



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:
- Contract procurement (which has an estimated total value of over £75,000)
 - Carry forward of Community and Devolved budget underspends.
 - Changes to the current 2016/17 Capital programme.

RECOMMENDATION

- 2.1 To approve the delegated authority to award a contract, with a value likely to be in excess of £75,000, to a suitable energy provider to form a White Label Energy Arrangement, to the Strategic Director of Communities and Place and the Director of Finance, after consultation with the leader, as detailed in section 4.
- 2.2 To approve the carry forward of any unspent Community and Devolved budgets, from 2016/17 to 2017/18, as detailed in section 5.
- 2.3 To approve changes including additions to the capital programme in section 6 and Appendix 2 & 3.
- 2.4 Approve the acceptance and application of the Local Levy funding from the Environment Agency as detailed in paragraph 6.4.

REASONS FOR RECOMMENDATIONS

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



SUPPORTING INFORMATION

4 White Label Energy Arrangement

- 4.1 The Council proposes to offer a trusted local authority energy brand to its citizens as an alternative to "big six" suppliers and deliver a white label gas and electricity product.
- 4.2 This arrangement will seek to help to reduce fuel poverty in the city, by offering market-leading prices to Derby's citizens and neighbouring areas, and will have a positive impact on our most at risk citizens by offering them a trustworthy, reliable and cost effective energy brand.
- 4.3 In December 2016 the Council successfully conducted soft market testing to assess the viability of forming a white label arrangement with licensed energy providers. The soft market testing has helped us as an organisation clarify what is possible and how it aligns to our corporate goals.
- 4.4 A request for proposals document was released to the market on 19th January 2017, which seeks the involvement of suitable licensed energy providers to partner with the Council and form a white label energy document. The document clearly states that any award of contract is subject to Council Cabinet approval.
- 4.5 It is recommended that Cabinet delegates authority to award the contract to the Strategic Director of Communities and Place and the Director of Finance after consultation with the Leader.

5 Carry forward of neighbourhood board funding

- 5.1 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 place to live. The boards carried forward the unspent budget of £232,698 from 2015/16 to 2016/17, to fund existing commitments. The Neighbourhood Partnership Managers are working hard to clear the remaining balances within each ward.
- 5.2 Community and Neighbourhood Partnerships are seeking approval to carry forward any funding which has been allocated but where the work will be delivered in 2017/18. 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.
- 5.3 It is recommended Cabinet approves the carry forward of any unspent Community and Devolved budgets from 2016/17 to 2017/18.

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6. Update on Capital Programme 2016/17

6.1 The latest programme approved by Cabinet at 8 February 2017 was £55,738,626, and will be £55,299,626 following changes detailed below.

- Reductions to the programme that have been agreed under the Scheme of Delegation (attached for information) total (£22,000). (Appendix 2).
- Reductions to the programme requiring Cabinet approval total (£417,000) and are detailed in Appendix 3.

6.2 A net change to the Schools Capital Programme is required of £34,000. There are no significant changes over £200,000.

6.3 A net change to the Housing Revenue Account (HRA) is required of (£109,000). Changes over £200,000 are detailed below.

- £288,000 increase to the Solid Wall Insulation scheme. This is as a result of the receipt of warm zone funding for installing solid wall insulation to a maximum 80 homes in Derby, split between HRA stock and loans to the private sector over a period of four years. The Warm Zone funding was bid for and the necessary approvals gained at the time of bidding.

6.4 A net change to the Flood Defence Capital Programme is required of £62,000. These changes relate to the addition of two new schemes as follows:

- £45,000 Ground Water Level Monitors (GWLM). There are a number of areas in Derby which are shown as being at significant risk of ground water flooding on the British Geological Survey's Hydrogeological maps. Installation of the GWLM's will enable the council to monitor ground water levels in those areas identified on the hydrogeological maps, thereby enabling the council to:
 - Forewarn residents if ground water flooding is likely to occur
 - provide better informed responses to planning issues in respect of potential development sites planned in areas of ground water flood risk

Monitor the effects of future developments and structures on ground levels as part of any future flood event investigations.

- £ 17,000 Lens Road for the installation of property level protection measures to three properties on Lens Road, Derby, in order to reduce the potential and consequences of further episodes of internal property flooding from the nearby Markeaton Brook. Although Lens Road isn't owned by the Council flood protection is the Council's responsibility.

6.5 A net change to the Highways and Transport Capital Programme is required of (£579,000). Changes over £200,000 are detailed below.

- (£419,000) slippage for the A52 scheme. A large part of this year's budget was for planned land acquisition. However, whilst negotiations with land owners are well advanced and in tandem with Compulsory Purchase Orders, there remains

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uncertainty over the completion of the land purchases this financial year. This is due to the predictability of when the land acquisitions will be completed because of lengthy negotiations with the land owners.

- 6.6 A net change to the Regeneration Programme of £140,000 is required. There are no significant changes over £200,000.
- 6.7 A net change to the Vehicles, Plant & Equipment Programme of £13,000 is required. There are no significant changes over £200,000.
- 6.8 With the required approval the revised capital programme will be £55,299,626.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Olu Idowu, Head of Legal Services Toni Nash, Head of Corporate Finance. Jill Craig, Interim Director of Information Services. Martyn Marples, Director of Finance. David Cox, Head of HR.
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For more information contact: Background papers: List of appendices:	Mark Nash 01332 643364 e-mail mark.nash@derby.gov.uk Appendix 1 - Implications Appendix 2 – Summary of changes to the capital programme 2016/17 made under Delegation Appendix 3 – Summary of Changes to the capital programme 2016/17 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.

Scheme Area	Latest Approved Capital Programme 2016/17 £000	Revised Capital Programme 2016/17 £000	Change £000's
Schools			
St Giles Special School - Classrooms	5	2	-3
Chaddesden Park Primary - Temp Classrooms	1	0	-1
Allenton Primary - New Classrooms	9	4	-5
Walter Evans Primary - External Works	3	1	-2
Chellaston Junior School - Hall Extension	28	23	-5
Silverhill Primary School - Extension	0	2	2
Ashgate Primary - Major refurbishment	0	8	8
Meadow Farm Primary - Rewiring	75	85	10
Ravensdale Junior - Windows	0	2	2
Springifeld Primary - Access works	93	94	1
Shelton Junior - Fire Risk Assessment works	49	42	-7
Two Year Old Capital Grant	15	0	-15
Total delegated Changes Schools	278	263	-15
Vehicles Plant & Equipment			
Advertising Boards	0	13	13
Street Cleaning (funding change)	240	240	0
Total delegated Changes Vehicles Plant & Equipment	240	253	13
Highways			
ITS Maintenance	229	212	-17
Traffic Management	593	610	17
Strategic Network Management	607	587	-20
Total delegated Changes Highways	1,429	1,409	-20
Total Net Changes	1,947	1,925	-22

Summary of Changes Requiring Cabinet Approval

Summary of further changes to the capital programme 2016/2017	Latest Approved Capital Programme 2016/17 £000	Revised Capital Programme 2016/17 £000	Change £000	Category
Schools				
Brackensdale Infant - Early Years Childcare FEEE provision	0	15	15	R2
Pupil Referral Unit - Castle Site - Remodelling	0	38	38	A
School Devolved Formula Capital	739	728	-11	R2
Marble Hall - Nursery Modifications	0	7	7	A
Total Changes to Schools Programme	739	788	49	
HRA				
Communal door entry	50	33	-17	R1
Rewiring/ electrical upgrades	250	100	-150	S
Solid Wall insulation	297	585	288	R1
Emergency call system	80	0	-80	S
The Knoll	200	50	-150	S
Total Changes to HRA Programme	877	768	-109	

Summary of further changes to the capital programme 2016/2017	Latest Approved Capital Programme 2016/17	Revised Capital Programme 2016/17	Change	Category
Flood Defence				
New Scheme - Groundwater and Flow Monitoring	0	45	45	A
New Scheme - Lens Road	0	17	17	A
Total Changes to Flood Defence Programme	0	62	62	
Highways & Transport				
Structures Maintenance	762	622	-140	S
A52	2,018	1,599	-419	S
Total Changes Highways & Transport Programme	2,780	2,221	-559	
Vehicle Plant & Equipment				
Grounds Plant & Equipment	200	200	0	N/A(funding Change)
Total Changes Vehicle Plant & Equipment Programme	200	200	0	
Regeneration Programme				
Creative Pathways	25	15	-10	S
D2EGF Growth & Innovation	0	150	150	A
Total Changes to Regeneration Programme	175	165	140	
TOTAL CHANGES TO PROGRAMME	4,621	4,204	-417	

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