



COUNCIL CABINET
12 July 2017

Report of the Cabinet Member for Finance and Governance

ITEM 14
ADDENDUM

Contract and Financial Procedure Matters Report - Addendum

SUMMARY

- 1.1 This report deals with the following items that require reporting to and approval by Council Cabinet under Contract and Financial Procedure rules:
- Allocation of Grants to External Bodies and delegation of authority for the allocation of funds from the Cultural Charter Reserve.
 - Procurement of professional external advisor to provide property valuation estimates to support the production of the Council's annual Financial Statements and delegation to the Section 151 Officer authority to procure and award a 3 year contract to an appropriate external provider in order to undertake the Asset Valuation Programme.
 - Approve a waiver to purchase IT equipment to support the Council's electoral register and be compliant with the existing software.

RECOMMENDATION

- 2.1 To approve the grant allocations to external bodies and the delegation of authority for future grants from the Cultural Charter Reserve as outlined in section 4.
- 2.2 To approve the Procurement of professional external advisors to provide property valuation estimates to support the production of the Council's annual Financial Statements and delegate authority to the Section 151 Officer to procure and appoint as outlined in section 5.
- 2.3 To approve the use of a named supplier to purchase IT equipment to support the Council's electoral register and be compliant with the existing software.

REASONS FOR RECOMMENDATIONS

- 3.1 To comply with the Council's Contract and Financial Procedure rules.



Derby City Council

COUNCIL CABINET

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Report of the Chief Executive

SUPPORTING INFORMATION

4 Allocation of Funds from the Cultural Charter Reserve

- 4.1 In February 2017 the Council allocated £250,000 to create a Cultural Charter Reserve. One of the Council's 50 pledges is for this reserve to deliver a programme of affordable events.
- 4.2 Derby West Indian Community Association (DWICA) has requested funding support of £2,000 towards the cost of this year's Caribbean Carnival. Derbyshire LGBT+ has requested financial support of £2,700 towards the cost of this year's Derby Pride event. Both of these events contribute to the Council's vision for 'a strong Derby – where people work together, can enjoy good health and wellbeing throughout their life and feel that they belong to a thriving community'.
- 4.3 The Cabinet Member for Leisure, Culture and Tourism and the Cabinet Member for Regeneration and Economy support the Council entering into a funding agreement with these organisations and for them to be allocated funds from the Cultural Charter Reserve to assist with the delivery of Derby Carnival and Derby Pride. The existing funding agreements used for the small arts grants will be utilised.
- 4.4 The Director of Leisure, Culture and Tourism has existing delegated authority to allocate funds from the Small Arts Grants pot and it is proposed that they be delegated authority to approve the allocation of grants of up to £3,000 from the Cultural Charter Reserve limited to a maximum total of £10,000.
- 4.5 The proposal is to approve the grant allocations of £2,700 to Derbyshire LGBT+ and £2,000 to DWICCA and to delegate authority to the Director of Leisure, Culture and Tourism to approve the allocation of grants of up to £3,000 from the Cultural Charter Reserve limited to a maximum total of £10,000.

5. Procurement of professional external advisor to provide property valuation estimates to support the production of the Council's annual Financial Statements.

- 5.1 Local Authorities are required by statute to produce accounts in accordance with the Code of Practice on Local Authority Accounting in the UK. One of the most significant items within the accounts is the value of the Council's land and property assets.
- 5.2 Typically the Council value approximately 20% of the fixed assets annually, on a rolling 5 yearly programme. As a result of the difficulties experienced during the 2015/16 Asset Valuation Programme it was determined that to provide increased confidence in the valuations, the Council should aim to widen the scope of the Asset Valuation

Programme for 2016/2017 and value the whole of its estate.

- 5.3 In order to mitigate the risk of a delay in the publication of the Council's future accounts and to ensure that future Asset Valuation Programmes in a robust manner, it is recommended that with effect from 2017/2018 the Asset Valuation Programme is outsourced to an external provider for a 3 year period.
- 5.4 The cost of external delivery of the Asset Valuation Programme (on a 3 year contract) is estimated to be around £500,000 and will be funded via the revenue budget previously agreed for the Asset Valuations for the next 3 years 2017/2018, 2018/2019 and 2019/2020.
- 5.5 Delegation is sought by the section 151 Officer to procure and appoint the external provider in order to ensure the Council's annual Financial Statements are prepared in a timely manner and provide a true and fair view of the value of the Council's assets.
- 6 Approve a waiver to purchase IT equipment to support the Council's electoral register and be compliant with the existing software**
- 6.1 The Council has an electoral software system for the maintenance of the electoral register provided by a named supplier.
- 6.2 In order to streamline household registration, it is proposed to use hand held devices to record the information obtained via the household registration canvas period and transfer the data directly into the electoral system.
- 6.3 In order for the data transfer process to be effective, the hand held devices need to be compatible with the existing software solution and as such the additional IT equipment can only be sourced from the software supplier.
- 6.4 The preferred solution will enhance data security and staff safety providing efficiency savings of £2.5k per annum. The cost of the hardware is £28.7k plus an annual hosting fee of £10k.
- 6.5 Approval of the waiver request is required to acknowledge the need to deviate from the Council's contract procurement rules and to allow the procurement of specialist IT equipment from a single, nominated supplier.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	
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