



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:
- a £50,000 corporate capital contribution to the Multi - Faith centre towards the costs of the original building works, to replace a loan previously approved by Council Cabinet.
 - the use of £22,600 from the corporate Modernisation Fund to progress a number of Excellence and Learning Board improvement projects related to employees
 - further allocations from the Schools Access Initiative funding to capital schemes and capital programme update
 - cost increases to Children and Young People's department capital schemes and associated additional funding requiring approval and capital programme update
 - the submission of a formal bid by the Children and Young People's department to Derwent Community Team for £1 million funding from their capital build programme for schools capital projects at Roe Farm, Beaufort Primary and Derwent Primary schools
 - further proposals totalling 17,041 on the use of the Youth Opportunity Fund
 - the addition to the capital programme of £625k expenditure and financing for blue bins for the recycling programme, including the approval of £265k unsupported borrowing.
- 1.2 Subject to any issues raised at the meeting, I support the following recommendation.

RECOMMENDATION

- 2.1 To approve a £50,000 corporate capital contribution to the Multi- Faith centre to replace the loan previously given to the centre
- 2.2 To approve the use of £22,600 from the corporate Modernisation Fund to fund one-off revenue costs of Excellence and Learning Board projects as detailed in paragraph 2.1.
- 2.3 To approve further allocations from the Schools Access Initiative funding to capital schemes detailed in Appendix 2 and update the approved capital programme.
- 2.4 To approve cost increases to capital schemes and additional funding as detailed in paragraph 4 and update the approved capital programme.

- 2.5 To approve the submission of a formal bid by the Children and Young People's department to Derwent Community Team for £1 million funding for schools capital projects at Roe Farm, Beaufort Primary and Derwent Primary schools
- 2.6 To approve a further £17,041 allocation from the Youth Opportunity Fund to projects detailed in paragraph 6.
- 2.7 To approve the addition to the capital programme of the blue bin scheme at a cost of £625k, together with the associated financing detailed in paragraph 7.3.
- 2.8 To approve £265k new departmental unsupported borrowing for the blue bin capital scheme.



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SUPPORTING INFORMATION

1. Multi-Faith centre

- 1.1. A loan advanced by the Council to the Multi-faith centre to assist with the cashflow of the project remains outstanding. It is now proposed to convert this into a capital contribution by the Council towards the cost of the project build, funded from corporate capital receipts. In return the Council will be granted a period of free rental use of the centre facilities.

2. Excellence and Learning Board projects funding

- 2.1 The Excellence and Learning Board, a sub-group of Building on Excellence, is progressing a number of improvement projects related to employees. There are £22,600 one-off revenue costs associated with progressing these which requires funding as follows:
- managing employee performance
£1,600 cost of consultancy from the HR system provider to be able to record and manage Achievement and Development together with £6,000 temporary training resources to support this development
 - Employee feedback
£15,000 to use focus groups instead of repeating the employee survey.
- 2.2 It is proposed to fund these costs from the corporate Modernisation Fund.

3. Allocations from the Schools Access Initiative funding

- 3.1 The Council was allocated £433,366 Schools Access Initiative capital funding for 2006/07. Council Cabinet has previously approved projects at a cost of £83,000.
- 3.2 Revisions are required to the allocations already made to approved capital schemes together with new allocations to capital projects totalling £140,385, as detailed in Appendix 2.
- 3.3 Council Cabinet approval is sought, as required by Financial Procedure Rules, to update the approved capital programme for these allocations.

4. Children and Young People's capital programme scheme cost variations

4.1 The changes to the approved capital programme and funding for the following capital scheme cost variations require Council Cabinet approval as the increases are more than 10% of the approved scheme budgets.

- The Darley Barn project was originally negotiated with one of the council's partner constructor's in November 2005. A wildlife survey indicated the possible existence of hibernating bats that could not be disturbed. This has caused a significant delay to the project, consequently the contractor has asked for increased costs of £74,954. The total cost of the project is now £770,000, this is to be funded from £71,101 New Deal for Schools –NDS- Modernisation funding and £3,853 Big Lottery funding.
- The schemes at Chaddesden Park Infants and Ridgeway Infants were due to be undertaken over the summer holidays, however due to the lack of tenders the projects had to be re-tendered. The nature of the remedial work means that it is necessary for it to be done out of term time, this has impacted on the cost. It is anticipated that most of the work will be undertaken in 2006/07, however this cannot be confirmed until the initial uncovering work has been completed. The lowest tender received for both projects exceeds the budget provision by £35k and will be funded from NDS Modernisation funding. The revised scheme cost is £55,000 for Chaddesden Park Infants and £70,000 for Ridgeway Infants Schools.

5. Bid to Derwent Community Team capital build programme

5.1 Derwent Community Team –DCT- are keen to support schools in their area in the improvement of school buildings and grounds, development of these environments and to improve access to facilities for all sections of the local community. As a result, Learn Derwent has established a steering group to consider projects that meet the programme criteria.

5.2 Schemes have been identified at:

- Roe Farm Primary School – rebuild veranda to improve access and security and to enable safe use of site out of school hours - £473,000
- Beaufort Primary School – provide a community room, a disabled WC and improve the courtyard area to enable extended use by the community - £315,000
- Derwent Primary School – provide a covered outside area for the nursery - £212,000.

5.3 An expression of interest for funding of £1million has been accepted by DCT. The next stage is to develop the scheme designs to planning permission stage and for submission of a formal bid.

6. Youth Opportunities Fund

6.1 Following the third meeting of the young peoples' Youth Panel the following applications were recommended for approval for allocations from the Youth Opportunities fund:

- a project run by young people which will organise a city wide talent show for young people aged 13 to 19

- an application from young people to redesign and improve the young peoples' website Youthlink Derby
- an application to improve the provision of outdoor education activities for young people across the city.

6.2 The total amount recommended was £17,041. The revenue expenditure committed would increase from £63,055, as previously approved by Council Cabinet, to £80,096 against the total allocation of £150,403.

7. Recycling – blue bins capital scheme

7.1 The first five Rethink Rubbish recycling rounds were based upon kerbside sorting using blue box containers and non-compaction side loader kerbside collection vehicles.

7.2 Later rounds used a more efficient co-mingled collection system with blue bin containers and compaction refuse collection vehicles. All recyclables are now sorted at a materials recycling facility. These five Rethink Rubbish rounds now require conversion to the blue bin system.

7.3 The total capital finance required for the conversion is £625k. There is £360k available from waste management reserves, £256k from existing service reserves to fund future Rethink Rubbish contingencies plus £104k carried forward from 2005/06 revenue under spends following the decision not to introduce kitchen bins. The balancing £265k will be funded from new departmentally funded unsupported borrowing. The financing costs of the borrowing can be contained within the existing revenue budgets.

7.4 It is anticipated that there will be a saving of £67k per full year following the conversion. It is proposed to retain any savings within the waste budgets to assist with other waste management budget pressures in the future.

For more information contact:	Carolyn Wright 01332 255349 e-mail Carolyn.Wright@derby.gov.uk
Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Schools Access Initiative funding allocations Appendix 3 – Children and Young People's capital programme scheme cost variations

IMPLICATIONS

Financial

1. As detailed in the report

Legal

2. None

Personnel

3. None

Equalities impact

4. None

Corporate priorities

5. These recommendations, where relevant, are in line with approved budgets which accord with the Council's corporate priorities.

Schools Access Initiative Projects 2006-2007 Phase 2

				Allocation:	£433,366			
				Previously Approved Schemes:	£83,000			
Revised Projects:				Funding Available:	£350,366			
School	Project	Revised Project Cost	Previously Approved Budget	Additional Schools Access Initiative Funding Required	Ward	Anticipated Start Date	Phasing 2006/07	Phasing 2007/08
Arboretum Primary	Increase to previously approved disabled toilet project following changes to specification and receipt of tenders.	£61,915	£34,250	£27,665	Arboretum	2Q 2006-2007	£61,915	£0
Grampian Primary	Increase to previously approved disabled toilet project. Current disabled toilet cannot be extended due to structural brace, so extension will be built to provide facilities	£60,000	£8,500	£51,500	Sinfin	1Q 2001-2008	£0	£60,000

New Projects:

School	Project	Project Cost	School Contribution	Schools Access Initiative Funding	Ward	Anticipated Start Date	Phasing 2006/07	Phasing 2007/08
Boulton Primary	Re-modelling of Foundation Stage area to provide changing facilities.	£40,000	£0	£40,000	Boulton	3Q 2006-2007	£40,000	£0
Ravensdale Infant	Improvements to disabled toilet facilities.	£11,220	£0	£11,220	Mickleover	3Q 2006-2007	£11,220	£0
SENSS	Equipment	£10,000	£0	£10,000	Various	3Q 2006-2007	£10,000	£0

Cost of projects prioritised above: £140,385

Remaining funding for scheme undergoing further feasibility work: £209,981

Children and Young People's capital programme scheme cost variations

School	Scheme Description	Revised Cost of Scheme	Devolved Contribution	Revised Modernisation Funding	Revised Other funding	Ward	Start	Previous years	2006-2007	2007-2008	2008-2009	Total
Chaddesden Park Infant	Propping, timber column repairs and repairs to windows. To prevent school closure.	£55,000	£10,564	£44,436		Chaddesden	4Q 2006-2007		£40,000	£15,000	£0.00	£55,000
Ridgeway Infant	Phase 1 replacement structural columns and windows.	£70,000	£13,220	£56,780		Blagreaves	4Q 2006-2007		£55,000	£15,000	£0.00	£70,000
Darley Barn	Replacement of existing barn with new Outdoor adventure facility	£770,000,000		£258,100	Big Lottery £503,400 School's Access Initiative £8,500	Darley	4Q 2006-2007		£377,500 £66,500	£310,000	£16,000	£770,000