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Leader of the Council and Cabinet Member for  
Strategy, Governance and Finance  
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## **Compliance with Contract and Financial Procedure Rules**

### **Purpose**

- 1.1
- To procure a new contract of up to 3 years for the provision of external business advertising on Derby City Council's Refuse Collection Vehicles
  - To seek approval to go out to tender for Library stock materials
  - To delegate approval to submit plans and, if successful bid for and accept the designated LEVI (Local Electric Vehicle Infrastructure) Funds provided by Central Government
  - To vary the grant agreement with Saint Ralph Sherwin Catholic Multi Academy Trust for additional necessary secondary school places at Saint Benedict Catholic Voluntary Academy, along with an additional allocation of £0.2m DfE Basic Needs funding in 2025/26.

### **Recommendations**

- 2.1 To approve a procurement exercise to establish a provider who can arrange the sale of external business advertising on Derby City Council's Refuse Collection Vehicles as outlined in Section 4.1.
- 2.2 To approve to tender with the East Midlands & Mid Anglia Libraries Consortium - EMMA at the value £0.960m for Library stock and materials for 4 years from 1<sup>st</sup> April 2024, as outlined in Section 4.2.
- 2.3 To delegate approval to submit plans and, if successful, bid for and accept funding of up to £1.758m capital funding and £0.291m capability funding under the UK Government's LEVI Fund provision (subject to agreeable terms), to the Strategic Director for Communities and Place, the Director of Finance and the Cabinet Member for Climate Change, Transport and Sustainability as outlined in section 4.3.
- 2.4 To approve an increase to the Saint Benedict Catholic Voluntary Academy expansion scheme budget from £6.165m to £6.365m, an increase of £0.2m, and approve the amendment of the approved 2023/24 to 2024/25 capital programme as set out in paragraph 4.4.

- 2.5 To approve a £0.2m increase in the currently approved grant agreement with Saint Ralph Sherwin Catholic Multi Academy Trust for the expansion works at Saint Benedict Catholic Voluntary Academy, from £6.165m to £6.365m, as set out in paragraph 4.4.
- 2.6 To approve the amendment of the Council's approved capital programme with an additional allocation of £2.573m in DfE Basic Need funding, for additional school places, allocated for 2025/26, as set out in paragraph 4.4.

## Reasons

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

## Supporting information

### 4.1 Derby City Council's Refuse Collection Vehicles

The Commercial and Streetpride teams are looking to work with a supplier who can oversee the sale and creation of external business advertising on the side of a proportion of Derby City Council's Refuse Collection Vehicles (RCVs).

- 4.1.1 Derby City Council's RCVs are currently being used for Council campaigns but are being underused as a potential income generation opportunity. It is felt that an external provider with experience of managing advertising space on such a unique asset could support the Council to develop this income opportunity.
- 4.1.2 Initially 10 RCVs would be used for external advertising, equating to 20 vehicle sides worth of advertising space. The remaining 31 RCVs within the fleet will be dedicated to the Council's internal service campaigns; a project which will continue being managed by the Streetpride and Communications and Marketing teams to support Council campaigns.
- 4.1.3 The service provider will pay Derby City Council a percentage of the gross revenue generated per advert. There are no costs to the Council for entering the contract with the service provider.
- 4.1.4 The contract with the service provider would be for 12 months, with an option to extend the agreement for two further 12 month periods for a maximum potential contract length of 36 months.
- 4.1.5 An increasing volume of local authorities are using an external service provider to manage the sale of advertising space on their RCVs. Examples include:
- Nottingham City Council
  - Gloucester City Council
  - Fife Council
  - Scarborough Borough Council
  - Exeter City Council
  - Walsall Council

4.1.6 It is recommended to approve to start a procurement exercise to establish a provider who can arrange the sale of external business advertising on the Councils Refuse Collection Vehicles.

#### **4.2 Contract Award – Library Stock and material**

Derby Libraries is proposing to go out to tender for library stock materials with the EMMA. Eleven Authorities are part of this consortium. The Council's current contract ends in April 2024. The term of the framework is 4 years from 1<sup>st</sup> April 2024 with an option to extend for a further 2 years in 12 month increments, making the potential maximum term 6 years.

4.2.1 As part of a large consortium Derby Libraries are one of the smaller authorities in the group and rely heavily on being part of this consortium in terms of discounts achieved as a wider group. If the proposal outlined is not approved then the Council would have to leave the consortium and the tender process.

4.2.2 This means the Council would have to go out to tender alone and the discounts would be hugely reduced or not given at all – with the possibility of not even being considered by the book suppliers. The market has a limited number of providers.

4.2.3 It is recommended to approve to tender with the East Midlands & Mid Anglia Libraries Consortium - EMMA at the value £0.960m for Library stock and materials for 4 years from 1<sup>st</sup> April 2024.

#### **4.3 Acceptance of Funding - LEVI**

Climate change is the single biggest challenge we face today, both as a region, nation, and part of the global community. By taking decisive action now, in the form of reduced carbon emissions we can slow down this process, protect our communities and secure a legacy of responsible renewal. The scale of this problem is echoed in the Governments policy, which emphasises a commitment to net zero emissions by 2050.

4.3.1 To achieve net neutrality, we need to reduce the amount of greenhouse gases we emit, and the Government wants to accelerate its carbon reduction targets by 78% by 2035. While significant progress has been made in areas such as the energy sector in reducing carbon emissions, the same cannot be said for the transport sector, where slow progress is an ongoing concern.

4.3.2 Transport emissions must decrease significantly and rapidly if we're to meet climate targets. Government has taken action to accelerate the uptake of electric vehicles (EVs), providing subsidies to those purchasing a new electric car and banning the sale of new petrol and diesel vehicles from 2030.

- 4.3.3 The public charging infrastructure has an important part to play in providing one of the key solutions to tackle greenhouse gas emissions and poor air quality caused from cars and vans. By increasing the number of public charge points will present a positive visual presence that will encourage the take up of EVs and this in turn will help to reduce carbon emissions. The public charge points will help residents who don't have off-street parking and need to charge their electric vehicles (EVs). The visual impact of charge points in such areas is intended by Government to encourage the uptake of EVs. The LEVI Fund builds on the existing On-Street Residential Charge point Scheme (ORCS) which is available to all UK local authorities in financial years 2023/24 and 2024/25, to provide public charge points for residents who don't have access to private parking.
- 4.3.4 Derby City Council has been provisionally allocated up to £1.758m capital and £0.291m capability funding under the Government's LEVI Fund. These grant payments will be made under Section 31 of the Local Government Act 2003 and are dependent upon suitable plans being agreed with the Department for Transport.
- 4.3.5 Expressions of interest needed to be submitted by 26 May 2023 to ensure ongoing interest in the overall LEVI Funding process along with a local EV Strategy (draft or complete). The Council complied with this date and submission and were confirmed in Tranche 1 along with Derbyshire County Council, Staffordshire County Council, Nottingham City Council and Nottinghamshire County Council.
- 4.3.6 Supported by Midlands Connect, the Tranche 1 pool of councils will aim to work collectively and collaboratively to develop a joint business case that will unlock the designated capital funding allocated to each authority. Nottinghamshire County Council have a legacy involvement with LEVI Funding and are the lead council for delivering the collective business case for Tranche 1.
- 4.3.7 The combined business case and tender documents will give the partners the scale for a more competitive tender in the Electric Vehicle Charge point Operator (EVCO) market when submitted. The Tranche 1 consortium business case is to be submitted by November 2023.
- 4.3.8 The LEVI Support Body will help with resourcing and recruitment. It should be noted that the scheme is aimed at securing and developing resource rather than specifically experienced technical experts, and the LEVI Support Body will provide tools to help with upskilling staff as well as complete and share an EV tool, which will help local authorities to identify the best places to install new EV charging infrastructure.
- 4.3.9 It is imperative that the Council accepts the LEVI Fund proposals to enable the installation of charge points on-street or in public car parks so that residents without off-street parking will have access to charge points close to home. The Council has no other funding streams or resources to fulfil its carbon neutral ambition or supply the EV infrastructure scale up to the level purported by the LEVI scheme.

- 4.3.10 These public charge points will help residents who don't have off-street parking and need to charge their electric vehicles (EVs). The visual impact of charge points in such areas is intended by Government to encourage the uptake of EVs.
- 4.3.11 It is recommended to delegate the approval to submit plans and, if successful, bid for and accept funding of up to £1.758m capital funding and £0.291m capability funding under the UK Government's LEVI Fund provision, to the Strategic Director for Communities and Place, the Director of Finance and the Cabinet Member for Climate Change, Transport and Sustainability.
- 4.4 Variation of Grant agreement and Additional DfE Basic Needs funding**  
At its meeting on 15 February 2023, Council Cabinet approved the award of a grant of £6.165m to Saint Ralph Sherwin Catholic Multi Academy Trust for an expansion scheme at Saint Benedict Catholic Voluntary Academy for necessary additional secondary school places. In line with other Academy expansions, the award of the grant is on the Council's standard grant terms and conditions, and for the Trust to undertake the necessary capital works at Saint Benedict Catholic Voluntary Academy.
- 4.4.1 Following further detailed design, planning, contractor engagement and increasing construction market costs, the final cost of the approved capital programme scheme for the additional places at Saint Benedict Catholic Voluntary Academy has increased from £6.165m to £6.365m, an increase of £0.2m.
- 4.4.2 It is proposed to amend the approved capital programme to fund these additional costs with the allocation of a further £0.2m, as set out in section 7.4.1, and to vary the Council's grant agreement with Saint Ralph Sherwin Catholic Multi Academy Trust by £0.2m to reflect this increase.
- 4.4.3 In March 2023, the DfE announced an additional £2.573m allocation of Basic Need funding for additional school places. This funding is allocated in 2025/26 and it is necessary to update the capital programme to include this funding.

## **Public/stakeholder engagement**

- 5.1 **Derby City Council's Refuse Collection Vehicles**  
To ensure no advertisers who may have negative implications for the Council or its stakeholders will be used by the service provider, all prospective advertisers will have to comply with the Council's Advertising and Sponsorship Policy and be approved by the Council before they are fully engaged into advertising through this medium. The Council will have final approval of all artwork before it is printed.
- 5.2 **Contract Award – Library Stock and material**  
Derby City Council (Libraries) is leading on the tender process if approved and there have been a series of meetings to discuss the schedule. If the recommendations were rejected it will leave the stakeholders without a lead on the tender process and jeopardises the discount offered if the Council were to withdraw from the process.

### 5.3 **Acceptance of Funding – LEVI**

To deliver the necessary increase in electric vehicle charge points the Council will work collaboratively with neighbouring authorities within Tranche 1 to develop a business case and draft tender for review and approval. Midlands Connect will provide support to help with the business case development and tender drafting and submission to the market.

- 5.3.1 Engagement with the public and the approved charge point operator(s) will take place within the designated timeline of the programme to ensure the Council delivers a tailored scheme that will benefit the residents of each individual location within the ward.

## **Other options**

### 6.1 **Derby City Council's Refuse Collection Vehicles**

The option of delivering the sale of RCV advertising space to external businesses via our internal services has been underused due to the level of interest from current customer base.

### 6.2 **Contract Award – Library Stock and material**

To go out to tender as a single authority. This would leave the Council in a very weak position and would risk losing the discount we have already achieved. It would also fracture relationships within the consortium.

- 6.2.1 Do not purchase any library stock. This would mean that we may not be fulfilling our statutory duty.

### 6.3 **Acceptance of Funding – LEVI**

The LEVI Fund will build on the Councils existing programme of EV charge point installations under the D2N2 Contract Agreement, which has enabled the authority to install over 50 charge points.

- 6.3.1 Through the FTZ (Future Transport Zones) Fund schemes the Council aims to pilot several EV charge points in both on and off street locations. This includes an area where there is a growth in EV take up, but the residents do not have off road parking.

## **Financial and value for money issues**

### 7.1 **Derby City Council's Refuse Collection Vehicles**

The maximum gross revenue that could be generated by the service provider over the length of the contract is £0.180m. The Council could in turn receive a maximum £0.063m return over the length of the contract.

- 7.1.1 There are no on-going costs to the Council throughout the contract.

### 7.2 **Contract Award – Library Stock and material**

Estimated Value £0.960m for the 6-year term. The budget is available for 2023/24 for the Councils share, however all budgets are subject to the MTFP process, therefore availability of future budgets is a risk.

7.2.1 The saving would be based on the discounts the Council receive from the outcome of the tender process. The consortium allows us to secure a higher discount within the group. Without the consortium we are in a very weak position in terms of negotiating discounts.

7.3 **Acceptance of Funding – LEVI**

The provision of LEVI Funds is critical to the Council’s ambitions to grow its current EV charge point infrastructure as well as supporting the Governments step towards net-zero by ending the sale of new petrol and diesel cars.

7.3.1. Working as a consortium will help to deliver economies of scale with the EVCO’s.

7.4 **Variation of Grant agreement and Additional DfE Basic Needs funding**

It is proposed to fund the additional £0.2m cost of the scheme at Saint Benedict Catholic Voluntary Academy initially from the Council’s current school building at risk budget, at set out in table 1 below. It is then proposed to reallocate £0.2m in 2025/26 DfE Basic Need funding back to the Council’s school building at risk budget to reinstate the initial additional £0.2m allocation for Saint Benedict Catholic Voluntary Academy.

7.4.1 The Council is currently considering further necessary school condition and school place planning projects from the remaining balances of buildings at risk and Basic Need funding, and further schemes will be brought forward for approval in due course.

	<b>Scheme/Funding</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>Total</b>
<b>Current Approved Capital Programme</b>	Saint Benedict Catholic Voluntary Academy expansion	£3,029,750	£3,135,759	-	<b>£6,165,509</b>
	School Buildings at Risk	-	£936,234	-	<b>£936,234</b>
	Basic Need	£13,928	-	-	<b>£13,928</b>
<b>Revised Capital Programme following changes</b>	Saint Benedict Catholic Voluntary Academy expansion	£3,029,750	£3,335,759	-	<b>£6,365,509</b>
	School Buildings at Risk	-	£736,234	£200,000	<b>£936,234</b>
	Basic Need	£13,928	-	£2,372,962	<b>£2,386,890</b>

**Legal implications**

8.1 **Derby City Council’s Refuse Collection Vehicles**

Legal service’s input will be sought throughout the process of awarding the contract.

8.1.1 The contract will be procured through a Voluntary Transparency Notice (VEAT) as there is currently only one provider for this service within the market

8.1.2 No advertising will or should bring the Council into disrepute. The service provider will undertake checks to ensure all adverts are within Advertising Standards Authority guidelines. The Council will have final approval of any Advertisement before it can be affixed to any vehicles.

8.2 **Contract Award – Library Stock and material**

The Council has a statutory duty under the Public Libraries and Museums Act 1964 to provide a comprehensive and efficient library service for all persons who live work or study in the area. Not contracting may lead to an inadequate provision of books which in-turn may mean we are not meeting our statutory duty.

8.3 **Acceptance of Funding – LEVI**

The proposed charge point installations will be within the local authorities highway extents so there will be no requirement for planning applications or to adopt CPO (Compulsory Purchase Order) procedures.

### **Climate implications**

9.1 **Derby City Council’s Refuse Collection Vehicles**

To minimise climate implications, all graphics produced as part of the process can be re-used if an advertiser would like to re-advertise on the vehicles.

9.2 **Contract Award – Library Stock and material**

As part of the tender process, we ask suppliers to explain their carbon footprint. The procurement process will include the completion of the climate change impact assessment and contract terms will be drafted to meet our requirements.

9.3 **Acceptance of Funding – LEVI**

Improving the number of EV charge points across the city will help to encourage the take up of EV ownership and this in turn will meet the Councils aims of reducing carbon emission output which will bring real benefits of improving the air quality within the city.

9.3.1 This will build on the Governments decarbonisation investment plans and support economic growth locally in our towns and cities.

### **Socio-Economic implications**

10.1 **Derby City Council’s Refuse Collection Vehicles**

The proposed scheme will focus on selling advertising space to Derby based businesses rather than national advertisers in order to support growth within the local economy.

10.2 **Contract Award – Library Stock and material**

As part of the tender process, we ask suppliers to explain their equalities ‘Socio-Economic Duty’ contained within Section 1 of the Equality Act 2010.

### **Other significant implications**

11.1 **Contract Award – Library Stock and material**



If we stopped buying books for libraries the service would eventually erode. We would like to be part of the consortium and to the process in order to spend our budget efficiently.

### 11.2 Acceptance of Funding – LEVI

The installation of charge points will need to comply with the following:

- RC59: Recommendations for fire safety when charging electric vehicles
- PAS 1899:2022. Electric vehicles – Accessible charging – Specification

This report has been approved by the following people:

<b>Role</b>	<b>Name</b>	<b>Date of sign-off</b>
<b>Legal</b>	Olu Idowu, Head of Legal Services	13/07/2023
<b>Finance</b>	Toni Nash, Head of Finance	13/07/2023
<b>Service Director(s)</b>	Alison Parkin, Director of Financial Services	13/07/2023
<b>Report sponsor</b>	Liz Moore, Head of HR, and OD (Organisational Development)	N/A
<b>Other(s)</b>	Ann Webster, Lead on Equality and Diversity	N/A
<b>Background papers:</b>	N/A	
<b>List of appendices:</b>	N/A	