



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

**Date:** Wednesday, 10 February 2016

**Time:** 3.00 pm

**Place:** LH 3.30 - Loxley House, Station Street, Nottingham, NG2 3NG

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

**Corporate Director for Resilience**

**Governance Officer:** Phil Wye **Direct Dial:** 01158764647

**AGENDA**

**Pages**

- |          |   |         |
|----------|---|---------|
| <b>1</b> | <b>APOLOGIES FOR ABSENCE</b>  |         |
| <b>2</b> | <b>DECLARATIONS OF INTERESTS</b>  |         |
| <b>3</b> | <b>MINUTES</b><br>To confirm the minutes of the meeting held on 13 January 2016   | 3 - 10  |
| <b>4</b> | <b>VOLUNTARY AND COMMUNITY SECTOR UPDATE</b>  |         |
| <b>5</b> | <b>PROCUREMENT OF GAS SERVICES - KEY DECISION</b><br>Report of the Corporate Director for Commercial and Operations                                     | 11 - 14 |
| <b>6</b> | <b>PUBLIC HEALTH CONTRACTS - KEY DECISION</b><br>Report of the Director of Procurement and Children's Commissioning                                     | 15 - 20 |
| <b>7</b> | <b>SUPPLY OF READY MADE SANDWICHES CONTRACT TO SCHOOLS AND COMMERCIAL CATERING PREMISES</b><br>Report of the Director of Neighbourhood Services         | 21 - 24 |
| <b>8</b> | <b>COMMISSIONING OF STATUTORY ADVOCACY SERVICES - KEY DECISION</b><br>Report of the Strategic Director for Early Intervention/Assistant Chief Executive | 25 - 34 |

<b>9</b>	<b>WORK PROGRAMME</b>	35 - 36
<b>10</b>	<b>EXCLUSION OF THE PUBLIC</b> 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.	
<b>11</b>	<b>PUBLIC HEALTH CONTRACTS 2016/17 - EXEMPT APPENDIX</b>	37 - 38
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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 LB 31 - Loxley House, Station Street, Nottingham, NG2 3NG on 13 January 2016 from 2.00pm – 2.40pm**

**Membership**

Present

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

Absent

Councillor Nick McDonald  
Councillor Jane Urquhart

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

Katy Ball	- Director of Procurement and Children's Commissioning
Antony Dixon	- Strategic Commissioning Manager
Claire Labdon-West	- Commissioning Manager
Kate Lowman	- Procurement Category Manager Care and Support
Charla McDevitt	- PATRA Trainee, Constitutional Services
Zena West	- Governance Officer

**Call-in**

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until 26 January 2016.

**43 APOLOGIES**

Councillor Jane Urquhart – work commitments

**44 DECLARATIONS OF INTEREST**

None

**45 MINUTES**

The minutes of the meeting held on 16 December 2015 were agreed as a true record and signed by the Chair.

**46 VOLUNTARY AND COMMUNITY SECTOR UPDATE**

None

**47 SEMI INDEPENDENT ACCOMMODATION AND SUPPORT FOR LOOKED AFTER YOUNG PEOPLE - KEY DECISION**

Claire Labdon-West, Commissioning Manager, presented a report on semi-independent accommodation and support for looked after young people to the Committee, highlighting the following points:

- (a) the previous framework had issues with not meeting young people's needs, and has now come to an end. A new framework will be set up to provide additional capacity and extra flexibility;
- (b) 6 self-contained units will be available across 1 or 2 properties. They will be staffed 24 hours to provide support for the residents;
- (c) this will present an opportunity for forward planning and improved outcomes, with an initial period of intensive support to assess needs and develop a support plan. This will provide greater consistency of support, and greater consistency of cost;
- (d) over a year, there is a potential saving of up to £80,000.00, with the main risk being under-usage. There has been a recent reduction in the number of young people placed in semi-independent supported accommodation upon leaving care; the latest figures show 17 young people were receiving this type of support in December 2015. The small number of units is designed to mitigate this risk. Occupancy would have to fall below 60% before it would result in an increase on current expenditure;
- (e) providers will be obligated to demonstrate how they will work in partnership to support young people, to ensure that their transition beyond supported accommodation goes smoothly;
- (f) feedback as a result of the consultation has been positive, and the Children in Care Council will be involved as the proposals move forward.

Following questions and comments from the Committee, further information was provided:

- (g) the decrease in children requiring semi-independent accommodation support has mostly come about from more children being placed in foster care rather than residential care. Fostered children are more likely to remain with the foster family or go straight into independent accommodation than those who have lived in residential units;
- (h) the tendering process will go out to all providers. Given the vulnerability of the young people, the tender process will be quality driven, not driven by cost savings.

**RESOLVED to:**

- (1) procure a block contract for 6 units of Semi Independent Accommodation for 3 years with an option to extend for a further 3 years (at the discretion of the Council) with a maximum annual contract value of £206,824.80, with an option to expand the number of units should the**

**demand for the service grow (at the discretion of the Council) via an open and competitive tender process;**

- (2) procure through an open and competitive tender process a Framework to provide further capacity in addition to the units in the block contract for times when that provision is not suitable for a specific young person's needs. This contract is to be for 3 years. The annual value of the Framework is estimated to be a maximum of £723,175.20. This is the forecasted spend for 2015/16 spend minus the value of the proposed block contract;**
- (3) delegate authority to the Assistant Chief Executive to approve the outcome of the tenders and award contracts to secure best value;**
- (4) delegate authority to the Head of Contracting and Procurement to sign contracts arising from the tender process once the tender outcome is agreed;**
- (5) approve expenditure in association of the amounts above.**

#### Reasons for Recommendations

- (1) A Block Contract will allow greater forward planning for the local authority and provider, leading to improved outcomes and placement stability for young people.
- (2) The service under a block contract would be able to provide an initial period of intensive support for young people who are moving into semi-independent accommodation. This will allow providers to get to know the young people and identify support needs and put in place individual support plans. The 6 units required may be provided in one or two properties and will be self-contained flats with 24 hour staffing on site.
- (3) Greater consistency of service will be delivered to young people, and the block contract will help to bring about a reduction in local authority spend on semi-independent accommodation and support. Providers will be able to reduce the unit cost under the block contract due to there being a guaranteed income based on the total number of units provided.
- (4) There are other providers of supported accommodation for young people, including care leavers, who have a lower weekly charge. The cost of the block contract would not require any additional funds and based on current spend and average placement costs we anticipate that savings of at least 20% would be made.

#### Other Options Considered

- (1) Having a Framework with no block contract. This option would pose no financial risk to the Authority in terms of having to pay for bed spaces which may not be utilised, however other benefits in terms of consistency and quality of support to young people may not be realised. The opportunity for financial

savings to the Authority is unlikely to be achieved via a framework as the provider would not receive any guarantee of business. There is also no way of preventing a reoccurrence of the issues experienced with the last framework, for example with inconsistency of service and placements not being available at short notice. For these reasons, this option was rejected.

- (2) Having a block contract in place for 12 units of accommodation. This could be 2 or 3 small units across more than one provider. This would give providers the ability to plan their business and therefore incorporate emergency provision. Market research has shown that a block contract would provide the greatest opportunity to realise financial savings whilst also increasing the quality of the provision. Having considered provision already in the market, it was felt that savings of 20% would be achievable. A Framework which provided the move on element of the provision as set out earlier in the report would still be required with this option. This was considered as part of the development work and was initially the preferred option; however due to a reduction in the numbers of young people being placed it was felt that a block contract of this size would create an unacceptable financial risk. For these reasons, this option was rejected.
- (3) Do nothing and continue to spot purchase as and when a placement is required. This option was rejected, as it would not resolve the current issues with inconsistencies in the quality of provision and the costs associated with this.

#### **48 CHILD DEVELOPMENT STRATEGIC COMMISSIONING REVIEW UPDATE**

Katy Ball, Director of Procurement and Children's Commissioning introduced the report to the Committee highlighting the following issues:

- (a) From October 2015, responsibility for health visitors and the family nurse partnership transferred to the City Council and as a result, inconsistencies in health and social care pathways were identified. Several changes were made to the pathway following wide consultation with the workforce and families. We are moving towards a single outcome framework and a single set of outcomes for children at age five.
- (b) Issues such as an insufficient level of early speech and language support in the city have been identified.
- (c) Further steps towards the integration of early health teams are underway across the city and these should be established by April 2017. The specification is in the final stages of drafting, which then allows a year to get the integrated teams up and running. The work is on track and is looking like a good pathway for our children.

During discussions with the Committee the following further information was provided:

- (d) The targets that applied prior to the service moving to the Council are being incorporated into the single set of outcomes. The indicators being used incorporate statutory NHS outcomes.

- (e) The level of Public Health grant hasn't yet been determined by central government. The existing cost is around £13.5m and the integrated model is looking to reduce this cost.

**RESOLVED to:**

- (1) Note the purpose and core activities of the Child Development Strategic Commissioning Review and progress to date**
- (2) Note the timescale to move towards the implementation of the new pathway and integrated area teams**
- (3) Note the proposal to integrate preventative and early help services and the suggested process and timeline;**
- (4) Request further reports to the committee containing information on the make up of the integrated teams and further robust financial information and advice.**

**49 WORK PROGRAMME**

Antony Dixon, Strategic Commissioning Manager, provided the following update on the Work Programme to the Committee:

- (a) The CDP paper has been deferred to February;
- (b) The intention to work with the County Council for homecare provision in the city will be brought to the February meeting.

**RESOLVED to note the changes to the Work Programme.**

**50 HEMOCARE DYNAMIC PURCHASING SYSTEM - KEY DECISION**

Antony Dixon, Strategic Commissioning Manager presented the report to the Committee and highlighted the following points:

- (a) Currently only 62% of homecare in the city is being delivered through the Care at Home framework with the remainder being delivered via spot contracts or under the old framework. Spot contracts are very resource intensive and give limited control over quality and price.
- (b) The dynamic purchasing system will manage the delivery of homecare outside of the framework. It will be compliant with EU Procurement rules, will simplify the process, will enable the Council to better control the price of care, and will be a quality assurance mechanism.
- (c) The funding is contained within current spend. There is an issue around the need to establish prices for providers, but there is currently such variance with spot

contracts that it is anticipated that it will prove to be less expensive, and will not be more costly.

## **RESOLVED to**

- (1) Approve the establishment of a Dynamic Purchasing System for homecare purchased outside of the existing Care at Home Framework. Contracts awarded through the framework will run until 31st December 2017 with the potential to extend these contracts for a further 2 years.**
- (2) Delegate authority to the Head of Contracting and Procurement to award and sign contracts to the successful providers identified through this process.**

## **Reasons for Recommendations**

The establishment of a Dynamic Purchasing System will ensure that care purchased outside of the Care at Home framework will be procured through an EU compliant process, with all Providers having passed basic qualification criteria and delivering to the same contract terms, providing a mechanism for responding to quality and delivery concerns.

## **Other Options Considered**

- (1) Do nothing: Current contracting arrangements would be continued as they are with the Framework being the first choice of option for services and then previous framework and non-framework providers. This option is not recommended due to the fact that a large amount of services risk being purchased outside of the EU procured Care at Home Framework, the resource requirements needed to manage such a system and because of concerns that spot contractual arrangements are not delivering value for money and quality concerns cannot be managed satisfactorily or to the required quality.
- (2) Re-open Existing Framework: The framework would be re-opened through a repeat tender to increase the number of providers within it and therefore its capacity. This option is not recommended due to risk of increased costs, potential risk of legal challenge, the timeframe required for implementation and doubts of whether required resource would actually result from doing so.
- (3) Transition All packages to Lead Framework Providers: All packages currently outside the Framework would be transitioned to the new framework. Depending on how this is done, TUPE may or may not occur. Where it occurs Service Users will take their carers with them and experience little disruption to services. Very careful planning around how to transfer packages would be essential to making this work and ensuring a smooth transfer for citizens. This option has been considered at length but is not recommended due to the resource intensive nature of undertaking such a process together with risk of legal challenge.
- (4) Develop new model: A new model would be developed and retendered. This would replace the existing framework which could be terminated and would aim to



ensure all existing packages were brought into the same contractual framework. This work is now in motion but will not be ready to implement until 2017-18.

## **51 COMMISSIONING OF ENHANCED CARE SUPPORT AND ENABLEMENT - KEY DECISION**

Antony Dixon, Strategic Commissioning Manager and Kate Lowman, Procurement Category Manager, Care and Support introduced the report to the Committee and highlighted the following issues:

- (a) The Care Support and Enablement framework was established in 2013 and runs until 2017. Providers are struggling to cope with the complexity of needs arising as a result of the transforming care agenda.
- (b) Nottingham and Nottinghamshire are a transforming care fast track site, testing the implementation of a new national model of care. There is an assumption from NHS England that needs will be managed in a community setting rather than a residential setting.
- (c) There is a projection that the programme will apply to around seven individuals, all of whom require high cost packages of care. The average cost of each placement is £2000 per week and one package is in the region of £5000 per week. The intention is that when contracts are re-tendered in 2017 both frameworks will be combined.
- (d) Funding of these placements is a matter of debate with NHS England. It has been suggested that a 'dowry' could accompany individuals on resettlement from acute care but this has not yet been resolved. Individual packages will continue to be approved through normal process. This report covers establishing the framework of providers.

During discussion with the Committee the following points were raised and responded to:

- (e) There is no budget to commission a service but when people come out of key care, the Council has budgetary responsibility for their care packages. With enhanced care, traditionally people with such complex needs have gone into residential or acute care settings. The existing framework was not designed to meet such complex needs. The new framework aims to manage particularly complex needs.
- (f) An advantage of going down the community care route is that it will reduce the number of out of area placements. The new framework will enable work to be done with local providers for to achieve a better controlled price. It is also hoped that the reduced use of institutional settings will reduce the frustration experienced by service users.
- (g) The number of individuals in institutional settings changes frequently. Many have been in hospital settings for a long time and it is difficult to monitor. The current approach is to encourage providers to manage challenging behaviour in

a community setting, rather than in institutions. Some individuals are still in institutions at Home Secretary's discretion.

**RESOLVED to**

- (1) Approve the proposal to establish a Framework Agreement for Enhanced Care Support and Enablement, with the capacity of meeting the complex needs of citizens in the community. The framework will run for two years from inception.**
- (2) Delegate authority to the Director of Procurement and Children's Commissioning to award the outcome of the tender.**
- (3) Delegate authority to the Head of Procurement and Contracting to award contracts.**

**Reasons for Recommendations**

To develop a mechanism for swiftly identifying suitable providers with the tenacity experience, skills and robust processes required to deliver Enhanced Care Support and Enablement (CSE), to look after citizens with challenging behaviour and complex needs and respond appropriately when they present a risk. The current framework of CSE providers is unable to meet the high needs of this particular cohort of citizens. It is therefore necessary to develop a bespoke Framework for enhanced needs.

**Other Options Considered**

Utilise the current CSE framework. This option is not recommended as providers are unable to offer the level of service required within the current CSE Framework.

**52 CHANGE OF MEETING DATES**

**RESOLVED to agree to the following changes to future meetings dates:**

- (1) Change the date and time of the February meeting from Wednesday 17 February 2016 at 2pm to Wednesday 10 February 2016 at 3pm.**
- (2) Change the date and time of the March meeting from Wednesday 16 March at 2pm to Thursday 10 March 2016 at 10am.**

Agenda Item 5

**COMMISSIONING AND PROCUREMENT SUB-COMMITTEE/STRATEGIC  
REGENERATION COMMITTEE – 10/02/2016**

<b>Subject:</b>	Procurement of Gas Services		
<b>Corporate Director(s)/ Director(s):</b>	Andy Vaughan, Corporate Director of Commercial and Operations Gail Scholes, Director of Energy Services		
<b>Portfolio Holder(s):</b>	Councillor Nick McDonald, Portfolio Holder for Jobs, Growth and Transport		
<b>Report author and contact details:</b>	Andy Whitley, City Energy Manager <a href="mailto:andy.whitley@nottinghamcity.gov.uk">andy.whitley@nottinghamcity.gov.uk</a> 65650		
<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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Total value of the decision: £12m (Total for 3 years + 1)</b>			
<b>Wards affected: All</b>	<b>Date of consultation with Portfolio Holder(s):</b>		
<b>Relevant Council Plan Key Theme:</b>			
Strategic Regeneration and Development			<input type="checkbox"/>
Schools			<input type="checkbox"/>
Planning and Housing			<input type="checkbox"/>
Community Services			<input type="checkbox"/>
Energy, Sustainability and Customer			<input checked="" type="checkbox"/>
Jobs, Growth and Transport			<input type="checkbox"/>
Adults, Health and Community Sector			<input type="checkbox"/>
Children, Early Intervention and Early Years			<input type="checkbox"/>
Leisure and Culture			<input type="checkbox"/>
Resources and Neighbourhood Regeneration			<input type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b> Currently Nottingham City Council are part of a 3 year ESPO Gas procurement framework which runs until 31 <sup>st</sup> March 2016.  Given low current gas prices and changes in the gas market over the last few years (including increased competition with the entry of several new energy suppliers), this gives NCC the opportunity to test the market. The aim is to better value for money for NCC, local schools, and other organisations in the East Midlands who may join the contract through a framework agreement.			
<b>Exempt information: None</b>			
<b>Recommendation(s):</b>			
<b>1</b>	To 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.		
<b>2</b>	To 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 £12million, in conjunction with the Director of Legal Services.		

## **1 REASONS FOR RECOMMENDATIONS**

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

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

- 2.1 Currently Nottingham City Council are part of a 3 year ESPO Gas procurement framework which runs until 31<sup>st</sup> March 2016. This gives the council an opportunity to test the market, which has seen increased competition through the entry of several new suppliers, by inviting bids to supply gas to Nottingham City Council. At this point in time the gas market is seeing an oversupply, which has led to low price per barrel of oil, and therefore low gas prices. Since January 2012 the pence per therm of gas has fallen by 18%. Therefore by entering the market now, we can take advantage of the current low gas price to get better value for money on our gas contract, which is worth several million pounds per year.
- We have also provided a framework which allows other local organisations including police forces, academy schools and universities to join our contract, providing possible further price reductions through scale, and enabling broader economic benefits.

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

- 3.1 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.
- Not to re-tender. This option would see the City Council pay out of contract rates which could be significantly higher than our current price for gas and would not be compliant with EU procurement regulations.

## **4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)**

- 4.1 The Council's current contractual arrangements for the supply of gas expire on 31 March 2016. New contractual arrangements are required to ensure that the Council remains compliant with its financial regulations. Under the Council financial regulations the Council is required to undertake a legally compliant procurement process for expenditure of this value. The decision to carry out an OJEU compliant procurement process will ensure compliance with financial regulations and achieve value for money for the Council through the use of a competitive tender process. The Council has a budget of £1.800m for gas in 2015/16, in addition to this there is expenditure of c £0.300m incurred directly by schools which is included within the contract resulting in a net contract value of c £2.100m per annum. A proposed savings target of £0.200m is included within the Council's Medium Term Financial Plan. This decision will enable the procurement process to commence and deliver a contribution towards this target. The size of this contribution will not be known until the procurement process is complete however, based on the market reduction in gas prices since April 2015 of 9%, an annual saving to the Council of the order of £0.170m per annum may be achievable.

**5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)**

- 5.1 The Council's existing gas supply contract is due to expire this year and due to the value of the Contract, the Council is required to ensure compliance with EU Procurement regulations.

This can be ensured by undertaking a fully compliant EU tender exercise with the procurement team to identify a single supplier under a framework agreement which other public sector organisations can access. This will also allow the Council to take advantage of low gas costs and new entrants in the market to seek value for money for the supply.

In order to make the framework available to other public sector organisations, they will need to be named and their estimated volumes included within the Council's tender documents.

Legal services will assist during the tender process and in preparing the necessary contractual arrangements between the Council and the successful supplier.

**6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE (STRATEGIC REGENERATION COMMITTEE REPORTS ONLY)**

- 6.1 This procurement of a new gas supplier has no property implications.

**7 SOCIAL VALUE CONSIDERATIONS**

- 7.1 The economic situation is improved for Nottingham City Council by undertaking our own framework procurement activity we save £20k in the current management fee pay to access a framework. The current gas market prices are low, and by going direct to the market we could save in the region of £200k in financial year 2016-17

**8 REGARD TO THE NHS CONSTITUTION**

- 8.1 Not applicable

**9 EQUALITY IMPACT ASSESSMENT (EIA)**

- 9.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:

The procurement of a gas supply does not have an equality impact

Yes

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

10.1 None

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

11.1 None

**12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

12.1 Andrew James (Legal Services)  
Dionne Screatton (Legal Services)  
Nicola Harrison (Procurement)  
Lauren Wheatcroft (Procurement)  
Gary Robbins (Finance)  
Peter Taylor (Property)  
Jane Lumb (Energy Services)

Agenda Item 6

**COMMISSIONING AND PROCUREMENT SUB-COMMITTEE/STRATEGIC  
REGENERATION COMMITTEE – 10 February 2016**

<b>Subject:</b>	Public Health Contracts 2016/2017		
<b>Corporate Director(s)/ Director(s):</b>	Alison Challenger – Interim Director of Public Health Katy Ball - Director of Procurement and Children's Commissioning		
<b>Portfolio Holder(s):</b>	Councillor Alex Norris, Portfolio Holder for Adults and Health		
<b>Report author and contact details:</b>	Rachel Doherty – Lead Contract Manager 0115 8765108 <a href="mailto:Rachel.Doherty@nottinghamcity.gov.uk">Rachel.Doherty@nottinghamcity.gov.uk</a>  Lynne McNiven – Consultant in Public Health 0115 876 5429 <a href="mailto:Lynne.McNiven@nottinghamcity.gov.uk">Lynne.McNiven@nottinghamcity.gov.uk</a>		
<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: £9,301,414</b>			
<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 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 extend the contracts for two existing public health services (detailed in Exempt Appendix 1) for one year. These extensions will enable the completion of the on-going Healthy Child strategic review and will ensure that recommendations to improve value for money can be implemented in the subsequent re-procurement of these services.			
<b>Exempt information:</b>			
<b>State 'None' or complete the following.</b>			
Appendix 1 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.			

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

## **1. REASONS FOR RECOMMENDATIONS**

- 1.1** 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.
- 1.2** 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.
- 1.3** The exempt appendix contains details of two public health contracts which are currently due to end 31<sup>st</sup> March 2016. The appendix details the current contract values and provides a rationale for extending the services until the end of March 2017.

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

- 2.1** Under the provisions of the Health and Social Care Act (2012) Nottingham City Council (NCC) has a statutory responsibility to commission a range of public health services that improve and protect the health of citizens.
- 2.2** Negotiations will take place with the current Provider of both services to ensure that the best value possible is obtained in respect of the extensions. It is proposed that following these negotiations, the Director of Public Health be given the authority to agree the final contract values (in consultation with the Portfolio Holder for Adults and Health), provided that these do not exceed the 2016/17



budgets.

**2.3** Contract performance will be monitored closely throughout the year to ensure that the services are delivered effectively and best value is obtained

**2.4** The services listed in **exempt appendix 1** are Health Visiting and the Family Nurse Partnership (FNP). Commissioning responsibilities for these 0-5 children's public health services transferred to the local authority in October 2015. The existing contracts with Nottingham CityCare Partnership for the delivery of the Health Visiting and Family Nurse Partnership services have now been novated to the City Council.

**2.5 Health Visitors:** Health Visitors are a workforce of specialist community public health nurses who provide expert advice and support to families with children in the first years of life, and help parents make decisions that affect their family's future health and well-being. The Department of Health has issued regulations mandating the delivery of the child health reviews undertaken by this service.

**2.6** Giving every child the best start in life is crucial to reducing health inequalities across the life course. The foundations for virtually every aspect of human development – physical, intellectual and emotional – are set in place in early childhood. What happens during these early years (starting in the womb) has lifelong effects on many aspects of health and well-being, educational achievement and economic status. Universal and specialist public health services for children are important in promoting the health and wellbeing of all children and reducing inequalities through targeted intervention as and when need is identified and on an on-going basis for more complex or vulnerable children and families.

**2.7** The key objectives of the Health Visiting Service are to:

- Improve the health and well-being of children and reduce inequalities in outcomes as part of an integrated approach to supporting children and families;
- Ensure a strong focus on prevention, health promotion, early identification of needs and clear packages of support;
- Ensure delivery of a universal core programme to all children and families, starting in the antenatal period;
- Identify and support those who need additional support and targeted interventions, for example, parents who need support with their emotional or mental health and women suffering from postnatal depression;
- Work with families on positive parenting through motivational interviewing and strengths based approaches, and to support behaviour change leading to positive lifestyle choices
- Develop on-going relationships and support as part of a multi-agency team where the family has complex needs e.g. a child with special educational needs or disability, or where they are identified safeguarding concerns
- Improve services for children, families and local communities through expanding and strengthening health visiting services to respond to need at individual, community and population level

**2.6 Family Nurse Partnership:** The FNP is a licensed, evidenced based, intensive nurse-led prevention and early intervention programme for vulnerable first time young parents (19 years and under) and their families. It provides a structured programme, delivered to young parents from 16 weeks pregnancy until the child is two years old through intensive home visiting using well tested theories and methodologies. The Family Nurses who deliver the programme receive extra training to equip them for the new role. The programme is seen as an integral part of maternity, new born & early years provision working in close partnership with health & social care and supports the delivery of the Healthy Child Programme (attached) delivering a targeted resource as part of the Universal Partnership Plus provision.

**2.7** The FNP service is not a universal health offer and in Nottingham City the capacity of the programme allows approx. 40% of all eligible women to access. Teenage Pregnancy Midwives and Specialist Health Visitors support those women who do not access FNP.

**2.8** The purpose of the FNP is to reduce the impact of multiple deprivation & improve the short & long term health and well-being outcomes of children born to vulnerable young first time mothers, reducing the short & long term costs of caring for these children & families.

**2.9** In all cases contract negotiations will be undertaken with a view to ensuring the best value possible is obtained through improving all quality indicators: efficiency, effectiveness, accessibility, acceptability and ensuring equitable access. In light of the Government Spending Review the need to achieve maximum efficiency and effectiveness is a commissioning priority. These short term extensions will ensure the City Council is not committed to long term contractual arrangements which may prevent the required savings being achieved. Contract performance will be monitored closely throughout the year to ensure that services are delivered effectively and best value is obtained.

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

**3.1** 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.

**3.2** 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.

#### **4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)**

- 4.1 The **maximum cost** of extending these contracts (one year only) is detailed in exempt **Appendix 1**.
- 4.2 It is currently assumed that this funding could be contained within the 2016/17 HV & FNP Public Health budget allocation. The actual 2016/17 budget allocation is still to be confirmed by the Department of Health and any reduction in allocation will need to be mitigated by a reduction in spend against this contract.
- 4.3 Approval is given to award the contracts up to their current annual cost. Any increase in contract value above that level will require further approval to be gained through the appropriate process.
- 4.4 Contract performance will be closely monitored to ensure outcomes align to the City Councils framework to achieve value for money and deliver on the principles of economy, efficiency and effectiveness.
- 4.5 The decision will allow time to complete the Healthy Child Programme 0-19 strategic review; ensuring recommendations to improve value for money can be implemented in further re-procurement.

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

This proposal is compliant with financial regulations and is fully supported from a procurement perspective. By using the option built into the current contract arrangements, to extend for up to 1 year, it will enable commissioning reviews of the 2 services to be completed and considered. (Julie Herrod, Procurement Officer)

The agreement contains the option to extend the contract for a further year 16/17. It is understood from discussions with the commissioning team and the contract manager that the price for that year is agreed based on the custom and practice of the commissioner (the City Council) sending its commissioning intentions letter and the outcome of the DofH settlement. Any reduction required to the price in consequence of that settlement will be by negotiation and agreement. Any proposed increase (whilst considered unlikely) would be permissible only in accordance with the terms of the contract and would require a further executive approval. (Andrew James, Team Leader Legal)

#### **6 SOCIAL VALUE CONSIDERATIONS**

The contracts listed in the exempt appendix are essential public health services, that improve the health and wellbeing of both children and adults. 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**

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)**

Equality Impact Assessments will be undertaken as required to inform the review process, prior to the re-procurement of these services.

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

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

Department of Health (2014). Local Authority Circular. Public Health Ring-Fenced Grant Conditions – 2015/16.

**11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

Chris Wallbanks, Strategic Commissioning Manager (Children)

Clare Gilbert, Strategic Commissioning Manager (Adults)

Andrew James, Senior Solicitor, Contracts and Commercial Team, Legal Services.

Tania Clayton-Perez, Finance Analyst, Children and Families, Strategic Finance.

Agenda Item 7

**COMMISSIONING AND PROCUREMENT SUB-COMMITTEE – 10/02/2016**

<b>Subject:</b>	Supply of ready-made sandwiches and rolls contract to Schools and Commercial catering outlets		
<b>Corporate Director(s)/ Director(s):</b>	Dave Halstead, Director of Neighbourhood Services		
<b>Portfolio Holder(s):</b>	Councillor Nicola Heaton, Portfolio Holder of Community Services		
<b>Report author and contact details:</b>	Jacquie Blake, Commercial operations Manager, Catering		
<b>Key Decision</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<b>Subject to call-in</b>
			<input checked="" type="checkbox"/> Yes <input 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 checked="" type="checkbox"/> No
<b>Total value of the decision: £150,000</b>			
<b>Wards affected: All</b>	<b>Date of consultation with Portfolio Holder(s): 12.1.2016</b>		
<b>Relevant Council Plan Key Theme:</b>			
Strategic Regeneration and Development			<input type="checkbox"/>
Schools			<input type="checkbox"/>
Planning and Housing			<input type="checkbox"/>
Community Services			<input checked="" type="checkbox"/>
Energy, Sustainability and Customer			<input type="checkbox"/>
Jobs, Growth and Transport			<input type="checkbox"/>
Adults, Health and Community Sector			<input type="checkbox"/>
Children, Early Intervention and Early Years			<input type="checkbox"/>
Leisure and Culture			<input type="checkbox"/>
Resources and Neighbourhood Regeneration			<input type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>The quantity of sandwiches and rolls required to deliver the service to numerous catering sites across the City requires the procurement of a quality and value for money supplier, who can produce the same quality products, at a better price than they can be made in- house. This will ensure competitive pricing on these products and consistent quality control across all sites, for all our customers.</p>			
<b>Exempt information:</b>			
NONE			
<b>Recommendation(s):</b>			
<p><b>1</b> To approve 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 years, at a total cost of £150,000.</p>			
<p><b>2</b> To delegate authority to the Strategic Director of Neighbourhood Services to select and award the contracts to the most advantageous tender.</p>			

## 1 **REASONS FOR RECOMMENDATIONS**

- 1.1 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.
- 1.2 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.

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

- 2.1 The development of the Commercial catering dept. has seen an increase in 3 business units, with a further 4 in the next financial year planned. This will see a significant increase in the volume of these products being purchased. All surveys returned confirm that quality and where possible local sourcing are important to our customers.

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

- 3.1 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.
- 3.2 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.

## 4 **FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)**

- 4.1 Catering services provide ready-made sandwiches and rolls as part of the service offer to customers at schools and non-school sites. The annual expenditure in this area is circa £50,000 per annum, this cost is recovered through charges to customers to cover the cost of purchase and contribute to other associated costs.
- 4.2 The procurement of ready-made sandwiches and rolls rather than in-house provision represents value for money as greater economies of scale can be achieved by the supplier. An analysis by the catering service identified that in-house unit costs for food alone (therefore excluding staff and overheads) are approximately the same as the all-inclusive price (inclusive of food, staff and overheads) that procuring the service from an external provider will achieve.
- 4.3 A base budget for the annual cost for this activity already exists within schools and commercial catering budgets. Any increase in unit volumes and therefore costs will

be met by income generated from business growth. Catering services have a proposed of an additional income target of £0.657m included within the Council Medium Term Financial Plan (MTFP) that is currently out for public consultation.

The procurement of this service will contribute towards the achievement of this target.

- 4.4 The contract should adhere to financial regulations and be reviewed after the 2 years to ensure prices remain competitive and that it is still fit for purpose for the service.

**5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)**

- 5.1 The Procurement Team supports the recommendations of this report and will assist with the tendering exercise to make sure that a fully compliant value for money contract is entered into.

- 5.2 The proposal raises no significant legal concerns. A proper procurement exercise will be undertaken in accordance with procurement rules and the council's CPR.

**6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE (STRATEGIC REGENERATION COMMITTEE REPORTS ONLY)**

- 6.1 None.

**7 SOCIAL VALUE CONSIDERATIONS**

- 7.1 The spend has been broken down into smaller lots in order to make the framework agreement more attractive to local suppliers and keep the money spent in the city if possible.

**8 REGARD TO THE NHS CONSTITUTION**

- 8.1 By ensuring the quality of the produce procured through this retendering process, the meals produced will be of a high standard, thus ensuring the health of those citizens served is maintained to expected levels.

**9 EQUALITY IMPACT ASSESSMENT (EIA)**

- 9.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because:

This decision relating to a formal tender process and subsequent award does not have any significant equality impact on citizens and service users. The procurement process is organised in lots, to provide an opportunity for small and local businesses to tender for this work, with suitable weighting in the scoring.

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

10.1 N/A

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

11.1 N/A

**12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

12.1 Paul Ritchie has been consulted and suggested to go out to tender for fresh sandwiches and rolls contracts for 2 year plus 1 year option to extend.



Agenda Item 8

**COMMISSIONING AND PROCUREMENT SUB-COMMITTEE/STRATEGIC  
REGENERATION COMMITTEE – 10/2/16**

<b>Subject:</b>	Commissioning of Statutory Advocacy Services		
<b>Corporate Director(s)/ Director(s):</b>	Candida Brudenell, Strategic Director/Assistant Chief Executive		
<b>Portfolio Holder(s):</b>	Councillor Alex Norris, Portfolio Holder for Adults and Health		
<b>Report author and contact details:</b>	Rasool Gore <a href="mailto:rasool.gore@nottinghamcity.gov.uk">rasool.gore@nottinghamcity.gov.uk</a> 0115 8762299		
<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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Total value of the decision: See Exempt Appendix 1</b>			
<b>Wards affected: ALL</b>	<b>Date of consultation with Portfolio Holder(s): 16/12/15</b>		
<b>Relevant Council Plan Key Theme:</b>			
Strategic Regeneration and Development	<input type="checkbox"/>		
Schools	<input type="checkbox"/>		
Planning and Housing	<input type="checkbox"/>		
Community Services	<input type="checkbox"/>		
Energy, Sustainability and Customer	<input type="checkbox"/>		
Jobs, Growth and Transport	<input type="checkbox"/>		
Adults, Health and Community Sector	<input checked="" type="checkbox"/>		
Children, Early Intervention and Early Years	<input type="checkbox"/>		
Leisure and Culture	<input type="checkbox"/>		
Resources and Neighbourhood Regeneration	<input type="checkbox"/>		
<b>Summary of issues (including benefits to citizens/service users):</b>			
The Council is legally bound to provide advocacy services under the Mental Health Act 2005, Mental Health Act 2007 and the Care Act 2014. This report presents 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).			
<b>Exempt information:</b>			
An appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it is not in the public interest to disclose this information as it contains information relating to the negotiation of service budgets.			
<b>Recommendation(s):</b>			
<b>1 Approval</b> is given to commission an advocacy service in accordance with the model detailed in paragraphs 2.11-2.17.			
<b>2 Approval</b> is given to enter into a joint tender process with Nottinghamshire County Council, Nottingham City Clinical Commissioning Group (CCG) and County CCG's in order to procure this model with Nottinghamshire County Council acting as the lead of the procurement process and approval is given 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.			
<b>3</b> Approve the budget and spend on statutory advocacy provision set out in Exempt Appendix 1.			

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 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.
- 1.2 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.
- 1.3 Due to the additional financial pressures presented by legislative change the Council will no longer be able to support provision of non-statutory advocacy.
- 1.4 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.

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

- 2.1 The Council is legally bound to have the following types of statutory advocacy; Independent Mental Capacity Advocates (Mental Health Act 2005); Independent Mental Health Advocates (Mental Health Act 2007); Paid Representatives (Deprivation of Liberty Safeguards (DOLS), NHS Complaints Advocacy and Advocacy under the Care Act 2014.
- 2.2 The current advocacy service is jointly commissioned by Nottingham City Council, Nottinghamshire County Council, Nottingham City CCG and CCGs in Nottinghamshire. The County Council is the lead commissioner of the service. In 2012 the contract was awarded to POhWER and the service, called 'Your Voice, Your Choice', commenced in April 2012.
- 2.3 The service was primarily funded by Nottingham City and Nottinghamshire County Council with some additional funding from the CCGs. As well as meeting the identified statutory responsibilities, the service provided substantial levels of non-statutory advocacy in order to give a voice to vulnerable people. Referrals were made to a central hub and were triaged to identify whether, statutory, non-statutory or supported signposting was required.
- 2.4 POhWER is responsible for providing all statutory advocacy services, (outlined in paragraph 2.2). POhWER is also responsible for the delivery of non-statutory advocacy which they subcontract to Age UK. The referral hub is shared with a range of other advocacy services across the country and is based in Birmingham. The actual advocates are locally based.
- 2.5 Since the commencement of the current contract in April 2012, legislative and policy changes have placed additional requirements on local authorities for the provision of advocacy services. This related to the transfer of responsibility for IMCA provision from the CCG's to the local authority and the additional element of health complaints advocacy which had formally been commissioned nationally.

- 2.6 In April 2015 the contract was extended for a further 18 months. The new contract included two additional pilots to reflect the new advocacy provision required by the Care Act 2014 and to respond to significant pressures in respect of the Cheshire West Deprivation of Liberty ruling. In addition, given the inequality of funding between the City and the County based on the utilisation of the service, it was agreed to increase the level of the City's contribution.
- 2.7 A procurement process is now being developed for a new advocacy service. It was not possible to extend the existing contract further due to the additional value of the service and the need to develop a new model.
- 2.8 In addition to the funding that was required to meet the two new pilots, further funding pressures have been identified. These relate to:
- Continuing growth in relation to advocacy requirements relating to Cheshire West. This impacts on the numbers of IMCA and Paid Representatives required. Despite additional funding, there are still not sufficient resources to meet this need.
  - Potential growth of Care Act advocacy. National guidance suggests that the demand for Care Act advocacy will continue to grow over a 5 year period. Currently there is almost no call upon this provision, but the capacity for future growth needs to be built in.
  - Potential growth of IMHA provision. It is proposed that instead of opting in to advocacy, mental health patients on a section will have to opt out of this service.
  - A further increase is required from the City to ensure that the service costs fully represent the split in utilisation between the City and the County.
- 2.9 As part of the development of the service specification for the new service, a series of consultations and discussions took place:
- An on-line survey
  - Consultation events, face to face discussions took place with service users, the SPLAT board, carers and staff in the statutory and voluntary sectors.
- 2.10 The key messages that have emerged are:
- People have found the current centralised hub difficult to access and that it has lacked local knowledge
  - Non statutory advocacy is seen as a valuable resource and has provided support to particularly vulnerable citizens
  - Effective and accessible information and advice reduces the need for advocacy
  - There is a role for low level advocacy from a range of support agencies as well as from peers who have had similar experiences
  - A particularly vulnerable group are individuals who are unhappy with the care that they receive, either from family or paid workers
  - Deaf citizens require advocates who can sign directly rather than going through a third party.
- 2.11 Given the increasing cost of statutory advocacy and the general financial pressures, it was recognised that the non-statutory element of the service would need to be reviewed. Whilst recognising feedback from consultation the review concluded that due to the financial pressures it was no longer feasible for the Council to carry on funding non-statutory advocacy.
- 2.12 It has therefore been decided that local authority funding will be utilised for statutory advocacy only. Any non-statutory advocacy funding will be funded

through the CCGs who do not have any statutory obligations with respect to this service. This will include advocacy provision for voluntary patients on mental health wards as well as additional funding to provide support to the Transforming Care cohort.

- 2.13 There will be one overarching specification and one lead provider. Whilst the provider may sub contract some elements of the service it is important that there is flexibility of role from the advocates, particularly between Care Act advocate, and IMCAs and IMHAs and that there is flexibility as to how the service manages shifting pressures of demand across the different strands.
- 2.14 The service will not be required to have a local office, but will need to have locally based staff to provide both referral and advocacy functions. Where an individual is not eligible for advocacy from the service, the referral element of the service will provide supported signposting to local agencies.
- 2.15 Due to the expected increase in demand, the service will receive an element of block funding and an element of cost and volume funding. The finances identified should be sufficient to meet the growth in need over the life of the contract.
- 2.16 An additional element will be built in to the start of the contract to support the development of self-help, peer support and other low cost options within the community in order to mitigate the removal of the non-statutory element.

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

- 3.1 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.
- 3.2 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.
- 3.3 To bring the service in-house. Legally, advocacy has to be an independent function, separately provided from the local authority.

### **4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)**

- 4.1 Finance comments are provided in Exempt Appendix 1.
- 4.2 A jointly commissioned service with partners will ensure the council continues to achieve value for money by procuring services that meets the needs of local people through the most economic, efficient and effective means.

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

- 5.1 The Council is required to retender its current Advocacy contract due to the current contract expiring and a need to remodel the service. Due to financial pressures, it has been determined that this procurement process shall provide for the statutory

advocacy service only but other non-statutory services will be assisted by supported sign posting and use of the Care Act advocacy.

The value of the proposed contract will be over the EU procurement threshold therefore a full EU compliant tender will be needed. This will be conducted in partnership with Nottinghamshire County Council who will be the Lead for this process and the City and County CCGs. The contract will be issued to a single provider, with provision for sub-contracting elements of the service, on a 3+2+2 basis which will give break clauses at appropriate points for reviewing the service. Details of the basis on which the contract will be let are still being finalised and the County has issued a PIN (Prior information Notice) to the market to enable soft market testing to take place. This will ensure an informed approach in the way the contract is let, is taken.

The Council will be involved in preparation of the specification for the procurement and in the evaluation process to identify the most suitable provider for this service and a separate contract will be entered into between the chosen provider and each authority.

**6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE (STRATEGIC REGENERATION COMMITTEE REPORTS ONLY)**

6.1 Not applicable.

**7 SOCIAL VALUE CONSIDERATIONS**

7.1 City Council commissioners will work with Nottinghamshire County Council colleagues who are leading the commissioning and procurement of this service to ensure that good employer requirements are written into the service specification and that marking of the tender process takes account of employment terms.

**8 REGARD TO THE NHS CONSTITUTION**

8.1 Not applicable.

**9 EQUALITY IMPACT ASSESSMENT (EIA)**

9.1 Has the equality impact of the proposals in this report been assessed?

Yes



Attached as Appendix 2, and due regard will be given to any implications identified in it.

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

10.1 None.

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

11.1 Delegated decision (ref 1881) – Advocacy Provision-contract extension & variation.

## **12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

- 12.1 Clare Gilbert – Lead Commissioning Manager
- Kate Lowman – Procurement Category Manager Social Care
- Darren Revill – Finance Analyst
- Dionne Screator - Solicitor

## Equality Impact Assessment Form (Page 1 of 2)

**Title of EIA/ DDM:** Statutory Advocacy  
**Department:** Children's & Families  
**Service Area:** Strategy & Commissioning  
**Author (assigned to Covalent):** Rasool Gore

**Name of Author:** Rasool Gore  
**Director:** Colin Monckton  
**Strategic Budget EIA**

**Brief description of proposal / policy / service being assessed:**

Advocacy is the mechanism by which a range of vulnerable groups are supported to have their voices heard and have equal access to provision or opportunities. The Council is legally bound to have the following types of statutory advocacy; Independent Mental Capacity Advocates (Mental Health Act 2005); Independent Mental Health Advocates (Mental Health Act 2007); Paid Representatives (Deprivation of Liberty Safeguards (DOLS), NHS Complaints Advocacy and Advocacy under the Care Act 2015.

A new model of statutory advocacy has had to be developed in order for the City Council and its partners to meet the additional pressures under the Mental Health Act (2005/7), Care Act 2014 and case law.

The new model expands upon the current statutory advocacy model and greater financial investment has had to be found in order to meet the additional pressures. Given the increasing cost of statutory advocacy and the general financial pressures it was recognised that the non-statutory element of the current contract was no longer financially feasible. Going forward under the new model all non-statutory advocacy will be met through the NHS City Clinical Commissioning Group.

The current investment into advocacy services is £336,538 per annum this will be increased to £401,367 per annum. Efficiencies have also been made by going into partnership with County Council and the NHS CCG's to ensure that the investment is directed to citizens and management and administrative cost are kept to a minimum. Despite this level of increase it has not been possible for the Council to continue financially supporting non statutory advocacy at its current level.

However as part of the new model there will be some investment set aside for the contractor to pick up those citizens that do not fit into statutory advocacy or the non- statutory advocacy funded by the CCG's but are assessed as needing some level of support. This should provide some insight into the impact of the reduction of non-statutory advocacy which will advise the commissioning of any future advocacy going forward.

The impact of reducing the investment into non-statutory advocacy on the Deaf Community has been mitigated; (to an extent) as the Big Lottery has funded an advocacy specifically aimed at this group.

**Information used to analyse the effects on equality:**

Extensive consultation has been undertaken to inform the development of the new model. The consultation particularly focused on current users, their carers, SPLAT Board, potential users and frontline staff. Data from the current contract was also utilised.

	<b>Could particularly benefit</b> X	<b>May adversely impact</b> X	<b>How different groups could be affected</b> (Summary of impacts)	<b>Details of actions to reduce negative or increase positive impact</b> (or why action isn't possible)
People from different ethnic groups.	<input type="checkbox"/>	<input type="checkbox"/>	Older people, people with	The Care Act 2014 and case law

Men	<input type="checkbox"/>	<input type="checkbox"/>
Women	<input type="checkbox"/>	<input type="checkbox"/>
Trans	<input type="checkbox"/>	<input type="checkbox"/>
Disabled people or carers.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pregnancy/ Maternity	<input type="checkbox"/>	<input type="checkbox"/>
People of different faiths/ beliefs and those with none.	<input type="checkbox"/>	<input type="checkbox"/>
Lesbian, gay or bisexual people.	<input type="checkbox"/>	<input type="checkbox"/>
Older	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Younger	<input type="checkbox"/>	<input type="checkbox"/>
vulnerable adults  <b><i>Please underline the group(s) /issue more adversely affected or which benefits.</i></b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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learning disabilities and people with a mental health condition currently using the non-statutory advocacy service. These groups could be left without sufficient support in getting their voices heard. This could lead to a potential deterioration of their condition/s.

places a greater responsibility on the Council to provide statutory advocacy to a wider group of people. This will pick up some people that are currently being picked up by non-statutory advocacy.

Some non-statutory advocacy will still be delivered via the investment through the CCG's.

There is some investment under the new model to offer support those that do not fit into statutory advocacy or the funded non-statutory advocacy.

The Big Lottery is also funding a national advocacy targeted at the Deaf Community and therefore some current users of non-statutory advocacy will access this new service.

There will be a continuing dialogue with the SPLAT Board who represent the views of people and their carer's with learning disabilities and autism. This should ensure that any major adverse impacts are picked up quickly with the contractor.

**Outcome(s) of equality impact assessment:**

- No major change needed     •Adjust the policy/proposal     •Adverse impact but continue
- Stop and remove the policy/proposal

**Arrangements for future monitoring of equality impact of this proposal / policy / service:** The service specification will ensure that the:

- successful contractor is signed up to the Council's Equality and Diversity policy



- that the service is delivered in an anti-discriminatory manner
- equality targets (where relevant) will be included and
- arrangements for contract review and performance in relation to equality will be evaluated as part of review and ongoing contract management.

**Approved by (manager signature):**

The assessment must be approved by the manager responsible for the service/proposal. Include a contact tel & email to allow citizen/stakeholder feedback on proposals.

**Date sent to equality team for publishing:**

Send document or link to:  
[equalityanddiversityteam@nottinghamcity.gov.uk](mailto:equalityanddiversityteam@nottinghamcity.gov.uk)

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Issue	Date of decision?	Documents to be considered	Who will be consulted and how?	From whom can further information be obtained and representations made?
<b>MARCH MEETING</b>				
Strategy & Commissioning Directorate Commissioning Intentions	10 <sup>th</sup> March	Report	Portfolio Holder	Colin Monckton Director Commissioning Policy & Insight Nottingham City Council 0115 8764832 <a href="mailto:Colin.monckton@nottinghamcity.gov.uk">Colin.monckton@nottinghamcity.gov.uk</a>
Extra Care Commissioning Intentions	10th March	Report	Portfolio Holder	Claire Labdon-West Commissioning Manager Nottingham City Council 0115 8761128 <a href="mailto:Claire.Labdon-west@nottinghamcity.gov.uk">Claire.Labdon-west@nottinghamcity.gov.uk</a>

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