



Derby City Council

**COUNCIL CABINET**  
**8 February 2017**

Report of the Leader of the Council

# ITEM 20

## Contract and Financial Procedure Matters Report

### 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:
- Contract waiver(s)
  - Contract procurement (which has an estimated total value of over £75,000)
  - Bid for / accept funding

### RECOMMENDATION

- 2.1 To approve waiving contract procedure rules by awarding a 12 month support and maintenance contract to Kana Software Ireland Limited, with an approximate value of £52,000, as detailed in section 4.
- 2.2 To approve the delivery of a procurement exercise and subsequent award for a contract with an estimated total value of £100,000, for the provision of approximately 1,500 Education Healthcare Plans, as detailed in section 5.
- 2.3 To approve a waiver to appoint Crowdfunder UK, with a maximum value of £45,000 over three years, as detailed in section 6.
- 2.4 To give delegated approval to the Strategic Director Communities and Place, in consultation with the Director of Finance, to bid for and subsequently accept funding from Joint Air Quality Unit (JAQU) for the additional work required in taking forward the scoping study requirements for Clean Air Zones, as detailed in section 7.

### REASONS FOR RECOMMENDATIONS

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



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### Report of the Chief Executive

#### SUPPORTING INFORMATION

- 4 Award of contract for maintenance of Customer Relationship Management (CRM) system**
- 4.1 Information Systems, in conjunction with Customer Services, commenced a project to replace the existing CRM in May 2016. Given the significant changes in the marketplace, there are potential benefits for the Council from soft market testing prior to finalising requirements. This will elongate the process and mean a replacement system cannot be deployed by the time the existing contract ends on 29 April 2017.
- 4.2 Customer Services use the CRM system to capture service requests from Derby's residents for a number of services provided by the Council. These requests are made through various channels, including Derby Direct to You, telephone and face to face. The system records the interaction with residents and passes it through the departments who deliver the service to the customers.
- 4.3 A waiver is proposed to ensure continuity of support and maintenance of the existing system to allow the completion of the procurement process and the implementation of a replacement system. This approach has been cleared by the Procurement Team. The cost for 12 months will be approximately £52,000, which is fully funded within existing budgets.
- 4.4 It is recommended a contract waiver is granted and a 12 month maintenance contract extension is awarded to our existing provider, Kana Software Ireland Limited.
- 5 Provision of Education, Healthcare Plans (EHCPs)**
- 5.1 The Council has a legal duty to ensure that children and young people with special educational needs (SEN) and/or disabilities have an individual EHCP, including conversion from Statements of Special Educational Needs. The deadline for achieving this is 31 March 2018.
- 5.2 The scope of the proposed procurement process covers both the provision of writing EHCPs and the conversion of Statements of Special Educational Needs and Learning Disability Assessments to EHCPs for individual learners who up to 25 years of age. It is estimated that around 1,500 EHCPs will be required by the end of March 2019.
- 5.3 To meet the demand and the statutory conversion deadline, it is necessary to engage with an external provider(s) to support the Council's own internal dedicated resources to deliver the volume of work within the specified deadline.
- 5.4 There is currently no other contract in place to deliver this level of service. It is therefore recommended that a contract be put out to tender for one year, with an option to extend for another year. The estimated total value of £100,000, which will be funded

from the existing Special Educational Needs Reserve, will ensure our statutory requirements are met.

- 5.5 It is recommended Cabinet approves a procurement exercise and subsequent award, for a contract with an estimated total value of £100,000, for the provision of approximately 1,500 Education Healthcare Plans.

**6 Award of contract for crowd funding initiative**

- 6.1 Crowd funding provides an alternative way of financing activity with community and social value, which is of increasing relevance in light of on-going funding cuts. Crowd funding is a means to raise money, awareness and support for a project. It works by securing small contributions from a large number of sources rather than large contributions from a few. This can provide an alternative to traditional grant funding for activity with community value.
- 6.2 The Cabinet Member for Communities and City Centre Regeneration and senior council officers recently received a presentation from Crowdfunder UK, a large crowd funding network that has developed a unique city based approach. There is an opportunity to set up a Derby crowd funding platform which is tailored to projects that would contribute to strategic objectives and priority outcomes to the Council.
- 6.3 This is not an existing contract. The Contract Procedure rule to be waived is the competition requirements for contracts with a value over £25,000. Recent research by other local councils failed to identify alternative suppliers which can fully meet our requirements.
- 6.4 The waiver is for £45,000 over three years to allow time to review if the market has changed and any competition has emerged. This approach has been cleared by the Procurement Team. The costs will be fully met through the Delivering Differently Revenue Reserve, as approved by the Delivering Differently Board on 2 December 2016.
- 6.5 It is recommended a waiver to appoint Crowdfunder UK, with a maximum value of £45,000 over three years, is approved.

**7 Funding Bid to Joint Air Quality Unit for Scoping Study requirements relating to Clean Air Zones (CAZ)**

- 7.1 In response to tackling air quality issues in a number of urban areas, the Government are seeking to bring forward legislation to require these areas, which include Derby, to introduce Clean Air Zones access restrictions.
- 7.2 The initiative is being progressed at Government level by the Joint Air Quality Unit (JAQU) of the Department for Environment, Food & Rural Affairs (DEFRA) and the Department of Transport (DfT). Approval was given in September 2016 for an application to the JAQU for £328,810 to fund the scoping study. JAQU have partly approved this bid and are currently in the process of considering the remaining elements of this bid.

- 7.3 As the project has progressed we have identified further elements of work that now need to be undertaken to enable the scoping study to be completed, which requires a request for further funding from JAQU. This has partly arisen through the process of JAQU providing more specific details of the scoping study requirements. A business case has been compiled which needs to be submitted to JAQU by 9<sup>th</sup> February for any remaining revenue funding costs for the scoping study.
- 7.4 The bid for the additional work on the scoping study covers:
- additional modelling requirements
  - development of Low Emission Strategy
  - preparation of the full business case including economic and commercial cases
  - stakeholder engagement
  - project management support.
- 7.5 The bid for funding must be submitted by 9 February 2017. The exact details of the bid and the level of funding being sought is still be prepared.
- 7.6 Approval is sought to delegate authority to the Strategic Director of Communities and Place, in consultation with the Director of Finance, to bid for and to subsequently accept grant, as detailed in section seven and subject to suitable grant conditions.

**This report has been approved by the following officers:**

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Estates/Property officer</b> <b>Service Director(s)</b>  <b>Other(s)</b>	Olu Idowu, Head of Legal Services. Toni Nash, Head of Corporate Finance.  Jill Craig, Interim Director of Information Services. Martyn Marples, Director of Finance. David Cox, Head of HR. Lynda Spiby, Head of Procurement and Contracting.
<b>For more information contact:</b> <b>Background papers:</b>  <b>List of appendices:</b>	Mark Nash 01332 643364 e-mail <a href="mailto:mark.nash@derby.gov.uk">mark.nash@derby.gov.uk</a> Item 7 – September 2016 Cabinet Report <a href="#">Item 14 - Contract and Financial Procedure Matters</a> Appendix 1 - Implications

<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 As detailed in the main body of the report and appendices.

**Legal**

- 2.1 None directly arising.

**Personnel**

- 3.1 None directly arising.

**IT**

- 4.1 None directly arising.

**Equalities Impact**

- 5.1 None directly arising.

**Health and Safety**

- 6.1 None directly arising.

**Environmental Sustainability**

- 7.1 None directly arising.

**Property and Asset Management**

- 8.1 None directly arising.

**Risk Management**

- 9.1 None directly arising.

**Corporate objectives and priorities for change**

- 10.1 These recommendations where relevant are in line with approved capital strategy and Asset Management Plans which accord with the Council's corporate priorities.