

Report sponsor: Don McLure, Strategic Director
of Corporate Resources
Report author: Toni Nash, Head of Finance

Compliance with Contract and Financial Procedure Rules

Purpose

- 1.1 To seek approval by Council Cabinet under Contract and Financial Procedure rules for the following:
 - i. To approve the amendments to Financial Procedure Rules to support the implementation of 'Pre-paid cards System' in Peoples services;
 - ii. To delegate authority to the strategic Director of Corporate Resources to accept the second year funding grant from Ministry of Housing, Communities & Local Government (MHCLG) Rough Sleeper Fund for 2019/20 in the sum of £0.343m subject to agreeable terms and conditions;
 - iii. To approve the transfer of the 2019/20 Rough Sleeper Fund grant from Derby City Council to Housing Options within Derby Homes subject to a Service Level Agreement;
 - iv. To approve delegated authority to the Strategic Director for Communities and Place following consultation with the Strategic Director of Corporate Resources and Leader of the Council, to accept and enter into a variation to the Deed of Grant between East Midlands Business Limited and Derby City Council in regard to the D2N2 Growth and Innovation Programme;
 - v. To approve the Council's match funding contribution to the D2N2 Growth and Innovation Programme 2 (GIP2);
 - vi. To approve a waiver of the Contract and Procedure Rules in order to award a works contract directly to St James Securities in relation to the City Centre Becketwell Regeneration Scheme.

Recommendations

- 2.1 To approve the adoption of changes to Financial Procedure Rules to support the implementation of pre-paid cards in Peoples services, as detailed in section 4.1.
- 2.2 To delegate authority to the strategic Director of Corporate Resources in consultation with the Cabinet Members for Adults Health and Housing and Finance and Procurement to accept the second year funding grant from MHCLG Rough Sleeper Fund for 2019/20 for the sum of £0.343m subject to agreeable terms and conditions, as detailed in section 4.6.
- 2.3 To approve the transfer of the 2019/20 Rough Sleeper Fund grant from Derby City Council to Housing Options within Derby Homes subject to a Service Level Agreement, as detailed in section 4.6.

- 2.4 To approve delegated authority to the Strategic Director for Communities and Place following consultation with the Strategic Director of Corporate Resources and Leader of the Council, to accept and enter into a variation to the Deed of Grant between East Midlands Business Limited and Derby City Council in regard to the D2N2 Growth and Innovation Programme, as detailed in section 4.14.
- 2.5 To approve the Council's match funding contribution to the D2N2 Growth and Innovation Programme 2 (GIP2), as detailed in section 4.14.
- 2.6 To approve a waiver of the Contract and Procedure Rules in order to award a works contract directly to St James Securities (SJS) to progress public realm works as part of the Becketwell Regeneration scheme, as detailed in section 4.20.

Reasons

Supporting information

- 4.1 **Amendments to Financial Procedure Rules to support the implementation of pre-paid cards in Peoples Services**
Peoples Services are preparing to implement a new method of payment for the following services:
- Appointeeship payments
 - Direct Payments
 - Care leaver Payments
 - Payments to unaccompanied young asylum seekers
 - Homeless Payments
- 4.2 At present the above services are paid direct to their bank account and in some cases in cash - if the individual does not have access to a bank account.
- 4.3 After concerns around the use of cash, and the lack of visibility of payments made to clients were identified, a project team was established to look into alternative methods of payment. The team identified pre-paid cards as the optimum solution; however, these are not covered in the current iteration of Financial Procedure Rules (FPRs). To support the implementation of the pre-paid cards some amendments to our FPRs are required.
- 4.4 The amended FPR's are found at appendix 1 - with all changes highlighted in grey. The changes are broadly to allow pre-paid cards as our preferred method to cash to pay clients and to set a review period for such cards.
- 4.5 It is recommended to approve the adoption of changes to Financial Procedure Rules to support the implementation of pre-paid cards in Peoples services.

4.6 Ministry of Housing, Communities and Local Government Rough Sleeper Funding for 2019/20

In 2018 government announced a £30m fund to tackle rough sleeping nationally. Derby was highlighted as a city and place where rough sleeping levels were a cause for concern with 37 rough sleepers identified during an annual count / estimate in November 2017. An urgent leader approval was obtained to bid for this grant on 10 May 2018.

- 4.7 Derby was awarded £0.303m Rough Sleeping Grant in August 2018 by MHCLG for 2018/19 delivery. This funding was transferred to Derby Homes and enabled the creation of the Resettlement, Engagement Support Team (REST) to be established to provide outreach and in-reach services to those rough sleeping or at risk of rough sleeping.
- 4.8 In addition the MHCLG Grant was used to open the Night shelter provision early, from 1 October 2018, instead of the customary winter opening date of 1 December 2018.
- 4.9 The final component of the grant was used for a small personal budget fund to assist each rough sleeper with necessities and aspirations that would try to prevent any repeat period of rough sleeping.
- 4.10 In November 2018 Derby conducted a further official estimate of rough sleepers where the numbers had reduced to 26 – a reduction of eleven.
- 4.11 On 13 March 2019, MHCLG confirmed a second year of grant award under the Rough Sleeping Initiative for Derby. In receiving the 2019/20 allocation of grant, Derby Homes, on behalf of the Council, will be able to continue the programme of outreach and in-reach throughout this financial year, and will again be able to open the Nights shelter provision from 1 October 2019.
- 4.12 It is recommended to approve delegated authority to the strategic Director of Corporate Resources in consultation with the Cabinet Members for Adults Health and Housing and Finance and Procurement to accept the second year funding grant from MHCLG Rough Sleeper Funding for 2019/20 in the sum of £0.343m subject to agreeable terms and conditions.
- 4.13 It is recommended to approve the transfer of the grant from Derby City Council to Housing Options within Derby Homes subject to a Service Level Agreement.

4.14 D2N2 Growth and Innovation Programme 2 (GIP2)

The Derby Enterprise Growth Fund team delivered the previous Derby and Derbyshire (D2) Enterprise Growth Fund (D2EGF) project with match funding provided from the DEGF cash flow supported by a grant contribution from Derbyshire County Council. This project closed in December 2018. The Council worked collaboratively with East Midlands Business and the University of Derby to submit an ERDF bid on 26 January 2018. An update was provided to the 14 November 2018 Cabinet meeting about this bid. D2EGF will be managed by the Derby Enterprise Growth Fund team within the Economic Growth service. East Midlands Business Limited are the Accountable Body for the overall programme – entitled D2N2 Growth and Innovation Programme 2 (GIP2). As such East Midlands Business will need to sign the Funding Agreement with the Ministry of Housing, Communities Local Government.

4.15 The GIP2 programme will help to stimulate economic growth, employment and innovation in the D2N2 area by providing grants to small and medium enterprises that want to grow, innovate and create sustainable new employment. The programme brings together three grant schemes that between them cover the whole D2N2 area. The grant schemes are:

- University of Derby - Invest to Grow Programme
- East Midlands Business Limited - Small Grants Scheme
- Derby City Council - D2EGF

4.16 The new D2EGF fund will create at least 112 jobs and support at least 16 companies. This will be available across all of Derbyshire. In order to secure £0.636m ERDF support, a match funding contribution is required. The project will part fund existing DEGF staff.

4.17 A total of £0.700m match funding is required of which Derbyshire County Council have approved £0.200m towards this project which will be paid into our account and Derby City Council has funding available within the Council's DEGF account of £0.500m. The project will be delivered over a three year period to Dec 2021.

4.18 It is recommended to approve delegated authority to the Strategic Director for Communities and Place following consultation with the Strategic Director of Corporate Resources and Leader of the Council, to accept and enter into a variation to the Deed of Grant between East Midlands Business Limited and Derby City Council in regard to the D2N2 Growth and Innovation Programme.

4.19 It is recommended to approve Derby City Council's match funding contribution of £0.500m to the D2N2 Growth and Innovation Programme 2 (GIP2).

4.20 Becketwell Regeneration

Council Cabinet on March 13 2019 approved the vision and delivery mechanism for Becketwell Regeneration. Cabinet also delegated authority for the negotiation and completion of contracts associated with delivering works at Becketwell.

- 4.21 St James Securities (SJS) is acquiring the former Debenhams building and delivering a new residential development on that site, subject to planning permission and funding.
- 4.22 A direct award of the contract to SJS for delivering public realm works associated with Becketwell Regeneration will transfer construction and delivery risk to the developer from the Council and will enable works to be delivered in the most expedient way. External legal advice has confirmed that this is a legitimate delivery route, subject to satisfying internal procurement regulations, therefore to enable this, a waiver is required.
- 4.23 It is recommended to approve a waiver of the Contract and Procedure Rules in order to award a works contract directly to SJS to progress public realm works as part of the Becketwell Regeneration scheme.

Public/stakeholder engagement

- 5.1 None directly arising.

Other options

- 6.1 None directly arising.

Financial and value for money issues

- 7.1 As detailed in the main body of the report.

Legal implications

- 8.1 None directly arising.

Other significant implications

- 9.1 **Equalities Impact**
Equalities Impact completed for pre-paid cards service.
- 9.2 **Corporate objectives and priorities for change**
A strong community.

This report has been approved by the following people:

| Role | Name | Date of sign-off |
|---------------------|-------------|------------------|
| Legal | Olu Idowu | 01/04/2019 |
| Finance | Toni Nash | 01/04/2019 |
| Service Director(s) | Don McLure | 01/04/2019 |
| Report sponsor | Don McLure | 01/04/2019 |
| Other(s) | Ann Webster | 01/04/2019 |
| | Liz Moore | 01/04/2019 |

Appendix 1

AMENDED FINANCIAL PROCEDURE RULES

Payments by Direct Debit

Responsibility of Strategic Director of Corporate Resources

D7.31 To ensure that no payment is made by the Council via direct debit from any of the Council's bank accounts without the relevant mandate first having been authorised by the Strategic Director of Corporate Resources.

Responsibility of Strategic Directors

D7.32 To ensure that direct debit mandates relating to any of any of the Council's bank accounts are forwarded to the Strategic Director of Corporate Resources for authorisation, in line with procedures outlined by the Council's Banking Officer.

To allow Direct Debits and Standing Orders will be permitted for Clients issued with a Council-owned Pre-paid card for the following services:

- Appointeeship payments
- Direct Payments
- Care leaver Payments

- Payments to unaccompanied young asylum seekers
- Homeless Payments

The Direct Debit or Standing Order will need to be agreed as acceptable by the relevant Directorate and must be reviewed once a year, as a minimum basis, to ensure they remain acceptable.

Credit Cards, Purchase Cards and Pre-paid Cards

Responsibility of Strategic Director of Corporate Resources

D7.33 To provide credit cards and purchase cards to be used for agreed purposes and to be allocated to nominated members of staff

To provide Pre-paid cards to customers of the following service areas

- Appointeeship payments
- Direct Payments
- Care leaver Payments
- Payments to unaccompanied young asylum seekers
- Homeless Payments

D7.34 To ensure that anyone applying for a credit card or purchase card receives approval from the Strategic Director of Corporate Resources and follows procedures issued by the Strategic Director of Corporate Resources so that the Council's accounts are kept up-to-date and so that reclaimable VAT is properly accounted for.

D7.35 To prescribe procedures for the use of credit cards and purchase cards and the accounting arrangements required to record and monitor expenditure incurred with such cards.

D7.36 To ensure that credit cards and purchase cards are NOT used for personal purchases, and are returned to the Strategic Director of Corporate Resources for destroying immediately after the card-holder changes job or leaves the Council.

Responsibility of Strategic Directors

D7.37 To operate the use of credit cards and purchase cards in accordance with the procedures issued by the Strategic Director of Corporate Resources, including the relevant authorised limits.

To monitor the use of Pre-paid cards by customers to ensure the usage is acceptable and does not bring the Council's reputation into disrepute

