

## **Compliance with Contract and Financial Procedure Rules**

### **SUMMARY**

- 1.1 To seek approval by Council Cabinet under Contract and Financial Procedure rules for the following:
- i. To approve the procurement of a supplier to conduct a full review of all households within the city receiving a single person Council Tax discount and to fund the cost from the use of reserves
  - ii. To approve the write off of a bad debt – 4Children
  - iii. To approve a grant award to Derby and Sandiacre Canal Society
  - iv. To approve the procurement of a Higher Education Initiative
  - v. To approve the participation in the 'Step up to Social Work Programme' and to enter into a Partnership Agreement with a number of other Local Authorities in order to deliver this Programme with Derby as the lead authority.
  - vi. To approve the enhanced fostering allowance
  - vii. To approve the progression to a tender and procurement stage – Opportunity Areas and to approve delegation of authority to the Strategic Director of People Services to negotiate and award a contract for speech, language and communication between Derby City Council and the successful organisation(s)
  - viii. To approve delegation of authority to the Strategic Director of People Service to negotiate and agree the final terms of the post 16 English and mathematics grant agreement between Derby City Council and Derby College and to approve the Opportunity Area grant award

### **RECOMMENDATIONS**

- 2.1 To approve the procurement of a supplier to conduct a full review of all households within the city receiving a single person Council Tax discount as detailed in section 4.1 and to fund the cost of £152,000 from the budget risk reserve.
- 2.2 To approve the write off of a bad debt from 4Children for £16,886 as detailed in section 4.7.
- 2.3 To approve a grant award to Derby and Sandiacre Canal Society of £55,000 funded from the Local Growth Funded project entitled 'Connected Cycle City and Place making', as outlined in 4.10.

- 2.4 To approve the commencement of a procurement process to obtain a Higher Education Initiative on behalf of the East Midlands Partnership for Cohort 6 with the option to extend to Cohort 7 and to delegate contract award and subsequent decision making to the Strategic Director of People Services in consultation with the Cabinet Portfolio Member for Children and Young People to a maximum value of £933,360, as outlined in 4.23.
- 2.5 To approve Derby's participation in the 'Step up to Social Work Programme' and to enter into a Partnership Agreement with a number of other local authorities in order to deliver this Programme, as outlined in 4.23.
- 2.6 To approve Derby as the Lead Authority within the Partnership, which includes the administration and distribution of Department for Education funding and to be responsible for procurement of a Higher Education Initiative, for and on behalf of the Partnership and to enter into a Contract for Services with the Higher Education Initiative, as outlined in 4.23.
- 2.7 To approve the establishment of an enhanced fostering allowance of £475 per week payable to Derby City foster carers, as outlined in 4.36.
- 2.8 To approve in principle the award an Opportunity Area grant of up to £200,000 to Derby College to lead and co-ordinate the city wide post 16 English and mathematics strategy subject to the grant being based on actual expenditure and costs, as outlined in 4.38
- 2.9 To approve the progression to a tender and procurement stage for organisations to lead the speech, language and communication strategy across the city for up to £750,000, as outlined in 4.38.
- 2.10 To approve delegation of authority to the Strategic Director of People Services to negotiate and award a contract for speech, language and communication between Derby City Council and the successful organisation(s) , as outlined in 4.38.
- 2.11 To approve delegation of authority to the Strategic Director of People Services to negotiate and agree the final terms of the post 16 English and mathematics grant agreement between Derby City Council and Derby College.

## **REASONS FOR RECOMMENDATIONS**

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

## **SUPPORTING INFORMATION**

### **4.1 Council Tax Review – Single Person Discount**

As at 1 October 2018 there are 110,195 domestic dwellings within the City and 39,684 (36%) are receiving a single adult household discount and therefore have their Council Tax bill reduced by 25%. We last undertook a full review of single person household discounts in 2009/10. Based upon this and the number of current households receiving this type of Council Tax discount it is estimated that a full review could result in around 6% (2,400 discounts) of single person discounts being cancelled with a corresponding increased council tax yield of around £1.675m over the next three years.

- 4.2 Subject to a successful procurement process, we will use a contractor to carry out the review who has the significant experience and access to intelligence will mean the Council's own resource can continue to carry out core Council Tax activities such as taking enforcement action.
- 4.3 The review will be in two phases. Phase 1 will be the initial bulk review of the Council's entire single person household database. It is expected that this phase will last around six months. Following the completion of the initial bulk review, phase 2 will see our contractor undertake a three year rolling review programme with all new claims for single person discount being reviewed using the same process as for the initial bulk review. This will help to ensure that incorrect claims do not re-enter the Council's database. Undertaking this review will deliver the following results;
- Identify and rectify incorrect Council Tax single person discount claims
  - Confirm the discount for genuine claimants
  - Deliver additional council tax income to the council
  - Increase the council's taxable capacity going forward
  - Improve the council's reputation for strong governance
  - Send out a strong message that we expect council tax payers to keep their records up to date and how we will not tolerate any cases of deliberate fraud
  - Continue to monitor single person discounts for a three year rolling period to maximise income.
- 4.4 Based upon current Council Tax charges it is estimated that this review could yield additional Council Tax receipts of around £1.675 million for the Council over the lifetime of the project.
- 4.5 It is recommended to approve the use of the Budget Risk Reserve to contribute £152,000 to conduct the single adult household review.
- 4.6 It is also recommended to approve the procurement of a contractor to conduct a full review of all households within the city receiving a single person Council Tax discount.
- 4.7 **Write Off Bad Debt – 4Children**  
4Children leased space from the Council to deliver nursery and childcare provision on the sites of three Children's Centres. The £16,886 debt to be written off relates to a monthly service charge of £8,443 due to the Council from 4Children for July and August 2016.
- 4.8 4Children went into liquidation in July 2016. The Council have liaised with the liquidators to try and gain recovery of the debt who have confirmed due to the Council's non preferential creditor status, repayment of the debt is not possible hence the request

now to write off this debt to the Council.

4.9 It is recommended to approve the bad debt write off of £16,886.

4.10 **Grant award - Derby and Sandiacre Canal Society**

The Connected Cycle City and Placemaking project is funded through the D2N2 Local Enterprise Partnership Local Growth Fund. The project commenced in September 2017 with works on St Peter's Street. The second phase of works has been delivered on Albion Street and Exchange Street, strengthening the physical connectivity between Intu shopping centre and the Market Hall. The final phase of works will improve access and the attractiveness of the Derwent Valley Mills World Heritage Site, works will include Made in Derby II and the enhancement of the Derwent riverside and its connectivity with the city centre.

4.11 The award of a grant of up to £55,000 is to support Derby and Sandiacre Canal Society to undertake the technical design for a landing point on the North Riverside and purchase a passenger narrow boat to operate on the River Derwent. The grant is part of the approved £1.9m project funded by £1.6m Local Growth Fund and £250,000 Council funding. The Council will issue a Grant Agreement to Derby and Sandiacre Canal Society

4.12 It is recommended to approve the grant award of up to £55,000, subject to the appropriate grant agreement to Derby and Sandiacre Canal Society.

4.13 **Step Up To Social Work**

The East Midlands Regional Partnership was established in 2009, whilst there has been some variance in its members, there has remained a core group which include Derby City Council, Nottingham City Council, Nottinghamshire County Council, Lincolnshire County Council, Northamptonshire County Council and Leicester City Council. Both Leicestershire County Council and Derbyshire County Council have participated at in some of the cohort Programmes.

4.14 Work within the Partnership is undertaken jointly, which is outlined within a Partnership Agreement. Participating Local Authorities support and guide students to ensure that they meet Department for Education and Higher Education initiative requirements, including placement provision. The programme targets high calibre individuals who already have experience of working with children and young people and who want to train as Social Workers.

4.15 The East Midlands Regional Partnership anticipates engaging approximately 30 students; this number may vary slightly with estimated numbers given at this stage. The programme is designed to train children's social workers, who will provide a high-quality service for children and young people within the region. On successful completion candidates will attain a Post Graduate Diploma at MA level in Social Work.

4.16 The Department for Education announced Cohort 6 will commence in January 2020.

4.17 The value of the contract for Step up to Social Work requires the Partnership to procure a Higher Education initiative. This activity is proposed to be undertaken by the Lead Authority on behalf of the Partnership, with participating local authorities working jointly

with the Lead Authority to outline key requirements of programme delivery and review applications to appoint.

- 4.18 The successful Higher Education initiative must deliver a distance learning programme, which is validated by the Social Work regulating body, the Health and Care Professional Council and meet both the Professional Capabilities Framework (August 2018) and the Knowledge and Skills statements for Child and Family Practitioners (May 2018). There is a possibility that beyond Cohort 6 there may be a further Cohort 7, to incorporate this within the procurement of Cohort 6, would support future provision of the programme, which would be predicted to start in January 2021.
- 4.19 The contract would therefore be let on the basis of a 28 month contract 01/04/2019 to 31/07/2021 with an option to extend for a further two years until 31/07/2023. The value will be between £350,000 and £466,680 for each Cohort depending on the number of students recruited for each Cohort. The maximum value for the two Cohorts therefore of between £700,000 and £933,360. These figures are based on the tuition fees received from the Department for Education for between 30 and 40 students on each Cohort.
- 4.20 There is a need for a stable and resilient workforce that delivers good quality social work. Derby, like many councils across the country has experienced difficulties in the recruitment and retention of experienced social workers. 'Step up to Social Work' has been one national initiative used within Derby to train high calibre post graduate students in Social Work. In total 16 step up to social work students have successfully completed placements within Derby which has enabled Derby to secure 11 students into permanent social work posts.
- 4.21 Derby has been the Lead Authority within the East Midlands Partnership for cohort 4 and 5, working closely with the Partnerships independent to ensure that the region meet the requirements of the Grant Agreement. This includes monthly updates of candidates to the Department for Education, the distribution of funding to regional partners and the procurement of a Higher Education Initiative.
- 4.22 The Department for Education have announced that administrative funding available to local authorities of £38,000 to each regional partnership for establishing and administering the regional partnership of local authorities and their selected Higher Education Initiative provider. A further £10,000 is available to each regional partnership for making delivery arrangements with a Higher Education Initiative provider; this will amount to the procurement of the Higher Education initiative provider.
- 4.23 It is recommended to approve the commencement a procurement process to obtain a Higher Education Initiative on behalf of the East Midlands Partnership for Cohort 6 with the option to extend to Cohort 7 and to delegate contract award and subsequent decision making to the Strategic Director of People to a maximum value of £933,360
- 4.24 It is recommended to approve Derby's participation in the 'Step up to Social Work Programme' and to enter into a Partnership Agreement with a number of other Local Authorities in order to deliver this Programme.

- 4.25 It is recommended to approve Derby as the Lead Authority within the Partnership, which includes the administration and distribution of Department for Education funding and to be responsible for procurement of a Higher Education Initiative, for and on behalf of the Partnership. To enter into a Contract for Services with the Higher Education Initiative.
- 4.26 **Permancey Foster Carers Scheme**  
Derby City Council operates an in-house fostering provision and fees and allowances are paid to those foster carers based on an appropriate fee structure. The Council wishes to extend that fee structure to incorporate a payment of £475 per week, £24,700 per annum, to individual foster carers who can accommodate and support children with complex needs.
- 4.27 It is recommended to approve the establishment of an enhanced fostering allowance of £475 per week payable to Derby City foster carers. This will be funded from the current placement and fostering budget within the People's Directorate.
- 4.28 **Opportunity Areas**  
The Opportunity Area Board operates as an advisory board to the Department for Education. As part of this, Opportunity Areas are given prioritised access to a wider support package helping young people from nursery through to starting work. Some of this funding will be awarded directly by the Department for Education to providers who can support social mobility in the Opportunity Areas, but up to £6 million over three years (from April 2017) will be for the local Opportunity Area Board to make recommendations to the Department for Education on how this should be allocated.
- 4.29 Cabinet agreed on 4 October 2017 for the Council to receive and account for the Opportunity Area grants on behalf of the Department for Education and the local Opportunity Area Board, and it is expected that all of the funding Derby City Council receives from the Department for Education through this grant would be awarded to the Opportunity Area programme and allocate it in line with the recommendations from the Opportunity Area Board and the Department for Education and in line with public sector procurement rules.
- 4.30 Two new programmes have been recommended by the Department for Education and Opportunity Area Board to move to the commissioning stage and to award grants or contracts. The programmes are 'Speech, language and communication' and 'Post 16 English and mathematics support'.
- 4.31 The speech, language and communication programme is part of a city wide strategy to improve outcomes in the early years and through in to primary schools. This is an integral part of the strategy and is intended to develop a city wide focus on improving speech, language and communication skills for children in the early years and through to the foundation stage. The recommendation is that Derby City Council moves to a procurement stage to tender for organisations that can develop and lead this strategy which covers four principal areas:
- Leading the strategy by co-ordinating all elements including leading on city wide communications and liaising with schools and early years settings on a daily basis

- Family engagement. This strand of work will be about developing training for schools and practitioners to work better with parents and carers on developing speech, language and communication strategies for parents and carers to use in their homes
- Speech, language and communication training for practitioners, teachers and therapist
- Evaluation.

4.32 The post 16 English and mathematics strategy is aimed at improving outcomes for post 16 students if they need to re-take their English and mathematics GCSEs in Year 12 or 13 of their education. It is a government requirement that all post 16 students achieve at least a 'standard pass' in both GCSE English and mathematics (equivalent to the old grade C pass) if they are to progress in to higher levels of education or training. This remains a barrier for some and it is essential that students are given the best chance to achieve success. The strategy would cover all state funded schools and sixth forms in the city, including Derby College and would have a number of strands, including:

- Parental engagement - Engage parents/guardians and carers with the importance of maths and English, making firm links to life chances and employability prospects
- Employer involvement - The development of partnerships with local business to raise students' understanding and aspirations of employment opportunities within the local area and wider
- Collaboration between schools, sixth forms and Derby College to identify Key Stage 4 students who are not on track to achieve a Grade 4 (standard pass) or above
- Embracing change by building capacity in teaching, learning and assessment that challenges and innovates delivery and teaching approaches

4.33 It is recommended to give agreement to progress to a tender and procurement stage for organisations to lead the speech, language and communication strategy across the city for up to £750,000.

4.34 It is recommended to delegate authority to the Strategic Director of People Services in consultation with the Cabinet Portfolio Holder for Children and Young People to negotiate and award a contract for speech, language and communication between Derby City Council and the successful organisation(s).

4.35 It is recommended to give in principle approval to award an Opportunity Area grant of up to £200,000 to Derby College to lead and co-ordinate the city wide post 16 English and mathematics strategy subject to the grant being based on actual expenditure and costs.

4.36 It is recommended to delegate authority to the Strategic Director of People Services to negotiate and agree the final terms of the post 16 English and mathematics grant agreement between Derby City Council and Derby College.

**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>	Toni Nash, Head of Finance – Corporate Resources  Don McLure Strategic Director of Corporate Resources – Section 151 Officer
<b>For more information contact:</b>  <b>Background papers:</b>  <b>List of appendices:</b>	Toni Nash 01332 641491 e-mail Toni.nash@derby.gov.uk  None  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 Equalities will be embedded in the specifications of the particular projects.

**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 None directly arising.