



Derby City Council

COUNCIL CABINET
9 November 2016

Report of the Leader of the Council

ITEM 18

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:
- Change of use reserves
 - Allocation of additional external funding

RECOMMENDATION

- 2.1 To approve the change of use for the Multi Use Arena reserve to support wider Leisure Strategy activities, as detailed in section 4.
- 2.2 To approve the change of use of £60,000 held in reserves from Category Management to Communications Consultancy, as detailed in section 5.
- 2.3 To approve the change of use of £400,000 funding held in the Adult Social Care Reserve to spend on Special Education Needs and Disability reforms, as detailed in section 6.
- 2.4 To allocate £93,000 external income and £95,000 from the VAT reserve to the Economic Partnership reserve, as detailed in section 7, and approve the allocation of £165,000 from this reserve to support Marketing Derby in 2017/18.

REASONS FOR RECOMMENDATIONS

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



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SUPPORTING INFORMATION

4 Change of use: Multi Use Arena (MUSA) Reserve

- 4.1 The service has started to progress with the wider Leisure Strategy proposals as directed and needs to establish funding to support costs associated with this.
- 4.2 The MUSA reserve was originally allocated to support the pre-opening and on-going revenue support of the Derby Arena. There is a balance of £508,000 in the reserve. With the development of the wider Leisure Strategy, it is now anticipated that a better use of the reserve would be to support the wider Leisure Strategy, including Derby Arena.
- 4.3 It is recommended the MUSA reserve is now used for the wider Leisure Strategy.

5 Change of use to Category Management Programme Reserve

- 5.1 The original category management reserve was approved as part of 2013/14 outturn report to Cabinet. A carry forward request was approved to fund a shortfall in staffing budgets within the procurement team. This reserve is no longer required as the team are undertaking a delivering differently project to generate savings that will fund both the shortfall and extra staffing within that team.
- 5.2 Separately, £60,000 funding is required for a Communications Consultant to provide overall support to Council communications, including to officers and members, over the next six to twelve months. The consultant will provide additional capacity to deliver proactive communications of various issues across the city.
- 5.3 The contract will be to work for 2-3 days per week, commencing Autumn 2016, for six months but with an option to extend the contract by up to a further six months subject to total expenditure not exceeding £60,000 (excluding VAT).
- 5.4 It is recommended £60,000 previously agreed for category management is reallocated to fund a Communications Consultant.

6 Change of use to Adults Social Care Reserve

- 6.1 The Social Care reserve was established to fund after care section 117 claim costs however no claims have been made for number of years. Reallocating £400,000 from this reserve will further enhance the significant progress the Council has already made in relation to the Special Educational Needs and Disability (SEND) reforms.

- 6.2 The £400,000 allocation will establish additional capacity, including Educational Psychology support for children and young people. An external provider will also be commissioned to further support the process of converting SEND statements to Plans so that this continues to progress efficiently and effectively. This will ensure the SEND reforms continue to progress at pace in Derby. All appointments made from this reserve will be on a temporary basis and future permanent structure costs will be funded from the existing budgets.
- 6.3 It is recommended £400,000 from the Earmarked Social Services Reserves is allocated to a SEND Improvement Reserve. The current balance of the Social Services reserve is £640,000.

7 Funding for Marketing Derby in 2017/18

- 7.1 At 13 July Cabinet, approval was given to establish a £715,000 Economic Partnership Reserve. The reserve was created to enable partnership working which promotes initiatives for growth in the city and which includes funds to meet Marketing Derby costs.
- 7.2 Separately, the Council has received an unbudgeted windfall of £93,000 as a result of the termination of the Consortium of Local Authorities Special Programme (CLASP) organisation. The Council has also previously made successful claims for backdated VAT which is held in a separate reserve, with a current balance of £156,000.
- 7.3 In order to meet corporate priorities and commitments for economic growth, it is recommended that the £93,000 income received from CLASP and £95,000 of the backdated VAT reserve are both allocated to the Economic Partnership Reserve.
- 7.4 The financial commitment to Marketing Derby for 2017/18 is £165,000 which will be met from this reserve.

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 Nick O'Reilly, Director of Digital Services
For more information contact: Background papers: List of appendices:	Mark Nash 01332 643364 e-mail mark.nash@derby.gov.uk Marketing Derby, previous Cabinet approval: 13 July 2016 Cabinet - Item 16 - Revenue Outturn 2015-16 Category Management Reserve, previous Cabinet approval: 16 July 2014, Item 09 - Revenue Outturn 2013-14 Appendix 1: Implications

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.