

Agenda Item No. 4(e)

**DERBYSHIRE COUNTY COUNCIL**

**MEETING OF CABINET MEMBER – HIGHWAYS, TRANSPORT AND  
INFRASTRUCTURE**

**3 March 2015**

Report of the Strategic Director - Economy, Transport and Environment

**DIGITAL DERBYSHIRE – INTERIM PROJECT MANAGEMENT**

(1) **Purpose of Report** To seek approval under Protocol 10 of Derbyshire County Council's (the Council) Financial Regulations to extend the contract beyond indicated spend for the provision of interim project management resource to support the Digital Derbyshire project.

(2) **Information and Analysis**

**Background**

The departure of the previous Project Manager in October 2013 necessitated the development of a contingency strategy to ensure that the Digital Derbyshire programme continued to be managed effectively and in a timely manner to ensure delivery of critical actions. The situation was further exacerbated by the earlier and sudden departure of the Project Officer responsible for managing the European Regional Development Fund (ERDF) element of the programme.

A key part of the contingency strategy was the urgent contracting of a suitably qualified, interim project management resource to ensure continuity. A formal quotation process was undertaken, under Protocol 6 of the Council's Financial Regulations to appoint an interim Project Manager. The tender required was estimated on the minimum resource required to ensure the continued project management of Digital Derbyshire and included two specific tasks – the tendering and contracting of the Superfast Extension Programme (Phase 2) in line with the Broadband Delivery UK (BDUK) framework, and the resolution of ERDF spend profiling and drawdown.

Concurrently, the process was initiated to recruit a permanent Project Manager, as well as a new post of Project Officer (Community Engagement). The new Project Manager has been successfully engaged but, due to contracting delays and notice period, he will not be in post until Monday 27 April 2015. Negotiations are ongoing with the current employer to bring the start date forward.

In December 2014, the Project Officer (Contracts) left the Council following a one month notice period. The process to recruit an external employee was unsuccessful and a new external recruitment process is now underway to seek appointment to both Project Officer posts (ERDF and Community Engagement).

The on-going staff shortages have led to the necessity to utilise the interim Project Manager more than expected in the original tender.

However, it is worth noting that the interim Project Manager has delivered successfully on the two key tasks. In addition, a full review of the Digital Derbyshire Programme has been initiated, beyond the brief of the tender that will put the Programme on a stronger footing moving forward. This includes the establishment of a more inclusive and robust corporate governance model for the Programme; a comprehensive review of BT deployment to date against the contracted implementation plan; a review of the Local Broadband Plan; and the drafting of a new Engagement Strategy to drive demand stimulation activity.

It is hoped that the full Digital Derbyshire team will be in place to take forward the Programme by the end of April 2015 when the permanent Project Manager is in post. It is therefore proposed that the interim Project Manager is retained until this time to ensure effective handover and continuity of delivery in support of the Head of Economic Regeneration.

**(3) Financial Considerations** Based upon the day rates contracted through the tender process, it is estimated that the final cost of employing the interim Project Management resource until the end of April 2015 will be a maximum of £70,000 (excluding VAT). Funding can be met from the current Economic Regeneration budget.

It is worth noting that costs are partly offset by salary underspends resulting from the currently vacant posts within the Digital Derbyshire team. Furthermore, the Department of Communities and Local Government (DCLG) has indicated that all management costs are eligible to be claimed from the existing ERDF allocation at an intervention rate of 40%. Together, this should yield an estimated budget available of approximately £45,000 to help meet the costs of the interim resource.

**(4) Legal Considerations** The contracting of the Interim Project Manager was undertaken through Source Derbyshire and engaged in line with procurement Protocol 6. The additional resource required as specified in this report exceeds delegation limits and requires approval by the Cabinet Member under procurement Protocol 10.

- (5) **Human Resources Considerations** As indicated in the report.

**Other Considerations**

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, equality and diversity, environmental, health, property and transport considerations.

- (6) **Key Decision** No.

- (7) **Call-in** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

- (8) **Background Papers** All relevant background information is held by the Economic Regeneration Service within the Economy, Transport and Environment Department. Officer contact details – Frank Horsley, extension 38348.

- (9) **OFFICER'S RECOMMENDATION** That the Cabinet Member approves the proposed budget to extend the provision of interim Project Management resource to Digital Derbyshire in line with Protocol 10 of the Council's Financial Regulations at a cost of £70,000 (excluding VAT).

**Mike Ashworth**  
**Strategic Director – Economy, Transport and Environment**