

<b>Executive Scrutiny Board</b>	
<b>Recommendations from the meeting held on 11 June 2019</b>	
<b>Council Cabinet Agenda – 12 June 2019</b>	
<b>Item 8</b>	<b>Recommendation from Children and Young People Board</b>
<p>The Board received a minute from the Children and Young People Board on the Integrated Disabled Children's Service.</p> <p><b>The Executive Scrutiny Board resolved to note the report.</b></p>	
<b>Item 9</b>	<b>Recommendation from Planning Control Committee</b>
<p>The Board received a minute from the Planning Control Committee on Heritage Conservation Work Priorities 2019/20</p> <p><b>The Executive Scrutiny Board resolved to note the report.</b></p>	
<b>Item 10</b>	<b>Consultation on School Term and Holiday Dates</b>
<p>The Board received a report of the Strategic Director of People Services on School Term and Holiday Dates 2020-21, 2021-22, 2022-23, 2023-24 and 2024-25. The report was presented by the Director of Commissioning.</p> <p>Members noted that setting school term and holiday dates in advance was a standard Local Authority function which was done through consultation with stakeholders. The Board noted that Officers had consulted widely with school staff, governors, parents and neighbouring authorities about the proposed dates. The dates in appendix 2 of the report reflected that consultation and complied with statutory requirements.</p> <p>Members noted that the report was seeking the following approvals:</p> <ul style="list-style-type: none"> <li>• To agree the school term and holiday dates for the academic year 2020-21, 2021-22, 2022-23, 2023-24 and 2024-25.</li> <li>• To authorise circulation of the proposed dates.</li> </ul> <p>The Board reflected on the choice of colour in Appendix 1 to highlight the terms and holidays as the report was printed in black and white in line with Council procedures they requested that in future more definition be used for the marked dates.</p> <p>The Board were also concerned that the recent move of the early Bank Holiday in May by Government to commemorate the D Day landings next year had been taken into account.</p>	

The officer stated that he did not have that detail and that he would clarify and report back to the Board.

**The Executive Scrutiny Board resolved to note the report.**

<b>Item 11</b>	<b>Property Design and Maintenance Capital Programme</b>
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The Board received a report of the Strategic Director of Corporate Resources on the Property Improvement Capital Programme (2019/2020). The report was presented by the Head of Strategic Asset Management and Estates. The Board noted that the Property Improvements Capital Programme for 2019/20 with a total budget of £16,014 million was approved by Council Cabinet on 13 February 2019 as part of the Medium Term Financial Plan 2019/2020- 2022/23.

The report sought approval for changes to the capital budgets for ongoing Essential Maintenance and Property Refurbishment schemes included within the overall Property Improvements Capital Programme for the financial year 2019/2020.

It was reported that the Council's property portfolio was a key resource which had a substantial financial value (capital valuation of circa £500million excluding residential properties). The portfolio was vital for the delivery of public services for residents and to support Council priorities including the growth and development of Derby City.

Members noted that the report was seeking the following approval:

To approve the reallocation and changes to the Property Improvement Capital Programme for the financial year of 2019/2020 for a number of key areas as set out in 4.4 of the report and outlined briefly below:

- Essential Element Improvement Scheme – to ensure retained property estate is fit for purpose and health and safety compliant
- Major refurbishment and property rationalisation projects - to ensure property assets are used to their full capacity/potential and as a result they will need investment in some refurbishment work. Projects in this key area include Homes for Older People and Property Rationalisation. A workstream focusing on reviewing property assets with a potential to streamline and release them either for disposal or investment in redesign. Property assets in this area include the Rycote Centre and the Royal Oak building amongst others highlighted in the report.
- City Centre Infrastructure – this allocation is intended to provide improvements to the city centre infrastructure for the festive lighting display
- Energy Improvements – Approximately £200,000 will be ring fenced to undertake Energy improvements to the retained estate in line with the Council's Energy Plan. The objective is to reduce CO<sub>2</sub> emissions and to ensure that property assets are as energy efficient as possible. Government funding streams such as SALIX will be used with projects that qualify to maximise the effect of the budget.
- Accessibility – Approximately £100,000 will be used to undertake accessibility improvements, when needed, to the retained estate in line with the Equalities Act 2010.

The Board noted that the proposals had been prepared following consultation with the respective services and the Corporate Property Board had approved in principle the details.

Councillors were concerned that there was a variance of £253,000 on the Essential Improvements to our properties. They queried the replacement of the lift listed in Appendix 1 as £150,000 which officers confirmed that this was for the replacement of the lift in the Assembly Rooms Car Park. The Board was concerned that the agreed budget for the refurbishment of the Assembly Rooms had not taken account of the lift needing replacement and that this was a further £150,000 on that budget? Officers confirmed that the lift had always been scheduled for replacement to improve disabled access, this work was regardless of the main contract, and that the figure of £150,000 was slippage from last year's budget. .

The Board was also concerned replacement of boilers listed should take account of energy efficiency measures such as air sourced heat pumps rather than just like for like replacement. Boilers should be replaced with something that was zero or low carbon. Officers confirmed that the Asset Management Plan was setting the direction of travel and that energy efficiency was always a key factor and was being taken into account. In terms of asset management plan, the Council was setting a direction of travel for our assets, we needed to do more about improving energy efficiency in our we had allocated £300,000 budget for energy efficiency. Officers would take back and explore the option for air sourced heat pumps.

The Board queried the cost of the Guildhall project and asked if the £1.25m was the final cost, how long the project was expected to take. Officers confirmed that they hoped that the £1.25m was the final cost and that a structural report had been received on the Guildhall roof and the extent of the structural repairs needed this was currently being analysed to determine the work needed. We were not yet in a position to say when the building could be re-opened.

The Board queried the additional £7.5m spend on the new swimming pool at Moorways. Officers confirmed that this was in the existing budget for the Pool in 2019/20, and that the profile of the spend had been delayed. Councillors queried why the spend for the pool was set out in the repairs and maintenance budget rather than separately as a stand alone project. Officers confirmed that they would check and feedback to the Board.

The Board also queried why the budget for the Pool was in the Property Improvement Programme but that the Assembly Rooms Refurbishment project was not included? Officers confirmed that the budget figures included in the report were the same figures that had been agreed in the MTFP. The budget allocation for the Assembly Rooms Project was actually included in the Regeneration Service.

Councillors queried the entry for Heatherton Park and sought clarification for its inclusion from Officers. Officers confirmed that they would check and feedback.

The Board requested that clarification be sought on the whether the budget should be £16m or £9m given the inclusion of Moorways Swimming Pool. Do we need to see a revised budget? Officers would check and feedback to the Board.

Councillors also queried the £144,000 figure for the demolition of Stores Road Tram Shed. Officers confirmed that this budget allocation had been set in the MTFP which had not been changed and would be demolished in 2019/20.

Councillors queried the allocation of funding for Queens Leisure Centre temporary additional roof works. Officers confirmed that the Leisure Centre roof was currently leaking. Councillors asked how much money had been spent on Queens Leisure Centre and how long would spending continue. Officers could not confirm previous spending but confirmed costs would continue to be incurred for essential spending for as long as the building was needed to be kept open.

**The Board resolved to recommend to Council Cabinet:**

**(i) that clarification be sought on £16m budget and whether it should include Moorways Swimming Pool?**

**(ii) if there was additional funding in the Property Improvement budget, given the query on £7m funding for Moorways, then £1.6m should be used on Peartree Library roof repairs.**

**(iii) to ensure that all boiler replacements be specifically justified in the light of the Council's commitment to the climate emergency and that we would expect alternatives such as air sourced heat pumps to be available as a preferred option.**

<b>Item 12</b>	<b>Contracting Arrangements for Residential and Foster Placements for Children in Care</b>
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The Board received a report of the Strategic Director of Peoples Services on the Contracting arrangements for Residential and Foster Placements for Children in Care.

The report gave an update on the Council's commissioning and procurement approach for sourcing external fostering and residential home placements for children and young people.

Members noted that external placements were currently sourced through the East Midlands Regional Children's Framework (EMRCF) which had been in place in its current format since 01.February 2016 and expires on 31.January 2020.

It was reported that a review found that due to a rise in demand for external placements both locally and regionally, the current arrangements were not the best to enable the Council to meet the increasing challenges of securing sufficient local placements to meet the needs of Derby's children and young people, and more local, collaborative arrangements would be more effective.

Members noted that Derby City Council, Derbyshire County Council, Nottingham City Council and Nottinghamshire County Council (D2N2) agreed to work collaboratively to commission a new suite of contracts to meet the need for local placements for Children in Care. The project would be led by Nottinghamshire County Council. This report asked for approval to proceed with a procurement process to establish a new collaborative

arrangement with neighbouring Local Authorities for CiC placements.

Members noted that a smaller, collaborative arrangement would support the ability of Derby City Council to develop more local services. This would be a key factor to ensure best value for money and that there were enough local placements. Also the joint procurement would enable access to the wider market, learning/best practice, sharing of resource and enable undertaking of the larger procurements needed to meet the needs of our children in care.

Councillors were concerned about the timescales involved for the new arrangements to be put in place and whether the new arrangements would provide value for money in cost reductions. They also raised their concerns regarding the risks of increases in costs for placements. The officer confirmed that Derby City Council had hosted a number of discussions with market providers and that they were engaging with the authority.

Councillors queried whether the East Midlands Regional Framework was being dissolved or if it was continuing, if it was then it would provide some competition for foster places in Derby. The officer drew Councillors attention to paragraph 6.1 of the report where it was stated that the current contract with EMRF contract was in fact due to expire. The Board noted that the aim of the new framework was to obtain local placements rather than placements further afield. The new arrangements were a localised framework where partners were encouraged to work together.

Councillors queried what proportion of young people were placed outside of the 20 mile radius and how many of these were placed outside of the 20 mile radius for their own safety. The officer confirmed that he would check the data and feedback to the board. Councillors also queried whether it would be possible for children to be placed further afield under the new arrangements. If there were safeguarding or other needs, then options would remain in place

**The Executive Scrutiny Board resolved to note the report.**

<b>Item 13</b>	<b>Final Accounts – 2018/19 Outturn Report for General Fund, Capital Programme, Treasury Management, Housing Revenue Account, Dedicated Schools Grant and Collection Fund</b>
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The Board received a report of the Strategic Director of Corporate Resources on the Final Accounts – 2018/19 Outturn Report for General Fund, Capital Programme, Treasury Management, Housing Revenue Account, Dedicated Schools Grant and Collection Fund.

The Board noted that the report set out a number of issues needing approval.

1. To note the overall General Fund revenue budget outturn position for 2018/19 (subject to external audit) and budget variances at 31.03.19 as set out in section 4.1 of the report.
2. To approve final required movements in reserve set out in section 4.3 and 4.4 and 4.41.
3. To approve service carry forward requests as set out in section 4.5.

4. To approve the transfer of reserves as set out in section 4.7 to achieve a balanced out-turn position.
5. To note the savings achieved in 2018/19 as summarised in section 4.8
6. To note the Capital out-turn and the Capital expenditure incurred during the year as summarised in section 4.53.
7. To approve the addition of £9.316m slippage to the 2019/20 capital programme as detailed in Appendix 3
8. To approve the additional Capital spend backed by funding outlined in section 4.55 of £0.565m.
9. To approve the net underspends within the Highways and Transport 2018/19 capital programme be added back into the 2019/20 programme for future use on the A52 scheme as detailed in section 4.54.
10. To approve the reduction in budget for the city centre accelerated development scheme in order for the funding to be switched to revenue to pay for abortive costs as detailed in section 4.84.
11. To approve the Annual Report in respect of Treasury Management activity for 2018/19 outlined in section 4.94.
12. To note the compliant prudential indicators in respect of Treasury Management out-turn, as outlined in the report in section 4.96.
13. To approve the HRA out-turn net surplus of £0.262m as set out in section 4.127 and Appendix 5.
14. To note the overall Dedicated Schools Budget position for 2018/19 as set out in section 4.131.
15. To note the Council's share of the Collection Fund is a deficit of £6.389m as set out in section 4.132.
16. To approve the 2018/19 Private Finance Initiative Reserve movements as set out in Appendix 4
17. To authorise the Section 151 Officer to adjust the Council's Reserves in the event that the Council or its External Auditors (Ernst Young) require any adjustments to the Final Accounts for 2018/19 that alter the overall Council's position.

Councillors were concerned that there was a need to recognise there was a fundamental deficit in the Council's Children's Services budget that needed to be resolved. As a principle, more funding needed to be put into statutory services where it was needed, then reduced discretionary spend could be used to support specific projects to meet political demands or demands needed for our City. Until we recognised that there was a structural problem within our budget, the situation could not be resolved. Capital budget, the Board challenged the actual spend of 84.72% of the capital budget as this was against a revised budget of £87m. Councillors queried whether the report should be changed to reflect actual spend against the original base budget?

#### **The Executive Scrutiny Board requested Council Cabinet**

- (i) **To conduct a review across all base budgets across directorates to ensure that the correct allocation has been made so there is no risk of overspend in 2019/20 and future years, and specifically revise the budget for Children's Services so there is enough money in base budget to ensure there is no overspend this year.**
- (ii) **To amend the wording of paragraph 1.2 in order to be open and transparent. The wording should state that the overall budget for 18/19**

- (iii) **has been overspent by £5.4 before the use of reserves.  
to amend recommendation 2.1 to read ' to note the overall General Fund revenue budget outturn position for 2018/19 (subject to external audit) “which shows an overspend of £5.4m” and budget variances at 31 March as set out in section 4.1.'**

<b>Item 14</b>	<b>Council Plan 2019-2023</b>
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The Board received a report of the Chief Executive on the Council Plan 2019-2023.

The Board noted that the Council Plan (the Plan) was the Council's highest level strategic planning document. The Plan set out a vision of how we want the Council and the City to be and how this would be achieved. It provided the framework of overarching priorities for planning and delivery at all levels of the Council organisation, it informed decision making and resource prioritisation through the Medium Term Financial Plan (MTFP). The intention of the Plan was to drive what the Council focused on and was an important element in raising the profile of the City and defining the role of the Council as a leader and convenor of partnerships to achieve the Council's vision.

Councillors were concerned that consultation with all councillors had not taken place and recommended that the document should go to full Council for endorsement. They noted in paragraph 5.1 that “colleagues” had been involved in the process and consulted but councillors should also had been involved.

Officers confirmed that work had been ongoing over the past 6 months, the current plan had been in place from 2016-19 and it had always been expected that work would be undertaken to review the priorities, much of the evidence would have been to various committees and forums in various forms however this document had not been to Executive Scrutiny before.

Councillors noted the brief mention of last month's commitment to carbon emission and climate change strategy they felt that something stronger should be included. No firm plan had been laid out yet but there was a need for something more immediate in terms of a vision. Officers confirmed that this was the overarching Council Plan and that it would be underpinned by the delivery plan which would come to Scrutiny and Council Cabinet in July 2019 and would contain more detail.

Councillors also requested an update of previous pledges, officers confirmed this had already been provided to Scrutiny and that the 2016-19 plan would be reflected in this year's annual report.

Councillors were concerned that one of the most significant priorities of closing the gender pay gap was not highlighted in the Council Plan. There was a gender pay gap of 38% in Derby. The officer confirmed that the gender pay gap and equalities would be picked up at a partnership level. The Board noted that on page 6 of the document bullet points with a blue diamond would contribute to closing the gap priority of the Council.

**The Executive Scrutiny Board resolved:**

1. to request that the report goes to full Council before consideration at Council Cabinet;
2. There should be an additional set of “blue diamond” priorities that talks about closing the gender pay gap in Derby;

<b>Item 15</b>	<b>Compliance with Contract and Financial Procedure Rules</b>
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The Board considered a report of the Strategic Director of Corporate Resources outlining a number of items that required reporting and approval by Council Cabinet under Contract and Financial Procedure Rules.

1. To approve the transfer of a £0.400m income budget from Communities and Place to Corporate Resources directorates for forecasted Scape dividend;
2. To approve grant funding from Public Health England for £0.249m and approve the addition to the Housing General Fund capital programme to support alcohol treatment;
3. To approve the award of a grant of £0.060m to the University of Derby;
4. To approve match funding for the “Mainframe” and “Way2Work” projects;
5. To approve two grant awards, one to Wyndham Primary School and one to Chellaston Academy;
6. To approve entering into a Partnership Agreement with Derbyshire County Council and the Office of Police and Crime Commissioner to jointly procure a service for children and young people at risk of sexual exploitation and other forms of exploitation and approve a contribution of up to £0.070m per annum for up to 5 years;
7. To approve funding of £1.009m from the Delivering Differently reserve for change and project management resource to support the delivery of the “Team Derby” Plan;
8. To approve the waiver to award the Riverlights – “Muck-shift” contract to NMCN PLC.

Officers referenced how the request for funding of £1.009m to provide a team of specialist change management and project resource, subject to approval by Cabinet for funding, would be closely tracked for added value outputs.

Councillors were concerned that the language used in paragraph 4.26 was hard for people to understand what benefit this team would bring to the organisation. Officers confirmed that a review had been undertaken which had identified the need for simpler processes, using technology better and deploying on a wider basis, and contributing towards delivery of MTFP including managing demands in Children’s Services. The team would add value through using LEAN methodology to review processes, to understand whether customers were getting the best services, and identifying whether we were as efficient as we could be.

Councillors asked if a detailed review could come to members on the money already spent by the Delivering Differently Team to give a view on value for money?

Councillors were concerned about why we could not accomplish this with current



staffing? .

Officers confirmed that the Team currently covered a lot project recovery work due to insufficient capacity within the organisation to manage projects (on top of business as usual). They were also losing project managers into other roles within the Council. . Councillors stated that it was never the intention of the delivering differently team to be back filling other jobs. Officers needed to bolster the team to make changes to the delivery going forward. If necessary staff would be upskilled. Officers confirmed that the proposed change team would be subject to consultation and that there would be a further report going to Personnel Committee discussing impact on existing jobs and organisational structure. Councillors requested a summary of what the previous scheme delivered and a performance review in 12 months. They queried what would happen to projects that staff were plugging the gap. Officers confirmed that arrangements were being put in place so that projects could be supported by different means.

There would also be a capital programme project review which was subject to a separate report that would recognise the need to increase project director and project manager capacity to support capital schemes.

Councillors stated that this request was really an invest to save project to make council more efficient and save money, yet there was no evidence or analysis to ensure that this project funding of £1m would add value. Without this evidence the Project would be fundamentally flawed. The project felt disconnected from members, there had been a lack of engagement and involvement of members in the process.

There was also a disconnect from the unanimous support of all 51 councillors on the recent Climate Emergency motion. Councillors were concerned that they should be fundamentally involved in designing the service and how it would impacts/works in the community.

The Board noted that the programme was still being scoped and that it was difficult to put exact figures to it, but the programme would be monitored.

Councillors stated that there should be regular reporting on this project that should come to either this forum or other appropriate forums.

**In relation to point 7 the Executive Scrutiny Board resolved to request Council Cabinet to:**

- 1. Provide a briefing/report on the last 2 years work.**
- 2. If approved, regular quarterly update reports as to how the work is progressing should be provided to the Board.**
- 3. ensure a programme which includes work to develop community awareness and involvement to determine council services to our community.**

<b>Item 16</b>	<b>Performance Monitoring 2018/19 – Quarter Four Results and Council Delivery Plan</b>
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The Board received a report from the Chief Executive detailing progress made against

the Council Delivery Plan and including highlights from key performance measures in the Council Scorecard.

It was reported that 75% per cent of priority measures in the Council Scorecard were either on track or completed in line with the set milestones as at 31 March 2019. At the end of Q4 the Council had delivered against 61% of all of its Business Plan measured targets with 43% of priority measures in the Council Scorecard having met or exceeded their year-end target (in some cases this was based on provisional data) Performance had improved in 2018/19 across 49% of its priority measures when compared with the Council's performance in 2017/18. This was better than the position of 33% reported at the end of March 2018.

The Board noted that there had been considerable improvement activity throughout 2018/19 as part of the Executive Scrutiny Performance Forward Plan. Three Performance Surgeries took place and focussed on key challenges in children's services and sickness absence.

It was reported that Performance against the outcomes in the Council Plan would be published in the Annual Report in August 2019 following approval by Council Cabinet, Executive Scrutiny Board and Audit and Accounts Committee.

**The Executive Scrutiny Board resolved to note the report.**