



Derby City Council

COUNCIL CABINET
9 December 2015

Report of the Leader of the Council

ITEM 15

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 current 2015/16 programme
 - Local Growth Fund (LGF) rounds 1 & 3 grant funding bids
 - approval to update approved Council policies in line with the organisational restructure and subsequent post changes.
 - award of contract

RECOMMENDATION

- 2.1 To approve changes and additions to the capital programme in section 4 – 4.5 and Appendix 2 & 3
- 2.2 To approve the acceptance of the LGF1 bids and note the financial implications detailed in paragraph 5 – 5.9.
- 2.3 To seek approval to bid for LGF3 as detailed in paragraphs 6 – 6.5.
- 2.4 To delegate authority to the Director of Governance and Assurance to approve, where necessary, update's to the Council's current approved policies in respect of changes to directorates and post titles as a result of the organisational restructure as detailed in section 7.
- 2.5 To approve the award of contract for the supply of end user computing devices as detailed in section 8.

REASONS FOR RECOMMENDATIONS

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



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Report of the Chief Executive

SUPPORTING INFORMATION

4 Update on Capital Programme 2015/16

4.1 The latest programme approved by Cabinet at 11 November was £88,722,910.

Reductions to the programme that have been agreed under the Scheme of Delegation (attached for information) totalling £114,000 (Appendix 2).

4.2 A reduction to the programme of £3,089,000 is required for the Our City Our River Scheme for slippage to 2016/17. Since the last report to cabinet regarding the project the complex hybrid formal planning application was granted permission by Planning Committee at 15 October, some 6 months later than original forecasts. This was due to a protracted and complicated consultation process which has resulted in a delay to the start date for the stand alone defences in the first package of works; the impact of this has resulted in the reduction to the forecast capital costs. The design & build construction contract is in place and set ready to undertake the necessary preparation works to allow for the construction of the scheme to start in earnest in Jan 2016.

4.3 Slippage on the Property Improvement Programme reflects a revised spend profile, and totals £75,000.

4.4 Slippage on the Regeneration Programme totals £430,000 and is related to District Centre works. They reflect the changes in delivery programmes and the budget consultation process which may result in a rephrasing of the District Centre programme. Details can be found in Appendix 3.

4.5 With the required approval the revised capital programme will be £85,472,000. This allows for the entire over programming to be fully funded, £458,000.

5 Local Growth Fund Applications: Round 1

5.1 In July 2014, D2N2 Local Enterprise Partnership announced details of the Growth Deal agreed with Central Government. This included £174,000,000 of Local Growth Fund money towards a range of strategic projects across Derby, Derbyshire, Nottingham and Nottinghamshire.

5.2 Within this Growth Deal, Derby City Council is sponsoring 3 major strategic projects requiring over £30,000,000 of the Local Growth Fund awarded to D2N2. There is no additional funding from Derby City Council required as our match funding is coming from existing schemes already on the Capital Programme detailed below.

5.3 Infinity Park Derby:

This includes continuing infrastructure development on this key employment site through site access, extending the spur roads within the site and plot preparation. The project will support the competitiveness of local supply chain through local sustainable transport measures and will improve access to the local labour market through infrastructure improvements into neighbouring Osmaston.

5.4 Financial Implications of Infinity Park:

The total project cost is £26,360,000 between 2015-16 and 2020-2021. The Local Growth Fund contribution requested is £13,650,000 and the Derby City Council match funding required is £4,150,000. The DCC funding is from existing approved budgets on the Capital Programme, namely £4,000,000 DCC contribution to the Infinity Park Derby T12 project (on site) and £150,000 approved budget towards Access Osmaston.

5.5 Vibrant City Placemaking and Connected Cycle City:

This includes improvements to pedestrian and cycle accessibility to and within Derby City Centre, plus enhancements to the quality of the public realm. The project will deliver improvements at The Spot, through the whole of St Peters Street, Full Street and gateway improvements at Burton Road/Normanton Road/Green Lane roundabout, Queen Street/King Street junction with the Inner Ring Road and the Riverside between Exeter Bridge and Holmes Bridge.

5.6 Financial Implications of Vibrant City Placemaking and Connected City:

The total project cost is £15,436,000 of which £6,460,000 is our Local Growth Fund request and the balance of £8,976,000 Derby City Council match funding. The Derby City Council contribution is from existing approved budgets on the Capital Programme specifically:

£1,201,000 spend in previous financial years on St Peter's Cross and The Spot
£610,000 approved DCC budget towards The Spot in 2015-16 and 2016-17 and
£6,760,000 approved DCC budget for the City Living Initiative.

5.7 Our City Our River:

This is a programme of strategic flood defences with associated regeneration of commercial and residential development sites along the river corridor, and a new walking and cycle route alongside the River Derwent from the City Centre.

5.8 Financial Implications of Our City Our River:

The total project cost is £95,000,000 of which a contribution of £12,000,000 is sought from LGF.

5.9 Since July 2014 D2N2 and the Department for Transport have been appraising our projects in more detail and we now have "Stage 1" approval for all 3 projects. A Stage 2 Full Business Case for all 3 projects which complies with D2N2's requirements has been submitted. We expect a final decision on our LGF funding application in January

2016.

6 Local Growth Fund applications: Round 3

6.1 In September 2015 D2N2 invited indicative project proposals for a potential third round of Local Growth Fund. In consultation with Chief Officer Group and lead Members, officers prioritised a small number of strategic bids that were submitted by the deadline of 28th October. The decision making process and timetable is not yet known, and full business cases for schemes will need to be submitted as part of the due diligence process. When full business cases for schemes are developed further detail will be provided to Cabinet and associated decisions on the Derby City Council contribution to individual projects made.

6.2 Bids from Derby City Council

- City Centre Masterplan 2030 implementation – LGF is an ask of £91,000,000 against a total project of £208,000,000.
- Transport Vision, A52 transport corridor & Pride Park – LGF is an ask of £14,800,000 against a total project cost of £102,000,000.
- Transport Vision, A5111 capacity improvements – LGF is an ask of £37,000,000 against a total project cost of £108,000,000.
- Vibrant District Centres programme – LGF is an ask of £3,730,000 against a total project of £5,380,000.
- Low Carbon Transport Technology Centre feasibility study – LGF is an ask of £75,000 against a total project of £150,000.

6.3 Bid on behalf of Derby City Council/ Derbyshire County Council/ South Derbyshire

- South Derby Link Road ('seed monies') – LGF an ask of £400,000.

The decision making process and timetable is not yet known, and the detail of Derby City Council's contribution to individual projects will be subject to further reports to Cabinet at the appropriate time.

6.4 Implications for Derby City Council

In terms of the LGF1 bids already in progress and on the capital programme the total match funding of £12,721,000 has been funded through corporate budgets mainly through borrowing which impacts on the Councils revenue budgets for the repayment of the borrowing and has already been accounted for in the current MTFP.

6.5 LGF3 is likely to require some Council match funding which will be considered in more detail as any detailed bids are developed. As stated in 6.1 full business cases will be pulled together as part of the due diligence process. These will have to include any potential impact on the current MTFP prior to committing to further Council expenditure.

7 Policy updates

- 7.1 Following the change in organisational structure effective 1 September 2015, a number of approved Council policies now refer to directorates and delegate authority to posts which no longer exist. As such a number of Council policies require updating.
- 7.2 As a number of posts were removed in the new structure approval is sought to alter these posts in the relevant policies to the most appropriate new post of comparable seniority. If a suitable replacement is not possible, resulting in the need for a policy to be fundamentally changed, these changes will require individual review and approval.
- 7.3 It is recommended that authority to approve updates to Council policies to reflect changes to directorate and post titles as a result of the new organisation structure, implemented on 1 September 2015, is delegated to the Director of Governance and Assurance.

8 Award of Contract

- 8.1 The council has undertaken a tender process to identify a suitable supplier of end user computing devices. This will be a call off contract as and when devices need to be replaced and as both council needs change and new technology emerges will offer a range of desktop, laptop and tablet computers and will include an IT disposal service to manage computers at their end of life in accordance with security and environmental regulations. This contract will replace the arrangements we had to buy such devices via the contract with Serco.
- 8.2 The contract value will be up to a maximum spend of £2,100,000 covering an initial 2 year contract and an option to extend for a further 2 years. Before any extension further price benchmarks will be undertaken to check this remains to be the best value for the Council.
- 8.3 It is recommended that a contract for the end user computing devices is awarded to the successful supplier from the completed tender process.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Martyn Marples Director of Finance
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For more information contact: Background papers: List of appendices:	Mark Nash 01332 643364 e-mail mark.nash@derby.gov.uk None Appendix 1 – Implications Appendix 2 – Summary of changes to the capital programme 2015/16 made under Delegation Appendix 3 – Summary of Changes to the capital programme 2015/16 requiring Cabinet approval
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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 approved capital strategy and Asset Management Plans which accord with the Council's corporate priorities.

Changes to the Capital Programme made under delegation.

Programme	Scheme	£000's
CYP	School Access Initiative	(12)
	Dale Primary School - School Access works	5
	Asterdale - School Access works	5
	Littleover - School Access works	1
	Markeaton Primary - School Access works	1
	Meadow Farm - Rewire	3
	Rosehill Infant School - Window replacement	9
	Ashgate Nursery - Boiler Replacement	2
	St Andrew's - Fieldsway Drive	1
	St Andrew's - Gas works	1
	Ridgeway Infant - Roofing and Vic Hallam	1
	Arboretum Primary School - Refurbishment	(21)
	Littleover - Phase 1 expansion	21
	Allenton Primary School - expansion	11
	Bemrose - Additional capacity	6
	Total delegated changes CYP	34
Property Improvement	Childrens Homes (including The Willows)	(48)
Property Maintenance	Markeaton Park - Repairs to pirate ship	50
	HOP's bringing homes up to regulation standards	(100)
	Various sites fire precaution works	417
	Corporate Kitchens Upgrades	(3)
	In year priorities to be identified	(219)
	Parks refurbishment of BMX facilities	(25)
	Arboretum House FRA Works	18
	Bramblebrook House FRA Works	(10)
	Coleridge House FRA Works	(79)
	Merrill House FRA Works	(118)
	Perth House FRA Works	(7)
	Raynesway View FRA Works	(36)
	Warwick House FRA Works	12
	Total delegated changes Property Maintenance	(100)
	Total net changes	(114)

**Appendix 3
Summary of Changes Requiring Cabinet Approval**

Summary of further changes to the capital programme 2015/2016	Latest Approved Capital Programme 2015/16 £000	Revised Capital Programme 2015/16 £000	Change £000	Category
Flood Defence				
Our City Our River	7,670	4,581	(3,089)	S
Total Changes to the Flood Defence programme	7,670	4,581	(3,089)	
Property Improvement Programme				
Museum major projects (Silk Mill)	250	175	(75)	S
Total Changes to The Property Improvement Programme	250	175	(75)	
Regeneration Programme				
District Centre Improvement Programme	666	236	(430)	S
Total Changes to the Regeneration Programme	666	236	(430)	
TOTAL CHANGES TO PROGRAMME	8,586	4,992	(3,594)	
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			
R2	Re-allocated Within Departments Programme			
R3	Re-allocated To Different Departments Programme			

