

Nottingham City Council

Commissioning and Procurement Sub-Committee

Minutes of the meeting held at Loxley House, Nottingham on 11 February 2020
from 10.00 am - 10.21 am

Membership

Present

Councillor Sam Webster (Chair)
Councillor Sally Longford
Councillor Adele Williams

Absent

Councillor Cheryl Barnard (Vice Chair)
Councillor Eunice Campbell-Clark

Colleagues, partners and others in attendance:

| | |
|----------------------------|--|
| Elisa Flintoff | - Contract Manager |
| Kenneth France | - Contracts and Commercials Manager |
| Amy Goulden | - Senior Community Cohesion Manager |
| David King | - Head of Facilities and Building Services |
| Councillor Rebecca Langton | - Portfolio Holder for Communities |
| Steve Oakley | - Head of Contracting and Procurement |
| Christine Oliver | - Head of Commissioning |
| Phil Wye | - Governance Officer |

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 19 February 2020. Decisions cannot be implemented until the working day after this date.

41 Apologies for absence

Councillor Cheryl Barnard – other Council business
Councillor Eunice Campbell-Clark – personal reasons

42 Declarations of Interest

None.

43 Minutes

The Committee confirmed the minutes of the meeting held on 14 January as a correct record and they were signed by the Chair.

44 Building Services Procurement Requirements 2020-2021

David King, Head of Building Services, introduced the report setting out Building Services and Facilities Management's annual procurement requirements for planned and reactive maintenance requirements for 2020-2021.

Resolved to

- (1) continue the Council's strategic approach to its reactive and planned maintenance function as set out in the report, both internally and externally;**
- (2) seek dispensation to financial regulation 3.29 in accordance with contract procedure rule 5.1.2 to make a direct award to Nottingham City Homes for the sum of £1.2m for the 2020/21 period as set out in the appendix to the report;**
- (3) approve the annual procurement plan for 2020/21 as set out in appendix 2 of the report;**
- (4) approve external spend of £8.750m as set out in Table 1 of appendix 2 of the report;**
- (5) approve a maximum external spend associated with commissioning maintenance for schools of c. £2.4m;**
- (6) delegate authority to the Head of Building Services in conjunction with the Head of Contracting and Procurement to approve the outcome of the procurement processes and award contracts to the providers in accordance with the award criteria set out in the tender documentation and proven to deliver best value for the Council.**

Reasons for decision:

- Due to multiple contracts coming to the end of their term in March 2020 Nottingham City Council Building Services have to procure replacements. This enables the Building Services team to keep Nottingham City Council's portfolio of assets compliant with multiple statutory, regulatory and legislative obligations, for its portfolio of assets which serve a diverse mixture of citizens in Nottingham.
- To deliver further savings on externally procured and insourced services to alleviate financial pressure within the Council.
- To improve efficiency and value for money in the services that Building Services commission. This annual procurement plan is the optimal approach in managing the team's costs.
- To ensure a high level of customer satisfaction with the Council's services, as evidenced by feedback from internal stakeholders.
- New contracts will require the supplier to utilise modern technology where appropriate, to maximise efficiency in their own operations and ensure that Nottingham City Council Concerto system, records live data and continues the processing and storage of circa 15,000 compliance certificates/documents

every year.

- To ensure risk is managed in an appropriate manner ensuring the citizens of Nottingham and its visitors to the city are safe when visiting the Council's portfolio of assets.

Other options considered:

- Do nothing and allow contracts to end and not re-commission services, which will remove statutory, regulatory and legislative compliancy across Nottingham City Council's portfolio of assets and increase the risk of prosecution and reputation to Nottingham City Council for providing non-compliant assets that endanger its citizens. This is unacceptable and has been rejected.
- Insource all of the activity covered by the contract areas under consideration for renewal. This option has been rejected due to the following: capacity, complexity, risk and value for money.
- Allow Nottingham City Council's various directorates to purchase individually the services as they require to ensure compliancy across the assets they are responsible for. This will result in a more expensive, less compliant and less reliable service. It would also be more bureaucratic, with less ownership and accountability. This is a politically sensitive area which is likely to give rise to public challenge if citizen safety is compromised especially with such a high profile enquiry ongoing (Grenfell). This option has been rejected.

45 Vulnerable Person's Scheme Grant Income Extension

Councillor Rebecca Langton, Portfolio Holder for Communities, and Amy Goulden, Senior Community Cohesion Manager, introduced the report seeking permission to claim and draw down Home Office grant income relating to resettlement of vulnerable refugees during financial year 2020/21. The bulk of this income will fund services for this cohort, sited in the voluntary sector.

Councillor Langton thanked Amy for her work in co-ordinating the scheme.

Resolved to

- (1) approve the acceptance of grant income to enable the continued participation of Nottingham City Council in resettlement through financial year 2020-21, resettling up to 25 additional individuals in the city;**
- (2) approve Nottingham City Council continuing to act as accountable body for neighbouring district authorities, supporting their continued participation in resettlement; the Council retains management costs from the grant to enable work. Services include community development, partnership and financial management, and administrative services. A combined pledge of up to 60 additional individuals will attract additional ring-fenced income of approximately £796,950 over financial years 2020-2025;**

- (3) approve to draw down relevant grant income, and the delegation of authority to the relevant Portfolio Holder and responsible Director to spend the funds in accordance with Nottingham City Council's financial regulations;**
- (4) continue extension and adaptation of the current grant-funded service level agreement with Nottingham and Nottinghamshire Refugee Forum for a further year, equating to expenditure in 2020-21 of £416,767 (including support for existing 2015-19 resettled refugees, and new refugees).**

Reasons for decision:

- This proposal is in accordance with the Council Plan commitment to work with partners to be a city that welcomes those in need of shelter or refuge.
- By continuing to draw down Home Office grant funding and the Council will be able to continue to the resettlement of refugees into Nottingham City and South Nottinghamshire within the national scheme, at no additional cost. The sums listed in the recommendations are estimated and subject to change, dependant upon size, the make-up and specific needs of the families resettled (and any additional funding claimed for any complex cases); the total amount will not exceed £1,500,000 additional income.
- The recommendation to continue to work with Nottingham and Nottinghamshire Refugee Forum (NNRF) in a grant funding arrangement is based upon two key factors; firstly NNRF were successful in winning the communities of identity grant funding as the lead voluntary organisation for asylum seekers and refugees between 2019-2022, to which some of the resettlement scheme funding was previously added, in order to support the rapid set-up of the scheme locally. Secondly NNRF have been able to collaboratively support the growth and development of this scheme, accommodating development of casework, employability training and interpreting/translation for resettled refugees. This work creates wider benefits for other refugee and asylum seeking groups in the city.

Other options considered:

- Not participating in the continuation of the scheme and not accessing this additional grant income. Considered but not accepted by the Portfolio Holder as this is a Council Plan priority.
- To shift from grant-aid to a commissioned basis: rejected as resettlement is a Council Plan commitment being delivered in a way that supports a number of interlinked services for asylum seekers and refugees currently funded through the Communities of Identity grant.

46 Approval for Procurement and Contracting of Multi-functional Devices (Printers)

Steve Oakley, Head of Contracting and Procurement, and Elisa Flintoff, Contracts Manager, introduced the report concerning Nottingham City Council's fleet of Multi-

functional Devices (MFDs) which enable colleagues to complete day to day work and provide services to citizens. The current contract with Konica Minolta will expire on 9 June 2020.

The following points were made during discussion:

- (a) local businesses have been approached regarding the contract but there has been no appetite to take on a contract of this size locally;
- (b) reductions in printing, particularly colour printing, will reduce costs and be better for the environment, helping with the Council's pledge to be carbon neutral by 2028;
- (c) a communications strategy is planned for colleagues across the Council, to make them mindful of the costs of printing. Guidance on good practice should be shared with Council-owned companies.

Resolved to

- (1) approve spend of up to £1,140,000 over 5 years in a new contract for the supply of Multi-functional Devices/Printers (MFDs);**
- (2) approve to conduct a compliant procurement process in line with Nottingham City Council's financial regulations and contract procedure rules, or to source a provider to supply and maintain MFDs;**
- (3) delegate authority to the Head of Contracting and Procurement to award and sign the contract following the procurement process.**

Reasons for decision:

- Nottingham City Council (NCC) requires a fleet of MFDs to enable colleagues to complete day to day work and provide services to citizens. The contract covers the costs of leasing and maintenance of all devices used in NCC premises.
- The current contract for MFDs with Konica Minolta will expire on 9 June 2020. Under the current contract each MFD has an individual lease agreement, the first of which goes out of contract on 20 June 2020.
- NCC wish to conduct a compliant procurement process to source an alternative provider to deliver a similar service and to establish a new contract from 10 June 2020. The new contract will also be for the maintenance and the lease of the devices. The new contract will enable NCC to replace the existing city-wide fleet of MFDs, maintenance contract and achieve savings.
- The preferred procurement route is a mini competition via a call off from an established framework agreement such as the Crown Commercial Services framework. The mini competition process is quicker and incurs less officer time and costs than an open tender. All of the existing suppliers on the CCS

framework will have already been assessed on quality.

- There are two elements to the pricing for this service, one being the fixed rental cost, and the second being the cost for printed pages which includes device maintenance. Whilst this “copy” cost is fixed, the price will vary depending on the volume of copies printed.
- The Council will identify the best value supplier by following a compliant procurement process. This will also encourage colleagues to make one off purchases (as well as leasing) MFDs as the framework agreement or a contract developed by NCC would have the flexibility to allow NCC to do so if required.
- In addition to securing lower rates via this new procurement, NCC intend to achieve further savings in the following ways:
 - The prices will be fixed for the first two years of the new contract;
 - Reduction in the number of devices across NCC. A review to identify where the current fleet can be reduced with limited impact to department activity is currently underway;
 - Lease of mono (black and white) only machines where practicable saving not only on rental but also on printing cost;
 - There is ongoing work from the corporate contracts team to reduce the volume of printing across the Council.
- It is anticipated that in line with the above NCC will be able to achieve a minimum of £60,000 savings over the next 5 years (a minimum saving of £12,000 per year).

Other options considered:

- Do nothing – having an MFD printer contract in place enables NCC to track spend and printing behaviour, includes machines’ maintenance, as well as ensuring best value is obtained. Having no arrangement in place would expose the Council to a risk of higher costs and for this reason this option was rejected.
- Directly award another contract to Konica – this option was rejected because the market needs to be tested to ensure that the Local Authority achieves best value for money through a competitive process.

47 Fee Rates For Adult Social Care Services 2020/21

Steve Oakley, Head of Contracting and Procurement, introduced the report presenting proposals for fee rates in 2020/21 across adult social care contracted provision. The Council is contractually bound to consider fee rated on an annual basis where it has a statutory duty to provide a service. The Council will consult with providers on these proposals and consider responses prior to implementation from 1st May 2020.

Resolved to

- (1) approve proposals for fee rates for Adult Social Care Services in 2020/21 as outlined in the pricing details at exempt appendix 1, which will be consulted on with service providers;**
- (2) delegate authority to the Head of Contracting and Procurement to agree fee rates in accordance with the proposals details in exempt appendix 1 pricing detail. This is subject to the outcome of consultation with providers and in line with the Council budget. The agreed rates will be implemented from 1st May 2020;**
- (3) approve the total spend associated with this decision of £1.242m. Note: approval to spend against the high cost placement provision will be through the Council's scheme of delegation for Adults Care Packages;**
- (4) note that if upon completion of the consultation the financial impact of any revised proposals exceed the budget available, further approval will be required.**

Reasons for decision:

- The Council is contractually bound to consider fee rates in respect of services that it has a duty to provide. This is balanced against budget commitments and pressures for the City Council.
- In accordance with its legal obligation, the Council will consult with adult social care providers with regard to these proposals. The Head of Contracting and Procurement will take account of consultation responses and issue variations to existing contracts reflective of the proposals in this report should no significant issue arise.

Other options considered:

- Do nothing – the Council is contractually bound to review contract fee rates on an annual basis. Doing nothing would have placed the Council at risk of legal challenge. For this reason, this option was rejected.
- Offer different fee rate proposals. This option is not recommended as the proposals have resulted from significant work and modelling between finance and contracting colleagues, taking into account our contractual requirement, knowledge of the market and the overall budget pressures for Adult Social Care. The final proposals have also tried to take into account the potential impact on service delivery and risk of market failure. Offering different fee rate proposal would put pressure on the Adult Social Care budget and this is not a feasible option.
- To undertake analysis of individual provider costs and offer fee rates based on the cost of care to factor wage rated paid, pension contributions, profit and void levels etc. This option would not be feasible at this time as it would be administratively burdensome and problematic as rates of pay and other factors are not standard across the sector.

48 Exclusion of the public

Resolved to exclude the public from the meeting during consideration of the remaining item in accordance with Section 100(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.

49 Fee rates for adult social care services 2020/21 - exempt appendices

Resolved to note the information contained in the exempt appendix.