

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.