



## **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 ...
- To commence Children and Young Peoples capital schemes in the approved capital programme and approve programme changes, as required by Financial Procedure Rules – FPR – for schemes over £100,000.
  - The DfES has announced a new Standards Fund allocation for Strategic Technologies. This is to assist authorities in improving broadband connections for schools and introducing personalised online learning spaces for pupils. Cabinet has previously agreed that the Council should withdraw from the regional broadband consortium from April 2007 and that alternative infrastructure should be procured for those schools requiring an upgrade. It is now proposed that Contract Procedure Rule (CPR) 6 to waive CPR 15 requirement to tender and to use the Government Catalogue (GCaT) to purchase connectivity circuits from BT for the remaining 47 schools.
  - A waiver of CPR 15 to tender to enter into contracts with Barnardos, National Association for the Care and Rehabilitation of Offenders - NACRO and National Children's Homes – NCH, to continue to provide services for Sure Start Local Programmes.
  - To fund £32,000 implementation costs of two energy efficiency projects to improve energy payment methods from corporate reserves. These projects should result in savings and support future energy efficiency measures. Any on-going costs would be funded from energy efficiency savings generated.
  - A waiver of CPR15 tendering requirement is sought under CPR6 to commission external person centred planning – PCP - training from Helen Sanderson Associates to supplement internal training activity, for staff and families involved in planning the services to individual adults with learning disabilities. This is a leading PCP training company with the lowest daily rate of comparator agencies and the only one to provide accredited training. Revenue budget is available from the Learning Disabilities development fund through Health Partnership funding.
  - A waiver of CPR15 tendering requirement is sought under CPR6, to enter into a contract with Safe and Sound for the Youth Service Edge project from 1 October 2006 to 31 March 2009 at a total cost of £215,460.
  - The Children's Workforce Development Council has allocated £20,000 to Derby City Council in 2006/07 to develop the involvement of private, voluntary and independent sector organisations in the local workforce strategy for children's services. The funding is ring-fenced and it is proposed to add the planned expenditure and income to the CYP budget for this purpose.

- Council Cabinet approval, as required by financial procedure rules, to a £200k one –off revenue budget transfer in 2006/07 and a £100k permanent transfer from 2007/08, from the corporate Treasury management revenue budget to Resources and Housing department. The transfer is in line with a previous Council Cabinet approval for the replacement Revenues and Benefits system budget.

1.2 Subject to any issues raised at the meeting, I support the following recommendation.

<b>RECOMMENDATION</b>
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- 2.1 To approve the capital scheme commencements and programme changes at Appendix 2.
- 2.2 To add the Standards Fund allocation of £144,447 for Strategic Technologies to the Children and Young People's revenue budget for ICT.
- 2.3 To approve under CPR 6 a waiver of CPR15 tendering requirement to purchase from the Government Catalogue (GCat) connectivity circuits from BT for 47 schools.
- 2.4 To approve a waiver of CPR15 for a contract with:
  - Barnardos £67,002 for 2006/07 and to a maximum value of the same amount for 2007/08 for the provision of play groups and adult education
  - NACRO £89,485 for 2006/07 and to a maximum value of the same amount for 2007/08 for the provision of day care and parenting skills
  - NCH £63,445 for 2006/07 and to a maximum value of the same amount for 2007/08 for the provision of play groups and parenting skills.
- 2.5 To approve the use of £32,000 of corporate reserves to fund two projects to improve energy payment methods as detailed in paragraph 4 of the supporting information
- 2.6 To approve under CPR 6 a waiver of CPR15 tendering requirement to commission from Helen Sanderson Associates person centred planning training for staff and family members of adults with learning disabilities, at a cost of £25,850 funded from the Learning Disability development fund revenue budget.
- 2.7 To approve under CPR6 a waiver of CPR15 tendering requirements to establish a contract with Safe and Sound Derby from 1 October 2006 to 31 March 2009 for £215,460, to deliver its contribution towards the Edge Project, including secondment of 4 existing employees.
- 2.8 To approve the addition of £20,000 Children's Workforce Development Council grant income and expenditure to the Children and Young People's revenue budget 2006/078 to be used for the purposes specified in the ring-fenced grant funding.
- 2.9 To approve a £200k one –off transfer in 2006/07 and a £100k permanent transfer from 2007/08, from the corporate Treasury management revenue budget to Resources and Housing department.



## **Contract and Financial Procedure Matters Report**

### **SUPPORTING INFORMATION**

#### **1 Capital Scheme Commencements**

- 1.1 Council Cabinet approval is sought, as required by Financial Procedure Rules for schemes over £100,000, to the commencements of Children and Young Peoples capital schemes in the approved capital programme and programme changes, as detailed in Appendix 2.

#### **2 New schools standards funding for strategic technology and waiver of contract procedure rules**

- 2.1 The DfES has allocated Derby £144,147 in 2006/07 through a new Standards Fund for Strategic Technologies. This allocation is in addition to the existing Standards Fund for Broadband Connectivity. The DfES has set two targets for broadband connections and services. Firstly, 100% of schools should have broadband connections by December 2006 and, secondly, the provision of 'a personalised online learning space' and email accessible anytime/anywhere by 2008. The DfES had hoped that authorities would be able to commit significant amounts of the existing Standards Fund in 2006/07 on the second of these targets but is now aware that most need all the available funding to complete the broadband connections. The establishment of a separate fund will ensure that there is progress towards the second target in the current year.
- 2.2 On 25 April 2006 Cabinet agreed that Derby does not continue membership of a regional broadband consortium from April 2007 (when East Midlands Broadband Consortium (EMBC) ends) and agreed to a contract with BT for alternative circuits for 49 schools. These are schools currently provided with Asymmetric Digital Subscriber Line (ADSL) circuits and will not now be connected to EMBC.
- 2.3 A proposal to purchase circuits for a further 47 schools was withdrawn pending further investigation into the procurement process. These are schools already connected to EMBC.
- 2.4 It has been confirmed that the additional circuits required can be purchased from BT using the Government Catalogue and a waiver of Contract Procedure Rules is sought to allow procurement without tender.
- 2.5 The initial installation costs of the circuits would be £290,692 in 2006/7 leading to ongoing costs of £69,484. The ongoing costs will be recovered from schools through a Sold Service agreement.

2.6 The impact on an average school will be:

2006/07 installation cost	£6000 - £7,000.
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Estimated annual saving from 2007/08	(£2,200)
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Additional estimated delegated sum from the Standards Fund Broadband allocation in 2007/08	(£4,000)
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2.7 The schools concerned will incur additional expenditure in 2006/07 above what they had budgeted, but this will be more than offset by the cumulative effect of the annual savings and additional Standards Fund Broadband allocation, which will pay back the net cost in one year. There is, therefore, no need for Prudential Borrowing with this contract.

2.8 The Standards Fund Broadband allocation has not yet been announced for 2007/08, but was £421,894 in 2006/07. The grant conditions for 2006/07 state that "If a local authority (LA) has not joined a Regional Broadband Consortium (RBC), or wishes to discontinue its membership of a RBC, equivalent funding must be devolved to schools in full. In such cases it will be for the LA to make the case to the Department (DfES) – on both educational and economic grounds – for adopting such an approach."

### **3 Waiver from CPR15 tendering requirements – Sure Start Local Programmes**

3.1 Since the setting up of the four Sure Start Local Programmes in Derby, they have contracted with a number of different agencies to provide services to young children and families in areas of economic disadvantage in the city. These services are to improve the life chances of children and to promote social inclusion.

3.2 Council Cabinet approval is therefore sought under CPR6 to waive CPR15 tendering requirements to award the contracts to Barnardos, NACRO and NCH on the following grounds:

- the only other providers of the above services are indeed very limited and those that do exist are private agencies. These organisations are run for profit and experience has showed that the services would bear an additional cost to the programmes
- the private sector would also offer no guarantee that there would be a consistency in the staff provided. This is not good practice, particularly when their job is to care for or provide other services to young, sometimes vulnerable children
- previous contracts have been awarded to these organisations were a waiver is sought. There currently exists a working history with the staff employed and the Sure Start Programmes and this is seen as a valuable asset to the service.

3.3 Budget provision is available from Sure Start external grant funding.

## **4 Improvements to the Council's energy payment methods**

4.1 Two projects associated with energy efficiency have been identified which, if approved for implementation, would improve energy payment methods and management information to progress energy efficiency measures with expected efficiency savings as a result.

4.2 These are ...

- **Team Energy Bureau Service:**

The bureau solution provides the opportunity to make considerable savings and efficiency improvements. Possible estimated savings per annum, based on industry figures, are:

- |                                |                 |
|--------------------------------|-----------------|
| ○ staff time handling invoices | minimum £28,800 |
| ○ improved accuracy of billing | minimum £60,000 |

The identification of sites with high energy use will allow those sites to be targeted and surveyed to determine the reasons for the high consumption. Equally, sites with low energy consumption can be identified and used as good practice models for other similar sites.

Figures and percentages are based on industry experience. This will aid the progression of energy efficiency measures to generate energy savings. The team bureau service will cost £25,315 in the first year and £23,940 subsequently.

- **Severn Trent File Tidy exercise**

Severn Trent would identify all the sites they invoice Derby City Council for. This would cover 300 sites at a total cost of £6,600. Experience shows that a saving usually results from this exercise, although there is a risk of some increase in costs.

4.3 Council Cabinet approval is sought to fund the implementation costs of £32,000 from backdated business rates refunds on revaluations of council owned property, held in a corporate reserve. Any cost of continuing with the Team Energy Bureau service would have to be met from savings generated by the project.

## **5 Waiver of CPR15 tendering requirement – Adult Social Services Person Centred Planning Training**

5.1 The White Paper Valuing People (2001) advocated for people with learning disabilities to have real choice and control within their lives. One of the ways in which this can be achieved is through the implementation of person centred planning approaches. These approaches ensure that any planning with service users is undertaken in the most appropriate way for the individual. There are a number of recognised PCP formats including PATHs, MAPs and Essential Lifestyle Planning (ELP). Each one is appropriate for a different purpose. For example ELP is effective particularly with people who have no verbal communication skills. PATHs and MAPs offer a very pictorial format in the form of a pathway to achieving aspirations or a map of how to get there.

- 5.2 The Learning Disability service in Derby City has been implementing person centred approaches for some time now and a significant amount of internally delivered training has been provided to staff and families. There is now some recognition that we need to do more to drive this initiative forward, and to this end it has been agreed that the PCP Coordinator based in the Mental Health Trust's Learning Disability service will lead for Derby City on this important development. This includes the lead for the CASS Learning Disability service.
- 5.3 On 26 July 2006 the PCP Coordinator took a proposal to the Valuing People Partnership Board. The proposal, named 'Derby City – good to great' highlighted all of the progress made already in Derby on PCP, then went on to outline how we could build on that progress and have real success in rolling out PCP if we commission some external expert training for our staff. The proposal was that we would commission PCP training in:
- Person Centred Thinking
  - Coaching PCPs
  - ELP facilitation/PATH/MAP
  - Person Centred Reviews and Risk taking.
- 5.4 This would ensure that staff in the Learning Disability service are equipped with a variety of tools that they can utilise in a variety of situations. The outcome would be that person centred approaches would cascade throughout the learning disability service and our service modernisation and commissioning plans would be informed by PCP. This was always the aim of the Valuing People White Paper.
- 5.5 It is proposed that Helen Sanderson Associates –HSA, a well known PCP training company would deliver the training. HSA already provides mentorship to the PCP Coordinator.
- 5.6 Council Cabinet approval is therefore sought under CPR6 to waive CPR15 tendering requirements to award the contract to HSA on the following grounds ...
- A working relationship already exists between the PCP Coordinator and this firm as they already provide him with mentorship in PCP. Since the PCP Coordinator himself will subsequently be providing mentorship to local staff once they have been trained, consistency in training provision is important. There is a risk of inconsistency if a different provider now provides the training to staff.
  - There are four members of staff due to start work in October in the learning disability service. They will work on the day and residential modernisation project. They are only in post for one year and this is not long for them to complete the number of person centred assessments that are required of them. It is vital that they receive this training as soon as they start work otherwise they will be unable to begin these assessments. The PCP Coordinator has tentatively booked HSA for three days at the end of October to provide this training. If there is a need to undertake a competitive exercise, there will be a significant time delay in commissioning this training.

- The trawl of the main training and development agencies leading on Person Centred Planning highlighted the following information on cost and accreditation.

<b>Organisation</b>	<b>Daily rate</b>
Helen Sanderson Associates- HSA	£550 per day plus expenses
Agency B	£650 per day plus expenses
Agency C	£630 – 840 per day plus expenses
Agency D	£950 per day plus expenses

- Of the training and development agencies listed above only HSA can provide accreditation through the international “Learning Community for essential lifestyle Planning”. Helen Sanderson is a founder member of this community.
- HSA are the only organisation in this country currently running the proposed training and development programme alongside Michael Smull, who is one of the founders of the person centred planning process and an internationally recognised figure.
- Helen Sanderson co wrote the Department of Health’s guidance around person centred planning which followed the publication of the White Paper Valuing People (2001), and is the leading figure nationally, with regard to person centred planning and approaches.

5.7 The cost of the training will be £25,850. This can be met through the Learning Disability Development Fund revenue budget from Health partnership funding.

## **6 Waiver of CPR15 tendering requirement – Youth Service Edge Project**

- 6.1 Safe and Sound Derby, a registered charity, have recently acquired additional funding for the expansion of the service delivered to girls and young women at risk of involvement in sexual exploitation at the Edge Project.
- 6.2 Safe and Sound Derby approached Derby City Council to request a partnership agreement which clarified management and governance arrangements for all staff at the existing Edge Project. The new governance arrangements will see a transfer of the day to day operations from the Council to Safe and Sound managed by the Council through the contract. A recommendation was made at a meeting on 27 April 2006 between the two organisations to second four existing Derby City Council employees to Safe and Sound Derby, and draw up a contract to include all the financial arrangements.
- 6.3 A contract has been drawn up and agreed with Safe and Sound Derby. The four staff involved will remain employees of Derby City Council and continue to work at the Edge Project.
- 6.4 Safe and Sound Derby has successfully managed funding from a variety of sources over the last few years.
- 6.5 Safe and Sound Derby has a good understanding and commitment to developing services for vulnerable young people, particularly those at risk of involvement in sexual exploitation.

- 6.6 A waiver of CPR15 tendering requirements is sought to enter into a contract with Safe and Sound Derby to deliver the Edge Project, including secondment of four existing Council employees, from 1 October 2006 to 31 March 2009 at a cost of £215,460. Budget provision is available from within existing Youth Service budget for the Edge Project.

## **7 New external grant – workforce strategy for children’s services**

- 7.1 The Children's Workforce Development Council has allocated Derby City Council £20,000 in 2006/07 to develop the involvement of private, voluntary and independent sector organisations in the local workforce strategy for children's services.
- 7.2 The funding is ring-fenced and Cabinet approval is sought as required by Financial Procedure Rules to add the planned expenditure and income to the Children and Young Peoples budget for this purpose.

## **8 Treasury management revenue budget transfer**

- 8.1 The treasury management budget previously included a budget for £354k for the financing cost element of the previous revenues and benefits system PFI contract. This contract ceased in August 2006, leaving a part-year £200k uncommitted for 2006/07 and the full £354k uncommitted from 2007/08.
- 8.2 The revenues and benefits replacement system implementation and on-going running costs budget was set on the basis that the full uncommitted budget for 2006/07 and £100k from 2007/08 would transfer to Revenues and Benefits to part fund estimated costs, after taking account of efficiency savings generated from operating the new system. This was approved by Council Cabinet on 6 September 2005.
- 8.3 Subsequently, the approved 2006/07 to 2008/09 revenue budget did not take account of this transfer.
- 8.4 Council Cabinet approval is now sought to the following budget transfers required to meet approved commitments, in line with the original Council Cabinet approval:
- From treasury management corporate budget  
To Housing and Resources department revenues and benefits budgets
- 2006/07 maximum £200k one-off
  - 2007/08 maximum £100k permanent.
- 8.5 As the original budget transfer approved in September 2005 was based on cost estimates and the system has now been successfully implemented the budget transfer will only be actioned to cover the actual costs up to the maximum of the original approval.
- 8.6 The transfer will not affect the £0.6m projected underspending already reported to Cabinet in September 2006.

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Capital Scheme Commencements



<b>IMPLICATIONS</b>
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**Financial**

1. As detailed in the report.

**Legal**

- 2.1 CPR6 provides for the waiver of individual contract procedure rules by the Council Cabinet, or in cases of urgency, by a Chief Officer in consultation with the Chief Legal Officer.
- 2.2 CPR15 specifies the requirements to obtain quotes and tenders, with stepped increases in the requirements as contract values increase.

**Personnel**

3. The PCP training is essential to ensure that PCP is fully embedded in services for people with learning disabilities.

**Equalities impact**

4. People with learning disabilities are a vulnerable and marginalised group in society. PCP training will assist staff in the service to ensure that people with learning disabilities can achieve their aspirations and be more included in society.

**Corporate priorities**

5. These recommendations, where relevant, are in line with approved budgets which accord with the Council's corporate priorities. Specifically the recommendations accord with the following :
  - Encourage lifelong learning and achievement; deliver excellent services, performance and value for money.
  - Healthy, safe and independent communities and furthers the priority of modernising social care.

# Capital programme changes and capital schemes over £100,000 commencement reports 2006/7.

## Children and Young Peoples Services Capital Programme

### 1 Brackensdale Infants structural repairs

	Budget as at 05 Sept Cabinet	Revised Budget per Scheme Commencement Request
	£	£
2006/07	240,000	240,000
2007/08	0	10,000
2008/09	10,000	0
<b>Total</b>	<b>250,000</b>	<b>250,000</b>
<b>Funding</b>		
NDS Modernisation	189,338	189,338
Devolved Contributions	60,662	60,662

### 2 Shelton Juniors replacement heating system

	Budget as at 05 Sept Cabinet	Revised Budget per Scheme Commencement Request
	£	£
2006/07	201,500	195,500
2007/08	0	4,500
2008/09	4,561	0
<b>Total</b>	<b>206,061</b>	<b>200,000</b>
<b>Funding</b>		
NDS Modernisation	153,481	147,420
Devolved Contributions	52,580	52,580

### 3 Lawn Primary replacement windows and roofing repairs

	Budget as at 05 Sept Cabinet	Revised Budget per Scheme Commencement Request
	£	£
2006/07	500,000	500,000
2007/08	0	10,000
2008/09	10,000	0
<b>Total</b>	<b>510,000</b>	<b>510,000</b>
<b>Funding</b>		
NDS Modernisation	407,268	407,268
Devolved Contributions	102,732	102,732

4 Kingsmead Pupil Referral Unit

	Budget as at 05 Sept Cabinet	Revised Budget per Scheme Commencement Request
	£	£
2006/07	2,057,579	1,539,047
2007/08	1,109,000	1,666,000
2008/09	120,000	82,000
<b>Total</b>	<b>3,286,579</b>	<b>3,287,047</b>
<b>Funding</b>		
NDS	3,222,579	3,187,047
Modernisation/DFES		
Targeted Funding		
PRU Government	64,000	100,000
Grants		