

## 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 HOMECARE 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.**