

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

1994

Author:

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Department:

Development

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Subject:

REMOURBAN Project : Last Mile Delivery - Dispensation from Financial Regulations 3.29

Total Value:

£127,000 (Type: Revenue)

Decision Being Taken:

To expedite the delivery of the Last Mile, Local Hub and Delivery Infrastructure element of the European Commission funded REMOURBAN project, dispensation from Financial Regulation 3.29 to obtain at least 3 tenders under Contract Procedure Rule 5.1.2 is sought, to commission Nottingham based WEGO Carbon Neutral Couriers to deliver the pilot activity.

Reasons for the Decision(s)

Nottingham City Council, in partnership with Nottingham Trent University, Nottingham City Homes, Nottingham Energy Partnership and SASIE Ltd, has been successful in securing a grant award of £3.56m from the European Commission's Horizon 2020 programme. Accepting this award was covered in DD1797, published in December 2014. The cost of this pilot activity is eligible to be charged to this project and can be resourced from the revenue grant funding.

One element of the project includes a "Last Mile - Local Hub and Delivery" pilot around the Sneinton area of Nottingham. The aim is to reduce CO2 emissions significantly by using electric powered, ultra low carbon vehicles to distribute items for delivery within the last mile of their journey in the Sneinton area, from a central hub. This is a pilot project that has been developed between Nottingham City Council, Nottingham Energy Partnership and a local delivery company - WEGO Carbon Neutral Couriers based on Queens Road Nottingham. One of the aims of the pilot is to understand if it is commercially viable and at this point it is considered that there is no additional value in going out to the market to openly procure the delivery of the pilot activity. At the end of the pilot (2019) any subsequent contracts will be openly procured.

NCC has been advised by Nottingham Energy Partnership that WEGO is the only company in the UK using cycles and electric vehicles in conjunction with public transport (the national rail network) to provide low-carbon and low-impact delivery solutions on a commercial basis. This courier has been based in Nottingham for 16 years and therefore has the knowledge and network to provide the service quickly without set up delays.

This decision supports delivery of value for money for both Nottingham City Council and the project by commissioning services from an established carbon neutral courier that is already based in the pilot area. This will meet the needs of the target area through the most economic, efficient and effective means in order to demonstrate the viability of the Last Mile pilot.

Using WEGO Carbon Neutral Couriers provides the project and Nottingham City Council with an economic, efficient and effective means of delivering this pilot. As outlined above, the company is already established in the locality and has a range of ultra low carbon vehicles in place so that the company will be able to minimise the cost of resources to take on this activity as well as being able to deliver the commissioned service very quickly. It also already has established links with the national rail network as part of the delivery process. This gives us the opportunity to demonstrate and learn from the technology earlier than would be the case if we had to wait for other companies to establish the necessary infrastructure.

Other Options Considered:

Do Nothing : this option has been rejected as this pilot project will help Nottingham City Council deliver its commitment to reduce CO2 emissions by 31% as a Local Authority and by 15% across the city by the year 2016. It is also a condition of the award from the European Commission that this is an integral element of the REMOURBAN project, paid for from the funding of the European grant, that will have to be delivered and reductions in CO2 emissions measured and recorded.

Deliver Using Internal Resources : Rejected - Nottingham City Council is keen to encourage business growth in the city and to test whether this activity is commercially viable, therefore the intention is for a local company to undertake this service within the pilot period.

Background Papers:

Published Works:	Delegated Decision no. 1797, December 2014.
Affected Wards:	Citywide
Colleague / Councillor Interests:	n/a
Dispensation from Financial Regulations:	Yes
Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	This pilot project should lead to an increase in employment in the local area which will have positive implications for crime and disorder issues.
Equality:	EIA not required. Reasons: this is not a change of policy or an activity delivered by Nottingham City Council
Social Value Considerations:	n/a
Decision Type:	Portfolio Holder
Subject to Call In:	Yes
Call In Expiry date:	26/05/2015
Advice Sought:	Legal, Finance, Procurement
Legal Advice:	The proposal to seek a dispensation from Financial Regulation 3.29 in the circumstances outlined raises no significant legal issues and is supported. Advice provided by Malcolm Townroe (Legal Services Manager) on 13/03/2015.

Finance Advice:

Delegated decision number 1797 approved 'in principle' grant acceptance for the delivery of the REMOURBAN project funded from the European Commission, subject to clarification of the grant terms and conditions. The grant terms and conditions have now been received.

The funding awarded to the Council is as follows:

Capital grant : £3.270m

Revenue grant : £0.295m

The expenditure of £0.127m will be resourced from the revenue stream of the grant.

The Council is the Accountable body for the delivery of this project. The Director of Economic Development will put in place appropriate procedures to ensure compliance with the financial and performance monitoring requirements for the Council and partner organisation, in accordance the grant terms and conditions.

For operational reasons, this decision seeks dispensation from Financial Regulation 3.29 to obtain at least 3 tenders under Contract Procedure Rule 5.1.2, to commission WEGO Carbon Neutral Couriers to undertake a pilot project in the Sneinton area.

Advice provided by Maria Balchin (Finance Analyst) on 10/03/2015.

Procurement Advice:

This is a pilot scheme to prove that the service is commercially and technically viable.

A local company exists that is able to test the service for the purpose of this trial.

If the trial is a success, subsequent contracts will be sourced via a competitive tendering process in 2019.

Advice provided by John Watson (Category Manager) on 20/03/2015.

Signatures

Jon Collins (Leader & PH Strategic Regeneration & Development)
SIGNED and Dated: 13/05/2015
David Bishop (Deputy CE, CD for Development and Growth)
SIGNED and Dated: 18/05/2015
Theresa Channell (Head of Corporate and Strategic Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 24/04/2015
Chief Financial Officer's Comments: