

## **NOTTINGHAM CITY COUNCIL**

### **COMMISSIONING AND PROCUREMENT SUB-COMMITTEE**

**MINUTES of the meeting held at LB 31 - Loxley House, Station Street, Nottingham, NG2 3NG on 16 December 2015 from 14.03 - 14.44**

#### **Membership**

##### Present

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

##### Absent

Councillor Jon Collins  
Councillor Jane Urquhart

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

Antony Dixon - Strategic Commissioning Manager  
Colin Monckton - Director of Commissioning and Policy Insight  
Zena West - Governance Officer

#### **34 APOLOGIES**

Councillor Jane Urquhart – work commitments  
Helen Kearsley-Cree, NCVS

#### **35 DECLARATIONS OF INTEREST**

None.

#### **36 MINUTES**

The minutes of the meeting held on 16 September 2015, and the notes of the inquorate meeting held on 14 October 2015 were both agreed as a true record and signed by the Chair.

#### **37 VOLUNTARY AND COMMUNITY SECTOR UPDATE**

In her absence, Helen Kearsley-Cree provided the following written update to the Committee:

The sector is keenly awaiting information on the tender for the Area Based Grant and Communities of Identity, as this will be a key source of funding for many groups. However, we acknowledge that the council will probably be awaiting information about its grant from government, as is customary at this time of year, and we know the challenges that poses.

**38 NATIONAL LIVING WAGE CONSULTATION PROPOSALS - KEY DECISION**

Antony Dixon, Strategic Commissioning Manager, presented a report on the National Living Wage consultation proposals, highlighting the following points:

- (a) the report is concerned with the National Living Wage inflationary uplift, which the City Council is contractually obliged to consider in respect of social care provision;
- (b) modelling has been undertaken for each sector of Adult Social Care provision, and uplift has been proposed based on this analysis;
- (c) The modelling has assumed that uplift will be paid to the entire workforce regardless as to whether they are under or over 25;
- (d) the modelling is not based on organisations current rates of pay, as we have not had open-book discussions with them, it is based on an assumption that workers are currently paid National Minimum Wage;
- (e) the uplift will be applied to those companies we contract with through a framework agreement, and not those currently engaged in spot-contract work;
- (f) the uplift will also apply to Direct Payments and Adult Placements, as there is a desire not to disincentivise these forms of provision;
- (g) it is not clear whether companies can be contractually obliged to offer the same uplift to those staff under 25 years old, but this will be investigated.

**RESOLVED to:**

- (1) approve proposals which will be consulted on with service providers for inflationary uplift in 2016/17 as detailed in paragraph 2.7 of the report;**
- (2) delegate authority to the Assistant Chief Executive to increase contract values in accordance with the proposals detailed in paragraph 2.7 of the report, subject to the outcome of consultation and agreement of the Council budget;**
- (3) approve the spend associated with this decision in 2016/17.**

**Reasons for recommendations**

- (1) The Council is legally bound to consider inflationary uplift in respect of services that it has a duty to provide. Market intelligence indicates that a significant section of the adult social care workforce is paid at an hourly rate below the National Living Wage to be implemented from April 2016.

- (2) In accordance with legal obligations the Council will consult with adult social care providers with regard to these proposals. The Assistant Chief Executive will take account of consultation responses and issue variations to existing contracts should no significant issues arise

### **Other options considered**

- (1) Not to offer inflationary uplift to social care providers to meet national living wage requirements. This option was rejected as there is considerable evidence that a significant section of the workforce is currently paid a level below National Living Wage and, in some areas of provision, capacity issues are starting to emerge due in part to a difficulty in recruiting and retaining staff.
- (2) To undertake analysis of individual provider costs and offer uplift based on actual wage rates paid. This option was rejected as it will be administratively burdensome and problematic. Rates and methods of payment are not standard across the sector and there is not always a direct correlation between low rates of pay and low hourly rate of service delivery.
- (3) Not to impose a cap on inflationary uplift for some forms of provision. This option was rejected, as whilst the Council needs to ensure that service providers are sufficiently remunerated to enable them to meet National Living Wage requirements it also needs to take account of financial pressures as a result of on-going cuts in government funding.

### **39 WORK PROGRAMME**

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

- (a) new reports coming to the 13 January 2016 meeting are: Commissioning of Enhanced Care Support and Enablement, and Children and Young People's Review Progress Update, which has been deferred from the 16 December 2015 meeting;
- (b) new reports coming to the 17 February 2016 meeting are: Public Health Contracts, and Sandwich and Salad Procurement, both of which have been deferred from the 13 January 2016 meeting.

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

### **40 EXCLUSION OF THE PUBLIC**

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

**41 NATIONAL LIVING WAGE CONSULTATION PROPOSALS - EXEMPT APPENDIX**

**RESOLVED to note the information in the exempt appendix to the report on the National Living Wage consultation proposals.**

**42 HOMELESS FAMILIES - KEY DECISION**

Antony Dixon, Strategic Commissioning Manager, presented a report of Homeless Families provision to the Committee.

**RESOLVED to:**

- (1) agree recommendations 1-5 of the exempt report;**
- (2) delegate authority to the Portfolio Holder for Adults and Health to agree recommendation 6 at a later date.**

**Reasons for recommendations**

As set out in the exempt report.

**Other options considered**

As set out in the exempt report.