

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:
- changes to the capital programme
 - to approve a bid to the Arts Council England
 - use of reserves
 - approach for Charging for Residential Accommodation
 - increase to fees.

RECOMMENDATION

- 2.1 To approve changes and additions to the capital programme as set out in Appendix 2 and highlighted in section 4.
- 2.2 To note the revised programme for 2011/12 in table 1 (paragraph 4.1) and the revised indicative programme for 2012/13-2014/15 as shown in table 2 (paragraph 4.7).
- 2.3 To approve the scheme commencements set out in Appendix 3.
- 2.4 To retrospectively approve the submission of an external funding bid of £180,000 to Arts Council England.
- 2.5 To approve the allocation of Westfield S106 reserve funding of £15,000 in 2011/12, £80,000 in 2012/13 and £50,000 in 2013/14 to facilitate the implementation of a range of traffic management and signage improvements across the city centre.
- 2.6 To approve the proposed changes to charging for residential care as set out in section 8.
- 2.7 To approve increases in fees and charges for Local Land Charges and Registration Services as set out in Appendix 4
- 2.8 To approve the introduction of a non-refundable deposit for celebratory events bookings

REASONS FOR RECOMMENDATION

3. To comply with the Council's Contract and Financial Procedure rules regarding approval for proposed changes to the capital programme.

SUPPORTING INFORMATION

4. Update on Capital Programme 2011/12 – 2014/15

4.1 Forecast Outturn

Table 1 - Revised Capital Programme 2011/12

Programme	Approved Capital Programme as at 2 March 2011	Slippage and revisions approved to 21 February Cabinet	Latest Approved (21 February Cabinet) Capital Programme	Further Revisions (Appendix 2)	Revised Programme
	£000's	£000's	£000's	£000's	£000's
Children and Young People	32,003	(7,108)	24,895	(158)	24,737
Highways and Transport	6,272	469	6,741	(26)	6,715
Property	33,066	(16,958)	16,108	(450)	15,658
Leisure and Culture	6,162	(4,276)	1,886	30	1,916
Waste and Cleansing	1,180	36	1,216	0	1,216
Flood Defence	0	0	0	0	0
Regeneration	2,261	274	2,535	(22)	2,513
Adult Health	6,771	(5,398)	1,373	0	1,373
HRA	17,420	4,362	21,782	0	21,782
Private Sector Housing	5,762	1,167	6,929	(693)	6,236
ICT	9,558	(4,935)	4,623	0	4,623
Total Programme	120,455	(32,366)	88,089	(1,319)	86,770

The programme is fully financed and a breakdown of the funding will be included in future quarterly monitoring reports. Details of the changes are shown in Appendix 2 with a summary of some of the larger changes highlighted below:

- 4.2 Strategic Asset Management Board - SAMB - has tasked a capital funding and monitoring sub group to produce a robust slippage monitoring protocol. The protocol developed by the sub group has been tested using the slippage requests received for this report, and resulted in a number of requests being referred to SAMB for approval/refusal. These decisions are reflected below with those schemes where requested slippage has been refused by SAMB being referred on the 15 February 2012. Where the decision to refuse slippage is agreed by COG the funding will be taken back from the specific programme area and paid into a corporate capital contingency pot.

4.3 Children and Young Peoples Directorate School Kitchens Capital Funding

At its meeting on 13 December 2011, Council Cabinet approved a budget of £899,620 for work on the school kitchens within the catering contract.

The remaining £33,694 School Kitchens Capital Grant and a £16,306 re-allocation from the £344,000 budget for schools opting out of the catering contract is now required to enable the proposals for the schemes listed below to take place. £50,380 match funding is also required and will be met from the savings made from the Chellaston Children's Centre scheme.

All works are due for completion by September 2012.

4.4 Neighbourhoods

Property

£250,000 will be slipped for the Hydro Electric power due to delays pertaining to environmental agency issues as well as on site complications such as soft spots discovered during excavation and the need to redesign the ventilation system in the generator room. The Hydro Electric power project is not funded from the corporate single pot.

Derby Live Box office upgrade

This scheme has been on the capital programme for a number of years funded from corporate reserves. Under the new slippage monitoring regime detailed in paragraph 4.2 £60,000 will be slipped to 2012/13 as this element is contractually committed; however corporate funding for a further £58,000 will not be slipped.

Derby Live - Assembly rooms tannoy upgrade

This scheme has also been on the programme for a number of years and is partly financed from service reserves and partly financed from corporate reserves. The capital funding and monitoring sub group commissioned by SAMB have approved £62,000 slippage in line with the slippage monitoring scheme on the basis it is funded from service reserves. A further £23,000 will not be corporately funded.

4.5 Private Sector Housing

An additional, late allocation of £86,820 for the Disabled Facilities Grant has been received from the Department for Communities and Local Government. This will be slipped to 2012/13. An amount of £300,000 will require slipping to 2013/14 due to staff resources affecting capacity issues to deliver the scheme. The recruitment of a temporary member of staff has now been approved to address this issue.

£393,000 for the housing PFI scheme will be slipped to 2012/13 due to delays to the additional value for money requirements placed on the Council by central government as well as the ongoing negotiations with the contractor.

- 4.6 Table 2 shows the revised 2011/12 – 2014/15 indicative programmes with the changes from above incorporated.

Table 2 Revised Indicative Programme 2011/12 -2014/15

Strategy Area	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Children and Young People	24,737	34,492	11,933	6,758
Highways and Transport	6,715	6,341	7,348	6,155
Property	15,658	27,527	5,349	2,000
Leisure and Culture	1,916	10,910	31,754	7,805
Waste and Cleansing	1,216	1,615	26,998	416
Flood Defence	0	188	0	0
Regeneration	2,513	13,871	5,667	2,600
Adult Health	1,373	6,910	400	0
HRA	21,782	11,209	9,460	8,580
Private Sector Housing	6,236	3,352	2,440	700
ICT	4,623	9,229	467	839
Sub-total	86,770	125,644	101,816	35,853
Less assumed capital slippage	0	(9,773)	(10,375)	(3,423)
Adjustment for slippage of over-programming from prior year	0	0	9,773	10,375
Total Programme	86,770	115, 871	101,214	42,805

5. S106 Contributions

It was agreed through the S106 working group that any allocation of S106 monies would be reported to Cabinet during the year to inform members what specific contributions are intended to be used for. The commission reports taken in January and February 2011 detailed the allocations for the 2011/12 capital programme, however any in year allocations are reported through the monthly financial matters reports, and quarterly capital monitoring reports, as they arise.

6. Arts Council funding bid

- 6.1 On 2 February 2012, Derby Museums applied for an external funding grant from the Arts Council England - Catalyst Arts: capacity building and match funding scheme. The bid was made after discussions with the Arts Council England about their plans for future support for Derby museums, due to the deadlines on this particular funding stream it meant that cabinet approval could not be sought prior to the submission deadline.
- 6.2 The aim is to help the arts sector to attract new money now and in the longer term to be invested in additional artistic output.
- 6.3 The Derby Museums application is based around building support to develop and run two major prizes. One would be the Joseph Wright Prize aimed at artists who are inspired by the relationship between art, science and industry in Wright's work. This would be accompanied by another ArtScience prize - following a similar theme, but aimed at school children.
- 6.4 Retrospective approval is sought for the submission of the bid to the Arts Council for £180,000.

7.0 Use of reserves

- 7.1 The construction of the Westfield Centre between 2005 and 2007 enabled the Council to secure S106 Town and Country Planning Act funding. The funding was set aside for projects and initiatives which would help sustain and support retail activity across the city. The funding was administered by Derby City Partnership and subject to an application process.
- 7.2 An application to Derby City Partnership was approved in 2009/10. There have been delays in commencing this project mainly associated with the process of securing dedicated resources to deliver the project. An internal appointment has now been made with effect from January 2012 and hence the project can now commence.
- 7.3 The project will seek to:
 - review and improve existing access and parking restrictions in the key pedestrian and restricted access streets within the city centre
 - examine and develop the traffic and transport considerations associated with the Councils bid for Purple Flag status
 - work towards supporting and guiding any Crowded Places initiatives
 - examine opportunities to improve signage both locally and on the strategic highway network.

- 7.4 In all areas the project will be taken forward in partnership with key organisations including the Cathedral Quarter and St Peters BID Companies, the police and the Community Safety and City Centre Partnership Manager.
- 7.5 It is recommended that £145,000 is transferred from the Westfield S106 reserve to support delivery of the traffic management and signage improvement project.
- 8. Charging for Residential Care**
- 8.1 Charging for Residential Accommodation Guide – CRAG - allows Councils to take into account any property owned outright or jointly-owned by a resident when calculating their contribution to the cost of their care. In some cases, this is at the discretion of the Authority.
- 8.2 Under CRAG 2011 guidance, paragraph 7.003, the value of the property should be disregarded where it is occupied in whole or in part by the resident's partner, former partner or civil partner or other relative (specific conditions apply).
- 8.3 The Council can, at its discretion, disregard the value of a property in which the resident has a beneficial interest, and in which a third party lives, where the circumstances are not covered by the conditions in paragraph 7.003 of CRAG.
- 8.4 Since 2008 it has been the Council's practice to disregard the value of all jointly owned property regardless of circumstance.
- 8.5 Reviewing the current profile of individuals in residential care there are 96 cases where there was a joint beneficial interest in property, but 65 were appropriately statutorily disregarded due to a partner continuing to reside in the property. However, there was a mixture of circumstances with the other 31 cases involving 28 properties. Notably, 19 of these properties were vacant and the value of the beneficial interest could have been treated as a capital asset thereby generating income for the Council, albeit deferred until point of sale.
- 8.6 It is recommended that joint beneficial interests in vacant properties are included in an individual's financial assessment for all new cases. It is also recommended that discretion to disregard property interests is delegated to the Strategic Director of Adults, Health and Housing in conjunction with the Cabinet Member for Adult Social Care based on individual case circumstances.
- 9 Changes to fees**
- 9.1 The Local Land Charges service is required to operate on a cost recovery model and the fees charged are reviewed annually.
- 9.2 Cost reductions were achieved in 2010/11 as employee numbers were reduced, and a further reduction is likely in 2014/15 as a digitisation project, which will make the service more efficient, concludes.
- 9.3 Fees need to be increased to compensate for a continuing flat property market and to part fund the digitisation project, which will ultimately lead to greater fee stability.

- 9.4 Registration Services fees are reviewed annually to ensure that the service continues to cover costs. The General Register Office sets many of the fees, but those which are discretionary need to be adjusted.
- 9.5 Benchmarking has established that our comparators charge a non-refundable deposit for celebratory events at the time of booking to compensate for the work done and time lost in the event of non-attendance.
- 9.6 It is recommended that fees for Land Charges and Registration services are increased as set out in appendix 4 and a non refundable deposit for celebratory events is introduced.

OTHER OPTIONS CONSIDERED

10 None

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	Roger Kershaw (Strategic Director of Resources)
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For more information contact: Background papers: List of appendices:	Name 01332 643354 e-mail mark.nash@derby.gov.uk None Appendix 1 – Implications Appendix 2 – Summary of further changes to the capital programme 2011/2012 Appendix 3 – Scheme Commencements
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IMPLICATIONS

Financial and Value for Money

- 1.1 As detailed in the report and associated appendices.

Legal

- 2.1 None directly arising.

Personnel

- 3.1 None directly arising.

Equalities Impact

- 4.1 None directly arising.

Health and Safety

- 5.1 None directly arising.

Environmental Sustainability

- 6.1 None directly arising.

Asset Management

- 7.1 As detailed in the report.

Risk Management

- 8.1 As detailed in the report.

Corporate objectives and priorities for change

- 9.1 These recommendations where relevant are in line with approved capital strategy and Asset Management Plans which accord with the Council's corporate priorities.

Appendix 2

Summary of further changes to the capital programme 2011/2012	Latest Approved Capital Programme 2011/12 £000	Revised Capital Programme 2011/12 £000	Change £000	Category
Children and Young Peoples Directorate				
Conversion of existing kitchens to heat & serve for schools in the group contract	75	0	(75)	S
Homefields Primary School Basic Needs Additional 105 Places Scheme	85	45	(40)	S
Arboretum Primary School 210 place expansion scheme	40	20	(20)	S
New Primary Phase Enhanced Resources (ER) Unit for Autistic Spectrum Disorder (ASD) Pupils at Springfield Primary.	60	30	(30)	S
Stonehill / Babington Children's Centre (Normanton)	0	12	12	R2
Bemrose School - New Enhanced Resources (ER) Unit for Autistic Spectrum Disorder (ASD) Pupils.	13	1	(12)	R1
Modernisation Projects 10/11				
Roe Farm - was Learn Direct NDC (Derwent, Roe Farm & Beaufort)	12	32	20	R2
Vic Hallam repairs at Chaddesden Park Jun School	343	358	15	R2
Vic Hallam repairs at Micklegate Primary School	155	150	(5)	R2
Vic Hallam repairs at Ridgeway Infants School	166	151	(15)	R2
Buildings at Risk				
Beaufort Community Primary School Buildings at Risk structural repair scheme	171	175	4	S
Carlyle Infant School Buildings at Risk Intrusive Investigatory Scheme	94	79	(15)	R2

Summary of further changes to the capital programme 2011/2012	Latest Approved Capital Programme 2011/12 £000	Revised Capital Programme 2011/12 £000	Change £000	Category
Mechanical Projects				
Allenton Community Primary School Mechanical Heating and Ventilation Scheme	71	75	4	S
Borrow Wood Primary School (Infant block) Mechanical Boiler Replacement Scheme	57	60	3	S
Dale Community Primary School Mechanical Boiler Replacement Scheme	49	52	3	S
Osmaston Primary School (Infants block) Mechanical Boiler Replacement Scheme	43	50	7	S £2k, R2 £5k
St Andrew's School Mechanical Heating Repair & Replacement Pipe Work Scheme	177	179	2	S
Cavendish Close Infants School Water Hygiene Scheme	55	58	3	S
Brackensdale Infant replacement boiler & controls	25	36	11	R2
Fire Precaution Works				
Bemrose School Fire Precaution Scheme	250	225	(25)	R2
Grampian Primary School Fire Precaution Scheme	100	88	(12)	R2
Murray Park Community School Fire Precaution Scheme	305	335	30	R2
Shelton Infant School Fire Precaution Scheme	126	106	(20)	R2
Various schools - fire precaution works following fire risk assessments	0	34	34	R1 £23k & R2 £11k
Fire Risk Assessment Work 2009-10 & 2010-11	212	274	62	R2
Schools Access Initiative - SAI				
Schools Access Initiative small scheme	20	0	(20)	R2
Roe Farm Primary SAI new disabled toilet with changing facilities, ramp to new toilet area and front reception	35	0	(35)	S
Hardwick Primary - install hydraulic changing bed SAI	17	0	(17)	R2
Cherry Tree Hill Infants SAI - ramps to 2 doorways, playground improvements & ramp	0	3	3	R2
Ridgeway Infant School - SAI treatment and sensory room	10	14	4	R2

Summary of further changes to the capital programme 2011/2012	Latest Approved Capital Programme 2011/12 £000	Revised Capital Programme 2011/12 £000	Change £000	Category
Merrill College Foundation School - Changing facility, adjustments to classrooms and to upstairs toilet.	0	5	5	R2
Alvaston Junior School - SAI make ramp compliant	14	0	14	S
Brackensdale infants School - Lighting and décor to address visual impairment issues. Creating quiet area, filming for glass doors, adjustments to door thresholds	25	1	(24)	R2
Total changes to Children and Young Peoples Directorate	2,804	2,646	(158)	
Leisure and Culture				R1£30 & F £247k
Grounds plant and equipment	302	332	30	
Total changes to Leisure and Culture	302	332	30	
Waste and Cleansing				F
Street Cleaning Equipment 3 year lifetime	26	26	0	
Total Waste and Cleansing	26	26	0	
Highways and Transport				
Asset Management – Highways maintenance	1,678	1,655	(23)	R2
Active Travel - Cycle Derby - LTP Cycle Derby	62	33	(29)	R2
Network Management - Local Traffic Management - LSAI	111	116	5	R2
Active Travel - Pedestrian Accessibility	100	114	14	R1
Active Travel – Cycle Derby	41	67	26	R2
Network Management – Casualty reduction	235	256	21	R2
Public Area CCTV	200	160	(40)	S
Total changes to Highways and Transport	2,963	2,937	(26)	

Summary of further changes to the capital programme 2011/2012	Latest Approved Capital Programme 2011/12 £000	Revised Capital Programme 2011/12 £000	Change £000	Category
Property				
Derby Live - Box Office upgrade	139	21	(118)	S
Derby Live – Assembly Rooms tannoy upgrade	85	0	(85)	S
QUAD	37	40	3	A1
Hydro Electric Power Station	2,143	1893	(250)	S
Total changes to Property	2,405	1,955	(450)	
Regeneration				
Full St corridor/Heritage Walk (phase 1 is Morledge/Corporation Street) – construction costs	116	81	(35)	S & R2
Wardwick, Friargate and Cheapside detailed design and construction (including Museum Square)	224	214	(10)	S
Derby Railway Station interchange	280	240	(40)	S
Morledge Shopfronts	10	1	(9)	S
Wayfinding Structures	3	65	62	A1
Wayfinding Phase 2	0	10	10	S
Total changes to Regeneration	633	611	(22)	
Private Sector Housing				
Disabled Facilities Grants	1900	1987	87	A
Disabled Facilities Grants	1987	1600	(387)	S
PFI Scheme	793	400	(393)	S
Total Changes to Private Sector Housing	4,680	3,987	(693)	
TOTAL CHANGES TO PROGRAMME	13, 813	12,494	(1,319)	

	Key of Categories	
	A	Additional schemes from new funding secured
	A1	Scheme increase funded by previous years reserves income
	S	Re-phasing
	F	Funding Switch
	R1	Other Adjustments - Scheme Reductions/Increases
	Re-allocation:	
	R2	Within Department's programme
	R3	To different Departments programme

Scheme Commencements

Approval is sought for the following scheme commencements. Proposed funding details are shown below.

Scheme	2011/12 £000	2012/13 £000	2013/14 £000	Total £000
Expenditure:				
Morledge Shopfronts	1	104	0	105
City Centre Public Convenience Refurbishment	350	0	0	350
Customer / Service Delivery Oracle Upgrades	0	750	0	750
Brackensdale Infant Kitchen Refurbishment	0	260	0	260
Mickleover Primary Kitchen Refurbishment	0	162	0	162
Portway Infant Kitchen Refurbishment	0	117	0	117
Wren Park Primary Kitchen Refurbishment	0	119	0	119
TOTAL	351	1,512	0	1,863
Funded from:				
Capital Receipts	0	850	0	850
Supported Capital Expenditure (Revenue)	0	103	0	103
Unsupported Borrowing Corporate resources	350	81	0	431
Supported Capital Expenditure (Capital) Single Capital Pot		299	0	299
Government Grant	1	179	0	180
TOTAL	351	1,512	0	1,863

Local Land Charges – 2011/12 fees in brackets

	Fees £
1. Form LLC1 in (a) any one part of the register (b) the whole of the register – Residential (c) the whole of the register – Commercial And in addition, in respect of each parcel of land above one, where several parcels are included in the same requisition under Rule 11(3), whether the requisition is for a search in the whole or any part of the register	N/A 24.00 49.00 20.00
2. CON29 Part 1 (2007) Enquiries (a) One parcel of land - Residential One parcel of land – Commercial (b) Several parcels of land - first parcel - each additional parcel (c) See our information sheet for details of per question pricing	35.00 150.00 35.00 20.00 Available on our website at www.derby.gov.uk/personalsearch
3. CON29 Part 2 (Optional Enquiries) (a) Register of Common Land searches (b) Each printed enquiry (c) Each additional enquiry	6.00 12.00 16.00
4. Personal Search of the Local Land Charges Register (LLCR)	Access to inspect this information at our offices is free of charge, by appointment only, under Environmental Information Regulations (EIR)
Official Local Authority compiled (standard) search comprising of forms LLC1 and the CON29 Part 1 (2007)	59.00 (49.00)
Commercial standard search	199.00 (185.00)

Fees for Marriages and Civil Partnerships (fees not subject to VAT)

Ceremony / Activity	Current £	Proposed £
Provision of Superintendent Registrar and Registrar at Approved Premises (other than the Oak Room, Royal Oak House) for marriages and civil partnerships:		
Monday to Friday	275	285
Saturday	275	300
Sunday and Bank Holiday	350	375
Provision of Superintendent Registrar and Registrar at the Oak Room, Royal Oak House for marriages and civil partnerships:		
Monday to Friday	150	150
Saturday morning	150	200
Saturday afternoon	200	225
Provision of Superintendent Registrar and Registrar at the Acorn Room, Royal Oak House for marriages and civil partnerships:		
Monday to Friday	40	100
Saturday morning	40	125