



## **Nottingham City Council Commissioning and Procurement Sub-Committee**

**Date:** Tuesday, 12 October 2021

**Time:** 10.00 am

**Place:** Ground Floor Committee Room - Loxley House, Station Street, Nottingham,  
NG2 3NG

Please see information at the bottom of this agenda front sheet about arrangements for ensuring Covid-safety

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

**Director for Legal and Governance**

**Governance Officer:** Mark Leavesley

**Direct Dial:** 0115 8764302

- |          |   |         |
|----------|---|---------|
| <b>1</b> | <b>Apologies for Absence</b>  |         |
| <b>2</b> | <b>Declarations of Interests</b>  |         |
| <b>3</b> | <b>Minutes</b><br>Last meeting held 14 September 2021 (for confirmation)  | 3 - 10  |
| <b>4</b> | <b>Insurance tender: main programme - Key decision</b><br>Report of Corporate Director for Finance and Resources  | 11 - 14 |
| <b>5</b> | <b>Approval to procure supervised consumption of methadone and buprenorphine in pharmacies scheme through an open accreditation process - Key decision</b><br>Report of Director of Public Health | 15 - 20 |

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

In order to hold this meeting in as Covid-safe a way as possible, all attendees are:

- asked to maintain a sensible level of social distancing from others as far as practically possible when moving around the building and entering / leaving the meeting room. As far as possible, please remain seated and maintain distancing between seats throughout the meeting.

- strongly encouraged to wear a face covering (unless exempt) when entering and leaving the meeting room and throughout the meeting, unless you need to remove it while speaking to enable others to hear you.
- make use of the hand sanitiser available and, when moving about the building, follow signs about traffic flows, lift capacities etc.

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](http://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, Station Street, Nottingham on 14 September 2021 from 10.05 am - 11.00 am

#### Membership

##### Present

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

##### Absent

#### Colleagues, partners and others in attendance:

Antony Greener	- Head of District Heating and Waste Strategy
Lisa Lopez	- Lead Commissioning Officer
Bobby Lowen	- Commissioning Lead
Steve Oakley	- Head of Contracting and Procurement
Phil Wye	- Governance Officer

#### Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 21 September 2021. Decisions cannot be implemented until the working day after this date.

#### 8 Apologies for Absence

None.

#### 9 Declarations of Interests

None.

#### 10 Minutes

The Committee confirmed the minutes of the meeting held on 15 June 2021 as a correct record.

#### 11 Procurement Strategy 2018-23: Year End report

Steve Oakley, Head of Contracting and Procurement, introduced the report which presents the outcomes and achievements delivered under the Strategy in its third year 2020-21, and over the three years of the Strategy 2018-21.

#### Resolved to

- (1) note the outcomes delivered under the Nottingham City Council Procurement Strategy 2018-23 in its third year (2020-21), as detailed in appendix 1 of the report;**
- (2) note the outcomes delivered during the three years of the Procurement Strategy 2018-21, as detailed in appendix 2 of the report;**
- (3) note that an update of the Nottingham City Council Procurement Plan 2020-25 is reported to Committee annually at the start of each financial year.**

Reasons for recommendations:

- 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.

Delivery of the Council's strategic priorities depends on the strategic and efficient use of our purchasing power, and the Strategy promotes a commercial approach to support the Council in addressing significant financial challenges now and in the longer term.

- 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.
- Implementation of the Strategy during 2020-21 has continued the focus on the core principles of:
  - Commercial efficiency – a commercial approach and securing best value for money;
  - Citizens at the heart – providing 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.

Other options considered:

- None - progress against the Strategy is reported on a yearly basis.

## **12 Changing Futures award for people experiencing Severe and Multiple**

### **Disadvantage - Key decision**

Bobby Lowen, Commissioning Lead, introduced the report requests approval to accept and use funding awarded to Nottingham City Council (on behalf of a local partnership facilitated by the Nottingham City Integrated Care Partnership) following a successful application to the national Changing Futures programme.

The approval of the recommendations within this report will allow for the mobilisation of an ambitious programme of activity designed to drive improvements in collaboration between partners in the City working to help people experiencing Severe and Multiple Disadvantage.

#### **Resolved to**

- (1) approve the receipt of funding up to a total of £3,878,673 from the Ministry of Housing, Communities and Local Government for the delivery of Nottingham's Changing Futures programme over 2021/22 to the end of 2023/24;**
- (2) approve the use of funding to a maximum value of £1,365,105 allow for the delivery a range of activity required for the initial mobilisation of the programme as detailed in Appendix 1;**
- (3) approve dispensation from Contract Procedure Rules 4.1.1 and 4.1.2 in accordance with Financial Regulation 3.29 to allow for selected contracts to be directly awarded as detailed in appendix 1 of the report;**
- (4) approve the selection of providers to deliver selected contracts by means of an open quotation process as detailed in Appendix 1 of the report and to delegate authority to the Head of Contracting and Procurement to establish contracts with the successful provider(s) based on the outcome of this exercise;**
- (5) approve spend up to a value of £261,308 for internal appointments as detailed in appendix 1 of the report;**
- (6) note that use of the remaining balance of the Changing Futures award will be subject to further approval.**

#### Reasons for recommendations:

- Approval to take receipt of the funding is sought to allow for the delivery of Nottingham's Changing Futures programme in line with proposals submitted to the Changing Futures national team.
- The delivery of Changing Futures will put in place a significant programme of operational activity designed to help improve the lives of people in the city who experience severe and multiple disadvantage (SMD). SMD is defined by Changing Futures as experiencing three or more of the following: homelessness, substance misuse, mental health issues, domestic violence, and contact with the criminal justice system. The delivery and further development of this activity is

expected to realise the significant benefits of improving the lives of vulnerable people and the avoidance of serious negative outcomes (e.g. in relation to health, homelessness, offending, etc), as well helping to manage demand for reactive interventions (e.g. emergency homelessness responses, hospital attendances, etc) and the associated costs across the public sector.

- The delivery of the programme will also prevent a substantial loss of existing support for people experiencing SMD by providing continuity of provision beyond the closure of the current Opportunity Nottingham programme funded through the Big Lottery Fulfilling Lives programme until the end of June 2022.
- The delivery of Changing Futures is expected to significantly enhance partnership efforts to improve the collective response to help people who experience SMD, with the further expectation of improved outcomes and greater efficiency through collaborative planning and delivery. Changing Futures will also seek to establish a partnership programme of activity on SMD on a sustainable footing (e.g. by creating the structures to join up planning for the use of partners' mainstream resources) beyond the end of external funding for the programme at the end of March 2024.
- The recommendations under this report allow for the initial mobilisation of the programme during the 2021/22 year. Work will take place within the scope of the programme to shape recommendations for the further commissioning and procurement of the programme from July 2022 in line with key objectives of supporting collaboration between partners.
- Dispensation from Contract Procedure Rule 4.1.2 in accordance with Financial Regulation 3.29 is sought to enable a direct award of contracts with the following rationale (see Appendix 1):
  - Project Coordination and Support, Lived Experience Team, and Frontline Delivery Team (rows 8-13). A direct award is sought to enable funding to be provided for the continuation of activity previously funded through Opportunity Nottingham for a short period of time only (a maximum of six months) in advance of full procurement of the Changing Futures programme for delivery from July 2022. The current provider is considered the only viable provider based on the short timeframe for delivery and required compatibility with the existing Opportunity Nottingham programme;
  - Embedded / Hosted Posts: Primary Care Officer and Offender Management Officer (rows 14-15). These roles have been commissioned to work to improve the response to SMD within these organisations as key mainstream services. These roles also need to support direct engagement between the service and the wider Changing Futures programme with scope to directly influence developments within their organisation. A direct award is sought in each case on the basis that no alternative provider is able to meet these requirements.
- The Changing Futures programme requires a number of new Navigator posts to work as SMD specialists within BAME communities and with women and people experiencing domestic violence. These roles have a remit that includes the direct

delivery of support to people experiencing SMD as well as improving understanding of how people within different communities are affected by SMD and effective means of providing support. Approval is sought to select providers through means of a quotation process to secure the most appropriate organisations to meet the requirements corresponding to each post.

Other options considered:

- Not to take receipt of funding awarded by MHCLG for the delivery of the Changing Futures programme. This is not recommended on the basis that to not take receipt of the funding would lose the opportunity to realise expected benefits from direct operational delivery and prospects for longer term improvements.
- To procure all activity from the offset of the programme. This option has been rejected on the basis that the procurement of all activity will delay the implementation of the programme, with a substantial risk of loss of funding from MHCLG and of undermining the ability of the programme to achieve desired outcomes.
- To procure the required activity for the initial mobilisation of the programme from the Project Coordination and Support, Lived Experience Team, and Frontline Delivery Team through means of a competitive tender. This option is not recommended on the basis that there is considered to be no alternative viable provider in line with the requirements for the short period of delivery and compatibility with the current Opportunity Nottingham programme.
- To procure the Embedded Posts – Primary Care Officer and Offender Management Officer through a competitive tender. This option is not recommended on the basis that there is considered to be no alternative viable provider in line with the requirement for these posts to work within key existing mainstream services.

### **13 Procurement of waste services - Key Decision**

Councillor Sally Longford introduced the report, stating that the Council has a statutory duty under as a Waste Disposal Authority (Unitary Authority) under the Environment Protection Act (EPA) 1990 to arrange the dispose of waste collected on its behalf. The current contracts expire in March 2022 after running for the last five years and need to be re-procured in a compliant manner:

- Transfer/bulking and or disposal of various waste streams
- Clinical waste treatment/disposal
- Street Sweepings treatment/recycling/disposal.

**Resolved to**

- (1) approve the undertaking of a compliant procurement for this service. This option allows the authority to fulfil both statutory obligations and secure the continued operation of the facility;**

**(2) further delegate authority to the Director of Carbon Reduction, Energy and Sustainability, to award the contract to the successful bidder, in conjunction with legal and procurement colleagues advice.**

Reasons for recommendations:

- To allow the council to discharge its statutory duty through a tendering exercise for the procurement of waste disposal services.
- To procure via a competitive tendering exercise, enabling value for money and seek improving environmental performance through increased recycling, recover and diversion from landfill.

Other options considered:

- The current contracts expire in March 2022 and no suitable framework currently exists, as a result the only compliant measure is to seek new contract/tenders.

**14 Semi-Independent Accommodation block contract (Children in Care) - Key decision**

Lisa Lopez, Lead Commissioning Officer, introduced the report which seeks approval to secure a small block contract to provide semi-independent accommodation for up to ten older young people, to enable them to move towards living more independently, but with support available when required. Through this contract we will provide high quality accommodation for the young people whilst supporting them towards greater independence in a managed way, potentially improving their longer term outcomes around sustaining tenancies, managing budgets and understanding where to go for support.

This block contract model offers improved value for money for Nottingham City Council, and is expected to offer savings of approximately £216,944 per year once the contract is in place. This links to Nottingham City Council's approved budget for 2022/23 onwards.

**Resolved to**

- (1) approve the expenditure of £2,730,000 over the entirety of the contract term (up to 7years) for the provision of a block contract for Semi-Independent Accommodation for Children in Care, as detailed in appendix 1 of the report;**
- (2) approve the procurement of the block contract for Semi-Independent Accommodation for Children in Care, as detailed in appendix 1 of the report, through an appropriate procurement process, and to award the contract(s) for the services based on the outcomes of the procurement process. The approved contract(s) would commence on 1 April 2022, for a 3–year period with an option to extend on a two-yearly basis for a further four years (3+2+2), to a maximum of 7 years in total;**



- (3) delegate authority to the Director for Commissioning and Procurement to approve the outcome of the procurement processes and award the contract(s) to provider that is deemed most suitable to provide these services;**
- (4) delegate authority to the Head of Contracting and Procurement to sign the final contract(s) and agree annual extensions on the basis of performance and budget availability.**

Reasons for recommendations:

- To provide high quality, local accommodation for older children in care, aged 16 years and over. Commissioning a block contract for up to 10 placements within Nottingham City, in addition to the existing provision, will ensure the young people who are moving towards living independently will have access to high quality accommodation and support locally. This service will form part of a range of accommodation and support options to meet the differing needs of children in care.
- To ensure sufficiency of local placements for the young people who require them. There is a national shortage of available placements, which can result in young people being placed outside the city, away from their support networks. Commissioning this service as a block contract will secure a fixed number of local placements exclusively for use by Nottingham City Council.
- To improve efficiency and value for money. The proposed new service model will provide up to 10 beds at a fixed cost to Nottingham City Council. Most of the young people who will be moving into this accommodation will be moving from higher cost placements, at the appropriate time as they approach adulthood. The average cost of a placement for a young person who requires this type of support, and is currently in semi-independent accommodation, is approximately £1,459 per placement per week. The expected cost of the Semi-Independent Accommodation block contract will be approximately £750 per placement per week. Therefore, once variations have been considered, the proposed new service model offers expected savings of approximately £216,944 per year once the contract is in place.
- To manage the market. The shortage of placements has led to increased demand and high placement costs, with placements being taken by other local authorities. Commissioning this service will increase local placements available, and therefore reduces competition for other placements as well as costs. Should there be additional demand for the service, Nottingham City Council could seek to negotiate for additional placements with the provider, at additional costs and subject to approval.

Other options considered:

- Develop additional internal semi-independent accommodation. The existing internal provision for semi-independent accommodation takes the form of a centralised management 'hub' shared across the satellite properties. This management 'hub' is at capacity, and any new internal provision could not be

developed as a satellite of the existing internal provision. Therefore a new 'hub' would be required to expand internal provision. This means the model would not be cost effective in the short-medium term, and would not realise the savings required.

- Do nothing. Taking no action will mean outcomes for children in care are likely to be negatively impacted and costs will increase. Lack of sufficiency in both the internal and external markets mean that without action, Nottingham City Council will not be able to secure the best placements for each child. More children will be placed out of area, leading to more disruption for the child/young person, and lost connections to friends and loved ones. Matching options will be increasingly limited, making it ever more difficult and costly to secure placements, particularly for those with the most complex needs. Lack of suitable placements for children/young people with highly complex needs will mean these needs will not effectively be de-escalated, potentially leading to risk of CSE, criminal exploitation, offending behaviour, and long term poor outcomes. Choice and diversity of provision are required to meet the needs of each individual child/young person. Therefore this option is not recommended.

<b>Subject:</b>	Tender of the Insurance Programme for Nottingham City Council and Nottingham City Homes and associated wholly owned companies		
<b>Corporate Director:</b>	Clive Heaphy – Corporate Director of Finance & Resources		
<b>Portfolio Holder:</b>	Cllr Sam Webster – Portfolio Holder for Finance & Resources		
<b>Report author and contact details:</b>	Jackie Handley – Insurance & Risk Manager Tel: 0115 8764159 Email: <a href="mailto:jackie.handley@nottinghamcity.gov.uk">jackie.handley@nottinghamcity.gov.uk</a>		
<b>Other colleagues who have provided input:</b>	N/A		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Subject to call-in</b>
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b>	<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 checked="" type="checkbox"/> No
<b>Total value of the decision:</b> Estimated at £7.5m for a five year long term agreement			
<b>Wards affected:</b> All		<b>Date of consultation with Portfolio Holder:</b>	
<b>Relevant Council Plan Key Theme:</b>			
Nottingham People			<input type="checkbox"/>
Living in Nottingham			<input type="checkbox"/>
Growing Nottingham			<input type="checkbox"/>
Respect for Nottingham			<input type="checkbox"/>
Serving Nottingham Better			<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>The current insurance policies are subject to long term agreements which expire on 31 March 2022. Approval is sought to tender and place required insurance policies for the Council, Nottingham City Homes and associated wholly owned companies with policies to commence 1 April 2022.</p>			
<b>Exempt information:</b> None			
<b>Recommendations:</b>			
<b>1</b> To approve the tendering of the insurance programme currently held by the Council, Nottingham City Homes and associated wholly owned companies.			
<b>2</b> To approve for inclusion quotations for cyber insurance in the main tender process and subsequent award.			
<b>3</b> To delegate authority to the Insurance and Risk Manager to let the insurance contracts on a 3-year basis with an option of a 2-year extension for Liability; Motor; Property and Associated Covers; Fine Arts; Directors & Officers; Personal Accident/Travel, Cyber and specific policies for wholly owned companies or commercial activities.			
<b>4</b> To note any specialist areas of insurance cover that cannot be obtained through the YPO framework at a reasonable price will be considered under a separate process. Approval is sought to delegate authority to the Insurance and Risk Manager to establish the best route to market for this specialist insurance cover.			

## **1 Reasons for recommendations**

- 1.1 The current insurance policies held by the Council, Nottingham City Homes (NCH) and associated wholly owned companies are subject to long term agreements, all of which expire on 31 March 2022. There is no option to further extend the long term agreements.
- 1.2 Insurance is required by the Council and associated companies to provide financial protection against liabilities and to protect assets against catastrophic loss. The consequent transfer of the risk limits the Council's financial exposure to those losses payable under the policy excess.

## **2 Background (including outcomes of consultation)**

- 2.1 Most insurance policies are based on a 3-year contract with an option to extend for 2 years, which allows for an extension of the contract where this is cost effective. The contract for the 1 April 2022 will be awarded to the companies providing the most economically advantageous quotation, terms and conditions.
- 2.2. The main insurance programme arranges insurance cover for the Council's £3b property portfolio, over 950 fleet vehicles, liability cover for all Council services, specialist insurance cover for commercial agenda projects, cover for partner organisations, NCH, Enviroenergy, NRB, Community schools, tenants and resident's groups etc.
- 2.3 The main policies of Liability, Property and Motor carry large self-insured retentions of £360k on Liability, £250k on Property and a £100k on Motor for each and every claim made against the Council by third parties or employees for property damage and personal injury. Aggregate stop losses are applied to these main policies to limit the financial exposure to the Council. If the total cost of claims within the excesses in one policy year reaches the stop loss limit the entire amount of future claims is then met by the insurer.
- 2.4 Due to the increase in cyber-attacks nationally, including on some local authorities, it is prudent to obtain quotations for insurance to ensure adequate protection for the Council.
- 2.5 Advice on the tender submission, access to the market and evaluation of the returned bids is supported by G&A who will be running the tender, in conjunction with the Council, through the YPO framework with insurers being invited to quote for individual lots. The Council's procurement team are being kept informed of the tender process and the outcome.
- 2.6 Authority is sought to delegate authority to the Insurance and Risk Manager to let the insurance contracts on a 3-year basis with an option of a 2-year extension for Liability; Motor; Property and Associated Covers; Marine; Fine Arts; Directors & Officers; Personal Accident/Travel and specific policies for wholly owned companies or commercial activities. Terrorism is excluded from the main tender in order that quotes can be sought from the Lloyds market, where it is considered that the best rates can be achieved

- 2.7 Consultation has been undertaken with Nottingham City Homes and officers managing associated companies and commercial activities to ensure the optimum levels of cover are purchased at a cost effective rate.
- 2.8 The cost of the external premiums and claims made within the self-insured retention is met from the Insurance Fund which is managed by the Deputy Section 151 officer. The Insurance Fund receives annual revenue contributions from Council services, Nottingham City Homes and associated wholly owned companies and is independently reviewed every 3 years to ensure the fund is sufficient to meet the Council's financial exposure.

### **3 Other options considered in making recommendations**

- 3.1 No other options were considered as the current insurance policies expire on 31 March 2022 and the Council is required to have insurance.

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

- 4.1 This report seeks approval to go out to tender and enter into contracts for insurance policies for the Council, Nottingham City Homes and associated wholly owned companies with policies to commence 1 April 2022. The current insurance policies are subject to long term agreements which expire on 31 March 2022. New contracts are to be awarded on a 3-year basis with an option of a 2-year extension.
- 4.2 The expected cost of the contracts over the full 5-year period is £7.500m. The option to extend the contracts by the 2-year period will only be done so if value for money can be demonstrated at the point in time of the extension.
- 4.3 The full cost of this report is to be met by the insurance fund activity and departmental budgets, therefore it is affordable within existing budget provision and no financial pressure is expected. Final values of the tender exercise will need to be reviewed to ensure it remains within this budget and the decision value of this report.
- 4.4 Insurance policies are deemed critical and essential expenditure.

Phil Gretton – Strategic Finance Business Partner 22/09/21

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

- 5.1 Decisions 1,2 & 3 are in respect of seeking authority to go out and procure suppliers for the provision of insurance. It is the intention to use an established framework (YPO) as the procurement route and there will be the opportunity for bids to be submitted against a range of insurance requirements that the Council has, including cyber insurance. It is therefore possible that the requirements may be offered by way of lots for each type of insurance cover. The subsequent award(s) will be delegated to the Insurance and Risk Manager acting within the remit of this report. This decision raises no legal concerns and support will be provided, as required, with regard to the contractual arrangements.
- 5.2 Decision 4 is with regard to the procurement of Terrorism cover. It is being proposed that this is treated separately to the procurement exercise referred to in

decisions 1-3. Subject to the value of this cover being within the thresholds set out in the Contract Procedure Rules then to seek quotations only may be permitted. Any value above that would require a full tendering process that goes out to the full market and not narrowed to the Lloyds market. Any proposal to run a quotation process over £100,000 would require a dispensation from Contract Procedure Rules and consultation with the Chief Finance Officer and Head of Contracts and Procurement. For the avoidance of doubt dispensations cannot be applied to a procurement that exceeds the thresholds set out in legislation.

Naomi Vass – Team Leader Commercial Employment and Education – 20/09/21

- 5.3** The Insurance Team will work with their appointed Insurance Broker, Griffiths & Armour, who will undertake the procurement via the YPO Framework on behalf of the organisation keeping Procurement in the loop with developments and the tender outcome.

The existing contract was extended via dispensation last time and therefore, there is no alternative option and the Authority is required to go to market to renew the contract from April 2022.

Louise Dobson – Lead Procurement Officer – Products - 20/09/21

## **6 Social value considerations**

- 6.1 Risk Management initiatives undertaken within front line services deliver improvements to services provided to citizens and minimise the adverse impact on the surrounding environment. A continued commitment to operational risk management will ensure initiatives continue to produce a positive impact on citizens

## **7 Regard to the NHS Constitution**

- 7.1 Not applicable.

## **8 Equality Impact Assessment (EIA)**

- 8.1 An EIA is not required.

## **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.

<b>Subject:</b>	Approval to procure supervised consumption of methadone and buprenorphine in pharmacies scheme through an open accreditation process		
<b>Corporate Director(s)/ Director(s):</b>	Lucy Hubber, Director of Public Health Katy Ball, Director of Commissioning and Procurement		
<b>Portfolio Holder(s):</b>	Cllr. Adele Williams, Portfolio Holder for Adults and Health		
<b>Report author and contact details:</b>	Bethan Hopcraft <a href="mailto:Bethan.hopcraft@nottinghamcity.gov.uk">Bethan.hopcraft@nottinghamcity.gov.uk</a> / 0115 876 5073		
<b>Other colleagues who have provided input:</b>	N/A		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Subject to call-in</b>
			<input checked="" type="checkbox"/> Yes
			<input type="checkbox"/> No
<b>Reasons:</b>	<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 checked="" type="checkbox"/> No
<b>Total value of the decision: £2,379,816</b> (£264,424 per year) / £1,322,120 without possible extensions.			
<b>Wards affected:</b> All	<b>Date of consultation with Portfolio Holder(s):</b> 21 <sup>st</sup> September 2021		
<b>Relevant Council Plan Key Theme:</b>			
Nottingham People			<input checked="" type="checkbox"/>
Living in Nottingham			<input type="checkbox"/>
Growing Nottingham			<input type="checkbox"/>
Respect for Nottingham			<input type="checkbox"/>
Serving Nottingham Better			<input type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>In line with NICE guidelines and clinical best practice, it is recommended that a drug treatment journey where opioid substitution therapy (OST) is prescribed, starts with three months of daily supervised consumption of OST as a minimum. Supervised consumption reduces the risks of overdose or underdosing, diversion of controlled medication, and accidental poisoning of children and vulnerable adults.</p> <p>The current contract for this provision is due to expire on 31<sup>st</sup> March 2022, following a 1+1+1+1 contract. The current contract allows for new providers to apply through an open accreditation process, and it is anticipated that this arrangement is replicated in the new contract in order to ensure that this reflects the changing ownership and staffing seen within community pharmacies (see 1.5 for more detail).</p> <p>To increase the safety of people who use opioids, it is intended that the provision of take-home naloxone (a medication that temporarily reduces the effects of opioid overdose) will be built into the service specification to encourage the availability of naloxone among this population to reduce fatal overdoses.</p>			
<b>Exempt information:</b> None			
<b>Recommendation(s):</b>			
<p><b>1</b> To approve the expenditure of up to £2,379,816 (£264,424 per year) of Public Health monies associated with procuring a community pharmacy supervised consumption scheme and provision of take-home naloxone scheme for the period of five years with the option to extend for two further two-year periods from 1<sup>st</sup> April 2022.</p>			

**2** To delegate authority to the Director of Public Health and Procurement to approve the outcomes of the supervised consumption accreditation process and award the contracts to ensure the best outcomes for Nottingham's citizens.

## **1 Reasons for recommendations**

- 1.1 The current contracts held with 31 providers across 50 bases for this service are due to expire on 31<sup>st</sup> March 2022. Approval is sought for the use of funding to enable new contracts to be established for the continuation of a supervised consumption scheme within the City for an initial 5 year term with the opportunity to extend for two further two-year periods (subject to successful performance and continuing requirement for this provision. Without securing new contracts, there will be serious consequences for not only our drug-using population, but also a potential increase in crime (through diverted medications, among other crimes), and accidental poisonings of children and vulnerable adults.
- 1.2 Due to the potentially chaotic nature of the lives of people using this provision, there is an increased risk of overdose due to people potentially using more than their prescribed dose. Nottingham City is dedicated to improving health outcomes for citizens and by re-procuring this provision, the risk of overdose from prescribed and non-prescribed opioids reduces among our drug-using population<sup>1</sup>. Similarly, methadone poisonings account for over half of all poisonings in children under four<sup>2</sup>, and the provision of this scheme will contribute to the reduction in risk of accidental poisonings in children. In addition, this provision will reduce the likelihood of diversion of potentially dangerous controlled medications.
- 1.3 Encouraging daily contact with a qualified health professional will improve the likelihood of any additional health concerns being identified and treated. Throughout their treatment journey, service users can build relationships with their pharmacist which often supports their recovery and other areas of their lives.
- 1.4 The length of the contract to be procured will reduce the processing costs associated with applications and will allow for providers to focus on service delivery, provide stability, and reduce mobilisation and exit time. The providers will be subject to regular financial and contractual audits and any potential extensions will be informed by these audits. Contracts will be issued with a 6-month break clause to allow for flexibility should the need arise to defund this provision.
- 1.5 An open accreditation is recommended for this service to enable any newly qualified pharmacists, or newly owned pharmacies who pass the accreditation process to deliver the scheme during the long contract period. Using a competitive tender process would limit the market, and an open accreditation has proven successful in the past in allowing flexibility for primary care providers (i.e. pharmacies and GPs) to deliver this provision without adding administrative burden to officers within Nottingham City Council, and providers

---

<sup>1</sup> More information about opioid overdose can be seen on the World Health Organisation's website, here: <https://www.who.int/news-room/fact-sheets/detail/opioid-overdose>

<sup>2</sup> Anderson M, Hawkins L, Eddleston M et al. Severe and fatal pharmaceutical poisoning in young children in the UK. Archives of Disease in Childhood 2016. <https://adc.bmj.com/content/101/7/653>



of this service.

- 1.6 The provision is funded entirely through the Public Health ring-fenced grant, and as such is subject to requirements of this grant. Specifically, it is required for the local authority to provide “an accessible drug and alcohol treatment and recovery system that includes a full range of NICE-compliant drug and alcohol interventions to treat both alcohol and drug dependence and to reduce harm, based on local authority prevalence, need and current outcomes”. As stated, NICE guidelines state that provision of supervised consumption, where appropriate and required, is effective in reducing the potential harm caused by overdose, accidental poisoning and diversion of medications.

## **2 Background (including outcomes of consultation)**

- 2.1 The current scheme was commissioned in 2018 following a comprehensive consultation with providers, Local Pharmaceutical Committee, commissioners in other areas, and other stakeholders. The consultation focussed on the financial model following reductions to this budget.
- 2.2 The risk of discontinuing this provision would be detrimental to citizens living in Nottingham City, and would go against national NICE clinical guidance<sup>3</sup>. With a potential decrease in overdoses, accidental poisonings and diversion of medication, the continuation of this service is vital in meeting public health outcomes. The transactional nature of this provision leaves it inflexible and not easily subjected to changes, and as a result, the service model and financial structure remain largely unchanged. It is for this reason that it was considered inappropriate to conduct a consultation exercise.
- 2.3 The provision was subject to a financial review in 2017 whereby a reduction in transactional fee was negotiated. It was agreed that whilst there were pressures on public monies, there was a responsibility of the authority to support community pharmacies to deliver this service to some of the city’s most chaotic and vulnerable citizens. The fees agreed were done so to minimise impact on independent pharmacies, some of whom were facing extreme financial stressors, whilst also meeting necessary savings within the authority. The financial model is similar to statistical and regional neighbours.

## **3 Other options considered in making recommendations**

- 3.1 Do nothing and let the service provision end on 31st March 2022. This is not a viable option because there is a clear need for this service in the city to continue to ensure the continuity of positive outcomes for people who use opioids. Discontinuation of this service could result in an increase in overdose, accidental poisoning, and diversion of controlled medication. All of these aspects would increase the burden on other departments and organisations, such as HM Coroner’s Office, Nottinghamshire Police, Community Protection and local businesses, to name a few.
- 3.2 In line with Public Health grant requirements as laid out in Public Health Grant Conditions and Mandated Functions in England, a local authority must, as a condition in using the grant, “have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services”. The supervised consumption scheme will allow Nottingham City to provide an

---

<sup>3</sup> <https://bnfc.nice.org.uk/guidance/controlled-drugs-and-drug-dependence.html>

evidence-based treatment system which aligns with the needs of the drug-using population.

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

- 4.1 This decision seeks approval to spend up to £2.380m (£0.264m annually) of Public Health funding associated with procuring a community pharmacy supervised consumption scheme and provision of take-home naloxone scheme. The contract period is for five years with the option to extend for two further two-year periods from 1<sup>st</sup> April 2022. The value without any contract extension is £1.322m.
- 4.2 Funding of this decision is to be made in full via Public Health budgets held by the Crime and Drugs Partnership (CDP), specifically the supervised consumption budget (£0.262m annually) and naloxone budget (£0.002m annually). The service should monitor spend closely to ensure that the contract comes in within agreed budget provision and that no financial pressure occurs.
- 4.3 Contracts will be issued with a 6-month break clause to allow for flexibility should the need arise to defund this provision therefore reducing future financial risk. The option to extend for two further two-year periods should only be done subject to satisfactory performance and the continued need for the service. In line with present Public Health grant requirements, decommissioning or discontinuation of this service will result in non-compliance with the conditions laid out in the Public Health Grant Conditions and Mandated Functions in England so this service is deemed necessary.
- 4.4 The supervised consumption accreditation process will ensure value for money is achieved and that the service meets necessary criteria.

Phil Gretton – Strategic Finance Business Partner -14<sup>th</sup> September 2021

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

- 5.1
- 5.2 The proposed procurement for the provision of pharmacy supervised consumption of methadone/buprenorphine will be undertaken by the Procurement Team through an accreditation process compliant with EU and UK Procurement Regulations (Light Touch Regime) and the Council's Financial Regulations. The accredited providers will be established through a fair, open and transparent process whereby all providers that meet the required quality standards will be awarded a contract. with procuring a community pharmacy supervised consumption scheme and provision of take-home naloxone scheme for the period of five years with the option to extend for two further two-year periods from 1st April 2022.

Julie Herrod – Lead Procurement Officer 14<sup>th</sup> September 2021.

#### **6 Social value considerations**

- 6.1 Recommendations have been considered in line with the Public Services (Social Value) Act 2012. The service detailed within this report aim to improve the social

wellbeing of people who use drugs within Nottingham City.

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

No

An EIA is not required because:

The service specification will not see any major changes, and there have been no notable changes to equality legislation, nor to the population of Nottingham City. The previous EIA focussed on the changes to financial model that occurred in the contract beginning in 2018. The new contract and service specification will detail the requirement to comply with equalities legislation.

Yes

## **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

This page is intentionally left blank