

**EXECUTIVE BOARD COMMISSIONING SUB COMMITTEE – 16 JULY 2014**

<b>Subject:</b>	<b>NOTTINGHAM CITY COUNCIL PROCUREMENT PLAN 2014-2018</b>		
<b>Corporate Director(s)/ Director(s):</b>	Candida Brudenell – Strategic Director Early Intervention		
<b>Portfolio Holder(s):</b>	Councillor Alex Norris – Portfolio Holder for Commissioning		
<b>Report author and contact details:</b>	Jo Pettifor – Strategic Procurement Manager Tel: 0115 8765026 Email: <a href="mailto:jo.pettifor@nottinghamcity.gov.uk">jo.pettifor@nottinghamcity.gov.uk</a>		
<b>Key Decision</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<b>Subject to call-in</b>
			<input checked="" 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> Nil			
<b>Wards affected:</b> All	<b>Date of consultation with Portfolio Holder(s):</b> Councillor Norris: 26 June 2014 Councillor McDonald: 30 June 2014		
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter			<input checked="" type="checkbox"/>
Cut crime and anti-social behaviour			<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input type="checkbox"/>
Help keep your energy bills down			<input type="checkbox"/>
Good access to public transport			<input type="checkbox"/>
Nottingham has a good mix of housing			<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input type="checkbox"/>
Support early intervention activities			<input checked="" type="checkbox"/>
Deliver effective, value for money services to our citizens			<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
This report presents the Nottingham City Council Procurement Plan for 2014 – 2018 which sets out the planned programme of procurement activity for the Council. The Procurement Plan 2014-2018 is attached in appendices 1-6. The report also updates on progress made with the procurement of commissioned services since the last Procurement Plan for the Early Intervention Directorate (formerly Quality & Commissioning) was presented to the Executive Board Commissioning Sub-Committee in January 2014.			
<b>Exempt information:</b>			
None			
<b>Recommendation(s):</b>			
<b>1</b> To note the Nottingham City Council Procurement Plan 2014 – 18.			
<b>2</b> To note that the Plan is indicative of planned procurement activity and timescales, which may be subject to change dependent on the outcomes of the strategic commissioning process and the full consideration of procurement options for each requirement.			

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 A Procurement Plan was first developed for the former Quality and Commissioning Directorate to align procurement and contracting activity for commissioned services with the planning of the Directorate's Strategic Review Intention (SCI) programme. The Plan continues to provide a tool for joint planning between the Strategic Commissioning and Procurement Teams; ensuring procurement activity is fully embedded within the SCI programme.
- 1.2 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.
- 1.3 The Procurement 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 process.
- 1.4 The Procurement Plan provides a tool for the planning of all the Council's procurement activity alongside the other work priorities of the Procurement Team, which include contract management across a range of contract categories.

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

- 2.1 A Procurement Plan for the Quality and Commissioning Directorate was developed early in 2012 during the planning of the Directorate's Strategic Review Intention (SCI) programme. The plan set out all planned procurement activity for commissioned services based on contract expiry dates and the planned programme of SCI Reviews.
- 2.2 The Quality and Commissioning Procurement Plan was first reported to Committee at its meeting on 23 May 2012. It has subsequently been updated based on the progress of and outcomes emerging from the SCI Reviews and update reports have been regularly presented to Committee over the last 2 years. Since the January 2014 report, procurement activity for commissioned services has progressed as follows:
  - Following completion of the tender for an Aftercare Resettlement Service the new contract commenced in January 2014. Contract Value £38,655 pa.
  - The City led on a tender for an HIV Support Service, jointly commissioned with City and County Health and the County Council. The new contract commenced on 1<sup>st</sup> April 2014. Contract value £93,500.00 pa.

- A mini competition was conducted for the award of 70 care packages under the new Care at Home Framework; this process was completed in June 2014. The new and outgoing providers are working together to safely transition packages over; this is likely to be completed by August 2014.' Call-off Contract value £331,500 pa.
- Tenders were completed for two Social Exclusion Housing Related Support services; new contracts commenced on 1<sup>st</sup> April 2014. Contract values £684,300 pa and £241,190 pa.
- Tenders were completed for two new short term mental health services which form part of the new Mental Health Pathway, replacing several long term accommodation based services and enabling more citizens to access mental health services. The contracts commenced on 1<sup>st</sup> April 2014 and work to decommission and transition service users from previous long term services was concluded in April 2014. Standard Service contract value £222,873 pa and complex service £287,690 pa.
- The tender was completed for a Carer Respite Service and the new contract commenced on 1 April 2014. Contract value £112,500 pa
- The City was participated in the joint procurement with the County Council of an Advocacy service for Children in the Care – contract value £80,00 pa
- City was involved in the joint procurement with the County Council for an Appropriate Adult service for Young People - £35,000 pa
- Call off from the Independent Living Support Service (ILSS) Framework for a Refugee service is underway; the new service should be in place October 2014.
- Evaluation of the Domestic Violence Independent Living Support Service (ILSS) call-off tender is in progress; the new service is to be in place on 1 October 2014.
- The tender process has commenced for a Framework of providers for the Provision of an Adoption & Fostering Assessment service. The new services will commence in August 2014.
- The Stronger Families service (a specialist 12 week programme for families who have suffered domestic abuse) is currently out to tender and the new service will commence in October 2014.
- Tendering for an Accessible Information Service commenced in June 2014
- The tender for the delivery of the Early Learning Programme for 2 Year Olds in Children Centres is due to commence shortly
- Work is progressing jointly with City NHS to undertake an accreditation process for residential and nursing care services, with a joint contract proposed to be awarded.

2.3 Following the establishment of the Early Intervention Directorate and the integration of the procurement function within the Quality and Efficiency Service Area, the Procurement Plan has been updated to present all the planned procurement activity of the Council. A copy of the updated Procurement Plan 2014 – 2018 is attached at Appendices 1-6. It presents planned and anticipated procurement activity across all procurement categories, with the expected commencement and completion dates for each project. The Procurement Plan is indicative procurement activity and may be subject to change, for example for commissioned services where an SCI Review is to be completed, as procurement activity depends upon the review outcome. The procurement options for each service are considered as part of the commissioning 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.

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

- 3.1 Do nothing. This would impact on the planning of the Council's procurement activity across all goods and services. In relation to commissioned services for vulnerable adults and children, it would impact on the alignment of procurement activity with the programme of SCI Reviews undertaken by the Early Intervention 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, for example due to commissioning and procurement activity (for example through SCI reviews) not being undertaken in a timely way. For these reasons, this option was rejected.

### **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 Appendices 1-6 is undertaken, separate approval will be required by the relevant Board or Portfolio Holder as appropriate. 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 Council across all categories of goods and services. Planned procurement activity includes the re-tendering of existing contracts prior to expiry, alongside anticipated procurement to meet new priorities identified through the strategic commissioning process. The delivery of this programme of procurement activity depends upon the necessary resources being available. In relation to commissioned services, the number of tenders actually undertaken will be dependent on the outcomes of the strategic commissioning process (including the full consideration of procurement options and implications) and will be subject to further decision making during the SCI process.

#### **Legal Observations:**

- 5.3 The recommendations in this report raise no legal issues. The intention of the Procurement Plan is to ensure compliance with the Council's Constitutional requirements in obtaining Best Value, together with compliance with the

Public Contracts Regulations 2006 (as amended) in respect of EU compliant procurement activity.

- 5.4 New procurement Directives were introduced earlier this year and it is anticipated that by early 2015 the European law will be transposed into domestic legislation by way of new Regulations. As such, procurement teams will need to be fully aware of the proposed changes as this will impact on current process.
- 5.5 Legal Services will provide support and contribute to the delivery of the Procurement Plan by advising on relevant legislation, legal and commercial risks, and drafting and approving of contract documents.

## **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. In relation to services commissioned for vulnerable adults and children, 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.

## **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 Quality and Commissioning Procurement Plan Report – Executive Board Commissioning Sub-Committee, 23 May 2012.
- 10.2 Quality and Commissioning Procurement Plan Report – Executive Board Commissioning Sub-Committee, 15 January 2014

**11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

11.1 Ceri Walters – Finance Business Partner, Strategic Finance

11.2 Naomi Vass – Senior Solicitor, Legal Services