

Addendum – Contract and Financial Procedure Matters Report

SUMMARY

- 1.1 This report deals with the following item that requires reporting to and approval by Council Cabinet under Contract and Financial Procedure rules:
- Authorisation of a loan for £15,000 to St Peter's Quarter Derby Limited.
 - Submit an efficiency plan – four year settlement.
 - Submit a funding bid.

RECOMMENDATION

- 2.1 To approve a loan of £15,000 to St Peter's Quarter Derby Limited from the Budget Risk Reserve.
- 2.2 To recommend to Council the submission of an efficiency plan to DCLG in order to secure the four-year funding guarantee, and delegate the details of the submission to the Director of Finance in consultation with the Chief Executive and the Leader.
- 2.3 To approve the submission of the Full Application for up to £5.3m of ERDF funding for the Our City Our River MUNIO Project.
- 2.4 To delegate to the Strategic Director of Communities and Place and the Director of Finance the agreement of the final ERDF Full Application, in consultation with the Cabinet Member for Communities and City Centre Regeneration.
- 2.5 To delegate to the Strategic Director of Communities and Place and the Director of Finance, in consultation with the Cabinet Member for Communities and City Centre Regeneration to accept the ERDF funding, should the Full Application be successful.

REASONS FOR RECOMMENDATION

- 3.1 To provide St Peter's Quarter Derby Limited with funding to undertake a re-ballot of relevant businesses within the St Peter's Quarter (SPQ) area regarding the creation of a new Business Improvement District (BID).
- 3.2 To comply with the Council's Financial Procedure rules for bidding for External Funding.

SUPPORTING INFORMATION

St Peter's Quarter (SPQ)

- 4.1 Following a successful ballot in 2011, the current SPQ BID was created on 1 September 2011 for a period of five years ending 31 August 2016.
- 4.2 Earlier this year a ballot of relevant businesses within the SPQ BID area was undertaken to determine whether the BID would continue for a second period of five years. The ballot did not yield the simple majority required with votes cast for and against being equal. Therefore the current BID will cease to exist on 31 August 2016.
- 4.3 A BID Board has the power to levy a charge on all relevant businesses within a BID area. For SPQ, over a five year term, the income generated through the levy will be around £1.2m. This is direct funding for the SPQ area and will enable a programme of improvements to be carried out. This funding will not be available if the BID does not exist.
- 4.4 St Peter's Quarter Derby Limited wants to re-ballot businesses in the area and have requested a loan of £15,000 to undertake a re-ballot. The funding is required to produce a business plan and BID prospectus, undertake consultation and pay for the actual ballot.
- 4.5 If the ballot is successful then the loan will be repaid in full within six months of the first BID levies falling due. If not successful the Council will not receive re-payment of the loan.

Four year efficiency plan

- 5.1 Government announced a four year-funding guarantee for 2016-2020, covering Revenue Support Grant, Rural Services Delivery Grant, Transitional Funding and Business Rates Top-ups / Tariffs.
- 5.2 The Secretary of State said that authorities wanting to sign-up for the four-year guarantee should demonstrate that they have plans to continue to make themselves more efficient over the next four years (2016-2020).
- 5.3 The Council's current MTFP includes the settlement figures announced by DCLG for 2016-2019, with the 2019/20 figures to be included in the next MTFP. It should be noted that the 2019/20 figures could change if 100% business rate retention is implemented in that year.
- 5.4 The Council approved a budget for the 2016-19 period in February 2016 and included the "Delivering Differently" strand in its strategy. This will form the basis of the efficiency plan submission to DCLG.

- 5.5 The Council has until 14 October 2016 to submit its plan. It is proposed that the submission is delegated to the Director of Finance in consultation with the Chief Executive and the Leader.

OCOR funding application – MUNIO project

- 6.1 The works to be included in the full application are along the West Bank of the Derwent, which is based upon a strategic and flood risk priority for defences to be put in place on the West Bank prior to work being undertaken on the East Bank (North Riverside is East Bank). Flood risk would increase for West Bank land if the East Bank works were to be undertaken first. The works require minimal or little further consents – hence the hope is for a high level of certainty of delivery for the ERDF funding.

6.2 Timescale for submission

The closing date for Full Applications is 30 September 2016.

It is understood that formal grant offer letters will be in place for the successful applications prior to the Government's Autumn Statement in November.

The submission of the Full Application will require the Council to commit to acting as the Accountable Body and to evidence that the required match funding is available.

OTHER OPTIONS CONSIDERED

St Peter's Quarter

- 7.1 Do not loan the money. Taking this option will mean the SPQ area lose the potential for a direct investment of £1.2m of the next five years.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Janie Berry David Cox Martyn Marples
For more information contact: Background papers: List of appendices:	St Peter's Quarter John Massey, Head of Revenues, Benefits and Exchequer Services 01332 643772 john.massey@derby.gcsx.gov.uk None Appendix 1 – Implications Four year efficiency plan Martyn Marples, Director of Finance 01332 643377 martyn.marples@derby.gov.uk

Background papers:	None
List of appendices:	Appendix 1 – Implications
	OCOR funding application
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Background papers:	None
List of appendices:	Appendix 1 - Implications

IMPLICATIONS

Financial and Value for Money

- 1.1 If the ballot is successful the BID levy will deliver a direct investment in the SPQ area of around £1.2m over a five year period. Further, the Council will receive the loan amount of £15,000 back in full.

If the ballot is unsuccessful the Council will not receive repayment of the loan.

Legal

St Peter's Quarter

- 2.1 The Council's Financial Procedure rules require this loan to be authorised by Council Cabinet.
- 2.2 The powers to create a BID and to charge a levy are included in The Business Improvement Districts (England) Regulations 2004.

OCOR funding application

- 2.3 The overall Our City Our River scheme, in terms of its involvement and delivery, falls within the remit of the Council's powers. As the project progresses specific elements of the scheme may involve using a variety of specific statutory powers.

Personnel

- 3.1 None

IT

St Peter's Quarter

- 4.1 The current IT software caters for the billing and collection of a BID levy.

Equalities Impact

- 5.1 None

Health and Safety

- 6.1 None

Environmental Sustainability

- 7.1 **OCOR** will provide the City with more resilient flood defences to help cope with more extreme and intense flooding events brought about by climate change.

Property and Asset Management

- 8.1 None

Risk Management and Safeguarding

St Peter's Quarter

- 9.1 The Council is at risk of not receiving the loan repayment in the event of an unsuccessful BID ballot

Corporate objectives and priorities for change

St Peter's Quarter

- 10.1 The creation of a new SPD BID area will contribute towards building a vibrant Derby.