

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:

- Procuring a contract – Kingsmead School
- Secondment with the Department of Health
- Procurement of services - Edge of Care services
- Creation of a two year framework - Early Years Services
- Bid for external funding – European Regional Development Fund - ERDF
- Carry forward of Community and Devolved budget underspends – Neighbourhood Boards
- Use of cultural sustainability reserve for cultural partners
- Grant Payment – Redefine
- Waiver of Contract Procedure Rules - Parksafes

RECOMMENDATION

- 2.1 To approve the procurement and award of a contract capped at no more than £6.650m for a Dynamic Purchasing System for Alternative Education provision by Kingsmead School, as detailed in Section 4.0.
- 2.2 To approve the secondment agreement for the cumulative amount of £81,000, as detailed in Section 4.7.

- 2.3 To approve delegated responsibility to the Strategic Director of People Services, in consultation with the Cabinet Member for Safeguarding and Children and Young People and the Interim Strategic Director of Corporate Resources to award the contract for edge of care services/additional early help, to the successful bidder, as outlined in paragraph 4.9.
- 2.4 To approve the creation of the two year framework for the provision of Early Years Services, with possibility to extend a further 1 year as outlined in paragraph 4.11.
- 2.5 To approve a bid for ERDF funding as outlined in paragraph 4.14.
- 2.6 To approve delegated responsibility to the Strategic Director of Communities of Place, in consultation with the Cabinet Member for Regeneration and Economy and the Interim Strategic Director of Corporate Resources for final submission of the ERDF bid as outlined in paragraph 4.14.
- 2.7 To approve the carry forward of any unspent Community and Devolved budgets, from 2017/18 to 2018/19 as outlined in paragraph 4.17.
- 2.8 To approve the use of the Cultural Sustainability reserve and allocations to cultural partners for the period 2018/2022 as outlined in paragraph 4.20.
- 2.9 To approve the award of a grant up to £160,000 to Redefine, to complete works on Albion Street as outlined in paragraph 4.24.
- 2.10 To approve the waiver of Contract Procedure Rules to enable the existing contract with Parksafes Systems Ltd, for the operation and management of Bold Lane car park, to be extended until end September 2022, as outlined in paragraph 4.27.

REASONS FOR RECOMMENDATIONS

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



SUPPORTING INFORMATION

4.0 Dynamic Purchasing System for Alternative Education provision

Kingsmead School has a statutory duty to make arrangements for the provision of suitable education other than at school for children of compulsory school age who, by reason of exclusion from school or otherwise, will not receive a suitable education without these arrangements.

4.1 Since 2014 a Framework Agreement has been in place where a range of organisations have provided these services by way of direct awards and/or mini-competition exercises. This has, however, led to a lack of flexibility as new organisations to the area have not been able to tender for the services and the needs of Kingsmead School and the children it supports have changed.

4.2 Kingsmead School now wishes to invite tenders for inclusion on a Dynamic Purchasing System (DPS) for these services. By creating a DPS we will give Kingsmead School the flexibility of allowing new organisations to join at any time over the course of the DPS, subject to them meeting the initial suitability criteria which will be set out in the DPS.

4.3 All service requirements over the course of the DPS will then be tendered by way of mini-competition, allowing all organisations on the DPS at that time the opportunity to bid for the requirements at what would be a market appropriate rate at that time.

4.4 The DPS will be for an initial two years, with the option to extend for a further 60 months in annual increments.

4.5 The maximum budget for this procurement is £750,000 per annum for Kingsmead School. Further spend may be required by other schools within the city who may wish to use the DPS, with Kingsmead School's help, to also secure alternative education provision. This is not expected to be in excess of £200,000 per annum.

4.6 It is recommended to approve the procurement and creation of a Dynamic Purchasing System for Alternative Education provision for Kingsmead School for a maximum sum of £6.650m over a period of seven years.

4.7 Secondment with Department of Health

The Director of Integrated Commissioning, People Services Directorate, is currently on a 0.5 FTE secondment to the Department for Health, with Health providing funding to the Council. This is on a secondment agreement. The Department for Health reimbursed funding of £40,500 in 2016/17, and funding for £40,500 is also due to be reimbursed for 2017/18. As the cumulative effect of this secondment is above the £75,000 threshold in contract procedure rules, Cabinet approval is required for this

reimbursement.

- 4.8 It is recommended to retrospectively approve the secondment agreement for the cumulative amount of £81,000.

4.9 Procurement of Edge of Care services

Derby City Council currently procure services for children and young people and their families, where the young people need additional (early) help or are at risk of going into care. The council is intending to enter into an agreement to procure these services, up to a maximum value of £75,000 per annum for up to 4 years. This would include services previously delivered through contracts with Safe Families for Children and for Family Group Conferencing.

- 4.10 It is recommended to approve delegated responsibility to the Strategic Director of People Services, in consultation with the Cabinet Member for Safeguarding and Children and Young People and the Interim Strategic Director of Corporate Resources, to award the contract for edge of care services/additional early help, to the successful bidder.

4.11 Early Years Services framework

The key objectives of the framework are to ensure that Derby City Council meets its statutory requirements as detailed below:

- Work with allocated early years and childcare providers to ensure they comply with the statutory requirements set out in the Statutory Framework for the Early Years Foundation Stage.
- Improved attainment for all children.
- Raise the knowledge and understanding of the early year's workforce to enable them to meet the needs of the children and families who access their service whilst safeguarding children from harm.

- 4.12 The current budget is £80,000 per annum and the anticipated spend is of that value £80,000. The framework will have at least four separate Lots as follows;

Lot 1 – Link Officer

Lot 2 - Safeguarding and Child protection priority support

Lot 3 – Range of individual quality improvement programmes

Lot 4 – Speech, language and communication programmes.

- 4.13 It is recommended to approve the creation of the two year framework for the provision of Early Years Services, with possibility to extend a further one year.

4.14 Bid for External Funding - ERDF

Derby City Council has prepared a joint application, alongside Nottingham City Council, for ERDF funding. This application has only been submitted as an Expression of Interest at this stage. The project comprises of a program supporting companies with targeted interventions to unlock rapid growth, for instance through the development and strengthening of their supply chains, plus a strand of activities to promote trade and investment opportunities and to support the development of new enterprises.

- 4.15 The bid will require match funding of £250,000. This involves the Council underwriting this amount in lieu of receipt of payments from businesses that subsequently experience growth. If invited to be worked up into a full bid later in the spring/early summer a more comprehensive report will be written outlining implications.
- 4.16 It is recommended to approve a bid for ERDF funding and to delegate responsibility for the final submission to the Strategic Director of Communities and Place in consultation with the Cabinet Member for Regeneration and Economy and the Interim Strategic Director of Corporate Resources.
- 4.17 Carry forward of Community and Devolved budget underspends**
Neighbourhood Boards previously had an annual budget available to allocate to and address key issues in their areas within the city, to help keep Derby a safe and clean city to live in. The boards carried forward the unspent budget of £118,323 from 2016/17 to 2017/18, to fund existing commitments. The Neighbourhood Partnership Managers are working hard to clear the remaining balances within each ward.
- 4.18 Approval is being sought to carry forward any funding which has been allocated but where the work will be delivered in 2018/19. The funding should be approved for carry forward to ensure those projects and work recommended by the Neighbourhood Boards and approved by the Ward Committees are delivered, in response to local priorities and needs.
- 4.19 It is recommended to approve the carry forward of any unspent Community and Devolved budget from 2017/18 to 2018/19.
- 4.20 Cultural Sustainability reserve and allocations**
Consultation with partner arts-organisations has highlighted two different approaches to allocating funds from the Cultural Sustainability Reserve;
1. Arts Grant funding
 2. Match funding for Derby Museums Trust
- 4.21 **Arts Grants Funding**
QUAD and Sinfonia Viva are amongst organisations in the city that have secured funding through Arts Council's National Portfolio for the period 2018 - 2022. These Arts Council grants are dependent on match funding from DCC. During autumn/winter 2017 a DCC Arts Grant funding application round has been run in line with the Commissioning Framework for the Voluntary and Community Sector and DCC Grant Funding Procedure Rules. An appraisal panel including the Cabinet Member for Leisure and Culture considered the applications and made the following recommendations for funding:
- | Organisation | 2018/19 | 2019/20 | 2020/21 | 2021/22 | Total |
|---------------|-----------------|----------------|----------------|----------------|-----------------|
| QUAD | £100,000 | £75,000 | £65,000 | £50,000 | £290,000 |
| Sinfonia Viva | £10,000 | £10,000 | £10,000 | £10,000 | £40,000 |
| Total | £110,000 | £85,000 | £75,000 | £60,000 | £330,000 |
- 4.22 **Match Funding for Derby Museums Trust**
The Museums Trust is paid a management fee to operate the Council's museums and

manage the collections. The amount of funding remaining in the revenue budget from 2018/19 is £200,000. It is proposed that an additional £1m is allocated from the Cultural Sustainability Reserve to support the Museums Trust for the 4 year period 2018/19 to 2021/22. The profile of payments is detailed below. It is anticipated that the Museums Trust will use this additional funding from the Cultural Sustainability Reserve as match, to seek a similar amount of additional funding from external sources, profiled to be received in 2020/21 and 2021/22.

Organisation	2018/19	2019/20	Total
Derby Museums	£500,000	£500,000	£1,000,000
Total	£500,000	£500,000	£1,000,000

- 4.23 It is recommended to approve the use of the the Cultural Sustainability reserve and approve the allocations to cultural partners for the period 2018/2022 totalling £1,330,000.
- 4.24 **Grant payment – Redefine**
The Connected Cycle City and Placemaking project (CCCP) is funded through the D2N2 Local Enterprise Partnership (LEP) Local Growth Fund. The project commenced in September 2017 with works on St Peter’s Street. The next phase of works relates to Albion Street and Exchange Street with the objective of strengthening the physical connectivity between intu and the Market Hall. The works associated with this phase include improving the public realm by rationalising street furniture and delivering a new project to celebrate the successes of famous Derby residents, ‘Made in Derby’. These works aim to encourage people to move from intu through to other parts of the city centre, increasing footfall and likely spend. The project includes direct financial assistance to the private sector to support job creation in the city centre and lever investment. Key to this has been the activities associated with attracting a major retailer back into the City Centre and the CCCP project has achieved this.
- 4.25 The award of a grant of up to £160,000 is to meet an identified funding gap to complete the refurbishment works on Albion Street which will attract private sector investment of £2m and create 38 new jobs. A viability assessment has been completed by independent consultants to examine the costs and development appraisal associated with the works. This assessment has confirmed a viability gap on the scheme and a state aid compliant, de minimis, grant would deliver good value for money in light of the jobs created and investment levered. Budget to support this grant award is available on the Regeneration Capital Programme within the Connected Cycle City and Placemaking project budget.
- 4.26 It is recommended to approve the award of a grant up to £160,000 to Redefine, to complete works on Albion Street.
- 4.27 **Contract Waiver – Parksaf**
The current contract with Parksaf Systems Ltd to operate and manage Bold Lane car park expires at the end of March 2018. Parksaf Systems have more recently been successful in securing contracts for the operation of both Assembly Rooms and Chapel Street car parks which expire in September 2022. The operation and management of all three car parks are linked through the bespoke systems that Parksaf Systems use.

Tendering for a new operator for Bold Lane car park in isolation is not considered to offer the potential for financial or operational benefits for the Council. Instead it is proposed that a replacement contract for all three car parks will be procured in September 2022.

- 4.28 Aligning the contract period for the operation of all three car parks would enable the Council to ensure that any retendering is able to secure best value. Parksafes Systems Ltd have indicated that they are willing to agree to an extension of their existing contract to operate Bold Lane, on the same financial terms..
- 4.29 It is recommended to approve the waiver of Contract Procedure Rules to enable the existing contract with Parksafes Systems Ltd for the operation and management of Bold Lane car park be extended until end September 2022.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Toni Nash, Head of Corporate Finance and Organisation and Governance. Mark Taylor, Interim Director of Finance and S151 Officer
For more information contact: Background papers: List of appendices:	Toni Nash 01332 641491 e-mail Toni.nash@derby.gov.uk Appendix 1 - Implications

IMPLICATIONS

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 None directly arising.

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 These recommendations where relevant are in line with Council's corporate priorities.