



NOTTINGHAM CITY COUNCIL
COMMISSIONING AND PROCUREMENT SUB-COMMITTEE

Date: Wednesday, 15 February 2017

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: Kate Morris, Governance Officer **Direct Dial:** 01158764353

AGENDA

Pages

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| 1 | APOLOGIES FOR ABSENCE | |
| 2 | DECLARATIONS OF INTEREST | |
| 3 | MINUTES To confirm the minutes of the meeting on 11 January 2017 | 3 - 6 |
| 4 | VOLUNTARY AND COMMUNITY SECTOR UPDATE | Verbal |
| 5 | CRIME & DRUGS PARTNERSHIP CONTRACT APPROVAL 2017/18 - KEY DECISION Report of Director of Commissioning & Procurement, Director Public Health, Director of Strategy & Policy | 7 - 10 |
| 6 | CHILD AND ADOLESCENT MENTAL HEALTH SERVICES (CAMHS) TIER 2 SECTION 75 AGREEMENT - KEY DECISION Report of Director of Procurement and Commissioning, Director of Children's Integrated Services | 11 - 18 |
| 7 | ADDITIONAL MEETING DATE To consider meeting at 2pm on Wednesday 12 April 2017 | |

- 8 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.
- 9 CRIME AND DRUGS PARTNERSHIP CONTRACT APPROVAL - KEY DECISION - EXEMPT APPENDICES** 19 - 28
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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 LB 31 - Loxley House, Station Street, Nottingham, NG2 3NG on 11 January 2017 from 14.05 - 14.25

Membership

Present

Councillor Dave Trimble (Chair)
Councillor Jon Collins

Absent

Councillor Alex Norris
Councillor Nicola Heaton
Councillor David Mellen
Councillor Jane Urquhart

Colleagues, partners and others in attendance:

| | |
|------------------|--|
| Katy Ball | - Director of Procurement and Children's Commissioning |
| Ruby Bhattal | - Head of Communications and Marketing |
| Alex Cox | - Commercialisation and Contracts Manager |
| Marie McGlinchey | - Design and Print Management |
| Jules Sebelin | - NCVS |
| Zena West | - Governance Officer |

Call-in

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until [insert date]

45 CHAIRING ARRANGEMENTS

In the absence of the Chair and Vice-Chair, Councillor Trimble chaired the meeting.

46 APOLOGIES FOR ABSENCE

Councillor Nicola Heaton – personal
Councillor David Mellen – other council business
Councillor Alex Norris – other council business
Councillor Jane Urquhart – work commitments

Maria Ward (Nottingham Community and Voluntary Services)

47 DECLARATIONS OF INTEREST

None.

48 MINUTES

The minutes of the meeting held on 14 December 2016 were agreed as a correct record and signed by the Chair.

49 VOLUNTARY AND COMMUNITY SECTOR UPDATE

Jules Sebelin, Nottingham Community and Voluntary Service (NCVS), updated the Sub Committee on the Voluntary and Community sector, as per the update sheet circulated with the minutes.

Jules also advised the Sub Committee that the Cooperative Bank appear to be threatening account closure for organisations with asylum seekers on their boards. NCVS is directing these organisations towards legal help and investigating the issue further.

Katy Ball, Director of Procurement and Children's Commissioning, expanded on the Council's use of Social Investment for projects to support children in care. With the expansion of "payment by results" funding models, the risk is with the supplier – even if the project is not successful through no fault of their own, they will not get paid. With Social Investment, the funding comes from elsewhere (such as Big Lottery funding) and the risk is with the investor – the provider will still get paid.

RESOLVED to thank Jules Sebelin for the update and note its contents.

50 NOTTINGHAM CITY COUNCIL PRINTING FRAMEWORK - KEY DECISION

Ruby Bhattal, Head of Communications and Marketing, presented a report on the printing framework, highlighting the following points:

- (a) the last time the printing framework was renewed was in April 2014 and this is due to expire at the end of March 2017. A new framework needs to be in place beyond then to be compliant with EU legislation. One positive is the reduction in cost through the existing framework due to a reduction in the items printed; some things still require printing though, such as signage;
- (b) there is an opportunity to integrate additional requirement that weren't included at the last framework, and Nottingham City Homes print requirements are also being incorporated. Jobs will be offered as smaller lots so that smaller businesses can bid as well;
- (c) the new framework will also serve to remind Nottingham City Council colleagues that we have central print and all print requirements should be procured through that;
- (d) it is a 4 year framework, but with no obligation or penalty.

RESOLVED to:

- (1) undertake an EU compliant tendering process for the procurement of a multi-supplier framework for print services, through the council's tendering system, noting that this framework is for four years and has an estimated value of £2,400,000;**

- (2) delegate authority to the Corporate Director for Strategy and Resources/Assistant Chief Executive to approve the outcome of the tendering process and delegate the formal award of the contracts to the Head of Service for Communications and Marketing.**

Reasons for decision

- (1) This council wide print framework will continue to seek to include the requirements of Nottingham City Homes together with print requirements across the City Council. A single corporate print framework will facilitate the overall embedding of the corporate standard for print across the Council and reduce print production where possible;
- (2) The procurement process has the potential to increase opportunities for local suppliers as far as the procurement rules allow. The framework is to be divided into a number of lots for differing printing requirements. This is a method of making the requirement more attractive to small and medium, enterprises (SMEs) and is an important focus in the new EU Procurement Directive as a preferred procurement route.

Other options considered

There is an option to extend the current contract, but this would not provide a solution for bus literature or vehicle graphics. In addition some of these suppliers on the existing framework have gone into administration and therefore there is not enough resilience to sustain all services through the existing framework for a further two years (the extension period). Therefore this option was rejected.

51 DEBT MANAGEMENT SYSTEM - KEY DECISION

Alex Cox, Commercialisation and Contracts Manager, presented a report on procuring a new debt management system, highlighting the following points:

- (a) the report seeks authority to procure a new debt management system behind penalty charge notices. A new system gives an opportunity to integrate into the Firm Step system, so that citizens can access details online, pay online and challenge online if needs be;
- (b) the report also seeks authority to procure or lease associated hardware, such as handheld devices and printers;
- (c) contained within the contract is a replacement programme for bus lane enforcement cameras;
- (d) Nottingham City Council currently administer Leicester City Council's bus lane enforcement programme. The new contract will allow us to expand this offer if we would like to other areas. Firm Step has the ability to integrate with other councils' systems.

RESOLVED to:

- (1) go out to tender for a debt management system and hardware up to the total value set out in the exempt appendix to the report;**
- (2) delegate authority to the Corporate Director of Commercial and Operations, to authorise the winning provider resulting from the tender process and to enter into a contract for the provision of a new debt management system and associated equipment.**

Reasons for decision

- (1) The current contract is due to expire in January 2017.
- (2) The current need to tender for a new system has offered the opportunity to review the system requirements for the future and to work across the department to develop a system that automates the PCN process. The department is also taking the opportunity to require the integration of the new system with the Council's Firm Step CRM software and offer a more customer focused approach.
- (3) Authority is required in accordance with Councils constitution to award the contract to the winning provider.

Other options considered

Not to complete a competitive re-tender process. If Nottingham City Council does not re-tender, it will be out of contract. Due to the value of the project a competitive tender procedure is required in accordance with EU procurement regulations. For this reason, this option was rejected.

52 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining items in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, as defined in paragraph 3 of part 1, Schedule 12A of the Act.

53 DEBT MANAGEMENT SYSTEM - EXEMPT APPENDIX

As per item 51, above.

Agenda Item 5
15/02/2017

COMMISSIONING AND PROCUREMENT SUB-COMMITTEE

| | | | |
|--|--|---------------------------|--|
| Subject: | Crime and Drugs Partnership Contract Approval 2017/18 | | |
| Corporate Director(s)/ Director(s): | Katy Ball, Director of Commissioning & Procurement Alison Challenger, Director Public Health Colin Monckton, Director of Strategy & Policy | | |
| Portfolio Holder(s): | Councillor Norris – Portfolio Holder for Adults and Health, Councillor Collins – Portfolio Holder for Strategic Regeneration and Councillor Heaton – Portfolio Holder for Community Services | | |
| Report author and contact details: | Christine Oliver Head of Service Commissioning 01158 765725 Tim Spink, Head of Service Neighbourhood Crime & Justice 0115 8764506 | | |
| 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 type="checkbox"/> Yes <input type="checkbox"/> No |
| Total value of the decision: Up to £11,300,808 | | | |
| Wards affected: All | Date of consultation with Portfolio Holder(s): Councillor Norris - 25/01/17. Consultation with Councillor Chapman regarding dispensation from financial regulations - 01/02/17. | | |
| Relevant Council Plan Key Theme: | | | |
| Strategic Regeneration and Development | | | <input type="checkbox"/> |
| Schools | | | <input type="checkbox"/> |
| Planning and Housing | | | <input type="checkbox"/> |
| Community Services | | | <input checked="" type="checkbox"/> |
| Energy, Sustainability and Customer | | | <input type="checkbox"/> |
| Jobs, Growth and Transport | | | <input 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 type="checkbox"/> |
| Resources and Neighbourhood Regeneration | | | <input type="checkbox"/> |
| Summary of issues (including benefits to citizens/service users): The purpose of this report is to seek delegated authority to the – Director of Commissioning & Procurement to receive and collate grants and other funding, to allocate this Funding to the Crime and Drugs Partnership to act as the accountable body on behalf of grant funders and partners. In addition to grant delegated authority to the Director of Commissioning & Procurement to award funding and to tender, award and extend contracts and to the Head of Procurement and Contracts to sign contracts. | | | |
| Exempt information: Appendices 1, 2 and 3 to the report are exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to commercial confidentiality 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 confidential. Report contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is not in the public interest to disclose this information because it would reveal provisional tender amounts and potentially prejudice any future tender exercise. | | | |

| Recommendation(s): | |
|---------------------------|--|
| 1 | To approve the anticipated receipt and expenditure of the Public Health Grant, Police and Crime Commissioner Grant, NCC and partner contributions by the CDP in 2017/18 as set out in exempt appendix 1. |
| 2 | To delegate authority to the Director of Commissioning & Procurement to allocate anticipated funds for the above expenditure and to secure best value for Nottingham citizens. As set out in exempt appendix 1. |
| 3 | To approve dispensation from Contract Procedure Rule 5.1.2 in accordance with Financial Regulations 3.29 in respect of the direct award of those contracts identified in exempt appendix 2 to ensure continuity of specialist services. |
| 4 | To approve dispensation from Contract Procedure Rule 5.1.1 in accordance with Financial Regulation 3.29 in respect of the direct award of those contracts identified in exempt appendix 2 and 3 to ensure continuity of specialist services. |
| 5 | To approve tender of contracts as set out in exempt appendix 3. |
| 6 | To delegate authority to the Director of Commissioning & Procurement to approve the outcomes of tenders and award contracts to secure best value for Nottingham Citizens as set out in exempt appendix 3. |
| 7 | To delegate authority to the Head of Procurement and Contracts to sign contracts arising from the tender process once the tender outcome is agreed (exempt appendix 3) and to sign extensions of contracts in exempt appendix 2. |

1 REASONS FOR RECOMMENDATIONS

- 1.1 To ensure the Public Health, Police and Crime Commissioner, Nottingham City Council and partner contributions funding allocations are utilised to commission and contract with services in an appropriate way and in accordance with the correct legalisation.
- 1.2 To allow for relevant and necessary commissioning activity to continue in order to maintain service provision for the citizens and meet identified local need
- 1.3 To enable timely contract variations, extensions and allocations to be made to services in order to deliver continuation of services in 2017/18.
- 1.4 To allocate funding to deliver the required savings across the Public Health and Police and Crime Commissioner funding streams in 2017/18.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 Indicative unconfirmed allocations to the CDP for 2017/18 are set out in exempt appendix 1.
- 2.2 Exempt appendix 1 also sets out anticipated expenditure for the CDP for 2017/18.
- 2.3 Exempt appendix 2 sets out those services where direct award of contracts is proposed in 2017/18. The table sets out current contract values of services where direct award is requested.
- 2.4 Exempt appendix 3 sets out services to be tendered in 2017/18 and anticipated contract values.
- 2.5 Consultation will be undertaken as part of any tender set out in exempt appendix 3.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 To competitively tender those services set out in exempt appendix 2. This is not considered an option due to the specialist nature of the services provided and interdependencies with other funding sources and broader contracts.
- 3.2 To cancel the provision of the services. This is not considered an option due to the impact on the Crime & Drug Partnership overall aims to reduce substance misuse.

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

- 4.1 The anticipated value of the Public Health Grant, Police & Crime Commissioner Grant, Nottingham City Council, and partner contributions funds totals £11,300.808 in 2017/18 as outlined in exempt appendix 1.
- 4.2 The proposals outlined in exempt appendix 1 allow for savings to be delivered in 2017/18 which align to the requirements of the Medium Term Financial Plan (MTFP). Plans would need to be revised accordingly if funding differs from that anticipated.
- 4.3 Dispensation from financial regulations 3.29 and contract procedure rule 5.1.2 is supported for this service by the Chief Financial Officer.
(Dee Fretwell - Commercial Business Partner - 16/1/2017)

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

- 5.1 The proposal to dispense from financial regulations Contract Procedure Rule 5.1.2 (operational reasons) in order to direct award the contracts listed in Appendix 2, and the proposal to dispense from financial regulations Contract Procedure Rule 5.1.1 (operational reasons) for the services for Male IDVA, Contribution to BBV and Contribution to Specialist Midwife Team as listed in Appendix 2, are compliant with financial regulations. The rationale for direct awards are described in Appendix 2, all of which are below the applicable financial threshold for this type of health and social services (light touch regime services) and therefore, the proposal is fully supported from a procurement perspective.
- 5.2 This report raises no significant legal issues in addition to those comments from the Procurement team in para 5.1 above. However the City Council must ensure it complies with the partnership funding agreements with the CCG and PCC when commissioning services and awarding contracts. Where contracts are being extended without a tender the City Council must still secure best value from the providers.

6 SOCIAL VALUE CONSIDERATIONS

- 6.1 Recommendations have been considered in line with the Public Services (Social Value) act 2012. All services within this report aim to improve the social wellbeing of the client groups they target.

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 the 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.

8 EQUALITY IMPACT ASSESSMENT (EIA)

- 8.1 An EIA is not required either because this decision applies to the extension of services for which there is an existing EIA, or because an EIA will be undertaken separately for each tender exercise.

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 None

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

- 11.1 Lucy Putland, Commissioning Manager CDP – 0115 8765732
- 11.2 Tim Clark, Financial Analyst CDP - 0115 8762711
- 11.3 Julie Herrod, Lead Procurement Officer - 0115 8763563
- 11.4 Andrew James, Team Leader Legal Services – 0115 8764431
- 11.5 Dee Fretwell, Commercial Business Partner – 0115 8763711

COMMISSIONING AND PROCUREMENT SUB-COMMITTEE: 15 February 2017

| | | | |
|--|--|---------------------------|--|
| Subject: | Child and Adolescent Mental Health Services (CAMHS) Tier 2 Section 75 Agreement | | |
| Corporate Director(s)/ Director(s): | Katy Ball: Director of Procurement and Commissioning Helen Blackman: Director of Children’s Integrated Services | | |
| Portfolio Holder(s): | Councillor David Mellen: Portfolio Holder for Early Intervention and Early Years Councillor Sam Webster: Portfolio Holder for Education, Employment and Skills 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 Sarah Quilty: Public Health Insight Specialist and Commissioning Lead for Children sarah.quilty@nottinghamcity.gov.uk 0115 8762743 | | |
| 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 £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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Total value of the decision: £1,454,322 p.a. (£728,322 NCC and £726,000 CCG) | | | |
| Wards affected: All | Date of consultation with Portfolio Holder(s): Councillor Mellen – 17/11/2016 Councillor Norris – 01/12/2016 | | |
| Relevant Council Plan Key Theme: | | | |
| Strategic Regeneration and Development | | | <input type="checkbox"/> |
| Schools | | | <input checked="" type="checkbox"/> |
| Planning and Housing | | | <input type="checkbox"/> |
| Community Services | | | <input type="checkbox"/> |
| Energy, Sustainability and Customer | | | <input type="checkbox"/> |
| Jobs, Growth and Transport | | | <input 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 type="checkbox"/> |
| Resources and Neighbourhood Regeneration | | | <input type="checkbox"/> |
| Summary of issues (including benefits to citizens/service users): | | | |
| <p>The Nottingham Tier 2 CAMHS has been managed by Nottingham City Council for a number of years. The funding for this service has been from mainstream Nottingham City Council funding and Nottingham City CCG. The service is fully integrated and has performed well over many years.</p> <p>As part of discussions about the future funding of this service and with integration of other children’s services in mind, the CCG and NCC have been considering options for a future model. This report provides the rationale for funding this service through a Section 75 agreement until the wider integration is completed.</p> <p>The Section 75 agreement should provide a robust framework for managing the service including performance management.</p> | | | |

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 relates to individual post holders and their funding is subject to change, which would mean inaccurate information is being released.

Recommendation(s):

1. Approve the development of a Section 75 Agreement with Nottingham City CCG for the commissioning of Tier 2 Children and Adolescent Mental Health Services (CAMHS) from 1 April 2017, at a cost not exceeding the current expenditure on this service.
2. Approve the budget to support the Section 75 Agreement and the scope of the service included as set out in Exempt Appendix 1. If the future value for the Section 75 Agreement changes to being above the current indicative value, a separate report will be presented for approval
3. Approve the Governance arrangements for the oversight and management of the Section 75 Agreement to be via the Health and Wellbeing Board Commissioning Executive Group
4. Delegate authority to the Director of Commissioning and Procurement in consultation with the Director of Children's Integrated Services to agree the final value for the Section 75 Agreement for Tier 2 CAMHS as listed in Exempt Appendix 1, providing this does not exceed the current expenditure on this service.
5. Delegate authority to the Head of Contracting and Procurement to sign the Section 75 Agreement, following approval by the Director of Procurement and Commissioning and the Director of Children's Integrated Services

1 REASONS FOR RECOMMENDATIONS

- 1.1 The development of a Section 75 Agreement will ensure the Tier 2 CAMHS provides a quality provision to the young people of Nottingham within one service, thus allowing for both health and social care needs to be met through one team.
- 1.2 Nottingham City Council is going to continue to provide the social care element of the Tier 2 CAMHS and will not be out-sourcing this in the near future. Therefore to ensure an integrated service remains in place the NHS funding will need to continue to fund the City Council service.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The importance of child and adolescent emotional and mental health
 - 2.1.1 Good mental and emotional health is essential to enable children and young people to fulfil their potential. Mental and emotional health problems are an important and common group of disorders affecting about 1 in 10 children and young people living in the UK. Mental health is best seen as a continuum, ranging from mental wellbeing, to severe and enduring mental disorders that cause considerable distress and interfere with relationships and daily functioning. Mental health problems in childhood and adolescence are particularly important due to the far reaching consequences on health, social and educational outcomes. Mental health problems, unlike other health problems, tend to start early and persist into and throughout

adulthood. It is recognised that by the age of 14 about half of all lifetime mental health problems start.

2.1.2 The Future in Mind document sets out the vision for children and young people's mental health and recommends the development of Local Transformation Plans for every local area detailing how localities will work towards the vision.

2.2. Future in Mind priorities:

- Promoting resilience, prevention and early intervention: acting early to prevent harm, investing in early years and building resilience through to adulthood.
- Improving access to effective support – a system without tiers: changing the way services are delivered to be built around the needs of children, young people and families.
- Care for the most vulnerable: developing a flexible, integrated system without barriers.
- Accountability and transparency: developing clear commissioning arrangements across partners with identified leads.
- Developing the workforce: ensuring everyone who works with children, young people and their families adopts excellent practice and delivers evidence-based care.
- The Nottingham Tier 2 CAMHS has been managed by Nottingham City Council for a number of years. The funding for this service has been from mainstream Nottingham City Council funding and Nottingham City CCG. The service is a fully integrated Tier 2 CAMHS which has performed well over many years

2.3 The Vision for Nottingham City

2.3.1 The vision is to develop a simplified, responsive and efficient pathway of services that supports and improves the emotional wellbeing and mental health needs of children and young people in Nottingham.

2.3.2 By delivering these priorities, the aim by 2020 is for:

- more young people to have good mental health, including those in vulnerable groups such as children looked after, children subject to child protection plans, children with disabilities and young offenders
- more children and young people with mental health problems to recover
- more children and young people to have a positive experience of care and support
- fewer children and young people to suffer avoidable harm
- fewer children and young people to experience stigma and discrimination

2.4 The Values

- Actively involve children, young people, parents and carers, community groups, clinicians, and partners in everything that we do
- Understand and respond fairly to the changing needs of our diverse population, and will promote equality and address health inequalities

- Continually improve the quality of services through collaborative, innovative and clinically-led commissioning
- Support and encourage the education, training and development of the local workforce
- Secure high quality, cost-effective and integrated services within available resources

2.5 Present Position - In Nottingham City, Children and Adolescent Mental Health Services (CAMHS) are commissioned and provided by a range of organisations. Currently both Nottingham City Council and Nottingham City Clinical Commissioning Group (CCG) fund the Tier 2 CAMHS and the associated Single Point of Access (the gateway for all CAMH Services in the city) with Nottingham City Council hosting the service.

2.6 Rationale

2.6.1 Nottingham City Council is going to continue to provide the social care element of the Tier 2 CAMHS and will not be out-sourcing this in the near future. Therefore to ensure an integrated Tier 2 CAMHS remains in place the NHS funding will need to continue to fund the City Council service.

2.6.2 Maintaining the current arrangement ensures quality services are provided to the young people of Nottingham within one service. This allows for both health and social care needs to be met through one team, reducing the need for transfer to alternative and often costly provision. This can also improve the performance of the service as they are wholly responsible for the delivery of agreed targets.

2.6.3 Management costs have been minimised through integration of the management across health and social care type provision.

2.6.4 By utilising health act flexibilities through a Section 75 agreement the City Council can commission the service on behalf of the CCG. It would be inappropriate for the City Council to undertake a formal tender in order to award the contract directly to its own internal service, therefore benchmarking should be used to determine best value to assure the CCG.

2.6.5 The NHS and local authority can delegate responsibility for commissioning services through a Section 75 agreement.

2.7 Monitoring and Governance

2.7.1 Currently monitoring is limited, but as this service would be managed as part of a Section 75 Agreement, the monitoring will be improved in line with the requirements laid out in the details of the agreement.

2.7.2 It is proposed that the CCG with local authority commissioners develop and agree a set of outcome and performance measures that can be included in the Section 75 Agreement.

- 2.7.3 Performance in relation to the indicators will be reported to the Commissioning Sub-Committee of the CAMHS Executive Board as this is a joint committee involving representation from both commissioning partners.
- 2.7.4 Strategic oversight and decision making in relation to the Agreement itself will be through the Health and Wellbeing Board Commissioning Executive Group. Any failure to provide monitoring information would be a breach of the agreement and relevant sanctions could be imposed upon the provider. These would need to be included in the details of the agreement.
- 2.8 Risk Sharing - The Section 75 Agreement will include appropriate risk sharing arrangements around issues such as budget pressures and reductions.
- 2.9 Management costs have been minimised through integration of the management across health and social care type provision
- 2.10 By utilising Health Act flexibilities through a Section 75 Agreement, the City Council can commission the service on behalf of the CCG. It would be inappropriate for the City Council to undertake a formal tender in order to award the contract directly to its own internal service, therefore benchmarking should be used to determine best value to assure the CCG. The NHS and Local Authority can delegate responsibility for commissioning services through a Section 75 Agreement.
- 2.11 Contract performance will be monitored closely throughout the year to ensure that the services are delivered effectively and best value is obtained.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Do Nothing: There is a risk that as a direct result of not formally joining the Tier 2 CAMHS through a Section 75 Agreement, Nottingham City CCG will withdraw the funding for and go out for re-procurement. There is also a risk that the current Tier 2 CAMHS is only performance- managed from the CCG perspective, even though it is a jointly funded service. This would therefore mean that the local authority would not have oversight of the effectiveness of the service in order to improve outcomes for children and young people. For these reason, this option was rejected.

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

- 4.1 The annual budget for 2016/17 is £1,304,322. 56% is funded by the Nottingham City Council (£728,322) and 44% by Nottingham City CCG (£576,000). From 2017/18, there will be uplift from the CCG of a further £150.000, bringing the contributions of each organisation more in line with each other.
- 4.2 A 'Section 75 agreement' is an established arrangement with regard to pooled budget commissioning arrangements. It gives powers to local authorities and clinical commissioning groups to establish and maintain

pooled funds from which payment may be made towards expenditure incurred in the exercise of prescribed local authority and NHS functions.

- 4.3 The Section 75 will need to include robust governance and risk share arrangements. In particular any agreements in relation to the treatment of any over or under spends, including the risks associated with inflation / efficiency savings targets that may result in net deflator targets to contract values.
- 4.4 Consideration will also need to be given to the additional 'in year' reporting requirements of both financial and non-financial information.
- 4.5 Financial information will be consolidated, resulting in an additional memorandum to the accounts - CCG deadline is usually early April (10th 16/17). Discussion with the audit team is recommended prior to proceeding with any agreement to ensure there is an efficient arrangement in place in order to sign off the accounts.
- 4.6 The host will be responsible for ensuring the VAT arrangements are compliant for both the local authority and CCG. Discussions with the VAT specialists will be required once development is completed.
- 4.7 Further advice to be provided once the Section 75 has been developed.
- 4.8 Advice from Legal would be welcomed in terms of any additional legal requirements over and above points 4.1 - 4.7. It may be worth requesting a comparison from legal in relation to a Section 75 and a Section 256 which allows for a transfer of resources but not functions.

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

- 5.1 A s75 agreement should be used where the CCG and the City Council wish to establish a pooled fund out of which payment may be made towards expenditure incurred in the exercise of prescribed local authority functions and prescribed NHS functions. In comparison a s256 agreement is used where the CCG wishes to provide a contribution for additional local authority spend rather than transfer health functions to the local authority. It enables the CCG to support additional local authority services. The City Council and CCG should discuss and agree which of these two alternative funding arrangements is appropriate for commissioning Tier 2 CAMHS. If it is s75 then prior to entering into the agreement the CCG and the City Council should agree the intended aims and benefits of the agreement – it should demonstrate that it is likely to lead to an improvement in the delivery of those functions. It is also necessary to undertake consultation with stakeholders who are likely to be affected where a s75 agreement is proposed.

6 SOCIAL VALUE CONSIDERATIONS

- 6.1 The Section 75 Agreement is an essential service to improve children and young people's emotional health. However the possibility for creating

additional social value (for example generating employment and training opportunities) will be considered as part of the development of the Tier 2 Service.

7 REGARD TO THE NHS CONSTITUTION

- 7.1 Local authorities have a statutory duty to have regard to the NHS Constitution. In making this decision relating to children's mental health, we have properly considered the NHS Constitution where applicable and have taken into account how it can be applied in order to commission and support services to improve the health of the local community.

8 EQUALITY IMPACT ASSESSMENT (EIA)

- 8.1 An EIA is not required because there are no new services being delivered or changes in policy.

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 Future in Mind (2015) Department of Health

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

- 11.1 Steve Oakley: Head of Contracting and Procurement – 0115 8762836
11.2 Katy Ball: Director of Commissioning and Procurement – 0115 8764814

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