

Sponsor: Alison Parkin, Director of Financial Services

Author: Toni Nash, Head of Finance, Resources

Compliance with Contract and Financial Procedure Rules

Purpose

- 1.1
 - Approval to accept funding up to a maximum value of £1.266m from Nottingham City Council (NCC) for the joint Transforming Cities Fund (TCF) Bike Share project
 - Addition of the Bike Share project to the 2022/23 capital programme
 - Award funding as grant payment to the successful bidder for the Bike Share project, following a full tender exercise
 - Department for Education (DFE) Children's Home Capital Bid
 - Local Area SEND Capital Strategy

Recommendation

- 2.1 To approve acceptance of funding up to a maximum value of £1.266m from Nottingham City Council for the joint Transforming Cities Fund funded Bike Share project as outlined in section 4.1
- 2.2 To approve the addition of the Bike Share project of £1.266m to the 2022/23 capital programme as outlined in section 4.1.
- 2.3 To approve the award of Transforming Cities Fund funding as a capital grant to the successful bidder for the Bike Share project following a successful tender exercise as outlined in section 4.1.
- 2.4 To approve Derby City Council being party to a bid for capital funding under the Department for Education Children's Homes Capital bid programme and to approve the acceptance of capital funding if successful as outlined in section 4.2.
- 2.5 To approve the proposed amendments to the current 2022/23-2024/25 Capital Programme to include the below as outlined in section 4.3:
 - a. the additional Department for Education High Needs Provision capital allocations of £4.788m and £4.316m (totalling £9.104m), as outlined in this report;
 - b. the approved capital projects for Ivy House Special School (13 additional secondary places) and Kingsmead Special School (45 additional primary places), totalling £0.481m as outlined in this report;
 - c. the funding will be allocated to the school capital programme for these schemes, which will allow for the commencement of the projects;
 - d. the award of a grant agreement to The Shaw Education Trust to deliver the capital works associated with the Ivy House Special School for an additional 13 secondary places.

Reason

- 3.1 To comply with Financial Procedure Rules.

Supporting information

4.1 Transforming Cities Fund – Bike Share Project

Bike Share is a joint project between Nottingham City Council and Derby City Council - DCC. Capital funding has already been secured for this project by NCC from the Department for Transport (DfT) as part of the Transforming Cities Fund programme.

- 4.1.1 The Bike Share project was originally approved at Cabinet on 10th June 2020. This is not new funding; it was originally allocated to Nottingham City Council to support the Derby element of the Bike Share scheme as part of the business case. Following legal and procurement advice, the two authorities are now going to contract directly with the successful bidder. Therefore NCC are reallocating the funding of up to £1.266m to Derby.

- 4.1.2 The project's objectives will be delivered via a 5-year partnership agreement. Tenders will be sought from experienced and qualified contractors. The £1.266m is the capital element of the scheme and will be spent in line with the funding conditions. The successful bidder will be required to be the successful bidder for both the NCC and DCC contracts and will contract individually with each authority:

- Nottingham City Council **maximum value £2.554m**
- Derby City Council **maximum value £1.266m** (*inc. £0.075m contingency*)

- 4.1.3 The procurement process will be a competitive procedure with negotiation which means that there will be a negotiation phase prior to receiving final bids. The exact scale of the scheme will be determined by the tender process; however, the successful bidder will be expected to provide bikes/e-bikes and suitable infrastructure to allow bikes/e-bikes to be locked, hired and off-hired at a variety of locations within the two cities on a self-service basis. The Council envisage that the scheme will be up and running in the city early next year.

- 4.1.4 This project will build upon the success of the previous e-bike hire scheme in Derby and initially will be targeted at specific communities where it will create the most benefits locally. It will play an essential role in the key developments that are being delivered as part of the mobility hub development under the Future Transport Zone (FTZ) programme.

- 4.1.5 The previous e-bike scheme in Derby was a huge success until it was targeted by criminals, as widely reported in the media at the time. The Council are working closely with the Police to address previous scheme weaknesses including use of street patrollers, enhanced systems, better technology and more stringent authentication.

- 4.1.6 It is recommended to approve:
- acceptance of funding up to a maximum value of £1.266m from NCC for the joint TCF funded Bike Share project
 - the addition of the Bike Share project of £1.266m to the 2022/23 capital programme
 - the award of TCF funding as a capital grant to the successful bidder for the Bike Share project following a successful tender exercise

4.2 **Department for Education (DfE) Children's Home Capital Bid**

The DfE have invited local authorities to apply for matched capital funding to create additional provision in children's homes for children and young people in their area. Bids need to be submitted by the DfE deadline of 3 September 2022

- 4.2.1 The funding is particularly for Local Authorities addressing current shortfalls in placements, including in geographic areas with fewer children's homes; ensuring sufficient provision for children with more complex needs and establishing innovative approaches to reduce the number of children needing care over time.
- 4.2.2 Derby City Council is proposing to be party to a joint bid for DfE funding between Nottinghamshire County Council and Derby City Council as a consortium. This is a key DfE bid criteria. The bid is being led by Nottinghamshire County Council and involves requesting funding for the creation of additional specialist provision for children stepping up to or down from more intensive levels of care.
- 4.2.3 The bid is part of Derby's Children's Homes Sufficiency and Accommodation strategy which aims to enable more children and young people to be closer to home, particularly for those with complex/challenging behaviour where there is insufficient local provision.
- 4.2.4 For Derby, the bid intends to support the establishment of a new, small, specialist Children's home, local to Derby, and working collaboratively with partners to achieve this. Derby's proportion will be approximately £0.300m, which will require £0.300m matched capital funding from the Council, which is a condition of the DfE bid criteria. Provision has already been made for this £0.300m matched capital funding on the Council's capital programme, which was earmarked from a previous similar DfE bid for children's placements that was unsuccessful. Nottinghamshire City Council will mirror this proportion.
- 4.2.5 It is recommended to approve Derby City Council being party to a bid for capital funding under the DfE Children's Homes Capital bid programme, and to approve the acceptance of capital funding if successful.

4.3 **Local Area SEND Capital Strategy**

The Council's approved Capital Programme currently contains provision for £8.398m in capital funding identified for projects emerging from the Council and Local Area SEND Strategy. This consists of £5.432m in Basic Need funding, £1.401m in DfE Special Provision Capital Funding and £1.565m in previously announced DfE High Needs Provision Capital Funding.

- 4.3.1 Following a DfE announcement on 29th March 2022, Derby City Council has been allocated a further £4.788m for 2022/23 and £4.316m for 2023/24 in DfE High Needs Provision capital funding, totalling £9.104m. It is necessary to add this funding to the Capital Programme, giving an overall revised balance of £17.502m in SEND capital funding, as set out in the table at 7.2.
- 4.3.2 The Council and Local Area have adopted a SEND Strategy and Vision 'Living My Best Life'. Through co-production with our partners, the Council is currently developing Derby's capital ambition for SEND.

- 4.3.3 On 13 July 2022, Council Cabinet approved Phase 1 of the SEND 'Living My Best Life', Capital Programme proposals. Phase 1 will take place from September 2022/23 and will consist of capital projects for Ivy House Special School and Kingsmead Special School, as set out in the table at 7.2.1.
- 4.3.4 This report seeks approval to add the Ivy House Special School and Kingsmead Special School projects to the Capital Programme. Subject to approval, the available balance of SEND capital funding, following the addition of the DfE High Needs capital funding and the allocation of capital funding to the Ivy House Special School and Kingsmead Special School projects, will total £17.022m, as set out in the table at 7.2.2.
- 4.3.5 It is proposed that the construction works at Ivy House Special School associated with the project will be funded through a standard Council grant agreement with the Trust, as the Trust will be responsible for delivery of this project and undertaking the works directly, working closely with their appointed professional and technical advisors. This is the Council's usual position for schemes in Academy schools.
- 4.3.6 It is recommended to approve the proposed amendments to the current 2022/23-2024/25 Capital Programme to include:
- a. the additional DfE High Needs Provision capital allocations of £4.788m and £4.316m (totalling £9.104m), as outlined in this report;
 - b. the approved capital projects for Ivy House Special School (13 additional secondary places) and Kingsmead Special School (45 additional primary places), totalling £0.481m as outlined in this report;
 - c. the funding will be allocated to the school capital programme for these schemes, which will allow for the commencement of the projects; the award of a grant agreement to The Shaw Education Trust to deliver the capital works associated with the Ivy House Special School for an additional 13 secondary places.

Public/stakeholder engagement

5.1 Bike Share Project

The Bike Share scheme is a key component of the overall joint TCF programme. The Authorities have engaged with key delivery partners across both cities, including the police, local communities and the universities, who will be a key partner. Public and business engagement is underway.

- 5.1.1 Further engagement with residents, businesses, students and communities will be undertaken once an operator is appointed. This will inform the needs of our local communities and ensure the demand for Bike Share is provided in the right places.

Other options

6.1 Bike Share Project

No other options are applicable – unless we do not utilise the funding and do not take the scheme forward which is not recommended.

Financial and value for money issues

7.1 Bike Share Project

The grant funding is part of the overall joint TCF allocation and currently is expected to be spent by 31 March 2023.

- 7.1.1 The funding will be grant awarded to the successful operator, but there is a possibility that all the funding for the scheme may not be required. This will be dependent on the outcome of the procurement exercise. If this happens any funding not required could be made available to other TCF projects already on the programme, subject to the appropriate governance.
- 7.1.2 Should the successful bidder fail to deliver the scheme, the Councils will be able to clawback funds from them based on the depreciation of the bikes over the course of the contract. In addition, the Authorities will also seek a guaranteed minimum payment of at least £0.030m per annum per authority over the life of the concession to support scheme administration. There is a possibility of further payment to the authority as part of a profit share agreement which will be considered and negotiated as part of the tender process.

7.2 Local Area SEND Capital Strategy

It is necessary to add this funding to the Capital Programme, giving an overall revised balance of £17.502m in SEND capital funding as per the table below:

Current approved capital programme	2022/23 £	2023/24 £	2024/25 £	Total £
Remaining Basic Need funding committed to SEND projects.	833,244	4,598,592	-	5,431,836
DfE Special Provision Capital Grant.	-	1,401,408	-	1,401,408
DfE High Needs Provision Capital Funding.	-	1,565,260	-	1,565,260
Subtotal of existing approved capital programme	833,244	7,565,260	-	8,398,504
Additional 2022/23 DfE High Needs Provision Capital Funding – to be applied to the programme in 2023/24	-	4,787,919	-	4,787,919
Additional 2023/24 DfE High Needs Provision Capital Funding – to be applied to the programme in 2024/25	-	-	4,315,773	4,315,773
Total changes to be made	-	4,787,919	4,315,773	9,103,692
Revised Totals	833,244	12,353,179	4,315,773	17,502,196

- 7.2.1 Phase 1 will take place from September 2022-23 and will consist of capital projects for Ivy House Special School and Kingsmead Special School as per the below table:

	Approved SEND Capital Projects (Phase 1)			
	2022/23 £	2023/24 £	2024/25 £	Total £
Ivy House Special School	239,800	-	-	239,800
Kingsmead Special School	240,888	-	-	240,888
Total	480,688	-	-	480,688

- 7.2.2 following the addition of the DfE High Needs capital funding and the allocation of capital funding to the Ivy House Special School and Kingsmead Special School projects, will total £17.022m, as set out in the table below:

	2022/23 £	2023/24 £	2024/25 £	Total £
Revised Totals (with additional DfE High Needs Provision Capital Allocations)	833,244	12,353,179	4,315,773	17,502,196
Approved Phase 1 SEND Capital Projects (Ivy House Special School and Kingsmead Special School)	480,688	-	-	480,688
Total balance of SEND Capital Funding	352,556	12,353,179	4,315,773	17,021,508

- 7.2.3 The required 50% matched funding for the proposed DfE Children's Homes capital bid for £0.300m budget is included in the schools capital programme approved in the MTFP at February 2022 Cabinet, phased £0.150m in 2022/23 and £0.150m in 2023/24.

Legal implications

8.1 Bike Share Project

To guard against the payment of grant and the subsequent early termination of the contract, the successful bidder will sign a Legal charge on the assets purchased through the funding offered through the Partnership Agreement.

- 8.1.1 The amount the Councils can clawback from the successful bidder in the event of termination is based on the depreciation of the bikes over the course of the contract. This will be executed via a legal charge that sits alongside the contract and reduces the risk on the Council in the event the scheme was not successful.

8.2 Local Area SEND Capital Strategy

To fund the works arising from the proposal, it will be necessary for the Council to enter into a grant funding agreement with the Shaw Education Trust, the Multi Academy Trust, which Ivy House school form a Part.

Climate implications

9.1 Bike Share Project

Bike share is a key component of the TCF programme and will encourage more sustainable travel, promote improved public health, and reduce congestion, carbon emissions and air pollution.

Other significant implications

10.1 Bike Share Project

An Equality Impact Assessment (EIA) has been completed for the scheme. It has considered a range of implications, including safety, overcoming theft and vandalism, parking and accessibility. The scheme will introduce new technology like the existing e-scooter trial, including the ability to reduce speeding in pedestrian zones and confirmation of the end of journey hub parking.

This report has been approved by the following people:

Role: Sustainable Transport Team Leader	Name: Adam Sendall	30/06/2022
Legal	Olu Idowu, Head of Legal Services	25/07/2022
Finance	Toni Nash, Head of Finance	14/07/2022
Service Director(s):	Verna Bayliss, Director of Planning, Transport and Engineering	04/07/2022
Report sponsor	Alison Parkin, Director of Financial Services	tbc
Other(s)	Anne Webster, Head of Equalities	25/07/2022
	Liz Moore, head of HR	
Background papers: n/a		
List of appendices: n/a		