

Sponsor: Alison Parkin, Director of Financial Services

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Compliance with Contract and Financial Procedure Rules

Purpose

- 1.1
- Acceptance of funding from the Department of Health and Social Care (DHSC) of £0.957m and associated delegated approvals to apply the funding
 - Addition of Lawn Tennis Association (LTA) Park Refurbishment scheme to the capital programme and associated funding
 - Addition of Purchase of Spin Bikes at Springwood Leisure Centre scheme to the capital programme and associated funding
 - Addition of Squash Courts Refurbishment for a Multi-use studio scheme at Springwood Leisure Centre to the capital programme and associated funding
 - Acceptance of funding of £0.286m from the Ministry of Justice to the Youth Offending Service to expand best practice in early intervention and associated delegated authority to accept funding
 - Approve submission of a bid and acceptance of funding of £1.991m for Home Upgrade Grant (HUG) 2 Scheme and award grant funding to individual homeowners
 - Addition of Home Upgrade Grant (HUG) 2 Scheme to the capital programme for 2023/24 and 2024/25 financial years.

Recommendation

- 2.1 To approve accepting funding from the Department of Health and Social Care of £0.957m, as outlined in section 4.1.
- 2.2 To delegate authority to the Strategic Director of Resources and the Strategic Director for Peoples Services, in consultation with the Cabinet Member for Adults Heath and Housing, to allocate the funding in line with the Department of Health and Social Care terms of funding, as outlined in section 4.1.
- 2.3 To delegate authority to the Strategic Director of Resources and the Strategic Director for Peoples Services, in consultation with the Cabinet Member for Adults Heath and Housing to enter into arrangements with the Integrated Care Board as necessary including to pool the funding into the Better Care Fund in accordance with the grant terms of funding, as outlined in section 4.1.
- 2.4 To approve the addition of the Park Refurbishment scheme of £0.113m and associated funding to the 2023/24 Capital Programme. The scheme will be profiled over two years, £0.058m in 2023/24 and £0.057m 2024/25, as outlined in section 4.2.

- 2.5 To approve the addition of the Spin Bikes scheme at Springwood Leisure Centre and the associated funding of £0.027m to the 2022/23 Capital Programme as outlined in section 4.3
- 2.6 To approve the addition of the Multi – Use Studio scheme at Springwood Leisure Centre and the associated funding of £0.170m to the 2022/23 Capital Programme as outlined in section 4.3.
- 2.7 To accept £0.286m of funding over the next three years from the Ministry of Justice for Targeted Early Help as outlined in section 4.4.
- 2.8 To delegate authority to the Strategic Director for People Services and the Strategic Director of Corporate Resources in consultation with the Cabinet Member for Children and Young People and Skills to agree and accept as appropriate the conditions set out in the Ministry of Justice – Targeted Early Help Funding Agreement, and to allocate expenditure to ensure conditions set out in the Funding Agreement are met as outlined in section 4.4.
- 2.9 To approve the submission of a bid and acceptance of funding of £1.991m to cover financial years 2023/24 and 2024/25 for the Home Upgrade Grant 2 Scheme, as outlined in section 4.5.
- 2.10 To approve the addition of the Home Upgrade Grant – Tranche 2, capital scheme to the 2023/24 Capital Programme, subject to the approval of successful submission of bid and acceptance of funding as outlined in section 4.5.
- 2.11 To delegate authority to the Strategic Director of Corporate Resources and the Director of Financial Services, in consultation with the Cabinet Member for Adults, Health & Housing to award grants to individual homeowners subject to making successful bids as outlined in section 4.3.

Reason

- 3.1 To comply with Contract and Financial Procedure Rules.

Supporting information

4.1 Adult Social Care Discharge Fund – Acceptance of Funding

On 18th November, the DHSC published details of a new Adult Social Care Discharge Fund that is to be pooled into the existing funding into the Better Care Fund (BCF). The DHSC has announced that a fund of £500m is being distributed called the Adult Social Care Discharge Fund. £200m will be distributed to local authorities, based on the adult social care relative needs formula. £300m will be distributed to integrated care boards (ICBs), targeted at those areas experiencing the greatest discharge delays. This is based on a combination of both:

- a fair-shares distribution based on 2022 to 2023 ICB weighted populations (25% of ICB funding)
- a discharge metric flexed to reflect the size of the ICB weighted population (75% of ICB funding)

- 4.1.1 The fund can be used flexibly on the interventions that best enable the discharge of patients from hospital to the most appropriate location for their ongoing care. Funding should prioritise those approaches that are most effective in freeing up the maximum number of hospital beds and reducing bed days lost within the funding available, including from mental health inpatient settings. Discharge to Assess and provision of homecare is recognised as an effective option for discharging more people in a safe and timely manner. Funding can also be used to boost general adult social care workforce capacity, through staff recruitment and retention, where that will contribute to reducing delayed discharges.
- 4.1.2 The funding will be provided in 2 tranches for areas that have provided a planned spending report and fortnightly activity data and have met the other conditions.
- 4.1.3 It is recommended to approve accepting funding from the Department of Health and Social Care of £0.957m.
- 4.1.4 It is recommended to delegate authority to the Strategic Director of Resources and the Strategic Director for Peoples services, in consultation with the Cabinet Member for Adults Health and Housing, to allocate the funding in line with the Department of Health and Social Care terms of funding.
- 4.1.5 It is recommended delegate authority to the Strategic Director of Resources and the Strategic Director for Peoples Services, in consultation with the Cabinet Member for Adults Health and Housing to enter into arrangements with the Integrated Care Board as necessary including to pool the funding into the Better Care Fund in accordance with the grant terms of funding.
- 4.2 Addition to capital programme – Park Refurbishment Scheme**
The Council has been awarded funding of £0.113m from the Lawn Tennis Association (LTA). The funding aligns with the local authority strategies including local green space, playing pitch and physical activity strategies with the aims of creating more opportunities for sport and exercise and increasing participation in tennis.
- 4.2.1 It is proposed that the contribution awarded will be utilised for the refurbishment of Derby City Council's tennis courts located at Markeaton Park, King George V Playing Fields, Alvaston Park and Allestree Recreation Ground.
- 4.2.2 The works will be procured through a framework procured by the LTA to deliver the Parks Refurbishment Programme. The Football Foundation have been appointed as the Contracting Authority with the LTA as their agent. Local Authorities will directly contract with contractors who have been procured using the Public Procurement Regulations 2015.
- 4.2.3 It is recommended to approve the addition of the Park Refurbishment scheme of £0.113m and associated funding to the 2023/24 Capital Programme. The scheme will be profiled over two years, £0.058m in 2023/24 and £0.057m 2024/25.
- 4.3 Springwood Leisure Centre – Squash Court Refurbishment and Spin bikes**
The current techno-gym group cycle bikes at Springwood Leisure centre are six years old and are showing signs of wear as expected with the frequency and type of use. The assets are currently on a service contract for parts and labour at an annual charge of £1,332 and it is expected that this contract will increase as the assets age and are worn by use.

- 4.3.1 In addition, squash usage has not recovered at the leisure centre since reopening post COVID. This report, therefore, proposes to use one squash court and convert it into a multi-use studio for both Spin classes and studio sessions. With the current forecast usage of squash, the remaining court will have the capacity to enable squash to continue to be offered. The conversion will allow additional space for spin classes to be available for hire, releasing potential additional income streams to support the budget in 2023/24.
- 4.3.2 The Council holds S106 funding for use in improvements at Springwood Leisure Centre totalling £0.259m. It is proposed to use £0.189m of this S106 funding (leaving a balance of £0.070m) to fund the Spin bike and Multi use Studio refurbishment expenditure. It is also proposed to use £0.008m of capital receipts from the sale of older Spin bikes at Queens Leisure Centre to fund the proposals as outlined below:

Scheme	S106 £m	Capital Receipts £m	TOTAL £m
Spin Bikes	0.019	0.008	0.027
Multi-use Studio	0.170		0.170
TOTAL	0.189	0.008	0.197

- 4.3.3 The change in use of the squash courts and purchase of new spin bikes is forecast to generate additional income of approximately £0.058m this will contribute towards existing MTFP savings and reduce existing budget pressures.
- 4.3.4 It is recommended to approve the addition the Spin Bikes scheme at Springwood Leisure Centre and the associated funding of £0.027m to the 2022/23 Capital Programme.
- 4.3.5 It is recommended to approve the addition of the Multi – Use Studio scheme at Springwood Leisure Centre and the associated funding of £0.170m to the 2022/23 Capital Programme.

4.4 Turnaround – acceptance of Ministry of Justice (MOJ) Funding for use in early intervention work

All Youth Offending Services in England and Wales are being provided with specific grant funding to deliver early intervention work for children on the cusp of the criminal justice system. Derby Youth Offending Service is part of these arrangements and will be asked to work with a set number of children per year (94) using an early help approach to assess and address the underlying needs and risk factors which may have brought children into contact with the justice system.

- 4.4.1 During Turnaround delivery, Local Authority teams will need to commence interventions for 13 children in the 2022/23 Financial Year:
- Deliver interventions for 41 children in the 2023/24 Financial Year
 - Deliver interventions for 40 children in the 2024/25 Financial Year
 - Work closely with an Evaluation Partner as laid out in the Grant Funding Agreement.

- 4.4.2 There is a specific list of eligibility criteria that focuses on children who have been arrested but are unlikely to progress through to the courts but who require wrap around support in order to prevent further contact with the criminal justice system. The overall programme will enhance and align to Derby's wider strategic priority of reducing Place Based Risk within the Resilient Outcome Theme for the city. This is work that will build on existing work streams in both the Youth Offending Service and Early Help services, based within children services at Derby City council, as opposed to being a new and separately funded project.
- 4.4.3 Turnaround funding can only be used for those children who specifically meet the eligibility criteria and must not be used to dual fund children receiving other grant funded services, or services that should be statutorily delivered. Children open to child protection plans, looked after children and children leaving care are ineligible for Turnaround as the programme is not intended to replace or supplement existing Children's Services funding and arrangements for higher threshold cases.
- 4.4.4 The Grant Funding Agreement sets out the conditions of the grant, which include Youth Offending Services committing to working with a minimum number of eligible children and follow the programme design features, as laid out in the grant funding agreement. Beyond this, the model allows flexibility for Youth Offending Service Management Boards to determine the design of the local programme.
- 4.4.5 Youth Offending Services will manage the referral and screening process. This will include managing data for an evaluation and the selection of those to be offered interventions. Referrals will be made to Youth Offending Services primarily by the Police but can be made by any practitioner who has dealt with the child, as well as the child's parents or community safety teams. In Derby, a process is being drawn up for co-working between Derbyshire Constabulary and the Youth Offending Service to jointly identify, triage and refer cases for assessment and intervention.
- 4.4.6 Derby Youth Offending Service is eligible for Turnaround grant funding of £0.048m for this financial year 2022/23, £0.119m in 2023/24 and £0.119m in 2024/25, funding the service to work with 94 children over the three years, based on a 'base unit' of c. £2,900 per child. This includes mobilisation funding of £0.011m in 2022/23, to be spent on the activities required to start delivering Turnaround, which are listed in the Grant Funding Agreement. The approach is flexible to meet local need and could include using funding to increase staffing or to commission new or additional services.
- 4.4.7 Youth Offending Service Management Boards will work with strategic partners to ensure wider services are aware of the programme and will be the governance arrangements for oversight of delivery of the programme, including data returns and financial management within the conditions of the grant funding agreement
- 4.4.8 Children, young people and their families will need to consent to the programme as this is delivered on a voluntary basis as those children will not be subject to any court order.

- 4.4.9 A task and finish group comprising of members of the Youth Offending Service, Information and Communication services, Performance Insight and Communications Team and Early Help has been set up to progress the operational and tactical arrangements necessary to launch this programme in line with the requirements of the Ministry of Justice. For expedience, cabinet is asked to delegate authority to the Strategic Director for People Services and the Strategic Director of Corporate Resources in consultation with the Cabinet Member for Children and Young People and Skills to accept the conditions set out in the Funding Agreement and allocate expenditure to ensure conditions set out in the Funding Agreement are met.
- 4.4.10 The Local Authority through its Targeted Early Help and Youth Offending Services will be asked to achieve the following targets:
1. Reduce the number of children entering the youth justice system
 2. Reduce the number of children on the cusp of the youth justice system going on to offend
 3. Improve the safety and wellbeing of children in the programme
 4. Improve outcomes for children in the programme
- 4.4.11 It is recommended to accept £0.286m of funding over the next three years from the Ministry of Justice for Targeted Early Help.
- 4.4.12 It is recommended delegate authority to the Strategic Director for People Services and the Strategic Director of Corporate Resources in consultation with the Cabinet Member for Children and Young People and Skills to accept the conditions set out by the MOJ – Targeted Early Help Funding Agreement and allocate funding to ensure conditions set out in the Funding Agreement are met.
- 4.5 Home Upgrade Grant 2 (HUG 2) Scheme**
- The Government has announced the launch of up to £700m HUG funding to be made available to local authorities from April 2023 until March 2025. This is the second phase of the HUG programme and is termed HUG 2.
- 4.5.1 HUG 2 is a government scheme awarding grants to Local Authorities for energy efficiency and non-fossil fuel heating upgrades in owner occupied and private rented sector in fuel poverty. It is specifically for homes which are not on the gas grid the majority of which are electrically heated.
- 4.5.2 HUG 2 aims to deliver 2 main objectives:
- To deliver progress towards meeting the statutory fuel poverty target for England, by improving as many fuel-poor homes (of energy efficiency rating Band D, E, F and G) as reasonably practicable to Band C by 2030
 - To progress towards meeting the UK's target to reach Net Zero by 2050, by supporting the phase out of off-gas grid fossil fuels and transition to low-carbon heating systems.
- 4.5.3 HUG 2 funding will be awarded from early 2023 with delivery running from April 2023 until March 2025.

- 4.5.4 Eligibility of properties is restricted to owner-occupiers and some private rented sector properties and must include off-gas grid dwellings only (electricity, oil, coal, Liquefied Petroleum Gas (LPG), or solid fuels used for heating purposes rather than properties connected to mains gas service). Only dwellings with an Energy Performance Certificate (EPC) rating of band D, E, F or G (this is a Standard Assessment Procedure (SAP) score of 68 or below) and are in Indices of Multiple Deprivation (IMD) income decile areas 1-3 are eligible. Those properties rated at F and G must be improved to meet band D as a minimum and those with a rating of D and E must be improved to a C rating. The Indices provide a set of relative measures of deprivation for Lower Super Output Areas which are used to provide small area statistics across England. IMD 1-3 represents 30% of the most deprived areas.
- 4.5.5 Eligibility for owner occupiers is restricted to those where household income is below £0.031m per annum.
- 4.5.6 HUG 2 has introduced new distinct capital cost caps for energy efficiency and low carbon heat. Cost caps are based on property characteristics (archetype and wall type), rather than EPC banding. The energy efficiency cost cap ranges from £0.003m to £0.024m dependent on property archetype and characteristics. A landlord contribution of at least one third of total capital cost of upgrades is required. This will be agreed and administered by the Council before works commence.
- 4.5.7 The Midlands Net Zero Hub (MNZH) have proposed to submit a regional bid on behalf of members and have indicated that the indicative allocation for Derby would be £1.991m to fund schemes in 2023/24 and 2024/25.
- 4.5.8 It is recommended to submit a bid to Department of Business, Energy and Industry Strategy (BIES) and subsequently accept the funding of £1.991m for HUG 2 Scheme for 2023/24 and 2024/25 financial years.
- 4.5.9 It is recommended to approve the addition of the Home Upgrade Grant – Tranche 2 capital scheme to the 2023/24 Capital Programme.
- 4.5.10 It is recommended delegate authority to the Strategic Director of Corporate Resources, in consultation with the Cabinet Member for Adults, Health & Housing to award grant(s) to individual homeowners if the bid is successful.

Public/stakeholder engagement

- 5.1 **Adult Social Care Discharge Fund** - The Council will be drawing up a plan in line with the grant conditions and this will be submitted to DHSC for approval. The use of the fund will be reported in line with the Better Care Fun plans through the Health and Wellbeing Board. This will entail details about how the fund was used against the following metrics:
- The number of care packages purchased for care homes, domiciliary care and intermediate care (to be collected through a new template)
 - The number of people discharged to their usual place of residence (existing BCF metric)
 - The number of 'bed days lost' to delayed discharge by trust (from the weekly acute sitrep)
 - The proportion (%) of the bed base occupied by patients who do not meet the criteria to reside, by trust.

- 5.2 **Lawn Tennis Association Park Refurbishment scheme** - Engagement with the LTA to procure work through the LTA Framework to deliver the programme.
- 5.3 **Turnaround – acceptance of MOJ Funding** - The Ministry of Justice consulted with Youth Offending Services across England and Wales regarding the design of the programme and has made subsequent tweaks to it based on feedback that they have received. The programme is now in its final iteration and grant funding agreements have been sent back.
- 5.4 **HUG 2 Scheme** - Due to the very short timescale available to prepare and submit a bid, there has not been an opportunity for public or stakeholder engagement. Consultation with eligible households will be carried out following bid acceptance.

Other options

- 6.1 **Lawn Tennis Association Park Refurbishment scheme** - By doing nothing tennis courts in Derby cannot be used for their full potential.
- 6.2 **Springwood Leisure Centre** - By doing nothing, this could result in the S106 monies being returned to the developer and loss of opportunity to improve the Springwood Leisure Centre.
- 6.3 **Turnaround – acceptance of MOJ Funding** - This is a programme that has been set by the Ministry of Justice, consultation has been held with Youth Offending Services as previously highlighted and the only options for the Local Authority are in relation to the delivery of the programme, which given the tight time scales leaves little options for creative approaches. However, as highlighted there are strong local arrangements between the Youth Offending Service and Early Help teams based within localities, which will be built on in order to deliver this programme.
- 6.3.1 **Turnaround – acceptance of MOJ Funding** - Given the additional workload created by this programme, there is a need to maintain/utilise staff resources for direct delivery alongside buying in additional resources based on the needs of the children and young people/families who will benefit from this programme.
- 6.4 **HUG 2 Scheme** - The Council could choose not to submit a bid under the HUG 2 programme. This would impact low-income homeowners and tenants who would not then benefit from lower energy bills.

Financial and value for money issues

- 7.1 **Lawn Tennis Association Park Refurbishment scheme** - The contribution provided by the LTA must be used to deliver the programme by March 2024.
- 7.2 **Turnaround – acceptance of MOJ Funding** - The money being invested by the Ministry of Justice is additional money to that already provided by the Youth Justice Board to all Youth Offending Services across England and Wales for delivery of statutory youth justice services. The approach set out in the Turnaround programme is to provide added value for those children and young people who could be supported to desist from criminal behaviour with earlier support. This also includes children and young people from global majority backgrounds who are overrepresented in higher tariff areas of the criminal justice system and who are sometimes not engaged in Early Help services.

- 7.2.1 The Local Authority will utilise existing commissioning arrangements for services that have been used by Local Authority children services and have proved effective, efficient and have offered good value for money in order to ensure that the funding is used to achieve best outcomes and best value. This would be in line with the grant funding agreement and any procurement rules required.
- 7.2.2 The financial arrangements for this programme will be managed through the Youth Justice Partnership Board whose members already receive quarterly financial updates from the Derby City Council Accountancy Team through the Head of Specialist Services. The service has a strong track record of managing within budget and there are regular meetings between the Principal Accountant, Head of Specialist Services and the Deputy Head of the Youth Offending Service which will help to ensure continuous operational oversight of the financial arrangements associated with this programme.
- 7.3 **HUG 2 Scheme** - The maximum grant per property will be sufficient to meet the full cost of the works and will not require any additional funding from the Council.

- 7.3.1 A financial summary of the bid is as follows for the scheme:

Expenditure Type	Bid breakdown
113 homes @ approx. £0.016m (average capital cost of each installation)	£1.810m
Administration costs	£0.181m
BID TOTAL	£1.991m

Legal implications

- 8.1 **Adult Social Care Discharge Fund** - Legal advice and support will be obtained as appropriate in considering and agreeing the grant terms.
- 8.2 **Turnaround – acceptance of MOJ Funding** - The programme does not have a statutory basis and is based on voluntary consent and engagement by children, young people and their families. However, there will need to be management of information governance arrangements alongside financial regulations to ensure that the Local Authority works with in other statutory frameworks.
- 8.3 **HUG 2 Scheme** - The Council will be required to sign and return a Memorandum of Understanding, which will include a Privacy Notice, Data Sharing Agreement and a Grant Determination Notice, so that BEIS/MNZH can issue grant payments under Section 31 of the Local Government Act 2003.

Climate implications

- 9.1 All Climate Change implications will be reviewed as appropriate in each circumstance.
- 9.2 **HUG 2** aims to support low-income households living in energy inefficient homes. LAD will upgrade homes delivering progress towards:
- The statutory fuel poverty target for England which is to ensure that as many properties as practicable achieve an EPC rating of band C or above.
 - The UK's target for net zero by 2050.

The programme is expected to deliver a carbon saving of approximately 110 lifetime tonnes.

Socio-Economic implications

- 10.1 **HUG 2 Scheme** - The eligibility requirements of HUG 2 require that properties with poor energy performance and households with an income of less than £0.031m are targeted. This ensures that households most likely to be suffering fuel poverty are assisted.

Other significant implications

- 11.1 **Equalities** - Equality Impact Assessments will be carried out as part of these project and advice will be taken as required. It's particularly important that the tennis courts are accessible for disabled tennis players and this will be picked up in the Equality Impact Assessment

This report has been approved by the following people:

Legal	Olu Idowu, Head of Legal Services	15/12/2022
Finance	Toni Nash, Head of Finance, Resources	15/12/2022
Service Director(s):		
Report sponsor	Alison Parkin, Director of Financial Services	15/12/2022
Other(s)	Anne Webster, Head of Equalities	16/12/2022
	Linda Spiby, Head of Procurement	15/12/2022
	Liz Moore, Head of HR	15/12/2022

Background papers: n/a

List of appendices: n/a