



Nottingham City Council

Commissioning and Procurement Executive Committee

Date: Tuesday, 10 September 2024

Time: 9.30 am

Place: Ground Floor Committee Room - Loxley House, Station Street, Nottingham,
NG2 3NG

Councillors are requested to attend the above meeting to transact the following business

Director for Legal and Governance

Governance Officer: Mark Leavesley **Direct Dial:** 0115 8764302

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If you need any advice on declaring an Interest in any item on the agenda, please contact the Governance Officer shown above, if possible before the day of the meeting.

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Nottingham City Council

Commissioning and Procurement Executive Committee

Minutes of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 9 July 2024 from 9.30 am - 10.26 am

Membership

Present

Councillor Cheryl Barnard
Councillor Linda Woodings (Chair)
Councillor Corall Jenkins
Councillor Ethan Radford
Councillor Pavlos Kotsonis (non-voting co-opted member)

Absent

Councillor Jay Hayes (Vice Chair)

Colleagues, partners and others in attendance:

Dawn Cafferty	- Head of Procurement
Cath Cameron-Jones	- Commissioning Manager
Charlotte Dodds	- Commissioning Lead
Debbie Helmsley	- Commissioning Officer
Chris Keene	- Head of Highways Services
Meagan Milic	- Highways Compliance Manager
Chris Pembleton	- Business Manager, Revenues
Jane Garrard	- Senior Governance Officer

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 17 July 2024. Decisions cannot be implemented until the working day after this date.

18 Apologies for absence

Councillor Jay Hayes - personal

19 Declarations of interests

None

20 Minutes

The minutes of the meeting held on 11 June 2024 were confirmed as an accurate record and signed by the Chair.

21 Streets for People 2 Programme for Highways and Transport 2024/25 - key decision

Meagan Milic, Highways Compliance Manager, and Chris Keene, Head of Highways Services, introduced the report seeking approval for the allocation of schemes for the second phase of the Streets for People Programme comprising public highway improvements for highways, traffic management and road safety; and the call-off and award from internal and third party frameworks for the delivery of the Programme. They highlighted the following information:

- a) The Programme is entirely grant funded, from the Local Transport Plan Area Capital annual block allocation for 2024/25 and the Local Transport Plan Integrated Block.
- b) Consideration has been given as to whether call-off from a framework is the best method for awarding contracts for this Programme, but the alternative of packaging works would be more challenging to complete within the timeframe available and lacks flexibility. This approach was successfully used for the Streets for People 1 Programme and utilises a mixed approach of direct award, mini-competition and having a basket of goods. It also enables the Council to change or defer schemes if necessary. There could be scope to incorporate the Streets for People Programme, Planned Maintenance Programme and statutory highways maintenance works into one contract but because the Council only receives annual awards of funding from the Department for Transport it is unable to award multi-year contracts, which would be more attractive to suppliers. Commissioners have confirmed that they are comfortable with the proposed approach.
- c) Procurement regulations are changing in autumn 2024, making pre-market engagement mandatory. Future specifications will be outcomes based to allow the market to identify ways of achieving the desired outcome.
- d) In addition to officers' technical recommendations, all councillors had the opportunity to identify roads for inclusion in the Programme.

During subsequent discussion and in response to questions from the Committee, the following points were made:

- e) Communication with residents about highways works taking place is important. If necessary, additional bespoke communication arrangements can be put in place for specific scenarios.
- f) The aim is to work towards a Streets for People 3 Programme and part of that will involve re-engaging residents, by working with ward councillors, on highways maintenance, road safety and traffic requirements.

Resolved to:

- (1) approve the ward allocation and schemes contained within the 2024/25 Streets for People 2 Programme, as outlined in Appendix 1 to the report, at a cost of £5.85m; and**
- (2) approve the call-off and award from internal and external third-party frameworks that have been let in accordance with public procurement**

regulations for the delivery of the 2024/25 Streets for People 2 Programme, as outlined in Appendix 1 of the report.

Reasons for decision

- g) The Programme enables improvements to be made to the highway including to footways, roads, traffic management and road safety, prioritised on the basis of technical assessment, local knowledge and engagement with ward councillors.
- h) The benefits of operating under the framework arrangements are:
 - i. enabling the delivery of external grant funded statutory work activity in line with timescales of award;
 - ii. a value for money delivery model with no fixed financial commitments to use the framework;
 - iii. flexibility with no restriction in developing other delivery models for highways in the future;
 - iv. opportunities for local small to medium enterprise companies to deliver works through framework awards;
 - v. the potential for a local workforce through utilising regional small to medium enterprise contractors;
 - vi. ensuring the Council complies with its duty of best value by going through compliant frameworks and mini competition when stipulated by the framework terms;
 - vii. demonstrating the Council's commitment to all stakeholders in the East Midlands Devolution Plan that it is invested in low carbon economic growth; and
 - viii. utilising framework partners that support the Council's Carbon Neutral Charter and initiate carbon management through their entire supply chain.

Other options considered

- i) Not approving the spend would have meant that no schemes could be delivered and would have adversely impacted upon overall delivery of the Local Transport Plan Capital Programme. Therefore this option was rejected.
- j) Not calling-off from frameworks and having compliant procurement measures in place would have adversely affected the Council's ability to engage with suppliers and contractors to deliver essential highways works within the funding timeframe and there would be no effective means of demonstrating compliance with financial and procurement regulations. Therefore this option was rejected.
- k) Alternative procurement options, including Term Service Contracts and Multi-Agency Frameworks, would require more stability in the funding regime. The Council currently receives annual awards for highways maintenance and further grant awards for transport schemes but there is no medium term funding strategy that would assist consideration of a medium-term delivery solution with a third party. As engagement continues under the East Midlands Combined County Authority agenda and the merging of Department for

Transport funding streams may provide opportunity for this option to be considered in the future but it was rejected currently.

22 Highways Planned Maintenance Programme Delivery 2024-25 - key decision

Meagan Milic, Highways Compliance Manager, and Chris Keene, Head of Highways Services, introduced the report seeking approval for the 2024/25 Local Transport Plan Maintenance Programme and to call-off from approved highways frameworks and external third-party frameworks to deliver the statutory planned highways maintenance programme. They highlighted the following information:

- a) The Council has statutory obligations in relation to highway maintenance and the works are prioritised based on technical assessment by the Highways Team.
- b) Full road replacement can be very expensive and alternative methods of maintaining the highway, including prolonging the life of a road, are explored to enable limited resources to be maximised.
- c) The importance of good communication with residents is recognised in order to manage expectations about what works will take place and when. It is anticipated that the Programme for 2025/26 will come to the Committee earlier in the year, allowing a longer lead-in time for communication to take place.
- d) It is hoped that additional funding could be available from the East Midlands Combined County Authority enabling higher value decisions to be taken in the future.

Resolved to:

- (1) approve the Local Transport Plan Maintenance Programme for 2024/25, at a cost of £5.6m, as set out in Appendix 1 to the report; and**
- (2) approve the call-off and award from internal and external third-party frameworks that have been let in accordance with public procurement regulations for the delivery of the Local Transport Plan Maintenance Programme 2024/25, as set out in Appendix 1 to the report.**

Reasons for decision

- e) The decision enables delivery of essential works to fulfil statutory obligations to maintain the public highways through a programme developed in line with the Highways Act 1980 Section 41, local authority benchmarking data and national guidance to best practice and taking into account priorities based on survey data, safety inspections, citizen feedback and road hierarchy.
- f) The benefits of operating under the framework arrangements are:
 - i. enabling the delivery of external grant funded statutory work activity in line with timescales of award;

- ii. a value for money delivery model with no fixed financial commitments to use the framework;
- iii. flexibility with no restriction in developing other delivery models for highways in the future;
- iv. opportunities for local small to medium enterprise companies to deliver works through framework awards;
- v. the potential for a local workforce through utilising regional small to medium enterprise contractors;
- vi. ensuring the Council complies with its duty of best value by going through compliant frameworks and mini competition when stipulated by the framework terms;
- vii. demonstrating the Council's commitment to all stakeholders in the East Midlands Devolution Plan that it is invested in low carbon economic growth; and
- viii. utilising framework partners that support the Council's Carbon Neutral Charter and initiate carbon management through their entire supply chain.

Other options considered

- g) Not approving the spend would have meant that no schemes could be delivered and would have adversely impacted upon overall delivery of the Local Transport Plan Capital Programme. Therefore this option was rejected.
- h) Not calling-off from frameworks and having compliant procurement measures in place would have adversely affected the Council's ability to engage with suppliers and contractors to deliver essential highways works within the funding timeframe and there would be no effective means of demonstrating compliance with financial and procurement regulations. Therefore this option was rejected.
- i) Alternative procurement options, including Term Service Contracts and Multi-Agency Frameworks, would require more stability in the funding regime. The Council currently receives annual awards for highways maintenance and further grant awards for transport schemes but there is no medium term funding strategy that would assist consideration of a medium-term delivery solution with a third party. As engagement continues under the East Midlands Combined County Authority agenda and the merging of Department for Transport funding streams may provide opportunity for this option to be considered in the future but it is currently rejected.

23 Highways Annual Procurement Approval 2024-26 - key decision

Meagan Milic, Highways Compliance Manager, and Chris Keene, Head of Highways Services, introduced the report seeking approval for the provision of future procurement arrangements to support delivery of statutory highway maintenance works (under Section 41 of the Highways Act 1980), highway improvement and public realm programmes and specialist support services for highways work activity. They highlighted the following information:

- a) This procurement supports the Streets for People 2 Programme and Planned Highways Maintenance Programme agreed earlier in the meeting.
- b) The value of the decision is £92m over four years. This value is indicative based on previous trends and anticipated funding going forward, and there is no commitment to spend.
- c) The intention is to procure 18 frameworks. Some of these will be renewals of existing frameworks and some have been identified as now being required as spend analysis shows that procurement thresholds are close to being reached.
- d) These frameworks will give opportunities for small to medium enterprise companies in the City and support associated local jobs. This is in line with forthcoming changes to procurement regulations which will place greater emphasis on social value and include requirements for market engagement and breaking down packages so that they are accessible to smaller suppliers.
- e) It is known that some smaller companies are put off by perceived amounts of paperwork and the need to engage with the framework online so pre-market engagement is being undertaken to support smaller businesses in engaging with this.

The Committee welcomed the work taking place to provide easier opportunities for small to medium enterprise companies to engage and obtain work and the positive impact this has for local jobs.

Resolved to:

- (1) approve the procurement and set up of corporate framework agreements listed in table 1 of Appendix 1 to the report;**
- (2) approve the call-off from the framework agreements as set out in table 1 of Appendix 1 to the report and award contracts for the delivery of the 2024/25 Statutory Highway Maintenance Works (under Section 41 of the Highway Act 1980), Highway Improvement and Public Realm Programmes and Specialist Support Services for Highways Works; and**
- (3) approve the call-off from external third-party frameworks that have been let in accordance with public procurement regulations, as outlined in table 2 of Appendix 1 to the report.**

Reasons for decision

- f) The decision enables compliant delivery of works and services to fulfil statutory obligations to maintain the highway and supports all transport services in compliant delivery options.
- g) The benefits of operating under the arrangements are:
 - i. continuity in the provision of compliant delivery arrangements for highways activities in response to increased grant allocation for highways and transport projects;

- ii. enabling the delivery of external grant funded statutory work activity in line with timescales of award;
 - iii. a value for money delivery model with no fixed financial commitments to use the framework;
 - iv. flexibility with no restriction in developing other delivery models for highways in the future;
 - v. opportunities for local small to medium enterprise companies to tender for the work through framework awards under smaller lots;
 - vi. the potential for a local workforce through utilising regional small to medium enterprise contractors;
 - vii. ensuring the Council complies with its duty of best value by going through a competitive process to evaluate price and quality, including further competition through mini competition;
 - viii. economies in accessing established third-party frameworks where viable;
 - ix. the ability to develop relationships with a core set of framework providers to the Council and ensuring effective management through such relationships;
 - x. demonstrating the Council's commitment to all stakeholders in the East Midlands Devolution Plan that it is invested in low carbon economic growth; and
 - xi. utilising framework partners that support the Council's Carbon Neutral Charter and initiate carbon management through their entire supply chain.
- h) Call-offs with a value of £750,000 or more require approval by the appropriate Executive Committee or the Leader of the Council.

Other options considered

- i) Not letting contracts or frameworks would mean that the Council does not have compliant procurement measures in place and that would adversely affect its ability to engage with suppliers and contractors to deliver essential highway works and projects through time limited external grant funding. There would also be no effective means to demonstrate compliance with financial and procurement regulations for the increased spend in future years by the broader transport group at Nottingham City Council. Therefore this option was rejected.
- j) Not progressing the new framework arrangements would jeopardise grant funding and the Council would lose out on the opportunity to invest in the City, its transformation and in local neighbourhoods. Therefore this option was rejected.
- k) Directly awarding contracts would require commitment to spend at the point of contract and would not provide the flexibility required for service requirements, including commercial market opportunities, over the period and therefore not provide best value. Therefore this option was rejected.
- l) Term Service Contracts require more stability in the funding regime at the Council. Currently the Council receives annual awards for highway

maintenance and further grant awards for transport schemes but there is no medium term funding strategy that would assist consideration of a medium term delivery solution with a third party. As engagement continues under the East Midlands Combined County Authority agenda and with the merging of Department for Transport funding streams there could be opportunity for this option to be considered in the future but it was currently rejected.

- m) Multi-Agency Frameworks require more stability in strategic decision making between local authorities in the region and more stability in the funding regime as noted in (l). As engagement continues under the East Midlands Combined County Authority agenda and with the merging of Department for Transport funding streams there could be opportunity for this option to be considered in the future but it was currently rejected.

24 Debt Recovery Enforcement Agent services - key decision

Chris Pembleton, Business Manager Revenues, introduced the report seeking approval to undertake a procurement process for the supply of debt enforcement agent services. He highlighted the following information:

- a) The value of the decision reflects the projected value to the suppliers, not the cost to the Council. The services are currently delivered at no cost to the Council.
- b) The debt enforcement agents will support recovery of unpaid Council Tax, National Non-Domestic Rates, Business Improvement District levy, commercial rents and civil enforcement of Penalty Charge Notices. Currently the three existing enforcement agents recover over £5m each year.
- c) The Council takes additional steps over and above statutory requirements, for example additional reminders, before cases are placed with enforcement agents. There is also a pre-compliance stage which requires the enforcement agents to have a 'no-fee' stage during which they try to engage with the citizen to identify any vulnerability they might be facing and return the case to the Council for support/ signposting to support and to put payment arrangements in place without any cost to the citizen. If the agent is unable to get the citizen to engage then the statutory fees apply and will not be set under this contract. At every stage the aim is to get engagement to set up an affordable and sustainable payment arrangement.

During subsequent discussion and in response to questions from the Committee, the following points were made:

- d) The lack of recent complaints to councillors about debt enforcement suggests that the Council has the right balance in recovering debt in the most ethical way it can.
- e) Enforcement agents are aware of local debt advice agencies and will signpost citizens to them.

- f) The enforcement agents used are signed up to the sector code of practice which includes safeguarding issues, and since October 2023 statutory standards and requirements have been monitored by a new independent oversight board. Employees wear body cameras and are trained in their use.
- g) The aim is to have three debt enforcement agents, as currently. This provides the flexibility to cease placing accounts with one agent if they are not performing as required.
- h) The ultimate goal is to reduce the use of debt enforcement agents but sometimes it is necessary.

Resolved to:

- (1) undertake a procurement process to secure a concession contract for the supply of debt enforcement agent services for a 5 year period (2024/25 to 2028/29); and**
- (2) delegate authority to the Corporate Director for Finance and Resources to award and enter a concession contract with the successful concessionaire following completion of the tender process.**

Reasons for decision

- i) The existing concession has expired and the Council still has a requirement for services to collect revenue for the non-payment of debt when all internal processes to collect the debt have been exhausted.

Other options considered

- j) Doing nothing was rejected because the Council would suffer a loss of revenue in the form of debt recovered of approximately £5m per year.
- k) The Council does not have the internal resources or specialist knowledge to deliver the function in-house and therefore this option was rejected.

25 Home and Community Short Breaks - key decision

Cath Cameron-Jones, Commissioning Manager, introduced the report seeking approval to procure an accredited provider list of homebased and community short breaks provision for disabled children and delegate authority to award call-off contracts. She highlighted the following information:

- a) The Council has a statutory duty to provide short breaks to disabled children to assist carers of disabled children.
- b) The current accredited provider list ends in September 2024.
- c) The current accredited provider list only has one provider and their provision isn't suitable for all children because it primarily focuses on learning disabilities

and therefore is not necessarily suitable for children with physical disabilities. Therefore, work has been taking place to boost the market.

- d) There is no commitment to spend. Eligible families will have an allocated budget. It is anticipated that most demand will come from families on the two lower pathways as higher needs tend to be met by the in-house service. There is no intention to cap the price of activities because it can vary so much and would reduce family choice about what best meets their need within their budget. Call-off will be based on family choice first but if there are a number of providers able to provide the same offer there will be a mini competition (this is unlikely given the market).
- e) There are currently approximately 80 children eligible but with no allocated budget. This is partly because existing provision doesn't have capacity or is unable to meet their needs. There will be variation each year in the number of applications so demand is difficult to predict. It is also anticipated that some families currently using direct payments may prefer a managed budget so the managed budget allowance has been amended to reflect this. There is a risk that improvements in provision will increase demand but the Council has a statutory duty to provide short breaks and will continue to look at its approach to allocations.
- f) Residential overnight stays are commissioned via a separate contract.

During subsequent discussion and in response to questions from the Committee, the following points were made:

- g) The market development work that has taken place is really positive and there is potential for other services, such as adult social care, to learn from it.
- h) There is a risk that providers increase their prices. It is known that Nottinghamshire County Council pay considerably more, especially for 1:1 provision, and providers are aware of this.

Resolved to:

- (1) procure an accredited provider list of short breaks provision for a period of up to nine years at a total maximum contract value of £1.8m;**
- (2) delegate authority to the Director of Commissioning and Partnerships to approve and award the outcome of the tender process for the Home and Community Short Breaks; and**
- (3) delegate authority to the Head of Service Contracts, Quality and Personalisation to enter into an appropriate Accreditation Agreement and to award and sign call-off contracts.**

Reasons for decision

- i) The existing Accredited Provider List for short breaks comes to an end on 30 September 2024 and only has one provider on it offering a variety of breaks to

young people with learning disabilities. It is difficult for one provider to offer the full range of provision needed to meet the assessed needs of all children and the limited number of providers available reduces choice and flexibility and may impact on price. Recent market development work has enabled a further 11 organisations to develop short break offers mainly aimed at children with physical disabilities and long-term illnesses. It is anticipated that most of these providers will join a new accredited provider list and there are indications that there is a strong local market interested in offering short breaks which can be developed further. Therefore an accredited provider list is the most practical way of ensuring a procurement compliant method of purchasing services whilst enabling new providers to join the accredited list at any time, thus supporting the development of a buoyant provider market.

Other options considered

- j) Options to commission a block with one or multiple providers was rejected because, while it would provide a fixed price, it would limit the options for diversity of offer, reduce choice and lead to unused but paid for provision. It is hypothesised that with a more robust short break offer the Council will experience significant change across how services are used and therefore an approach that can test out different models without commitment is preferred. The market is currently limited and the Council needs to work closely with providers in partnership to encourage engagement and thus competition. An accredited provider list enables the flexibility to procure small blocks as and when demand can be predicted, notably in school holidays, to encourage increased activity at times when it is most needed. The agreed model will enable providers to offer a range of activities without the Council prescribing what they should offer and this is likely to generate a wider range of options and enable the market to react to the requirements of the young people and their families.

26 Joint re-commissioning of a Healthwatch Nottingham & Nottinghamshire Service - key decision

Charlotte Dodds, Commissioning Lead, introduced the report seeking approval for the joint commissioning between Nottingham City Council and Nottinghamshire County Council of a Healthwatch Nottingham and Nottinghamshire Service. She highlighted the following information:

- a) The new service will start on 1 April 2025 for a maximum of six years.
- b) The total value of the decision reflects the combined spend across City and County areas. The City Council's expenditure will be a maximum of £648,000 over the six years of the contract. The service will be fully funded from the Local Reform and Community Voices Section 31 grant, which enables local authorities to meet their statutory duties relating to the Health and Social Care Act 2012 including ensuring that an effective local Healthwatch organisation is operating in their area.
- c) Prior to 2018 there were separate local Healthwatch organisations for the Nottingham City area and the Nottinghamshire County area. Following a

commissioning review they were merged into a single organisation with contracts aligned, with the intention of commissioning a joint service at the end of the existing contract period. The jointly commissioned service will enable current efficiencies to continue.

- d) A public survey has been carried out in advance of the procurement to better understand levels of awareness, knowledge and experience of Healthwatch and the potential for improvement. Learning from this will inform the service specification.
- e) There are no performance issues with the current contract. It will be an open tender but there is quite a limited market.

Resolved to:

- (1) procure a joint Nottingham and Nottinghamshire Healthwatch service through an open tender process for a maximum 6 year contract, with an initial 3 year period of 1 April 2025 to 31 March 2028, and a possible extension for a second 3 year period of 1 April 2028 to 31 March 2031;**
- (2) approve Nottingham City Council budget expenditure of £108,000 per year (an overall maximum spend of £648,000 for a 6 year contract) and note Nottinghamshire County Council's contribution of £198,000 per year (an overall spend of £1,188,000 for a 6 year contract) giving a combined spend for a 6 year contract of £1,836,000;**
- (3) approve entering into a collaborative agreement with Nottinghamshire County Council from 1 April 2025 for the duration of the Healthwatch Nottingham and Nottinghamshire contract, which ends on 31 March 2028 or 31 March 2031 if extended, in consultation with the Director for Legal and Governance/ Head of Legal where sealing of a deed is necessary to give effect to the delegation;**
- (4) delegate authority to the Interim Director of Adults, Health and Commissioning to approve the outcome of the procurement process and award the contract to the provider deemed most suitable to provide the service; and**
- (5) delegate authority to the Head of Personalisation, Quality and Contracting to agree and sign the contract documentation relating to the service in consultation with the Director for Legal and Governance/ Head of Legal where sealing of a deed is necessary to give effect to the delegation.**

Reasons for decision

- f) Delivery of a Healthwatch function is a statutory duty under the Health and Social Care Act 2012 and failure to provide a service after the expiration of the current contract would mean that the Council would fail to meet its statutory duty and may leave it open to judicial review.

- g) Delivery of a joint service with Nottinghamshire County Council will provide consistency of offer across the Integrated Care System footprint and enable the Council to continue to benefit from the efficiencies which have been achieved through sharing a single service provider with Nottinghamshire County Council.

Other options considered

- h) Allowing the current contract to terminate on the end date of 31 March 2025 without completing a procurement exercise to secure a new service was rejected because the Council has a statutory duty to provide a local Healthwatch service.
- i) Procuring a local Healthwatch service for Nottingham City only was rejected because there would be a risk that the City and County would secure contracts with different organisations providing Healthwatch services. This would mean that the current and future efficiencies of the joint approach would be lost, and this would not achieve best value and would likely see an increase in the cost of the service.

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Subject:	Commissioning of Changing Futures Services for Nottingham – 2025/26 – 2029/30		
Corporate Director:	Roz Howie - Adult Social Care and Health (Interim)		
Director:	Lucy Hubber - Public Health		
Portfolio Holder(s):	Cllr Pavlos Kotsonis - Adult Social Care and Health		
Report author and contact details:	Tracey Ford, Changing Futures Senior Systems Change Commissioning Manager tracey.ford@nottinghamcity.gov.uk		
Other colleagues who have provided input:	Tracey Moore – Finance Richard Bines – Legal Jo Pettifor – Procurement Helen Johnston - Consultant in Public Health Nancy Cordy - Senior Public Health Strategy & Service Improvement Manager		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons:	<input checked="" type="checkbox"/> Expenditure	<input checked="" type="checkbox"/> Income	<input type="checkbox"/> Savings of £750,000 or more
taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
Total value of the decision:	£7,346,875		
Wards affected:	All		
Date of consultation with Portfolio Holder:	21 August 2024		
Relevant Council Plan Key Outcome:			
Clean and Connected Communities	<input type="checkbox"/>		
Keeping Nottingham Working	<input type="checkbox"/>		
Carbon Neutral by 2028	<input type="checkbox"/>		
Safer Nottingham	<input checked="" type="checkbox"/>		
Child-Friendly Nottingham	<input type="checkbox"/>		
Healthy and Inclusive	<input checked="" type="checkbox"/>		
Keeping Nottingham Moving	<input type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input type="checkbox"/>		
Financial Stability	<input type="checkbox"/>		
Serving People Well	<input checked="" type="checkbox"/>		
Summary of issues (including benefits to citizens/service users):			
<p>Changing Futures Nottingham aims to improve outcomes for people experiencing severe multiple disadvantage (SMD), one of four priorities in the Joint Health and Wellbeing Strategy 2022-25. From 2022 to 2024 it has been funded by the national Changing Futures programme, a partnership between the Department for Levelling Up, Housing and Communities (DLUHC) and the National Lottery Community Fund (TNLCF).</p> <p>A new funding stream has been secured from NHS Nottingham and Nottinghamshire Integrated Care Board (ICB). The ICB Health Improvement and Innovation Fund (HIIF) is contributing £981,853 in 2024/25, rising to £1,469,375 in 2025/26 and subsequent years.</p> <p>Key elements of the Changing Futures programme in Nottingham need to be re-commissioned, with new contracts to be let from 01 April 2025.</p>			

The recurrent ringfenced ICB funding has been allocated to Nottingham to continue the Changing Futures programme. This is less than the funding available in 2024/25, the programme is actively pursuing other sources of funding to maximise the impact of the programme and retain current capacity.

This paper requests the approvals for receipt and spend of the HIIIF funding and the re-commissioning of Changing Futures services in Nottingham from April 2025.

Exempt information: None

Recommendation:

- 1 To approve receipt of £7,346,875 of ringfenced ICS Health Inequalities and Innovation Investment Funding (HIIIF) between 01 April 2025 to 31 March 2030 (£1,469,375 per year).
- 2 To delegate authority to Director of Public Health to;
 - (i) enter into a Section 256 NHSA 2006 Agreement with the Integrated Care Board for the transfer to the Council of the HIIIF of up to £7,346,875 (£1,469,375 per year) from 01 April 2025 to 31 March 2030;
 - (ii) approve the service model for the commissioning of Changing Futures services against the entire budget available:
 - (iii) subject to prior Spend Control / s151 Officer approval:
 - a. to spend £1,469,375 per year for the next five years on Changing Futures services and activity to 31 March 2030 as set out in the indicative budget at appendix A, including the extension of four specialist navigator contracts from 01 April 2025 to 31 March 2026;
 - b. to procure, award and enter into two contracts for Changing Futures services and activity for three years from 01 April 2025, with an option to extend for a further two years from 01 April 2028 for (i) Main Delivery Service and (ii) Partnership Learning Hub;
 - c. to enter into 1-year extensions of four specialist navigator contracts from 01 April 2025 to 31 March 2026;

1. Reasons for recommendations

- 1.1 Since 2021/22 Changing Futures funding has been funded by the national Changing Futures programme, a partnership between the Department for Levelling Up, Housing and Communities (DLUHC) and the National Lottery Community Fund (TNLCF). A new funding stream has been secured from NHS Nottingham and Nottinghamshire Integrated Care Board (ICB) for the Changing Futures programme in Nottingham. The ICB Health Improvement and Innovation Investment Fund (HIIIF) is contributing £981,853 in 2024/25 (receipt of which was approved by CPEC on 14 November 2023), rising to £1,469,375 per annum from 01 April 2025 to 31 March 2030. Recommendation 1 seeks approval for the receipt of funding from the ICB for the next five years, to be transferred through a Section 256 (NHSA 2006) Agreement.

- 1.2 Recommendation 2 seeks approval to spend the ICB award to the Changing Futures programme, subject to the mandatory Spend Control Board process having entered into an appropriate section 256 NHS Agreement with the ICB.
- 1.3 All of the funding for Changing Futures services commissioned by Nottingham City Council sits either under ring-fenced grant conditions (national Changing Futures grants from DLUHC and TNLCF) or partnership agreements (the ICB), for which the Director of Public Health is accountable, and the resource must be stewarded in line with these conditions.
- 1.4 The current Changing Futures Main Delivery Service contract expires on 31 March 2025. For 2024/25, the contract was awarded via negotiated procedure without publication. Exemption from Contract Procedure Rules was agreed. As the funding for the services is now recurrent, the services must be competitively procured. Recommendation 2(3)(b) seek to approve to separate the services currently delivered under one contract into two lots and procure separately, under 3 + 2-year contracts. There is an expectation that the programme will attract additional funding over the next five years. The advertised contract values will therefore be in excess of the funding currently secured, to provide flexibility for additional capacity in those contracts; all additional funding will be subject to separate decisions to approve receipt and spend and procurement approach.
- 1.5 Four specialist navigator services designed to meet the needs of women and people from minority ethnicities experiencing SMD were competitively procured in 2023. One-year contracts were awarded from 01 April 2024, each contract has provision to be extended until 31 March 2026. The recommendation also seeks approval to utilise this extension provision. Separate decisions to approve will be needed for re-procurement of that service beyond 31 March 2026.
- 1.6 The ICB funding includes a requirement for the provision of system and programme leadership, through two named posts, a Senior Systems Change Commissioning Manager and a Programme Director. Both posts are currently fixed term until 31 March 2025. Recommendation 2 incorporates approval of the budget allocation for the programme staffing. Under the current arrangements the commissioning post is based in NCC's Public Health team, and the programme director role is hosted by Nottinghamshire Healthcare NHS Foundation Trust. A review of the staffing structure has been proposed to explore the most appropriate future arrangements, including the development of permanent roles. The Nottingham City Changing Futures Programme Delivery Board and Nottingham City Place Based Partnership will advise on this, with the Director of Public Health progressing this as per their delegated authority. The programme staff posts will be established subject to appropriate HR advice and the necessary staffing decisions, consistent with the terms of the ICB funding.

2. Background (including outcomes of consultation)

- 2.1 Funding for Changing Futures is stewarded by Nottingham City Council's (NCC) Public Health Division. NCC manages the awards on behalf of the Nottingham City Place Based Partnership. Current funding for the programme provided by the Ministry for Housing Communities and Local Government (MHCLG), formerly the Department of Levelling Up, Housing and Communities (DLUHC) and The National Lottery Community Fund (TNLCF) is

due to come to an end on 31 March 2025. Following a successful application to the NHS Nottingham and Nottinghamshire Integrated Care Board (ICB) Health Inequality Improvement Investment Fund (HIIF), £981,853 was awarded for the delivery of the programme in 2024/25 increasing to £1,469,375 in 2025/26 and subsequent years.

- 2.2 There is momentum around the SMD agenda and policy recommendations being formed by government in relation to SMD. There is potential for additional funding for SMD through local and national sources, as yet these are not confirmed.
- 2.3 Partial funding has already been secured for the delivery of embedded practitioner roles in the current year previously funded in totality through the national award. Discussions are underway to ensure the continuation of these posts from 2025/26, with full investment by the host providers. This remains a key component of the Nottingham model, should additional resources be available consideration will be given to extending the reach of these posts.
- 2.4 Previous decisions by NCC have approved the acceptance of the award of funding from the ICB for the delivery of the programme in 2024/25 (along with transitional funding awarded by DLUHC and TNLCF). Further NCC approval is now required for the acceptance of ICB funding from 2025/26 to 2029/30 and proposals to use these resources for commissioning the core requirements of the programme to meet the expectations of the ICB.
- 2.5 The award of £1,469,375 has been given for the following services:

Specialised 1:1 ‘Navigator’ support including dedicated roles to assist people from minority ethnicities and women;

Facilitation of a Multi-Disciplinary Team (MDT) to bring together system partners to provide a co-ordinated, partnership response to people with the highest acuity of need;

A Lived Experience Team (including peer mentors) that puts people’s experiences at the heart of planning and delivery;

A Partnership Learning Hub (PLH) providing training and shared learning on approaches that work to all system partners and services;

Integrated programme leadership to root the partnership response to SMD in the City and County within secure structures that sustain joint planning, coordination, and use of resources to benefit people who experience SMD and system partners;

Learning and Evaluation to demonstrate impact and enable continual development of approaches that work across the system.

- 2.6 The provision of Navigator support (a) above is currently delivered both with the Main Delivery Contract delivered by Framework and through four separate contracts with smaller, specialist providers (two contracts with Al Hurraya for the provision of services with an ethnicity focus; one held by POW focused on Violence Against Women and Girls; and a contract with the Women’s Centre focused on Domestic and Sexual Violence and Abuse).

- 2.7 The MDT (b), Lived Experience Team and Peer Mentoring (c) and the Learning and Evaluation Service (f) are currently included within the contract for the provision of the Main Delivery Service. The PLH (d) (known as the Practice Development Unit) is currently subcontracted by the Main Delivery Service. All services currently delivered under the Main Delivery Contract must be competitively tendered, with services to commence from 01 April 2025 following the expiry of the current contract on 31 March 2025.
- 2.8 The Specialist Navigator contracts to assist people from minority ethnicities and women are also scheduled to come to an end on 31 March 2025, but each of these contracts has a compliant option to extend delivery to 31 March 2026.
- 2.9 An open invitation meeting with prospective providers and other stakeholders was held on 27 June 2024 to help plan the development of proposals for the commissioning requirements of the programme from 2025/26. At that meeting, it was suggested that the MDT, Lived Experience Team, Peer Mentor Team and the Learning and Evaluation Service should, for practical and operational reasons, be commissioned as part of the core specification for the main delivery service, including the navigators not attached to a specialist service.
- 2.10 There are ongoing interfaces between these services. Navigators within the main delivery service both refer to and inform the Lived Experience Team. The Peer Mentor Team matches mentors with beneficiaries in partnership with the navigators, and navigators steer the deployment of the peer mentors, reporting back to the Peer Mentor Team Leader. The Learning and Evaluation Service needs unfettered access to the case management system hosted by the main delivery service in order to service ongoing evaluation and reporting and needs to be able to influence timeliness and quality of reporting through the navigators' managers.
- 2.11 It was suggested that the PLH could stand alone and did not need to be subcontracted by the Main Delivery Service, it could instead be commissioned directly by NCC.
- 2.12 Consultations have also taken place with Nottingham's SMD Partnership and the Experts by Experience Board. The proposed model of delivery has been extensively co-produced over the duration of the programme, involving people with lived experience of SMD, other stakeholders and the current partnership Programme Delivery Board. Views were incorporated into the bid for the core elements of the programme, that is what is being funded by the ICB.
- 2.13 Feedback from all consultations indicated broad support for this model and approach to procurement. The recommendations are supported (subject to formal approval by NCC) by the Nottingham City Changing Futures Programme Delivery Board.
- 2.14 There was also support to keep the specialist navigator services separate from the Main Delivery Service in order to maintain the ability to directly contract with community organisations. Recommendation 2(3)(c) is to extend the four specialist navigator contracts in line with the extension provisions to 31 March 2026. This extension is permissible under the Public Contracting Regulations and the contracts were procured with the optional extension compliantly with NCC's procurement thresholds. It is anticipated that re-procurement will take place during 2025 subject to separate future approval.
- 2.15 Recommendation 2(3)(b) seeks approval to tender for two lots with services to commence on 01 April 2025:

i) Lot 1 - Main Delivery Service

- a) Specialised 1:1 Navigator support;
- b) A Multi-Disciplinary Team;
- c) A Lived Experience Team (including peer mentors);
- d) Learning and Evaluation.

To be advertised with a minimum value as per Appendix A.

ii) Lot 2 – Partnership Learning Hub

The Partnership Learning Hub (PLH).

To be advertised with a minimum value as per Appendix A.

- 2.16 The values have been given for the minimum contract price, together with an estimate of additional investments. Additional resources for the delivery of the programme from 2025/26 are unconfirmed but may include additional funding awarded by related national programmes and in line with other local partners' interests. At present, the only confirmed commitment to the programme is the investment from the ICB. Contracts will be advertised at potential higher values to allow for flexibility in the contracts over their lifetimes, enabling additional capacity to be added when additional resources become available.
- 2.17 To retain services at their current level within the Main Delivery Service will require additional investment. Priorities for additional resources would include increasing capacity through recruiting more core navigators, reinstating the enhanced MDT capacity, increasing lived experience support, increasing flexible budgets and, if not transferred to direct employment by the Probation Service, retaining the probation embedded practitioner, currently employed by the Main Delivery provider and seconded into the Probation Service. Additionality with the PLH services would include extending the offer to a wider geographical area, increasing the focus of resources such as tailoring trauma informed care to particular organisations, such as those in criminal justice and coordinating additional in person events. The specifications will provide a narrative on the types of additionalities the providers would need to be willing to offer.
- 2.18 Local partners may choose to invest in Changing Futures services. Additionally, NCC may determine value can be gained by realigning funding to the Changing Futures programme to reduce costs and pressures on other services, such as homelessness and adult social care. Some may be interested in investing in workforce development through the PLH, others may be interested in investing in the main delivery services. Nationally, though this year's Changing Futures funding was for a final year to transition to local funding, it is possible that the Government will review its investment proposals and continue the Changing Futures programme. Changing Futures in Nottingham is ambitious and optimistic that additional resources will be found.
- 2.19 The integrated programme leadership includes two posts. The Programme Director is currently based in Nottinghamshire Healthcare NHS Trust, the Senior Systems Change Commissioning Manager is employed by NCC in the Public Health Team. Originally fixed term posts to 31 March 2024, these posts have been extended for a further year. Both posts are required in the ICB model, to provide system leadership, and commission effectively on behalf of NCC, in line with its governance arrangements.

- 2.20 There is currently no inflationary uplift provided for in the ICB funding. therefore, flexible service contract terms will be needed to facilitate any future inflationary uplift at the discretion of NCC, but subject to additional funding being identified, that may be necessary to continue to maintain delivery at the initial levels. There is less funding allocated to the programme in 2025/26, as at present the national Changing Futures funding from TNLCF and MHCLG is scheduled to come to an end.
- 2.21 The indicative budget for spending the ICB award is attached at Appendix A. Additional resources will be required to meet inflationary costs, or services will have to reduce over the course of the contracts. Contracts will include provision that allows for increases should resources, including increased income from the ICB, become available, should NCC consider this appropriate.

3. Other options considered in making recommendations

- 3.1 The current contracts have been aligned such that they cease on 31 March 2025. Without re-commissioning or extending, there would be no commissioned Changing Futures services and a lack of specialist, intensive provision for people experiencing SMD, with NCC failing to maximise the opportunity offered by the ICB's HIIIF grant. Under a 'do nothing option' without the grant funding for the core elements funded by the ICB, there would be no chance of attracting additional funding through partners or a national programme. NCC would not fulfil its partnership role with wider preventative benefits with a lack of benefit for Nottingham residents.
- 3.2 Reprocurring all services, including the Specialist Navigators, was considered as an option. This is not possible for operational and capacity reasons. There would be significant risk to the continuity of services. To minimise the risk around transition, the programme has recommended the option to extend existing agreements where provided for within existing contracts. These services are distinct from the main delivery contract, currently delivered by community organisations, run by and for the communities they represent.
- 3.3 It was also considered to procure the main delivery service and the Partnership Learning Hub together. This is how the services are currently delivered, with the PLH sub-contracted by the main delivery provider. To separate the contracts gives greater accessibility to delivery for new partners to the Changing Futures programme. It also gives greater accountability for managing the service directly by NCC.

4. Consideration of Risk

- 4.1 There are risks associated with not accepting the funding and ceasing all Changing Futures services on 31 March 2025 when the current funding comes to an end. Referrals would be immediately and permanently ceased, exit planning for the individuals currently on service would begin. This would likely be hampered as staff leave for more secure jobs. This would potentially result in increased demand on other services, and worsening outcomes for vulnerable people.
- 4.2 The ICB's ringfenced grant funding runs to March 2030, subject to review. The ability to demonstrate the impact of this programme in reducing health inequalities is vital in ensuring there is a compelling case for ongoing funding. The programme includes a Learning and Evaluation function which will assess

the effectiveness of the services in Nottingham, to inform the ongoing use of all partner funding contributions for SMD services on an impactful and sustainable footing.

- 4.3 There are risks associated with the lack of inflationary uplift being provided for in contracts. The contracts may become unsustainable if providers are subject to inflationary pressures, and services can't be maintained at the levels originally envisaged. To avoid this, and the risk that price will be inflated at the outset by providers, the contractual flexibility outlined in para 2.20 can be provided for, subject to the availability of future funding and discretion of NCC.
- 4.4 There are substantial risks if there is no smooth onward provision of the Main Delivery Service with anticipated loss of experienced staff (as occurred during the transition from Opportunity Nottingham) and interruptions to delivery. Consideration has been given to contracting arrangements that will promote stability in the market, with contracts being offered for a minimum of three and up to five years.
- 4.5 It is anticipated that TUPE will apply. There are particular considerations regarding the workforce within commissioned services. Workforce information will be supplied during the tender to enable tenderers to consider. This activity will need to be picked up by the awarded providers. There is a tight timeline, with the newly procured services needing to go live on 01 April 2025 to ensure a seamless transition. It is intended to make decisions on contract award before Christmas to allow progress on TUPE and the awarded provider to develop its staffing model and provide security for retained staff as far in advance of the new contract commencing as possible.
- 4.6 This is a complicated commissioning exercise due to the scale and need to build flexibility into the new contracts. The minimum programme for Changing Futures in 2025/26 onwards is funded by the ICB and contracts will be written such that NCC is not exposed to separate financial risk.. Additional funding for Changing Futures programme delivery will be sought. As noted in the background (2.1-2.3) there has been a mixed funding model for the Changing Futures programme to date and it is anticipated the commissioned services will need a suitable model of contract to enable the inclusion of future investment consistent with the purpose of that contract. The tender and contracts will provide flexibility to allow for additional funding to be added, with advertised values reflecting the maximum potential funding during the life of the contract. Clauses will need to be included in contracts to allow for abrupt changes in funding.

5. Finance colleague comments (including implications and value for money/VAT)

- 5.1 As outlined by the report author, this decision seeks approval for the receipt and spend of funding from NHS Nottingham and Nottinghamshire Integrated Care Board (ICB) to continue the Changing Futures Programme between 2025/26 to 2029/30. This follows a previous decision on 14 November 2023 at the Commissioning and Procurement Executive Committee.
- 5.2 The total value of this decision is £7,346,875 over 5 years:

Changing Futures	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL

NHS Nottingham and Nottinghamshire Integrated Care Board Health Inequalities and Innovation Fund	£1,469,375	£1,469,375	£1,469,375	£1,469,375	£1,469,375	£7,346,875
TOTAL Grant 01/04/25 to 31/03/30	£1,469,375	£1,469,375	£1,469,375	£1,469,375	£1,469,375	£7,346,875

5.3 The grant funding will be transferred under section 256 of the National Health Service Act. All grant funding must be spent between 01/04/2025 to 31/03/2030 and in line with the funding proposals. The authority is required to manage receipt of this funding in line with the conditions and ensure all funding is claimed in a timely manner and accounted for correctly. Any underspend may be subject to being paid back or carried forward where agreed.

5.4 The forecast spend of the grant is set out in appendix A.

5.5 The decision seeks to:

- undertake a procurement process for 2 services (Lot 1 and Lot 2) for 3 years with an option to extend for a further 2 years;
- extend navigator contracts from 1 April 2025 to 31 March 2026.

The service will need to ensure the contract is robustly monitored, ensuring that the performance is as required and value for money is being delivered.

5.6 Part of the grant will be used to continue funding a staffing post within the Public Health team. Any changes to existing staffing arrangements will require further approval.

5.7 Once any decision is approved, a budget virement will be posted to realign the grant income and expenditure budgets, supporting the service to robustly monitor the budgets and spend.

5.8 The actual costs associated with this decision will require regular monitoring to form appropriate financial accounting and an audit trail to support robust forecasting. Any decisions taken will need to be captured against this decision value to ensure it is not exceeded. This information will also be used for internal/external reporting purposes as required.

Assumptions:

The grant is sufficient to cover the costs of this proposal. Any adverse changes to the grant allocation will need to be mitigated by the service, ensuring no financial pressure arises.

Any additional funding received or costs that are incurred that are not included in the value above will require further approval being sought where required in line with Council process.

Any changes to Nottingham City staffing posts not included in this report would seek further approval where required in line with Council process'.

This decision is subject to approval from Spend Control Board.

Tracey Moore, Commercial Business Partner – 12/08/2024

6. Commissioners' comments: Commissioners have noted the content of the reports and have no further comments

7. **Legal colleague comments**

7.1 Authorisation is sought for the acceptance of funding from the ICB HIIIF under a s256 NHS Act 2006 agreement to spend on the identified project, which includes spend on the procurement of services and staff to support delivery of the project to improve clinical outcomes, by providing person centred, intensive support to people facing Severe Multiple Disadvantage "SMD", improving access to, and maintaining engagement with services.

7.2 Prioritising support to people in greater need, specifically people experiencing SMD is a priority in the recently published Nottingham and Nottinghamshire Integrated Care Strategy. Improving experiences and outcomes for people who experience SMD is also one of four priorities in the Joint Health and Wellbeing Strategy for Nottingham City 2022-25, which the ICB has a statutory duty to have regard to.

7.3 Section 256 of the NHS Act 2006 and the associated National Health Service (Conditions Relating to Payments by NHS Bodies to Local Authorities) Directions 2013 ("the Directions") provide a legally complaint pathway and the common conditions concerning financial management that must be complied with for payments between NHS bodies and a local authority for the transfer of funding intended for expenditure on community services.

7.4 Before making a payment, the ICB must be satisfied that the payment is likely to secure a more effective use of funds than if an equivalent amount was spent by them (see 2(2) of the Directions). The ICB must also be satisfied that the Council will meet any costs not covered by the proposed payment and for so long as the project is considered necessary or desirable (see 2(5) of the Directions). In providing this assurance in the s256 agreement the Council will need to ensure it has mitigated this risk by ensuring that any such costs are budgeted for or ensuring that there are none. The ICB must ensure the payment is used in the most efficient and effective way possible and prepare an agreement in the form set out in the directions for the purposes of the transfer of the payments.

7.5 If the Council were not to provide the agreed level of service under the agreement, the ICB must reduce any further payments accordingly as prescribed in the Directions. To ensure compliance with the duties under the aforementioned legislation, any s256 agreement between the parties should contain the relevant assurances, provide certainty over the funding amount, the duration and nature of the project and services to be provided for, and set

out clear conditions for the use of funding and provide for the possibility of clawback to minimise the risk of challenge to the funding arrangements.

7.6 Transfer of the funding awarded to the Local Authority is by the ICB. The ICB is a public authority within the Subsidy Control Act 2022 definition, however the funding does not comprise a subsidy and require assessment by the ICB against the Subsidy Control Act 2022 principles, as the transfer is to a Local Authority and not an enterprise undertaking economic activity which entails the offering of goods or services on a market. Whilst any additional funding arrangement with partners in relation to future funding will need assessment against the Subsidy Control Act 2022, the aforementioned position is expected to remain the case where the Council is the recipient. It is understood that any spend of the funding by the Council in due course, on third party service provider contracts will also not comprise a subsidy, as the healthcare services funded through public resources will be provided for free at the point of access and will not be considered commercial activities for the purposes of the subsidy control regime. Furthermore, it is understood there would be no distortion of the market as the financial assistance is being used for the purchase of a service through a procurement process which will be tendered at the market price and is to be open and competitive. To ensure this is the case and that the PCR 2015 (or the Procurement Act 2023, if applicable) and Council's Contract Procedure Rules are complied with the Council must ensure that the procurement process:

- gives equal and non-discriminative treatment to all bidders;
- is open and transparent;
- is carried out in a proportionate manner.

7.7 The extension sought in relation to the existing Specialist Navigator Service contracts, procured in compliance with the Public Contracts Regulations 2015 (PCR's), (which means that the PCR 2015 and not the new Procurement Act 2023 will apply to the modification despite the modification occurring after 28 Oct 2024) is considered to comprise a permissible variation in accordance with Article 18.110 of the Council's Contract Procedure Rules, without a new procurement procedure being required. The proposed extension equates to a non-substantial modification within the provisions of Regulation 72(1)(a) as it is understood the modification has been provided for in the original procurement documents in a clear, precise and unequivocal review clause stating the scope and nature of the possible modification or option as well as the conditions under which it may be used and it does not alter the overall nature of the contract.

7.8 Best value in relation to any newly procured contracts should be secured through the competitive process, with the evaluation of the best possible service for the price, and through robust ongoing contract management.

7.9 Prior associated Spend Control Board approval is required for any variation, any newly procured services and spend on the relevant staff posts, as these will give rise to new agreements/ contracts or commitment of expenditure effective from the 01.04.2025.

7.10 Any funding conditions attached to the funding streams outlined (i.e. the s.256 agreement or any future funding arrangements) will need to be observed and managed in accordance with processes already established to avoid any risk of claw-back, this will include cascading any relevant conditions down into any

subsequent service contracts. Mechanisms should be built into any service contracts to mitigate financial pressures which may arise to accommodate situations where indicative funding in future years doesn't materialise as planned, or to allow for contracts to be varied to accommodate additional services, together with possible inflationary increases as the discretion on the Council, subject to the availability of funding.

- 7.11 It is essential that robust contract monitoring, and management is maintained throughout the period for any contracts are awarded, regularly reviewing performance/KPI's and ensuring the contracts are fit for purpose and continue to achieve value for money throughout the commissioning period. All contracts will need to be managed in accordance with internal NCC finance and governance arrangements.
- 7.12 So far as the use of funding for staff provision is concerned it should be noted that after two years continuous employment with the Council any relevant employees will have accrued full employment law rights which include the right not to be unfairly dismissed and the entitlement to statutory redundancy pay or any enhanced redundancy pay if there is an applicable scheme. In so far as any possible transfer of role from a previous employer, following review, to the Council or to any new provider, is concerned, then under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended) — the TUPE regulations — any employees transferring from one employer to another will continue to enjoy the same terms and conditions of employment, and their existing employment rights will remain intact. These employees will also carry over the same continuity of employment for the purposes of any 2 year employment rights for which continuous service is a qualifying requirement. This must be costed and budgeted for.

Richard Bines, Contracts and Commercial Team - 24.07.2024.

8. **Other relevant comments**

8.1 **Procurement**

This report relates to the receipt and expenditure of Integrated Care Board Funding for the delivery of Changing Futures Programme Services, through the commissioning of services through external contracts and funding project related staff posts.

The proposed procurement of the Main Delivery Service and Partnership Learning Hub will be undertaken through open tender in compliance with UK Procurement Regulations and NCC Contract Procedure Rules. The tender and contracts will provide for the possibility of additional funding being added should further funding be secured, with advertised values reflecting the maximum potential funding during the life of the contract. Best value will be secured through competition, with the evaluation of the best possible service for the price, and through robust ongoing contract management.

In relation to the proposed extension of Navigator contracts, this is provided for within the existing contracts and is therefore permissible and will provide continuity of services. Review of future requirements for these services should be completed in time to secure ongoing provision, if needed, through a compliant process.

Indirect economic benefits are expected from the delivery of these services through reduced costs in other parts of the system eg health, criminal justice and homelessness. It is recommended that prior market engagement is undertaken to mitigate the risks arising from a limited specialist market for this type of provision. It is anticipated that TUPE will apply and this will be managed during the tender process.

Jo Pettifor, Category Manager - 24^h July 2024

9. Crime and Disorder Implications

- 9.1 Contact with the Criminal Justice System (CJS) is one of the primary sources of disadvantage in the definition of SMD.
- 9.2 Research into the programme that preceded Changing Futures, Fulfilling Lives, delivered locally by Framework Housing Association under the name Opportunity Nottingham, shows that crime, and costs to the CJS, are reduced through the provision of intensive support. Further research showed the significant costs to the CJS of people with SMD who were arrested, using a cost calculator developed by Fulfilling Lives Newcastle and Gateshead.

10. Social value considerations

- 10.1 High quality services add social value through improving the outcomes for people affected by SMD, their wider families and communities. The Procurement Strategy objectives for promoting social value and maximising economic, social and environmental benefits will be applied here, including considering how some services will be delivered in smaller contracts to ensure accessibility for local or smaller organisations.
- 10.2 The delivery of the Changing Futures programme is achieving significant social value through the delivery of assistance intended to improve circumstances and outcomes for vulnerable people.

11. Regard to the NHS Constitution (If Applicable)

- 11.1 The development of Nottingham's Changing Futures programme was undertaken in collaboration with the Place Based Partnership. NHS Nottingham and Nottinghamshire Integrated Care Board is the core, and as yet, only secured funder of the programme from 2025/26 onwards, having committed to recurrent funding to at least 2030.

12. Equality Impact Assessment (EIA)

- 12.1 An Equality Impact Assessment will be completed on the approved commissioning model, and due regard will be given to any implications identified within it.

13. Data Protection Impact Assessment (DPIA)

- 13.1 A Data Protection Impact Assessment will be completed on the approved commissioning model, and due regard will be given to any implications identified within it.

14. Carbon Impact Assessment (CIA)

14.1 A Carbon Impact Assessment will be completed on the approved commissioning model, and due regard will be given to any implications identified within it.

15. **List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

15.1 None.

16. **Published documents referred to in this report**

16.1 None.

APPENDIX A - Commissioning of Changing Futures Services for Nottingham – 2025/26 – 2029/30

Table 1 Indicative Budget 2025/26 - 2029/30 ICB Income

	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
Income						
ICB	£1,469,375	£1,469,375	£1,469,375	£1,469,375	£1,469,375	£7,346,875
TOTAL	£1,469,375	£1,469,375	£1,469,375	£1,469,375	£1,469,375	£7,346,875
Staffing						
Programme Director [^]	£100,142	£105,149	£109,881	£114,276	£118,847	£548,295
Commissioning Manager [^]	£84,404	£88,203	£91,731	£95,400	£99,216	£458,954
TOTAL	£184,546	£193,352	£201,612	£209,676	£218,063	£1,007,249
Services						
Main Delivery Service	£999,032	£977,222	£968,962	£960,898	£952,511	£4,858,625
Practice Development Unit	£103,798	£103,798	£103,798	£103,798	£103,798	£518,990
Specialist navigators x 4*	£181,999	£195,003	£195,003	£195,003	£195,003	£962,011
TOTAL	£1,284,829	£1,276,023	£1,267,763	£1,259,699	£1,251,312	£6,339,626
TOTAL	£1,469,375	£1,469,375	£1,469,375	£1,469,375	£1,469,375	£7,346,875

Notes:

*Specialist navigator services will be subject to review and procurement from 2026/27 onwards. Spend approval for expenditure relating to this element will be subject to a further separate decision in due course.

[^]Leadership posts will be subject to nationally agreed pay awards, and where relevant, increments. These have been budgeted for in line with MTFP assumptions.

Table 2 - Spend Decisions in Report

		2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
Income	Core (ICB)	£1,469,375	£1,469,375	£1,469,375	£1,469,375	£1,469,375	£7,346,875
<i>Services to be procured</i>							
Main Delivery Service	Core	£999,032	£977,222	£968,962	£960,898	£952,511	£4,858,625
Practice Development Unit	Core	£103,798	£103,798	£103,798	£103,798	£103,798	£518,990
	TOTAL	£1,102,830	£1,081,020	£1,072,760	£1,064,696	£1,056,309	£5,377,615
<i>Contracts to be extended</i>							
Specialist navigators x 4	Core	£181,999					£181,999
	TOTAL	£181,999					£181,999
TOTAL							
	Core	£1,284,829	£1,081,020	£1,072,760	£1,064,696	£1,056,309	£5,559,614

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Subject:	Re-commissioning of Extra Care services in Nottingham City		
Corporate Director: Director:	Roz Howie – Adult Social Care and Health (Interim) Karla Banfield – Commissioning and Partnerships (Interim Deputy)		
Executive Member:	Cllr Pavlos Kotsonis - Adult Social Care and Health		
Report author and contact details:	Anna Coltman, Commissioning Lead Officer anna.coltman@nottinghamcity.gov.uk		
Other colleagues who have provided input:	Paul Deeney - Finance Del Sander - Legal Jo Pettifor - Procurement Claire Labdon-West – Commissioning and Partnerships		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons:	<input checked="" type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £750,000 or more
taking account of the overall impact of the decision			<input checked="" 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 checked="" type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
Total value of the decision: £25,000,000			
Section 151 Officer expenditure approval			
Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/a			
Spend Control Board approval reference number:			
Commissioner Consideration			
Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Any comments the Commissioners wish to provide are listed in section 6 below.			
Wards affected: All			
Date of consultation with Executive Member: 31 July 2024			
Relevant Council Plan Key Outcome:			
Green, Clean and Connected Communities	<input type="checkbox"/>		
Keeping Nottingham Working	<input type="checkbox"/>		
Carbon Neutral by 2028	<input type="checkbox"/>		
Safer Nottingham	<input type="checkbox"/>		
Child-Friendly Nottingham	<input type="checkbox"/>		
Living Well in our Communities	<input checked="" type="checkbox"/>		
Keeping Nottingham Moving	<input type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input type="checkbox"/>		
Serving People Well	<input checked="" type="checkbox"/>		
Summary of issues (including benefits to citizens/service users):			
The purpose of this report is to seek approval for the re-commissioning of Extra Care services within Nottingham City. The new services will commence from May 2025. A framework agreement will be established and the call off contracts will be for up to 9-year terms.			
Nottingham City Council is proposing to award contracts through a call off process from the proposed framework for care providers to deliver Extra Care services at 5 existing schemes within the City. The framework will also allow for appointment of service providers for any future new schemes, should a need for additional capacity be identified, to meet the needs of older adults with an eligible social care need and who meet the eligibility requirements for Extra Care.			

This proposal will be funded through the existing Adult Social Care budget, using delegated authority approval for funding individually commissioned care packages at an agreed hourly rate which has been benchmarked against regional comparators. New elements of the Extra Care model will be funded through block funding arrangements through the existing Adult Social Care budget.

The tender is expected to go out to market in Quarter 3 of 2024/25.

Exempt information: None.

Recommendations:

- 1** To establish a framework of up to 10 providers for Extra Care services, for a duration of 4 years, and to undertake call off competitions under the framework to contract for individual scheme providers, for a maximum of 9 years.
- 2** To approve the Nottingham City Council budget expenditure on call off contracts of £2,777,777.77 per year, with an overall projected spend for the entire contract term under all call off contracts of £25,000,000.
- 3** To delegate authority to the Interim Director of Adult Social Care and Health to approve the outcome of the procurement process for the framework and to call off and award contracts.
- 4** To Delegate Authority to the Head of Personalisation, Quality and Contracting to agree and sign the contract documentation relating to the services, save where sealing as a deed is necessary, which shall be sealed and signed by the Director for Legal and Governance / Head of Legal and Governance.

1. Reasons for recommendations

- 1.1 Extra Care services represent a pivotal step on a citizens' care journey because they support citizens to maintain their levels of independence and enable them to remain living in the community for longer. This results in better outcomes for citizens as they are able to maintain social contacts, interests and routines even as their care needs change.
- 1.2 Extra Care can provide flexible and responsive care and support to meet changing needs and delay the need for more intensive forms of care such as residential care. This supports the Better Lives Better Outcome (BLBO) programme to reduce the number of older citizens who are admitted to residential care.
- 1.3 The current contracting arrangements for the on-site care providers at five Extra Care services end in 2025 and there are no provisions for extending the contracts beyond their current end dates. Therefore, the services must be recommissioned. These are the existing services at Woodvale, Winwood Court, Larkhill, Albany House and Seagrave Court.
- 1.4 The estimated contract value is based on current commissioned packages of care, which have been agreed through separate Adult Social Care processes as well as the block contract values for night care and background hours which have been modelled against existing block contracts for night-care and the existing Extra Care hourly rate for the background hours.

- 1.5 Whilst the proposed contract awards are likely to increase the current annual spend on Extra Care by approximately £1,640,400.00, this will be offset by the avoidance of costs if citizens were to receive care and support under homecare and residential care contracts. Based on the average cost of an Extra Care package, compared to a residential placement, there is the potential to deliver a saving of £142,700.00 p.a. This has been modelled on a target utilisation of 192 citizens within Extra Care services.
- 1.6 A procurement process will be undertaken in compliance with the Public Contracts Regulations 2015 or Procurement Act 2023 as appropriate and NCC Contract Procedure Rules, to establish a framework of up to 10 providers, with individual services awarded through compliant call off competitions.
- 1.7 The framework will enable for new services to be secured in future if and when required for the existing schemes. Best value will be secured through competitive tender and call off procedures, with the background hours and night-care elements of the Extra Care provision being subject to price competition while hourly rates are set based on comprehensive benchmarking and value for money considerations.

2. **Background (including outcomes of consultation)**

- 2.1 A strategic commissioning review of Extra Care services took place during 2023/24. The outcome of this review is that a revised model of Extra Care has been developed in consultation with citizens living in Extra Care and providers delivering Extra Care.
- 2.2 The 65 years+ population in the City is set to increase significantly over the next 15 years, with the greatest growth expected in the 75-84 years age group. Without Extra Care provision for this cohort, residential care may become the only alternative. However, it's important to note that residential care does not offer best value to the Council and does not align with the aims of the BLBO strategy. Notably, NCC places a higher number of people in residential care compared to other regions.
- 2.3 Existing Extra Care providers have told us that the current model is not financially viable or sustainable for them because they are funding night-care outside of contractual arrangements and/or they are responding to emergencies and delivering unplanned care outside of commissioned care packages. If this situation continues, there is a significant risk that providers will be forced to leave the market. If this were to occur, it could lead to individuals being supported in more expensive social care settings.
- 2.4 Face-to-face consultation was carried out with citizens living in existing Extra Care schemes in Nottingham. Their feedback indicates that the following are important issues for them whilst living in Extra Care:
 - Continuity of care and support and good rapport with carers;
 - Getting out and about and overcoming barriers such as poor mobility;
 - Receiving support to tackle feelings of isolation and loneliness;
 - Maintaining independence and overcoming barriers such as health issues.

In response to this feedback, the Extra Care specification has been updated to include NICE guidelines relating to continuity of care in social care settings. A

significant element of the revised Extra Care model includes an expectation for care and housing providers to work in close partnership to support the overall wellbeing of citizens.

- 2.5 To ensure an efficient Extra Care service for Nottingham, engagement by way of a survey was designed, the survey provided valuable insight into the public's current awareness, knowledge and experiences of Extra Care in Nottingham. The responses received from the public will assist in developing a communications plan to raise the profile of Extra Care in Nottingham.
- 2.6 The revised Extra Care model introduces 3 new elements into service provision; night-care and background hours as standard across all Extra Care services, and an expectation for housing and care providers to focus on supporting the overall wellbeing of citizens living in Extra Care.
- 2.7 Currently only 3 of the 5 schemes receive funding for provision of night-care. This is a gap in provision and restricts the number of citizens that can be placed in Extra Care and restricts citizens choice of scheme. This lack of provision may also mean that citizens are not able to remain in the setting should they develop needs at night-time.
- 2.8 There is currently no provision of background hours during the day to support citizens in emergencies or to access activities and opportunities for social interaction. Background hours are a resource to support citizens in emergencies outside of commissioned care hours and to support their participation in social and communal activities, to help maintain their independence, resulting in less need for formal social care. The learning from Supported Living is that background support enables citizens with complex needs to live in the least restrictive setting which is also cost-effective for the Council.
- 2.9 The Care Act specifies the general legal duties that Local Authorities have towards every individual living in their local area. One of these general duties is to promote individual wellbeing, and should involve actively seeking improvements in the aspects of wellbeing when carrying out a care and support function. This is referred to as the 'wellbeing principle' because it puts wellbeing at the heart of care and support. There is an expectation that wellbeing activities will be offered which are co-created with citizens to complement standard support offered, tailored to their needs and interests. This will not be a commissioned service but will, in most cases, be led by the housing provider with support from the care provider (using the background hours resource) as well as with input from external community, voluntary, statutory, health and social care services.
- 2.10 The Council's fee rates for adult social care services have historically been reviewed annually and decisions based on an established methodology for calculating inflationary increases. An evidence base for pricing was originally developed based on the UK Homecare Association model for Care at Home type services and independent review of residential care pricing. These tools have been adjusted to account for factors including the current market position, cost of living indices and Office of National Statistics data.

Every year, these established tools have been used to undertake analysis of the potential impact of national living wage (NLW) requirements and other

pressures such as cost of living, pensions, profit, and voids. Alongside these financial pressures, there are other aspects which are considered:

- The current provider market including number of providers and quality of the market;
- Demand for social care provision arising from demographic pressures;
- Difficulty in attracting workers into the care sector due to competition from other sectors;
- Competition between Local Authorities and their ability to pay more to the market.

The fee rate modelling process has therefore been key to support social care providers to meet NLW and other cost pressures, and to manage the social care market, whilst balancing against the Council's other budget commitments and pressures. The hourly rate for Extra Care care services will be set through this mechanism.

- 2.11 Current contracts have various end dates and so a framework will be established to enable existing schemes to be re-commissioned through a call off at the appropriate time and will allow for new services to be secured in future if required.

3. Other options considered in making recommendations

- 3.1 Do nothing – allow Extra Care contracts to terminate when they reach their individual end dates throughout 2025, without completing a procurement exercise to secure new services. This is not recommended because the local authority has a statutory duty to provide care to all citizens in Extra Care with an eligible need. It also does not represent best value to the Council. The Council would have to put in place more costly alternative care provision for citizens which would not be based on-site and may not provide for 24/7 support. Significant costs would be incurred for the provision of night-care for citizens with this need.
- 3.2 Procure Extra Care services under the current model operating within Nottingham City. This option is not recommended. As part of the strategic commissioning review, consultation that was carried out with citizens living in Extra Care and providers delivering Extra Care indicates that the current model is not fit for purpose and a new model is needed. This is also reflected in the utilisation of Extra Care in Nottingham which is currently at 44% of target utilisation. This is in part due to the lack of a standard offer in areas such as night-care, which restricts the number of citizens who can access Extra Care to meet their needs.

4. Consideration of Risk

- 4.1 Failure to re-commission Extra Care services as the current contracts end during 2025, is a financial risk to Nottingham City Council as alternative care arrangements will have to be put in place for over 80 citizens. These care arrangements, such as domiciliary care, will be more costly than funding an on-site Extra Care service and will not provide for night-care which will need to be funded separately for citizens with night care needs.
- 4.2 If Nottingham City Council continues with the current model of Extra Care without night-care and background hours to provide for flexible emergency

support, providers may leave the market due to financial unsustainability and operating losses under current contracts.

- 4.3 If utilisation of Extra Care does not increase, then there is a risk that Nottingham City Council does not realise the maximum best value that can be secured from putting in place block arrangements for night care and background hours. If utilisation of Extra Care increases, then best value is secured by a reduction in the per citizen cost of the night care and background hours. A new ASC Approval Panel was introduced in July 2024. This Panel will ensure that Extra Care is actively considered by practitioners in all cases where a care and support plan is developed. An allocations process will run alongside this which will bring together social care and Extra Care providers to discuss referrals and ensure that there is a robust response to positive risk taking.
- 4.4 There is a risk that the current Extra Care workforce is not currently skilled to deliver the Extra Care service under the revised model. This will be tested through the quality questions utilised in both the establishment of the Framework and in the call offs for individual services.

5. **Best Value Considerations**

5.1 Best value is being addressed through the following planned actions:

- Strengthening the Extra Care model so that more citizens can access the service to meet their needs and are not required to seek alternative, more intensive and expensive forms of care.
- By putting in place a more flexible and adaptable model of Extra Care, we are aiming to future-proof our services so that they respond to changes in demographic need and the requirements of an ageing population.
- Establishing a framework of suitable providers so that schemes can be retendered at the appropriate time as current contracts end. This will limit duplication of work in our internal Contracts and Procurement Teams.
- Introducing price competition for the night care and background hours elements of the service with a cap on the value that potential Providers can submit within the tender process. The competitive process of tendering for the framework and call offs will enable the selection of providers offering the best value based on quality of delivery and price. This mitigates the risk of an increase in cost associated with the revised model.
- The Council's fee rates for Adult Social Care, including Extra Care are reviewed annually and are set using established methodology which includes consideration of National Living Wage requirements and other pressures to ensure the rate offered balances market and Council budgetary pressures.

6. **Commissioner comments**

6.1 Commissioners have noted the content of the reports and have no further comments

7. **Finance colleague comments (including implications and value for money/VAT)**

- 7.1 This report proposed to recommission the Extra Care service based on a revised model which introduces 3 new elements into service provision; night-care and background hours as standard across all Extra Care services, and an expectation for housing and care providers to focus on supporting the overall wellbeing of citizens living in Extra Care.
- 7.2 The revised model entails an increase in fixed costs of the service through implementation of block care provision but also provides opportunities for the service to expand usage of the service from the current 83 clients up to a maximum of 244, the total capacity of the provision.
- 7.3 Modelling of 4 scenarios of uptake indicates that there are potential savings of up to (£0.582m) p/a if the target occupancy of 192 citizens is achieved. A break-even point of 144 citizens suggests that if occupancy is below this level then the revised service would be more expensive than the current provision.

	1) current position		2) current Extra Care activity, new costs		3) target Extra Care activity, new costs		4) break-even Extra Care activity, new costs	
	no. of clients #	cost p/a £m	no. of clients #	cost p/a £m	no. of clients #	cost p/a £m	no. of clients #	cost p/a £m
Extra Care	83	1.318	83	2.033	192	3.510	144	2.861
Alternative provision								
Home Care	81	1.188	81	1.188	26	0.381	50	0.733
Residential	80	2.914	80	2.914	26	0.947	50	1.822
	244	5.420	244	6.135	244	4.838	244	5.416
cost / (saving)				0.715		(0.582)		(0.005)

- 7.4 The break-even occupancy of 144 citizens requires an increase on current occupancy of 61 citizens. These citizens will not enter the provision at the same and assuming that these would enter over a full year gives an average of 5 new clients per month. The table below highlights that breakeven would not be achieved in that year and there would be an additional cost of up to £0.363m in that year. Break-even would only be achieved as the full year effects are delivered

	extra care		homecare		residential		Total cost in period £m
	new citizens #	cost in period £m	activity #	cost in period £m	activity #	cost in period £m	
Apr-24	6	0.175	78	0.095	77	0.231	0.501
May-24	5	0.185	75	0.094	75	0.232	0.511
Jun-24	5	0.187	73	0.089	72	0.216	0.492
Jul-24	5	0.197	70	0.088	70	0.217	0.502
Aug-24	5	0.203	68	0.086	67	0.207	0.496
Sep-24	5	0.205	65	0.079	65	0.195	0.479
Oct-24	5	0.216	63	0.079	62	0.192	0.487
Nov-24	5	0.217	60	0.073	60	0.180	0.470
Dec-24	5	0.228	58	0.073	57	0.176	0.478
Jan-25	5	0.234	55	0.069	55	0.170	0.474
Feb-25	5	0.224	53	0.060	52	0.145	0.429
Mar-25	5	0.247	50	0.063	50	0.155	0.464
	61	2.519		0.949		2.315	5.783

Cost of current provision 5.420
Additional cost 0.363

- 7.5 Recommissioning of the Extra Care service affords Adult Social Care an opportunity to meet the needs of citizens in a better and more cost effective way. However, it should be noted that for those VFM aims to be met, the service will need to ensure that there are sufficient number of citizens using the service and that there are realistic expectations around timescales for citizens to enter the service.

Paul Deeney, Interim Senior Commercial Business Partner - 12 August 2024

8. **Legal colleague comments**

- 8.1 There are no specific legal implications arising from this decision at this stage. It is noted that the services are to be contracted through a compliant procurement process. Legal will continue to offer legal support and assist with the development of the contract documentation and schedules as required.

Deljinder Singh Sander, Locum Solicitor - 13 August 2024

9. **Other relevant comments**

9.1 **Procurement colleague comments**

These proposals relate to the commissioning of Extra Care on site provision, through the establishment of a framework of suitable providers and subsequent call off competitions to contract for service providers for individual schemes. The procurement process will be undertaken in accordance with the UK Public Contracts Regulations 2015 or the Procurement Act 2023 as applicable and the Council's Contract Procedure Rules to ensure compliance and best value. The framework will enable service provision at the existing schemes to be re-tendered at the appropriate time and will allow for service providers to be secured for new schemes in future if required.

Best value will be secured through competitive tender and call off procedures, with providers selected based on quality and price. The background hours and night-care elements of the Extra Care provision will be subject to price competition while hourly rates of care to individuals are set based on comprehensive benchmarking and value for money considerations. Indicative cost avoidance figures are based on comparison with the costs of alternative, more costly forms of care provision such as homecare and residential care, with the intention being to increase utilisation of extra care to maximise these cost benefits. The Procurement Team will support with the procurement process to ensure compliance and best value.

Jo Pettifor, Category Manager - 14 August 2024

10. **Crime and Disorder Implications (If Applicable)**

- 10.1 Not applicable

11. **Social value considerations**

- 11.1 Engagement exercises will be undertaken to gather views from stakeholders, and the public (inc. current and potential service users) to support and inform the new service model and contracts.

11.2 This service will be procured with the requirement for providers to deliver additional social value. For example, recruiting local people, developing skills within the local communities and raising awareness of Extra Care with other professionals across the social care workforce.

12. Regard to the NHS Constitution (If Applicable)

12.1 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 decisions relating to public health, functions we consider the NHS Constitution where appropriate and take into account how it can be applied in order to commission services to improve health and wellbeing.

13. Equality Impact Assessment (EIA)

13.1 An EIA is in draft format and with the ED&I office for approval/publishing.

14. Data Protection Impact Assessment (DPIA)

14.1 The Data Protection Impact Assessment is in draft format. The final DPIA will be completed on the approved commissioning model, and due regard will be given to any implications identified within it.

15. Carbon Impact Assessment (CIA)

15.1 A CIA is not required because there are no carbon implications arising from this decision.

16. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

16.1 None

17. Published documents referred to in this report

17.1 [Health and Social Care Act 2012](#)

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Subject:	Joint re-commissioning of a Children’s Advocacy and Independent Visitor Service		
Corporate Director:	Ailsa Barr - Children and Education Services (Interim)		
Director:	Karla Banfield - Commissioning and Partnerships (Interim Deputy)		
Executive Member:	Cllr Cheryl Barnard – Children, Young People & Education		
Report author and contact details:	Charlotte Dodds - Commissioning Lead Officer Charlotte.Dodds@nottinghamcity.gov.uk 0115 876 4460		
Other colleagues who have provided input:	Noureen Safdar – Finance Richard Bines – Legal Jo Pettifor – Procurement Cath Cameron-Jones - Strategic Commissioning Manager		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons:	<input checked="" type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £750,000 or more
taking account of the overall impact of the decision			<input checked="" 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 checked="" type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
Total value of the decision: £1,541,000 (of which £491,000 is Nottingham City Council spend)			
Section 151 Officer expenditure approval			
Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/a			
Spend Control Board approval reference number: Application submitted.			
Commissioner Consideration			
Has this report been shared with the Commissioners’ Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Any comments the Commissioners wish to provide are listed in section 6 below.			
Wards affected: All			
Date of consultation with Executive Member: 28/08/2024			
Relevant Council Plan Key Outcome:			
Green, Clean and Connected Communities			<input type="checkbox"/>
Keeping Nottingham Working			<input type="checkbox"/>
Carbon Neutral by 2028			<input type="checkbox"/>
Safer Nottingham			<input type="checkbox"/>
Child-Friendly Nottingham			<input checked="" type="checkbox"/>
Living Well in our Communities			<input type="checkbox"/>
Keeping Nottingham Moving			<input type="checkbox"/>
Improve the City Centre			<input type="checkbox"/>
Better Housing			<input type="checkbox"/>
Serving People Well			<input checked="" type="checkbox"/>

Summary of issues (including benefits to citizens/service users):

The purpose of this report is to seek approval for the joint commissioning between Nottingham City Council and Nottinghamshire County Council of a Children's Advocacy and Independent Visitor Service. The new service will commence 1 April 2025 with a contract term of 5 years (initial 3 years with option to extend for a further 2 years).

The right to advocacy in England is set out in Section 26A of The Children Act 1989, which states that every local authority shall make arrangements for the provision of assistance to persons who make or intend to make representations or complaints under Section 26. A looked-after child, child in need or care leaver can request an advocate at any time. It also requires a local authority to consider the appointment of an Independent Visitor in respect of a child or young person they look after where it appears it would be in child's best interests to do so.

Government Guidance: 'Prevention of homelessness and provision of accommodation for 16- and 17-year-old young people who may be homeless and/or require accommodation' (2018) dictates that homeless young people age 16 and 17 should be offered independent advocacy during their Joint Housing Assessment (JHA) meeting.

Exempt information: None

Recommendations:

Subject to Nottinghamshire County Council's approval to spend up to £1,050,000 for the purposes of a joint Nottingham City Council and Nottinghamshire County Council Children's Advocacy and Independent Visitor Service, with a maximum contracts value of £1,541,000 and appropriate Spend Control Board approval for Nottingham City spend:

- 1** To approve Nottingham City Councils' spend of up to £491,000 over a maximum 5 year contractual term for the above purpose.
- 2** To delegate authority to the Director of Commissioning and Partnerships or Head of Personalisation, Quality and Contracting as appropriate, on behalf of Nottingham City Council, to:
 - (i) procure, award and enter into a contract / agreement for the above purpose for an initial 3-year period (1 April 2025 - March 2028), with option to extend for a further 2-year period to 30 March 2030;
 - (ii) enter into a Collaboration Agreement with Nottinghamshire County Council for the duration of the above contract, agree and sign the contract documentation relating to the service, save for either agreement being required to be executed as a deed, which shall be executed on behalf of Nottingham City Council by the Director for Legal and Governance / Head of Legal and Governance.

1. Reasons for recommendations

- 1.1 The incumbent provider of the Children's Advocacy and Independent Visitor Service has advised they will not be agreeing to an extension of their contract beyond March 2025 (the contract had provision to run for a +2-year extension from October 2024 until September 2026) therefore a tender is required to secure a new service provider from April 2025 onwards.
- 1.2 All Children in Care, Children in Need and Care Leavers and when children and young people are subject of a Child Protection Plan and the local authority is

considering care proceedings, have the right to an independent advocacy service as defined by The Children's Act 1989 Section 26A.

- 1.3 The provision of an Independent Visitor for Children in Care is a statutory duty under the Children's Act 1989 Section 23ZB.
- 1.4 Government Guidance: 'Prevention of homelessness and provision of accommodation for 16- and 17-year-old young people who may be homeless and/or require accommodation' (2018) recommends that homeless young people aged 16 and 17 should have access to an independent advocate during their Joint Housing Assessment interview process.
- 1.5 The incumbent provider has stated that they were able to make cost efficiencies due to holding contracts with both Nottingham City and Nottinghamshire County. Commissioning a joint service will ensure NCC continue to benefit from the efficiencies which have been achieved through sharing a single service provider with Nottinghamshire County Council.
- 1.6 It has been agreed that Nottingham City will lead the procurement of the service on behalf of both local authorities.

2. **Background (including outcomes of consultation)**

- 2.1 The current Children's Advocacy and Independent Visitor service commissioned in 2022 supports children in care with: issue-based advocacy upon referral, advocates regularly visit children and young people in residential homes (in person visits and frequent visits prioritised for those with complex disabilities and under 10's) Independent Persons for secure accommodation review panels and Independent Visitors (befrienders) for those where it appears it would be in the child's best interest to do so.
- 2.2 Since April 2023, advocacy support has been provided for homeless 16 and 17-year-olds during their Joint Housing Assessment (JHA) Interviews. Government guidance and best practice dictate that independent advocacy should be offered to young people during these critical meetings as they are making decisions about their future housing and care status. This initiative is part of the Council's improvement plan for Children's Services, addressing concerns raised by the Department for Levelling Up, Housing & Communities (DLUHC) Youth Homelessness Focused Visit in October 2021. The visit highlighted that Nottingham City's response to homeless 16/17-year-olds was not compliant with the Government Guidance on the 'Prevention of homelessness and provision of accommodation for 16 and 17-year-old young people who may be homeless and/or require accommodation' (2018). Additionally, an Ofsted visit during the summer of 2022 also expressed concerns about Nottingham City Council's response to homeless 16/17-year-olds.
- 2.3 New statutory guidance for local authorities dated September 2023 'Effective Advocacy for Looked-After Children, Children in Need and Care Leavers' makes clear that those making or intending to make representations under sections 24D and 26 of the Children Act 1989 have a right to advocacy and must be informed of this right when they first come into contact with local authority services, at any time decisions are being made about them, or at points of transition.

- 2.4 In the new guidance, examples of circumstances where children and young people should be offered advocacy include: When a child or young person is the subject of a child protection plan, and the local authority is considering care proceeding. In light of this updated statutory guidance Nottingham City Council needs to ensure children in need, care leavers and children and young people subject to a child protection plan have access to advocacy support as well as children in care.
- 2.5 Prior to 2022 Nottingham City Council and Nottinghamshire County Council had a joint Children's Advocacy contract which meant that we had the same provider delivering advocacy support in Nottingham and Nottinghamshire which created efficiencies. The contracts were split due to Nottinghamshire County Council exploring the option of delivering their advocacy service in house which they later decided against and continued commissioning advocacy support externally. By re-commissioning a new joint Children's Advocacy and Independent Visitor Service to commence in 2025 we can continue these efficiencies by ensuring we secure the same service provider.

Funding

- 2.6 Nottingham City's Children's Advocacy and Independent Visitor service for Children in Care is funded via a block annual payment from the Children in Care budget of £83,200.
- 2.7 Advocacy support for homeless 16- and 17-year-olds is funded via payment by activity from the budget deriving from the Section 17 duty under The Children Act 1989 up to £5,000 per annum due to fluctuating demand.
- 2.8 Advocacy support for children in need and children under a child protection plan has not been identified as a specific need previously and therefore demand is unknown but given the change in statutory duty, this will be included in the contract and funded via payment by activity from the Section 17 budget up to £5,000 per annum to ensure the service is available if required.
- 2.9 Advocacy support for care leavers has not been identified as a specific need previously and therefore demand is unknown but given the change in statutory duty, this will be included in the contract and funded via payment by activity from the Care Leavers budget up to £5,000 per annum to ensure the service is available if required.
- 2.10 Nottinghamshire County Council's contribution of £210,000 per year would comprise: block payment of £200,000 supporting Children in Care including those who are looked after in secure accommodation, Care Leavers, Homeless 16- and 17-year-olds and payment by activity amounts of up to £10,000 supporting Children in Need and children and young people subject to child protection plans).
- 2.11 The overall spend for the entire contract term for Nottingham City Council is £491,000 and for Nottinghamshire County Council is £1,050,000. The total combined cost for the whole 5-year contract term for the City and County is £1,541,000.

Consultation

2.12 Nottingham City Children in Care Council were consulted on the re-commissioning of this service for children in care in 2022. The young people helped formulate a tender question around building relationships with children and young people and marked answers to this question during the tender evaluation. Young people were engaged with extensively less than 2 years ago and gave us a good steer for a 4-year period as the current contract was expected to run until 2026. These views therefore still stand to steer us for the 2024 re-commissioning. Provision of this service adheres to the Council's pledges developed in partnership with the Children in Care Council.

3. Other options considered in making recommendations

3.1 To do nothing - allow our Children's Advocacy and Independent Visitor service contract supporting Children in Care and homeless 16- and 17-year-olds (advocacy only) to terminate on the 31 March 2025 without completing a procurement exercise to secure a new service. This option is not recommended because:

- the local authority has a statutory duty to provide a Children's Advocacy and Independent Visitor service for Children in Care, this statutory duty would be unfulfilled;
- Government guidance recommends that homeless 16- and 17-year-olds should have access to an advocate during the JHA process, the Council would not be compliant with government guidance.

3.2 To procure a Children's Advocacy and Independent Visitor service for Nottingham that only supports Children in Care and Homeless 16- and 17-year-olds and does not contain provision within the specification and contract to support Children in Need, Care Leavers and child and young people subject to child protection plans. This option is not recommended because updated Government Statutory Guidance September 2023 'Effective Advocacy for Looked-After Children, Children in Need and Care Leavers' clearly states these children and young people have a right to access advocacy support as well as looked-after children under the Children Act 1989. The Council would not be compliant with government guidance.

3.3 To procure a Children's Advocacy and Independent Visitor Service for Nottingham City only. This option is not recommended. There is a risk City and County would secure contracts with different organisations providing Children's Advocacy and Independent Visitor services. This would mean that the current and future efficiencies of the joint approach would be lost, and this would not achieve Best Value and would likely see an increase in the cost of the service, or the service offer would need to be reduced negatively impacting vulnerable children and young people.

4. Consideration of Risk

4.1 Failure to re-commission a Children's Advocacy and Independent Visitor service, when the current contract ceases 31 March 2025, is a risk to Nottingham City Council as delivery of this service is a statutory duty to support Children in Care, Children in Need, Care Leavers and children and young people subject to child protection plans under The Children's Act 1989

and is recommended by Government Guidance 'Prevention of homelessness and provision of accommodation for 16 and 17 year old young people who may be homeless and/or require accommodation' (2018) to support homeless 16 and 17 year olds. There is a relatively limited provider market and therefore this constitutes a risk that we will not be able to award the contract.

4.2 Any delay in tendering may impact on a smooth transition. The incumbent provider has served notice to end their current contract without utilising the full extension period leading to the procurement process being undertaken to secure a new service provider from April 2025 onwards. Identification of a new service provider may mean TUPE will be undertaken and timely transitions and mobilisation will be required to ensure seamless support for children and young people.

5. **Best Value Considerations**

5.1 Best Value is being addressed through leveraging this joint approach to commissioning a joint Children's Advocacy and Independent Visitor service Nottingham City and Nottinghamshire County children and young people. Nottingham City Council jointly re-commissioning this service provides the following benefits:

- continued benefit of economic efficiencies achieved by the City and County sharing the same service provider. For example, some City and County young people reside in the same children's homes, sharing the same service provider means one advocate can visit a children's home to support both City and County young people;
- joint learning, collaborative working and dissemination of best practice.

5.2 Where demand for service is not clear, a payment by activity element has been brought in to ensure that payment reflects utilisation. Offering a block contract for the majority of the service enables a provider to have guaranteed income to ensure a core service is available at all times. The tender process will secure Best Value through a competitive process between providers where quality and price are evaluated. Best Value will be secured on an ongoing basis through regular quarterly contract monitoring to ensure maximum service delivery under the block contract.

6. **Commissioner comments**

6.1 Commissioners have noted the content of the reports and have no further comments

7. **Finance colleague comments (including implications and value for money/VAT)**

7.1 The decision seeks to tender & approve a 5-year contract to a maximum value of £0.098m per annum for Children's Advocacy & Independent Visitor Service for Nottingham City. The current annual budget provision in the Contract Payments area for this service is earmarked at £0.083m. This is a 4% uplift to the current contract and future contract.

7.2 There is an element of payment by activity of up to £15K per annum. Procurement will not proceed unless the tender meets the contract envelope value. Therefore, there should be sufficient budget for this proposal in this and

future years. Future MTFP decisions will need to consider the future contract values to ensure the budget is retained to meet the contract.

Noureen Safdar, Senior Commercial Finance Business Partner – 12/08/2024

8. **Legal colleague comments**

- 8.1 Article 12 of the UN Convention on the Rights of the Child, outlines the right of the child to be heard. The right to advocacy in England is set out in Section 26A of The Children Act 1989, which states that every local authority shall make arrangements for the provision of assistance to persons who make or intend to make representations under section 24D; and children who make or intend to make representations under section 26. This right to advocacy (includes representation) applies to looked-after children, children in need and care leavers.
- 8.2 A looked-after child, child in need or care leaver can request an advocate at any time. There are, however, key points in their lives when, due to a significant or unexpected change, or an identifiably high level of need, having an advocate will ensure that their views, wishes and feelings are listened to and considered in decisions.
- 8.3 Advocacy can also assist children and young people when they wish to make a complaint under the Children Act 1989. This is supported by statutory guidance issued under section 7 of the Local Authority Social Services Act 1970, which requires local authorities with social services functions to act under the general guidance of the Secretary of State. Only in exceptional cases may local circumstances justify a variation.
- 8.4 The provision of an Independent Visitor for Children in Care is a statutory duty under the Children Act 1989 Section 23ZB. The Council also has duties under Part 3 of the Children Act 1989 and Part 7 of the Housing Act 1996 to secure or provide accommodation for homeless 16- and 17-year-old young people. Supporting guidance recommends that this group has access to an independent advocate during their housing assessment process. The guidance is issued jointly by the Secretary of State for Education and the Secretary of State for Housing, Communities and Local Government under section 7 of the Local Authority Social Services 1970 and section 182 of the Housing Act 1996. Section 7 of the 1970 Act requires local authorities, in exercising their social services functions, to act under the general guidance of the Secretary of State; unless there are exceptional reasons in individual cases authorities are expected to comply with this guidance. Section 182 of the 1996 Act requires housing authorities and social services authorities, in the exercise of their functions relating to homelessness and the prevention of homelessness, to have regard to such guidance as may from time to time be given by the Secretary of State.
- 8.5 Section 26A(5) of the Children Act 1989 requires local authorities to give such publicity to their arrangements for the provision of advocacy services as they consider appropriate. Section 26(8) also requires local authorities to give appropriate publicity to their procedure for considering representations. However, this is built upon in the statutory guidance such that Local authorities should have a programme of regularly updating information and publicity on advocacy services to staff and foster carers to ensure that new staff and carers are able to inform children and young people properly of the

support they can access. Publicity on children's legal rights and advocacy should be widely disseminated across children and young people's services, and included in routine meetings, staff inductions, supervision and training e.g., training for foster carers or social workers. Commissioning organisations and staff need to positively promote the use of advocacy services and feel confident in using and recognising the need for a child or young person to acquire an independent advocate. Children and young people should be encouraged to use advocacy services where necessary and there should not be any repercussions for doing so.

- 8.6 The aforementioned statutory duties are also underpinned by secondary legislation in the form of regulations, such as the Representations Procedure (Children) Regulations 1991 (S.I. 1991/894) as amended, that must also be complied with.
- 8.7 The Representations Procedure (Children) Regulations 1991 are made under section 26(6) of the Children Act 1989. Under regulation 10 of the Representations Procedure (Children) Regulations 1991, local authorities are required to monitor the arrangements that they have made with a view to ensuring that they comply with the Regulations by keeping a record of each representation received, the outcome of each representation and whether the time limits set out in the Regulations were complied with. For the purposes of such monitoring, local authorities are required to compile annual reports on the operation of their complaint's procedure. Regulation 5 of the Advocacy Services and Representations Procedure (Children) (Amendment) Regulations 2004 also requires local authorities to monitor the steps that they have taken with a view to ensuring that they comply with the regulations in particular by keeping a record about each advocate appointed under the local authority's arrangements for the provision of advocacy services under section 26A(1) of the Children Act 1989.
- 8.8 The independent status of advocates is essential for them to be able to act effectively on behalf of the child or young person. The National Standards for the Provision of Children and Young People's Advocacy Services set out Government policy on the independence of advocacy services. Advocacy will only be used if children and young people are confident that advocates are acting exclusively on their behalf and have no apparent conflicting interests and pressures. Therefore, the advocacy or children's rights service should, as far as possible, be funded and managed in a way that ensures independence from the commissioning organisation.
- 8.9 Failure to re-commission a Children's Advocacy and Independent Visitor service, when the current contract ceases 31 March 2025, would risk the Nottingham City Council failing to deliver a service in accordance with its statutory duty.
- 8.10 It is understood the joint re-commissioning and collaborative working between the two local authorities led by Nottingham City Council, seeks to achieve efficiencies as detailed in this report.
- 8.11 Nottingham City Council will lead the procurement and both Councils will contribute to the development of the Collaboration Agreement and Service Agreement arrangements. Legal services will support the service area throughout the process as and when required.

8.12 The procurement of the required public service contract, tender and award must comply with Public Contract Regulations 2015 or new Procurement Act 2023 procurement regime if that applies at the commencement of the procurement exercise. In addition, compliance with the Council's own Contract Procedure Rules must be achieved.

8.13 Whilst the new service agreement will need to provide for matters such as insurance, limitation of liability, termination, TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246)), have relevant data protection provisions in compliance with GDPR obligations, and ensure that the Local Authority can meet its monitoring obligations, the exiting contract arrangements with the current provider of services must also be abided by when ending the relationship with the current provider including obligations relating to TUPE and employment matters and information on retendering.

8.14 The proposals in this report otherwise raise no significant legal issues and are supported.

Richard Bines, Solicitor, Contracts and Commercial Team - 13.08.2024

9. **Other relevant comments**

Procurement

9.1 This report proposes relates to the joint commissioning between Nottingham City Council and Nottinghamshire County Council of a Children's Advocacy and Independent Visitor Service from April 2025. The proposed service will meet the Council's statutory obligations under the Children's Act 1989 for the provision of children's advocacy and Independent Visitor services. It is necessary to re-procure this provision because the incumbent provider for the City has decided not to continue with an extension of the current contract from April 2025.

9.2 It is proposed that Nottingham City Council will lead the joint procurement on behalf of the City and County, through an open tender process compliant with the UK Procurement Regulations and NCC Contract Procedure Rules. Joint commissioning to secure one service provider for both authorities will deliver economic efficiencies and service delivery benefits.

9.3 Best value will be ensured through the competitive tender process with tenders evaluated based on cost and quality. A block contract will ensure viability and availability of a core service at all times, while the elements of payment by activity will mitigate risk to the Council where demand is not certain.

Jo Pettifor, Category Manager - 9 August 2024

10. **Crime and Disorder Implications (If Applicable)**

10.1 N/A

11. **Social value considerations**

11.1 This service will be procured with the requirement for providers to deliver additional social value. For example, recruiting local people, providing volunteering opportunities developing skills within the local communities and raising awareness

of Advocacy and Independent Visitors with other professionals and the wider social care workforce.

12. Regard to the NHS Constitution (If Applicable)

12.1 N/A

13. Equality Impact Assessment (EIA)

13.1 An EIA has been undertaken and due regard will be given to any implications identified in it.

14. Data Protection Impact Assessment (DPIA)

14.1 A DPIA has been undertaken and due regard will be given to any implications identified in it.

15. Carbon Impact Assessment (CIA)

15.1 A CIA is not required because there are no carbon impacts arising from the work to be undertaken.

16. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

16.1 None.

17. Published documents referred to in this report

17.1 Ministry of Housing, Communities & Local Government and the Department for Education: Prevention of homelessness and provision of accommodation for 16 and 17 year old young people who may be homeless and/or require accommodation: [Provision of accommodation for 16 and 17 year olds who may be homeless and/or require accommodation \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/642227/provision-of-accommodation-for-16-and-17-year-olds-who-may-be-homeless-and-or-require-accommodation.pdf)

17.2 Department for Education: Effective Advocacy for Looked-After Children, Children in Need and Care Leavers statutory guidance for local authorities: [Revised Statutory Guidance on Effective Advocacy for Local Authorities.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/642227/effective-advocacy-for-looked-after-children-children-in-need-and-care-leavers-statutory-guidance-for-local-authorities.pdf)

Subject:	Children’s Residential Block Call-Off		
Corporate Director: Director:	Ailsa Barr – Children and Education Services (Interim) Sarah Nardone – Children’s Integrated Services (Interim)		
Executive Member:	Cllr Cheryl Barnard - Children, Young People and Education		
Report author and contact details:	Cath Cameron-Jones Cath.cameron-jones@nottinghamcity.gov.uk		
Other colleagues who have provided input:	Noureen Safdar – Finance Richard Bines – Legal Jo Pettifor – Procurement Zoe Richards - Interim Commissioning Officer		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in
			<input checked="" type="checkbox"/> Yes
			<input type="checkbox"/> No
Reasons:	<input checked="" type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £750,000 or more
taking account of the overall impact of the decision			<input checked="" 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 checked="" type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue	<input type="checkbox"/> Capital	
Total value of the decision: Up to £18.72m (maximum Block commitment £11.262m)			
Section 151 Officer expenditure approval			
Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/a			
Spend Control Board approval reference number: Approval application submitted			
Commissioner Consideration			
Has this report been shared with the Commissioners’ Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Any comments the Commissioners wish to provide are listed in section 6 below.			
Wards affected: All			
Date of consultation with Executive Member: 28/08/2024			
Relevant Council Plan Key Outcome:			
Green, Clean and Connected Communities	<input type="checkbox"/>		
Keeping Nottingham Working	<input type="checkbox"/>		
Carbon Neutral by 2028	<input type="checkbox"/>		
Safer Nottingham	<input type="checkbox"/>		
Child-Friendly Nottingham	<input checked="" type="checkbox"/>		
Living Well in our Communities	<input checked="" type="checkbox"/>		
Keeping Nottingham Moving	<input type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input type="checkbox"/>		
Serving People Well	<input type="checkbox"/>		
Summary of issues (including benefits to citizens/service users):			
Local Authorities have a statutory duty to secure, so far as is reasonably practicable, sufficient accommodation within its local authority area to meet the needs of the children that the local authority is looking after (section 22G of the Children Act 1989; its ‘Sufficiency duty’). To satisfy this duty, Nottingham City Council provides a range of accommodation options through in-house and externally commissioned services.			
This tender seeks to establish 2x2 bed homes for children in care who face challenges in finding placement within standard residential services. These young individuals have diverse needs, often resulting in behaviour that requires specialised support.			

The service will be procured through the existing D2N2 residential framework contract as a block call off.

This initiative complements two further tenders. Firstly, the development of a 2-bed collaborative specialist home with health partners and secondly, a broader tender for additional beds, scheduled for later this year which replaces an existing block contract. The broader tender will also include provision of places for children with more complex needs which it has not done so previously.

The maximum contract value for this 2x2 bed tender includes provision for full utilisation and assumes additional staffing will be required at times plus the potential for therapeutic interventions to be provided by the provider.

This proposal will be funded through the existing Children in Care Budget, using funding currently allocated to individual placements. It is expected to go out to the market in September/October 2024.

Exempt information: None

Recommendations:

- 1 Subject to receipt of appropriate spend control approval, to approve spend of up to £18.72m over 9 years for the provision of up to 4 children's residential care beds, of which up to £11.262m will be as a guaranteed block payment.
- 2 To approve procurement through the existing D2N2 framework of 2x 2-bed residential care homes for children with complex needs for 5+2+2 years.
- 3 To delegate authority to the Director of Commissioning and Partnerships to approve and award the outcome of the tender process
- 3 To delegate authority to the Head of Service Contracts, Quality and Personalisation to sign the call off contract, save for any agreement/contract being required to be executed as a deed, which shall be executed on behalf of Nottingham City Council by the Director for Legal and Governance / Head of Legal and Governance.

1. Reasons for recommendations

- 1.1 This commissioning project seeks to establish 2x2 bed homes for children in care for whom it is challenging to find placements for within standard residential services. These young individuals have diverse needs, often resulting in behaviour that requires specialised support.
- 1.2 Currently, providers offering homes under the D2N2 framework are not coming forward to provide support to these children and local provision under spot purchases is also lacking. By offering D2N2 providers a guaranteed income under a block contract for up to 9 years, (on the basis of a 5+2+2 award), we aim to encourage investment in the development of these homes, specifically designated for children from Nottingham City.
- 1.3 The initial contract period allows the authority to assess the performance of a service provider and the provider to ensure that it is working for them. The extensions indicate the intention of the authority to have a longer-term arrangement but also enable the contract to be easily ended by either party if

the relationship is not working well. The initial period for a contract where the provider is expected to invest in property needs to be a minimum of 5 years (with a longer-term intent) but splitting the second part into a 2+2 enables easier contract management with the last 2-year extension being the signal to start a new procurement plan.

- 1.4 We currently have 11 children placed in unsuitable provision. Although they are not registered with OFSTED, we continue to monitor them through our quality monitoring systems and provide more frequent social work input. We are required to notify OFSTED when we use these placements because the children should be in registered care. These tend to be children who need to be matched very carefully if living with any other child or who require a solo placement until they become more stable. Unregistered accommodation is a short-term emergency fix, but we strive to move children into registered provision as quickly as possible.
- 1.5 These placements are also costly as they tend to be set up quickly with high staffing levels and the prices reflective of the lack of choice within the market for provision for these children.
- 1.6 Many D2N2 providers have submitted indicative costs for 'specialist' 1 and 2 bed homes which indicate that this would provide cost savings to the authority. However, to invest in accommodation, providers require assurance of continued utilisation.
- 1.7 The intention is to limit the block contract element to a cost which would enable a 2-bed home to be run as a solo provision with reduced payment for the second child. This would enable the home to be cost effective for the provider to run in the event it needed to be run as a solo home for a period of time, but enable efficiencies of scale to be delivered when the second child moves in. Weighting the provider profit/surplus to the second child would also incentivise the provider to work in partnership to ensure a second placement can be made where appropriate. Currently, where a bed in a home is 'blocked' to enable solo use, 2 full placement costs are paid which is not generally reflective of the cost to the provider and does not provide best value for the council.

2. Background (including outcomes of consultation)

- 2.1 While the overall number of children in Care in Nottingham is now falling, as at July 2024 the total number stands at 640 compared to 721 in March 2023, finding placements for children with complex needs and challenging behaviours close to Nottingham City remains a challenge.
- 2.2 Many of these children have experienced emotional and physical trauma in their lives and may have moved placements four or more times as providers struggle to manage their behaviour, particularly if in homes with 3 or 4 other children.
- 2.3 The need for solo placements, often necessitated by children whose behaviour negatively affects their peers, is not only expensive but also not a long-term solution. It results in the child's isolation from their peers, which can hinder their social development and their transition to independence in adulthood, particularly if they are also excluded from mainstream schooling. Additionally, solo placements always require at least two staff members, which may not be necessary once the child becomes more stable.

- 2.4 Two bed homes enable a second child to be placed when the first child is more stable, reducing the likelihood that the first child will need to move again or that a solo placement continues indefinitely. It also enables staffing levels to be reduced to 1:1 where appropriate which is more cost effective than solo placements requiring 2 staff at all times.
- 2.5 The pledges developed with the Children in Care Council include the requirement to:
- have a safe and secure place to live which meets your needs, and be well cared for;
 - build relationships with people you trust, make and keep friends and stay in touch with family where you can.
- 2.6 Ensuring appropriate provision close to Nottingham for children who may otherwise be in unsuitable accommodation or moved further away from Nottingham helps to meet these pledges.
- 2.7 It remains a focus for Nottingham to reduce the number of children in residential placements, both by continuing to reduce the number of children coming into care through prevention and early intervention but also by using fostering and connected persons placements and supported accommodation for 16/17-year-olds wherever possible. However, residential care currently remains a solution for nearly 19% of Nottingham's children in care and therefore ensuring that we have cost effective homes, suited to the needs of our more complex children is essential.
- 2.8 The decision to utilise the existing framework for a call-off which will run for up to 8 years past the end of the framework itself has been taken due to the need to procure a service in a timely manner to meet the needs of children placed in inappropriate placements. As described above, the contract needs to be long enough to encourage investment in property and the development of a robust service which can meet the needs of some of our most complex children. The terms of the framework contract meet the requirements and will continue to apply for the duration of the call-off. A detailed service specification to complement and enhance what is already in the overarching framework is being developed to ensure a service suited to the requirements and robust monitoring of this call-off contract.

3. Other options considered in making recommendations

- 3.1 Waiting for the larger block contract to be let and incorporating these beds into that tender. It is intended that the larger block will go out to the open market, to increase the likelihood of a successful tender as historically, the D2N2 framework has not given us much sufficiency within the more specialist homes (though 60% of total residential placements are sourced through D2N2) and the model we are considering for the larger block is not compatible with the terms of the framework. Going to the D2N2 framework for these beds is a faster process as providers have already been approved, but also will hopefully provide us with some beds more quickly. It also demonstrates our commitment to an on-going relationship with the D2N2 framework providers.
- 3.2 Continuing to commission on an individual call off basis. This has not proved successful to date, either through the D2N2 framework or by spot purchasing

and providers have indicated that a block arrangement would give them more confidence to invest in property and ring fence beds for Nottingham City.

4. Consideration of Risk

- 4.1 D2N2 framework providers may not bid for the work. This would mean that provision is not available as quickly, but we would increase the numbers in the future larger block accordingly.
- 4.2 This block value will be for the support of 1 child, considering the full cost of running a 2-bed home. The second placement will be funded on top of the guaranteed block but will offer further cost efficiencies, as despite the profit element being more weighted to the second placement because a large proportion of the costs of the home have been funded from the block. the second placement will therefore be at a lower cost. Where additional staffing is required, either as a solo or dual provision home, this will be paid in addition to the block element.
- 4.3 The two bed homes may end up being solo placements relatively long term. Due to the variation in the cost of unregistered provision, even if operating as solo homes, it is expected that there would still be an overall cost reduction. Where solo placements were not considered to be in the best interests of the child, the provider has been incentivised by the payment structure to work in partnership to move a second child in.

5. Best Value Considerations

- 5.1 A maximum block contract value will be applied at less than the average value of current alternative placements in unregistered accommodation to ensure efficiencies are made.
- 5.2 This block value will be for the support of 1 child, taking into account the cost of running a 2-bed home. Further cost efficiencies will be made when a second child is placed in the home. The second placement will be funded on top of the guaranteed block but will offer further cost efficiencies, as despite the profit element being more weighted to the second placement (because a large proportion of the costs of the home have been funded from the block), the second placement will therefore be at a lower cost.
- 5.3 Best value will be further established by ensuring that only those children who would otherwise be in unregistered provision or placed in similarly expensive homes further away from Nottingham, will be considered as the first child in any home. As the cost of the second placement will be much lower, reducing the average cost per child, a second child would not necessarily have to meet the same criteria.
- 5.4 The contract will require minimum utilisation of 95% for solo placements and 80% for two-bed homes.
- 5.5 The block element will be set at a maximum of £12,000 per 2 bed home, with additional funding being made available for additional staffing or the placement of a second child as required. This is lower than the current average cost for individual children in unregistered emergency provision.

6. Commissioner comments

6.1 Commissioners have noted the content of the reports and have no further comments

7. Finance colleague comments (including implications and value for money/VAT)

7.1 The decision seeks to tender & approve a 9-year contract to a maximum value of £18.72m with the maximum block commitment of £11.262m for Children's Residential Block Call-Off.

7.2 The current annual budget provision in the unregistered placement is £4.616m per annum for this service. Procurement will not proceed unless the tender meets the contract envelope value which can easily be covered provided the placement includes the following costs:

- Activity Allowance (Weekly);
- Food Allowance (Weekly);
- Management/Administration/Insurance Fee (Weekly);
- Pocket Money (Weekly);
- Clothing Allowance (Weekly);
- Savings (Weekly);
- Floating Support - Non-qualified;
- Floating Support – Qualified;
- 121 Support (Weekly);
- Sleep-In - per staff member (Weekly);
- Transport Support (Weekly);
- Waking Night - per staff member (Weekly).

7.3 There is sufficient budget for this proposal in this and future years provided the above costs are included. Future MTFP decisions will need to consider the future contract values to ensure the budget is retained to meet the contract.

Noureen Safdar, Senior Commercial Finance Business Partner – 12/08/2024

8. Legal colleague comments

8.1 Section 22G of the Children Act 1989 requires local authorities to take strategic action in respect of those children they look after and for whom it would be consistent with their welfare for them to be provided with accommodation within their local authority area. In those circumstances, section 22G requires local authorities, so far as is reasonably practicable, to ensure that there is sufficient accommodation for those children that meets their needs and is within their local authority area. The duty is supported by statutory guidance that the local authority must have regard to in its decision making in this context, issued under section 7 of the Local Authority Social Services Act 1970, which requires local authorities, in the exercise of their social services functions, to act under the general guidance of the Secretary of State; and section 10 (8) of the 2004 Children Act, which requires all local authorities in England and each of their relevant partners to have regard to guidance from the Secretary of State when exercising their functions in relation to their duty to co-operate to improve the wellbeing of children in the local area.

8.2 This decision proposes the commissioning of two, two bedroom residential care home places for children in care with diverse needs who face challenges in finding placements within standard residential services and the award of an associated contract on the basis of 5+2+2, with spend over the term of up to £18.72m with

block payment of £11.262m. It is proposed to procure the places through a call for competition before awarding a call off contract from the D2N2 Children in Care Framework Agreement.

- 8.3 Nottinghamshire County Council have on behalf of Derbyshire County Council, Derby City Council, Nottingham City and Nottinghamshire County Council, (hence forth referred to as D2N2), completed a hybrid Framework to provide independent Fostering and Residential Homes Placements provision, including where required out of D2N2 boundary placements. Services that will be purchased under the Framework by D2N2 will include individualised packages to meet the needs of the children and young people, and include Emergency, Planned, Short term, Long term, Permanent, Sibling, Solo, Respite, Parent and baby, and Remand Placements.
- 8.4 The Framework will remain open for new tenders for the duration of its operation. The providers being sought are on Lot 1: Independent Residential Children's Homes, that includes Standard Children's and Specialist Homes. In order to address some of the shortcomings of previous frameworks, providers were asked to self-select if they are prepared to accept referrals for (i) Emergency Placements, (ii) Provision within the D2N2 footprint and (iii) Outside the D2N2 area. This enables referrals to be limited to only those Providers by specific Lots and their own preference. The list of preferences will be refined over the life of the Framework. The Framework has also been designed to enable the D2N2 group the ability to conduct other further competition processes, that could include Block arrangements, either collaboratively or as individual Authorities. The Framework has been established with an initial duration of four-years, but the option to extend for a further two years which has been enacted. The framework runs until 2026.
- 8.5 By contrast, the PCR 2015 do not stipulate the duration of a specific contract awarded under a framework agreement. Contracting authorities are entitled to place orders for specific contracts at any point up to the end of the Framework agreement, which means that a specific contract can extend beyond the lifespan of the framework arrangement. However, contracting authorities should not seek to avoid the need to run a new procurement exercise through the award of specific contracts close to or at the end of the framework term. Specific contracts awarded at the end of the framework that have a disproportionate duration may amount to an abuse of the PCR 2015 and a distortion of competition.
- 8.6 It is arguable that the term of a specific contract can exceed the framework agreement period provided that awarding contracts of such a duration is within the normal course of awarding contracts and not an attempt to avoid having to run a new procurement.
- 8.7 As a contracting authority considering awarding a specific contract for an extended period it should prepare a robust justification to counter any claim that it constitutes an abuse of the PCR 2015.
- 8.8 For the reasons outlined in the report the Local Authority will satisfy its best value duty; achieve the efficiencies detailed in this report, and ensure compliance with the relevant Contract Procedure Rules, when utilising the framework, subject to the aforementioned robust justification in contract length being covered. Market competition will enable commissioners to be assured of the efficiency and effectiveness of services. The Framework will give the flexibility of spot purchasing but generally with lower costs and greater market management potential. This type of procurement mechanism is appropriate in the majority of cases.

- 8.9 Legal services will support the service area throughout the process but the call contract should ensure effective provider performance management based on the needs and specific outcomes described in a relevant child's individual assessment.
- 8.10 The proposals in this report otherwise raise no significant legal issues and are supported.

Richard Bines, Solicitor, Contracts & Commercial Team - 13.08.2024

9. Other relevant comments

Procurement

- 9.1 This decision proposes the commissioning of 2 block contracted residential care homes care for children in care with diverse needs who face challenges in finding placements within standard residential services. It is proposed to procure 2 x 2 bed homes through a competitive call off from an existing framework of residential care providers which is available for use by D2N2 authorities.
- 9.2 Commissioning these services on a block basis will increase the availability of regulated provision with experienced providers and reduce the reliance on spot contracting. It should help reduce the reliance on additional staff and enable some children to share in the longer term. It is intended to undertake an open tender for more block contracted beds later in 2024, and the proposed call off from the D2N2 framework offers an interim solution to relieve current pressures.
- 9.3 Procuring through block contract arrangements will secure discounted rates compared with individual placements under the framework and should make significant savings on the alternative of spot contracting with unregulated services. The maximum price for each 2-bed home will be capped and the competition of the call off will incentivise the best prices. Best value will be secured through maximising the utilisation of the units, particularly with dual occupancy which has potential to realise the greatest savings. For savings to be maximised it is important that the utilisation targets are met throughout the contract.
- 9.4 The Procurement Team will support a compliant call off tender process.

Jo Pettifor, Category Manager – 8 August 2024

10. Crime and Disorder Implications (If Applicable)

- 10.1 N/A

11. Social value considerations

- 11.1 This service will work with children with significant mental and emotional health issues. Positive outcomes for young people are likely to impact on their long-term health and wellbeing as adults.
- 11.2 Improved local health outcomes contribute to socio-economic factors such as healthy life expectancy, employment and local economic development.
- 11.3 The service will provide employment for local people as it will be delivered within, or within 20 miles of, Nottingham City.

12. Regard to the NHS Constitution (If Applicable)

12.1 N/A

13. Equality Impact Assessment (EIA)

13.1 An EIA is not required because there is an existing EIA for the framework as a whole so one has not been undertaken for this specific call off.

14. Data Protection Impact Assessment (DPIA)

14.1 A DPIA is not required because there is an existing DPIA for the framework as a whole so one has not been undertaken for this specific call off.

15. Carbon Impact Assessment (CIA)

15.1 A CIA is not required because the service will not have a significant impact on climate for any area of Nottingham due to the small scale of the service (2x2 bed homes). It is expected that the potential provider will be utilising property already designated as a children's home or retro fitting an existing building.

16. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

16.1 None.

17. Published documents referred to in this report

17.1 None.

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Subject:	NEET Reduction Service: provision of information, advice and guidance for entry into employment, education and training opportunities.		
Director:	Nicki Jenkins – Economic Development and Property		
Executive Member:	Councillor Radford – Skills, Growth and Economic Development		
Report author and contact details:	Paul Crookendale, Employment and Skills Development Manager paul.crookendale@nottinghamcity.co.uk		
Other colleagues who have provided input:	Paul Rogers & Geetha Blood – Finance Tom Button – Legal Jo Pettifor – Procurement Matthew Wheatley – Head of Economic Development Adele Margetson – Senior Finance Business Analyst		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons:	<input checked="" type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £750,000 or more
taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
Total value of the decision: £941,300			
Section 151 Officer expenditure approval			
Has the spend been approved by the Section 151 Officer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/a			
Spend Control Board approval reference number: 5628			
Commissioner Consideration			
Has this report been shared with the Commissioners’ Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Any comments the Commissioners wish to provide are listed in section 6 below.			
Wards affected: All			
Date of consultation with Executive Member: 28/08/2024			
Relevant Council Plan Key Outcome:			
Green, Clean and Connected Communities	<input type="checkbox"/>		
Keeping Nottingham Working	<input checked="" type="checkbox"/>		
Carbon Neutral by 2028	<input type="checkbox"/>		
Safer Nottingham	<input type="checkbox"/>		
Child-Friendly Nottingham	<input type="checkbox"/>		
Living Well in our Communities	<input type="checkbox"/>		
Keeping Nottingham Moving	<input type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input type="checkbox"/>		
Serving People Well	<input checked="" type="checkbox"/>		
Summary of issues (including benefits to citizens/service users):			
In 2014, Public Health England estimated that “Each 16–18-year-old who spends some time NEET will cost an average of £56,000 over the course of their life up to retirement age in public finance costs (e.g. cost to services and lost tax revenue), or, alternatively calculated, £104,000 in opportunity costs (e.g. loss of income to the economy and individuals).” The overall loss to the economy in earnings and spending magnifies this economic impact.			

The NEET (not in Employment Education and Training) Reduction Service supports young people to enter Employment, Education or training opportunities. NCC currently commissions through Teckal arrangements, a contract with Nottingham, Nottinghamshire youth Service (NNYS - Futures) to deliver a NEET reduction service in response and in execution of the Council's statutory obligations as defined in Section 68 of the Skills and Employment Act 2008. The Act places a duty on Local Authorities to make available to all young people aged 13-19 and to those aged between 20 and 25 with special educational needs and disabilities (SEND), support that will encourage, enable or assist them to participate in education or training.

The service proposed for 2024/25 will:

- ensure all children and young people at risk of becoming NEET in academic year 11 are supported to apply for post-16 opportunities and secured an offer of EET prior to them leaving statutory education;
- actively track and support young people in Years 12 & 13 to ensure 94.5% are engaged in employment, education or training;
- actively track and support all young people with Education Health Care Plans assessment who are at risk of NEET or who are NEET, in co-ordination with Nottingham City Council Children and Adults Department;
- submit Client Caseload Information System (CCIS) returns to the Department for Education covering NEET and key stages four & five progression measures.

In previous years, an annual joint contract with Nottinghamshire County Council has been issued to NNYS, containing Nottingham City delivery and finance schedules to ensure Nottingham City funding is only utilised for the support of Nottingham City residents.

The Budget of £941,300 for the NEET reduction service in 2024/25 has been approved as part of the Council's Medium Term Financial Plan.

Note: the term "TECKAL" refers to a specific exemption under Regulation 12 of the Public Contracts Regulations 2015 that allows public authorities to award contracts directly to entities they control without going through the usual competitive tendering process.

Exempt information: None.

Recommendations:

1. To delegate authority to the Corporate Director for Growth and City Development to enter into a new joint contract with Nottinghamshire County Council for the delivery of NEET reduction activity, delivered by NNYS under TECKAL arrangements within Nottingham City for the period 2024/25, with the combined value not exceeding £941,300 (£410,300 LA base budget) and the contract to be reviewed by Legal Services in advance of signature.
2. To delegate authority to the Corporate Director for Growth and City Development to sign the contract and any subsequent modifications on behalf of Nottingham City Council, subject to compliance with the applicable Public Procurement regime and review by Legal Services.

1. Reasons for recommendations

- 1.1 Section 68 of the Skills and Employment Act places a duty on local authorities to support young people in participating in education or training. Implementing a NEET reduction service in Nottingham ensures that the local authority complies with its legal obligations under this Act.

- 1.2 Reducing the number of NEET individuals is crucial for economic development and is a key metric in the Keeping Nottingham Working strand of the Strategic Council Plan. Young people who are NEET are at higher risk of long-term unemployment, which can have lasting negative impacts on their future earnings and economic contributions. By implementing a NEET reduction service, Nottingham can help young people acquire the skills and qualifications needed to enter the workforce, thus enhancing their employability and contributing to the local economy. This, in turn, can lead to a more robust and resilient economic environment in Nottingham.
- 1.3 Young people who are NEET often face multiple social challenges, including mental health issues, social exclusion, and lower life satisfaction. By providing targeted support through a NEET reduction service, Nottingham can address these issues directly, improving social outcomes for young people. This support can help reduce social inequality, as those from disadvantaged backgrounds are more likely to become NEET. Ensuring that all young people have access to education, training, or employment opportunities can lead to more equitable social outcomes and a more inclusive community.
- 1.4 A Best Value review is being carried out during the Summer and Autumn of 2024 to inform delivery and contracting in the 25/26 financial year. Until such time that the outcome of the review is implemented and subject to performance, the continuation of maintaining the award to NNYS, under TECKAL arrangements will allow NCC to realise significant benefits;
 - NNYS have maintained good performance achieving profiled results;
 - holds established relationships with deep understanding of the local context;
 - existing local infrastructure and expertise and deployed resource;
 - NNYS through Futures hold additional Employment and Skills grant awards to enhance NEET reduction activity (UKSPF);
 - significant administrative savings due to not having to undergo a commissioning and re-implementation process.

2. **Background (including outcomes of consultation)**

- 2.1 Nottingham continues to see high levels of inequality and deprivation across several indicators important for quality of life (e.g. Pay, Employment, Basic Skills Attainment, Healthy Life Expectancy, Anxiety), however the city has achieved recent improvements in several areas (e.g. Level 3 and 4 skills attainment and digital connectivity).
- 2.2 In the 2019 Indices of Multiple Deprivation (IMD), Nottingham ranked as the 11th most deprived Local Authority out of 317 in England.
- 2.3 56 of the 182 Lower Super Output Areas (LSOAs) in the city fall amongst the 10% most deprived in the country. Regarding income deprivation, 30% of the Local Super Output Areas (LSOAs) in the city are amongst the 10% most deprived nationally.
- 2.4 Gross Value Added (GVA) in Nottingham is 13.7% lower than the England average. As productivity directly impacts on pay, local earnings are also significantly below the national average.
- 2.5 The local employment rate has historically lagged behind the national rate and continues to do so with employment rates in Nottingham standing at 71.7%, which is 3.4% below the national average of 75.1%.

- 2.6 The employment rate gap widens further for some of the City's priority groups. In March 2022, the BAME employment rate in Nottingham was 7.42% lower than the national average, the disabled employment rate was 22.21% lower than the national average, and the employment rate for older workers was 3.18% lower than the national average.
- 2.7 The employment rate gap between men and women in Nottingham stands at 2.6%.
- 2.8 Basic and entry level skills attainment in the city also track below national average. For example, Nottingham ranks in the 96th percentile in terms of numeracy skills need. Ranking in the 96th percentile means only 4% of Local Authorities rank higher for need (and therefore lower for skills).
- 2.9 The Council through its core budget in 202/25 allocates £410,300.00 to meet its statutory obligation, which in order to provide a more comprehensive support service is supplemented by £531,000.00 from Public Health budgets through a discretionary grant. Historically, Employment and Skills activity specifically for young people aged 16-24, funded through the European Social Fund has also been deployed to supplement NEET reduction activity, by supporting to young people into employment and Skills activity. ESF funding ended in November 23 which had an impact to overall deployed resource in 2023/2024. Futures were successful in securing funds via UKSPF, which offset some of the funding lost as a result of the end of ESF funding and continues to supplement statutory activity.

2.10 NNYS will have overall responsibility for:

- prioritising the delivery of the statutory functions as set out in Participation of young people in education, employment or training: Statutory guidance for local authorities on behalf of Nottingham City Council;
- ensuring that all Nottingham children and young people at risk of becoming NEET in academic year 11 are supported to apply for post-16 opportunities and have secured an offer of EET prior to them leaving statutory education;
- actively tracking and ensuring support for 100% of young people with Education Health Care Plans assessment who are at risk of NEET or who are NEET, in co-ordination with Nottingham City Council Children and Adults Department;
- ensuring that the NEET and Not Known targets, 4.3% and 1.2% respectively, are consistently met;
- delivering timely and accurate monthly returns to the Department for Education (DfE) via the National Client Caseloads Information System (NCCIS) and to Nottingham City Council.

3. **Other options considered in making recommendations**

- 3.1 Not delivering statutory service. This was rejected as it would leave the Council open to potential legal challenge, it would result in poor performance on the Strategic Council Plan NEET rate key metric and create demand for other Council services.

3.2 The best route to source future delivery will be examined through the planned Best Value review.

4. **Consideration of Risk**

4.1 Non or poor delivery of the NEETS service could result in;

- increased Not knowns, leading to increase in NEETS;
- reduced levels of EET attainment;
- higher levels of youth unemployment;
- increased levels of anti-social behaviour;
- increased requirement of criminal justice service interventions;
- increase requirement for mental health support for YP;
- consequences resulting for failing to deliver statutory function.

5. **Best Value Considerations**

5.1 An outline Best Value review and initial Duties and powers consideration were undertaken during 2023 to inform the approach to delivery. To deliver statutorily required activity, given the continuing high-quality performance of Nottingham and Nottinghamshire Youth Services (NNYS) and the lack of viable or cost-effective external providers or internal solution, the preferred delivery option is to continue with the current 'BIWO' joint contract with Nottinghamshire County Council for the service to be delivered by NNYS under TECKAL arrangements.

5.2 KPI's and expected data returns will be agreed as part of the contract commissioning. Monthly monitoring performance and Quality reviews will be undertaken by a designated contract manager. A continuous improvement methodology will be applied to service reviews to ensure opportunities are not missed to improve overall service delivery.

5.3 In the event of underperformance, if trigger points are reached, NNYS will be required/supported to develop a performance improvement plan to be executed over a 3-month period to bring the contract back to profile/acceptable performance levels.

5.4 If after 3 months, appropriate levels of progression have not been achieved, the next stage of the under-performance methodology will commence which could lead to contract reduction with financial reductions or termination.

6. **Commissioner comments**

6.1 Commissioners have noted the content of the reports and have no further comments

7. **Finance colleague comments (including implications and value for money/VAT)**

7.1 The decision to enter into a joint contract with Nottinghamshire County Council for the delivery of Not in Education, Employment or Training (NEET) reduction activity, delivered by NNYS as detailed above for the period 2024/25, with options to extend another one or two years is recommended.

7.2 The cost of £941,300 for 24/25 comprises funding of £531,000 Public Health grant for this purpose and £410,300 contribution from Nottingham City Council, which is already in the budget in cost centre 11387 Nottingham Futures. If the scheme is to be extended checks into the continuing funding from Public Health will be required.

- 7.3 The provision of the Not in Education, Employment or Training (NEET) service is a statutory requirement under Section 68 of the Skills and Employment Act.
- 7.4 Reducing the number of Nottingham citizens Not in Education, Employment or Training is crucial for the economic development of Nottingham and is a key metric in the Keeping Nottingham Working strand of the Strategic Council Plan.

Paul Rogers, Commercial Finance Business Partner & Geetha Blood
Strategic Finance Business Partner – 12/08/2024

8. **Legal colleague comments**

- 8.1 This decision seeks approval to enter into a new contract jointly with Nottinghamshire County Council with Nottingham and Nottinghamshire Youth Support Limited, in order to discharge its statutory duty under Section 68 of the Skills and Employment Act 2008.
- 8.2 Nottingham and Nottinghamshire Youth Support Limited, is a company jointly owned by Nottingham City Council and Nottinghamshire County Council. As such it is permissible to make a direct award provided that the Teckal exemption applies.
- 8.3 The new joint contract should make provisions for a scenario that only one of the client parties requires the extension in 2025-26.

Tom Button, Contracts and Commercial Team Leader – 12/08/2024

9. **Other relevant comments**

Procurement

- 9.1 This decision relates to the proposed joint contracting with Nottinghamshire County Council for a NEET Reduction Service to be delivered by Nottingham and Nottinghamshire Youth Support Ltd (a subsidiary of Nottingham Futures) for the year 2024/25.
- 9.2 The proposed award will enable the continuation of services delivered under a previous arrangement following a Best Value review which assessed NNYS to be meeting the performance requirements and providing value for money, with reference to other comparable services.
- 9.3 It is proposed to undertake a more comprehensive review of requirements and future commissioning route during the period of this award. As a company wholly owned by Nottingham City Council and Nottinghamshire County Council, Nottingham Futures is understood to be covered by the 'Teckal' procurement exemption at Regulation 12 of the Public Contracts Regulations 2015, and therefore may be contracted directly in accordance with the Council's Contract Procedure Rules, Article 18.31. The continuing applicability of the 'Teckal' exemption should be confirmed prior to award.

Jo Pettifor, Category Manager – People, 12th August 2024

10. **Crime and Disorder Implications (If Applicable)**

- 10.1 N/A

11. **Social value considerations**

11.1 NEET reduction activity in Nottingham will improve life chances and reduce social inequalities for Nottingham young people by:

Enhancing educational opportunities and supporting young people to make positive progressive life choices, by increasing access to high quality career counselling and exposure to local employment and skills opportunities, direct advocacy to access vocational training programmes, apprenticeships, internships and support to apply for employment opportunities.

Reducing Anti-Social Behaviour through encouraging participating in positive activities that support transition from secondary education.

Reduced Criminal Justice interventions, by contributing to addressing some of the economic underlying issues contributing to youth offending.

Improving Levels of Mental Health, through supporting participation in positive activity which fosters a sense of inclusion.

12. **Regard to the NHS Constitution (If Applicable)**

12.1 N/A

13. **Equality Impact Assessment (EIA)**

13.1 Attached as an appendix and due regard will be given to any implications identified in it.

14. **Data Protection Impact Assessment (DPIA)**

14.1 A DPIA is not required because as part of the reporting requirements for NEET reduction activity, there is no transfer of participant personal data between the service provider and the authority.

15. **Carbon Impact Assessment (CIA)**

15.1 A CIA is not required.

16. **List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

16.1 None.

17. **Published documents referred to in this report**

17.1 None.

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Equality Impact Assessment Form

[screentip-sectionA](#)

1. Document Control

1. Control Details

Title:	NEET Reduction Service – Provision for Information Advice and Guidance to Enter into Employment Education and Training Opportunities.
Author (assigned to Pentana):	Paul Crookendale
Director:	Nicki Jenkins
Department:	Development & Growth
Service Area:	Economic Development
Contact details:	paul.crookendale@nottinghamcity.gov.uk ; 0115 876 62522
Strategic Budget EIA: Y/N	Y
Exempt from publication Y/N	N

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2. Document Amendment Record

Version	Author	Date	Approved
1	Paul Crookendale	24/07/2024	07/08/2024

3. Contributors/Reviewers

Name	Position	Date
Rosey Donovan	Equality and Employability Consultant	26/07/2024 / 07/08/2024

4. Glossary of Terms

Term	Description
NEET	Not in Employment, Education and Training
NNYS	Nottingham and Nottinghamshire Youth Service
NCC	Nottingham City Council
YP	Young Person
SEND	Special Educational Needs and Disabilities
ECHP	Educational Health and Care Plan
SMART	Specific, Measurable, Achievable, Realistic, Timely
TECKAL	The term "TECKAL" refers to a specific exemption under EU public procurement law that allows public authorities to award contracts directly to entities they control without going through the usual competitive tendering process.
COB	Commissioning Oversight Board
NCCIS	Client Caseload Information System
EIA	Equalities Impact Assessment

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[screentip-sectionB](#)

2. Assessment

1. Brief description of proposal / policy / service being assessed

This decision relates to the proposed joint contracting with Nottinghamshire County Council for a NEET Reduction Service to be delivered by Nottingham and Nottinghamshire Youth Support Ltd (a subsidiary of Nottingham Futures) for the period 2024/25, with 1 year extension option under TECKAL arrangements, set out in Regulation 12 of the Public Contracts Regulations 2015, in accordance with the Council's Contract Procedure Rules, Article 18.31

On receipt of COB approval, the intent is to re-contract with the incumbent provider.

In execution of the Councils statutory duty, Funding provided by Nottingham City Council to NNYS as part of the agreement with Nottingham City Council will be for the exclusive delivery of services for YP in Nottingham City or others where NCC hold the responsibility to provide the service (i.e. for YP's from other areas residing in Nottingham City).

Section 68 of the [Education and Skills Act 2008](#), places a duty on local authorities to make available to all young people aged 13-19 and to those aged between 20 and 25 with special educational needs and disabilities (SEND), support that will encourage, enable or assist them to participate in education or training. To fulfil this duty, Nottingham City Council is required to:

1. Promote the effective participation in education and training of 16 and 17 year olds in their area with a view to ensuring that those persons fulfil the duty to participate in education or training
2. Provide strategic leadership in their areas to support participation in education, training and employment including by working with partner agencies and neighbouring authorities
3. Submit Client Caseload Information System ([CCIS](#)) returns to the Department for Education covering NEET and key stages four & five progression measures
4. Track and support vulnerable young people at risk of becoming NEET,, through the tracking, Identification and engagement of young people, followed by provision of Information, Advice and Guidance interventions
5. Work with Job Centres to assist young people known to them that are NEET
6. Provide support to young people up to age 19, and young adults with SEND and those with an Education, Health and Care Plan (EHCP) up to age 25
7. Lead on the implementation of the September Guarantee and the Raising of the Participation Age Strategy
8. Where children and young people have an education, health and care plan (EHCP), local authorities have a duty to ensure that the annual review of the EHCP from Year nine onwards includes a focus on preparing for adult life, including employment

The Delegate decision is seeing to;

1. To approve delegation of authority for the Corporate Director, Growth and City Development for Nottingham City Council to enter into a joint contract with Nottingham County Council for the delivery of NEET reduction activity,

delivered by NNYS under TECKAL arrangements within Nottingham City for the period 2024/2025, with the value not exceeding £941,300.00.

2. To approve delegation of authority to the Corporate Director, Growth and City Development to sign the contract and any subsequent extensions or amendments on behalf of Nottingham City Council, subject to compliance with the applicable Public Procurement regime.

screeintip-sectionC

2. Information used to analyse the effects on equality:

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The Not in Employment, Education of Training (NEET) reduction service is designed to target engage and support all young people in Nottingham at risk of NEET, irrespective of any other protected group they may be considered to belong to.

The NEET reduction service will focus and target young people most at risk of NEET against the following indicators:

- A. Has Education, Health and Care Plan
- B. Educated via alternative provision
- C. Has been permanently excluded
- D. Refugees & Asylum Seekers
- E. Special Education Needs and Disability with high level needs
- F. Subject to a child protection plan
- G. On a learning centre roll
- H. Youth Offending Team order
- I. Child looked after, including Out of Area
- J. Not on a school roll

Council officers have prevented any potential negative impacts that NEET reduction activity might have on protected groups by doing the following:

- Ensuring the needs and requirements of all protected groups are considered when developing NEET reduction activity working with specialists for example the City Council Staff Networks
- Officers have achieved this through taking the following steps:
 - Ensuring NEET Reduction activity is delivered in line with the Nottingham City Council corporate equality and diversity policies
- Using extensive service delivery knowledge and departmental experience of delivering projects to priority groups to inform the development of NEET reduction activity
- Exploring the potential impacts the NEET Reduction Service may have on protected groups
 - Again, using the extensive departmental experience, officers have a solid understanding of what impact support can have on protected groups
 - Based on performance data on a portfolio of economic growth provision, we know that this type of intervention supports priority groups into employment, helps businesses grow and more broadly benefits communities
 - If any equality impacts arise this EIA will be updated to reflect those impacts along with mitigation. This will be led by the Project Manager and wider steering group
- Where needed, individuals or organisations with additional support needs will be signposted to other programmes to receive additional support
- .

3. Impacts and Actions:

screentip-sectionD	Could particularly benefit X	May adversely impact X
People from different ethnic groups.	<input type="checkbox"/>	<input type="checkbox"/>
Men	<input type="checkbox"/>	<input type="checkbox"/>
Women	<input type="checkbox"/>	<input type="checkbox"/>
Trans	<input type="checkbox"/>	<input type="checkbox"/>
Disabled people or carers.	<input type="checkbox"/>	<input type="checkbox"/>

Pregnancy/ Maternity	<input type="checkbox"/>	<input type="checkbox"/>
People of different faiths/ beliefs and those with none.	<input type="checkbox"/>	<input type="checkbox"/>
Lesbian, gay or bisexual people.	<input type="checkbox"/>	<input type="checkbox"/>
Older	<input type="checkbox"/>	<input type="checkbox"/>
Younger	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other (e.g. marriage/ civil partnership, looked after children, cohesion/ good relations, vulnerable children/ adults).	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please underline the group(s) /issue more adversely affected or which benefits.</i>		

<p style="text-align: right;"><u>screeentip-sectionE</u></p> <p>How different groups could be affected (Summary of impacts)</p>	<p style="text-align: right;"><u>screeentip-sectionF</u></p> <p>Details of actions to reduce negative or increase positive impact (or why action isn't possible)</p>
<p>Provide details for impacts / benefits on people in different protected groups.</p> <p>The service will not focus on particular protected groups, but individuals classified within protected group classification will receive support as a result of also high representation on Risk of NEET Indicators. It is not anticipated that individual groups will be adversely affected as no changes delivery are proposed.</p>	<p>1 Actions will need to be uploaded on Pentana.</p> <p>N/A</p>

This will be monitored as the process progresses and the EIA updated if any potential threats become known.

4. Have you considered the impact of any change on the Citizen’s experience? Work through the flowchart attached.



EIA flowchart
Green.docx

5. Outcome(s) of equality impact assessment:

<input checked="" type="checkbox"/>	No major change needed	<input type="checkbox"/>	Adjust the policy/proposal
<input type="checkbox"/>	Adverse impact but continue	<input type="checkbox"/>	Stop and remove the policy/proposal

6. Arrangements for future monitoring of equality impact of this proposal / policy / service:

The Council will continue to review annually and manage the NEET reduction Service in a way that prevents any potential negative impacts the project might have on protected groups through regular monitoring and consultation with service users.

If any negative equality impacts arise will this EIA be reviewed and updated to reflect those impacts along with mitigations

7. Approved by (manager signature) and Date sent to equality team for publishing:

<p>Approving Manager: The assessment must be approved by the manager responsible for the service/proposal. Include a contact tel & email to allow citizen/stakeholder feedback on proposals.</p>	<p>Date sent for scrutiny: 26/07/2024 Date sent for advice: Send document or Link to: equalities@nottinghamcity.gov.uk</p>
<p>Approving Manager Signature: <i>P Crookendale</i></p>	<p>Date of final approval: 07/08/2024</p>

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<p>Before you send your EIA to the Equality and Community Relations Team for scrutiny, have you:</p> <ol style="list-style-type: none">1. Read the guidance and good practice EIA's http://intranet.nottinghamcity.gov.uk/media/1924/simple-guide-to-eia.doc2. Clearly summarised your proposal/ policy/ service to be assessed.3. Hyperlinked to the appropriate documents.4. Written in clear user-friendly language, free from all jargon (spelling out acronyms).5. Included appropriate data.6. Consulted the relevant groups or citizens or stated clearly, when this is going to happen.7. Clearly cross-referenced your impacts with SMART actions.
