



Nottingham City Council

Commissioning and Procurement Sub-Committee

Date: Tuesday, 14 July 2020

Time: 10.00 am

Place: Remote - To be held remotely via Zoom -
<https://www.youtube.com/user/NottCityCouncil>

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

Director for Legal and Governance

Governance Officer: Catherine Ziane-Pryor **Direct Dial:** 0115 8764298

Agenda	Pages
1 Apologies for Absence	
2 Declarations of Interest	
3 Minutes Of the meeting held on 10 March 2020 (for confirmation)	3 - 6
4 Procurement Strategy 2018-23 Year End Report Report of the Acting Director of Commissioning and Procurement.	7 - 14
5 Provisional next meeting date To note that the next meeting date is provisionally proposed as 15 September 2020 but will be confirmed nearer the time.	

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 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 10 March 2020 from 10.00 am - 10.33 am

Membership

Present

Councillor Sam Webster (Chair)
Councillor Eunice Campbell-Clark
Councillor Sally Longford
Councillor Adele Williams

Absent

Councillor Cheryl Barnard (Vice Chair)

Colleagues, partners and others in attendance:

Timothy Clark - Finance Analyst
Anna Coltman - Commissioning Manager
Claire Labdon-West - Commissioning Manager
Christine Oliver - Head of Commissioning
Jo Pettifor - Category Manager, Strategy and People
Phil Wye - Governance Officer

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 18 March 2020. Decisions cannot be implemented until the working day after this date.

50 Apologies for absence

Councillor Cheryl Barnard – other Council business

51 Declarations of interest

None.

52 Minutes

The Committee confirmed the minutes of the meeting held on 11 February as a correct record and they were signed by the Chair.

53 Direct Payment Support Service - Key Decision

Anna Coltman, Commissioning Manager, introduced the report seeking approval for Nottingham City Council to enter into a joint tender process with Nottinghamshire County Council and Nottingham City Clinical Commissioning Group (CCG) and the County CCG, and to procure from a framework agreement, with Nottinghamshire County Council acting as the lead of the procurement.

The Council has a duty to provide Direct Payment Services under the Care Act (2014). Adults who are assessed as requiring social care and children who receive social care

support in relation to their Special Educational Needs and/or Disability are entitled to receive support in the form of a direct payment, which is used to buy goods or services which meet the identified needs of the citizen.

Providers will be required to provide audits for all accounts they are managing in order to ensure accountability.

Resolved to

- (1) approve the commissioning of a direct payment support service through a joint tender process with Nottinghamshire County Council, Nottingham City CCG and County CCGs. Nottinghamshire County Council will act as the lead of the procurement process. A framework contract will be awarded for use by all commissioning partners;**
- (2) delegate authority to the Director of Adult Social Care to approve call-off contracts under the established framework in order to commission packages of services as needed for individual citizens in receipt of Direct Payments;**
- (3) approve the indicative spend associated with this decision, up to a maximum of £2,284,000 over a four-year contract (£0.571m per annum based on 2018/19 actual usage and 2019/20 projected usage levels) for Nottingham City Council, under the framework. Approval to spend on individual packages commissioned will be through the Council's scheme of delegation for Adults Care Packages.**

Reasons for decision:

- Direct Payment (DP) Support Services for Nottingham citizens are being provided through a third party support provider who deliver direct payment support to citizens in receipt of direct payments. Citizens can also choose to use alternative providers if they wish to. This arrangement is in place until September 2020.
- Commissioning authorities currently operate separate arrangements to make DP Support Services available. There are wide variations in the costs and the service offer between providers.
- Without a formal contract in place, the Council is limited in its ability to offer any contractual oversight and quality assurance over the services that the citizen chooses to use.
- It is recommended to align longer term commissioning arrangements with Nottinghamshire County Council and Nottingham City CCG and County CCGs, and enter into a joint contract for the commissioning of a new model of DPO Support Services under a four-year framework agreement. Nottinghamshire County Council will act as the lead of the procurement. This will replace the current interim arrangement with a single provider, which is ending in September 2020.
- It is recommended to delegate authority to the Director of Adult Social Care to award the call-off contracts. The commissioning of individual packages of support will be authorised through the scheme of delegation for Adult Social Care.

- The indicative spend associated with this decision is £0.571m per annum (based on actual usage in 2018/19 and projected usage levels during 2019/20) for both Adults and Children's Direct Payments. Spend will be up to a maximum of £2,284,000 over the lifetime of the framework agreement and potential call-off contracts made under it. It is anticipated that expenditure under the new model of DP Support Services will not exceed 2019/20 levels.
- The recommendations above will enable the Council to offer a new model of DP Support Services for citizens, create a simple, standard service offer and pricing structure, and enable costs to be managed more effectively. Under the new contract, commissioners will be able to review services in the context of budgetary pressures as well as manage any changes required due to a shift in policy and legislative changes.

Other options considered:

- The option to do nothing was considered however this was discounted because there would be no ability to manage the market including quality assurance of the service that citizens receive and pricing.
- The option to procure a Nottingham City Council only contract was rejected because joint commissioning with Nottinghamshire County Council provides more robust management of the market overall and the ability to manage pricing. This approach also simplifies the tender process for providers.
- The option not to procure through an open process was rejected, as this approach would not meet obligations under EU and UK procurement rules.

54 Crime and Drugs Partnership Contract Approval 2020/21 - Key Decision

Christine Oliver, Head of Commissioning, introduced the report seeking delegated authority to the Corporate Director of Strategy and Resources to receive and collate grants and other funding for the Crime and Drugs Partnership (CDP).

Resolved to

- (1) approve the anticipated receipt and expenditure of the Public Health Grant, Police and Crime Commissioner Grant and NCC and partner contributions by the CDP in 2020/21 as set out in the exempt appendix;**
- (2) delegate authority to the Corporate Director of Strategy and Resources to allocate anticipated funds for the above expenditure to the Head of Contracting and Procurement, as set in the exempt appendix;**
- (3) for the purpose of the Nottinghamshire Office of the Police and Crime Commissioner (OPCC) grant funding for knife crime and Red Thread, to delegate authority to the Director of Community Protection to receive the budget and allocate the anticipated funds to providers as set out in the exempt appendix.**

Reasons for decision:

- To ensure the Public Health, the Nottinghamshire Office of the Police and Crime Commissioner, NCC and partner contributions funding allocations are utilised to commission and contract with services in an appropriate way and in accordance with the correct legislation.
- To allow for relevant and necessary commissioning and commissioned activity to continue in order to maintain service provision for the citizens and meet identified local need.
- To enable timely contract variations, extensions and allocations to be made to services in order to deliver continuation of services in 2020/21.

Other options considered:

- To cancel provision of the services. This is not considered an option due to the impact on the Crime and Drugs Partnership's overall aims to reduce crime, substance misuse and domestic and sexual violence.

55 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.

56 Crime and Drugs Partnership Contract Approval 2020/21 - Exempt Appendix

Resolved to note the information contained in the exempt appendix.

Commissioning and Procurement Sub-Committee – 14th July 2020

Subject:	Procurement Strategy 2018-23 Year End Report		
Corporate Director(s)/ Director(s):	Acting Director of Commissioning and Procurement - Steve Oakley		
Portfolio Holder(s):	Cllr Sam Webster, Portfolio Holder for Finance, Growth and the City Centre		
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 type="checkbox"/> Yes <input checked="" 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
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: nil			
Wards affected: all	Date of consultation with Portfolio Holder(s): Cllr Sam Webster, Portfolio Holder for Finance, Growth and the City Centre - 24 th June 2020		
Relevant Council Plan Key Theme:			
Nottingham People			<input checked="" type="checkbox"/>
Living in Nottingham			<input checked="" type="checkbox"/>
Growing Nottingham			<input checked="" type="checkbox"/>
Respect for Nottingham			<input checked="" type="checkbox"/>
Serving Nottingham Better			<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
<p>The Nottingham City Council Procurement Strategy 2018-2023 (the Strategy) drives the use of the Council's spending power to drive our key strategic objectives of:</p> <ul style="list-style-type: none"> • Citizens at the heart • Securing economic, social and environmental benefits • Commercial efficiency <p>This report presents the outcomes and achievements delivered under the Strategy in its second year 2019-20, which are detailed in Appendix 1. During this year procurement activity delivered:</p> <ul style="list-style-type: none"> • 334 contracts awarded - representing a total value of £578.4m. • £397.69m injected into the local economy – 68.75% of total contract value awarded to City suppliers (of which £88.5m awarded to local SMEs). • 91% of the total contract value awarded (£526.6m) retained within Nottinghamshire; 94.31% awarded within the East Midlands area overall (£545.55m) • 175 new entry level jobs and apprenticeships created • Cashable savings of £1.42m per annum – representing 1.2% of total contract value awarded (recurring contracts only) • Income generation (for the Council or its subsidiaries) of £18.8m from sold procurement activity and concession contracts (over the full life of contracts) • 192 environmental measures and benefits secured through contracts awarded • 31 contracts awarded subject to the 1% levy. Actual levy income is dependent on expenditure incurred during the lifetime of contracts and based on expenditure on relevant contracts during 2019/20, the income generated for employment and skills activity was £164,726. 			

Exempt information: None
Recommendation(s):
1 To note the outcomes delivered under the Nottingham City Council Procurement Strategy 2018-23 in its second year (2019-20) - as detailed in Appendix 1
2 To note that the Nottingham City Council Procurement Plan 2020 – 2025 will be reported to Committee when the planning of procurement priorities for the remainder of 2020-21 is completed

1 Reasons for recommendations

- 1.1 The Procurement Strategy 2018-23 provides a robust framework for the procurement of all goods, works and services to drive the delivery of the Council's strategic priorities within a challenging financial context. It sets out how procurement will use the Council's spending power to pursue our key objectives of citizens at the heart; securing economic, social and environmental benefits; and commercial efficiency. The delivery of the Council's strategic priorities depends on the efficient and strategic use of our spending power, therefore the Strategy promotes a commercial approach to support the Council to address the significant financial challenges it faces now and in the longer term.
- 1.3 The Strategy drives the delivery of social value for the City by addressing economic, social and environmental considerations at all stages of the procurement cycle, through the framework of the Public Services (Social Value) Act 2012. It sets out the key actions to be taken to maximise the economic, social and environmental benefits to be secured through all our purchasing activity.
- 1.4 Implementation of the Strategy during 2019-20 has enabled a continued focus on the core principles of:
- Commercial efficiency – a commercial approach and securing best value for money
 - Citizens at the heart – providing great services that are right for all citizens and customers
 - Partnerships and collaboration – maximising opportunities for joint working
 - Governance, fairness and transparency – to ensure a level playing field and legal compliance
 - Ethical standards – promoting the well-being and protection of work forces throughout the supply chain
 - Innovation and improvement – developing our processes and working innovatively to secure improved outcomes.

2 Background (including outcomes of consultation)

- 2.1 The development of the Procurement Strategy provided an opportunity to take stock of the strategic context for procurement with reference to national and local policies and strategic drivers. A primary purpose of the Strategy is to inform the supplier market of the Council's key strategic objectives and the proposed procurement approach to deliver them. This aims to enable all potential suppliers (particularly local businesses, SMEs, SEs and the voluntary and community sector) to access our contract opportunities.

- 2.3 The Strategy has continued to embed a modern, effective and efficient procurement service delivering best value and quality services for citizens, supporting innovation and stimulating growth within the City. It enables the aims of the Social Value (Public Services) Act 2012 to be taken forward whilst ensuring that competition, transparency and equal treatment are maintained.
- 2.4 A Procurement Information Management System is used to monitor and report on the outcomes of procurement activity undertaken, in particular progress against the key economic, social and environmental objectives of the Strategy.
- 2.5 During the first year of the Strategy 2018-2019, procurement activity delivered:
- 384 contracts awarded - representing a total value of £228.4m
 - £133.8m injected into the local economy – 58.56% of total contract value awarded to City suppliers
 - 113 new entry level jobs and 24 apprenticeships created
 - Cashable savings of £2.6m per annum
- 2.6 During the second year of the Strategy 2019-20, 68.75% of total contract value awarded has been awarded to local suppliers, representing a total investment of £397.69m. In total, 91% of contract value awarded (£526.6m) was retained within Nottinghamshire and 94.31% within the East Midlands area (£545.55m). Overall over the first two years of the Strategy (2018/19 and 2019/20), 65.87% of total contract value has been awarded locally, equating to £531.4m investment in the local economy.
- 2.7 Procurement has continued to provide sustainable funding for the Nottingham Jobs Employment Service through the 1% levy rebate mechanism applied to eligible contracts. During 2019-20, 31 contracts have been awarded subject to the levy, although actual levy income will be dependent on expenditure over the lifetime of these contracts. Based on expenditure on contracts subject to the levy in 2019/20, income generated to fund employment and skills activity was £164,726. During 2019/20, Nottingham Jobs has supported 94 unemployed City residents into work, delivered two Jobs Fairs and other employment projects.
- 2.8 Procurement also continues to drive commercial and income generation initiatives; the projected total income generated for the Council or its subsidiaries through sold procurement activity and concession contracts awarded during 2019-20 is £18.8m (income over the full life of contracts).

3 Other options considered in making recommendations

- 3.1 None. Progress against the strategy is reported on a yearly basis.

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

- 4.1 The financial implications of procurement activity included in this report have been aligned to the Medium Term Financial Plan as part of the decision making process for each project.

Each procurement process incorporated financial modelling and recommendations at the appropriate time ensuring value for money for the organisation and alignment to

financial strategies. This will be replicated over the future years of the Procurement Strategy.

Philip Gretton
Strategic Finance Business Partner
18/06/2020

5 Legal and Procurement colleague comments (including risk management issues, and including legal, Crime and Disorder Act and procurement implications)

- 5.1 The recommendations in this report are notes of action taken and do not raise significant legal issues. The United Kingdom has left the European Union but the Government Withdrawal Agreement continues to require contracting authorities such as the City Council to comply with the Contracts Procurement Regulations 2015 during the transition period to the end of 2020. The requirements post 1st January 2021 will depend on the terms of the deal agreed with the EU. Legal Services will continue to provide support to the City Council's Procurement team by advising on relevant legislation including any changes post 2020, legal and commercial risks, and drafting and approving contract documents.

Andrew James – Team Leader, Commercial, Employment and Education 15th June 2020.

6 Social value considerations

- 6.1 The Nottingham City Council Procurement Strategy 2018-2023 drives the delivery of social value for the City by outlining how we will address economic, social and environmental considerations at all stages of the procurement cycle, through the framework of the Public Services (Social Value) Act 2012. It sets out how procurement will deliver the Council's key priorities of supporting the local economy, delivering social and community benefits, and environmental sustainability. The strategic objectives for procurement are set out under the key economic, social and environmental themes, with proposed actions to maximise the social value benefits secured through all our purchasing activity.
- 6.2 During the second year of the Strategy (2019-20), a total of £397.69m has been injected into the local economy through procurement - representing 68.75% of the total value of contracts awarded to City based suppliers. Of this, £88.5m was awarded to local SMEs.
- 6.3 The Strategy continues to 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.
- 6.4 The Strategy has continued to boost the creation of new entry-level jobs and apprenticeship opportunities for citizens. In 2019-20, a total of 175 full time equivalent jobs and apprenticeship opportunities have been secured through contracts awarded; this includes 77 full and part time posts with contracted homecare providers. Suppliers have been engaged with the Nottingham Jobs Service and other local employment and training initiatives through the inclusion of the Business Charter in contracts on a mandatory or voluntary basis; this has maximised opportunities for disadvantaged local residents.

6.5 In accordance with the Strategy aim of minimising the negative environmental impact of our procurement, environmental requirements have been included in contracts as appropriate to secure environmental benefits. In 2019-2020, a total of 192 specific environmental measures and benefits have been secured, relating to: air quality and climate change (49 measures); resource efficiency, waste reduction and recycling (123 measures); and biodiversity, nature conservation and greening (20 measures). Examples of environmental measures secured include:

- The development of an off-site modular building at Nethergate School focused on sustainability throughout the design and building process, with maximised use of recycled or recyclable materials and higher levels of energy efficiency built in to reduce whole life costs
- The installation of an upgraded Building Management System is expected to provide 5 – 15% in energy annual cost savings across 8 sites (saving up to £214,650), at a cost of £29,781.
- The Castle Museum Fit out project involved use of sustainable materials, reverse logistics for delivery to reduce journeys and wasted space within lorries, energy saving measures such as smart meters on site and motion detection sensors for site lighting

6.6 A Procurement Information Management System is maintained to record the outcomes of procurement activity undertaken, in particular progress against the key economic, social and environmental objectives of 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 Has the equality impact of the proposals in this report been assessed?

No



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 implementation of policies developed outside 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 Nottingham City Council Procurement Strategy 2018-23
Public Services (Social Value) Act 2012

10.2 The Public Services (Social Value) Act 2012

10.3 The UK Public Contracts Regulations 2015, the Concessions Contracts Regulations 2016 and Utilities Contracts Regulations 2016

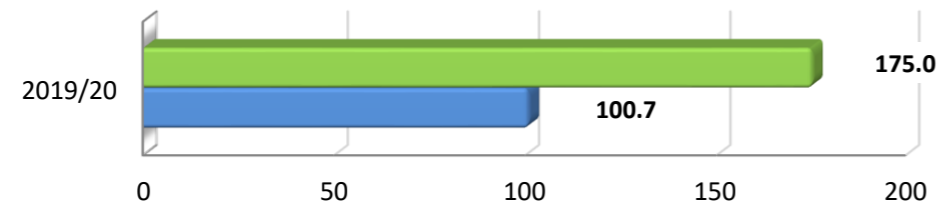
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PROCUREMENT - HEADLINE ACHIEVEMENTS (2019/20)

Procurement Activity

Activity	Total
Contracts awarded	334
Total value (awarded contracts)	£578.4m

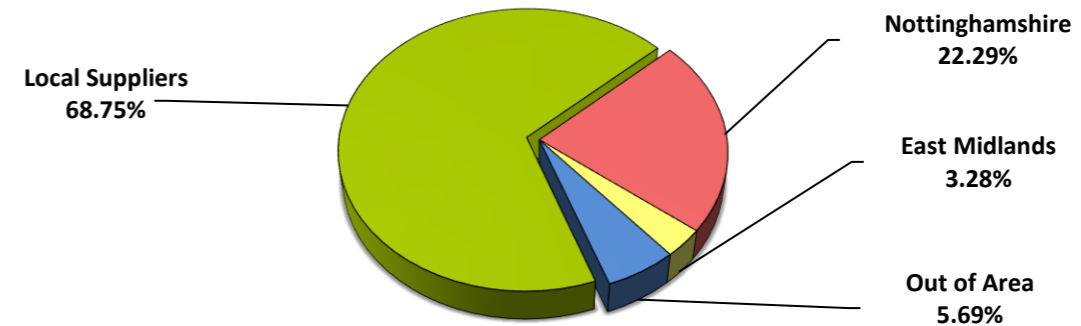
New Jobs Created for Local People



26 apprenticeships created

■ Achieved ■ Target

Investment in Local Economy (Contracts Awarded)



£88.5m (15.3%) of total contract value invested in local SMEs

£397.7m (68.75%) of total contract value injected into the local economy

Environmental Benefits Identified

Air Quality and Climate Change	Resource Efficiency, Waste Reduction and Recycling	Biodiversity, Nature Conservation and Greening
49	123	20

Income and Savings

Annual Value of Awarded Contracts	Cashable Savings on Recurring Contracts (Annualized)	Income from Concessions & Commercial Activity (Total)
£119m	£1.42m	£18.8m

CATEGORY MANAGEMENT - ACHIEVEMENTS

- People** : 157 contracts awarded with a total value of £482.5m (annual value £56.9m)
 68.5% of total contract value awarded to local suppliers (£330.5m total contract value)
 94.12% of total contract value awarded to suppliers in the combined City and Nottinghamshire region (£454m total contract value)
 £18.3m total contract value awarded to voluntary community sector organisations
 67 FTE local jobs created against a target of 56.9 FTE.
- Places** : 107 contracts awarded with a total value of £58.5m (annual value £47.6m)
 £38m of spend avoidance (requirement secured for less than the anticipated budget / cost)
 67.25% of total contract value awarded to local suppliers (£39.4m)
 92 environmental benefits identified (48% of all benefits captured)
- Products** : 70 contracts awarded with a total value of £37.4m (annual value £14.4m)
 715% over target for employment and training - 103 FTE (20 apprenticeships) against a target of 14.40 FTE
 14 contracts awarded subject to 1% levy - potentially £57.6k additional income per annum to the Council
 £17.65m total income generation through whole-life of awarded contracts

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