERBY INTEGRATED TRANSPORT LINK

(Highways, Transport and Infrastructure) The Strategic Director – Economy,

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Transport and Environment sought approval of the County Council to play a role in the governance of work to prepare a major infrastructure project in support of land use planning and regeneration priorities, and to approve, in principle, some initial financial support.

At its meeting on 26 May 2015, Cabinet considered a report into projects already approved or with the potential to fall within Growth Deal Programmes, and approve the carrying out of preparatory work on some of these projects. A commitment of a minimum of £2b over six years had been made, with each Local Enterprise Partnership (LEP) entering into its own Growth Deal with Government. Details of the projects with confirmed funding to date were presented in the report.

Local Planning Authorities had a statutory duty to cooperate in the preparation of their plans and much of this was coordinated through defined Housing Market Areas (HMA). The Derby HMA comprised the areas of Derby City, Amber Valley and South Derbyshire and the respective Councils together with the County Council, work in partnership to ensure that the needs of the area were met. This work covered the supply of sufficient sites for housing and economic development, and also the planning of whatever infrastructure was required to accommodate this development. A traffic and transport model covering the whole Derby HMA area, allowed the testing of possible mitigation measures to establish which were most effective at minimising the impacts of development on transport networks and local communities.

This work had established that, in association with significant development in the South of Derby City, but also those areas of South Derbyshire adjacent to the City, there was a need for a new section of road in order to provide direct access to sites allocated for development, but also to facilitate the most efficient movement of people and goods to and from the City Centre, the A50 Trunk Road and other key corridors.

The proposed road would be important for this movement of cars and for logistics associated with the new development, but also for the movement of buses and for walking and cycling. Its title of Southern Derby Integrated Transport Link (SDITL) reflected this range of functions. An indicative route alignment was shown at Appendix A to the report. Further details on the proposals and potential future developments were presented in the report.

Initial work on the project would involve setting up a governance structure in order that tasks and accountability were identified and once this was in place, there would need to be discussion and agreement over resource requirements. Clearly it would be important for the County Council to fulfil its own duty to cooperate through offering appropriate support, not least the Officers or Members who would sit on identified project boards and working groups. Subsequent tasks would be to work towards the design, costing and

risk assessment of the scheme, secure and planning consent and land assembly, plus the consultation required in support of all of these. Whilst the final scheme costs would only emerge from this process, there was no doubt that should there appear to be a good prospect of Growth Deal funding, there would need to be a commitment of resources to preparation, which could be substantial.

It was expected that Government would, during Autumn 2015, invite LEP's to submit proposals for projects to be added to Growth Deal Programmes and, in anticipation, work had been underway on a single assessment framework to be used for the selection of projects by the D2N2 areas. This was to be approved by both the D2 and Nottingham and Nottinghamshire N2 Joint Committees for Economic Prosperity and by the D2N2 Infrastructure and Investment Board. Once in place, it would serve as a selection methodology for all projects, irrespective of which body was promoting them. It would also allow promoters to carry out early self-assessment of potential projects in order to determine which had the strongest business case. As this work was yet to be concluded, it was not possible to determine where SDITL would be placed within the list of D2N2 priorities. It did however, link closely to the delivery of significant numbers of jobs and houses and could be expected to perform well against the assessment criteria.

Irrespective of this, the importance of the scheme to land use planning for both Derby City and South Derbyshire District Council was such that even if it were not successful in attracting a Growth Deal Grant, an alternative funding source would need to be identified. The Authorities were therefore keen to proceed with its preparation, hence the anticipated commitment of resources at this stage from the City Council. It was also the case that a firm programme for the scheme design, securing land assembly and planning consent would assist the case for Growth Deal support.

At this stage, the only direct request made of the County Council was to confirm its willingness to work with partners on the earlier preparation of SDITL. This would initially involve the commitment of Officer time to work on the project governance and to the establishment of roles, responsibilities and a project development plan. It was likely that this early work would result in a proposal for the establishment of some form of Steering Group at Elective Member level, and it was recommended that the Cabinet Member for Highways, Transport and Infrastructure be authorised to represent the County Council, or to delegate as appropriate.

Whilst the work would need to precede any significant activity on the assessment of the scheme options, it would be helpful for approval to be given to a limited financial contribution to early consultancy work, and it was recommended that up to £25,000 be allocated for this purpose. Any further

commitments in the form of resources for design, planning consent and land assembly would be brought to Cabinet in due course.

RESOLVED to (1) note the intention of Derby City Council and South Derbyshire District Council to initiate preparation work for the Southern Derby Integrated Transport Link and agree the participation of the County Council;

(2) authorise the Cabinet Member – Highways Transport and Infrastructure to ensure appropriate representation for the County Council on governance structures associated with the schemes;

(3) approve an initial financial contribution of up to £25,000 towards early consultancy work; and

(4) note that a further report would be submitted to Cabinet in due course concerning identification of additional resources plus scheme preparation.

334/15 INDEPENDENT SECTOR HOME CARE FEES (Adult Social Care) The Strategic Director – Adult Care sought approval for an increase in fees for Independent Sector Home Care from 27 September 2015 by £3.61 on all hourly rates for the provision of home care and 7p on all travel/visit rates.

There were approximately 3,700 people currently in receipt of home care support from up to fifty Independent Sector Home Care providers, which was equivalent to 70% of the home care market. Derbyshire Home Care Association represented many of the home care providers, and had written on behalf of their members, requesting that the Council consider an increase of fees for 2015-2016 of 16.9%. Adult Care had also received additional requests from other providers not represented by the Association for a fee increase to reflect inflationary pressures. The last fee increase paid to independent sector home care providers was in October 2014, following an increase in the National Minimum Wage. Further details of the representations were contained in a recent letter of 21 July 2015, a copy of which was attached to Appendix 1 to the report.

It was proposed that home care fees be increased in response to the changes to the Minimum Wage and the introduction of pension auto enrolment of 1% on staff costs. To achieve this would require an increase of 3.61% on home care fees and 7p on all travel payments on 28 September 2015. Appendix 2 to the report detailed the cost implications of the Minimum Wage increase on all staff costs that were required to be taken to account when development a fee rate. Analysis of the service costs and inflationary pressures suggested an increase of 40p on hourly rates and this increase would enable providers to increase their staff hourly rate to the Minimum Wage and also enable providers to meet other inflationary pressures.

In addition, it was proposed to increase the travel payment per visit by 7p which had been calculated having regard to the increase in staff costs following the Minimum Wage increase and the introduction of the auto pension enrolment. This resulted in an increase up to 29p per hour in pay, the fact that approximately a quarter of every hour of a care worker's time was associated with time spent travelling, meant that a quarter of the hourly rate increase in pay should be added to the travel rate.

The impact of the proposals was detailed in the report and it was noted that the fee rates would not impact on the level of quality premium payment, which was a payment made to providers who had evidenced that they had met a set of additional standards, particularly in respect of training their staff. The majority of providers now received this payment.

RESOLVED to approve the proposed fee increase for the independent home care fees from 28 September 2015, by 3.61% on all hourly rates for home care and 7p on all travel/visit rates.

335/15 ORGANISATIONAL REVIEW OF THE COUNCIL'S SENIOR MANAGEMENT STRUCTURE – UPDATE AND NEXT STEPS (Strategic Policy, Economic Development and Budget) The Chief Executive updated Cabinet on the ongoing review of the Council's Senior Management Structures and sought approval for the next steps of the programme, in particular, the future delivery of corporate services and the outline Innovations and Transformation Programme. The report detailed the current financial position, the Council's priorities particularly, how services would be delivered to local people, the requirements of the Council's Senior Managers, the principles and issues, structures and the future delivery of corporate resources.

Approval was sought to rename the Children and Younger Adults Department to Children's Services and the Strategic Director to Strategic Director of Children's Services.

The service provided by the Corporate Resources Department and corporate functions provided by departments, would be critical in the delivery of the Council Plan, and in enabling service departments to sustain frontline delivery, whilst meeting challenging budget savings. As budgets and resources were reduced, it would become increasingly important to ensure that these limited resources were used as efficiently and effectively as possible to deliver the Council's ambitions and priorities.

Work had already been completed within Property Services to restructure and reduce costs significantly and to realign functions to create synergies and streamline service delivery. Alongside this, Corporate Finance

were reviewing and improving the consistency of financial processes and service delivery including procurement and insurance.

Given the fundamental nature of other CRD services, such as ICT and HR, to support the delivery of savings and the Council Plan, the report proposed the following external reviews be commissioned;

- A review of the Council's draft IT Strategy to ensure that it was realistic and would deliver the Council's aims and aspirations for ICT.
- A review of the delivery of the Council's HR function across departments to ensure that it had the resources, capability and effective systems to support major structural and cultural change.

As such approval was sought in principle, to engage the services of specialist consultants to undertake these reviews, subject to the scope and business case being approved by Members. The Innovations and Transformation Team would provide a coordinating, account management role. A scope and business case for each of the proposed review would be developed in consultation with the Corporate Management Team, CRD Senior Managers and other key stakeholders, including HR service partners and ICT Service Relationship Managers. These resources would be underpinned by a communications and engagement plan for each review to ensure all employees and other stakeholders affected by the reviews, had the opportunity to contribute and were also kept up to date on key issues during the review process. The business cases would be subject to further reports to Members.

It was also timely, whilst reviewing the delivery of corporate services, to consider the current management structures and review any opportunities to make further savings in management costs.

The need for change and innovations was widely acknowledged by the Council, which remained ambitious for Derbyshire and local people in a challenging financial climate. This had been recognised by Cabinet which had approved the establishment Core Innovations and Transformation Team to help instil a culture of open innovations and drive the agenda forward in a connected and collaborative manner. The recruitment process had now been completed and work was progressing on the development and design of the Innovation and Transformation Programme. Meetings had been held with key stakeholders including the Council Leader, Chief Executive Cabinet Members and Strategic Directors and further discussions with Cabinet and Management Teams and employees who it also planned. An outline Innovations and Transformation Programme was developed on the number of themes details of which were presented in the report.

One of the key themes included support in the development and implementation of the Combined Authority and Devolution Deal, promoting an enhanced approach and maximising the opportunities to benefit the Council,

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its partners and local people. It was acknowledged that specialist expertise would be required to help develop and implement detailed proposals and options within challenging Government timescales. As such, approval was sought in principle, to engage the services of the specialist consultant to undertake these reviews, subject to the scope and business case being approved by Members.

RESOLVED to (1) note progress on the Council's on-going review of Senior Management and approved the proposals for the next phases as outlined in the report;

(2) approve the renaming of the Children and Younger Adults Department to Children's Services and the Strategic Director to Strategic to Director of Children's Services;

(3) approve, in principle, the external commissioning of reviews of the ICT and HR Services as part of the review of Corporate Services;

(4) approve the outline Innovation and Transformation Programme and the receipt of future reports on the detailed programme of progress;

(5) approve, in principle, the engagement of a Special Consultant to help the Council develop the detailed proposals for the Combined Authority/Devolution Deal; and

(6) note that further reports would be presented to future meetings of Cabinet.

336/15 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 confirm the Exempt Minutes of the meeting of Cabinet held on 1 September 2015.
2. To receive the Exempt Minutes of Cabinet Member Meetings as follows:-
 - (a) Council Services – 25 August 2015
 - (b) Strategic Policy, Economic Development and Budget – 4 September 2015
3. Report of the Strategic Director – Corporate Resources on the Award of a Framework Contract to Provide a New

- Telecommunication Wide Area Network for the Council (Council Services) (contains information relating to the financial or business affairs of any particular person, including the Authority holding that information)
4. Report of the Strategic Director – Corporate Resources on Corporate Property Reductions in Workforce (Council Services) (contains information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relation 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 – Children and Younger Adults on Integrating Early Help and Safeguarding Services for Children, Young People and Their Families (Children and Young People) (contains information likely to reveal the identity of any individual)
 6. Report of the Strategic Director – Children and Younger Adults on the Commissioning of the Emotional Health and Wellbeing Service for Children in Care, Adopted and Care Leavers (Children and Young People) (contains information relating to the financial and business affairs, including the Authority holding that information)
 7. Report of the Strategic Director – Children and Younger Adults on Residential Care – Children in Care Provision (Children and Young People) (contains information relating to any individual)
 8. Report of the Strategic Director – Economy, Transport and Environment on the Supply of UPVC Pipes, Ducting and Access Chambers (Highways, Transport and Infrastructure) (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 Environment on the Award of Passenger Transport Contracts (PTU157) (Highways Transport and Infrastructure and Children and Young People) (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 – Adult Care on Rethink “The Croft” Amber Valley Contract Extension (Adult Social Care) (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 – Adult Care on the Provision of Statutory Adult Care Advocacy Services – Award of Contract (Adult Social Care) (contains information relating to the financial or business affairs of any particular person, including the Authority holding that information)