

**EXECUTIVE BOARD COMMISSIONING SUB COMMITTEE**  
**15 JANUARY 2014**

<b>Subject:</b>	<b>QUALITY AND COMMISSIONING PROCUREMENT PLAN 2013 -2016</b>		
<b>Corporate Director(s)/ Director(s):</b>	Candida Brudenell – Director of Quality and Commissioning		
<b>Portfolio Holder(s):</b>	Councillor Dave Liversidge – Portfolio Holder for Commissioning and Voluntary Sector		
<b>Report author and contact details:</b>	Jo Pettifor – Strategic Procurement Manager Tel: 0115 8765026 jo.pettifor@nottinghamcity.gov.uk		
<b>Key Decision</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>Reasons:</b> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings <input type="checkbox"/> of £1,000,000 or more taking account of the overall impact of the decision			Revenue <input type="checkbox"/> Capital <input type="checkbox"/>
Significant in terms of its effects on communities living or working in an area consisting of two or more wards in the City			<input type="checkbox"/> Yes    No <input checked="" type="checkbox"/>
<b>Subject to call-in</b> <input type="checkbox"/> Yes    No <input checked="" type="checkbox"/> <i>(individual elements of the plan will be approved at later meetings of the Executive Board Commissioning Sub-Committee and therefore subject to call-in at a later date)</i>	<b>Total value of the decision: £00.00</b>		
<b>Relevant Council Plan Strategic Priority:</b>	<b>Wards affected:</b>		
World Class Nottingham <input type="checkbox"/>	All		
Work in Nottingham <input type="checkbox"/>			
Safer Nottingham <input type="checkbox"/>			
Neighbourhood Nottingham <input type="checkbox"/>	<b>Date of consultation with Portfolio Holder(s):</b>		
Family Nottingham <input type="checkbox"/>	17 December 2013		
Healthy Nottingham <input type="checkbox"/>			
Leading Nottingham <input type="checkbox"/>			
<b>Summary of issues (including benefits to citizens/service users):</b> This report presents an update of the Quality and Commissioning Procurement Plan for 2013 – 2016, which sets out the planned programme of procurement activity across all services commissioned by the Directorate. The Procurement Plan is attached at Appendix 1. It also reports on progress made with procurement activity for the Directorate since the last Procurement Plan was presented to Committee in June 2013.			
<b>Recommendation(s): To:</b>			
<b>1</b> Note the Quality and Commissioning Procurement Plan 2013 – 16.			
<b>2</b> Note that the Plan is indicative of planned procurement activity and timescales, which may be subject to change dependent on the findings of Strategic Commissioning Intention (SCI) Reviews and full consideration of the procurement options for each service during this process.			

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

1.1    The Quality and Commissioning Directorate follows a programme of Strategic Commissioning Intention (SCI) Reviews as a mechanism to drive forward

improved commissioning through the application and embedding of the Corporate Commissioning Framework.

- 1.2 A Procurement Plan was developed early in 2012 setting out planned procurement activity within the Quality and Commissioning Directorate based on contract expiry dates and the planned programme of SCI Reviews. This Plan was reported to Committee at its meeting on 23 May 2012.
- 1.3 The Procurement Plan has been updated based on the progress of and outcomes emerging from the SCI Reviews and update reports were presented to Committee on 19 December 2012 and 19 June 2013. Since the June 2013 report, procurement activity has progressed as follows:
  - 1.3.1 New contracts for 7 'Independent Living Support Services' commenced on 1 July 2013 following completion of the call off tender from the previously established framework. The tender for a Forensic Mental Health Independent Living Support Service was completed in November 2013 and the new contract commences 1 January 2014.
  - 1.3.2 The call off tender for a Refugee Independent Living Support Service commenced in December 2013.
  - 1.3.3 The tender was completed for a Framework of providers for Care at Home and NHS Continuing Healthcare services for adults; new contracts will commence in January 2014. Of 57 organisations invited to tender, 6 were accepted onto the framework and there will be lead service providers for 4 zones in the city, which should reduce staff travel time and costs. The tender outcome was within the budget provision through the management of pricing in the tender process.
  - 1.3.4 The tender was completed for a Framework of providers for Care at Home for disabled children; new contracts will commence in January 2014. Of 39 organisations were invited to tender, 12 were accepted onto the framework. This will significantly increase the number of providers for children's homecare, providing choice and competition in this market. Reductions in prices have been achieved through the tender process.
  - 1.3.5 The tender for a framework of Care, Support and Enablement Services for adults was completed with 62 organisations invited to tender, 41 tenders received and 31 providers offered a contract. New contracts commenced on 1 October 2013 and the overall tender outcome was within the budget provision through the management of pricing during the tender process.
  - 1.3.6 The tender for a Learning Disability Partnership Board service was completed in July 2013.
  - 1.3.7 The tender for a Rough Sleepers Outreach service was completed; the contract commenced 1 October 2013.
  - 1.3.8 Tenders were completed for 3 Social Exclusion Housing Related Support services and the new contracts are due to commence 1 March 2014.
  - 1.3.9 The tendering of 2 mental health supported accommodation services commenced in October 2013; bids were received in December.

- 1.3.10 The tender for an Aftercare Resettlement Service was undertaken between September and November; the new contract will commence in January 2014
- 1.3.11 The City is leading a tender which commenced in November for an HIV Support Service, jointly commissioned with City and County Health and the County Council
- 1.3.12 Work is progressing to develop the commissioning requirements and pricing structure for residential and nursing care services for adults and to develop a process for providers to be contracted under the new arrangements in 2014
- 1.4 The Procurement Plan has been updated for the period 2013 – 2016 and has been extended to include the planned procurement activity for Public Health contracts which are now managed within Quality and Commissioning. A copy of the updated Procurement Plan 2013 – 2016 is attached at Appendix 1. It presents planned and anticipated procurement activity for both existing services and new commissioning, with the expected commencement and completion dates for each project. The Plan is indicative of procurement activity and may be subject to change, particularly where an SCI Review is still to be completed, as procurement activity depends upon the outcome of the reviews. The procurement options for each service are considered as part of the SCI process based on a number of factors, including whether the services are required in future, whether remodelling is necessary, how value for money can be secured, compliance with the Council's financial regulations and Public Procurement Regulations, and the overall risks, costs and benefits of tendering.

## **2 REASONS FOR RECOMMENDATIONS**

- 2.1 The need for a robust plan of procurement activity across all contract areas was highlighted during the process of planning the Quality and Commissioning SCI programme and aligning existing contracts with these reviews. The Procurement Plan provides a tool for joint planning and working between the Strategic Commissioning and Procurement Teams and ensuring procurement activity is embedded with the SCI programme.
- 2.2 The Procurement Plan assists compliance with the Public Procurement Regulations and the Contract Procedure Rules of the Council's Financial Regulations by enabling procurement activity to be planned and undertaken within the duration of existing contracts. This avoids the need for dispensation from the Financial Regulations to be sought to extend contracts beyond their expiry date without formal tendering being undertaken, other than in genuinely exceptional circumstances. This is particularly important in relation to services that are Part A under the European Procurement Regulations and, therefore, subject to the full application of the European Directives.
- 2.3 The Plan provides information for internal and external stakeholders about planned procurement activity, and facilitates joint working on these projects. It allows other service departments (such as Legal Services) to include support activities for this process in their work plans and will present to stakeholders a clear, transparent and robust process of procurement planning aligned with the Strategic Commissioning cycle.

- 2.4 The Plan provides a tool for Strategic Procurement and Public Health Contracts Teams to plan procurement activity alongside other work priorities, which include contract management across a range of contract categories.

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

- 3.1 Do nothing. This would impact on the alignment of procurement activity within the programme of SCI Reviews within the Quality and Commissioning Directorate. 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 SCI reviews and tendering activity not having been undertaken.

### **4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

- 4.1 The recommendations of this report do not have any specific financial implications.
- 4.2 As each element of the procurement plan, set out in Appendix 1, is undertaken, separate approval will be required by Executive Board Commissioning Sub Committee and this approval will include the appropriate financial implications and recommendations.

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

- 5.1 The Council's Contract Procedure Rules and Financial Regulations and European Procurement Regulations dictate that the Council should undertake a formal tender process for the award of contracts of a particular value. The Procurement Plan addresses the risk of non-compliance with the Contract Procedure Rules by providing a tool for planning procurement activity across all contracts based on their expiry date.
- 5.2 The Procurement Plan sets out an ambitious programme of procurement activity for the Quality and Commissioning Directorate, involving many existing contracts, alongside new commissioning priorities across a wide range of service areas. The delivery of this programme in full depends upon the necessary resources being available within the Strategic Procurement Team. The number of tenders actually undertaken will be dependent on the findings of SCI Reviews and the full consideration of procurement options and implications and will be subject to further decisions making during the SCI process.

#### **Legal Observations:**

- 5.3 The recommendations in this report are considered to comply with Financial Regulations and the Contract Procedure Rules. While the recommendations raise no direct legal issues in and of themselves they raise indirect issues around the support legal services offer as part of the procurement activity.
- 5.4 Legal services will contribute to the effective delivery of the matters arising from the delivery of the Procurement Plan. This will include support to ensure that all matters arising comply with Financial Regulations and Contract

Procedure Rules, together with all externally applicable law and regulations including the Public Contracts Regulations 2006.

## **6 SOCIAL VALUE CONSIDERATIONS**

- 6.1 For each planned procurement process, consultation will be undertaken and consideration will be given to how the services being commissioned could improve the economic social and environmental well-being in Nottingham. By virtue of the type of services being commissioned, social improvements are expected to be delivered particularly for those receiving services but also economic improvements are expected with regard to the terms under which service providers employ their staff. Such considerations will support compliance with the Public Services (Social Value) Act 2012 and this will be developed in the procurement process.

## **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 this decision relating to public health functions, we have properly considered the NHS Constitution where applicable and have taken into account how it can be applied in order to commission services to improve the health of the local community.

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

- 8.1 An EIA is not needed, as 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.
- 8.2 For each procurement process, an Equality Impact Assessment will be undertaken at an appropriate stage in the commissioning process.

## **9 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION**

- 9.1 None

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

- 10.1 Quality and Commissioning Procurement Plan Report – Executive Board Commissioning Sub-committee, 23 May 2012.
- 10.2 Quality and Commissioning Procurement Plan Update – Executive Board Commissioning Sub-committee, 19 December 2012.
- 10.3 Quality and Commissioning Procurement Plan Report – Executive Board Commissioning Sub-committee, 19 June 2013

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

- 11.1 Ceri Walters – Finance Business Partner, Strategic Finance
- 11.2 Naomi Vass – Senior Solicitor, Legal Services