



**NOTTINGHAM CITY COUNCIL**  
**COMMISSIONING AND PROCUREMENT SUB-COMMITTEE**

**Date:** Wednesday, 10 June 2015

**Time:** 2.00 pm

**Place:** LB32 - Loxley House, Station Street, Nottingham, NG2 3NG

**Councillors are requested to attend the above meeting to transact the following business**

**Acting Corporate Director for Resources**

**Governance Officer:** Noel McMenamin **Direct Dial:** 64304

**AGENDA**

**Pages**

- |          |   |         |
|----------|---|---------|
| <b>1</b> | <b>APPOINTMENT OF VICE-CHAIR</b>  |         |
| <b>2</b> | <b>APOLOGIES FOR ABSENCE</b>  |         |
| <b>3</b> | <b>MINUTES</b><br>To confirm the minutes of the meeting held 11 March 2015.   | 3 - 10  |
| <b>4</b> | <b>VOLUNTARY SECTOR UPDATE</b><br>(verbal update)   |         |
| <b>5</b> | <b>PROCUREMENT STRATEGY IMPLEMENTATION UPDATE</b><br>Report of Strategic Director for Early Intervention.               | 11 - 20 |
| <b>6</b> | <b>RE-PROCUREMENT OF SEXUAL HEALTH SERVICES - KEY DECISION</b><br>Report of Corporate Director for Children and Adults. | 21 - 28 |

## **7 FUTURE MEETING DATES**

To consider meeting at 2pm on the following Wednesdays:

15/07/15  
16/09/15  
14/10/15  
11/11/15  
16/12/15  
13/01/16  
17/02/16  
16/03/16  
13/04/16;

## **8 EXCLUSION OF THE PUBLIC**

To consider excluding 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 outweighs the public interest in disclosing the information.

## **9 RE-PROCUREMENT OF SEXUAL HEALTH SERVICES - EXEMPT APPENDIX**

29 - 30

ALL ITEMS LISTED 'UNDER EXCLUSION OF THE PUBLIC' WILL BE HEARD IN PRIVATE. THEY HAVE BEEN INCLUDED ON THE AGENDA AS NO REPRESENTATIONS AGAINST HEARING THE ITEMS IN PRIVATE WERE RECEIVED

IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ON THE AGENDA, PLEASE CONTACT THE GOVERNANCE OFFICER SHOWN ABOVE, IF POSSIBLE BEFORE THE DAY OF THE MEETING

CITIZENS ATTENDING MEETINGS ARE ASKED TO ARRIVE AT LEAST 15 MINUTES BEFORE THE START OF THE MEETING TO BE ISSUED WITH VISITOR BADGES

CITIZENS ARE ADVISED THAT THIS MEETING MAY BE RECORDED BY MEMBERS OF THE PUBLIC. ANY RECORDING OR REPORTING ON THIS MEETING SHOULD TAKE PLACE IN ACCORDANCE WITH THE COUNCIL'S POLICY ON RECORDING AND REPORTING ON PUBLIC MEETINGS, WHICH IS AVAILABLE AT [WWW.NOTTINGHAMCITY.GOV.UK](http://WWW.NOTTINGHAMCITY.GOV.UK). INDIVIDUALS INTENDING TO RECORD THE MEETING ARE ASKED TO NOTIFY THE GOVERNANCE OFFICER SHOWN ABOVE IN ADVANCE.

**NOTTINGHAM CITY COUNCIL**

**COMMISSIONING AND PROCUREMENT SUB-COMMITTEE**

**MINUTES of the meeting held at LB31 - Loxley House, Station Street, Nottingham, NG2 3NG on 11 March 2015 from 14.00 - 14.38**

**Membership**

Present

Councillor Dave Liversidge  
Councillor David Mellen (Vice Chair)  
Councillor Alex Norris (Chair)  
Councillor Dave Trimble

Absent

Councillor Jon Collins  
Councillor Nick McDonald

**Colleagues, partners and others in attendance:**

Antony Dixon	- Strategic Commissioning Manager, Nottingham City Council
Ian Greateorex	- Finance Business Partner, Nottingham City Council
Colin Monckton	- Director of Commissioning, Policy and Insight, Nottingham City Council
Dave Robinson	- Quality Assurance Manager, NCVS
James Welbourn	- Governance Officer, Nottingham City Council

**Call-in**

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until **24 March 2015**.

**22 APOLOGIES FOR ABSENCE**

Cllr Jon Collins	- other Council business
Cllr Nick McDonald	- other Council business
Helen Kearsley-Cree	- sent substitute

**23 DECLARATIONS OF INTEREST**

None

**24 MINUTES**

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

## **25 VOLUNTARY SECTOR UPDATE**

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

- (a) with the VCS Support Services contract ending in March, and a different model of delivery via the Area Based Grants process being setup, the sector is keen for information about what happens from 1st April and pathways to support services;
- (b) under the support service contract due to cease at the end of March, NCVS alone has been supporting around 500 groups annually. Information the sector is asking for includes who and where to go to for:
  - 1. Volunteer brokerage – who will be helping to advertise and find volunteers
  - 2. Volunteer management
  - 3. Funding advice and help with funding bids and tenders
  - 4. Specialist help registering as charities, incorporating as companies and broader governance support and advice
  - 5. 1-2-1 casework group development support
  - 6. Information about other city groups via an online directory of city VCS groups
  - 7. Clear pathway / single point of access to support services via a Helpdesk;
- (c) NCVS has been promoting the Nottingham City procurement strategy to the sector. The strategy has been embedded in our 'introduction to tenders' training. A city council officer also attended a joint NCVS/NCVO (National Council for Voluntary Organisations) 'Building Campaigns and Influencing Skills' event to promote the strategy;
- (d) NCVS is working to the D2N2 Social Inclusion Framework under TO9 (social inclusion and anti-poverty), as well as leading on behalf of our city as part of a new voluntary sector consortium for the D2N2 Local Enterprise Partnership (LEP) area – which covers the whole of Derbyshire and Nottinghamshire.

The new consortium has been given the working title of 'The Social Inclusion Consortium', and is a collaboration between Nottingham CVS and three other local infrastructure organisations in the region – Bassetlaw CVS, Rural Action Derbyshire and Community Action Derby.

The consortium is planning to increase its membership, and will be bidding for funding as part of the D2N2 LEP and Big Lottery's 'Building Better Opportunities' programme;

### **RESOLVED to:**

- (1) thank NCVS for the update;**

- (2) **ask Councillor Norris to respond to a list of questions on the subject of Area Based Grants submitted by Dave Robinson;**

## **26 WORK PROGRAMME**

Antony Dixon, Strategic Commissioning Manager, submitted a work programme for the Sub-Committee, covering June 2015.

**RESOLVED to note the provisional agenda items shown below:**

<b>June 2015</b>	<b>Learning Disability Strategic Commissioning Review Commissioning Intentions; Procurement Strategy Update; Children &amp; Young Peoples Review Commissioning Intentions;</b>
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## **27 EARLY INTERVENTION DIRECTORATE COMMISSIONING INTENTIONS**

Colin Monckton, Head of Commissioning and Insight, presented the Early Intervention Directorate Commissioning Intentions, and highlighted the following points in addition to responding to Councillor's questions:

- (a) one of the purposes of this paper was to split out and identify a handful of major work programmes, as well as highlighting main programmes of activity relating to cost and contract requirements;
- (b) more information on the priority activities listed in the report will be available in the next Forward Plan; additionally further updates can be provided at future meetings. Councillors were particularly keen to have more information on the 'whole life disability' activity;
- (c) the 'child development core offer' activity has more clarity than it did 3-4 months ago;

**RESOLVED to approve the Early Intervention Directorate commissioning priorities for 2015/16;**

## **28 PROJECT EVOLUTION - SOCIAL CARE SYSTEM (CAREFIRST) REPLACEMENT - KEY DECISION**

Colin Monckton, Head of Commissioning and Insight, presented the report on Project Evolution – Social Care System Replacement, and highlighted the following points in addition to responding to Councillor's questions:

- (a) there has been a long and protracted history with the social care system, leading to some discontent in the workforce. This project has been positioned as an evolution from the current system;
- (b) the money involved in the decision can be broken down into three areas:

1. money for the system itself
2. implementation costs
3. ongoing development of application support

Any savings would be likely to come under point 2.

- (c) contingency has been built into some of these figures, so as a result, some savings may not be required;
- (d) internally at Nottingham City Council, there has been a high level of involvement from staff, but as yet, there has been no external communications around this subject;
- (e) specification for this system has been pulled together with a large amount of detail from practitioners;
- (f) existing business processes are being worked to, so that changes needed in the system can be identified. The particular software vendor that is chosen will have a steer on this; it is advised that standard software is used where possible, so that minimal modifications are required;

**RESOLVED to:**

- (1) delegate authority to the Corporate Director for Children and Adults to approve the outcome and award the tender to the winning vendor to a value of £1.399m. This will be awarded on April 7<sup>th</sup>;**
- (2) delegate authority to the Director of Commissioning, Policy and Insight to sign the contract arising from the tender process once the tender outcome is agreed;**
- (3) approve the spending of £4.197m associated with the contract and introduction of the new system over the next 5 years as indicated in paragraph 4;**
- (4) approve the sources of funding of £4.197m as indicated in paragraph 4;**

**Reasons for Decision**

- (1) to enable the timely award of the contract for the social care system in order to achieve first phase delivery in April 2016;
- (2) to allocate funding to implement the solution, in order to recruit to posts required to deliver the solution within the required time frame;
- (3) to comply with our statutory duties under the Care Act. The new solution will also address the issues outlined by the recent Ofsted report;
- (4) to support the management and delivery of children's and adult's social care transformation programmes and big ticket savings;

- (5) to facilitate the funding of the project;

**Other options considered**

- (1) upgrading CareFirst to the new generation product – there is an option to upgrade to OLM’s new product ‘Eclipse’; however the product has not been tried and tested with other authorities and is still in its testing phase;
- (2) do nothing – there is the option of retaining the current system and accepting the risks that this presents. As a result of this, systems will be disparate, data will continue to be poor, systems will remain uncompliant and Ofsted feedback will not be addressed.

It will prove difficult to meet new statutory and business requirements. This will have an impact on social care practice and the ability to manage cases. Additional bolt on solutions may need to be developed at additional cost to the current contract.

The current systems are not easy to use and lack the functionality of newer products on the market. This has resulted in less take up and enthusiasm from users. As a result the Council has not maximised the full potential or benefits from an electronic social care case management and recording system as it perhaps should and could have and data quality is compromised. Commissioning of services, forward projection and planning is compromised by the lack of flexibility of the current systems.

Financial management will remain limited with little potential for improvement.

For these reasons, this option was rejected.

**29 ICELS COMMISSIONING ARRANGEMENTS - KEY DECISION**

Antony Dixon, Strategic Commissioning Manager, presented the report on the Integrated Community Equipment Loan Service (ICELS), highlighting the following points and responding to Councillor’s questions:

- (a) ICELS is a partnership between Nottingham City Council, Nottinghamshire County Council, Nottingham City Clinical Commissioning Group (Notts CCG), and the six Nottinghamshire CCG’s. It provides essential equipment for adults and children enabling them to live independently. The Nottinghamshire ICELS model is considered good practice nationally;
- (b) paragraph 2.6 contains proposed changes to the current model. It is anticipated that these changes will help cap projected cost pressures associated with inflation and demand.

There will be a break clause in the contract after five years;

- (c) the city costs are split equally between Nottingham City Council and the CCG. The ICELS Partnership Finance Group will review future partnership funding

splits in line with current delivery and projected overspend; it is anticipated that this will not result in a greater split for Nottingham City Council;

- (d) four organisations have expressed an interest in delivering this service. The service must be delivered from Middleton Court, which is leased by Nottingham City Council on behalf of the partnership;
- (e) the tender process for ICELS commences in May, with an outcome being reached in September;

**RESOLVED to:**

- (1) approve the commissioning of an Integrated Community Equipment Loan Service (ICELS) in accordance with the model detailed in 2.3-2.6;**
- (2) approve the commencement of a tender process for a replacement Integrated Community Equipment Loan Service (ICELS) led by Nottinghamshire County Council;**
- (3) approve the Council entering into the partnership agreement with Nottinghamshire County Council and the Clinical Commissioning Groups of Nottingham City, Nottinghamshire County and Bassetlaw for ICELS;**
- (4) note the budget allocation set out in table 1 to support ICELS spend of £1.410m per annum;**
- (5) approve the spend of up to £9.870m for the period 2016/17-2022/23 from revenue and capital budgets as Nottingham City Council's contribution to the partnership contract for ICELS;**
- (6) approve the carry forward of any under-spend against the ICELS budget to mitigate demand pressures and availability of capital grant over the duration of the contract. Any further increases in spend due to demand will be contained within Medium Term Financial Plan (MTFP) inflationary allocations and any unallocated capital grant;**
- (7) approve the use of delegated authority by the Director of Early Intervention to approve the outcome of the tender on behalf of the City Council;**

**Reasons for Decision**

- (1) Nottinghamshire County Council will commence a tender process for a replacement ICELS service in April 2015. A commitment from Nottingham City Council is required to enter into and fund the outcome of this process;
- (2) Delivery of an integrated community equipment Loan Service will assist vulnerable people to live independently in their own homes and facilitate discharge from hospital. Jointly commissioning the service with



Nottinghamshire County Council and the Clinical Commissioning Group (CCG) will deliver increased value for money for the Council;

### **Other options considered**

- (1) Nottingham City could commission and procure a Community Equipment Service for the City separately from the other commissioners. This option is not recommended as we would lose the benefits of economies of scale associated with a countywide service with a likely consequent reduction in value for money. It is unlikely that Nottingham City CCG would support this model given that they also have responsibilities towards those registered with a City general practitioner but resident in the County;

### **30 BETTER CARE FUND SECTION 75 AGREEMENT - KEY DECISION**

Antony Dixon, Strategic Commissioning Manager, presented the report on the Better Care Fund section 75 agreement, highlighting the following points and responding to Councillor's questions:

- (a) the decision-making process will be much smoother than having Nottingham City Council (NCC) and the CCG's going through their governance processes;
- (b) NCC would host the budget, so there would need to be an allocation to Nottingham Clinical Commissioning Group, and then a transfer back of the budget (outlined in Appendix 1);
- (c) this mechanism will be set up in a manner whereby it can be amended in future years;

### **RESOLVED to:**

- (1) note the requirement for the Council to enter into an agreement pursuant to s75 National Health Service Act 2006 with the Nottingham City Clinical Commissioning Group (CCG) in relation to the Better Care Fund (BCF);**
- (2) note the proposed governance arrangements under the s75 agreement;**
- (3) grant delegated authority to the Corporate Director of Children and Adults to approve and enter into the s75 agreement, in consultation with the Portfolio Holder for Adults, Commissioning and Health;**
- (4) approve that the Council will host the pooled budget;**
- (5) approve the allocation and transfer of BCF funding for Clinical Commissioning Group (CCG) commissioned schemes in 2015/16 as detailed in Appendix 1;**

### **Reasons for recommendations**

- (1) to establish the governance arrangements and mechanisms for management of the BCF pooled funds;

- (2) regulations require that one of the partners is nominated as the host of the pooled budget and this body is responsible for the financial administration and auditing requirements of the fund;
- (3) the Council can transfer pooled funds to the CCG in respect of services that they have responsibility for commissioning;

**Other options considered**

- (1) establishment of a s75 agreement is necessary to enable the pooling of local authority and NHS funds that is a requirement of the Better Care Fund;
- (2) the CCG could host the pooled budget. In general however, there are accounting benefits for the Local Authority being the host. This will be the practice in the majority of local authority areas;

**COMMISSIONING AND PROCUREMENT SUB-COMMITTEE – 10 JUNE 2015**

<b>Subject:</b>	<b>PROCUREMENT STRATEGY IMPLEMENTATION UPDATE</b>		
<b>Corporate Director(s)/ Director(s):</b>	Candida Brudenell – Strategic Director Early Intervention Katy Ball, Director of Procurement & Children’s Commissioning		
<b>Portfolio Holder(s):</b>	Councillor Nick McDonald – Portfolio Holder for Jobs, Growth and Transport		
<b>Report author and contact details:</b>	Steve Oakley, Head of Contracting and Procurement, Tel: 0115 8762836 Email: <a href="mailto:steve.oakley@nottinghamcity.gov.uk">steve.oakley@nottinghamcity.gov.uk</a>  Jo Pettifor, Procurement Team Manager, Tel: 0115 8765026 Email: <a href="mailto:jo.pettifor@nottinghamcity.gov.uk">jo.pettifor@nottinghamcity.gov.uk</a>  Kaj Ghattaora, Market Development and Strategy Manager, Tel: 0115 8765748, Email: <a href="mailto:kaj.ghattaora@nottinghamcity.gov.uk">kaj.ghattaora@nottinghamcity.gov.uk</a>		
<b>Key Decision</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<b>Subject to call-in</b>
			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Reasons:</b>	<input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision		<input type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Total value of the decision:</b> Nil			
<b>Wards affected:</b> All		<b>Date of consultation with Portfolio Holder(s):</b>	
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter			<input checked="" type="checkbox"/>
Cut crime and anti-social behaviour			<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input checked="" type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input type="checkbox"/>
Help keep your energy bills down			<input type="checkbox"/>
Good access to public transport			<input type="checkbox"/>
Nottingham has a good mix of housing			<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input checked="" type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input type="checkbox"/>
Support early intervention activities			<input checked="" type="checkbox"/>
Deliver effective, value for money services to our citizens			<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
The Nottingham City Council Procurement Strategy 2014-17 was approved in 2014 and in its first year has driven strong achievements through being citizen focused, maximising savings and delivering economic, social and environmental benefits. In 2014/15, procurement activity has delivered:			
<ul style="list-style-type: none"> <li>• a total of 118 contracts (total value £99.2m) awarded</li> <li>• total savings of £5.87m delivered</li> <li>• £59.4m injected into the local economy - 60% of total contract value awarded, compared to 15% previously</li> <li>• 210 new jobs created for local people</li> </ul>			
This report presents the key achievements of the Strategy in its first year; these are detailed at <b>Appendix 1</b> .			

**Exempt information:**  
**State 'None' or complete the following.**

None

**Recommendation(s):**

**1** To note the update on the implementation of the Nottingham City Council Procurement Strategy 2014-17 in its first year

**2** To 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.

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 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
- 1.2 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.
- 1.3 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.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 Last year Nottingham City Council developed and launched a Procurement Strategy to deliver economic, social and environmental benefits to the City. The Procurement Strategy has enabled the development of a modern, effective and efficient procurement service that delivers best value, supports

innovation, stimulates growth and most importantly delivers quality services for citizens. This has led to a focussed and sharpened procurement process.

- 2.2 Public procurement must be about more than purchasing goods and services; local authority procurement in particular must be used strategically to deliver social and economic gains. Nottingham City Council has used procurement to support local growth and local jobs by enabling local businesses to successfully tender with the Council, ensuring significantly more of the Council's money is invested in the local area.
- 2.3 The Procurement Strategy 2014-17 was approved by the Council's Executive Board in February 2014 and a formal launch event was held in December 2014. Key partners and stakeholders, including providers were invited to the launch event where the key aims of the strategy and target outcomes were shared.
- 2.4 In the first year of the Strategy, procurement has made a significant contribution to the delivery of Nottingham City Council's strategic priorities:
  - A total of 118 contracts (total value of £99.2m) awarded
  - Savings delivered - full year effect: £5.87m
  - £59.4 million injected into the local economy; 60% of total value of contracts awarded to Nottingham City suppliers
  - 210 FTE employment and training opportunities created
- 2.5 Nottingham City Council has been officially recognised for good practice in procurement; being a highly commended finalist in the National Government Opportunities (GO) Awards for innovation in public sector procurement. Additionally a recent independent audit of procurement processes evidenced compliance with procurement regulations and that social value is considered.
- 2.6 Procurement has shown a drive towards income generation initiatives; income has been generated through the Procurement Team leading procurements on behalf of a local charity and partner organisations and through quality improvement workshops and market intelligence activity delivered by the Market Development Team. In 2014/15 approximately £28,000 was generated through procurement consultancy delivered and £25,000 through Quality Development workshops and market development work. Procurement activities currently planned could raise a potential further £18,000.
- 2.7 Nottingham City Council is determined to improve the chances for the citizens of Nottingham and is committed to ensuring all suppliers are committed to a range of ethical standards, have access to systems that enable them to do business themselves with local organisations and are supported to deliver quality services.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

None

### **4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

- 4.1 The 2014/17 Procurement Strategy was approved by the Executive Board in February 2014.

- 4.2 The recommendations of this report do not have any specific financial implications however the cost reductions achieved, set out in **Appendix 1**, are aligned to the achievement of departmental savings included in the Medium Term Financial Plan (MTFP).
- 4.3 Any savings achieved over and above those values need to be aligned to the Corporate Procurement savings, also included in the MTFP.
- 4.4 In November 2014 the introduction of the 1% levy was approved on all non-care contracts enabling providers to support job creations in the City.

This is currently being implemented on a pilot basis on all new eligible contracts over £0.200m. Financial progress will be included in future updates.

## **5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

- 5.1 When undertaking procurement of supplies, services and works Nottingham City Council must operate within the constraints of the EU Procurement Directives (the 'Directive') and the Public Contracts Regulations 2015 (the 'Regulations'). The new Regulations came into force in the UK from February 2015 and the Procurement Team has been working with Legal Service to consider the implications of the new regulations for procurement activity and the Procurement Strategy and to ensure the changes are implemented appropriately.

## **6 SOCIAL VALUE CONSIDERATIONS**

- 6.1 The Procurement Strategy is a key driver in promoting and meeting the requirements of the Public Services (Social Value) Act 2012 which brings a statutory requirement for public authorities to pay regard to economic, social and environmental well-being in their procurement and contracting activity. A key focus of the Strategy is the delivery of economic, social and environmental benefits; these aims and how they can be supported are contained within the core principles of the Strategy. The Strategy sets out how the procurement function will help meet the Council's strategic priorities of supporting the local economy through increased job opportunities for local people; putting citizens at the heart of what we do and being sustainable and responsible. Social value considerations are made throughout the commissioning and procurement process to ensure opportunities are maximised to improve the wellbeing of the City and its citizens.
- 6.2 A Procurement Project register has been developed as a mechanism to monitor impact of Procurement Strategy, in particular progress against the key economic, social and environmental targets.
- 6.3 During the first year of implementation a total of £59.4 million has been injected into the local economy through the implementation of the Procurement Strategy. In 2014/15, 60% of the total value of contracts awarded was to local Nottingham City based suppliers, meaning the local economy has been boosted by £59.4 million. The Strategy has also led to the creation of 210 new entry level jobs for citizens.

**7 REGARD TO THE NHS CONSTITUTION**

This will be considered where appropriate for relevant service areas.

**8 EQUALITY IMPACT ASSESSMENT (EIA)**

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)
- (b) No
- (c) Yes – Equality Impact Assessment attached

Due regard should be given to the equality implications identified in any attached EIA.

**9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

None

**10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

Nottingham City Council Procurement Strategy 2014-17  
Public Services (Social Value) Act 2012  
National Procurement Strategy for Local Government, October 2003  
The Public Contracts Regulations 2015  
'Nottingham City Council Procurement Strategy' - Report of the Director of Quality and Commissioning to Executive Board February 2014

**11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

11.1 Andrew James, Team Leader (Contracts and Commercial), Legal Services

11.2 Ceri Walters, Acting Head of Departmental Financial Support

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## Appendix 1

### Procurement Strategy Implementation 2014/15 - Headlines and Key Achievements

#### Cross Cutting Achievements

During 2014/15 procurement has made a significant contribution to the delivery of the Council's strategic priorities:

- A total of 118 contracts with a total value of £99.2m awarded as a result of procurement activity
- Savings delivered through procurement - full year effect: £5.87m
- £59.4 million injected into the local economy; 60% of total value of contracts awarded to Nottingham City suppliers
- 210 FTE employment and training opportunities created
- Recognition through the National Government Opportunities (GO) Awards for innovation in public sector procurement (Innovation or Initiative Category). The award praised the Council's approach to jointly commissioning and procuring services for the local Deaf community and recognised the work undertaken to involve citizens from the local Deaf community to procure better services.
- A recent independent audit of the Council's procurement processes evidenced compliance with procurement regulations and that social value is considered.
- Strong drive towards income generation initiatives – Commercialism is central to our organisation's key policies, and procurement now plays a key role in looking to market its expertise to businesses locally. The procurement team are now leading procurements on behalf of a local charity and partner organisations. Furthermore, the market development teams have generated income through quality improvement workshops and carrying out market intelligence for partner agencies.
- Joint working with legal services to respond to the new EU Procurement Regulations as implemented in the UK in the Public Contracts Regulations 2015

#### Delivery against key Strategy priorities – by Category

Category	Total Contract Value Awarded	Total Local Contract Value	% Local	Savings	% Savings	No. of Jobs Created
Care, Support & Health Improvement	£16,829,353	£10,183,949	60%	£3,991,152	24%	127.5
Construction & Property	£52,846,433	£37,760,883	71%	£320,585	1%	63.7
Corporate Services	£7,913,434	£585,505	7%	£598,654	8%	0
Facilities Management	£3,714,756	£2,369,582	64%	£384,767	10%	0
Leisure, Environment & Community Services	£8,760,971	£6,811,409	78%	£254,680	3%	7
Transport	£9,149,232	£1,693,785	19%	£325,500	4%	12
<b>Total</b>	<b>£99,214,179</b>	<b>£59,405,113</b>	<b>60%</b>	<b>£5,875,338</b>	<b>6%</b>	<b>210.2</b>

## **Achievements against Procurement Strategy aims**

### ***Clear messages to all organisations who wish to work with / deliver business on behalf of Nottingham City Council***

An extensive engagement and communication plan was developed for the launch of the procurement strategy. A successful strategy launch was held with key partners and providers with formal press releases issued through the local media. Internal communications including presentations were delivered to CLT and DLTs.

Continued business and procurement support is being provided to organisations who wish to work with / deliver business on behalf of the Council through workshop, training and consultancy support.

### ***Set out how Nottingham City Council's spending power, through procurement, will be used to drive new targets for the top priorities:***

- ***increase investment with local organisations*** – During 2014/15 a total of £59.4 million has been injected into the local economy through the Procurement Strategy. Contracts awarded to Nottingham City suppliers represented 60% of total contract value awarded and 76% of all contracts awarded within the East Midlands.
- ***create jobs*** - 210 full time equivalent employment and training opportunities created through contracts awarded
- ***support early intervention and value for money services for vulnerable citizens*** – implementation of robust contract management processes to drive up standards and ensure quality, safe services. Review and development of quality monitoring processes and information for citizens to inform choice of services. Tender processes have been developed to involve citizens and carers and citizens have been involved in the development of services and tender evaluation for a number of tenders.

We have moved to an early intervention approach with more efficient models of service delivery. The development of the Nottingham Circle involved learning from National models before undertaking procurement. This procurement involved pump-priming a social enterprise to enable them to develop a sustainable model that was not reliant on local authority funding. The Circle has recently started to impact upon local communities providing support to citizens and the pump priming has now ended.

- ***support the green agenda*** – engagement with regional and partnership working around good practice and sustainability, including D2N2 group and Green Theme Partnership. The procurement of electric buses illustrates how procurement is supporting the delivery of the City's sustainable transport and energy policies. The city is moving towards becoming a trailblazer through the introduction of a low carbon transport network exemplified through the expansion of the NET tram network with two new lines due to open in 2015, Europe's largest fleet of fully electric contracted bus services on the Linkbus network, electric car charging points at key Park and Ride sites and an overnight direct line electric feed from the city's local waste generator to our local bus depots and stations. The Council supplies its own buses for Linkbus services as this reduces costs and opens up operational tenders to smaller

companies which might be able to tender with their own buses. These buses are now being replaced by the Council's new fleet of electric buses. The fuel savings from electric buses are significant and there are reduced maintenance costs. Based on the anticipated fuel savings alone, the 'payback' period of the additional cost of purchasing green buses is under 2 years. There are also carbon savings of around 40% over a conventional diesel bus. A contract totalling £3.5m has just been placed for a further 13 buses and associated charging equipment. £1.4m of this was from a green bus grant.

- **Create a revenue stream to support the Nottingham Jobs Fund and Employer Hub** - Pilot and process developed for 1% levy to be applied to procurement of all new contracts (excluding care, support and health) above £200k total contract value. Arrangements for monitoring and administration of 1% levy income established. Project register adjusted to report estimated and actual funding released from each tender.
- **Review procurement governance to increase councillor and citizen influence** - New Commissioning and Procurement Sub-Committee established with representation from portfolio holder for Procurement to give oversight to procurement contracts.
- **Ensure that the Procurement Function and processes are aligned in the best way to deliver the Strategy** – A new Procurement Team has established in Early Intervention Directorate to deliver one procurement function. Category management is embedded and there is a strategic, commissioning led approach. One procurement plan for all procurement activity is in place and published on the website. A project register has been developed to monitor the impact of the Strategy including savings and progress against economic, social and environmental targets. A review of procurement processes has progressed to support a clear and consistent procurement approach, including the establishment of a toolkit of documents and guidance. A new corporate e-tendering system has been implemented in collaboration with regional partners.

## **Strategy Implementation – Next Steps**

The implementation of the strategy will continue at pace throughout 2015-17. There will be new opportunities for local suppliers with the Council continuing to further develop its procurement processes to continue to deliver best value, support innovation, stimulate growth and ensure maximum benefits to the citizens of Nottingham. Priorities for 2015-16 include:

- Piloting the levy for funding the Employer Hub
- Developing and implementing a business charter that will form part of our local agreement with suppliers
- Developing market development to support local businesses to tender for services
- Providing open and concise information on our procurement plans
- Implementation of the new national procurement regulations
- Review of governance arrangements including for implementation of the 'Make or Buy Challenge' Policy

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**COMMISSIONING AND PROCUREMENT SUB COMMITTEE**

**10 June 2015**

<b>Subject:</b>	Re-procurement of Sexual Health Services		
<b>Corporate Director(s)/ Director(s):</b>	Alison Michalska - Corporate Director Children and Adults Candida Brudenell - Strategic Director Early Intervention Alison Challenger – Interim Director of Public Health		
<b>Portfolio Holder(s):</b>	Councillor Alex Norris, Portfolio Holder for Adults and Health		
<b>Report author and contact details:</b>	<p>Carl Neal – Insight Specialist Public Health 0115 87655527 <a href="mailto:Carl.Neal@nottinghamcity.gov.uk">Carl.Neal@nottinghamcity.gov.uk</a></p> <p>Rachel Doherty – Lead Contract Manager 0115 8765108 <a href="mailto:Rachel.Doherty@nottinghamcity.gov.uk">Rachel.Doherty@nottinghamcity.gov.uk</a></p> <p>Dawn Cafferty - Procurement Category Manager – Community, Health and Education 0115 8765888 <a href="mailto:Dawn.Cafferty@nottinghamcity.gov.uk">Dawn.Cafferty@nottinghamcity.gov.uk</a></p>		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Subject to call-in</b>
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b>	<input checked="" type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision
			<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Total value of the decision: £29,268,384</b> (Annual Value of the decision: £ 3,658,548)			
<b>Wards affected:</b> All	<b>Date of consultation with Portfolio Holder(s):</b> Councillor Norris		
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter			<input type="checkbox"/>
Cut crime and anti-social behaviour			<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input type="checkbox"/>
Help keep your energy bills down			<input type="checkbox"/>
Good access to public transport			<input type="checkbox"/>
Nottingham has a good mix of housing			<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input type="checkbox"/>
Support early intervention activities			<input checked="" type="checkbox"/>
Deliver effective, value for money services to our citizens			<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
This report seeks approval to the re-procurement and award a contract for the Integrated Sexual Health service (ISHS). This service will underpin the prevention of sexual ill-health and early intervention services across the City; reducing health inequalities and improving health and well-being outcomes.			

It is proposed that the re-commissioning and tender process be undertaken jointly with the County Council. This will allow the continued development of an Integrated Sexual Health Service (ISHS), offering a seamless, universal open access service for people resident in Nottingham City and Nottinghamshire South County (Broxtowe, Gedling and Rushcliffe).

**Exempt information:**

Appendix 2 is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial affairs of a particular person (including the authority holding that information) and having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it is commercially sensitive and may jeopardise contract negotiations.

**Recommendation(s):**

1. To approve the procurement of the sexual health services outlined in exempt Appendix 2, jointly with Nottinghamshire County Council.
2. To 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. To 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 Director of 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.

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 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.
- 1.2 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.
- 1.3 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.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 Under the provisions of the Health and Social Care Act (2012) Nottingham City Council (NCC) now has a statutory responsibility to commission open access sexual services to improve and maintain the health of Nottingham citizens. This transition was completed on 1 April 2013

- 2.2 Open access locality based and secondary care sexual health services are currently provided by Nottingham University Hospitals NHS Trust (NUH). The services currently sit within the multi-lateral NUH contract, led by NHS Nottingham West CCG on behalf of a range of public sector agencies. Notification of NCC's intention to terminate this contractual arrangement was issued on 23<sup>rd</sup> March 2015.
- 2.3 The current contract relating to sexual health services expire on 31/03/2016. Re procurement will be undertaken to commission services from 01/04/2016.
- 2.4 Open access sexual health services aim to:
- Prevent and reduce the spread and onward transmission of sexually transmitted infections (STIs)
  - Test, treat and care for those with STIs
  - Provide advice and access to a full range of contraception
  - Provide advice on preventing unplanned pregnancy.

There are some sexual health services that are the commissioning responsibility of other organisations. For example, the provision of Human Immunodeficiency Virus (HIV) treatment and care is the commissioning responsibility of NHS England. Whilst HIV testing and prevention is the responsibility of the Local Authority.

A summary of the current commissioning arrangements for Sexual Health Services can be found in **Appendix 1**.

## 2.5 Local Context

Summary of sexual health needs in Nottingham City:

- Nottingham City has higher rates of acute STIs when compared to the national average
- There is a clear relationship between sexual ill health, poverty and social exclusion, with the highest burden of sexually related ill-health borne by groups who often experience other inequalities in health
- STIs, including HIV, remain one of the most important causes of illness due to infectious disease among young people (aged between 16 and 24 years old).
- If STIs, including HIV, are not diagnosed and treated early, there is a greater risk of onward transmission to uninfected partners and a greater risk that complications might occur
- The impact of STIs remains greatest in young heterosexuals under the age of 25 years and in men who have sex with men (MSM)
- Large increases in STI diagnoses were seen in MSM, including a 26% increase in gonorrhoea diagnoses. Although partly due to increased testing in this population, ongoing high levels of unsafe sexual behaviour probably contributed to this rise
- The most commonly diagnosed STI in 2013 was Chlamydia. Targeting vulnerable groups and those identified as most at risk is crucial to achieve the recommended diagnosis rate of 2,300 per 100,000 15-24 year old population as set out in the Public Health Outcomes Framework (PHOF)
- The number of gonorrhoea diagnoses has increased in recent years and reducing gonorrhoea transmission, ensuring treatment resistant strains of gonorrhoea do not persist and spread remains a public health priority

- Nottingham City has a 'high' HIV prevalence (2.41 per 1,000 population), higher than both the regional (East Midlands) and national (England) averages. Within Nottingham City 63.9% of HIV cases are diagnosed late compared to the England average of 45%
- There has been a decline in the rate of teenage pregnancies in Nottingham City since 2007, although the City still ranks higher than the national average
- Evidence identifies that in recent years the percentage of total first contacts for LARC (long-acting reversible contraception) has increased; however the rate of GP prescribed LARC during 2012/13 per 1,000 female population aged 15-44 in Nottingham City (46.0) was lower than the England average (49.0)
- The full version of Nottingham City's Sexual Health JSNA can be accessed on [http://jsna.nottinghamcity.gov.uk/insight/Strategic-Framework/Nottingham-JSNA/Adults/Sexual-Health-and-HIV.aspx#exec\\_summary](http://jsna.nottinghamcity.gov.uk/insight/Strategic-Framework/Nottingham-JSNA/Adults/Sexual-Health-and-HIV.aspx#exec_summary)

- 2.6 Nottingham City's (in partnership with Nottinghamshire County Council) proposed approach is to commission a range of sexual health services as part of an integrated sexual health service (ISHS) model. The ISHS model reflects current evidence-based practice and is informed by national and local guidance (DH, 2013; DH 2014) and intelligence about the health needs of the population in Nottingham City (and Nottinghamshire County).
- 2.7 Services delivered in an integrated way help to enable people to access contraceptive advice and STI testing and treatment at one appointment or site, with the option for referral to more specialist treatment and services when needed. The ISHS model is underpinned by health promotion and prevention activity, to increase sexual health wellbeing, knowledge and awareness and enhance the accessibility of services.

An extensive engagement process has been undertaken with citizens and a range of other stakeholders through a series of focus groups. Following this a formal consultation process was also carried out in partnership with the County Council, In addition a soft market testing exercise has been completed to inform the re-commissioning process.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 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.
- 3.2 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.

### **4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

- 4.1 The annual cost of the contracts included in exempt Appendix 1 is £3.658m and £29.268m for the maximum life of the contracts.
- 4.2 The funding of the contracts can be contained within the Public Health budget allocation. The services, referred to in Appendix 2, have been identified as being reduced to contribute towards the budget savings challenge from 2016/17 onwards. This report will enable savings of £0.155m to be achieved towards the target of £0.205m



- 4.3 Approval is given to award contracts up to their current annual cost. Any increase in contract values above that level will require further approval to be gained through the appropriate process.
- 4.4 Contract performance will be closely monitored to ensure the outcomes align to the City Councils framework to achieve value for money and deliver on the principles of economy, efficiency and effectiveness

## **5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

- 5.1 The intention is to closely coordinate the County and the City's requirements as to the provision of their open access statutory sexual health obligations in both procuring the provision of the services and contract management.
- 5.2 Agreement with County as to the terms and conditions of contract is far advanced as, it is understood, is the specification.
- 5.3 The precise details of governance between the County and the City and the procurement mechanisms and contractual controls need to fully developed to ensure compliance with statutory constraints on decision making and the procurement regulations.
- 5.4 Legal have been fully involved in the development of the terms and conditions and will need to assist to help ensure the arrangements will fulfil all the statutory and regulatory requirements.

## **6 SOCIAL VALUE CONSIDERATIONS**

- 6.1 Social Value is inherent in the subject matter of this procurement, as an open access health service for citizens. However the possibility for creating additional social value (for example generating employment and training opportunities) will be considered as part of the procurement process.

## **7 REGARD TO THE NHS CONSTITUTION**

- 7.1 Local authorities have a statutory duty to have regard to the NHS Constitution when exercising their public health functions under the NHS Act 2006. In making this decision relating to public health functions, we have properly considered the NHS Constitution where applicable and have taken into account how it can be applied in order to commission services to improve the health of the local community.

## **8 EQUALITY IMPACT ASSESSMENT (EIA)**

- 8.1 Risk Assessment and Equality Impact Assessments are being undertaken or will be undertaken (depending on the timescales for the tender) for those services to be tendered.

**9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

9.1 None

**10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

10.1 None

**11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

11.1 Brian Stewart, Solicitor, Contracts and Commercial Team, Legal Services  
Dee Fretwell, Finance Analyst, Children and Families, Strategic Finance  
Dawn Cafferty, Procurement Category Manager, Corporate Procurement

**Appendix 1**  
**Summary of Commissioning Responsibilities for Sexual Health Services**

Local Authorities	CCGs	NHS England
<ul style="list-style-type: none"> <li>• Contraception</li> <li>• STI testing and treatment</li> <li>• Chlamydia testing as part of the National Chlamydia Screening Programme</li> <li>• HIV testing</li> <li>• Sexual health aspects of psychosexual counselling</li> <li>• Sexual services including young people's sexual health, teenage pregnancy services, outreach, HIV prevention and sexual health promotion work, services in schools, colleges and pharmacies</li> </ul>	<ul style="list-style-type: none"> <li>• Termination of pregnancy services</li> <li>• Vasectomy</li> <li>• Non sexual health elements of psychosexual health services</li> <li>• Gynaecology including use of contraception for non-contraception purposes</li> </ul>	<ul style="list-style-type: none"> <li>• Contraception provided as an additional service under the GP contract</li> <li>• HIV treatment and care including post-exposure prophylaxis after sexual exposure</li> <li>• Promotion of opportunistic testing and treatment for STIs</li> <li>• Sexual health elements of prison health services</li> <li>• Sexual Assault Referral Centres</li> <li>• Cervical screening</li> <li>• Specialist foetal medicine</li> </ul>
<p><b>Original Source: Department of Health Commissioning Sexual Health services and interventions: Best Practice guidance for local authorities, 2013</b></p>		

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