



NOTTINGHAM CITY COUNCIL
COMMISSIONING AND PROCUREMENT SUB-COMMITTEE

Date: Wednesday, 15 March 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

- | | | |
|----------|--|---------------|
| 1 | APOLOGIES FOR ABSENCE | |
| 2 | DECLARATIONS OF INTERESTS
If you need advice on declaring an interest, please contact the Governance Officer above, if possible before the day of the meeting | |
| 3 | MINUTES
To confirm the minutes of the meeting on 15 February 2017 | 3 - 8 |
| 4 | VOLUNTARY AND COMMUNITY SECTOR UPDATE | Verbal Report |
| 5 | RECHARGE TO THE NHS FOR MEDICINE PRESCRIBED THROUGH PUBLIC HEALTH SERVICES - KEY DECISION
Report of the Corporate Director for Children and Adults and Director of Public Health | 9 - 12 |

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 15 February 2017 from 14.02 - 14.21

Membership

Present

Councillor Alex Norris (Chair)
Councillor Dave Trimble

Absent

Councillor Jon Collins
Councillor Nicola Heaton (Vice Chair)
Councillor David Mellen
Councillor Jane Urquhart

Colleagues, partners and others in attendance:

Kaj Ghattaora	- Market Strategy and Development Officer
Bobby Lowen	- Lead Commissioning Manager
Kate Morris	- Governance Officer
Steve Oakley	- Head of Contracting and procurement
Christine Oliver	- Nottingham Crime and Drugs Partnership

Call-in

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until 24 February 2017

54 APOLOGIES FOR ABSENCE

Councillor Jane Urquhart – Leave

Dave Robinson, Nottingham Community and Voluntary Service

55 DECLARATIONS OF INTEREST

None.

56 MINUTES

The minutes of the meeting held on 11 January 2017 were confirmed as a correct record and signed by the Chair.

57 VOLUNTARY AND COMMUNITY SECTOR UPDATE

As apologies from Dave Robinson of Nottingham Community and Voluntary Services were received there was no update from the Voluntary and Community Sector.

58 CRIME & DRUGS PARTNERSHIP CONTRACT APPROVAL 2017/18 - KEY DECISION

Christine Oliver, Head of Service Commissioning presented a report on the Crime and Drugs Partnership Contract Approval 2017/18 highlighting the following points:

- (a) there will be a consultation process undertaken as part of any tender for services;
- (b) the anticipated value of the funds from Public Health and Police and Crime Commissioner grants, alongside Nottingham City Council and partner contributions in 2017/18 is £11,300,808;
- (c) dispensation from financial regulations 3.29 and contract procedure rule 5.1.2 is supported for this service by the Chief Finance Officer.

RESOLVED to:

- (1) approve the anticipated receipt and expenditure of the Police and Crime Commissioner Grant, Public Health Grant, Nottingham City Council and partner contributions by the Crime and Drugs Partnership in 2017/18 as set out in the exempt appendix 1;**
- (2) delegate authority to the Director of Commissioning and 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) 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) approve dispensation from Contract Procedure Rule 5.1.1 in accordance with Financial Regulations 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) approve the tender of contracts as set out in exempt appendix 3;**
- (6) delegate authority to the Director of Commissioning and Procurement to approve the outcomes to tenders and award contracts to secure best value for Nottingham citizens as set out in exempt appendix 3**
- (7) 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.**

Reasons for decision

It will ensure that funding contributions from Public Health, Police and Crime Commissioner, Nottingham City Council and other partners are used to commission and contract services in an appropriate way and in accordance with the correct legislation, alongside delivering the required savings across the Public Health and Police and Crime Commissioner funding streams during 2017/18.

It will also enable the maintenance of service provision for citizens and meet identified local need, as well as enabling timely contract variations, extensions and allocations to be made for services in 2017/18.

Other options considered

There was an option to competitively tender for the services set out in exempt appendix 2. This was not considered to be a viable option due their specialist nature and the interdependencies with other funding sources and broader contracts. There was also the option to cancel the provision of the services which was not considered a viable option due to the anticipated impact on the Crime and Drugs Partnership's overall aims to reduce substance misuse.

59 CHILD AND ADOLESCENT MENTAL HEALTH SERVICES (CAMHS) TIER 2 SECTION 75 AGREEMENT - KEY DECISION

Steve Oakley, Head of Contracting and Procurement presented a report on the Child and Adolescent Mental Health Services (CAMHS) Tier 2 Section 75 Agreement highlighting the following points:

- (a) the Nottingham Tier 2 CAMHS has been managed by Nottingham City Council for a number of years and funding has been from mainstream Nottingham City Council funding and from Nottingham City Clinical Commissioning Group (CCG). The service is a fully integrated Tier 2 CAMHS which has performed well over its life;
- (b) good mental and emotional health is necessary to allow children and young people to achieve their best. Nottingham City wants to develop a simplified and responsive pathway to access services for young people to ensure that they are able to fulfil their potential;
- (c) the Future in Mind document sets out the vision for children and young people's mental health and the priorities include:
 - a. Promoting resilience, prevention and early intervention
 - b. Improving access to effective support
 - c. Development of a flexible integrated system
 - d. Accountability and transparency
 - e. Developing the workforce to adopt excellent practice
- (d) Nottingham City Council aims to develop a simplified, responsive and efficient pathway of services and by 2020 aims for:
 - a. more young people to have good mental health,
 - b. more young people with mental health problems to recover

- c. more young people to have a positive experience of care and support
- d. fewer young people to suffer avoidable harm
- e. fewer young people to experience stigma and discrimination

RESOLVED to:

- (8) approve the development of a Section 75 Agreement with Nottingham City CCG for the commissioning of Tier 2 Children and Adolescent Mental Health Services from 1 April 2017 at a cost not exceeding the current expenditure on this service;**
- (9) approve the budget to support the Section 75 Agreement and the scope of the service included as set out in exempt appendix 1;**
- (10) approve the governance arrangements for the oversight and management of the Section 75 Agreement to be via the Health and Wellbeing Board Commissioning Sub Committee;**
- (11) delegate authority to the Director of Commissioning and Procurement in consultation with the Director of Children's Integrated Services to agree the final value of the Section 75 Agreement for Tier 2 CAMHS as listed in exempt appendix 1, providing that this does not exceed the current expenditure on this service;**
- (12) 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.**

Reasons for decision

- (1) The development of a Section 75 Agreement will ensure that the provision for the young people of Nottingham will not only be of good quality, but it will allow them to more easily access both health and social care through one team. The Council does not envisage outsourcing the social care element of the Tier 2 CAMHS and will continue to provide this service. To ensure that an integrated service remains in place the NHS funding will need to continue to fund the Council Service and that can be achieved through this process.

Other options considered

The other option considered was to do nothing. This was rejected as there is a risk that as a direct result of not joining the Tier 2 CAMHS through Section 75 Agreement that Nottingham CCG will withdraw their funding and go out for re-procurement. This would also mean that the Tier 2 services are only performance managed by the CCG and that the Council would have no oversight of the effectiveness of the service in order to improve outcomes for children and young people.

60 ADDITIONAL MEETING DATE

RESOLVED to meet on Wednesday 12 April 2017 at 2pm.

61 EXCLUSION OF THE PUBLIC

RESOLVED to exclude 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 as defined in paragraphs 3 and 5 of part 1, Schedule 12A of the Act.

62 CRIME AND DRUGS PARTNERSHIP CONTRACT APPROVAL - KEY DECISION - EXEMPT APPENDICES

RESOLVED to note the content of the exempt appendices to the report on Crime and Drug Partnership contract approval 2017/18.

63 CHILD AND ADOLESCENT MENTAL HEALTH SERVICES (CAMHS) TIER 2 SECTION 75 AGREEMENT - KEY DECISION - EXEMPT APPENDIX

RESOLVED to note the content of the exempt appendices to the report on Child and Adolescent Mental Health Services (CAMHS) Tier 2 Section 75 Agreement.

64 EXTENSION OF HRS CONTRACTS THAT ARE DUE TO EXPIRE IN 2017/18 - KEY DECISION - EXEMPT REPORT

RESOLVED to note the content of the report on extension of Housing Related Support contracts that are due to expire in 2017/18 and to approve the recommendations it sets out.

65 FEE RATES FOR ADULT SOCIAL CARE SERVICES 2017/18 - KEY DECISION - EXEMPT REPORT

RESOLVED to note the content of the report on fee rates for Adult Social Care Services 2017/18 and to approve the recommendations it sets out.

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Agenda Item 5

COMMISSIONING AND PROCUREMENT SUB-COMMITTEE
15/03/17

Subject:	Recharge to the NHS for medicines prescribed through Public Health Services		
Corporate Director(s)/ Director(s):	Alison Michalska – Corporate Director for Children and Adults Alison Challenger – Director of Public Health		
Portfolio Holder(s):	Councillor Alex Norris – Portfolio Holder for Adults and Health		
Report author and contact details:	Alison Challenger alison.challenger@nottinghamcity.gov.uk 0115 8765105		
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: £3,288,000 (over 3 years)			
Wards affected: All	Date of consultation with Portfolio Holder(s): Councillor Alex Norris – 17.02.17		
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 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 type="checkbox"/>
Leisure and Culture			<input type="checkbox"/>
Resources and Neighbourhood Regeneration			<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
Nottingham City Council has a responsibility to commission Public Health services; a number of these services involve the prescription of medicines for service users. The funding for the prescription and medications is included within the Public Health Grant and is therefore the financial responsibility of the local authority.			
Nottingham City Clinical Commissioning Group (CCG) provides the administration of the scheme on behalf of the City Council including payment of medicines and dispensing costs to providers.			
Approval is sought to reimburse the costs of these medicines to the CCG for 2016/17 and for the two subsequent years.			
Exempt information:			
None			
Recommendation(s):			
1 To approve the spend of £1,096,000 in order to meet the prescribing costs of public health services for 2016/17;			
2 To approve the development of a Section 75 Agreement with Nottingham City Clinical Commissioning Group as lead commissioner who will continue to administer the scheme on behalf of Nottingham City Council as part of a pooled budget arrangement;			
3 To approve up to £1,096,000 for 2017/18 and up to £1,096,000 for 2018/19 to support integration and efficiencies.			

1 REASONS FOR RECOMMENDATIONS

- 1.1 Under the Health and Social Care Act 2010, the local authority has a responsibility to commission public health services. These include: drug and alcohol services, smoking cessation support and sexual health services, each of which involves the prescription of medications to service users. Funding for these services is included within the Public Health grant.
- 1.2 Whilst the responsibility and funding for these services lies with Nottingham City Council, the costs associated with prescribing are borne by Nottingham City Clinical Commissioning Group. These costs relate to payments to the community pharmacy where a prescription is dispensed and the cost of the prescription drugs themselves. As such, it is necessary to reimburse the Nottingham City CCG for the costs.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 Whilst the responsibility and funding for these services lies with Nottingham City Council, the costs associated with prescribing are borne by Nottingham City Clinical Commissioning Group. These costs relate to the cost of the prescription drugs themselves which are reclaimed through the CCG's medicines management system.
- 2.2 In order to consider the future needs for prescribing medicines as part of the public health services, it is proposed that there is a pooled budget arranged through a Section 75 transfer of funds to Nottingham City CCG for a 2 year period starting from 1st April 2017. This would enable a comprehensive assessment of the medicines used within public health commissioned services and enable governance, monitoring requirements and efficiencies to be identified

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Continue with the current arrangement for block payments: This was rejected as there needs to be a greater understanding of the trends, uptake and actual usage of medicines. A pooled budget enables better review of usage and potential for finding and sharing efficiencies across the wider medicines management system.
- 3.2 Council management of the administration of the scheme directly with NHS providers: This was rejected due to the large number of prescriptions and many providers involved. Extra staff would need to be employed and a system for managing the payments. Additionally this would create two schemes requiring practitioners to retrieve funding from two different commissioners which may add complexity and deter engagement and provision with the public health services.

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

- 4.1 The 2016/17 Public Health budget includes £1.096m for the Prescribing Costs; these are on-going costs and there is an expectation that the Public Health budget will continue to fund them in future years. Provided that the Section 75 agreement allows for it, Nottingham City Council should have a greater insight into how this budget is spent and how efficiencies can be achieved, thereby leading to better

value for money, whilst avoiding the additional cost of directly administering the scheme.

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

5.1 The majority of the services provided by these NHS providers sits with the local Clinical Commissioning Group who have procured these services in line with their financial regulations. By setting up a Section 75 agreement Nottingham City Council will be able to monitor the delivery of the service and ensure the CCGs procure the services in the best way to meet the needs of the citizens. Provided the Section 75 agreement is developed with appropriate targets and risk sharing arrangements this raises no significant procurement concerns.

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE (STRATEGIC REGENERATION COMMITTEE REPORTS ONLY)

6.1

7 SOCIAL VALUE CONSIDERATIONS

7.1

8 REGARD TO THE NHS CONSTITUTION

8.1 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.

9 EQUALITY IMPACT ASSESSMENT (EIA)

9.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because the decision to reimburse the CCG for these costs does not impact on service delivery.

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

10.1 N/A

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

11.1 N/A

12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

Katy Ball, Director of Procurement and Commissioning – 0115 8764814

Steve Oakley, Head of Procurement and Contracting – 0115 8762836

Liesa Sisson, Senior Commercial Business Partner – 0115 8762862

Louise Bainbridge, Chief Finance Officer, Nottingham City CCG – 0115 8454545