

MINUTES of a meeting of **CABINET** held on 31 January 2019 at County Hall, Matlock.

PRESENT

Councillor S A Spencer (in the Chair)

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

Also in attendance was Councillor A Western.

Apologies for absence were submitted on behalf of Councillor B Lewis.

Declarations of Interest

There were no declarations of interest.

07/19 MINORITY GROUP LEADERS' QUESTIONS

There were no questions.

08/19 MINUTES RESOLVED that the non-exempt minutes of the meeting of Cabinet held on 20 December 2018 be confirmed as a correct record and signed by the Chairman.

09/19 CABINET MEMBER MEETINGS - MINUTES RESOLVED to receive the non-exempt minutes of Cabinet Member meetings as follows:

- (a) Council Services – 6 December 2018 and 10 January 2019
- (b) Economic Development and Regeneration – 13 December 2018
- (c) Adult Care – 7 January 2019
- (d) Highways, Transport and Infrastructure – 20 December 2018
- (e) Young People – 9 January 2019
- (f) Health and Communities – 10 January 2019

10/19 PROCUREMENT OF CLAIMS MANAGEMENT SYSTEM RISK AND INSURANCE SERVICES (Council Services) The Strategic Director – Commissioning, Communities and Policy sought approval for the procurement of a new Claims Management System (CMS).

The Risk and Insurance Database had been in existence since 1 January 2000, and was written as a collaboration with IT and the Risk and Insurance Team. A second Highways claims database was re-written in or around 2003 following a request from the Scrutiny Committee to allow benchmarking with other Authorities.

There were a further two databases in use by Legal and Fleet management for recording claims, making a total of four sets of data in different formats. This made the task of evaluating the claims and assessing where the Council's risks lie a laborious and time consuming undertaking with potential to miss or duplicate claims. There was also no ability to immediately act to reduce or mitigate risk when a trend appeared as it could take considerable time to collate the information from all databases.

With the adoption of a specific CMS, the Council would be able to access the functionality stated in the bullet points above, providing greater efficiencies across the departments. The budget available for the new Solution was both Capital and Revenue and the funding for this would be suitable for either an internally or externally hosted solution.

Taking into account the summary of the Soft Market Testing exercise; dialogue with other authorities; the hosting; business and financial considerations, the recommendation was to procure an Externally Hosted Solution. The indicative costs from the Soft Market Testing for a ten-year contract ranged from £183,795 to £597,070. It was anticipated costs over the ten-year contract term would be around £450,000.

RESOLVED to approve the commencement of the procurement of a new Claims Management System for a period of five years with an option to extend for five further periods of twelve months up to a maximum of ten years.

11/19 BUSINESS RATES RETENTION REFORM AND FAIR FUNDING REVIEW CONSULTATIONS (Strategic Leadership, Culture and Tourism) The Director of Finance and ICT reported details of the Government's technical consultation documents regarding Business Rates Retention (BRR) Reform and Fair Funding Review (FFR).

On 13 December 2018, alongside the Provisional 2019-20 Local Government Finance Settlement, the Ministry of Housing, Communities and Local Government (MHCLG) published its BRR Reform consultation. The reform of the BRR system would sit alongside wider changes to the local government finance system which the Government aimed to introduce in 2020-21. This included the work of the Fair Funding Review (FFR) for which another consultation was published on the same day.

The Business Rates Retention Reform consultation brought together previous work and sought local authorities' views on options to reform the business rates retention system from 2020-21 and the balance between risk and reward in the future system.

As reported to Cabinet on 25 January 2018, the Council, together with the eight district/borough councils in the County, Derby City Council and Derbyshire Fire and Rescue Authority, was successful in becoming a 100% business rates retention pilot. The pilot was generating additional one-off income in 2018-19 to the County of

Derbyshire, over and above the business rates income the Council receives through the local government finance settlement. The Council's share of the gain was currently forecast to be approximately £17.8m, however because of the volatility of local business rate income streams this would not be confirmed until the end of the 2018-19 financial year.

The Government was committed to further business rates retention and in 2017 announced it was to introduce 75% business rates retention from 2020-21 in a fiscally neutral way. It should be noted that the Council, as part of a Derbyshire pool, bid to participate in a 75% business rates retention pilot for 2019-20, before a national 75% regime came into force in 2020-21. The Derbyshire pool was unsuccessful in its pilot bid.

The consultation, reflected the work of the BRR Reform Steering Group, the Systems Design Working Group (SDWG) and the Implementation Working Group (IWG) over the past year, further details of which were presented. The Government's ambition for BRR remained two-fold: to give local government greater control over the money it raised and to enable local authorities to support local economic growth.

The consultation focused on the way the business rates retention system worked, not on how further business rates retention would be delivered or the transition to the reformed system. The consultation sought views on proposals for sharing risk and reward, managing volatility in income and setting up the reformed business rates retention system.

The Government was proposing to consult further in Summer/Autumn 2019 on the transitioning and implementation arrangements. Decisions would be taken, following this consultation, outlining the reforms to be implemented in 2020-21. The consultation, which closed on 21 February 2019, included fifteen questions, as detailed in Appendix 1 to the report.

Alongside the BRR Reform the Government announced the latest stage of the Fair Funding Review (FFR) consultation. The Council's response to the first stage of the consultation was the subject of a report to Cabinet on 26 April 2018.

Funding baselines for local authorities, as determined by the local government finance settlement, were based on an assessment of a local authority's relative needs and resources. The overarching methodology behind this assessment was introduced over ten years ago and had not been updated since the introduction of the 50% business rates retention system in 2013-14 and was very complex.

Since the introduction of the 50% business rates retention system, demographic pressures had affected local areas in different ways, as had the cost of providing particular services. In recognition of these pressures and that the funding formulae was overly complex and lacked transparency, the Government announced in 2017 a review to address concerns about the fairness of current funding distributions. The outcome of this review would enable the Government to

reconsider how the relative needs and resources of local authorities should be assessed under a 100% business rates retention system.

The FFR aimed to determine and introduce a new funding mechanism, including how to treat resources and any transitional arrangements, which would determine new baseline funding allocations for local authorities, for the purposes of the 2020-21 Local Government Finance Settlement (i.e. in twelve months' time). This would coincide with implementation of 75% business rates retention, a business rate baseline reset and the 2019 Spending Review.

There would be a further consultation in 2019 on the Government's preferred approach. The MHCLG paper also indicated that it aimed to publish indicative allocations ahead of the 2020-21 provisional settlement, to aid councils' medium-term financial planning.

The new consultation was concerned more about the methodology and construction of the new allocation formulae. The consultation paper referred to the CLG committee's conclusion that a simpler needs assessment formula could provide a good approximation to the outcomes of a more complex model. The consultation takes a three-pronged approach by proposing to simplify the assessment of local authorities' relative need; considering the type of adjustment required (relative to the resources available to fund local services) and proposing a set of principles that would be used to design potential transitional arrangements and examine how the baselines for the purposes of transition should be established. Details of the consultation document were presented at Appendix 2 to the report.

RESOLVED to note the details of the BRR reform and FFR technical consultation documents and agree that the Director of Finance & ICT, in consultation with the Cabinet Member for Strategic Leadership, Culture and Tourism responds on the Council's behalf to the consultations.

12/19 ENTERPRISING COUNCIL STRATEGY (Strategic Leadership, Culture and Tourism) The Strategic Director – Commissioning, Communities and Policy sought approval for the Council's draft Enterprising Council Strategy 2018-2021 and to provide an update on work taking place to develop the authority's enterprising council approach.

On 22 February 2018, Cabinet approved the Council's new enterprising council approach. Thinking and doing things differently, not shirking bold decisions and making the most of new opportunities was driving the bold, ambitious and enterprising approach.

Being an enterprising council required a rapid pace of change and a hugely challenging and ambitious one council programme of transformation which would result in long-lasting culture change. Moving away from more traditional and paternalistic approaches to service delivery and fundamentally changing relationships with local people and communities would be vital.

Work had been taking place to develop and embed the approach including:

- Developing a draft Enterprising Council Strategy and plans
- Establishing work streams and governance arrangements to take forward key areas of work
- Developing programme management arrangements
- Progressing agreed early start service areas
- Establishing a commissioning framework
- Communicating with employees and stakeholders

Work had also been taking place to develop a draft Enterprising Council strategy and overarching action plan as detailed at Appendix A to the report.

The Council had established an Enterprising Council Board to take forward key areas of work to drive forward the approach. The Board had led the development of the Strategy and was supported by six work streams and leads, further details of which were presented. Each of the work streams had developed governance arrangements, identified their scope, established terms of reference and produced an action plan detailing the key deliverables in order to embed and deliver the strategy. Each work stream lead reports into the Enterprising Council Board on a monthly basis providing updates on progress.

Given the scale of the approach and whole council transformation, effective programme management of the approach is critical. The new Programme Manager had now been in post since August 2018 and is putting in place disciplined systems and processes. The Programme Manager was responsible for coordinating and managing the enterprising council programme and ensuring that effective monitoring and reporting of the programme takes place as work on the programme grows. Monthly reports on progress to the Board, which identified risks, issues, challenges and opportunities to ensure effective management and governance of the approach, were now taking place. This would support effective reporting to Cabinet on a regular basis.

To test the approach and explore new commissioning and delivery models to deliver Council and service priorities, a number of early start service areas were identified. A summary of progress on each area was detailed in the report.

A communications strategy had been produced and agreed by the Enterprising Council Board detailing mechanisms for communicating and engaging with employees and stakeholders. Several employee communications had been issued including a payslip message, a video from the Council Leader and a variety of articles in the Our Derbyshire employee newsletter. In terms of external stakeholders, an enterprising council message in on the footer of all council emails and an area on the council's website produced for information relating to the enterprising council programme. As the programme continued to progress, further communication materials would be produced to articulate and embed the enterprising council approach across the organisation.

Moving forward, progressing the identified early starts service areas was a priority for departments and these would be the subject of separate reports to Cabinet as the reviews were completed and recommendations on future service delivery were made. Momentum would need to be built on the delivery of the Strategy. Work would take place to develop a detailed overarching action plan which would monitor and assess the Council's progress in achieving its ambitions. Reports on progress would be presented to Cabinet on a six monthly basis to ensure the overall approach was fit for purpose.

RESOLVED to (1) note the progress made on the development of the Council's new enterprising council approach;

(2) approve the draft Enterprising Council Strategy attached at Appendix A to the report to support the delivery of a one council approach and transformation programme;

(3) note the work that had taken place to establish effective programme management arrangements; and

(4) note the progress made on the implementation of the early start service areas set out in the report and to receive further reports on progress in due course.

13/19 CORPORATE PEER CHALLENGE FEEDBACK REPORT (Strategic Leadership, Culture and Tourism) The Strategic Director – Commissioning, Communities and Policy sought approval to the LGA's Corporate Peer Challenge Feedback Report for publication, following the Peer Team visit which took place between 22 and 25 October 2018 and outlined the next steps in taking forward recommendations.

The Council's Corporate Peer Challenge, facilitated by the LGA, took place between 22 and 25 October 2018. Initial findings, summarising key positives and issues for consideration, were presented to Cabinet and CMT on 25 October 2018. The Council had received the full Feedback Report which was attached at Appendix A to the report. The Feedback Report comprised findings that are largely in line with initial feedback received on 25 October 2018 and the Council's Position Statement submitted in advance of the review. However, the final report provided more detailed commentary and feedback with suggested areas and action the Council should consider taking forward, further details of which were presented.

The report sets out a number of areas where the Council could improve its current approach. Many of these formed part of the key recommendations set out in the Executive Summary. The Council had already identified, and made progress, on a number of these areas where it felt it could improve its approach, in advance of the Peer Review. This work supported the delivery of a number of the identified recommendations.

In addition, the Council had identified additional areas where it wished to focus effort. A number of these actions had been incorporated into the Enterprising Council Strategy, which was the subject of a separate report to Cabinet. It was recommended that agreed actions to address the recommendations set out in the final Peer Challenge report form part of the Enterprising Council Strategy action plan which was currently in development. This would ensure that there was one clear action plan to take forward transformation activity, which would be important in ensuring the Council was clear about its priorities in this regard moving forward. It was recommended that progress on the delivery of the action plan be reported to Cabinet on a six monthly basis.

RESOLVED to (1) approve the Corporate Peer Challenge report for publication;

(2) approve plans to develop a clear action plan, to address recommendations set out on the report alongside priority actions identified in the Enterprising Council Strategy; and

(3) receive future reports on progress on a six monthly basis.

14/19 DIRECTOR OF PUBLIC HEALTH ANNUAL REPORT 2018 WORK AND HEALTH IN DERBYSHIRE: TWO SIDES OF A COIN (Health and Communities) The Director of Public Health informed Cabinet of the publication of the Director of Public Health's Annual Report for 2018.

The Health & Social Care Act 2012 created a duty for the Director of Public Health to write an annual report on the health of the local population and the County Council had a duty to publish the report. The content and structure of the report was for local determination and the Director could tailor the report to align with local issues and priorities.

The DPH Annual Report 2018, attached at Appendix 1 to the report, focussed on the relationship between work and health, highlighting local interventions that were in place. This year a Director of Public Health Annual Report Calendar for 2019 had been devised, a copy of which was attached at Appendix 2 to the report.

RESOLVED to note the production of the Director of Public Health Annual Report 2018 and the recommendations contained within.

15/19 FUNDING FROM THE MINISTRY OF HOUSING, COMMUNITIES AND LOCAL GOVERNMENT (MHCLG): 2018-20 FUND FOR DOMESTIC ABUSE INCLUDING REFUGES AND OTHER SAFE ACCOMMODATION, TO HELP LOCAL AREAS MEET THE PRIORITIES, SPECIALIST LOCAL AREAS MEET THE PRIORITIES FOR DOMESTIC ABUSE SERVICES (Health and Communities) The Strategic Director – Commissioning, Communities and Policy and Head of Paid Service reported on the use of urgent powers to accept a grant of £378,908 from MHCLG to enhance the provision of domestic abuse accommodation and support in Derbyshire.

In July 2018, MHCLG announced a £18.8m fund to assist in the provision of accommodation based support services and the local reforms needed to meet the Priorities for Domestic Abuse Services. Derbyshire County Council was the lead organisation in a successful bid to the fund, which was developed in partnership with a range of local specialist domestic abuse providers, the Office of the Police and Crime Commissioner, Derbyshire Constabulary and supported by the eight district/borough councils. The value of the grant awarded by MHCLG was £738,464. The funding would be utilised to enhance the provision which was already available for victims of domestic abuse in Derbyshire through commissioned services and through funding received under a previous DCLG grant, further details of which were presented.

RESOLVED to note the Strategic Director – Commissioning, Communities and Policy and Head of Paid Service decision to use urgent powers to accept a grant of £738,464 from the MHCLG to enhance the provision of domestic abuse accommodation and support in Derbyshire.

16/19 PROPOSED TRANSFER OF THE SCHOOL CROSSING PATROL SERVICE (Highways, Transport and Infrastructure) Cabinet considered a joint report of the Strategic Director – Economy, Transport and Environment and the Director of Public Health which sought approval to transfer the School Crossing Patrol Service from the Economy, Transport and Environment Department to the Public Health Department.

At its meeting on 25 January 2018, Council approved proposals to make £12.4m of savings in the current financial year 2018-19. These included saving £300,000 from a review of the School Crossing Patrol (SCP) Service in 2018-19, subject to public consultation and equality analysis processes.

As part of this review process, and to help the Council explore a number of options, on 7 March 2018, the Council wrote to all schools and parish/town councils, where a SCP currently operated, to ask if they would be willing to fund their SCP or help to find alternative sources of funding, such as local businesses, sponsorship or fundraising. Whilst there was a relatively low response, it was evident that, although there was little scope for schools, towns and parish councils to actually fund the provision themselves, the service was highly valued by those who used it. Due, in part, to the responses referred to above, Cabinet agreed at its meeting on 20 September 2018 not to undertake a review of the SCP service and to retain it in its current form, reflecting the genuine high regard for the service.

As a consequence of this decision, internal discussions had since taken place between the Economy, Transport and Environment Department and the Public Health Department. These discussions had provided for the opportunity to integrate the SCP service within Public Health's Safe and Active Travel agenda. Being physically active helped to improve physical and mental wellbeing and the Council wanted to encourage and enable everyone in Derbyshire to become more active. A key element of this approach was safe and active travel that helped everyone to be

able to build more physical activity into daily routines including enabling children to walk or cycle to school safely.

It was proposed this transfer would take place at the start of the new 2019-2020 financial year and be funded by Public Health for a minimum of three years up to and including 2021-2022.

RESOLVED to approve the transfer of the School Crossing Patrol Service from the Economy, Transport and Environment Department to the Public Health Department with effect from 1 April 2019.

17/19 MAJOR ROAD NETWORK AND LARGE LOCAL TRANSPORT SCHEMES – PROGRESSION OF ASHBOURNE AND CHESTERFIELD SCHEME OPTIONS (Highways, Transport and Infrastructure) The Strategic Director – Economy, Transport and Environment updated Cabinet on recent Government guidance for confirming and funding major transport projects, and to make recommendations on the progression of options for the County Council.

At its meeting of 15 March 2018, Cabinet considered and agreed the Council's response to Government consultation to create a major road network (MRN) which recognised the important relationship between key, local authority roads and those operated by Highways England on the strategic road network (SRN). The concept of the MRN was contained in Government's Transport Investment Strategy published in July, 2017 which committed allocating a proportion of the National Roads Fund (derived from vehicle excise duty) to the confirmed MRN. Details of the five central policy objectives and the Government's guiding principles for the MRN were presented in the report.

Following consideration of the consultation results and more detailed discussion with regional transport bodies such as Midlands Connect, (the representative sub-national transport body for East and West Midlands), Government published its response and Investment Planning Guidance for the proposed MRN and Large Local Major (LLM) programmes in December 2018, a summary of which was detailed in the report.

Whilst covering a relatively extensive network within the County, it was a disappointing outcome in some respects. The Council had made the case, which was accepted by Midlands Connect, for inclusion of the A515 between Buxton and its junction with the A50, due to the importance of the route for transporting minerals and the visitor economy. With an historic centre, large number of listed buildings and conservation areas, the town of Ashbourne was a major visitor attraction in its own right. But it also served as one of the gateways to the Peak District National Park and the A515 connects the Park to the national strategic road network which was why the Council considered it important for inclusion in the MRN.

A case was also made by Midlands Connect for inclusion of the A444 through South Derbyshire. The exclusion of these roads from the Government's list of proposals meant that any potential schemes along them were ineligible to be

considered for MRN funding unless future revisions of the MRN resulted in the inclusion of such routes.

Work on options for an A515 Ashbourne Bypass was already underway through the development of a traffic model capable of supporting business case development, planning and land assembly processes. This was considered by Cabinet at its meeting of 26 April 2018. The project's Appraisal Specification Report was now complete, assessing modelling options and setting out requirements to ensure that scheme options were assessed through a robust method.

During the remainder of the financial year 2018-19, the next phase of work, totalling £344,000, comprised the collection of additional data (largely on the origin and destination of trips). Cabinet had already agreed funding from the Economy, Transport and Environment budget in its previous considerations. This work would help test how well the model could replicate existing traffic conditions and, subsequently, the testing of scheme options. This would enable a preferred option to be put forward for whatever funding options become available, which could still potentially involve the National Roads Fund under any future review process. The exclusion of the A515 from the initial MRN was noted, Cabinet reaffirmed that it wished to proceed towards adoption of a preferred scheme option. It was difficult for the Council to make firm proposals at this stage for projects to be delivered during the RIS2 period. The production of valid assessment models was, in itself, time-consuming. During the financial year 2019-20, appropriate transport models would become available for the Ashbourne area and also for north-eastern Derbyshire; the latter having been commissioned in support of the A61 Growth Corridor Strategy. At present, the most eligible Derbyshire scheme that would fit the stated MRN criteria and existing Local Transport Plan status, would be the grade-separation of the A61 Chesterfield Inner Relief Road junctions.

Cabinet were reminded that an interim scheme for Whittington Moor was being developed, but that grade-separation for the three roundabouts was planned to be explored with Midlands Connect. There was a possibility that a grade-separation scheme could be brought forward in combination with the Chesterfield-Staveley Regeneration Route (CSRR). As reported to Cabinet on 8 November, 2018, this was the subject of a current grant bid for Housing Infrastructure Fund. Should this be unsuccessful, or support only partial delivery, an LLM business case could be considered for the CSRR (which would not be eligible for MRN funding as the A619 does not sit on the eligible network). Notwithstanding the above, the availability of the quantum of funding allocated to MRN and LLM projects would allow consideration of potential schemes which, in the recent past, would have been unaffordable. There were a number of settlements along the Derbyshire MRN for which it would be worthwhile considering possible schemes, even if aimed at long-term delivery. It was recommended that officers undertake an initial assessment and report this to Cabinet in the form of an indicative programme for preparation and delivery.

RESOLVED to (1) note the contents of the report on Government support for major transport projects and on the assessment of an Ashbourne Bypass, A61 Chesterfield junctions and the Chesterfield-Staveley Regeneration Route;

(2) reaffirm the commitment to the development of an assessment model and the testing of scheme options for Ashbourne;

(3) agree to receive a further report recommending an outline programme for the preparation and delivery of future Major Road Network and Large Local Major schemes.

18/19 ENTERPRISING COUNCIL – A FUTURE OPERATING MODEL FOR THE HIGHWAYS SERVICE (Highways, Transport and Infrastructure) The Strategic Director – Economy, Transport and Environment sought approval to the Future Highways Model as the new way of delivering the service as part of the enterprising council approach.

The Highways Service was identified as an “early start” to adopt the enterprising council approach as highways was one of the most universal and high profile County Council services and an early review of its operational model and the relationship with communities was considered to be beneficial. The enterprising council challenge, which should lead to service transformation and noticeable improvement in performance, was considered vitally important at a time of increasing budget pressures on the Highways Service.

The service had a flexible delivery model, meaning it could adapt rapidly to changing circumstances by making the best use of internal and external resources. This ability meant that, for example, the team assembled to deal with the serious impact of last year’s winter on the condition of the County’s roads was able to repair over 66,000 potholes in 2018, compared to the 25,000 or so in a “typical” year. The split of services was typically 50/50 internal/external, but this changed annually depending on the workload. Support for design and construction services were sourced through frameworks available with the Midlands Highways Alliance, of which the County Council was a founder member, and other competitively sourced providers.

The County Council had employed Proving Services Ltd, part of Cranfield University’s School of Management, to undertake an independent review of the Service and to advise on alternative operating models. Proving Services Ltd had developed a unique value for money (VfM) benchmarking model to measure performance of the highways maintenance sector and this model had recently been acknowledged as setting a national standard through its endorsement by the Association of Directors of Economy, Environment, Planning and Transport (ADEPT).

Proving Services Ltd’s VfM analysis showed that the County Council scored well for effectiveness and strategic value compared with other FHRC members and

highway authorities as a whole. The Service delivered a network that worked well for its users and was effective was ensuring key outcomes like network availability. However, the assessment also showed that, compared to its peer group, there was room to improve the Service's economy and efficiency to do more with the available resources and to reduce costs. Despite this view, looking at three common areas of work suggested that the Service could be cost effective when compared with other providers. For pothole repairs, surface dressing and maintenance design, the internal design and construction services had proved to be comparable or cheaper than services provided by external partners. Overall, it was clear there were opportunities to achieve better performance and the analysis had identified priorities for improvement against the best in class.

The analysis and experience also showed that Derbyshire was well-placed to bring about a transformational improvement to its Highways Service. To do this, it suggested that the best option for the County Council was to adopt a new way of working, called the Future Highways Model. Three elements made up the proposal:

- A new commissioning approach to prioritising and procuring services
- An improvement plan to tackle priority areas of service
- A strategic programme of supporting initiatives intended to maximise effectiveness of the service and a package of commercialisation options to generate income or reduce costs to the County Council

Evidence from Proving Services Ltd's evaluation of FHRC members' operating models and best practice, suggested that the best performing highway services had a robust commissioner/provider model at their heart. The Service was already making significant strides to achieve this through its current reorganisation. The principle of effective commissioning was to reconnect service providers, the County Council, with Service users and the elected members who represent them. Therefore, instead of Service providers interpreting the needs and priorities of communities, those needs and priorities were explicitly stated through the commissioning process, further details of which were presented.

In addition to adopting a commissioning approach to Service delivery, there would also be a programme of improvements that had been identified and prioritised through the VfM analysis. The current operating model, while performing reasonably well, had the potential to significantly improve its performance. Details were presented of work that had already started to develop initiatives into workable improvement plans, all aligned to deliver an overall vision "to provide a safe and reliable highway network".

FHRC members' experience and research into best practice had identified activities and initiatives that bring about significant additional service benefits on top of those that could be achieved through service redesign alone. The new ways of working would, therefore, also include the Strategic Programme, which would support and enhance the effectiveness of the new Service. This included areas such as commercialisation (generating new income streams and opportunities), effective

communications, downward devolution, community engagement and improved success in winning bids and grants.

The timescale for full implementation of the Future Highways Model was expected to be two years, although the majority of changes should be evident within the first year. In the first six months, progress was anticipated in the introduction of the new commissioning framework, developing improvement plans for priority service areas, reviewing the service financial model and identifying the priority commercialisation opportunities. In the remainder of the first year, it was expected that the new operating model would be in place, with new reporting and control systems established and the first pilot projects of downward devolution programme well under way. The second year would look to consolidate the new model, as well as establishing a full commercialisation programme and implementing its first projects.

Proving Services Ltd had carried out an independent assessment of the Future Highways Model in comparison with a variety of alternative delivery models that were common across the highways maintenance sector. These included a joint venture such as used in Staffordshire, a single provider such as found in Suffolk, and an arms-length company (Teckal) of the sort used in Nottinghamshire. The assessment, using a common factor set of criteria as used in the VfM assessment, showed that the Future Highways Model would significantly outperform any of the alternative delivery options in terms of value for money. While value for money was a key consideration, there were other criteria that needed to be understood before deciding on a recommendation. FHRC's members' experience sheds significant insight on the alternative models available to the County Council. With few exceptions, FHRC members all had mature arrangements in place with external providers, and Proving Services Ltd's analyses of these models showed a number of common issues, details of which were presented.

In conclusion, Proving Services Ltd's analysis showed there was a clear and demonstrable performance advantage of the Future Highways Model over all other alternative models available to the County Council. In addition, there were significant disadvantages with the alternatives which suggested that adopting any of these other models would incur significant risks, costs, performance fall-off and operational frustrations. Implementing the Future Highways Model would be quicker and cheaper to implement, offering greater flexibility and agility in the future and better alignment with County Council values. It was, therefore, recommended that the Highways Service adopts the Future Highways Model, including the Strategic Programme of supporting service improvements.

While the costs of implementing any of the alternative models was estimated to incur costs of at least £1.5m to £2.1m, which would be avoided with the Future Highways Model. However, there were likely to be some costs associated with some of the improvements from implementing the Future Highways Model. It was estimated that these could be up to £250,000 over the two years. The funds would either be found through existing revenue budgets or invest-to-save business cases.

RESOLVED to (1) approve the adoption of the Future Highways Model for the Highways Service for Derbyshire; and

(2) agree that progress on the new model's implementation and improvements was reported as appropriate as part of the County Council's enterprising council initiative.

19/19 ENTERPRISING CHILDREN'S SERVICES – BREADSALL PRIMARY SCHOOL (Young People) The Strategic Director – Children's Services updated Cabinet on the project to replace Breadsall Primary School and request approval to alter the project from refurbishment to a new build.

On 25 January 2015, Cabinet approved up to £3.55m capital receipts and £1.2m borrowing for a proposal to transfer the Erewash Key Stage 3 Pupil Referral Unit (PRU) from the Derbyshire Support Centre site on Brookside Road, Breadsall, to a building in Ilkeston and to transfer Breadsall Primary School into a section of the vacated PRU building. At the time, the total cost of the projects was £4.75m but £1.75m was identified for the school project. On 21 February 2017, the funding for the school element of the project was increased to £2.2m.

The current Breadsall Primary School building was an old Victorian building with a significant maintenance backlog. Whilst the refurbishment option on the Brookside Road site would provide a more modern building and access to playing fields, it would not have brought facilities into line with current guidelines in terms of room and kitchen sizes, width of circulation and full accessibility.

Once the PRU had vacated the building, the surplus accommodation was demolished prior to starting the school refurbishment work. Having opened up the building structure, it became clear that there were significant problems with the fabric of the building, including additional asbestos, a cracked floor slab and corrosion to the main steel supports. There was also concern that further issues would be revealed as the building work continues. The building also suffered from a serious attack of vandalism which caused a considerable amount of damage.

The cost of the project was re-assessed and consideration was given to whether a new build would be more cost-effective, and for addressing some of the shortfalls of the refurbishment option. The additional cost of the refurbishment option would be £1,311,888, whilst the cost of demolishing the remaining building and constructing a new school would be £1,802,888. The latter figure did include an estimated £300,000 of abortive fees to cover the design work already undertaken and that figure would have to be funded from revenue. Whilst the cost of the abortive fees was unfortunate, it was felt that the new build option would provide a better solution for the school in terms of delivering education, removing further doubt about the fitness and cost of the refurbishment, and providing an efficient building that would cost less to run in the future.

RESOLVED to (1) approve the cancellation of the refurbishment project for Breadsall Primary School;

(2) permit County Property to proceed with the design of a new school at risk;
and

(3) seek the additional funding on a future report for the rebuild option for Breadsall Primary School.

20/19 SCHOOL REVENUE FUNDING SETTLEMENT 2019-20 (Young People) The Strategic Director – Children’s Services informed of the Schools Block funding settlement for 2019-20 and to sought approval to a range of decisions to enable mainstream schools’ budgets to be determined, details of which were presented.

RESOLVED to (1) note the Schools Block settlement for 2019-20;

(2) note the responses from schools and academies to the LA’s consultation proposals;

(3) agree to set an MFG rate of 0% per pupil for both sectors for 2019-20;

(4) agree to allocate funding to schools on the basis of the formula multipliers as set out in Appendices 2 and 3 to the report;

(5) approve a 4% per pupil cap on gains for both sectors for 2019-20;

(6) note that the residual over-commitment would be met from the savings in rates bills of community and voluntary controlled schools that convert to academy status on or after 1February 2019;

(7) note the decision of Schools Forum regarding the use of the pupil growth fund;

(8) agree to the request from the Schools Forum to de-delegate and top-slice funding from maintained schools’ 2019-20 budgets as set out in the report;

(9) allow any matters of detail relating to schools’ delegated budgets to be resolved by the Strategic Director for Children’s Services in consultation with the relevant Cabinet Members; and

(10) note that further reports will be brought on the Central School Services, Early Years and High Needs Blocks.

21/19 CHILDREN’S SERVICES CAPITAL PROGRAMME 2018-19 JOINT FUNDING INITIATIVE (Young People) The Strategic Director – Children’s Services sought approval to a schedule of joint-funded projects submitted by schools, as a charge on the budget approved in the 2018-19 Children’s Services Capital Programme.

Cabinet agreed on 26 July 2018, as part of the 2018-19 Children's Services Capital Programme, to allocate £500,000 to continue with the Joint Funding Initiative first introduced in 2012-13. This initiative enabled schools to bid for 50% funding support from the Authority to undertake priority schemes which would improve the condition of their school site/buildings, or to improve the safeguarding of children or to help create school places, utilising existing accommodation. This initiative helped to reduce the backlog of school condition improvement works which was a national and local priority for capital investment.

The Joint Funding Initiative had proved to be very popular with schools, with 372 projects approved to date. Bids must be for projects with a minimum value of £10,000 with the Authority matching 50% of the Schools contribution up to a maximum of £15,000.

The Authority had received new bids for projects from 44 schools as detailed at the Appendix to the report, with the Authority's contribution required for all these projects being £481,388.

RESOLVED to approve the joint-funded projects as detailed in the Appendix to the report, with funding being split between the schools and the Authority, resulting in a charge of £481,388 against the Children's Services Capital Programme.

22/19 CHILDREN'S SERVICES CAPITAL PROGRAMME 2018-19 SECTION 106 ALLOCATIONS (Young People) The Strategic Director – Children's Services informed Cabinet of the receipt and availability of recent Section 106 developer contributions and to sought approval for the allocation of those contributions to projects in line with the individual Section 106 agreements. Approval was also sought that, where appropriate, procurement exercises be undertaken to commission services and undertake works associated with the schemes.

In respect of Melbourne Junior School, a project had been undertaken to provide an additional classroom. The total project cost of the scheme was £350,000. The current budget for this scheme was £361,685 following receipt of a school contribution and provision of additional funding under delegated powers. It was agreed that any future S106 funds would be used to repay the Capital Programme. A contribution of £94,591 was approved by Cabinet on 19 September 2017 which had been repaid to the Capital programme 2017-18. The £107,940 developer contribution which had been received as detailed in Appendix A to the report, would be used to repay the Capital Programme 2017-18.

Ashbourne Hilltop Primary and Nursery School / Ashbourne Primary School required an amendment to be made to previously approved S106 funding in relation to Hillside Farm, Wyaston Road, Ashbourne. The indexation amount of £8,442 was allocated to Queen Elizabeth's Grammar School. A revised figure of £5,220 would be allocated to the school in line with the secondary and post-16 contributions and the remaining balance of £3,222 would be allocated as the primary contribution as follows;

- Ashbourne Hilltop Primary and Nursery School: £1,611
- Ashbourne Primary School: £1,611

These contributions would be used to repay the Capital Programme 2016-17 for the primary reorganisation phase 1 project.

A developer contribution of £388,888 had been received from a development at Drakelow Park, Walton Road, Drakelow, Burton-upon-Trent. The S106 agreement stated that these contributions would be transferred to Staffordshire County Council (John Taylor Free School). Transfer of this funding would also be subject to a legal agreement between Derbyshire County Council and Staffordshire County Council.

RESOLVED to (1) note the receipt/availability of S106 funding as detailed in Appendix A and approve the following allocations:

- Melbourne Junior School: £107,940
- Transfer of funds to Staffordshire County Council: £388,888
- Correction to the allocation for Queen Elizabeth's Grammar School (£5,220: Queen Elizabeth's Grammar School; £1,611: Ashbourne Hilltop Primary and Nursery School; £1,611 Ashbourne Primary School); and

(2) approve that, where appropriate, procurement exercises be undertaken to commission services and undertake works associated with the schemes.

23/19 EARLY HELP SERVICES FOR CHILDREN, YOUNG PEOPLE AND THEIR FAMILIES (Young People) The Strategic Director – Children's Services informed Cabinet of the early help review public consultation and Equality Impact Analysis (EIA) outcomes and sought approval to implement the proposed redesign of the Early Help Service and to implement the proposed revised budget for Early Help Services.

Details of the Early Help structures were presented in the report. Early Help was targeted at those who most needed help and practice was evidence-based, to ensure the best possible use was made of our limited resources. It also meant that the Council could effect as much positive change as possible in the lives of the children and families it worked with.

Early help was everybody's business and not just the local authority's. Some of the best early help arrangements in the country were based on strong partnership models between the local authority, health, schools and the voluntary sector and this was the vision for Derbyshire. Having strong partnerships in place would mean children and families would get the right level of support at the right stage and that they were not on the receiving end of unnecessary state-intervention which could have negative impacts, particularly when they could access better and more suitable support from universal services.

Details of the consultation process undertaken were outlined in the report. The main results of the Equalities Impact Assessment (EIA) were presented at Appendix 1 to the report and this assessed impact on protected groups and details of the public and stakeholder consultation were included at Appendix 2 to the report. The consultation responses and the EIA had led to the proposals being revised to reflect the feedback received which were detailed in the report.

RESOLVED to approve (1) the amended proposals to include a Transition Team for three years, to take effect from 1 September 2019;

(2) the implementation of the proposed new arrangements to deliver targeted Early Help Family Support and Early Help Youth Support to take effect from 1 September 2019;

(3) the implementation of the proposed new arrangements for provision to support NEET/EET young people to take effect from 1 September 2019;

(4) initiate a consultation with service users of the 'Donut Creative Arts Studio' (DCAS) Chesterfield, on the proposal of a community transfer of the building to 'Fairplay' Chesterfield; and

(5) the proposed transfer of the current MAT SEND duties, to the SEND Locality Teams, along with appropriate budget allocation as detailed in the report.

24/19 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 meetings of Cabinet held on 12 and 20 December 2018.
3. To receive the Exempt Minutes of Cabinet Member meetings as follows:
 - (a) Council Services – 6 December 2018
 - (b) Adult Care – 7 January 2019
 - (c) Health & Communities – 10 January 2019
4. To consider exempt reports as follows:

(a) Woodville – Swadlincote Regeneration Route Land Acquisition and Legal Orders – Strategic Director – Economy, Transport and Environment (Contains information relating to the financial or business affairs of any particular person, including the Authority holding that information).

(b) Urgent decision taken by the Strategic Director, Economy, Transport and Environment – Appointment of contractor to undertake countywide footway condition and Inventory Survey (Contains information relating to the financial or business affairs of any particular person, including the Authority holding that information).

(c) Early Help Services for Children Young People and their Families – Workforce Implications - Strategic Director for Children's Services (Contains information which is likely to reveal the identity of any individual).