



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

**Date:** Wednesday, 13 July 2016

**Time:** 2.00 pm

**Place:** LB 31 - 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:** 01158764637

**AGENDA**

**Pages**

- |          |  |         |
|----------|--|---------|
| <b>1</b> | <b>MEMBERSHIP</b><br>To note that Councillor Nick McDonald will no longer be a member of the Sub-Committee due to a change in his portfolio  |         |
| <b>2</b> | <b>APOLOGIES FOR ABSENCE</b>   |         |
| <b>3</b> | <b>DECLARATIONS OF INTEREST</b>  |         |
| <b>4</b> | <b>MINUTES</b><br>To confirm that minutes of the meeting held on 11 May 2016   | 3 - 10  |
| <b>5</b> | <b>VOLUNTARY AND COMMUNITY SECTOR UPDATE</b>   |         |
| <b>6</b> | <b>PROCUREMENT STRATEGY IMPLEMENTATION UPDATE</b><br>Report of the Director of Commissioning and Procurement   | 11 - 20 |
| <b>7</b> | <b>HEALTHY LIFESTYLES, REDUCING PREMATURE MORTALITY</b><br>Joint report of the Assistant Chief Executive, Interim Director of Public Health and Director for Commissioning and Procurement | 21 - 32 |
| <b>8</b> | <b>CRIME AND DRUGS PARTNERSHIP CONTRACT APPROVAL 2016/17 (2)</b><br>Report of the Assistant Chief Executive  | 33 - 36 |

**9 EXCLUSION OF THE PUBLIC**

To consider excluding the public from the meeting during consideration of the remaining item(s) 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.

**10 CRIME AND DRUGS PARTNERSHIP CONTRACT APPROVAL  
2016/17 - EXEMPT APPENDIX**

37 - 40

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 11 May 2016 from 14.00 - 14.37**

**Membership**

Present

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

Absent

Councillor Jon Collins  
Councillor Nicola Heaton (Vice Chair)  
Councillor Nick McDonald  
Councillor Jane Urquhart

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

Katy Ball	-	Director of Procurement and Children's Commissioning
Claire Labdon-West	-	Commissioning Manager
Steve Oakley	-	Head of Quality and Efficiency
Christine Oliver	-	Nottingham Crime and Drugs Partnership
Maria Ward	-	NCVS
James Welbourn	-	Governance Officer

**Call-in**

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until **20 May 2016**.

**74 APPOINTMENT OF VICE-CHAIR**

**RESOLVED to appoint Councillor Nicola Heaton as Vice-Chair for 2016/17.**

**75 APOLOGIES FOR ABSENCE**

Councillor Jon Collins	-	other Council business
Councillor Nick McDonald	-	leave

**76 DECLARATIONS OF INTERESTS**

None.

**77 MINUTES**

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

## **78 VOLUNTARY AND COMMUNITY SECTOR UPDATE**

Maria Ward, from Nottingham Community and Voluntary Service introduced an update from the Voluntary and Community sector, highlighting the following points:

- (a) support services for Nottingham's VCS have now been devolved through the Area Based Grants (ABG) and Communities of Identity (COI) grant programmes. Service specifications for both ABG and COI programmes included support for the local VCS;
- (b) there needs to be some clarity on the offer from ABG leads and COI leads as we have had requests for support and need to make sure that we can signpost groups as appropriate;
- (c) NCVS has now opened up the 2016 State of the Sector survey. The survey will examine the present state of Nottingham's voluntary and community sector and aims to paint a clear picture of how the sector is faring in the current political and economic landscape.

A number of portfolio holders and the CEO of One Nottingham were asked if there was anything they wanted to ask. Questions have been framed around responses from those who replied. The survey is expected to run until 30 June;

- (d) NCVS and CA Plus will be celebrating Small Charity Week by hosting a special event for all small charities in Nottingham. The event will take place on 15th June at NCVS from 1pm until 6pm and will involve a number of 'surgery' sessions with NCVS staff members and a representative from CA Plus. Surgeries will take place throughout the afternoon, focusing on: Finance, Volunteering, Social Media, Group support, and HR;
- (e) tender for family mentors have been won by Framework working in partnership with St Ann's Advice Centre and Epic Partners. It's proposed to have family mentors in place by September 2016. The sector continues to be represented on the board, as delivery partners, at steering group and through the community partnerships;
- (f) NCVS continues to be representing the sector at the steering group and task and finish groups. Most of NCVS's actions are around training and keeping the sector informed and helping them to engage with the four priorities:
  - Healthy Lifestyle
  - Positive Mental Wellbeing and those with serious mental health have good physical health
  - Healthy culture
  - Environment;
- (g) NCVS continue to work with colleagues in mental health. Provision needs to be made on how some of this work would be funded – for example roll out of Make Every Contact Count (MECC) and other training and support for the VCS;

- (h) NCVS have third sector reps on safeguarding boards, children's partnership boards and a number of other key committees and steering groups.

Membership of the networks continue to grow with current membership being 182 members of the access to safeguarding adults and children's safeguarding training; delivering services is proving difficult for some organisations due to tighter constraints on budgets.

**RESOLVED to note the Voluntary Sector update.**

## **79 NCC AND CCG JOINT COMMISSIONING PRIORITIES**

Katy Ball, Director of Procurement and Children's Commissioning, and Christine Oliver, Head of Service at the Crime and Drugs Partnership introduced the report on commissioning priorities for Nottingham City Council, and the joint commissioning priorities for Nottingham City Council (NCC) and Nottingham City Clinical Commissioning Group (CCG) for 2016-2017.

The following points were highlighted:

- (a) all contracts coming to an end will be looked at as part of the proposed plans;
- (b) 'Future in Mind' is a transformation plan to bring health and care together for children, in particular looking at the more formal children in care systems. This year will look at the 5-19 age group and see what is being fed into schools.

**RESOLVED to approve the main areas of activity identified within the joint headline plan (Appendix 1 of the agenda) and the more detailed implementation plans (Appendix 2 of the agenda– NCC commissioning priorities; Appendix 3 of the agenda – Joint NCC and CCG commissioning priorities).**

### Reasons for decision

Agreement of the commissioning priorities for 2016/17 establishes the work programme for the City Council and the CCG and enables resources to be allocated effectively.

### Other options considered

Other options for commissioning priorities have been considered as part of early discussions with partners, but have been rejected on the basis of application of the following considerations:

- Outcomes for children, adults and families
- Financial factors
- Policy Framework
- Contractual issues
- Time since last review
- Partnership priorities

- Deliverability

## **80 NOTTINGHAM CITY COUNCIL PROCUREMENT PLAN 2016 - 2021**

Steve Oakley, Head of Quality and Efficiency presented the Nottingham City Council Procurement Plan for 2016 – 2021 which sets out the Council's planned programme of procurement activity for all goods, works and services over this five year period.

A higher focus on people's services in 2015/16 helped achieve the figure of 76% of services awarded to local suppliers (figure outlined in the report). The target is to remain above 60% in the years to come – this represents a vast improvement on the figure of 16% two years ago.

Work will be done regionally to look at the supply chain.

### **RESOLVED to:**

- (1) note the Nottingham City Council Procurement Plan 2016 – 2021;**
- (2) note that the Procurement Plan is indicative of planned procurement activity and timescales, which may be subject to change dependent on the outcomes of the strategic commissioning process, service budgets and priorities and the full consideration of procurement options for each requirement.**

### Reasons for Decision

This report is for noting only.

### Other options considered

Do nothing. This would impact on the planning of the Council's procurement activity across all goods, works and services. It would risk non-compliance with the Council's Contract Procedure Rules and Financial Regulations through contracts needing to be extended beyond their expiry date due to procurement activity not being undertaken in a timely way. In relation to commissioned services it would impact on the alignment of procurement activity with the programme of Commissioning Reviews undertaken within the Strategy and Commissioning Directorate. For these reasons, this option was rejected.

## **81 WORK PROGRAMME**

**RESOLVED to note the Work Programme.**

## **82 FUTURE MEETING DATES**

**RESOLVED to meet on the following dates in 2016/17 at 2pm:**

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

## **83 EXTRA CARE CHARITABLE TRUST - KEY DECISION**

Claire Labdon-West, Commissioning Manager presented the report on the Extra-Care Charitable Trust, outlining that the current contracting arrangements for Lark Hill Extra Care Village and Seagrave Court have now come to an end and new arrangements are required.

**RESOLVED to:**

- (1) dispense with Contract Procedure Rule 5.1.2 in accordance with Financial Regulation (3.29) (Operational Issues) to allow for a direct award for the Extra Care Charitable Trust to continue to deliver the care services at Lark Hill and Seagrave Court, subject to consultation with the Deputy Leader;**
- (2) agree to a contract length of 3+2+2+2 for Lark Hill;**
- (3) agree to a contract length of 2+1+2+2+2 for Seagrave View to allow for a break after 2 years when it is anticipated that the landlord function for the property will be transferred back to its owner Midland Heart. At this point a decision will be taken about the contracts future. If the contract continues then this will align to the contract for Lark Hill.**

### Reasons for decision

Nottingham City Council has a long relationship with the ECCT. Lark Hill Village was built at the agreement of the Council under the understanding that the ECCT would operate the same care model on site as was in operation at Seagrave. There have never been any concerns over the care and support delivered at each scheme and the Council has maintained a good working relationship with the ECCT for over 15 years.

There are currently 72 citizens receiving services in these two schemes under the current contracts with the ECCT. If these contracts were not renewed, alternative care provision would need to have been made for these citizens. The ECCT is not willing to allow an alternative care provider to deliver onsite as this would destabilise their operational model. As the service users are residents of the schemes, failure to renew the contracts would lead to a complex situation which would include securing

their agreement to move home or tenancies. This would be likely to be complicated and potentially distressing for vulnerable citizens, involving loss of social networks and carers with whom they have developed a relationship. Moving their residence may also impact negatively on care needs and is likely to be particularly detrimental where there is dementia.

Moving 72 Citizens with care needs to alternative accommodation would have a resource implication on Adult Social Care. Care packages would need to be reviewed and alternative accommodation options pursued which would be both time consuming and costly.

There are many citizens within these schemes who have high care needs and whose needs are currently being met through a personalised package of care. If a new contract were not put in place, it is highly likely that residential care would be the only alternative option for these Citizens

Work is currently underway with Nottingham City Council's extra care providers and Adult Social Care to ensure that referral rights are maximised and that wherever possible vacancies are targeted towards citizens with a care need. This will then allow citizens to receive the flexible support they need at the earliest opportunity which will help to prevent the escalation of their needs. This early intervention will enable citizens to maintain their independence for as long as possible and help to prevent the need for alternatives such as residential care. Nomination Agreements between NCC and ECCT will form part of the new Service Specification.

The fee banding agreed with the ECCT allows for flexible provision of care, enabling changes in needs, whether temporary or permanent to be addressed swiftly. Analysis has shown that a banded rate is more cost effective for the Council than an hourly rate would be. The contract value is based on current commissioned packages of care which have been agreed through separate Adult Social Care processes. There is no minimum purchase agreement and this contract does not provide a guarantee of business to the ECCT.

The length of contract requested (9 years in total) has enabled Nottingham City Council to negotiate a minimal price increase of just over 2% on existing fees. This is less than the average inflationary uplift given to domiciliary care (4.63%) and Residential Care (3.80%) for 2016/17. The length of contract also reflects the complexity in locating alternative accommodation for service users. Break clauses allow for periodic review at which point the contract can be exited. The contract also allows for termination with 6 months' notice at any point (less if there are delivery issues). 6 months was considered the minimum time necessary to relocate affected citizens. In order to safeguard the interests of the Authority we propose to include break clauses after the initial 3 years and then every two years after that. Nottingham City Council will also have the ability to terminate the contract with 6 months' notice at any point during its lifetime.

Seagrave Court is currently owned by Midland Heart and leased to ECCT. There has been a decision by Midland Heart to withdraw from this arrangement nationally and they plan to take back both the landlord and the care function from ECCT in May 2018. The initial contract period for Seagrave will coincide with this timescale and a



decision will be made as to whether to Novate the contract to Midland Heart at this time.

### Other options considered

Do nothing – the current contracts are expiring and new contractual arrangements are needed in order to ensure that the citizens requiring these services continue to receive them.

Tender the care service at the existing locations– tendering the service is not an option as the ECCT operational model does not allow for the care element to be separated out and as a result they are not willing to allow another care provider to take over the service. Previous experience with Extra Care schemes has shown that separating out the landlord and care function can be problematic. The schemes achieve economies of scale by providing landlord, support and care functions. This allows for the 24hour presence on site and for additional social functions such as encouraging volunteer groups and managing services such as a gym room or community shop. Where the functions are separated out the additionality that the scheme offers is likely to be lost as was the case with Woodvale, or the scheme may become economically unviable as happened with Glenstone Court which ceased providing extra care in 2013. Were a new contract with the ECCT not negotiated directly the schemes would no longer operate as Extra Care and citizens with high care needs may be forced to move to alternative accommodation, most likely residential care.

Move the residents currently in receipt of care into alternative Extra Care accommodation – there is currently not sufficient Extra Care Capacity within Nottingham City to facilitate moving this number of residents to alternative provision. If alternative provision was available within the required timescale there would be a number of complications and risks to services users. Lark Hill and Seagrave offer permanent accommodation on either a rented or ownership basis. If alternative provision was available this would require a number of vulnerable citizens to leave their homes and move in order to continue to receive a care service. This is likely to necessitate a change in carer and may have a negative impact on care needs particularly where there is a risk of dementia. As a result of the level of care being provided and the specialist nature of the service being provided by the ECCT it is highly likely that the only viable alternative for many of the Citizens would be residential care. At £509.69 per week this is higher than the most expensive care level of £378.20 per week and so is very likely to lead to an increase in the cost to the Authority.

Build alternative accommodation provision and tender for a provider – there are proposals currently seeking approval to redevelop an NCH site into Extra Care in the City in order to try to reduce reliance on residential care. In order to make the care contract cost effective, respite care with a focus on re-ablement and potentially end of life care is being included in the contract. Reliance on residential care is unlikely to be reduced if the scheme is repurposed to move residents from Lark Hill and Seagrave. Developing a new alternative accommodation provision would take several years to develop and would require a significant amount of capital funding from Nottingham City Council. This approach would also involve moving vulnerable residents into alternative provision, which is also likely to have fewer facilities available than their current accommodation with ECCT. It is unlikely that this approach would achieve

savings for the Authority as the hourly rate charged by the other current Extra Care provider in the City is such that the cost of care packages is unlikely to be cheaper than the ECCT banded rates.

Consideration was given as to whether it would be beneficial to move to an hourly rate rather than the current bands for care. It was felt that this would present a financial risk in terms of packages of care being more costly if citizens were receiving care at the higher end of the band. There would also be a resource implication for social care practitioners to review all of the current care packages. In addition the current banding system allows for a degree of flexibility within a citizen's day to day care needs that is not possible under an hourly rate.

**84     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 paragraphs 3 and 5 of Part 1, Schedule 12A of the Act.**

**85     EXTRA CARE CHARITABLE TRUST KEY DECISION - EXEMPT APPENDICES**

**RESOLVED to note the information in the exempt appendices to the report on the Extra Care Charitable Trust.**

Agenda Item 6  
13 JULY

**COMMISSIONING AND PROCUREMENT SUB-COMMITTEE**  
**2016**

<b>Subject:</b>	<b>PROCUREMENT STRATEGY IMPLEMENTATION UPDATE</b>		
<b>Corporate Director(s)/ Director(s):</b>	Katy Ball, Director of Commissioning and Procurement		
<b>Portfolio Holder(s):</b>	Cllr Alex Norris – Portfolio Holder for Adults and Health		
<b>Report author and contact details:</b>			
<b>Key Decision</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<b>Subject to call-in</b>
			<input 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 type="checkbox"/> No
<b>Total value of the decision:</b>			
<b>Wards affected:</b> All	<b>Date of consultation with Portfolio Holder(s):</b> 21 <sup>st</sup> June 2016		
<b>Relevant Council Plan Key Theme:</b>			
Strategic Regeneration and Development			<input checked="" type="checkbox"/>
Schools			<input type="checkbox"/>
Planning and Housing			<input type="checkbox"/>
Community Services			<input checked="" type="checkbox"/>
Energy, Sustainability and Customer			<input checked="" type="checkbox"/>
Jobs, Growth and Transport			<input checked="" type="checkbox"/>
Adults, Health and Community Sector			<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years			<input checked="" type="checkbox"/>
Leisure and Culture			<input checked="" type="checkbox"/>
Resources and Neighbourhood Regeneration			<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>The Nottingham City Council Procurement Strategy 2014-17 was approved in 2014 and since then has driven strong achievements through being citizen focused, maximising savings and delivering economic, social and environmental benefits. In 2015/16, procurement activity has delivered:</p> <ul style="list-style-type: none"> <li>• a total of £243.8m of procurement activity</li> <li>• a total of 142 contracts awarded</li> <li>• savings equivalent to 8.5% of recurring spend</li> <li>• £184m injected into the local economy – 75% of total contract value awarded locally</li> <li>• 132 new entry level jobs and apprenticeships created for local people</li> </ul> <p>Overall in the first two years of the Strategy, procurement has delivered:</p> <ul style="list-style-type: none"> <li>• a total of 262 contracts awarded</li> <li>• savings of £7.66 m per annum (excluding one off spend)</li> <li>• a total of £243.4m injected into the local economy</li> <li>• 342 new entry level jobs and apprenticeships created for local people</li> </ul> <p>This report presents the key achievements of the Procurement Strategy in 2016/17 which are detailed at <b>Appendix 1</b>.</p>			
<b>Exempt information:</b>			
<b>State 'None' or complete the following.</b>			
None			

**Recommendation(s):**

- |          |   |
|----------|---|
| <b>1</b> | To note the social value impact on the implementation of the Nottingham City Council Procurement Strategy 2014-17 in its first two years.                                       |
| <b>2</b> | To note that future progress reports on the implementation of the Procurement Strategy will be presented to the Commissioning and Procurement Sub-Committee on an annual basis. |

**1 REASONS FOR RECOMMENDATIONS**

- 1.1 It is essential that Nottingham City Council implements the robust model and principles set out in its Procurement Strategy to enable the delivery of its strategic priorities within the financial envelope. Additionally effective implementation of the Procurement Strategy has ensured a focus on:
- maximising procurement capability and improving procurement processes in terms of efficiency and effectiveness in delivering priority outcomes;
  - balancing the use of spending power impact to support growth (including Small and Medium Sized Enterprises (SMEs)) and secure more jobs and apprenticeships for unemployed people, within EU procurement regulations.
  - ensuring that return on investment delivers social and environmental benefits for the City, in accordance with the Public Services (Social Value) Act 2012
  - developing strategic, collaborative and commercial relationships with suppliers and key partners.
- 1.2 The Procurement Strategy is a key driver in the delivery of the Council's key strategic priorities, in particular:
- Support the local economy (linking with the Nottingham Growth Plan)
  - Drive increased job opportunities for unemployed people
  - Deliver effective value for money for our citizens
  - Lead as an Early Intervention City
  - Lead as a Green City

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

- 2.1 The Nottingham City Council Procurement Strategy 2014-17 developed in 2014 reflects the political aspirations to deliver economic, social and environmental benefits to the City and translates aspirations in the Public Services (Social Value) Act. It was approved by the Council's Executive Board in February 2014 and a formal launch event was held in December 2014. Key partners and stakeholders, including providers were invited to the launch event where the key aims of the strategy and target outcomes were shared.
- 2.2 The implementation of the Procurement Strategy was a major step change for the Council; allowing strong strategic relationships to continue to be built with suppliers and maximising the impact of the Council's spending power to support sustainable growth, levelling the playing field for SMEs and securing more jobs. Public procurement must be about more than purchasing goods and services; local authority procurement in particular must be used strategically to deliver social and economic gains. Through the Strategy, the aims of the Social Value (Public Services) Act have been taken forward whilst ensuring that competition, transparency and equal treatment are maintained.

- 2.3 The Procurement Strategy has facilitated the development of a modern, effective and efficient procurement service that delivers best value, supports innovation, stimulates growth and most importantly delivers quality services for citizens. This has led to a focussed and sharpened procurement process.
- 2.4 The Council has been officially recognised for good practice in procurement; being a finalist in three categories of the 2016 National Government Opportunities (GO) Awards for innovation in public sector procurement:
- Procurement Innovation or Initiative of the Year – in relation to the joint residential care accreditation process with Nottingham City CCG
  - Procurement Team of the Year – in relation to procurement services for the Opportunity Nottingham partnership
  - Procurement Leadership of the Year –in relation to the Procurement Strategy 2014-2017
- 2.5 Procurement continues to drive income generation initiatives; further income was generated during 2015/16 through procurements undertaken on behalf of the Opportunity Nottingham Partnership. This project has raised the profile of the Council's Procurement Team as a commercial entity and generated income of over £11,000 in 2015/16. The project is on-going and expected to raise a similar income in 2016/17.

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

- 3.1 None

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

- 4.1 The financial implications of procurement activity included in this report is either already included in the Medium Term Financial Plan or will be captured as part of future budget processes.
- 4.2 Each procurement process incorporates financial modelling and recommendations ensuring value for money for the organisation and alignment to financial strategies.

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

#### **Legal Observations:**

- 5.1 The recommendations in this report raise no significant legal issues. Legal Services will continue to provide support to the City Council's Procurement team by advising on relevant legislation, legal and commercial risks, and drafting and approving contract documents

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

- 6.1 n/a

## **7 SOCIAL VALUE CONSIDERATIONS**

- 7.1 A clear message of the Strategy is that public procurement must be about more than purchasing goods and services; local authority procurement must be used strategically to deliver social, economic and environmental gains, in line with the Public Services (Social Value) Act.
- 7.2 During the second year of the Strategy implementation a total of £184m was injected into the local economy through procurement activity; 75% of the total value of contracts awarded was to local Nottingham City based suppliers. The Strategy has also led to the creation of 132 new entry level jobs and apprenticeship opportunities for Nottingham citizens.
- 7.3 The Council has also developed a new Business Charter which signals a new way of working with businesses in the City that maximises Nottingham's potential and enables joint working to improve the economic, social and environmental wellbeing of Nottingham. The Business Charter policy was adopted in March 2016. In conjunction with Economic Development, the Procurement Team has developed a mechanism to implement the Business Charter in contracts procured, through the inclusion of contract specific requirements and targets to maximise the delivery of economic, social and environmental benefits. The Public Contracts Regulations 2015 allow for contract award criteria to include social value considerations, provided these requirements are relevant to the subject matter of the contract and do not compromise competition, transparency or equal treatment. To minimise the risk of legal challenge and to maximise the economic, social and environmental benefits delivered from each contract, the contract requirements and targets related to the Business Charter will be developed in each case as relevant and proportionate to the contract being procured.

## **8 REGARD TO THE NHS CONSTITUTION**

- 8.1 This is considered where appropriate for relevant service areas.

## **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 report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)

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 Nottingham City Council Procurement Strategy 2014-17  
Public Services (Social Value) Act 2012  
'Nottingham City Council Procurement Strategy' - Report of the Director of Quality  
and Commissioning to Executive Board February 2014

**12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

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

11.2 Ceri Walters, Acting Head of Departmental Financial Support

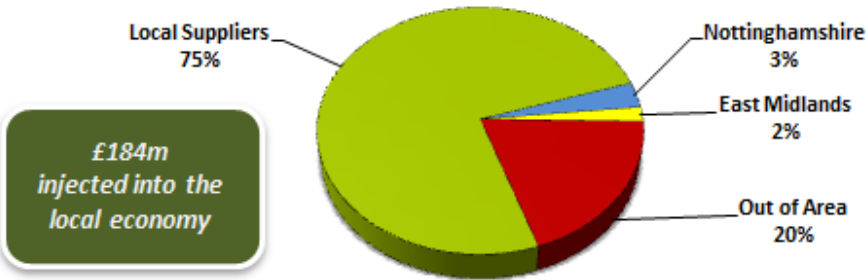
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Appendix 1 - Procurement Strategy Key Achievements 2015/16

**PROCUREMENT - HEADLINE ACHIEVEMENTS (2015/16)**

**Investment in Local Economy - Contracts Awarded (2015/16)**



**Procurement Activity (2015/16)**

Activity	Total
Contracts awarded	331
Total value (awarded contracts)	£243.8m

**i** *75% of total contract value awarded to local suppliers (target: 50%)*

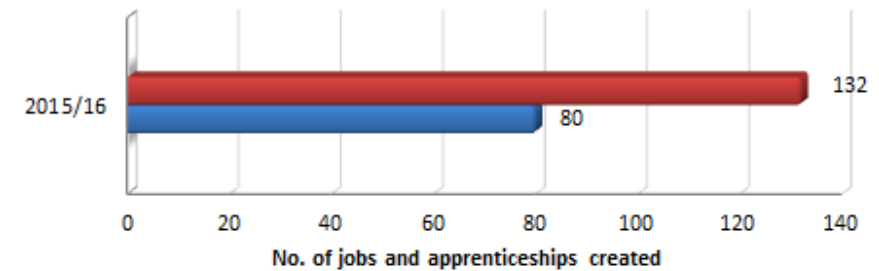
**Income and savings (2015/16)**

Annual Value of Awarded Contracts	Savings Achieved (Annualized)	Income from Concessions & Commercial Activity (Annualized)
£79,700,000	£1,790,081	£2,018,960

N.B. Includes recurrent spend only, excluding social care contracts affected by changes to the National Minimum Wage

**i** *Savings equating to 8.5% of recurrent spend*

**New jobs and apprenticeships created for local people (2015/16)**



## **Category Management key achievements**

### ***Construction and Major Projects***

- In construction 66 contracts were awarded (valued at £43m); a further 47 contracts are currently in the pipeline, valued at £192m.
- Annual savings of £364,475 achieved in Construction and Major Projects; equating to savings in excess of £500,000 over the next four years
- In construction 30% of contracts awarded to businesses within Nottinghamshire. BESTBuild, a social enterprise based in Broxtowe, appointed to the £12m Minor Works framework
- In construction 46.5 FTE employment and training opportunities were created, including 14 Apprentices

### ***Social Care & Support / Community, Health and Education***

- 92% of the value of contracts awarded in the Social Care and Support Category was with local suppliers. In the Community, Health and Education category 98% of contract value awarded was with local suppliers.
- Total savings of £746,500 were achieved through the procurement of commissioned services; including Financial Vulnerability services, Home Safety and Improvement Service, Domestic Violence and Sexual Health Services
- Homecare – From April 2015 to March 2016, 63 unemployed Nottingham citizens secured entry level employment with contracted homecare providers through the Nottingham Jobs Hub
- Substance Misuse – large value, high profile procurement for Integrated Drug & Alcohol, Sexual Health & Needle Exchange and Family Support Service on behalf of CDP, to make financial savings year on year and introducing a Payment by Results model. Excellent feedback was received on the work of the team and outcomes delivered.
- Opportunity Nottingham Partnership procurement services delivered; raising the profile of the Procurement Team as a commercial entity and generating income of over £11,000 in 2015/16. The Council was a finalist in the GO Excellence in Public Procurement Awards 2016/17 for this project.

### ***Corporate and Professional Services***

- Photocopiers/MFD - £300k per annum saving through procurement
- Cleaning Consumables procurement – contract (value £400k per annum) awarded to a City supplier; e-auction reduced costs by 20% from £500K per annum.

- Fresh Fruit & Vegetables – through the procurement process the contract (value £300k per annum) was awarded to a City supplier from the previous supplier outside Nottinghamshire and a saving of £140k per annum was achieved.
- Old Market Square Summer and Winter Concession contract – increased income to £470k over 5 years plus additional benefits including: (at Christmas) new ice rink; themed bar; ‘ice bar’ and ‘ice slide’; Christmas light switch-on event and ice festival including ice sculpture exhibition and (in summer) outdoor cinema; new water based attractions/rides.

### ***Transport and Environment***

- Solar panels - procurement has realised a saving of £200k (20%) against a lifetime contract value of £1m
- Pay on foot parking meter contract - £48k (9.5%) procurement saving made against a total contract value/budget of £530k.

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Agenda Item 7

**COMMISSIONING AND PROCUREMENT SUB-COMMITTEE – 13.07.16**

<b>Subject:</b>	Re – procurement Adults Healthy Lifestyles Service.		
<b>Corporate Director(s)/ Director(s):</b>	Candida Brudenell, Assistant Chief Executive Alison Challenger, Interim Director of Public Health Katy Ball, Director for Commissioning and Procurement		
<b>Portfolio Holder(s):</b>	Councillor Alex Norris, Portfolio Holder for Adults and Health		
<b>Report author and contact details:</b>	Gayle Aughton, Commissioning Manager 0115 876 2812 Gayle.Aughton@nottinghamcity.gov.uk  John Wilcox, Insight Specialist, (Public Health) 0115 8765110 John.Wilcox@nottinghamcity.gov.uk		
<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:</b> £7.8 million (£1.3 million per year)			
<b>Wards affected:</b> All	<b>Date of consultation with Portfolio Holder(s):</b> 22 <sup>nd</sup> June, 2016		
<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>			
<p>This report seeks approval to procure and award contracts to deliver a revised adult Adult Healthy Lifestyle service model following a full commissioning review of the current model as approved by this Committee in July, 2016.</p> <p>These services will contribute to the city’s aims to reduce inequalities in premature mortality and healthy life expectancy. The services support adults to stop smoking, improve their diet and physical activity, and reduce weight and assess the risk of cardiovascular disease (NHS Health Checks).</p> <p>The planning of the Healthy Lifestyles services will be undertaken jointly with the Nottingham City Clinical Commissioning Group to enable the development of a more integrated pathway and seamless service for citizens</p>			

**Exempt information:**

**State 'None' or complete the following.**

None.

**Recommendation(s):**

**1**  
To approve the procurement of Healthy Lifestyle services as outlined in Appendix 1

**2**  
To delegate authority to the Director of Public Health in consultation with the Portfolio Holder for Adults and Health, to allocate funds for the above expenditure and secure best value for Nottingham citizens.

**3**  
To delegate authority to the Director for Public Health in consultation with the Portfolio Holder for Adults and Health to approve the outcome for tenders, agree final values and award contracts for the services detailed in Appendix 2, providing it does not exceed the maximum values indicated.

**4**  
To delegate authority to the Head of Contracting and Procurement to sign the final contracts in respect of the services detailed in Appendix 1, following the approval by the Director of Public Health to the agreed contracts.

**1 REASONS FOR RECOMMENDATIONS**

1.1 To ensure that the Public Health funding allocations are utilised to commission and procure services in an appropriate way and in accordance with the correct legislation. The re-procurement of these Healthy Lifestyle services will seek to ensure the delivery of high quality services, at the best possible value for money. Appendix 1 sets out the proposed maximum service values, contract duration and details of efficiencies.

1.2 To allow for relevant and mandatory commissioning activity to continue in order to maintain service provision for citizens and meet identified local need, including meeting the recommendations from the Nottingham City Joint Strategic Needs Assessment. Commissioning activity will contribute to ensuring delivery of the Council Plan, Joint Health and Wellbeing strategy, CCG strategy as well as the Tobacco Control strategy, Healthy Weight strategy and, relevant Public Health Outcomes Framework indicators.

1.3 To enable contracts to be issued in a timely manner to ensure continuity of service delivery from April 2017, when the current contractual arrangements time expire. The current combined value of the current services is £2.0m/year and contracts are ending March 2017 with no option to extend contracts with external providers.

**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. These functions include services in relation to stop smoking services and

interventions, wider tobacco control, obesity in adults and children, physical activity in adults and children, and nutrition initiatives (Department of Health, 2014) in line with priorities identified by the local authority. The CCG have a responsibility to deliver a Tier 3 service, (Specialist weight assessment and management service (Royal College of Surgeons, 2014 Commissioning Guide)

2.2 Cancer and cardiovascular disease are the biggest causes of premature mortality in Nottingham City and have been the largest contributors to the gap in life expectancy between the city and England (Nottingham City JSNA, Public Health England Life Expectancy Segmentation tool, 2015).

A significant proportion of deaths from cancer and cardiovascular disease are preventable and smoking, physical inactivity and diet are significant modifiable risk factors for premature mortality and disability in Nottingham.

Nottingham City has some of the highest rates of smoking in England and has similar rates of smoking to the England average 20 years ago.

These preventable conditions also make a significant contribution to NHS and social care costs in the city and intervening early to prevent risk factors is therefore a cost effective approach to improve the health and wellbeing of citizens, improve life expectancy and reduce downstream service costs.

2.3 The current contracts relating to Healthy Lifestyle services expire on 31/03/2017, with no option to extend. Re-procurement will be undertaken to commission services from 01/04/2017. Six services are currently contracted with external providers with one service commissioned initiative provided by NCC Sport and Leisure. See Appendix 2.

2.4 The outcome of reviewing evidence, NICE guidelines, good practice and consultation with citizens, providers and professional as part of this review has concluded the following:

To procure one smoking cessation behaviour change service for citizens who are motivated to quit, which has a particular focus on groups with a high smoking prevalence.

To procure one weight management behaviour change and outcomes service for citizens who have a level of obesity that put their health at risk who are motivated to lose weight.

The weight management service should form a pathway with Clinical Commissioning Group commissioned services for citizens with more complex needs.

The “front door” of the weight management service should signpost citizens with lower level needs to wider provision and opportunities for physical activity and healthy living in the city in partnership with Nottingham City Council Sport and Leisure Services.

Services should utilise council assets such as Leisure Centres where it is economical to do so.

Community NHS Health Checks should be provided as part of the weight management service to increase accessibility to complement core provision through GP practices.

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

- 3.1 Do nothing – This option was rejected as this would mean that when existing contracts end in April 2017 this would leave the city without support for adult citizens at high risk of diseases due to smoking, physical activity and obesity and poor diet.
- 3.2 Re - procure current services – this option was rejected as current contracts would not be viable due to the efficiencies required in the overall budget.

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

- 4.1 The total contract cost detailed in Appendix 1 is £7.8 million (£1.3 million per year) for the maximum life of the contracts via a 3+3 option.
- 4.2 The funding of the contracts can be contained within the Public Health grant. The services referred to in Appendix 1 have been identified as being reduced to contribute towards the budget savings challenge from 2016-onwards. The decision will contribute to annual budget savings of £0.237m and an annual reduction on the call on the Public Health Reserve of £0.467m.
- 4.3 Additional funding circa £0.045m will be used to support the cost of the triage function of the weight management services. The funding for this will be aligned to the length of the contracts detailed in Appendix 1. However, this additional funding has only been secured via the CCG for the first three years of contract life. If the option to extend is taken and this additional CCG funding is not further confirmed, any budget pressure would need to be mitigated within the Public Health grant allocation.
- 4.4 The Public Health grant is ring-fenced to 2017/18 only.

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

- 5.1 Procurement has been fully involved in the review process and will continue to assist in helping to ensure procurement regulations are adhered to.

The intention is to align commissioning and procurement closely with the Nottingham City Clinical Commissioning Group to develop a more efficient new model. The precise details need to be fully developed to ensure contractual controls compliance is adhered to.

Legal Comments - This report does not raise any significant legal issues. The new contracts will be procured through a competitive tender to ensure compliance with UK procurement regulations. There are likely to be transfers of staff from the existing contractors to the new contractor which may be complicated by the redesign of the delivery of the services and the Legal Services Team is assisting



the Commissioning Team to understand the potential impact of the 'TUPE' transfer for the procurement process.

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

**8 REGARD TO THE NHS CONSTITUTION**

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

**9 EQUALITY IMPACT ASSESSMENT (EIA)**

9.1 Equality Impact Assessments are being undertaken or will be undertaken for those services to be tendered.

**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**

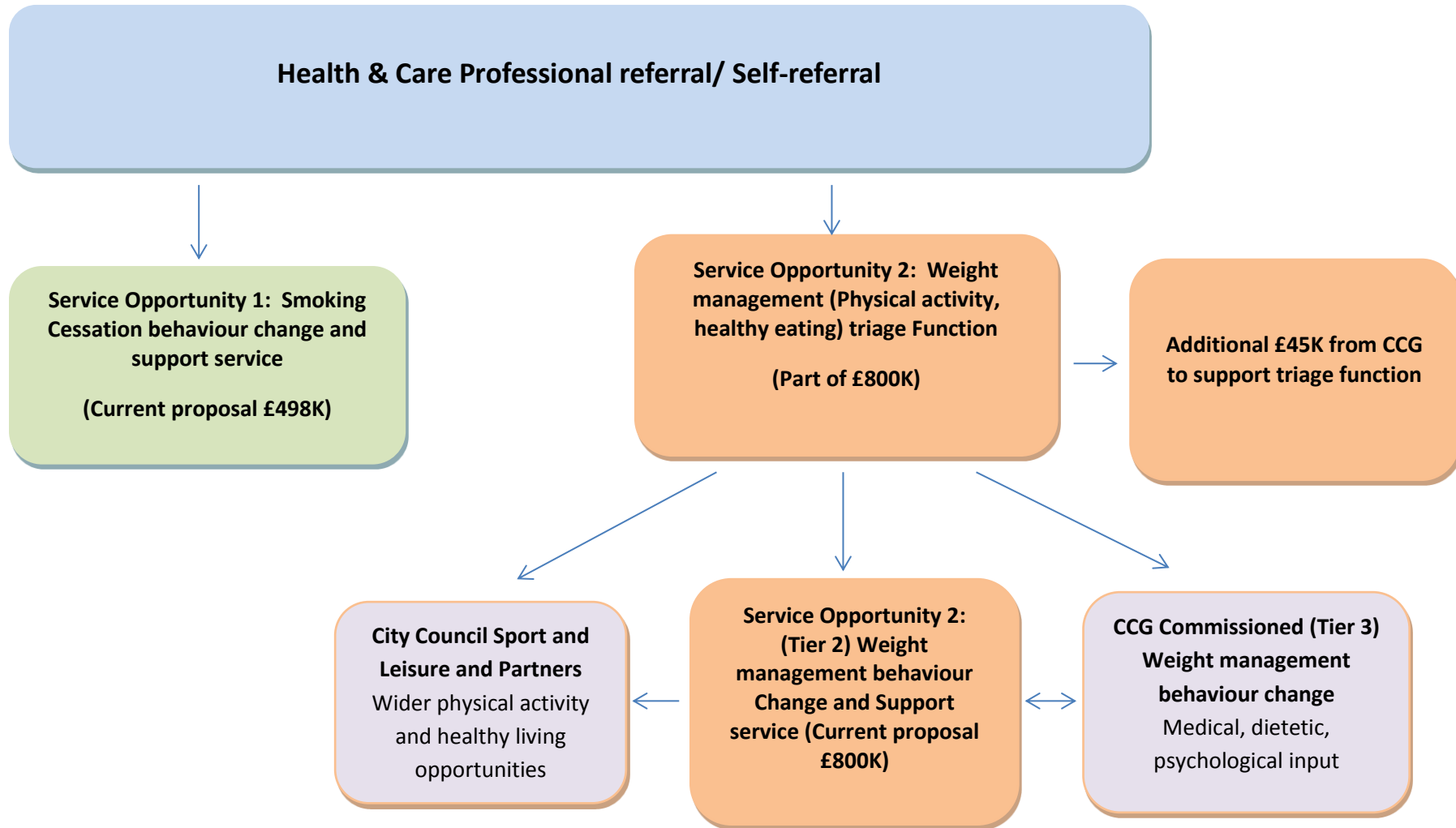
11.1 Assessment and Weight Management, Commissioning Guide, Royal College of Surgeons 2014.

**12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

12.1 Rachel Sokal, Consultant in Public Health  
Nicola Harrison, Lead Procurement Officer  
Rachel Doherty, Lead Contract Manager  
Andrew James, Team Leader Contracts and Commercial  
Adisa Djan, Equality and Diversity Consultant  
Tania Clayton – Perez, Senior Finance Assistant

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## Appendix 1 - New Service Model's Proposed New Service model



It is expected that these commissioned services will have a close working relationship with the wider system to address the causes and risk factors for smoking and obesity. E.g. by referring from and to mental health, housing, debt, social care services etc.

## Healthy Lifestyle Service Commissioning Lots, aim and target groups

### Lot 1

#### Specialist Smoking Cessation Support

**Aim:** Support smokers to stop smoking

Eligibility criteria: smoker, motivated to quit, city resident/registered, aged 12 or over

Priority groups:

Low income groups

Central and Eastern Europeans

Adults with mental health problems

LGBT

Pregnant women

### Lot 2

#### (Tier 2) Weight management

**Aim:** Support adults with higher levels of obesity and high risk of CVD to lose weight and reduce their risk

Eligibility criteria: city resident/registered, aged 18 or over BMI > 35 or > 32 and CVD high risk\* and motivated to lose weight

Priority groups: Low income groups, women from Black and Asian backgrounds, adults with mental health problems, pregnant women and adults with learning disability

#### Third Party NHS Health Checks

**Aim:** Conduct NHS Health Checks to measure and communicate CVD risk/identify LTC and motivate people to change behaviour

Eligibility criteria: city resident / registered, age 40-74 years, no CVD, no CVD high risk, no Health Check in last 5 years etc

Priority groups: Low income groups, men and smokers

## Lot 2 description

### Lot 2

#### **(Tier 2) Weight management**

Weight/BMI Assessment // Behaviour change support // Physical Activity goal setting and support and provision – utilising signposting to wider provision // healthy eating advice and diet goal setting// Weight loss outcomes// % of client who achieve 10% weight loss and maintain at 12 months

Integration with specialist psychological and medical (tier 3 support) commissioned by CCG

#### **Self-referral telephone front door**

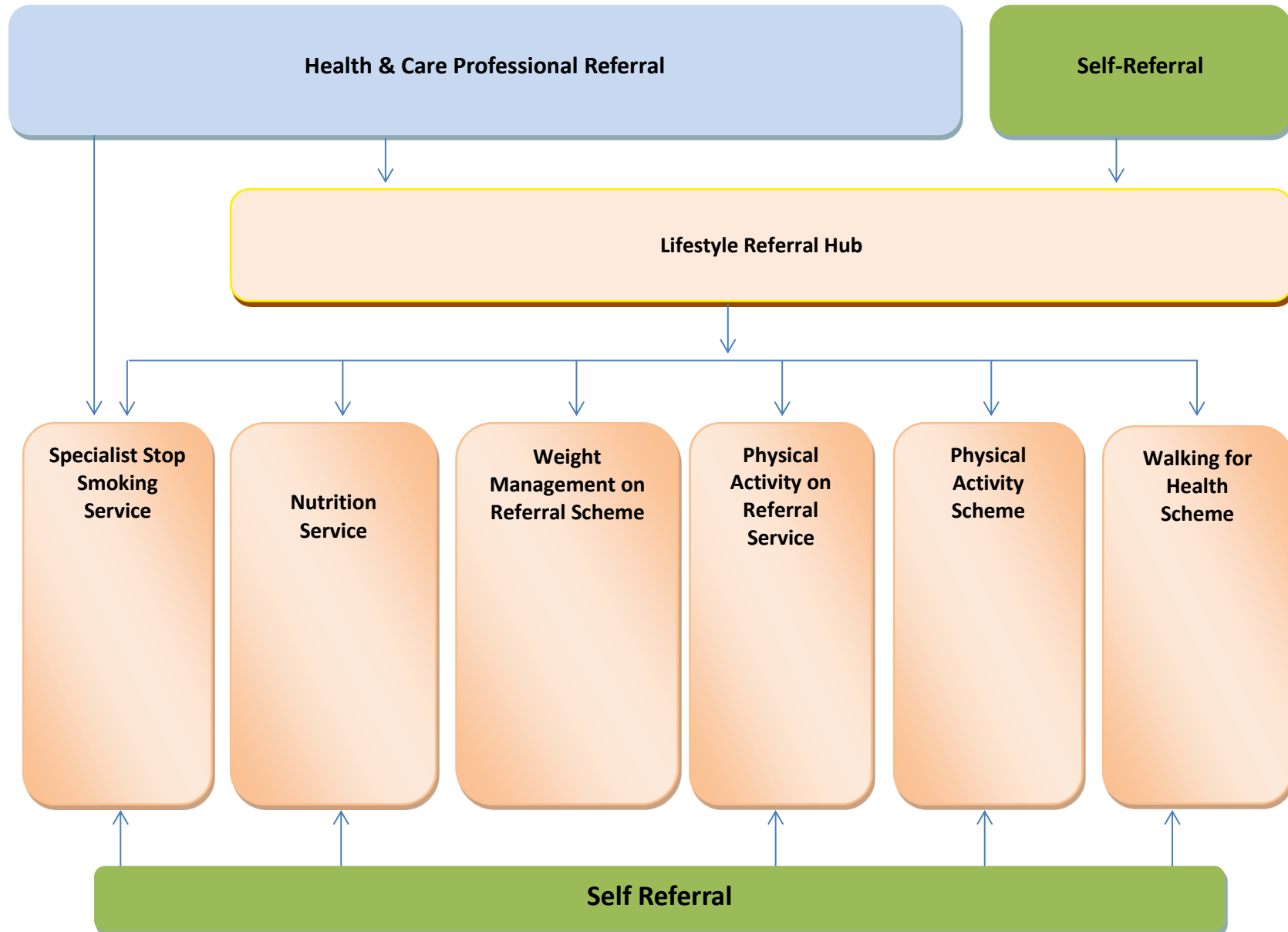
Management of 'One You' Healthy Lifestyle enquiries// Screening of weight management self referrals//signposting ineligible to access wider provision

#### **Third Party NHS Health Checks**

Inviting eligible patients from participating GP practice lists //conducting Health Check//supporting clients to access weight management and stop smoking service // providing GP practice with Health Checks results

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## Appendix 2 – Current Commissioned Adult Healthy Lifestyle Services



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Agenda Item 8

**COMMISSIONING AND PROCUREMENT SUB-COMMITTEE - July 2016**

<b>Subject:</b>	Crime and Drugs Partnership Contract Approval 2016/17 (2)		
<b>Corporate Director(s)/ Director(s):</b>	Candida Brudenell, Assistant Chief Executive		
<b>Portfolio Holder(s):</b>	Cllr Norris, Cllr Collins and Cllr Heaton		
<b>Report author and contact details:</b>	Christine Oliver Head of Commissioning 01158765725		
<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: Up to £ 2,089,877</b>			
<b>Wards affected: All</b>	<b>Date of consultation with Portfolio Holder(s): 7 and 8 December 2015 (Leader)</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 checked="" 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>			
In March 2016 this committee approved delegations and approvals for spend for the CDP budget for 2016/17. This report seeks further authorities to allocate funds and award contracts in 2016 as set out in the exempt appendix. In addition to delegate authority to the Director of Commissioning and Procurement to award and extend contracts in the absence of the Assistant Chief Executive or with the Assistant Chief Executives approval. Further to delegate authority to the Head of Commissioning to sign contracts up to the value of £50,000.			
<b>Exempt information:</b>			
<b>State 'None' or complete the following.</b>			
Appendix 1 to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to commercial confidentiality 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 confidential.			
<b>Recommendation(s):</b>			
1. To delegate authority to the Assistant Chief Executive to award extend and sign the contracts set out in this Report and that of March 2016. This will ensure best value for Nottingham citizens in line with the exempt appendices.			
2. To delegate authority to the Head of Commissioning to sign those contracts set out in this Report up to the value of £50,000			
3. To approve dispensation from Contract Procedure Rules 5.1.1 and 5.1.2 in accordance with Financial Regulation 3.29 in respect of the direct award of those contracts identified in exempt appendix 1 to ensure continuity of services.			

## **REASONS FOR RECOMMENDATIONS**

- 1.1 To ensure the Public Health, Police and Crime Commissioner, NCC and partner contributions are utilised to commission and contract with services in an appropriate way and in accordance with the correct legislation.
- 1.2 To allow for relevant and necessary commissioning activity to continue in order to maintain service provision for the citizens and meet identified local need.
- 1.3 To enable timely contract variations, extensions, direct awards and allocations to be made to services in order to deliver continuation of services in 2016/17.
- 1.4 To allocate funding to deliver the required savings across the Public Health, NCC and Police and Crime Commissioner funding streams in 2016/7.

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

- 2.1 A paper was agreed at the March meeting of the Commissioning and Procurement sub-committee approving collation of grant and funding and allocation of fund to the FCDP. The report also delegated authority to the assistant Chief Executive to award funding and to award and extend contracts.
- 2.2 The CDP continues to work with partners and now seeks further authorities to award or extend contracts and undertake reviews as set out in the exempt appendix. The awards are within the allocation of funds made in March 2016.
- 2.3 Exempt appendix 1 sets out contracts where approvals were given in March 2016 to direct award contacts. Authority is now sought to determine or extend the length of the contacts from that agreed the March 2016 sub-committee. (Shared Care. pharmacy needle and syringe exchange, hospital liaison extension. inpatient extension to 1.9.16, In addition in respect of pharmacies to direct award to new pharmacies to offer needle exchange.)

In addition exempt appendix 1 sets out those services where tender is due to take place in 2016/17 followed by award of contract. (Helpline and Rise).

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

- 3.1 Option 1 – To competitively tender those services set out in exempt appendix 1. This is not considered an option due to the specialist nature of the services provided and for the reasons set out in Appendix 1..
- 3.2 Option 2 - To decommission the services by terminating the contracts. This is not considered an option due to the impact on the Crime & Drug Partnership Overall Aims to reduce crime. Anti-social behaviour substance misuse and reoffending.
- 3.3 Option 3 – Do nothing - this is not considered as an option as contracts will end and service provision will cease which is not considered acceptable due to the likely adverse impact on the Crime & Drug Partnership Overall Aims to reduce crime. Anti-social behaviour substance misuse and reoffending

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

- 4.1 The maximum value of the contracts as described in exempt Appendix 1 is £2,089,877 and can be contained within the expected CDP budget allocation to 2018/19.
- 4.2 Allocation of the funds as set out in exempt Appendix 1 will allow savings to be delivered in 2016/17 which aligns to the Medium Term Financial Plan (MTFP).
- 4.3 Continuing commissioning activity as described will ensure a seamless service provision for residents and assist delivery of efficiencies in future years. Alignment of contract expiry dates gives the opportunity to increase the integration of services to residents and explore options for efficient service delivery and maximising resources.
- 4.4 Any increase in contract value exceeding the amounts stated in exempt Appendix 1 would require further approval to be gained through the appropriate process.
- 4.5 Dispensation from Contract Procedure Rules 5.1.1 and 5.1.2 as allowed by Financial Regulation 3.29 due to operational issues are appropriate in this instance.

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

Contracts to commission and procure the services referred to in this report are subject to the procurement rules set out in Chapter 3 of the Public Contracts Regulations 2015. These rules are sometimes referred to as the 'light touch regime' and have a much higher financial threshold than for other public services contracts – currently £589,148. Direct awards may be made below the threshold without a competitive tender but the contracts should still demonstrate value for money. Contracts can be extended where there is an option to do so in the contract. Where there is no extension option a contract should not be extended without consideration of the risks of a procurement challenge where the value of the extension takes the aggregate value of the contract above the applicable financial threshold.

**Procurement Comments**

- 5.2 This report requests dispensation from the provisions of the Contract Procedure Rules (5.1.2) in accordance with Financial Regulations (3.29), to make direct awards and extensions of contracts as detailed in exempt Appendix 1. The reasons for the proposed contract awards relate to the specialist nature of the service provision and consideration of the provider market. The proposed contract extensions are to allow time for a commissioning process to be completed and new contractual arrangements to be established. For these reasons the recommendations are supported, provided the value of the individual contracts awarded does not exceed the relevant thresholds under the Public Contracts Regulations 2015. For those contracts extended to enable a commissioning review to be completed and new contractual arrangements implemented, the review should be completed in sufficient time for a complaint procurement process to be

undertaken. Procurement activity will be undertaken by the Procurement Team through a fully compliant process.

## **6 SOCIAL VALUE CONSIDERATIONS**

- 6.1 Recommendations have been considered in line with the Public Services (Social Value) act 2012. All services within this report aim to improve the social wellbeing of the client groups they target.

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

- 7.1 Local Authorities have a statutory duty to have regard to the NHS Constitution when exercising their public health functions under the NHS Act 2006. In making the decisions relating to public health functions we consider the NHS Constitution where appropriate and take into account how it can be applied in order to commission services to improve health and wellbeing.

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

- 8.1 No. An EIA is not required because this decision only applies to the extension of these services for which there is an existing EIA.

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

- 9.1 None

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

- 10.1 None

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

- 11.1 Tim Clark Financial - Analyst CDP

- 11.2 Jo Pettifor, Category Manager – Strategy and People, Contracting and Procurement

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