

NOTTINGHAM CITY COUNCIL

COMMISSIONING AND PROCUREMENT SUB-COMMITTEE

MINUTES of the meeting held at LB32 - Loxley House, Station Street, Nottingham, NG2 3NG on 10 June 2015 from 14.00 - 14.30

Membership

Present

Councillor Nick McDonald (Vice Chair)
Councillor David Mellen
Councillor Alex Norris (Chair)
Councillor Nicola Heaton
Councillor Dave Trimble

Absent

Councillor Jon Collins
Councillor Jane Urquhart

Colleagues, partners and others in attendance:

Noel McMenamin	- Governance Officer
Alison Challenger	- Interim Director of Public Health
Antony Dixon	- Strategic Commissioning Manager
Steve Oakley	- Head of Quality and Efficiency
Kaj Ghattaora	- Commercial Manager
Helen Kearsley-Cree	- Nottingham Voluntary and Community Services

Call-in

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until **23 June 2015**

1 APPOINTMENT OF VICE-CHAIR

RESOLVED to appoint Councillor Nick McDonald as Vice Chair for the 2015/16 municipal year.

2 APOLOGIES FOR ABSENCE

Councillor Jane Urquhart (work commitments)
Councillor Jon Collins (other Council business)

3 MINUTES

The minutes of the meeting held on 11 March 2015 were confirmed and signed by the Chair.

4 VOLUNTARY SECTOR UPDATE

Helen Kersley-Cree of Nottingham Community and Voluntary Services (NCVS) provided an update for the Sub-Committee on the following issues:

- (a) research conducted by NCVS into the economic impact of Nottingham's voluntary and community sector (VCS) and to be published formally later in 2015 revealed the following key headlines:

- Over 1,300 VCS known about in Nottingham;
 - 49 VCS organisations as core research cohort, with 461 full-time and 233 part-time jobs within those 49 organisations;
 - Over 2,000 formal volunteers in those 49 VCS organisations
- (b) the VCS requires clarification of what is meant by 'Citywide Service' when referring to advice and assistance for people in financial difficulty. Clarification is also needed on how delivery of tier 2 support services in the Citywide tender specification fits with the new model for VCS infrastructure support, which is neighbourhoods-based.
- In the model, Citywide support is referred to as Services in the City Centre;
 - The tender specifications for Citywide Services and Neighbourhood Services is the same, with the addition of providing tier 2 support for frontline advice agencies;
 - The Neighbourhood Services tender states the service should focus citizens living outside the City Centre, particularly those less able to travel to the City Centre;
 - VCS needs to know whether the term 'Citywide' refers to City Centre Service as this interpretation is at odds with the VCS understanding of services across the whole city
- (c) NCVS continues to be involved with the D2N2 Social Inclusion Consortium, which is bidding for Big Lottery European Social Fund Building Better Opportunities Programme. The Programme has a value of £15 million over 3 years, and the Programme strands are:
- Financial Inclusion – £3,088,500
 - Towards Work - £7,401,700
 - People with Multiple and Complex Needs - £4,634,800.
- (d) Ms Kearsley-Cree confirmed that the clarification requested at (b) above has not been formally raised before. Antony Dixon, Strategic Commissioning Manager, undertook to provide detailed clarification outside this meeting;
- (e) there was consensus that detailed analysis was needed to ensure that social inclusion provision under the Building Better Opportunities programme complemented and did not duplicate existing provision.

RESOLVED to:

- (1) thank the NCVS for the update;**
- (2) clarify issues raised at minute 4(b) in respect of tendering for a 'Citywide Service' outside this meeting.**

5 PROCUREMENT STRATEGY IMPLEMENTATION UPDATE

Steve Oakley, Head of Contracting and Procurement, presented the report on the Procurement Strategy Implementation update, highlighting the following points and responding to councillors' questions:

- (a) 118 contracts worth almost £100 million have been awarded as a result of procurement activity in 2014/15, with 60% of the total value of contracts awarded to Nottingham City suppliers (up from 20%);
- (b) The full-year effect of savings delivered through procurement is £5.87 million, and 210 full-time equivalent employment and training opportunities have been achieved;

- (c) procurement has been at the forefront of City Council income generation initiatives, and processes have been independently audited, showing strong evidence of compliance with procurement regulations and consideration of social value;
- (d) next steps include piloting the levy for funding the Employer Hub, developing and implementing a business charter and developing market development to support local businesses tendering for services;
- (e) the Sub-Committee commended colleagues' hard work in delivering the Strategy to date. It was confirmed that specified savings were against previous contract values, and that savings made were often tied into Big Ticket issues.

RESOLVED to:

- (1) note the update on the implementation of the Nottingham City Council Procurement Strategy 2014-17 in its first year;**
- (2) note that future progress reports on the implementation of the Procurement Strategy will be presented to the Commissioning and Procurement Sub-Committee on an annual basis.**

Reasons for recommendations

- (1) The Nottingham Growth Plan states that a new procurement policy is required to help increase spend with local suppliers. The Nottingham Growth Plan aims to drive growth across the City and benefit all local communities. This Procurement Strategy is therefore the key driver in the delivery of the Council's key strategic priorities, in particular:
 - Grow the local economy
 - Drive increased local job opportunities for local people
 - Deliver effective value for money for our citizens
 - Lead as an Early Intervention City
 - Lead as a Green City
- (2) Nottingham City Council's Procurement Strategy is a major step change for the organisation. It has allowed the Council to continue to build strong strategic relationships with suppliers and to maximise the impact of our spending power to support sustainable growth, through greater local investment and securing more local jobs.
- (3) It is essential that Nottingham City Council implements the robust model and principles set out in its Procurement Strategy to enable the delivery of its strategic priorities within the financial envelope. Additionally effective implementation of the Procurement Strategy has ensured a focus on:
 - maximising procurement capability and improving procurement processes in terms of efficiency and effectiveness in delivering priority outcomes;
 - maximising spending power impact to support growth, including small and medium sized enterprises (SMEs), through greater local investment and securing more local jobs;
 - ensuring that return on investment delivers social and environmental benefits for the City;
 - developing strategic, collaborative and commercial relationships with suppliers and key partners.

Other options considered

None.

6 RE-PROCUREMENT OF SEXUAL HEALTH SERVICES - KEY DECISION

Alison Challenger, Interim Director of Public Health, introduced the report seeking approval for the re-procurement and award of a contract for the Integrated Sexual Health Service, and highlighting the following points in addition to responding to councillors' questions:

- (a) The Service has high levels of demand, as Nottingham has high levels of acute sexually transmitted infections, including HIV;
- (b) The Service addresses both treatment and prevention, and will require significant infrastructure investment going forward;
- (c) Procurement contracts will include break clauses and capping where appropriate, to provide flexibility in the face of further expected budget reductions to non-NHS health-related services.

RESOLVED to

- (1) approve the procurement of the sexual health services outlined in exempt Appendix 2 to the report, jointly with Nottinghamshire County Council;**
- (2) delegate authority to the Interim Director for Public Health in consultation with the Portfolio Holder for Adults and Health, to allocate funds for the above expenditure and to secure best value for Nottingham Citizens;**
- (3) delegate authority to the Interim Director for Public Health in consultation with the Portfolio Holder for Adults and Health to approve the outcome of tenders, agree the final values and award contracts for the services detailed in exempt Appendix 2, providing this does not exceed the maximum values indicated;**
- (4) delegate authority to the Head of Contracting and Procurement to sign the final contracts in respect of the services detailed in exempt Appendix 2, following approval by the Interim Director for Public Health to the agreed contract awards;**
- (5) approve the budget to support the contractual values set out in exempt Appendix 2. If the contractual values are over and above the indicative maximum values a separate report will be presented for approval.**

Reasons for Decisions

- (1) To ensure that the Public Health funding allocations are utilised to commission and procure services in an appropriate way and in accordance with the correct legislation. The re-procurement of these sexual health services will seek to ensure the delivery of high quality services, at the best possible value for money. Exempt appendix 2 sets out the proposed maximum service values, contract duration and details of potential efficiencies.
- (2) To allow for relevant and mandatory commissioning activity to continue in order to maintain service provision for citizens and meet identified local need, including meeting the recommendations from the Nottingham City Joint Strategic Needs Assessment. Commissioning activity will also contribute to ensuring continued progress of the Health and Wellbeing Strategy, and relevant Public Health Outcomes Framework targets.

- (3) To enable contracts to be issued in a timely manner to ensure continuity of service delivery from April 2016, when the current contractual arrangements time expire.

Other options considered

- (1) Tender for sexual health services for the City only - This would ensure a compliant process and value for money. However this option would not deliver the added benefits for citizens of an integrated service and possible enhanced efficiency savings.
- (2) Do nothing – This option was rejected as this would mean that existing contracts for sexual health services expire, leaving the city without this statutory service or with a service that has not been compliantly procured.

7 FUTURE MEETING DATES

RESOLVED to:

- (1) meet at 2pm on the following Wednesdays:

<u>2015</u>	<u>2016</u>
16 September	13 January
14 October	17 February
11 November	16 March
16 December	13 April

- (2) meet at 2pm on Wednesday 15 July only if there is sufficient business to transact.

Governance Officer's note: Commissioning colleagues advise that a meeting will be required in July 2015 – no meeting in August 2015.

8 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining item in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, as defined in paragraph 3 of Part 1, Schedule 12A of the Act.

9 RE-PROCUREMENT OF SEXUAL HEALTH SERVICES - EXEMPT APPENDIX

RESOLVED to note the information at exempt Appendix 2 to the report on re-procurement of Sexual Health Services without substantive discussion.