



**Council Cabinet
6 December 2023**

Report sponsors:

Councillor Baggy Shanker Leader of the Council and Cabinet Member for Strategy, Governance and Finance

ITEM 14

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Compliance with Contract and Financial Procedure Rules

Purpose

- 1.1
 - Acceptance of Department for Education- DfE Funding for the Short Breaks Innovation Fund of £0.997m
 - Addition of a new scheme to the 2023/24 Property Capital Programme of £0.030m to purchase equipment for Sinfin Library
 - Bid for and acceptance of DfT and addition to the 2024/25 Highways and Transport – Transforming Cities Fund (TCF) Capital Programme – Zebra 2 capital funding of £36.5m
 - To outline arrangements in relation to the recent DfE's National Wraparound Programme (the Programme) and associated revenue and capital grant funding of £1.382m as determined under Section 31 of the Local Government Act 2003

Recommendations

- 2.1 To note the acceptance of £0.997m funding from the DfE for the Short Breaks Innovation fund as outlined in section 4.1.
- 2.2 To delegate authority to the Strategic Director for People's Services, in consultation with Cabinet Member for Children's Social Care, Learning and Skills and the Director of Financial Services, to incur expenditure and spend within the scope of the grant conditions.
- 2.3 To approve the addition to the 2023/24 Property Capital Programme for the scheme of works at Sinfin Library for £0.030m funded from S106 funding as outlined in section 4.2.
- 2.4 To approve a bid for funding from the DfT for capital funding of £36.5m from the second tranche of Zero Emission Bus Regional Areas scheme (ZEBRA 2) as outlined in section 4.3.

- 2.5 To delegate authority to the Strategic Director for Communities and Place, and the Director of Financial Services and Section 151 Officer, in conjunction with the Cabinet Member for Climate Change, Transport and Sustainability, to accept funding awarded for the second tranche of Zero Emission Bus Regional Areas scheme (ZEBRA 2) as outlined in section 4.3
- 2.6 To delegate authority to the Strategic Director for Communities and Place, and the Director of Financial Services and Section 151 Officer, in conjunction with the Cabinet Member for Climate Change, Transport and Sustainability subject to a successful bid from the DfT for capital funding, the addition of the ZEBRA 2 scheme £36.5m to the 2024/25 Highways and Transportation (TCF) Capital Programme as outlined in section 4.3.
- 2.7 To note the acceptance of the DfE revenue and capital grant funding allocation of £1.382m to support the delivery of the National Wraparound Childcare Programme with the Council's School Organisation and Provision (SO& P) Service as Derby City's Lead for the Programme as outlined in section 4.4 of this report.
- 2.8 To delegate authority to the Strategic Director for People's Services, in consultation with Cabinet Member for Children's Social Care, Learning and Skills and the Director of Financial Services to deliver the Programme in line with the requirements set out in the Memorandum of Understanding.

Reason

- 3.1 To comply with Contract and Financial Procedure Rules.

Supporting information

- 4.1 **Acceptance of Funding from the DfE – Short Breaks Innovation Fund of £0.997m**

The DfE Short Breaks Innovation Fund is a fund of £30 million designed to support Local Authorities to establish new Short Breaks provision via innovative projects created to address gaps in current Short Breaks services, and to test novel approaches to integrated delivery of Short Breaks. Following a successful bid, Derby City Council has been awarded £0.997m.
- 4.1.1 The funds will:
 - Improve health, education and well-being outcomes for children and young people with SEND and their families
 - Reduce pressures on the High Needs Block and other budgets
 - Inform future structural reform and service re-design.
- 4.1.2 The grant funding will run from April 2024 to March 2025, payments will be made in arrears of spend on a quarterly basis.
- 4.1.3 Despite the current Short Breaks offer being as extensive as possible within the funding limitations, there is an evidenced need to create an additional innovative support package for a cohort of Children and Young People with significant Social and Emotional Mental Health needs resulting in poor school attendance/school refusal due to anxiety and poor mental health who would be eligible for Short Breaks under 2011 Regulations definition.

- 4.1.4 This additional offer is aimed at ‘school refusers,’ and those open to the youth justice service and their families to create a respite experience that will have a positive impact upon their mental health, wellbeing, and school attendance.

The offer will:

- Track learner wellbeing and signpost to resources and services
- Provide dedicated sessions, including a residential family option with intensive learner support
- Provide direct support to parents and carers
- Provide the opportunity for qualifications
- To inform future structural reform and service transformation.

- 4.1.5 It is recommended to accept £0.997m funding from the DfE for the Short Breaks Innovation fund.

- 4.1.6 It is recommended to delegate authority to the Strategic Director for People’s Services, in consultation with Cabinet Member for Children’s Social Care, Learning and Skills and the Director of Financial Services, to incur expenditure and spend within the scope of the grant conditions.

4.2 Purchase of equipment to create space at Sinfin Library to host community events - £0.030m

Unlike more modern library sites Sinfin Library is still fitted with old, fixed shelving (dating from the 1980’s) which are stationary. The nature of the shelving means that the library space cannot be cleared and used for events or activities.

- 4.2.1 Flexible new mobile shelving would allow the council to clear the main library space enabling the library to host a range of activities including events and performances. This would mirror other library sites such as Normanton and Mickleover where numerous talks and cultural activities take place.
- 4.2.2 Added events and activities will help make the library a key community hub and open- up opportunities for staff and volunteers to encourage greater use of the resource.
- 4.2.3 The scheme will be funded from a specific Section 106 agreement which allows for improvements within Sinfin Library
- 4.2.4 It is recommended to approve the addition to the 2023/24 Property Capital Programme for the scheme of Works at Sinfin Library for £0.030m funded from S106 funding.

4.3 Bid for and acceptance of DfT – Zebra 2 capital funding of £36.5m

In March 2021, the government published ‘Bus Back Better’, its national bus strategy for England, which set out a vision for the future of buses across the country. The strategy set out a roadmap to transition towards a fully zero emission bus fleet. It committed to consulting on an end date for non-zero emission buses and reaffirmed the government’s commitment first made in February 2020 to support 4,000 zero emission buses (ZEBs).

- 4.3.1 The Zero Emission Bus Regional Areas scheme (ZEBRA 1) provided funding for 1,300 ZEBs. This scheme supported the rollout of ZEBs, the development of ZEB technology and provided learning on the challenges of introducing ZEBs and their supporting infrastructure.
- 4.3.2 The DfT have now launched ZEBRA 2, which will provide £129m to support the introduction of ZEBs in financial years 2023/24 and 2024/25. It is a single-stage funding competition to award funding over both financial years.
- 4.3.3 Following discussions with local bus operators both Trent Barton and Arriva have approached the City Council to lead on bids for ZEBRA 2 funding.
- 4.3.4 The scheme being developed by Trent Barton includes the purchase of hydrogen fuel cell vehicles to replace the diesel bus fleet on two services:

- The Sixes between Derby, Belper, Ripley and Bakewell

The Skylink, including Skylink Derby, Skylink Nottingham and Skylink Express.

- 4.3.5 The scheme would also include infrastructure for the production and storage of hydrogen at a suitable location in the City. Several locations for the hydrogen infrastructure have been identified that are either in the control of the City Council or the bus operator. The final location will be determined by the detailed analysis to be carried out if the application for funding is successful.
- 4.3.6 Arriva buses have proposed a scheme to replace diesel buses with electric vehicles on two routes:
- The 1/1A/1C to Alvaston
 - The 38 to Sinfin

The scheme would also include infrastructure for charging the vehicles at the Arriva depot on Ascot Drive in Derby.

- 4.3.7 The timetable for the bidding process is as follows:

Deadline to submit application	4pm, 15 December 2023
Applicants take part in Q&A sessions on proposals with reviewers	Week commencing 15 January to week commencing 22 January 2024
DfT reviews and makes funding decisions	March 2024
Funding for financial year 2023/24 awarded to successful Local Transport Authorities (LTAs)	By March 2024
Orders placed for zero emission buses	31 January 2025
Funding for financial year 2024/25 awarded to successful Local Transport Authorities (LTAs)	By March 2025

4.3.8 The table below summarises the financial elements of the bid. These figures are indicative at this stage and will be refined through the application process. All funding awarded will be capital funding.

Operator	Scheme	ZEBRA 2 Funding	Other External Funding	Total
Trent Barton	Hydrogen Buses Sixes & Skylink	£9,750,000	£13,250,000	£23,000,000
Arriva	Electric Buses 1/1A/1C & 38	£6,187,500	£7,312,500	£13,500,000
Totals		£15,937,500	£20,562,500	£36,500,000

4.3.9 The Council, as Local Transport Authority, will be the accountable body for the grant. The final structure and conditions of the funding will be agreed with DfT during the shortlisting process described above. As the scheme is targeted towards the replacement of vehicles and infrastructure the financial risk is primarily with the bus operators. There is no anticipated exposure to financial risk for the City Council.

4.3.10 It is recommended to approve a bid for capital funding from the DfT for funding of £36.5m from the second tranche of Zero Emission Bus Regional Areas scheme (ZEBRA 2).

4.3.11 It is recommended to delegate authority to the Strategic Director for Communities and Place, and the Director of Financial Services and Section 151 Officer, in conjunction with the Cabinet Member for Climate Change, Transport and Sustainability, to accept funding awarded for the second tranche of ZEBRA 2.

4.3.12 It is recommended to delegate authority to the Strategic Director for Communities and Place, and the Director of Financial Services and Section 151 Officer, in conjunction with the Cabinet Member for Climate Change, Transport and Sustainability subject to a successful bid from the DfT for capital funding, the addition of the ZEBRA 2 scheme £36.5m to the 2024/25 Highways and Transportation (TCF) Capital Programme.

4.4 DfE Wraparound funding £1.382m

The Government has announced it is investing £289m over 2 years to support the expansion of wraparound childcare for primary school aged pupils and setting out that Local Authorities are responsible for delivering the Programme in their local administrative areas.

4.4.1 Derby City will receive £1.382m over a 3-year period up to 31st March 2026 to:

- Increase availability and increase the number of available wraparound places by removing barriers to setting up new provision or expanding current provision

- Increase parent/carer access to the labour market by increasing the number of wraparound childcare places for primary-aged children available and taken up between 8am and 6pm (or equivalent depending on local labour market patterns).
- Work with all wraparound childcare providers, other stakeholders, for example, job centres and colleagues within the local authority to ensure the Childcare and Families Information Service has the information they need to map supply and demand.
- Ensure that sufficient capacity and resources are in place to support mapping provision, co-ordination, and preparation for Programme delivery.
- Ensure a robust, clear, and transparent governance structure is in place to provide oversight of delivery and ensure decisions relating to the programme can be made quickly and effectively.

4.4.2 Local authorities already have a legal duty to complete an annual childcare sufficiency assessment within their areas and to support decision making about what funding is needed and where.

4.4.3 The aim of the Programme is for the majority of any new or expanded provision to be self-sustaining from the end of the planned Programme (March 2026) onwards. The Government’s definition of self-sustaining is ‘for the provision to continue, funded by continued parental demand and payments, without the initial ‘pump-prime’ funding’ amounts detailed within this report.

4.4.4 The initial funding tranche, a capital allocation of £15,146 for 2023/24 is expected to be released on 23 December 2023. The funding allocations totalling £1,381,953 will be paid in the following instalments.

Year	Funding Amount
2023-2024	£15,146
2024-2025	£930,964
2025-2026	£435,843
Total	£1,381,953

4.4.5 The DfE has acknowledged local authorities will need to build their internal capacity including staffing, administrative and other associated costs associated with the Programme’s delivery. It expected that these costs should not exceed 11% of each year’s total budget.

4.4.6 Work will now commence development planning in taking this forward in consultation with stakeholders and partners including childcare providers and schools.

- 4.4.7 It is recommended to note the acceptance of the DfE revenue and capital grant funding allocation of £1.382m to support the delivery of the National Wraparound Childcare Programme with the Council's School Organisation and Provision (SO& P) Service as Derby City's Lead for the Programme.
- 4.4.8 It is recommended to delegate authority to the Strategic Director for People's Services, in consultation with Cabinet Member for Children's Social Care, Learning and Skills and the Director of Financial Services to deliver the Programme in line with the requirements set out in the Memorandum of Understanding (Appendix 1)

Public/stakeholder engagement

- 5.1 **Short Breaks Innovation Fund** - The project is based on feedback and consultations; notably: The feedback from parent/carer forums; The connected futures spring survey 2023; D2N2 research and learning from projects of similar vein. Any proposals will be signed off through the Council's SEND Board, where our key stakeholders are represented.
- 5.1.2 The Council will be developing a more comprehensive Stakeholder Management Plan and wider engagement strategy as part of the project proposals.
- 5.1.3 The project criteria required support from the local parent/carer forum and the Integrated Care Board. Both are represented on the SEND Board, and both endorse the initial project scopes.
- 5.2 **Sinfin Library** – Volunteers at the library have been consulted and support this proposal.
- 5.3 **Zebra 2** - Engagement with the public, local residents and highway users as well as stakeholders such as the emergency services will be undertaken in accordance with corporate consultation guidance.
- 5.4 **DfE Wraparound funding** - Delivery of the Programme will be undertaken in collaboration with a wide range Council colleagues, partners, and stakeholders.

Other options

- 6.1 **Short Breaks Innovation Fund** - 'Not to accept.' This would not be the recommendation. This is an opportunity to test innovative approaches to delivery and relieve pressure on the high needs block.
- 6.2 **Zebra 2** - An alternative option proposed by Trent Barton to provide electric buses on the Skylink fleet has been considered and rejected due to high risks surrounding the deliverability of this option.

Financial and value for money issues

- 7.1 **Short Breaks Innovation Fund** - There is no requirement for match funding for either bid. This will be additional grant income to improve the outcomes of children and young people with SEND in Derby City.
- 7.1.2 Payment of grant will be in arrears; this has cashflow implications. Working on the "spend to save" model for the project will reduce the cashflow risk, as the basis for the project will be avoided costs in High Needs Block and children's social care.

7.1.3 The risk of not approving this request is that we lose the opportunity to trial the benefits of additional provision in the context of maintaining school placements, avoiding placements out of area and in independent special schools, improving children and young people’s opportunities, and reducing the pressure on social care provision.

7.1.4 Risks:

Risk	Mitigation
Grant Payment in arrears – cashflow	The award was announced in October 2023. This has given time to work on a detailed cashflow forecast ahead of any acceptance of grant conditions.
Staffing – management of the bid, management of the project	The project accounts for additional headcount to manage the reporting and project oversight requirements.

7.2 **Sinfin Library** - The S106 funding allocated to Sinfin Library is £0.030m. The recommendation is to use this funding to optimise the use of the library to open up its space and potential to be able to host events and activities. The purchasing and installation of the equipment would be procured through the standard Council tendering processes to ensure value for money.

7.3 **Zebra 2**

The funding amount will use the same funding formula as the previous ZEBRA scheme:

- DfT will contribute up to 75% of the cost difference between a ZEB and a standard conventional diesel bus equivalent of the same total passenger capacity.
- For infrastructure, DfT will contribute up to 75% of the total capital expenditure incurred as a result of its purchase and installation.

7.3.1 **Zebra 2** - LTAs can also request grant funding to cover up to 50% of total contingency costs for vehicles and infrastructure.

7.3.2 The majority of the remaining costs of the proposals will be met through contributions from the bus operators in terms of fleet and infrastructure investment. There is also funding available from the LEP as a contribution to the provision of hydrogen buses

7.3.3 As part of its commitment to the partnership the City Council would be required to deliver capital schemes in the approved Bus Service Improvement Plan (BSIP), including Bus Priority Infrastructure schemes. The funding for BSIP has been secured from DfT via a separate grant award as agreed by cabinet at the meeting on 16 November 2022.

7.3.4 As the scheme is targeted towards the replacement of vehicles and infrastructure the financial risk is primarily with the bus operators. There is no anticipated exposure to financial risk for the City Council.

- 7.4 **DfE Wraparound funding** - There is no expectation on local authorities to match fund any grant monies.

Legal implications

- 8.1 **Short Breaks Innovation Fund** - There are no legal implications as a direct result of this report.
- 8.2 **Zebra 2** - The scheme has been assessed against the stipulations of the government's Subsidy Control Rules and does not meet the definition of a subsidy under the guidance. Details of the assessment will need to be provided as part of the application.
- 8.3 **Short Breaks Innovation Fund** - The MoU has no legal status under English Law, or any other law and cannot be construed as a contract or grant agreement in the sense of a legally binding agreement between the Secretary of State and Derby City Council which is enforceable in the courts. However, there is a strong expectation that both parties intend to comply with the provisions set out in the MoU.

Climate implications

- 9.1 **Short Breaks Innovation Fund** - There are no climate implications as a direct result of this report.
- 9.2 **Zebra 2** - Zero emission buses operate without tailpipe emissions, significantly reducing harmful pollutants and significantly reducing the carbon impact of the public transport fleet.

Other significant implications

- 10.1 **Short Breaks Innovation Fund** - An Equalities Impact Assessment will be developed alongside the detailed project proposals. The project will have direct benefits for our children and young people with SEND.
- 10.2 **DfE Wraparound funding** - It is anticipated that the Council will need to secure additional capacity to ensure successful planning and delivery of the Programme. The grant funding includes monies to support this.

Socio-economic implications

- 11.1 **Short Breaks Innovation Fund** - The project will have direct benefits for our children and young people with SEND, often who are children and young people and families who are from low socio-economic backgrounds. This project offers children and young people the opportunity for both respite and skill acquisition to support them in maintaining their education placements for better outcomes.
- 11.2 **Sinfin Library** - Sinfin is a community where there is significant social deprivation and there is scope for the library to play a greater role in the community. Creating a space which can host both library and partner events which will help enrich the lives of residents. Normanton and Mickleover library sites already have this type of flexibility, hosting a range of cultural events, often at no cost to those attending, bringing cultural experiences and "soft" learning to people who may not otherwise have much exposure to this type of thing.

- 11.3 **Zebra 2** - The new buses will help grow the economy by connecting communities, helping people get to work or college while also providing a boost for UK manufacturing.
- 11.4 **DfE Wraparound funding** - Effective delivery of the Programme's aims and objectives will support socio-economic growth and development in Derby by improving parental access to employment via new and expanded wraparound childcare provision.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu, Head of Legal Services	
Finance	Toni Nash – Head of Finance - Corporate	
Service Director(s)		
Report sponsor	Alison Parkin – Director of Financial Services	
Other(s)	Ann Webster – Equalities Liz Moore – Head of HR	
Background papers:	N/A	
List of appendices:	 Wraparound childcare S31 grant i	