



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, including additional capital grants
 - additional revenue grants allocation – DECATs, Anti Social Behaviour, Flood Defence and Cultural Landscape
 - Use of corporate reserves – 2011 Census and Derby Direct implementation of the 'Street Pride' project
 - Requests for revenue carry forward to 2010/11 – Highways Maintenance, Be Inspired programme within Derby City Partnership, Community Safety Partnership and Climate Change
 - QUAD financial position
 - Contracts – contract extension/enhancement – Schools Counselling Service
 - Contracts – framework agreement – Specialist Domiciliary Care
 - LPSA2 Reward Funding.

RECOMMENDATIONS

- 2.1 To approve the changes in the capital programme as shown in Appendix 2 and to amend the 2009/10 capital programme as set out in paragraph 3.
- 2.2 To note the revised capital programme and associated funding for 2009/10 as set out in paragraph 3.1.
- 2.3 To approve the addition of the capital grants, totalling £1,003,378 in 2009/10 to 2011/12 as set out in paragraphs 3.5 and 3.6.
- 2.4 To approve scheme commencements for the schemes detailed in Appendix 3 and set out in paragraph 3.14.
- 2.5 To note the proposed use of section 106 funding as set out in table 2 in paragraph 3.15.
- 2.6 To recommend to Full Council the approval of the additional borrowing requirement for the Racecourse and Alvaston Park Changing Rooms scheme, as set out in paragraph 3.16.

- 2.7 To note the additional grant allocations of £279,000 and approve the increased income and expenditure to the revenue and capital budgets as set out in paragraph 4, relating to:
- DECATs - £100,000
 - Anti Social Behaviour - £44,000
 - Flood Defence - £135,000
 - Cultural Landscapes - £550,000.
- 2.8 To approve the use of corporate reserves to deliver the Council's requirements in relation to the 2011 Census and Derby Direct costs of implementing Street Pride, as set out in paragraph 5.
- 2.9 To approve the early requests for revenue carry-forward to 2010/11 as set out in paragraph 6, relating to; Highways Maintenance £455,000, the 'Be Inspired' project £273,000, the Community Safety Partnership £100,000 and Climate Change £223,000.
- 2.10 To approve the recovery proposals for the outstanding loan to QUAD Ltd, and to approve the additional funding in 2009/10, and for 2010/11 onwards, in relation to the QUAD lease, as set out in paragraph 7.
- 2.11 To waive Contract Procedure Rule 8 and authorise the award of a further contract to 'Safe Speak', to deliver with the Youth Service, an extended schools based counselling service from 2010/11, and to authorise, subject to funding being available, the tendering of the service during 2010 and the letting of a new two year contract from 1 April 2011, as set out in paragraph 8.
- 2.12 To approve the setting up of a framework agreement to deliver the procurement requirements relating to specialist domiciliary care, as set out in paragraph 9.
- 2.13 To approve the amended LPSA 2 Reward funding against schemes as detailed in paragraph 10.

SUPPORTING INFORMATION

3. Changes to the Capital Programme

- 3.1 The latest approved 2009/10 programme as at 12 January 2010 Cabinet was £97.6m. Various changes are now required to reduce this total by £2.6m giving a revised capital programme total of £94.9m. Table 1 shows the changes and revised 2009/10 programme.

Table 1 - Revised Capital Programme 2009/10

Table 1 – Revised 2009/10 Programme and Funding			
Programme	Latest Approved (12 January 2010 Cabinet) Capital Programme £000's	Further Revisions (Appendix 2) £000's	Revised Programme £000's
Children and Young Peoples Department	30,755	(180)	30,575
Regeneration and Community Department	26,948	(547)	26,401
Housing	27,430	0	27,430
Resources – e Services	631	955	1,586
Environmental Services	5,253	(1,416)	3,837
Corporate and Adult Services/Corporate	6,615	(1,449)	5,166
Total Programme	97,633	(2,637)	94,996

Funding 2009/10	Latest Approved (12 January 2010 Cabinet) Capital Programme £000's	Further Revisions £000's	Revised Programme £000's
Supported Capital Expenditure (Revenue)	6,067	(10)	6,057
Supported Capital Expenditure (Capital)	31,267	(247)	31,020
<i>Unsupported borrowing</i>			
Corporate Programme	5,281	(1,074)	4,207
Service Financing	1,686	(105)	1,581
Service Financing Spend to Save	392	(225)	167
Housing major repairs allowance	7,364		7,364
Government grants	22,941	(131)	22,810
Capital receipts	5,316	(288)	5,028
External contributions	4,123	(293)	3,830
Lottery	1,517		1,517
Capital Reserves	168	75	243
Revenue/Revenue Reserves	9,592	45	
S106 External Contributions	1,919	(384)	1,535
Total Funding	97,633	(2,637)	94,996

- 3.2 Details of the changes are shown in Appendix 2 with a summary of some of the more significant changes highlighted below ...
- £173,000 Chaddesden Park Library has been rephased into 2010/11 due to delays relating to the proposed site of the new library, therefore only minimal costs will be incurred in 2009/10.
 - £122,000 Full St corridor detailed design has been rephased into 2010/11, this is based on Atkins work level projections to the end of March 2010.
 - £157,000 Public Realm Contingency has been rephased into 2010/11 as it will not be committed in 2009/10 and will therefore be made available to the 2010/11 schemes.
 - £1m reduction for the Moorway Park scheme due to the uncertainty surrounding the funding available for this scheme. The validity of the scheme going ahead in the future will be reviewed.
 - £288,000 reduction for Chellaston District Park as there is uncertainty over the land availability.
 - £225,000 has been rephased into 2010/11 for Energy Management initiatives whilst proposals are developed for this budget.
 - £1m rephasing to 2010/11 for planned maintenance schemes for a number of reasons, including demolition issues, investigatory works required, and awaiting listed building consent.
 - A new allocation of £356,439 for the Derby Direct Telephony System as part of the development improvements under One Derby One Council.
 - Rephasing of £598,991 for the Laptop refresh programme as part of the development improvements under One Derby One Council.
 - A new allocation of £140,000 for the Cultural Landscape – development of the festivals programme funded through the EMDA Single Programme.
- 3.3 Changes to the 2009/10 capital programme have a knock on effect on the indicative programme for 2010/11 – 2011/12. However as the budget process is now underway the details will be included in the new indicative programme currently being consulted on through the various commission reports. The final budget will be recommended for approval at Full Council on 1 March 2010.
- 3.4 **Children and Young Peoples Department (CYP) capital programme**
Additional works identified have necessitated the commencement of some new schemes in this financial year utilising the primary capital funding, S106 contributions, schools devolved contributions, the New Deal for Schools - NDS - modernisation fund and schools access initiative fund, these include the following ...
- **Lawn Primary Fire Risk Assessment, Access & toilet improvements -**
Works are required to address the recent fire risk assessment. The school's DDA access is currently poor and in need of work to address this. The school pupils' toilets are currently inadequate and require significant work as highlighted in the school's suitability survey. The scheme will also include improvements to staff toilets and staffroom.
 - **Arboretum Primary Capital Programme scheme -**
This is a Primary Capital Programme scheme in line with the authority's Strategy for Change as approved by the DCSF. The school is an enhanced resources school with high numbers of pupils with special needs and is an open plan building with significant suitability issues. The scheme is a major project to provide an extension to create additional staff and admin office space, specialist accommodation and remodelling to form individual classrooms.

- **Ravensdale Junior Primary Capital Programme scheme -**
This is a Primary Capital Programme scheme in line with the authority's Strategy For Change as approved by the DCSF. The project will provide two additional classrooms to accommodate pupils from the new housing development in the school's normal area. The project will also address significant suitability issues by creating a community room, remodelling the staff and admin areas, provide a library and improve security as highlighted in a recent Ofsted inspection.
- **Becket Primary Playing Field Reinstatement -**
During earlier building works some contaminants were found in some areas of the school grounds. On-going investigations have concluded that the most effective way to bring the playing field back into use is a combination of removal and encapsulation. The playing field has been out of use since the issue was identified and staff and pupils have not been at risk. Work is now needed to allow the school to re-access their field to deliver their full curriculum as soon as possible.
- **Griffe School Access Initiative - provision of extended disabled toilet and facilities -**
This scheme had a previously approved budget of £40,000, however preliminary work undertaken has identified the need for further expenditure for additional works, increasing the total required to £95,000. This extra funding will come from S106 contributions, as detailed in Table 2 in paragraph 3.11, and further schools access initiative funding.
- **St Giles Special School – Additional capacity for children with Autistic Spectrum Disorder.**
Nationally, the numbers of children and young people with Autistic Spectrum Disorder is increasing. Currently all our provision is full and we are struggling to place children in the city. This results in parents requesting out of city schools which is more costly than placement within a Derby City school. The proposed scheme is a building project within St Giles Special School to create additional capacity in the school for a further six to eight children with ASD. The scheme will primarily create additional classroom capacity but will also improve storage and staff facilities and deal with associated condition issues. The anticipated cost is £350,000 phased as £333,000 in 2010/11 and £11,000 in 2011/12. Schools Forum approved this expenditure as a spend to save project at their meeting on 27 January 2010, funded through prudential borrowing. The on-going borrowing costs will be funded from the Dedicated Schools Budget. This is only legal where it can be demonstrated that savings can be made as a consequence of the capital build. These savings result from alternative provision costing considerably more in the independent sector. It is anticipated that the Unit will be able to open in the Autumn Term 2010. Fire Risk Assessment works have also been identified and will be linked with the building scheme where possible. The Fire Risk Assessment works are estimated at £70,000 will be funded from NDS modernisation funding and schools devolved funding.

3.5 **Public Realm**

Following a successful bid to East Midlands Development Agency – EMDA - Single Programme the Council has been awarded £115,500 external funding for the building Frontage Enhancement Scheme. This will be phased as £38,000 in 2009/10 and £77,500 in 2010/11. The addition has been added to the public realm programme and is shown in the changes at appendix 2.

3.6 Environmental Services – School Kitchens Refurbishment

Following a joint bid between the Environmental Services and Children and Young People Departments to the Department for Children, Schools and Families – DCSF – ‘Targeted Funds for School Kitchens’, the Council has been awarded a total of £887,878 towards the improvement in infrastructure associated with school meal production. The grant is split, with those schools within the Council’s Catering package receiving £841,534, Merril School receiving £19,542 and St Benedicts receiving £26,802. The grant must be fully spent by August 2011, with interim spend targets by August 2010. The Council is required to match fund the contribution by at least 50%.

3.7 The Catering service is currently reviewing options on the future of school meal delivery. Included in this is the refurbishment of its existing non secondary school kitchens. Approval is sort to add and commence a school kitchen refurbishment programme to the Environmental services capital programme.

3.8 Anticipated spend is £60,000 in 2009/10 and £1,300,000 in 2010/11. Funding for the scheme is available from the Modernisation Fund £90,000, Government Grant £680,000 (part of the £841,534 award), with the balance to be met from service financed unsupported borrowing. Further capital expenditure may occur depending on the actual method of meal production implemented. If the option of an in-house kitchen is adopted then the remainder of the grant would be spent on that building. A detailed Cabinet report on the school meal production options will be presented to Cabinet in 2010.

3.9 Revenue savings from the review are budgeted at £350,000 in 2011/12 and a further £310,000 in 2012/13.

3.10 **Resources Department - Derby Direct Telephony System** - Our IT Partner, Serco were asked to develop a business case for replacing Derby Direct Telephony System. This is an essential development within the transformation programme One Derby One Council. The existing Mitel based contact centre system has been reconfigured and along with additional user training has improved both functionality and capabilities of the system. However, in order to deliver the full functional requirements of the One Derby One Council programme, a new contact centre solution is needed.

3.11 This is a complex inter related programme with some significant dependencies and risks and the Derby Direct telephony project needs to be viewed against this wider programme. Options were explored with Serco, and the recommended best value and best fit solution for Derby Direct is the Cisco solution at a total capital cost of £356,439, funded from the One Derby One Council corporate revenue reserve. It is recommended that we commission Serco to deliver Cisco Centre Enterprise Edition by May 2010 in time for the Street Pride service to go live.

3.12 **Resources Department - Laptop Refresh** - As part of the ICT contract transformation programme a desktop refresh programme was included. It is proposed to commence the Laptop Refresh project to replace 495 laptops and 20 Tablet PCs with a project value of £598,991, this will be funded from corporate capital receipts already allocated to the transformation programme.

3.13 **Regeneration and Community Department – Cultural Landscape** – Paragraphs 4.11 to 4.13 of this report detail the additional funding received from the EMDA Single Programme for the Cultural Landscape project. £140,000 of the 2009/10 allocation is for capital expenditure.

3.14 **Scheme Commencements**

Scheme commencement approval is requested for the following, the details of which can be found in Appendix 3.

- Fire Risk Assessment Work for Ravensdale Junior School
- School meal Production Facility
- Fire Risk Assessment Work for Reigate Primary School
- Fire Risk Assessment Work for Parkview Primary School
- Fire Risk Assessment Work for Rosehill Infant School
- Arboretum Primary, Primary Capital Programme (*details in paragraph 3.4*)
- Ravensdale Junior Primary Capital Programme (*details in paragraph 3.4*)
- Lawn Primary Fire Risk Assessment Work, Access & Toilet Improvements
- Becket Primary Playing Field Reinstatement
- St Giles Special School Additional Capacity
- Derby Direct Telephony System
- Laptop Refresh
- Cultural Landscape project.

3.15 **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 which have been developed this month detail any allocations for the 2010/11 capital programme, however any in year allocations will be reported through the monthly financial matters reports as and when known.

Table 2 below details four such new allocations for CYP across two capital schemes.

Dept	Scheme	Developer	Site	Ward	Amount £	Checked with Planning
CYP	Griffe School Access Initiative provision of extended disabled toilet and facilities	Carey	Heatherton	Littleover	1,288	✓
CYP	Griffe School Access Initiative provision of extended disabled toilet and facilities	David Wilson & Miller Homes	Heatherton	Littleover	48,622	✓
CYP	Griffe School Access Initiative provision of extended disabled toilet and facilities	Carey	Heatherton	Littleover	1,288	✓
CYP	Ravensdale Junior Primary Capital Scheme (see paragraph 3.4)	Radleigh, Peveril & Persimmon	University Campus Development	Mickleover	678,908*	✓
Total S106 Contributions allocated					730,106	

** Note this contribution is yet to be received but the developers are in agreement therefore the funding will be utilised later on into the scheme once it has been received.*

3.16 Racecourse and Alvaston Park Changing Rooms

On 12 January 2010 Cabinet approved to fund the shortfall of £308,000 in the Racecourse and Alvaston Park Changing Rooms schemes from unsupported borrowing, financed within the Parks revenue budget. Full Council approval is required to agree the additional borrowing requirement proposed for this scheme. It is proposed that the recommendation to Full Council should be to approve the additional borrowing requirement for this scheme.

- 3.17 Cabinet is asked to approve the additions and amendments to the 2009/10 – 2011/12 capital programme and to agree scheme commencement for the schemes listed in Appendix 3.
- 3.18 Cabinet is asked to approve the addition of the capital grants, totalling £1,003,378 in 2009/10 to 2011/12 to departmental capital programmes relating to; the Frontage Enhancement Programme £115,500 and Schools Kitchen Refurbishment £887,878, and as set out in paragraphs 3.5 and 3.6
- 3.19 Cabinet is asked to note the proposed use of section 106 funding as set out in table 2 in paragraph 3.15.
- 3.20 Cabinet is asked to recommend to Full Council the approval of the increased borrowing requirement in relation to the Racecourse and Alvaston Park Changing Rooms scheme as set out in paragraph 3.16.

4. Additional grant allocations

- 4.1 The Council has been awarded and notified of a number of additional grant funds. The funding level and purpose of each grant is highlighted below:

Grant	Funding Agency	Purpose	2009/10	2010/11
RIEP	RIEP	DECATs - ICT		£100,000
Anti Social Behaviour (ASB)	CLG	To help tackle Anti Social Behaviour	£44,000	
Waterways Regeneration	Environment Agency	Masterplanning the Blue Corridor & Single Point of Contact	£50,000	
Lower Derwent Flood Risk Management Strategy	EMDA	Masterplanning the Blue Corridor	£50,000	
Lower Derwent Flood Risk Management Strategy	EMDA	Delivery of a Strategic Flood Risk Assessment	£35,000	
Cultural Landscape	EMDA	Festivals development programme	£150,000	£400,000

- 4.2 **DECATs** - The Council submitted a bid for and was successful in securing £100,000 from the Regional Improvement and Efficiency Partnership – RIEP - for capital funding to support the implementation of the DECATS project. The bid was submitted on the basis of using this funding to invest in ICT. RIEP funding comes with rigorous monitoring and project management requirements which mean that we will need to demonstrate that this funding is used for the purposes submitted in the original bid.
- 4.3 Cabinet received a report on DECATs in September 2009 which identified a number of projects to deliver the transformational change. One of these is ICT and is of significant importance because it is an enabler to many of the other projects within the 'one Derby, one council' transformation programme. Progress will be managed through the 'one Derby, one council' Transformation Board. The funding must be spent by 31 March 2011 and it is proposed that this funding is allocated to the Transformation Team in the Chief Executive's office.
- 4.4 **Anti Social Behaviour - ASB** - The additional grant of £44,000 is being provided in recognition of local authorities' responsibilities for tackling anti-social behaviour. All areas have been challenged by CLG to set and publicise minimum standards of service on ASB by March 2010. Local partnerships should consider how this funding will support activities which meet that challenge, and in supporting the long term goal of making our communities safer places to live, where citizens are confident that agencies are effectively tackling ASB. It is proposed that this funding is allocated to the Community Safety Partnership to support their programme of work within the ASB agenda.
- 4.5 **Flood Defence** - The Environment Agency believes that parts of Derby are at much greater risk of flooding than has until recently been recognised. To address this, they are preparing a major multi-million pound flood defence strategy for the Lower Derwent covering the river corridor roughly from Duffield, through the City and to the confluence of the Derwent and the Trent in South Derbyshire. This is called the Lower Derwent Flood Risk Management Strategy. The most challenging parts of the

Strategy, both in terms of design and in terms of implementation, is the central part of Derby, including that part of the river corridor that runs along the northern edge of the city centre. This Strategy proposes building new flood defences further away from the river than the existing defences to create what is being called the 'Blue Corridor'. This will offer much better protection than is currently the case without having to build up the existing defences to a much greater height than they are at the moment. The new flood defence scheme will improve flood defence for about 6,000 properties.

- 4.6 The Master planning work required for the Blue Corridor will need to integrate with the Council's Core Strategy Development Plan Document work currently being progressed, particularly in terms of establishing a strategic vision for the Blue Corridor area. It will also need to establish long term land use strategy and policy for the Blue Corridor and its environs. It will need to consider how to deal with existing properties, especially residential, that end up within the Blue Corridor and what will become the functional floodplain of the river.
- 4.7 The Council intends to engage a consultant to lead on its liaison role with the EA in drawing up the detailed scheme, as it does not have the staff resources to do this in house without continued significant impact on other key priorities such as its Core Strategy. This consultant will also lead the appointment and management of consultants undertaking the Blue Corridor master planning work. EMDA have allocated £50,000 in 2009/10, through Derby Cityscape, towards this work.
- 4.8 In addition we need to prepare a Level 2 Strategic Flood Risk Assessment (SFRA 2). This will build on the information gathered through the Level 1 SFRA which is now almost complete. It will provide more detailed information in areas with development pressure/opportunities which are at medium and high flood risk (Flood Zones 2 & 3) and help guide planning decisions. It will not in itself provide the solution to flood risk issues, but is an important step in that process and helping to bring these sites forward for development and will help build developer confidence. EMDA have allocated £35,000 in 2009/10, through Derby Cityscape, towards this work.
- 4.9 Other funding - The Environment Agency - EA - has agreed to provide £50,000 towards the master planning work and Single Point of Contact - SPOC- which will be available over the timeframe of the project. The SPOC will lead on the liaison role with the EA. A bid for £100,000 LPSA2 funding to support the Single Point of Contact and the Master Planning work is currently being reconsidered due to reductions in overall funding available.
- 4.10 It is proposed that the funding from EMDA £85,000 and the EA £50,000, relating to flood defence is added to the Regeneration and Community Departments Plans and Policies Section revenue budget.
- 4.11 **Cultural Landscape** – EMDA have approved an allocation from the Single Programme funding towards the Cultural Landscape project. The Cultural Landscape project will develop the festivals programme on two levels. These are:
- **Headline Events** – activity which will attract new visitors, overnight stays and additional expenditure from the region and more widely.

- Community Programmes – engagement of local people and businesses in the development of the activity so that there is sustainable growth at both organisational and individual level that also maximises the economic benefit locally, for example in jobs and training.

- 4.12 The allocations for the Cultural Landscape project across 2009/10 and 2010/11 are £150,000 and £400,000 respectfully. £140,000 of the 2009/10 allocation will be used to purchase infrastructure assets which will support the programme in future years. Derby City Council will own the assets which will be managed by the cultural partners in Derby including Derby LIVE. The £400,000 in 2010/11 will support programme management, marketing, promotions and the main headline events and community programmes.
- 4.13 Cabinet approval is required to add the £140,000 Cultural Landscape project to the Regeneration & Community capital programme and to approve scheme commencement so that the expenditure can be defrayed by 31 March 2010 to ensure no loss of external funding. The scheme commencement is reported in paragraph 3.10.
- 4.14 Cabinet approval is required to agree the addition of the overall grant funding, highlighted in paragraphs 4.1 to 4.13, as income and expenditure to the revenue and capital budget, and to approve scheme commencement
- 4.15 Cabinet is asked to approve the addition of the income and expenditure budgets, totalling £829,000 in 2009/10 to 2010/11 to departmental revenue and capital budgets as listed in paragraph 4.1.

5. Use of corporate reserves – 2011 Census and Derby Direct implementation of Street Pride

- 5.1 **2011 Census** - The next Census will be carried out in England and Wales on 27 March 2011. The Office of National Statistics - ONS - and Census Regional Champions have asked for support on three items, one being the development of the address register. The Address Register will be developed utilising the National Land and Property Gazetteer - NLPG -, which is collated from the Local Land and Property Gazetteer - LLPG - for which the Council must have a nominated custodian. It is essential that the LLPG is up to date and contains as many properties as possible to ensure full coverage of the census mail out. The LLPG Custodian within Derby City Council is responsible for maintaining and improving the LLPG on an ongoing basis. The LLPG Custodian will also be responsible for carrying out the work required to meet the needs of the Census Project.
- 5.2 This piece of work is of significant importance, as part of the Authority's funding to support budgets is made depending on the population level identified through the Census process.
- 5.3 To complete this work it is proposed to recruit one full time employee on a 12-15 month contract as a scale 2 post, at an estimated cost of approximately £18,500. There is currently no specific LLPG budget available, therefore it is proposed that corporate reserves are used to fund this post. If the work is to be carried out over a shorter period of time more staff may need to be recruited for the shorter time period, but within the funding identified. It is proposed that the funding comes from

the budget risk reserve. The updated position on the budget risk reserve is detailed in the budget report to this Cabinet.

- 5.4 Cabinet is asked to approve the use of £18,500 from the budget risk reserve to fund the post to support the 2011 Census requirements, and allocate the budget to the Resources Department.
- 5.5 **Derby Direct resource requirements for Street Pride** - On 27 October 2009 the Council Cabinet agreed the creation of the new Street Pride initiative to be implemented by 1 May 2010. Within this initiative there will be a requirement for Derby Direct to answer 100% of all telephone calls within 50 seconds.
- 5.6 To deliver this the following investment in additional resources are required:
- an additional 5.3fte customer services advisors to be recruited on fixed 12 month contracts £143,000
 - waste service self service call system and variable call charges £57,000
 - PC's and ancillary equipment and licenses £18,000.
- 5.7 The total cost of £218,000 will be met from the Corporate Modernisation Fund for a twelve months period during the implementation phase of Street Pride. A savings target of £218,000 is required to be delivered from the overall Street Pride budgets to provide ongoing resources.
- 5.8 Cabinet is asked to approve a £218,000 allocation from the Modernisation Fund to fund the first year costs of additional resources required in Derby Direct as part of the Street Pride implementation.

6. Revenue budget carry forwards from 2009/10 to 2010/11

- 6.1 **Highways Maintenance** – the delivery of the outstanding routine highways maintenance project is in progress. Cabinet approved additional funding of £500,000 and £235,000 towards this programme during 2009/10. Due to the increase in defects being identified through the inspection process the completion of the outstanding works will be delayed and will not be completed within 2009/10. It is now due to be completed by autumn 2010 at the earliest. The recent severe winter weather has also delayed works on site as well as causing more damage to road and footway surfaces. The latest forecast for the Highways Maintenance section is that there will be an underspend of £455,000 against the total reactive maintenance budget available from within the base budget and specific reserves.
- 6.2 Cabinet is asked to approve the extension of this funding, estimated at £455,000 for allocation during 2010/11, so that the programme can be concluded.
- 6.3 **Be Inspired** - The Be Inspiring Project Fund is aimed at helping organisations raise the aspirations and ambitions of young people aged 10 to 19 years. It is particularly targeted at those who work with the most vulnerable young people in Derby to increase their attainment or work opportunities.
- 6.4 The recent Oneplace assessment from the Audit Commission confirmed that Derby is generally a good place for children and young people to grow up. Children are healthier, less obese and more active and the Partnership can be proud of these achievements. The Be Inspiring Project Fund aims to raise the aspirations of young

people, to increase their confidence and skills, attainment and employment prospects. The fund supports our Partnership vision of a city for all ages by 2020.

- 6.5 The fund aims to achieve the following positive outcomes for the target group:
- Increased skills
 - Improved level of education
 - Improved chances of getting a job or a better job
 - Increased confidence, self esteem and ambition.
- 6.6 The funding package to deliver this programme is made up of; £195,000 from 2008/09 budgets, which was approved by Council Cabinet on 27 July 2009 as a carry forward, plus £78,000 from the 2009/10 allocation through Area Based Grant. Of the total £273,000 available, £23,000 will be used to manage the programme through Derby City Partnership, leaving a total grant fund of approximately £250,000. It is envisaged that most grants will be up to £5,000 with a smaller number of larger grants.
- 6.7 Organisations can apply for funding if they are:
- a not-for-profit community or voluntary group
 - a statutory organisation
 - a registered company.
- 6.8 This proposal has been endorsed by the Derby City Partnership Board as use for a small grants scheme running up to 2011. The public launch of this initiative was on 18 January 2010.
- 6.9 Cabinet is asked to approve the use of the existing funding, to be allocated during 2009/10 but paid to grant recipients starting in 2010/11. If approved, this will be noted in the outturn report in July 2010 as an approved carry forward for Derby City Partnership.
- 6.10 **Community Safety Partnership - CSP** - the latest forecast for 2009/10 highlights a net underspend of £100,000 against Community Safety Partnership revenue budgets. It is proposed that this underspend is earmarked to support the 2010/11 budget position which is currently showing a shortfall of £226,000.
- 6.11 Cabinet is asked to approve the carry forward of £100,000 from 2009/10 to 2010/11 to support the CSP budget position. If approved, this will be noted in the outturn report in July 2010 as an approved carry forward for CSP.
- 6.12 **Climate Change** - There is a forecast year-end underspend of £223,000 on the climate change revenue budget. The main variances are:
- staffing budgets £111,000 – savings arising from the timing of the setting up of the new unit and recruiting to vacant and new posts
 - meter reading revenue budget £62,000 – the contract is currently out to tender and will not be in place until 2010/11
 - small projects budget £50,000 – allocations to projects are currently being considered but expenditure is likely to be in 2010/11.

- 6.13 The Climate Change Board funds currently available to support climate change initiatives are the climate change reserve, climate change capital budgets and the climate change small projects revenue budget. The Board is in the process of allocating these funds to a number of projects, for which the actual expenditure may not be incurred until 2010/11.
- 6.14 Cabinet is asked to approve the transfer of £223,000 from the 2009/10 climate change revenue budget to the climate change reserve, for allocation by the Climate Change Board to climate change initiatives.

7. QUAD Ltd financial position

- 7.1 **Loan position** - QUAD Ltd was granted a loan of £250,000 during 2008/09 to support the capital investment for the internal elements of the building. This loan was to support QUAD Ltd cashflow until they received sponsorship from external organisations. The terms of the loan were that QUAD Ltd should repay the loan by 31 March 2009 at the latest. The loan agreement states that interest is paid on outstanding balances.
- 7.2 Due to funding pressures on the organisation, including the impact of the recession, QUAD Ltd have found it difficult to repay this loan. This has been discussed regularly at QUAD Ltd Board meetings.
- 7.3 QUAD Ltd has recently been awarded a funding package from the Arts Council to support their programme and to offset the impact of recent economic downturn. In addition, the QUAD Ltd cash position is now more positive than in previous months.
- 7.4 It is therefore proposed that an agreed timescale for the loan repayment be agreed by 28 February 2010 with an initial sum to be repaid by 31 March 2010. It has been proposed by the Leader and Chief Executive that interest should not be pursued due to the difficult situation QUAD Ltd have encountered during their first year of operation.
- 7.5 **Lease Position** - QUAD Ltd pay an annual lease to Derby City Council for the QUAD building. This lease is set at £260,000 per annum plus VAT. Cabinet have previously approved an additional arts grant level to offset the lease payment. This additional grant is set at £260,000.
- 7.6 Due to the difference in VAT status between the Council and QUAD Ltd, QUAD Ltd is encountering a funding deficit to repay the lease. The Council charges QUAD Ltd at the normal VAT level, currently 17.5%. QUAD Ltd can only recover 25.5% of the VAT, due to its Charitable Status. The VAT on the lease payments totals £45,500 therefore QUAD Ltd can only recover £11,603, leaving a deficit of £33,897. For 2009/10 this was slightly less due to VAT for the first nine months being at 15% and totals £30,266.
- 7.7 When the lease payment and associated additional arts grant was set up, there was the intention that the arrangement would be at nil cost to QUAD Ltd. It is the VAT regulations which don't make this possible.
- 7.8 To support QUAD Ltd, it is proposed that the £30,266 shortfall in 2009/10 be supported and funded as a one-off from within the Culture Division base revenue budgets. For 2010/11 it is proposed that an additional £33,897 be added to the

QUAD arts grant. This will need to be funded from within existing departmental base budgets on an ongoing basis. The details of this are yet to be determined.

7.9 **QUAD building** – a number of issues have been highlighted regarding the functioning of the building and the impact on commercial opportunities. This has been raised as an issue by QUAD and also will be part of the settlement discussions with the architect and building contractor. As a consideration of the additional grant proposed, and that interest payments on the loan will not be pursued, it is proposed that a letter be prepared to QUAD Ltd Board to remove any liability on the Council in relation to these historic issues.

7.10 Cabinet is asked to approve:

- the pursuit of the loan repayment, excluding interest payments and an agreed schedule to be in place by 28 February 2010. An update on progress will be reported verbally to Cabinet at this meeting
- the increase in grant to QUAD Ltd for 2009/10 and on an annual basis
- the drafting of a letter to QUAD Ltd to outline the proposal and the removal of liability on the building defects.

8. Contract Waiver - Schools Counselling Service

8.1 Currently a Schools Counselling Service is provided to four secondary schools, targeted primary schools and the "SPACE", which is a one stop shop run by the Youth Service. The service is provided by qualified counsellors from the Youth Service, which is part of Children and Young Persons Department, and "Safe Speak", a voluntary group and off shoot of "Relate".

8.2 The two providers deliver the service under Service Level Agreements and their performance is monitored and managed by the Children and Adolescent Mental Health Service - CAMHS - Commissioners Group, which is a long standing partnership between the Council and the Primary Care Trust - PCT. The Service Level Agreements come to an end on 31 March 2010. In the short term, the proposal is to extend them for another year and also to extend the service itself to all secondary schools in the city, to support children at the point of transition from primary to secondary schools.

8.3 A specification for the new service has been developed in consultation with CAMHS commissioners and secondary and primary schools. The longer term, aim is to competitively tender the work. The year long extended arrangement will give an opportunity to test and fine tune the new specification and monitoring procedures. It will also give an opportunity to secure long term funding for the service.

8.4 Subject to this long term funding being obtained it is hoped to tender the new service ready for a contract to start on 1 April 2011. Feedback from young people and professionals has indicated that the service is valued and the proposals to extend it have been discussed with and supported by stakeholders including CAMHS, the Education Improvement Partnership. Secondary Heads Forum and the Targeted Mental Health Support in Schools Steering Group.

8.5 The funding of the current service is £55,000 per year, split £35,000 to the Youth Service and £20,000 to Safe Speak. The extended service from 1 April 2010 to 31 March 2011 will cost £155,000, split £93,000 to the Youth Service and £62,000 to Safe Speak. This will be funded from; the current CAMHS grant monies from the

Department of Health £55,000; agreed extended services funding for one year from Primary & secondary schools £60,000; and Targeted Mental funding from the Mental Health in Schools Project from the DCFS £40,000.

- 8.6 The extension of the level of service to be delivered will require the recruitment of additional suitably qualified counsellors by the service providers. If and when the service is subject to a competitive tendering exercise the current staff may transfer to a new provider under the Transfer of Undertakings (Protection of Employment) Regulations 2006 - TUPE. This risk will need to be considered when approving the extended service.
- 8.7 Cabinet is asked to approve the extension and enhancement of the existing contract for a further year until 31 March 2011 and award the funding to the Youth Service and Safe Speak.
- 8.8 Cabinet is asked to approve the increase in revenue income and expenditure budgets in relation to the extended Schools Counselling Service, within the Children and Young People revenue budget for 2010/11, and to authorise, subject to funding being available, the tendering of the service during 2010 and the letting of a new two year contract from 1 April 2011.

9. Framework Agreement - Specialist Domiciliary Care

- 9.1 Changes in the status of the supplier list for Specialist Domiciliary Care are required so that we move from an 'accredited' provider list to an 'approved' provider list. This is necessary to meet Procurement regulations. The establishment of a framework will enable call off from a list that has been appropriately advertised and has gone through a stringent procurement exercise to ensure providers offer best value service. It will also ensure they are capable of providing care and support packages that meet the promotions of service users: Rights, Choices, Inclusion, Control and Independence.
- 9.2 The framework will meet the Council's obligations for procurement legislation. It will assist in the purchase of individual care and support while maintaining agreed rates and procedures for agreeing individual support package cost.
- 9.3 The actual framework procurement exercise will be managed by the Eastern Shires Purchasing Organisation, and will be funded through the NHS Derby City Campus Closure Programme at a cost of £7,000. The framework will be implemented in February 2010 and will operate for up to four years. At the end of four years this exercise would then be completed again. It is hoped that at that time the Council will be able to do this independently.
- 9.4 Cabinet is asked to approve the implementation of the Framework for Specialist Domiciliary Care, Support and Enablement Services for Adults with a Learning Disability or Mental Health Needs, for a period of four years from February 2010.

10. LPSA 2 Reward Funding

- 10.1 In June 2009 Cabinet approved the allocation of LPSA2 reward funding, including a note that the revenue allocations were subject to confirmation of the LPSA2 Reward Funding level. The level of reward funding received is £427,000 less than originally anticipated. £277,000 of the original anticipated reward funding was unallocated,

leaving a £150,000 shortfall against indicative projects. A reapportionment of the revenue element of funding against schemes has therefore been required.

10.2 The review of schemes identified existing commitments in both 2009/10 and 2010/11.

10.3 Four schemes have been recommended for revised allocations. Other schemes revenue allocations are unchanged. The recommended changes are:

Scheme	Revised Allocation	Reduction
CSP Community cohesion	£25,000	£25,000
CYP – improving school attendance	£14,000	£36,000
Flood risk	£40,000	£60,000
B-active	£137,000	£29,000
Total Reduction		£150,000

10.4 Cabinet is asked to approve the revised LPSA2 reward revenue allocations to the schemes detailed in the table at paragraph 3.3.

For more information contact:	Martyn Marples, Head of Regeneration & Community Finance 01332 641493 e-mail martyn.marples@derby.gov.uk
Background papers:	Council Cabinet 12 January 2010 – item 2 – Racecourse and Alvaston Park New Changing Rooms
List of appendices:	Appendix 1 – Implications Appendix 2 – Changes to the capital programme Appendix 3 – Capital scheme commencements

IMPLICATIONS

Financial

- 1.1 As outlined in the report.

Legal

- 2.1 As outlined in the report.

Personnel

- 3.1 As outlined in the report.

Equalities Impact

- 4.1 As outlined in the report.

Corporate objectives and priorities for change

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

Summary of further changes to the capital programme 2009/2010	Latest Approved Capital Programme 2009/10 £000	Revised Capital Programme 2009/10 £000	Change £000	Category
Children & Young Peoples Department				
Basic Needs (funding source)	2,020	1,919	-101	R2
Schools Access Initiative (funding source)	245	215	-30	R2
Roe Farm Primary School Heating & Electrical Project	93	-	-93	S
Ashgate Primary School - replacement of rotten main hall floor	50	-	-50	S
Peartree Junior School replacement windows and removal of asbestos cement panels	100	43	-57	S
Murray Park SAI Creation of very-low-height kitchen workstation	15	-	-15	S
Woodlands Community School - replacement of defective foal drain	9	-	-9	R1
Walter Evans SAI hoist	0	11	11	A
Redwood Infants improved foundation stage area accomodation - including SAI contribution	220	235	15	A
Griffe Field SAI Provision of extended disabled toilet and changing facilities	40	95	55	R1
Derwent Youth Centre	40	3	-38	S
Lawn Primary Fire Risk Assessment Work, Access & Toilet Improvements	0	15	15	A
Becket Primary Playing Field reinstatement	0	5	5	A
Ravensdale Junior School Primary Capital Programme Scheme	0	5	5	A
Fire Risk Assessment Works				
Fire Risk Assessment Works - Breadsall Hilltop Junior School	199	220	22	R1
Fire Risk Assessment Works - Alvaston Infant & Nursery Schools	0	80	80	A
Fire Risk Assessment Works - Reigate Primary School	130	150	20	R1
Fire Risk Assessment Works - Parkview Primary School	0	130	130	A
Fire Risk Assessment Works - Ashgate Primary School	150	75	-75	R1
Fire Risk Assessment Works - Littleover Community School	200	130	-70	R1
Total changes to Children & Young Peoples Department	3,510	3,330	-180	

Regeneration & Community Department				
LTP - Block Allocation				
Local Safety & Aecessibility Improvements	1,698	1,728	30	R1
LTP -Cycle Derby	129	199	70	R1
LTP - Other				
Connecting Derby				
Local Transport Plan - Other				
Cummings St Junction Improvements	3	-	-3	R1
Other Transport Schemes				
Traffic St Bradshaw Way	120	-	-120	R1
Non LTP				
Creative Industries Workspace	35	-	-35	S
World Heritage	100	-	-100	R1
Chaddesden Park Library	186	13	-173	S
Cultural Landscape	0	140	140	A
Public Realm				
East Street	10	-	-10	S
Full Street Corridor - Detailed Design	581	459	-122	S
Castleward Boulevard - Construction Phase 1	924	855	-69	S
Wayfinding - Public Art Masterplan	36	-	-36	S
PR Contingency	157	-	-157	S
Building Frontage Enhancement Scheme	295	334	39	R1
Total changes to Regeneration & Community Department	4,274	3,728	-546	
Environmental Services				
Defective sewers	35	30	-5	R2
Sunnyhill Community Centre	20	25	5	R2
Alvaston Park Changing Rooms	328	280	-48	R2
Nottingham Road Racecourse Improvements	300	348	48	R2
Adi-zones	475	460	-15	R1
Moorway Lane Park	1,000	-	-1,000	R1
Chellaston District Park	288	-	-288	R1
Racecourse Play Area	50	-	-50	S
Refuse Vehicles	105	30	-75	R1
School Meal Production Facility	0	60	60	R1
Roe Farm Play Area	82	57	-25	S
Cheasapeake Ball Court	80	57	-23	R1
Total changes to Environmental Services	2,763	1,347	-1,416	

Adult Services				
National Care Standards	235	135	-100	S
Adult Social Care	100	-	-100	S
Mental Health	222	100	-122	S
Corporate Services				
Energy Management	225	-	-225	S
Climate Change	138	-	-138	S
PM: Multi Storey Car Parks - structural repairs	300	50	-250	S
PM:Central Museum - disabled lift to military gallery	146	25	-121	S
PM:Children's Homes - essential repairs	321	141	-180	S
PM:Essential Boundary Wall Repairs	100	50	-50	S
PM:Fire Precaution Works from FRAs	300	450	150	R1
PM:Notttingham Road Cemetery - Walpole Street	124	10	-114	S
PM:Replace obsolete boiler plant	100	140	40	R1
PM:Darley Playing Fields- various stores structural repairs	20	15	-5	R1
PM:Assembly Rooms - urgent repairs to Gret Hall ceiling	25	40	15	R1
PM:London Road depot - structural repair to Vic Hallam building	40	-	-40	S
PM:Stores Road Depot - structural repair to stable block	29	-	-29	S
PM:Programme of replacing air con units	50	15	-35	S
PM:Ashlea Hostel - replacement cold water system	25	75	50	R1
PM:Derby Dance- replacement heating controls	30	20	-10	R1
PM:Demolition of Unsafe Buildings	180	20	-160	S
PM:Stores Road Depot Garage Roof repairs	48	-	-48	S
PM: Moorways Swimming Pool - replacement defective pool filters	25	50	25	S
Total changes to Corporate & Adult Services	2,783	1,336	-1,447	
Resources – E Services				
Derby Direct Telephony System	0	356	356	A
IT Transformation	0	599	599	S
	0	955	955	
TOTAL CHANGES TO PROGRAMME	13,330	10,693	-2,637	

Key of Categories	
A	Additional schemes from new funding secured
A1	Scheme increase funded by previous years reserves income
S	Re-phasing
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.

- Fire Risk Assessment Work for Ravensdale Junior School

Budget	£'000
2009/10	296
2010/11	8
Total Expenditure	304
Funding	
SCE (c) Primary Capital Programme Funding	210
School's Devolved Contribution	94
Total Funding	304

- School Meal Production Facility

Budget	£'000
2009/10	60
2010/11	1,300
Total Expenditure	1,360
Modernisation Fund	90
Govt Grant - DCSF – Targeted capital for school kitchen and dining facilities	680
Unsupported borrowing – service financed	590
Total Funding	1,360

- Fire Risk Assessment Work for Reigate Primary School

Budget	£'000
2009/10	150
2010/11	0
Total Expenditure	150
Funding	
SCE (c) Primary Capital Programme Funding	150
Total Funding	150

- Fire Risk Assessment Work for Parkview Primary School

Budget	£'000
2009/10	130
2010/11	0
Total Expenditure	130
Funding	
SCE (c) Primary Capital Programme Funding	105
School's Devolved Contribution	25
Total Funding	130

- Fire Risk Assessment Work for Rosehill Infant School

Budget	£'000
2009/10	0
2010/11	120
Total Expenditure	120
Funding	
SCE (c) NDS Modernisation Fund	83
School's Devolved Contribution	37
Total Funding	120

- Arboretum Primary, Primary Capital Programme Scheme

Budget	£'000
2009/10	150
2010/11	2,306
2011/12	2,106
2012/13	123
Total Expenditure	4,685
SCE (c) Primary Capital Programme Funding	4,435
School's Devolved Contribution	150
Schools Access Initiative Funding	100
Total Funding	4,685

- Ravensdale Junior Primary Capital Programme Scheme

Budget	£'000
2009/10	5
2010/11	310
2011/12	1,700
2012/13	85
Total Expenditure	2,100
SCE (c) Primary Capital Programme Funding	1,300
Section 106 Funding (initially funded from Primary Capital Programme)	679
School's Devolved Contribution*	111
Schools Access Initiative Funding	10
Total Funding	2,100

* subject to agreement by the school.

- Lawn Primary Fire Risk Assessment Work, Access & Toilet Improvements

Budget	£'000
2009/10	15
2010/11	350
2011/12	50
Total Expenditure	415
SCE (c) Primary Capital Programme Funding	300
School's Devolved Contribution	65
Schools Access Initiative Funding	50
Total Funding	415

- Becket Primary Playing Field Reinstatement

Budget	£'000
2009/10	5
2010/11	400
2011/12	20
Total Expenditure	425
SCE (c) NDS Modernisation Fund	333
School's Devolved Contribution*	92
Total Funding	425

* subject to agreement by the school.

- St Giles Special School - create additional capacity for children with Autistic Spectrum Disorder

Budget	£'000
2009/10	0
2010/11	333
2011/12	17
Total Expenditure	350
Unsupported Borrowing Spend to Save**	350
Total Funding	350

** subject to agreement by the Schools Forum.

- Derby Direct Telephony System

Budget	£'000
2009/10	356
Total Expenditure	356
Funding	
Corporate Revenue Reserves	356
Total Funding	356

- Laptop Refresh

Budget	£'000
2009/10	599
Total Expenditure	599
Funding	
Capital Receipts	599
Total Funding	599

- Cultural Landscape

Budget	£'000
2009/10	140
Total Expenditure	140
Funding	
Government Grants	140
Total Funding	140