



**Report sponsors:**

Councillor Nadine Peatfield, Leader of the Council  
Councillor Baggy Shanker Cabinet Member for Governance and Finance  
Alison Parkin, Director of Financial Services  
Tammy Whitaker, Director of City Growth and Vibrancy

**ITEM**  
**12**

Report author: Toni Nash  
Tony Brady

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

### **Purpose**

#### **1.1**

- Acceptance of funding of £0.555m of S31 Grant for the Implementation of Supported Accommodation Reforms (SAR)
- Approval to undertake an early works contract on the Guildhall project pending Department for Levelling Up Housing and Communities (DLUHC) approval to the Levelling up Grant in the sum of £10m, which is now anticipated after the General Election.

### **Recommendations**

- 2.1 To note the acceptance of funding of £0.555m of S31 Grant for the Implementation of Supported Accommodation Reforms announced in the grant determination letter April 2024 outlined in section 4.1.
- 2.2 To approve the addition of the Guildhall early works as a scheme to the 2024/25 capital programme, at the value of £0.187m, funded as detailed in section 7 of this report.
- 2.3 To approve the use of the following existing funds from the current capital programme and from revenue to contribute towards funding the early works, noting that the exact capital balances are subject to August Cabinet approval of the 2023/24 slippage. See Table 1 below:

2.3	<table><tr><th>Source</th><th>Amount</th></tr><tr><td>Capital - From the Assembly Rooms car park fire alarm system</td><td>£0.084m</td></tr><tr><td>Capital - From the Guildhall roof repairs scheme</td><td>£0.058m</td></tr><tr><td>Revenue Contribution to Capital – from DLUHC LUF revenue capacity funding already received</td><td>£0.045m</td></tr><tr><td><b>Total</b></td><td><b>£0.187m</b></td></tr></table>	Source	Amount	Capital - From the Assembly Rooms car park fire alarm system	£0.084m	Capital - From the Guildhall roof repairs scheme	£0.058m	Revenue Contribution to Capital – from DLUHC LUF revenue capacity funding already received	£0.045m	<b>Total</b>	<b>£0.187m</b>
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<b>Total</b>	<b>£0.187m</b>										

## Reason

- 3.1 SAR - To inform cabinet of funding of £0.555m of S31 Grant for the Implementation of Supported Accommodation Reforms.
- 3.2 Guildhall - A Cabinet decision in April 2024 assumed work would commence May 2024, subject to DLUHC approval to a Project Adjustment Request (PAR) for the £20m Levelling Up grant already awarded for the Guildhall and Derby Theatre schemes, and the subsequent signed Memorandum of Understanding (MOU) with DLUHC and Derby Theatre scheme agreements. The final DLUHC approval to the PAR and issuing of the MOU has been delayed, pending the General Election, and a decision is not expected until August 2024 at the earliest.
  - 3.2.1 Guildhall - The intention is to mitigate further project delay and be in an advanced position so that once the Grant is approved, the works can proceed at pace. This is assuming that the final approvals for the LUF capital funding will subsequently be in place.
  - 3.2.2 Guildhall - It should be noted that there is no “do nothing” option in respect of the Guildhall from a building investment perspective. This important historic and listed building is in increasingly poor condition and the Council has to consider investment in the structural fabric of the building, whether linked to a wider scheme supported by Levelling Up funding or not, and elements of these early works would contribute to that future capital investment.

## Supporting information

- 4.1 **Supported Accommodation Reforms Funding**

In 2023, the Government introduced new requirements for providers of supported accommodation for looked after children and care leavers aged 16 and 17. Providers are required to register and be inspected by Ofsted against new national quality standards and associated administrative requirements. Ofsted began registering providers from 28 April 2023, and registration became mandatory from 28 October 2023.

  - 4.1.1 The changes were implemented by The Supported Accommodation (England) Regulations 2023, which introduced a new requirement on local authorities when placing looked after children aged 16 and 17 in placements in accordance with “other arrangements” under section 22C(6)(d) of the Children Act 1989 and when arranging accommodation for care leavers aged 16 and 17 under s.23B(8)(b) of the Children Act 1989.
  - 4.1.2 From 28 October 2023, local authorities have no longer been permitted to:
    - Place looked after children aged 16 and 17 in accordance with other arrangements under section 22C(6)(d) of the Children Act 1989, in provision that is not registered with Ofsted as supported accommodation or one of the specified exceptions; or
    - Arrange accommodation for care leavers aged 16 and 17 under s.23B(8)(b) of the Children Act 1989 in provision that is not registered with Ofsted as supported accommodation or one of the specified exemptions.

4.1.3 The purpose of this grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them in respect of these changes. Local authorities can use this grant funding to offset the increased costs associated with the impact of these changes.

4.1.4 It is recommended to note the acceptance funding of £0.555m of S31 Grant for the Implementation of Supported Accommodation Reforms announced in the grant determination letter April 2024.

#### **4.2 Guildhall Early Works Scheme £0.187m**

The aim of this report is to seek approval to undertake an early works contract on the Guildhall project pending Department for Levelling Up Housing and Communities (DLUHC) approval for the Levelling up Fund grant for the sum of £10m, which is anticipated August 2024 at the earliest following the General Election. The Cabinet report of 10<sup>th</sup> April 2024 details this.

4.2.1 Currently, technical design feasibilities and commencement of initial design and completion of pre-app planning discussions with the local planning authority (LPA) are on hold. However, in order to meet the tight deadline of the LUF grant, it is recommended that the early works are progressed in order to adhere to the project timeline as much as possible.

4.2.2 There will be a requirement for the Council to spend the Levelling Up grant by end of March 2026.

4.2.3 Spending £0.187m during July and August 2024 will help unlock the programme towards achieving the Council's cultural objectives.

4.2.4 It is recommended to approve the addition of the Guildhall early works as a scheme to the 2024/25 capital programme, at the value of £0.187m funded as outlined in section 7.2.

#### **Public/stakeholder engagement**

5.1 **Guildhall** - There has been continued engagement with the Council's partners, the University of Derby, and Derby Theatre.

5.1.1 There has been continued engagement with DLUHC.

#### **Other options**

6.1 **Guildhall** - Not to progress with the early works now would have a significant impact on the overall project timeline, which may in turn put our ability to claim the full Levelling Up funding at risk if we cannot meet the 31 March 2026 spend deadline.

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

7.1 **SAR** - The S31 Grant Determination Letter for the Implementation of the Supported Accommodation Reforms (SAR) Grant which states that the funding for 2024/25 is £0.555m an increase of £0.386m compared with the grant received in 2023/24 of £0.168m. There is no requirement to match any of the new allocation with council funds.

7.2 **Guildhall** - Cabinet in April 2024 approved the addition of the Guildhall Theatre Refurbishment scheme capital budget of £24.550m to the Council's capital programme funded by £10m Levelling Up capital grant (LUF) and £14.550m Prudential borrowing, subject to all funding and partnership agreements being in place. As explained in paragraph 3.1 above, the Levelling Up funding is not yet in place.

7.2.1 This report asks for approval to add a new scheme to the 2024/25 capital programme, at a value of £0.187m, to cover the costs of the Guildhall early capital works, in advance of being able to spend against the £24.55m Guildhall Theatre Refurbishment scheme.

7.2.2 The breakdown of costs will be as follows:

Source	Cost
Contractor – surveys, revise feasibility study and undertake stakeholder engagement	£0.153m
Project and cost management	£0.020m
Contingency	£0.014m
<b>Total</b>	<b>£0.187m</b>

7.2.3 The £0.187m will be funded as follows

- £0.045m revenue contribution to capital from the remaining LUF revenue capacity funding
- £0.084m transfer from the Assembly Rooms car park fire alarm system capital budget
- £0.058m transfer from the Guildhall roof repairs scheme capital budget

The two capital budgets above relate to schemes that due to other proposals for both the Assembly Rooms and the Guildhall buildings are no longer required for their original approved use.

7.2.4 Although we are awaiting final approvals for the LUF capital funding following a revised submission for the Derby Theatre element of the scheme, should that alter the funding as approved in the April 2024 report then a further cabinet report will be required, this however is very low risk. It should be noted that there is no “do nothing” option in respect of the Guildhall from a building investment perspective. This important historic and listed building is in increasingly poor condition and the Council should consider investment in the structural fabric of the building, whether linked to a wider scheme supported by LUF or not.

- 7.2.5 If the Guildhall Theatre Refurbishment project supported by £10m LUF does not progress, elements of these early capital works could be considered as abortive, where they are not relevant to what ultimate capital refurbishment scheme for the building is progressed. A revenue funding source will need to be found for any abortive cost in excess of the £0.045m LUF revenue capacity funding. There is currently no revenue budget identified to cover these costs so will need to be covered from the general reserve.

### Legal implications

- 8.1 **Guildhall** - The works are being procured the Pagabo public sector framework which is compliant with the Public Contract procurement regulations 2015.

### Climate implications

- 9.1 **Guildhall** - None directly from these early works.

### Socio-Economic implications

- 10.1 **Guildhall** - None directly from these early works.

### Other significant implications

- 11.1 **Guildhall** - An Equality Impact Assessment will be carried out when the Levelling Up funding is in place and the full Guildhall Theatre Refurbishment scheme can proceed.

This report has been approved by the following people:

Role	Name	Date of sign-off
<b>Legal</b>	Olu Idowu, Head of Legal Services	13/06/2024
<b>Finance</b>	Toni Nash, Head of Finance	13/06/2024
<b>Service Director(s)</b>	See Below	-
<b>Report sponsor</b>	Alison Parkin, Director of Finance	18/06/2024
	<b>Guildhall</b> -Tammy Whittaker/Nadine Peatfield/Alison Parkin	01/07/2024
<b>Other(s)</b>	Janice Hadfield, Head of Finance – Service Support	13/06/2024
	Ann Webster - Equalities	13/06/2024

  

<b>Background papers:</b>	N/A
<b>List of appendices:</b>	N/A