



NOTTINGHAM CITY COUNCIL
COMMISSIONING AND PROCUREMENT SUB-COMMITTEE

Date: Wednesday, 16 November 2016

Time: 2.00 pm

Place: LB 31 - Loxley House, Station Street, Nottingham, NG2 3NG

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

Corporate Director for Strategy and Resources

Governance Officer: Zena West, Governance Officer **Direct Dial:** 01158764305

AGENDA

Pages

- | | | |
|----------|--|---------|
| 1 | APOLOGIES FOR ABSENCE | |
| 2 | DECLARATIONS OF INTEREST | |
| 3 | MINUTES
To confirm the minutes of the meeting held on 14 September 2016 | 3 - 8 |
| 4 | VOLUNTARY AND COMMUNITY SECTOR UPDATE | Verbal |
| 5 | NOTTINGHAM CITY COUNCIL PROCUREMENT PLAN 2016-21
Report of the Director of Commissioning and Procurement | 9 - 26 |
| 6 | EXTENSION OF HEALTH VISITOR AND SCHOOL NURSING CONTRACT - KEY DECISION
Report of the Director of Public Health and the Director of Commissioning and Procurement | 27 - 32 |
| 7 | EXCLUSION OF THE PUBLIC
To consider excluding the public from the meeting during consideration of the remaining item(s) in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. | |

**8 EXTENSION OF HEALTH VISITOR AND SCHOOL NURSING
CONTRACTS - EXEMPT APPENDIX**

33 - 34

Report of the Director of Public Health and the Director of
Commissioning and Procurement

ALL ITEMS LISTED UNDER 'EXCLUSION OF THE PUBLIC' WILL BE HEARD IN PRIVATE. THEY HAVE BEEN INCLUDED ON THE AGENDA AS NO REPRESENTATIONS AGAINST HEARING THE ITEMS IN PRIVATE WERE RECEIVED

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

CITIZENS ATTENDING MEETINGS ARE ASKED TO ARRIVE AT LEAST 15 MINUTES BEFORE THE START OF THE MEETING TO BE ISSUED WITH VISITOR BADGES

CITIZENS ARE ADVISED THAT THIS MEETING MAY BE RECORDED BY MEMBERS OF THE PUBLIC. ANY RECORDING OR REPORTING ON THIS MEETING SHOULD TAKE PLACE IN ACCORDANCE WITH THE COUNCIL'S POLICY ON RECORDING AND REPORTING ON PUBLIC MEETINGS, WHICH IS AVAILABLE AT WWW.NOTTINGHAMCITY.GOV.UK. INDIVIDUALS INTENDING TO RECORD THE MEETING ARE ASKED TO NOTIFY THE GOVERNANCE OFFICER SHOWN ABOVE IN ADVANCE.

NOTTINGHAM CITY COUNCIL

COMMISSIONING AND PROCUREMENT SUB-COMMITTEE

MINUTES of the meeting held at Loxley House, Nottingham on 14 September 2016 from 14.02 - 14.30

Membership

Present

Councillor Jon Collins
Councillor David Mellen
Councillor Nicola Heaton (Vice Chair)
Councillor Dave Trimble

Absent

Councillor Alex Norris (Chair)
Councillor Jane Urquhart

Colleagues, partners and others in attendance:

Katy Ball	- Director of Commissioning and Procurement
Christine Oliver	- Head of Commissioning
Claire Labdon-West	- Commissioning Manager
Dave Robinson	- Nottingham Community and Voluntary Service (NCVS)
Phil Wye	- Constitutional Services Officer

Call-in

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until 26 September 2016

23 APOLOGIES FOR ABSENCE

Councillor Alex Norris
Councillor Jane Urquhart

24 DECLARATIONS OF INTEREST

None.

25 MINUTES

The minutes of the meeting held on 13 July 2016 were agreed as a true record and signed by the Chair.

26 APPROVAL TO CDP TO EXTEND CONTRACT LENGTH FOR NEW YOUNG PEOPLE'S SUBSTANCE MISUSE SERVICES

Christine Oliver, Head of Commissioning, introduced the report but noted that the financial and legal advice was incomplete.

RESOLVED to postpone the decision based on the recommendations in the report pending complete financial and legal advice, and for it to be signed as a delegated decision by Councillor Alex Norris

27 DAY AND EVENING SERVICES FRAMEWORK

Clare Labdon-West, Commissioning Manager, introduced the report seeking approval to establish an Accreditation Process for the procurement of day and evening opportunities for vulnerable adults with a personal budget. This will replace the existing Framework when this comes to an end in February 2017. The new contracts will commence in March 2017 and be for three years plus a potential three year extension. The services will provide a range of outcome focussed, person centred activities for eligible citizens including those with a learning disability, mental health issues, physical disabilities and older people.

RESOLVED to

- (1) approve the establishment of an Accredited List of providers for Day and Evening Services for vulnerable adults with a personal budget;**
- (2) delegate authority to the Director of Procurement and Commissioning to approve the outcome of the procurement processes and award contracts to providers that are deemed suitable to be part of the Accredited List;**
- (3) delegate authority to the Head of Contracting and Procurement to sign the final contracts.**

Reasons for decision

An Accreditation Process will enable Nottingham City Council to vet and qualify potential providers of day and evening opportunities to ensure they have the ability to provide such services. The process is similar to the Pre-Qualifying Questionnaire phase of a tender process and will look at the organisations' suitability to provide a service. This will include examining the company's finances as well as ensuring that relevant policies and processes are in place. Checks will also be carried out to ensure that there is no legal reason why the provider should not deliver the service. The detail of the service, including quality standards, will be included in the service specification and contract. The providers will then be subject to Nottingham City Council's quality monitoring processes.

The current Framework for Day and Evening Services was established in 2013 and was fixed for 4 years. Several of the existing providers within Nottingham City were unsuccessful in the tendering process and were therefore not included in the Framework. As there was still a need for their provision and citizens have continued to choose these providers, spot contracting arrangements have been used. There have also been a number of new providers enter the market that have been unable to join the Framework. In order to make use of their provision, spot contracts have been required. This puts additional pressure on the council in terms of managing the process. Although citizens are able to access direct payments for provision, it is reported by operational colleagues that often citizens do not want this option despite this being offered during the assessment process. This is particularly true of citizens

with a learning disability where there is reported to be a clear preference for a managed account.

Day and evening services are unregulated and providers are not required to be registered with the Care Quality Commission. Providers who are part of the current Framework are subject to contract monitoring from the Contract Performance Care and Support Team which includes the internal Quality Monitoring Framework. Where standards are not maintained, there are a range of measures available to the authority to improve the provider performance and safeguard citizens. Spot contracts are not subject to the same internal quality monitoring processes as Framework Providers which creates a risk to citizens.

By having an Accreditation Process for providers there would be no further need for spot contracting arrangements. All providers would be required to meet the accreditation process that Nottingham City Council will no longer be making placements via spot contracts. If a citizen wishes to use an unaccredited provider they will only be able to do this by utilising a direct payment. An Accredited List will allow new providers to join the list at any time which would enable citizens to benefit from these providers at the earliest opportunity.

Operational colleagues have advised that they are often challenged to find services which are suitable for citizens with complex needs or behaviour which challenges. A procurement method which is flexible and allows Nottingham City Council to capture all capacity within the market is therefore necessary.

The specification for the services will maintain the current commitment to creating a broad spectrum of provision in order to meet the diverse needs of our citizens.

The accreditation process will include measures to ensure that citizens are being safeguarded, for example all providers will need to provide copies of their safeguarding policies and confirmation of the use of DBS checks. Citizens accessing a service from the Accredited List will be assured that the provider has met the minimum standard to be accepted onto the list and that the service they will receive will be subject to Nottingham City Council's quality monitoring process with regards to the agreed service standards.

The accredited List will enable the council to manage the overall costs of day services as providers will be required to clearly present prices for the services offered (whether session or hourly rates) and this information will be available to citizens when they select services from the list. Indicative prices could be publicised as part of the tenders and tenderers will be encouraged to offer value for money in their tender submissions, while still allowing for the market to self-regulate around this issue.

Other options considered

Do nothing. This is not an option as the Framework is due to end in February 2017 and a new contractual arrangement is required.

Establish another Framework. Citizens who wish to purchase a service from a provider who is not part of the framework would need to utilise a direct payment. An

Accredited List would create more choice for citizens and flexibility for us to add new providers as they enter the market.

28 VOLUNTARY AND COMMUNITY SECTOR UPDATE

Dave Robinson, NCVS, gave an update and highlighted the following:

State of Nottingham's Voluntary and Community Sector 2016

- (a) NCVS's State of the Sector Report will be launched in October. Over 100 local groups completed the survey which is a significant amount and gives a good overview of the city's position;
- (b) 41% of respondents reported increasing their income but only 28% reported that their income covered all of their costs. A significant proportion of the sector is unable to satisfy the level of demand for their services. Only 34% of respondents felt confident to describe their organisation's financial situation as stable;
- (c) the impact of austerity is still being felt, and this appears to be disproportionately impacting the specialist medium sized organisations as they have lost grant funding from local and national sources;
- (d) there has been a slowdown in the number of new community organisations, however there has been an increase in groups supporting new and emerging communities to support the increasingly diverse communities in the city;
- (e) there are concerns around provision of infrastructure services to groups. Groups are still coming forward with complex support needs which are in danger of going unmet. Business financial skills, quality systems, impact reporting and contract and investment readiness support are all in demand with minimal specialist provision available;

NCVS's Strategic Plan

- (f) the strategy for 2016-19 centres on 5 strategic objectives:
 - to provide services and support that enables the VCS to grow its capacity and capability;
 - to increase the scale, scope, quality and impact of volunteering in Nottingham;
 - to provide a strong, strategic voice for the VCS;
 - to work in partnership with other VCS organisations to enable the more effective delivery of services;
 - to be a more effective and financially sustainable organisation;
- (g) NCVS plans to change its trading offer, as it already attracts organisations from neighbouring counties;
- (h) after discussion, NCVS has decided not to sell their city-centre building, but continue to use it as voluntary sector hub with incubation spaces for smaller

organisations as well as renting spaces for other organisations to make an income.

RESOLVED to note the update

29 WORK PROGRAMME

RESOLVED to note the Work Programme and note that the meeting on 12 October 2016 has been cancelled

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COMMISSIONING AND PROCUREMENT SUB-COMMITTEE – 16 November 2016

Subject:	NOTTINGHAM CITY COUNCIL PROCUREMENT PLAN 2016 - 21		
Corporate Director(s)/ Director(s):	Katy Ball, Director of Commissioning and Procurement		
Portfolio Holder(s):	Councillor Alex Norris – Portfolio Holder for Adults and Health		
Report author and contact details:	Jo Pettifor – Category Manager (Strategy and People) Tel: 0115 8765026 Email: jo.pettifor@nottinghamcity.gov.uk		
Key Decision	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Subject to call-in
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons:	<input type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision
			<input type="checkbox"/> Revenue <input type="checkbox"/> Capital (N/A – nil value)
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total value of the decision: nil			
Wards affected:	Date of consultation with Portfolio Holder(s): 20 October 2016		
Relevant Council Plan Key Theme:			
Strategic Regeneration and Development			<input checked="" type="checkbox"/>
Schools			<input checked="" type="checkbox"/>
Planning and Housing			<input type="checkbox"/>
Community Services			<input checked="" type="checkbox"/>
Energy, Sustainability and Customer			<input checked="" type="checkbox"/>
Jobs, Growth and Transport			<input checked="" type="checkbox"/>
Adults, Health and Community Sector			<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years			<input checked="" type="checkbox"/>
Leisure and Culture			<input checked="" type="checkbox"/>
Resources and Neighbourhood Regeneration			<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
This report presents the Nottingham City Council Procurement Plan for 2016 – 2021 which sets out the Council's planned programme of procurement activity for all goods, works and services over this five year period. The Plan is attached at Appendices 1- 3. The outcomes of procurement activity undertaken during 2015/16 were reported in the 'Procurement Strategy Implementation Update' report in July 2016. A key achievement during this year was that out of the £243m contracts awarded £184m was invested into the local economy through contracts awarded to local suppliers; 76% of the total value of contracts awarded in the year.			
Exempt information:			
None			
Recommendation(s):			
1 To note the Nottingham City Council Procurement Plan 2016 – 2021.			
2 To note that the Procurement Plan is indicative of planned procurement activity and timescales, which may be subject to change dependent on the outcomes of the strategic commissioning process, service budgets and priorities and the full consideration of procurement options for each requirement.			
3 To note that the outcomes of procurement activity undertaken in accordance with the Plan during 2016/17 will be reported at the end of the year.			

1 REASONS FOR RECOMMENDATIONS

1.1 The Procurement Plan supports compliance with the Public Procurement Regulations and the Contract Procedure Rules of the Council's Financial

Regulations by enabling procurement activity to be planned and undertaken within the duration of existing contracts. This minimises the need for dispensation from the Financial Regulations to be sought to extend contracts beyond their expiry date without formal tendering being undertaken, other than in genuinely exceptional circumstances. This is particularly important in relation to goods and services that are subject to the full application of the European Procurement Directives

1.2 The Procurement Plan is a key mechanism in the implementation of the Nottingham City Council Procurement Strategy 2014-17, enabling the planning of procurement activity to deliver the Council's strategic priorities:

- Grow the local economy
- Drive increased local job opportunities for local people
- Deliver effective value for money for our citizens
- Lead as an Early Intervention City
- Lead as a Green City

1.3 The Procurement Plan supports compliance with the Public Procurement Regulations and the Contract Procedure Rules of the Council's Financial Regulations by enabling procurement activity to be planned and undertaken within the duration of existing contracts. This minimises the need for dispensation from the Financial Regulations to be sought to extend contracts beyond their expiry date without formal tendering being undertaken, other than in genuinely exceptional circumstances. This is particularly important in relation to goods and services that are subject to the full application of the European Procurement Directives.

1.4 The Procurement Plan provides information for internal and external stakeholders about planned procurement activity and presents a clear, transparent and robust process of procurement planning. It facilitates joint working with partner organisations and collaboration in procurement activity. It allows other service departments (such as Legal Services) to include support for procurement activity in their work plans.

1.5 The Procurement Plan supports the Council's commercialisation agenda by enabling potential 'Make or Buy' opportunities to be identified in a timely way in advance of existing contracts being due for renewal. It facilitates the forward planning of 'Make or Buy' considerations by the Make or Buy Panel.

1.6 The Procurement Plan informs provider markets about forthcoming opportunities to bid for contracts with the Council; enabling potential suppliers to prepare for these and enabling market development support to be offered.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 A Procurement Plan was first developed to align the planning of procurement and contracting activity for commissioned services with the Strategic Commissioning Intention (SCI) Review programme. The Plan was first reported to Executive Commissioning Sub Committee at its meeting on 23 May 2012. It has subsequently been updated regularly and routinely reported to Committee.

2.2 A copy of the Procurement Plan 2016 – 2021 is attached at Appendices 1- 3. It presents planned and anticipated procurement activity across the Council; showing the expected commencement and completion dates and anticipated key stages for

each project. The format of the Plan is based on the three procurement categories established within the Procurement Team through the recent review of the Strategy and Commissioning Directorate. These are:

- 'People' - commissioned services for citizens, including: social care and support for vulnerable adults and children, Community, Public Health and education services;
- 'Places' – including: major projects, minor works, highways, school capital works, safety and compliance, operator services and temporary structures;
- 'Products' – including: transport, energy, waste, environmental services, professional services, ICT, soft facilities management and business support.

2.2 The Procurement Plan is indicative of anticipated procurement activity and may be subject to change, for example based on the outcome of commissioning decisions or due to changes to service budgets and service priorities. The procurement options for each requirement are considered as part of the commissioning process based on a number of factors, including whether the services are required in future, whether remodelling is necessary, consideration of 'Make or Buy' options, compliance with the Council's financial regulations and Public Procurement Regulations, and the overall risks, costs and benefits of tendering. All procurement activity is planned in accordance with the core principles of the Nottingham City Council Procurement Strategy 2014-17:

- Economic, social and environmental well-being;
- Maximising savings;
- Citizen focus;
- Governance, fairness and transparency;
- Partnership and collaboration;
- Innovation and improvement.

2.3 The outcomes of procurement activity undertaken during 2015/16 in accordance with the Procurement Plan were reported in the 'Procurement Strategy Implementation Update' report in July 2016. A key achievement during this year was the investment of £184m into the local economy through contracts awarded to local suppliers; this represents 76% of the total value of contracts awarded in the year.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 Do nothing. This would impact on the planning of the Council's procurement activity across all goods, works and services. It would risk non-compliance with the Council's Contract Procedure Rules and Financial Regulations through contracts needing to be extended beyond their expiry date due to procurement activity not being undertaken in a timely way. In relation to commissioned services it would impact on the alignment of procurement activity with the programme of Commissioning Reviews undertaken within the Strategy and Commissioning Directorate. For these reasons, this option was rejected.

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

4.1 The recommendations of this report do not have any specific financial implications.

4.2 As each element of the Procurement Plan set out in Appendices 1- 3 is undertaken, separate approvals will be required by the relevant Board or Portfolio Holder decision as appropriate.

4.3 This approval will include the appropriate financial implications and recommendations ensuring budget availability and aligning any procurement savings already captured as part of the Medium Term Financial Plan (MTFP).

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

5.1 The Council's Contract Procedure Rules and Financial Regulations and European Procurement Regulations dictate that the Council should undertake a formal tender process for the award of contracts of a particular value. The Procurement Plan addresses the risk of non-compliance with these Regulations by providing a tool for planning procurement activity across all contracts based on their expiry date.

5.2 The Procurement Plan sets out an ambitious programme of procurement activity for the Council across all categories of goods, works and services. Planned procurement activity includes the re-tendering of existing contracts prior to expiry, alongside anticipated procurement to meet new priorities identified through the strategic commissioning process. The delivery of this programme of activity depends upon the necessary resources being available. The number of tenders actually undertaken will be dependent on the outcomes of the commissioning process for each requirement (including the consideration of procurement options and implications) and will be subject to decision making through the commissioning process.

5.3 Legal Comments: The Legal Services Team will provide support and contribute to the delivery of the Procurement Plan by advising on relevant legislation, legal and commercial risks, compliance with the City Council's Constitution and drafting and approving of contract documents.

6 SOCIAL VALUE CONSIDERATIONS

6.1 The Nottingham City Council Procurement Strategy 2014-17 sets out how procurement will drive the Council's key priorities of economic growth, social value and sustainability. It outlines how procurement will contribute to the economic, social and environmental well-being of the City through consultation, supporting the local economy, social benefits and protecting the environment.

6.2 For each procurement process, consultation will be undertaken and full consideration will be given to how the goods, works or services procured could improve economic, social and environmental well-being in Nottingham, in accordance with the Public Services (Social Value) Act 2012. Social value considerations will be made throughout the procurement process to ensure opportunities are maximised to improve the wellbeing of the City and its citizens. In relation to commissioned services for vulnerable adults and children, social improvements are expected for those receiving services.

6.3 Procurement activity undertaken in accordance with the Procurement Plan will support the implementation of the Council's Business Charter, through the inclusion within eligible contracts of relevant contract specific requirements and targets based on the principles of the Charter. To maximise the economic, social and environmental benefits delivered from each contract, the contract

requirements and targets will be developed in each case as appropriate and proportionate to the contract being procured.

- 6.4 A Procurement Project Register is maintained as a mechanism to monitor the outcomes of procurement activity undertaken, in particular progress against the key economic, social and environmental targets within the Procurement Strategy.

7 REGARD TO THE NHS CONSTITUTION

- 7.1 This is considered where appropriate for relevant service areas.

8 EQUALITY IMPACT ASSESSMENT (EIA)

- 8.1 An EIA is not required because this report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about the implementation of policies developed outside of the Council.

9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

- 9.1 None

10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

- 10.1 Quality and Commissioning Procurement Plan Report – Executive Board Commissioning Sub-Committee, 23 May 2012.
- 10.2 Nottingham City Council Procurement Strategy 2014-17
- 10.3 Procurement Strategy Implementation Update - Report to Commissioning and Procurement Sub Committee, 13 July 2016

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

- 11.1 Andrew James, Team Leader Contracts and Commercial, Legal Services
- 11.2 Darren Revill, Senior Commercial Business Partner, Commercial Finance

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**COMMISSIONING AND PROCUREMENT SUB-COMMITTEE – 16 November
2016**

Subject:	Extension of Health Visitor and School Nursing Contracts		
Corporate Director(s)/ Director(s):	Alison Challenger: Director of Public Health Katy Ball: Director of Procurement and Commissioning		
Portfolio Holder(s):	Councillor Alex Norris: Portfolio Holder for Adults and Health		
Report author and contact details:	Chris Wallbanks: Strategic Commissioning Manager chris.wallbanks@nottinghamcity.gov.uk 0115 8764801 Rachel Doherty: Lead Contract Manager rachel.doherty@nottinghamcity.gov.uk 0115 8765108 Helene Denness: Consultant in Public Health Helen.denness@nottinghamcity.gov.uk 0115 8765955		
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 £1,000,000 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
Total value of the decision: £11,001,675			
Wards affected: All	Date of consultation with Portfolio Holder(s): 28 October 2016		
Relevant Council Plan Strategic Priority:			
Cutting unemployment by a quarter			<input type="checkbox"/>
Cut crime and anti-social behaviour			<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input type="checkbox"/>
Help keep your energy bills down			<input type="checkbox"/>
Good access to public transport			<input type="checkbox"/>
Nottingham has a good mix of housing			<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input type="checkbox"/>
Support early intervention activities			<input checked="" type="checkbox"/>
Deliver effective, value for money services to our citizens			<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
This report seeks approval to extend the contracts of three existing public health services and to issue a direct award to another service for 1 year whilst they are re-shaped for 2018. Details of the services are within exempt Appendix 1. These extensions will provide stability to the services for one year, during which time a re-procurement process will take place which will offer an opportunity for a provider to innovate, free from historic divisions between services, in order to provide services that are more streamlined and responsive to the needs of children and their families and that make more efficient use of resources.			
Exempt information:			
Appendix 1 is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial affairs of a particular person (including the authority holding that information) and having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it is commercially sensitive and may jeopardise contract negotiations.			

Recommendation(s):
1. To approve the extension of the Public Health contracts listed in the exempt Appendix 1, for up to 1 year from 1 April 2017 – 31 March 2018, at a cost not exceeding their current contract values.
2. To approve dispensation from sections 5.1.1 and 5.1.2 of the Council's Contract Procedure Rules, in accordance with section 3.29 of the Council's Financial Regulations, in respect of the Public Health contracts indicated in exempt Appendix 1. The Chief Finance Officer has been consulted on and agrees to this request. The Portfolio Holder for Resources and Neighbourhood regeneration will be consulted before the meeting, and this will be confirmed at the meeting.
3. To approve the issuing of a direct award to Nottingham CityCare Partnership for the Children's Public Health Nutrition Service from 1 April 2017-31 March 2018, at a cost of £79,000
4. To delegate authority to the Director of Public Health in consultation with the Portfolio Holder of Adults and Health, to agree the final values and award contracts for the services listed in exempt Appendix 1, providing these do not exceed their current values.
5. To delegate authority to the Head of Contracting and Procurement to sign the final contracts and contract extensions in respect of all services detailed in exempt Appendix 1, following approval by the Director of Public Health to the agreed contract awards.
6. To approve the budget to support the contractual values set out in exempt Appendix 1. If the contractual values are over and above current indicative values a separate report will be presented for approval.

1. REASONS FOR RECOMMENDATIONS

- 1.1 Extending the contracts listed in exempt Appendix 1, for one year will ensure that access to essential public health services and the continuity of service provision is maintained for children and families whilst the Child Development Strategic Commissioning Review work is completed and recommendations arising from review work during 2017/18 are implemented in a timely manner.
- 1.2 The Child Development Review Team has reviewed these commissioned services and recommended that one integrated service be procured in order to allow the provider to develop an innovative and flexible approach to delivering the existing functions which is free from historic service divisions and offers the opportunity for a more efficient and streamlined service, responsive to the needs of children and their families.

2. BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The exempt appendix contains details of three public health contracts which are currently due to end 31 March 2017. It details the current contract values and provides a rationale for extending the services until the end of March 2018.
- 2.2 It also contains details of the children's elements of the former 'Public Health Nutrition Service'. It is proposed that the children's and the adults' functions within the current Public Health Nutrition Service are disaggregated in order to incorporate the children's elements into the integrated children's service specification which will be procured in 2017/18. This will necessitate a temporary service specification for a one year period

- 2.3 Negotiations will take place with the current Provider of services to ensure that the best value possible is obtained in respect of the extensions. It is proposed that following these negotiations, the Director of Public Health be given the authority to agree the final contract values (in consultation with the Portfolio Holder for Adults and Health), provided that these do not exceed the 2016/17 budgets.
- 2.4 Contract performance will be monitored closely throughout the year to ensure that the services are delivered effectively and best value is obtained
- 2.5 Under the provisions of the Health and Social Care Act (2012) Nottingham City Council (NCC) has a statutory responsibility to commission a range of public health services that improve and protect the health of citizens.
- 2.6 The services listed in exempt appendix 1 are Health Visiting, the Family Nurse Partnership (FNP), Public Health Nursing 5-19 and the Children's Public Health Nutrition Team. Commissioning responsibilities for the 0-5 children's public health services transferred to the local authority in October 2015, whilst the responsibility for commissioning the Public Health Nursing Service 5-19 has been with the Local Authority since April 2013.
- 2.7 Health Visitors: Health Visitors are a workforce of specialist community public health nurses who provide expert advice and support to families with children in the first years of life, and help parents make decisions that affect their family's future health and well-being. The Department of Health has issued regulations mandating the delivery of the child health reviews undertaken by this service.
- 2.8 Giving every child the best start in life is crucial to reducing health inequalities across the life course. The foundations for virtually every aspect of human development – physical, intellectual and emotional – are set in place in early childhood. What happens during these early years (starting in the womb) has lifelong effects on many aspects of health and well-being, educational achievement and economic status. Universal and specialist public health services for children are important in promoting the health and wellbeing of all children and reducing inequalities through targeted intervention as and when need is identified and on an on-going basis for more complex or vulnerable children and families
- 2.9 Family Nurse Partnership: The FNP is a licensed, evidenced based, intensive nurse-led prevention and early intervention programme for vulnerable first time young parents (19 years and under) and their families. It provides a structured programme, delivered to young parents from 16 weeks pregnancy until the child is two years old through intensive home visiting using well tested theories and methodologies. The Family Nurses who deliver the programme receive extra training to equip them for the new role. The programme is seen as an integral part of maternity, new born and early years provision working in close partnership with health and social care and supports the delivery of the Healthy Child Programme, an evidence-based national framework for 0-19s, delivering a targeted resource as part of the Universal Partnership Plus provision.

- 2.10 The FNP service is not a universal health offer and in Nottingham City the capacity of the programme allows approx. 40% of all eligible women to access. Teenage Pregnancy Midwives and Specialist Health Visitors support those women who do not access FNP.
- 2.11 The purpose of the FNP is to reduce the impact of multiple deprivation and improve the short and long term health and well-being outcomes of children born to vulnerable young first time mothers, reducing the short and long term costs of caring for these children and families.
- 2.12 In all cases contract negotiations will be undertaken with a view to ensuring the best value possible is obtained through improving all quality indicators: efficiency, effectiveness, accessibility, acceptability and ensuring equitable access. In light of the Government Spending Review the need to achieve maximum efficiency and effectiveness is a commissioning priority. These short term extensions will ensure the City Council is not committed to long term contractual arrangements which may prevent the required savings being achieved. Contract performance will be monitored closely throughout the year to ensure that services are delivered effectively and best value is obtained.
- 2.13 Public Health Nursing 5-19: The Public Health Nursing Service provides a specialist public health service to all children and young people (aged 5 – 19 years) resident in Nottingham City or attending City schools. There are 57,200 Nottingham citizens in this age group. The nurses work with other professionals to support schools in developing health reviews at school entry and key transitions, managing pupils' wellbeing, medical and long-term conditions and needs and developing schools as health-promoting environments. This service is the only independent access to health and social services for children and young people.
- 2.14 The Public Health Nursing Service 5-19, delivers the 5-19 elements within the Healthy Child Programme. Effective implementation improves a range of public health outcomes including improved sexual health, reduced numbers of teenage pregnancies, healthy diet and exercise, improved educational outcomes, smoking prevention and cessation, alcohol and substance use prevention and awareness and improved emotional health and wellbeing
- 2.15 Public Health Nutrition Team: The Nutrition team currently promote healthy eating and good nutrition through delivery of practical and interactive courses for adults and children that show people how easy and inexpensive it can be to eat well. Registered dietitians and nutritionists also provide nutrition expertise to support workers and volunteers, for example, through interpreting national guidance into practical advice and through provision of high quality nutrition and healthy eating training and resources.
- 2.16 The Healthy Lifestyles Strategic Commissioning Review, reviewed this service along with a number of other services and recommended that the functions be disaggregated in order for the children's element to be considered within the wider integration agenda. The funding allocated to this function is detailed within exempt Appendix 1. It is therefore necessary to develop a one year specification for the service and issue a direct award to the existing provider to

maintain its stability before it is incorporated into the broader integrated specification.

3. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Do nothing. This option was rejected as this would mean that existing contracts for these services would expire in March 2017, leaving the city without essential public health services. Two of the contracts listed in the exempt appendix deliver mandatory aspects of the Healthy Child Programme.
- 3.2 Re-procuring all services immediately for new contracts to commence in April 2017. This option was rejected as it would allow insufficient time to explore the potential benefits and enhanced efficiencies of integrating children's services and other partnership delivery models. It is essential that procurement is not undertaken before the long term strategy for all services detailed in the exempt appendix is agreed. Extending current activity for one year will enable service delivery and value for money benefits arising from the commissioning reviews to be realised as quickly as possible. It will also avoid the risk of destabilising current health services and reducing the quality of current provision to citizens.
- 3.3 De-commissioning the children's function of the Public Health Nutrition Team until the broader integrated service specification is ready to be procured in 2017/18 risks the disintegration of an expert team and a valuable service to our families and the workforce. For this reason, this option was rejected.

4. FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 The maximum cost of these contracts (one year only) is detailed in exempt Appendix 1.
- 4.2 For the three existing contracts approval is given to award the contract up to its current annual cost. For the Children's Public Health Nutrition Team contract approval is given to award the contract up to £79,169. Any increase in contract value above these levels will require further approval to be gained through the appropriate process.
- 4.3 Contract performance will be closely monitored to ensure the outcomes align to the City Councils framework to achieve value for money and deliver on the principles of economy, efficiency and effectiveness.
- 4.4 The decision will align contract expiry dates and gives an opportunity to increase the integration of the services and explore options for delivery and maximise use of resources

5. LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 Procurement Comments: The proposed contract extensions and direct contract award will enable continuity of services while a new integrated model of provision is procured in accordance with the findings of the Child Development Review. The Procurement Team will support this process by

undertaking a fully compliant procurement process, in accordance with the requirements of EU and UK Procurement Regulations and the Council's Financial Regulations and Contract Procedure Rules. The re-commissioning activity and transition to new contractual arrangements should be completed in a timely way to avoid the need for further extensions to these contracts. Detailed legal advice is included in the Exempt Appendix.

6. SOCIAL VALUE CONSIDERATIONS

- 6.1 The contracts listed in the exempt appendix are essential public health services that improve the health and wellbeing of both children and adults. However the possibility for creating additional social value (for example generating employment and training opportunities) will be considered as part of the procurement process.

7. REGARD TO THE NHS CONSTITUTION

- 7.1 Local authorities have a statutory duty to have regard to the NHS Constitution when exercising their public health functions under the NHS Act 2006. In making this decision relating to public health functions, we have properly considered the NHS Constitution where applicable and have taken into account how it can be applied in order to commission services to improve the health of the local community.

8. EQUALITY IMPACT ASSESSMENT (EIA)

- 8.1 Equality Impact Assessments will be undertaken as required to inform the review process, prior to the re-procurement of these services.

9. LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

- 9.1 None

10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

- 10.1 Health and Social Care Act (2012)
- 10.2 Healthy Child Programme (2009)
- 10.3 Department of Health (2014). Local Authority Circular: Public Health Ring-Fenced Grant Conditions – 2015/16.

11. OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

- 11.1 Rachel Doherty: Lead Contract Manager.
- 11.2 Helene Denness: Consultant in Public Health.

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