



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:
- the installation of the Big City Screen in the Market Place planned for April 2007, including consideration of the financial implications and approval for £34,000 per annum funding for 5 years from the corporate Modernisation Fund
 - the allocation of the remaining Building on Excellence budget 2006/07 totalling £91,550 as outlined in paragraph 2.3
 - the proposal to make the remaining post of Change Manager into a permanent position, funded from the Building on Excellence revenue budget
 - to increase Markeaton Park car park charges by 10 pence above the budgeted inflationary increase from 1 April 2007
 - the financing of the resurface works to the car park at Markeaton park at an estimated cost of £50,000 from the Pump Priming fund, repayable from additional car park income
 - to increase the cremation charges by £5 above the budgeted inflationary increase from 1 April 2007
 - the financing of the replacement carpets at Markeaton Crematorium at an estimated cost of £60,000 from the Pump Priming Fund, repayable from additional cremation fee income
 - further proposals totalling £37,027 on the use of the Youth Opportunity Fund.
- 1.2 Subject to any issues raised at the meeting, I support the following recommendation.

RECOMMENDATION

- 2.1 To approve the installation of the Big City Screen in the Market Place, on the basis that the Council should accept the risk of £60,000 worth of installation costs, and up to £34,000 per annum funding for 5 years from the corporate Modernisation Fund.
- 2.2 To approve the allocation of the remaining Building on Excellence budget 2006/07 totalling £91,550 as outlined in paragraph 2.3.
- 2.3 To approve that the remaining post of Change Manager be changed from a temporary two-year fixed-term contract to a permanent position, funded from the Building on Excellence revenue budget.

- 2.4 To approve an increase of 10 pence above the budgeted inflationary increase to the Markeaton Park car parking charges from 1 April 2007.
- 2.5 To approve the financing of the resurface works to the car park at Markeaton park at an estimated cost of £50,000 from the Pump Priming Fund, repayable over a period not exceeding 5 years.
- 2.6 To approve an increase of £5 above the budgeted inflationary increase in the price of a cremation from 1 April 2007.
- 2.7 To approve the financing of the replacement carpets at Markeaton Crematorium at an estimated cost of £60,000 from the Pump Priming Fund, repayable over a period not exceeding 5 years.
- 2.8 To approve a further £37,027 allocation from the Youth Opportunity Fund to projects detailed in paragraph 5.1.



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SUPPORTING INFORMATION

1. Big City Screen

- 1.1. Cabinet in August 2006 agreed in principle to the installation of a Big City Screen in the Marketplace supplied by Phillips provided that planning consent and a suitable funding package were secured. Preparatory work on feasibility studies to determine the location and bids for external funding have since been completed. Planning approval was issued on 15 December 2006.
- 1.2. A bid to Derby & Derbyshire Economic Partnership has been submitted to cover the installation costs and a decision on the amount of grant to be awarded is expected mid-February. The Council will bear the risk of funding the installation costs of £60,000 if the bid is not successful.
- 1.3. The screen is to be leased from Phillips Electronics at a cost of £75,000 per year for a period of 5 years and installation is planned for April 2007. The University of Derby are contributing £50,000 per year, the cost to the Council will be £25,000 per year.
- 1.4. It is proposed that the Council contribution of £25,000 per year will be met from the corporate Modernisation fund reserve for a period of 5 years. On renewal of the contract future funding beyond the five year period would need to be found after consideration of conditions at the time and success of the current initiative.
- 1.5. The Council will be liable for any repairs due to vandalism and the Council's Insurers have confirmed that they will not provide insurance against third party malicious damage. There will also be other running costs such as electricity. The total estimates running costs could be up to £9,000 per annum, if Business Rates are found to apply. These will also be funded from the corporate modernisation fund for the first five years. Cleaning and day to day general maintenance of the screen will be the responsibility of Phillips.
- 1.6. Additional expenditure would be required to support major events such as on public safety and amenities. This will vary according to the programme adopted, but would include measures such as barriers, stewarding and the hire of an additional public address system. The plan is to cover these costs by raising income from sponsors.

- 1.7 Approval is now sought to enter into the 5 year supply contract with Philips and install a Big City Screen for Derby, with funding of up to £34,000 per annum for five years from the corporate Modernisation fund.

2 Building on Excellence budget allocations 2006/07

- 2.1 As outlined in a paper to Building on Excellence Policy Group on 18 January 2007, the Building on Excellence budget currently has £91,635 of uncommitted funding. This includes £14,308 of funding from the Regional Centre of Excellence which was allocated to the Council to fund change and project management time as part of our work to improve customer service in Streetcare.
- 2.2 As part of the restructure of the programme during 2006, the newly formed theme boards have been establishing priorities and work programmes and identifying projects where additional funding from the programme will be required.
- 2.3 The Policy Group recommended the following schemes in 2006/07, subject to Cabinet approval ...

Scheme	Amount	Comment
Communication and Engagement Board – Media and Communications Software	£6,900	Previously approved by Building on Excellence Policy Group in November 2006.
Procurement and Efficiency Board – Procurement e-Training	£2,500	This is required to address Procurement Training which is currently a red risk for the programme.
Excellence and Learning Board – Working Wonders Project	£300	To enable this pilot to proceed in advance of the CPA Corporate Assessment this funding is required.
Excellence and Learning Board – Utilising Employee Suggestions	£2,350	To enable this pilot to proceed in advance of the CPA Corporate Assessment this funding is required.
Customer Service Board – Customer Service Training	£17,000	The Contract for the Customer Service Trainer will finish in March 2007. An additional six months is required to make sure this project is completed prior to the Corporate Assessment.
Customer Service Board – Opinion Meters	£5,000	This has been successfully piloted using one meter. There is now a need to extend this by purchasing two additional meters.

Scheme	Amount	Comment
Communication and Engagement Board – Communication Strategy Implementation	£10,000	A fully developed Communication Strategy with clear evidence that actions are being implemented will be crucial for the Corporate Assessment. This funding will enable the creation of a temporary part-time post for 7 months to support the Head of Communications and Consultation in delivering this work.
Excellence and Learning Board – IIP Reassessment	£6,000	This will fund the costs of IIP reassessment in 2007/08.
Excellence and Learning Board – Employee Survey	£15,000	Following the Employee Focus Groups in 2006, this will fund an Employee Survey in 2007/08 which will help the preparatory work for the Corporate Assessment.
Customer Service Board – Strategy Development	£10,000	This will enable the Head of Customer Service to continue with the implementation of the Customer Service Strategy prior to the Corporate Assessment.
Excellence and Learning Board – Employee Benefits Scheme	£8,500	This will fund a part-time post for two days a week for the period April – October 2007 to enable implementation of the scheme. It is anticipated that once implemented, savings to the Council in National Insurance payments can be used to fund the on-going costs of administering the scheme.
Excellence and Learning Board – Coaching / Mentoring Training Programme	£8,000	This is an important project for the programme in developing management capability across the organisation.
Total allocations	£91,550	

- 2.4 Cabinet is asked to approve the allocation of £91,550 Building on Excellence budget 2006/07 to fund the above revenue commitments. These allocations will be reflected in the detailed revenue budgets 2006/07.
- 2.5 In 2007/2008 there is also a commitment to fund the two Change Manager temporary posts through to 31 October 2007 at a cost of £62,825. In December 2006, one of the Change Managers was promoted to the permanent post of Business Improvement and Change Manager. Funding for the remaining Change Manager through to 31 October 2007 will be £31,412 and a full year funding would be £53,851, including oncosts.

- 2.6 At Building on Excellence Board on 16 January 2007, the Board recommended that the remaining post of Change Manager be changed from a temporary two-year fixed-term contract to a permanent position, funded from the Building on Excellence revenue budget. This is subject to Cabinet approval.

3 Markeaton Park Car Park

- 3.1 There is a need to carry out some work to the main car park at Markeaton Park. In the long term, it is planned to apply for lottery funding to undertake major refurbishment of the park which will include the main car park. Even if we are successful it will be at least five years before work is started on site.
- 3.2 It is proposed to carry out repair work to the car park by basic sealing and dressing at a cost of £50,000. This will provide a safe surface until major refurbishment takes place.
- 3.3 There is no provision in the 2006/07 revenue budget for this work. It is proposed, however, to increase the car parking charge by 10 pence above the planned inflationary increase from April 2007 to generate approximately £10,000 additional income annually. This can be used to repay an advance of £50,000 from the corporate Pump Priming Fund in 2006/07 to fund the works, repayable over a period not exceeding five years.
- 3.4 Cabinet approval is sought to advance £50,000 from the Pump Priming Fund for these works and for the 10p above budgeted inflation increase to the car park charges from 1 April 2007.

4 Carpets at Crematorium

- 4.1 The carpets in the chapels at the crematorium have been in place for over 20 years and are in need of replacement. This is estimated to cost £60,000. The new carpets are expected to last 20 years and will not be at risk when the mercury abatement work and replacement of the cremators take place.
- 4.2 There is no provision in the revenue budget 2006/07 to replace the carpets. It is proposed, however, to increase the cost of a cremation by £5 above the planned inflationary increase from April 2007. This is expected to generate an additional £14,000 income per year. This can be used to repay an advance of £60,000 from the corporate Pump Priming Fund in 2006/07 to fund the replacement carpets, repayable over a period not exceeding five years.
- 4.3 Cabinet approval is sought to advance £60,000 from the Pump Priming Fund for the replacement carpets and for the £5 above budgeted inflation increase to the cremation charge from 1 April 2007.

5 Youth Opportunities Fund

- 5.1 Allocations totalling £37,027 from the Youth Opportunities fund for:
- new activities for young people in Normanton, Osmaston, Alvaston, Derwent and Mickleover wards as well as some specialist projects working with vulnerable young people are recommended for approval £23,012

- projects in the Stockbrook Street and Normanton area £14,015.

5.2 The total fund is £150,403. These allocations together with the £80,096 previously committed leaves a balance of £33,280 still available to allocate.

For more information contact:	Carolyn Wright 01332 255349 e-mailCarolyn.Wright@derby.gov.uk
Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial

1. As detailed in the report.

Legal

2. None.

Personnel

3. None.

Equalities impact

4. None.

Corporate priorities

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