

NOTTINGHAM CITY COUNCIL

COMMISSIONING AND PROCUREMENT SUB-COMMITTEE

MINUTES of the meeting held at Loxley House, Nottingham on 10 February 2016 from 15.03 - 15.27

Membership

Present

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

Absent

Councillor Jon Collins
Councillor Nick McDonald
Councillor Jane Urquhart

Colleagues, partners and others in attendance:

Katy Ball	- Director of Procurement and Children's Commissioning
Jacquie Blake	- School Traded Services Manager
Clare Gilbert	- Lead Commissioning Manager
Steve Oakley	- Head of Contracting and Procurement
Andrew Whitley	- City Energy Manager
Phil Wye	- Constitutional Services Officer

Call-in

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until 18 February 2016

53 APOLOGIES FOR ABSENCE

Councillor Jon Collins – other council business
Councillor Nick McDonald – other council business

54 DECLARATIONS OF INTERESTS

None

55 MINUTES

The minutes of the meeting held on 10 February 2016 were agreed as a true record and signed by the Chair.

56 VOLUNTARY AND COMMUNITY SECTOR UPDATE

Maria Ward, Nottingham Community and Voluntary Service (NCVS), gave an update highlighting the following:

- (a) NCVS is currently having a restructure. It is involved with area based grants, working with a range of smaller partners. It also provides a voluntary sector representative on the Local Enterprise Partnership Board;
- (b) a funding bid has been successful from Building Better Opportunities for Framework and St Ann's Advice Centre;
- (c) the Future Leaders Programme is running in conjunction with Nottingham City Council to encourage a more diverse workforce;
- (d) the Lord Mayor of Nottingham Volunteers Awards are currently at the nomination stage. These will reward hardworking volunteers for the contribution that they make to the local community;
- (e) NCVS will be leading on one of the strands of the new Health and Wellbeing strategy;
- (f) The State of the Sector survey is currently being written for voluntary organisations, and any specific questions that members have can be added;

Sub-Committee members felt that a question on how successful voluntary organisations are at getting funding from sources other than the council should be included in the survey.

RESOLVED to note the information

57 PROCUREMENT OF GAS SERVICES - KEY DECISION

Andy Whitley, Energy Services Manager, presented a report on procuring a new gas supply for Nottingham City Council under a framework agreement that other organisations in the East Midlands can use, highlighting the following:

- (a) the council's current ESPO gas procurement framework ends in March this year, giving the council an opportunity to test the market;
- (b) at the moment the gas market is seeing oversupply, which has led to a low price per barrel of oil, and therefore low gas prices. Since January 2012 the price per therm of gas has fallen by 18%;
- (c) by entering the market now, the council can achieve up to £200,000 savings per annum. The value of the contract could be £3million per annum, dependent on gas demand due to cold weather;
- (d) a framework has also been provided which allows other local organisations including police forces, academy schools and universities to join the contract, providing possible further price reductions;
- (e) the contract will go through an EU tender process, and awarding of the contract will be delegated to the Assistant Chief Executive;

- (f) the Portfolio Holder for Jobs, Growth and Transport and the Leader of the Council have been consulted on these proposals.

RESOLVED to:

- (1) undertake an EU tender process to procure a gas supply for Nottingham City Council under a framework agreement that other organisations in the East Midlands can use;**
- (2) delegate authority to the Strategic Director/Assistant Chief Executive to award and sign a contract to the successful supplier for a period of 3 plus 1 years up to a total value of £12 million in conjunction with the Director of Legal Services.**

Reasons for Recommendations

To enable Nottingham City Council to access lower cost gas prices, due to increased competition in the gas market and low current prices.

Other Options Considered

- (1) Remain in the ESPO framework, and commit to another 4 year contract. This option was considered not to provide value for money due to the low current gas price at this time;
- (2) Not to re-tender. This option would see the City Council pay out of contract rates which would be significantly higher than our current price for gas and would not be compliant with EU procurement regulations.

58 PUBLIC HEALTH CONTRACTS - KEY DECISION

Steve Oakley, Head of Contracting and Procurement, presented a report on the extension of the contracts for two existing public health services for one year, highlighting the following:

- (a) extension of these contracts will ensure that continuity of service provision is maintained for citizens while commissioning review work is completed. It will ensure access to essential public health services is maintained;
- (b) the two contracts are for Health Visiting and the Family Nurse Partnership, both of which the council has commissioning responsibilities for since October 2015;
- (c) the contracts already had extensions written into them when they were originally written;

The following answers were given in response to questions from the Sub-Committee:

- (d) the Healthy Child Review is progressing well, with a range of people working on it. The aim is for this to be procured as one contract rather than many small contracts. The Portfolio Holder for Early Intervention and Early Years will be

consulted;

(e) the value of public health contracts is still unknown.

RESOLVED to

- (1) approve the extension of the Public Health contracts listed in the exempt appendix using existing option to extend, for up to 1 year from 1 April 2016 to 31 March 2017, at a cost not exceeding their current contract values;**
- (2) delegate authority to the Director of Public Health in consultation with the Portfolio Holder for Adults and Health, to agree the final values and award contract for the services listed in exempt appendix 1, providing these do not exceed their current values;**
- (3) delegate authority to the Head of Contracting and Procurement to sign the final contracts and contract extensions in respect of all services detailed in exempt appendix 1, following approval by the Director of Public Health to the agreed contract awards;**
- (4) approve spend to support the contractual values set out in exempt appendix 1. If the contractual values are over and above current indicative values a separate report will be presented for approval;**
- (5) note that any reduction in grant allocation for 2016/17 will be mitigated by a reduction in spend on this contract.**

Reasons for recommendations

- (1) Extending the contracts listed in exempt appendix 1, for one year will ensure that continuity of service provision is maintained for citizens while commissioning review work is completed. These fixed term extensions will ensure access to essential public health services is maintained while recommendations arising from review work during 2016/17 are implemented in a timely manner;
- (2) It is necessary to review these commissioned services before they are re-procured in order to ensure that the delivery models proposed offer the best service for citizens, at the best possible value for money. The reviews will consider a range of delivery options and potential cost efficiencies. These service configuration options, which include potential integration with internal City Council services, need time to be considered and appraised. Once recommendations are finalised, sufficient time also needs to be allowed to procure and mobilise new services;
- (3) The exempt appendix contains details of two public health contracts which are currently due to end 31st March 2016. The appendix details the current contract values and provides a rationale for extending the services until the end of March 2017.

Other options considered

- (1) Do nothing. This option was rejected as this would mean that existing contracts for these services would expire in March 2016, leaving the city without essential public health services. The contracts listed in the exempt appendix delivery mandatory aspects of the Healthy Child Programme.
- (2) Re-procuring all services immediately for new contracts to commence in April 2017. This option was rejected as it would allow insufficient time to explore the potential benefits and enhanced efficiencies of integrating children's services and other partnership delivery models. It is essential that procurement is not undertaken before the long term strategy for all services detailed in the exempt appendix is agreed. Extending current activity for one year will enable both service delivery and value for money benefits arising from the commissioning reviews to be realised as quickly as possible. It will also avoid the risk of destabilising current health services and reducing the quality of current provision to citizens.

59 SUPPLY OF READY MADE SANDWICHES CONTRACT TO SCHOOLS AND COMMERCIAL CATERING PREMISES

Jacquie Blake, School Traded Services Manager, presented a report the procurement of a quality and value for money supplier for sandwiches and rolls who can produce the same quality products at a better price than they can be made in-house, highlighting the following:

- (a) the Commercial Catering department has seen an increase in 3 business units, to sites including joint service centres and Byron House and plans to double in size in 2016/17. The number of sandwiches and rolls purchased has therefore increased significantly;
- (b) a costing exercise has shown that if the department made the products themselves it would be more costly than an outside company who could deliver the products at a lower price.

The following information was provided during the discussion which followed:

- (c) consultation is currently taking place on the provision of ready meals at Loxley House to take home;
- (d) Swansea Council has taken an interest in the council's commercial catering services and was impressed with the offer.

RESOLVED to

- (1) approve the expenditure of £100,000 for the supply of fresh sandwiches and rolls contract for School and Commercial Catering for 2 years from 1 April 2016, with an option to extend for a further 1 year, at a total cost of £150,000;**
- (2) delegate authority to the Strategic Director of Neighbourhood Services to select and award the contracts to the most advantageous tender.**

Reasons for recommendations

- (1) The current supplier was engaged prior to the creation of the Commercial Catering Dept. which has now increased the number of business units, the amounts of sandwiches and rolls purchased has therefore increased significantly, requiring the contract to go out to tender;
- (2) This will ensure best value for money, a costing exercise has shown that for the Dept. to make the products themselves would be more costly as a sandwich company will operate as a factory and through high volumes will be able to deliver the products at a price that the Dept. could not match.

Other options considered

- (1) The current contract needs to go out to tender and the supply of fresh sandwiches and rolls are key to the delivery of the catering service in schools and commercial catering facilities. Not undertaking a formal procurement process will mean that the Council will not be securing best value for supply of a significant amount of revenue spend and in addition would not be adhering to Public contracts and regulations which would make this unlawful This option is therefore not recommended;
- (2) To make the sandwiches and rolls in the current Catering establishments. This option would cost more over the life of the contract as the infrastructure is not in place to deliver this volume at this price. Contractors delivering this type of product operate a factory style of production which the Catering Dept. does not have the capacity to deliver. This may be a consideration for the future when the required volumes reach a level to make this a worthwhile investment. Therefore this option is not recommended.

60 COMMISSIONING OF STATUTORY ADVOCACY SERVICES - KEY DECISION

Clare Gilbert, Lead Commissioning Manager, presented a report presenting proposals for the statutory advocacy service taking into account the additional pressures resulting from new legislative requirements (Care Act 2014) and case law (Cheshire West implications), highlighting the following:

- (a) the council is legally bound to provide an advocacy service under the Mental Health Act 2005, Mental Health Act 2007, Care Act 2014 and in line with case law;
- (b) due to additional financial pressures prevented by legislative and policy change the council will no longer be able to support provision of non-statutory advocacy services;

The following responses were given in answer to questions from the Sub-Committee:

- (c) the proposals have been consulted with potential users, and providers have been engaged to help form the new model. There could be some concern around the

loss of non-statutory services;

- (d) the advocacy provision is for a specific group of adults who qualify under the Mental Health Act.

RESOLVED to

- (1) approve commissioning of an advocacy service in accordance with the model detailed in paragraphs 2.11-2.17 of the report;**
- (2) approve entering into a joint tender process with Nottinghamshire County Council, Nottingham City Clinical Commissioning Group (CCG) and Nottinghamshire CCG in order to procure this model with Nottinghamshire County Council acting as the lead of the procurement process and approve to delegate authority to the Director of Adult Social Care to award and sign and enter into a contract following completion of the tender process;**
- (3) approve the budget and spend on statutory advocacy provision set out in exempt appendix .**

Reasons for recommendations

- (1) The Council is legally bound to provide an advocacy service under the Mental Health Act 2005, Mental Health Act 2007, Care Act 2014 and in line with case law;
- (2) The current model is unable to respond to the new legislative requirements and therefore a new model had to be developed in order to meet the increased responsibilities;
- (3) Due to the additional financial pressures presented by legislative change the Council will no longer be able to support provision of non-statutory advocacy;
- (4) Jointly commissioning the service with Nottinghamshire County Council and City CCG's and County CCG's will deliver increased value for money for the Council as well as responding to citizen's request to have one model across Nottingham City and Nottinghamshire.

Other options considered

- (1) To continue to provide the same level of statutory and non-statutory advocacy. Given the significant pressures in relation to statutory advocacy, there are insufficient funds to continue to provide the same level of service;
- (2) To commission services separately from Nottinghamshire County Council. This would lead to a considerable increase in costs due to economies in scale. Working with the County enables advocates to work more efficiently in hospitals and residential and nursing homes which are used by City and County residents;
- (3) To bring the service in-house. Legally, advocacy has to be an independent function, separately provided from the local authority.

61 WORK PROGRAMME

RESOLVED to note the work programme

62 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining items in accordance with Section 100A(4) of the Local Government Act 1972 on a 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.

63 PUBLIC HEALTH CONTRACTS 2016/17 - EXEMPT APPENDIX

RESOLVED to note the information in the exempt appendix to the report on Public Health Contracts 2016/17

64 ADVOCACY SERVICE - EXEMPT APPENDIX

RESOLVED to note the information in the exempt appendix to the report on Advocacy Services