



Derby City Council

COUNCIL CABINET 5 August 2015

Report of the Leader of the Council

ITEM 11

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:
- approval of Dedicated Schools Grant (DSG) reserves.
 - approval to tender and award of contract.
 - use of reserves

RECOMMENDATION

- 2.1 To approve the use of the DSG reserves as detailed in section 4.
- 2.2 To approve the tender and subsequent appointment of successful consultant in line with contract procedure rules as detailed in section 5.
- 2.3 To approve the use of £115,000 from the budget risk reserve to support processing of Housing Benefit claims and Council Tax changes and also increase quality checking resources to prevent lost subsidy.

REASONS FOR RECOMMENDATIONS

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



SUPPORTING INFORMATION

4 Use of DSG reserves

- 4.1 The net DSG underspend in 2014/15 was £4,983,121 as previously reported to Cabinet.
- 4.2 It is proposed that of this balance, £20,000 is allocated to each of the eight Special Educational Needs (SEN) review work-streams commissioned by Schools Forum and £25,000 is allocated to the English as an additional language (EAL) review in order to support the implementation of the EAL strategy. The remaining reserve balances will be considered as part of the 2016-17 budget setting process.
- 4.3 It is recommended that the Council approves the use of DSG reserves detailed in section 1.2.

5 Contract tender

- 5.1 The Council is seeking a single Strategic Property Adviser (SPA) who will work closely with our Strategic Asset Management and Estates team, alongside our Regeneration team. The medium to longer term arrangement is to provide a stable, consistent platform for 'holistic' property advice across the various locations, particularly for our SPA to pro-actively contribute to the Council's strategic thinking and delivery.
- 5.2 The Council has identified a number of significant assets within the city boundary and at key locations which represent significant regeneration, commercial or disposal opportunities. Given their complexity and need to consider them from a regional or national investment perspective we are seeking advice and support on how to develop or maximise arrangements for disposal of these assets.
- 5.2 The contract will be for an initial duration of 3 years with an option to extend for a further 2. The fee basis is currently being developed, but it is expected that the advice will comprise:
- a very modest 'retainer' type regular advisory function for relevant boards
 - 'draw down' aspects for a wide variety of different types of advice
 - property agency disposal on a % of proceeds basis.

The estimated contract value over the three year period is £150,000, based on potential daily rates of between £750 -£1,000. Funding for the proposal is contained within the Property Rationalisation Reserve.

- 5.3 It is recommended that the Council approve the tender and appointment of the successful consultant, funded from reserves, in line with contract procedure rules.

6 Use of Budget Risk Reserve

- 6.1 The Benefits & Exchequer Services division of Customer Management is responsible for a host of services including the processing and award of Housing Benefit and Council Tax Support. Reductions in the resources available has led to reduced capacity in these teams in 2015/16.
- 6.2 To minimise the potential reduction in the volume of Housing Benefit transactions that can be processed in 2015/16 and the potential for a backlog it is recommended that £90,000 from the budget risk reserve is used to maintain processing capacity. This would allow for 13,000 Housing Benefit and Council Tax support changes and claims to be processed and ensure residents have there changes processed faster than would otherwise be possible.
- 6.3 In addition during recent restructuring the Housing Benefit team has successfully maximised “bumping” opportunities which has resulted in increased training needs for a number of staff. Whilst these are being addressed there is no capacity within the in-house team to conduct quality checks. It is envisaged that the training programme will last six months and therefore support for quality checking will be required for this time at an estimated cost of £25,000.
- 6.4 The current Housing Benefit system is highly complex and quality checking ensures
- customers receive the right amount of Housing Benefit on a timely basis
 - the Council’s financial position is protected by maximising the amount of money we get back from the Government through the Housing Benefit subsidy regime
 - efficient use of resources as it reduces contacts and the time taken up re-working claims
 - training needs are highlighted so that the service is future proofed
- 6.5 It is recommended that £115,000 from the budget risk reserve is used to support the processing and quality checking of Housing Benefit and Council Tax support claims and changes as detailed above.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Martyn Marples Director of Finance and Procurement
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Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

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.

