

# Nottingham City Council

## Commissioning and Procurement Executive Committee

Minutes of the meeting held at Loxley House, Station Street, NG2 3NG, on 14 June 2022 from 10.00 am - 10.50 am

### Membership

#### Present

Councillor Cheryl Barnard (Vice Chair)

Councillor Adele Williams (Chair)

Councillor Sally Longford

Councillor Toby Neal

Councillor Linda Woodings (for minute 15 only)

### Colleagues, partners and others in attendance:

Mark Leavesley	- Governance Officer
Rachael Morris	- HR Business Lead (People)
Steve Oakley	- Head of Contracting and Procurement
Syd Shaw	- Traffic Control Centre Operations manager
Antony Snape	- Team Leader, Revenues and Benefits Business Support
Ceri Walters	- Head of Commercial Finance

### Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 22 June 2022. Decisions cannot be implemented until the working day after this date.

### 9 Apologies for absence

None.

### 10 Declarations of interests

None.

### 11 Minutes

The Committee agreed the minutes of the meeting held on 10 May 2022 as a correct record and they were signed by the Chair.

### 12 Traffic Control Centre communications procurement - key decision

Syd Shaw, Traffic Control Centre Operations Manager, presented the report, and stated the following:

- the Traffic Control Centre (TCC) utilises approximately 500+ telephone lines, including broadband services, to monitor and control approximately 700 sets of traffic signals throughout Nottingham City and Nottinghamshire County;

- TCC also operates 300 CCTV cameras using the broadband services to monitor the highway network, and many of the lines and broadband servicers share both CCTV and traffic signals to minimise costs;
- BT is the current provider of the service, with the current arrangement due to end imminently and to ensure a continuation of service an exemption has been agreed until October 2022 whilst a procurement process is completed. Carrying out a procurement process will ensure that best value is sought;
- a change of communication suppliers would entail re-programming over 500 broadband routers, involving both Nottingham City Council and Nottinghamshire County Council staff time, contractors time to re-program in-station equipment, system downtime, and an estimated cost in the region of £45,000 to implement;
- in addition to the requirement of TCC, NCC hold a small number of broadband contracts with different values, contract end dates and providers and it is proposed that the new contract would incorporate small IT contracts held by NCC as and when they are due to be contracted.

In response to a question, it was stated that social value considerations would form part of the tender process.

### **Resolved**

- (1) to approve authority to conduct a procurement process for the provision of broadband and associated telephony services for a period of five years at a cost of up to £1,500,000;**
- (2) to delegate authority to the Corporate Director of Growth and City Development to award a contract to the successful provider on completion of the procurement process.**

### Reasons for recommendations

- (1) The Council needs to enter into a compliant contract which offers best value for the Council and maintains the current operational levels of the TCC.
- (2) The products, services and facilities that our existing arrangement with BT provides is a perfect match with our requirements and has been since the arrangement started in 2014. Ideally, we would want to see the services continue if they offer best value to the Council.

### Other options considered

- (1) It was explored with both the Procurement Team and IT to see if there was the possibility to amalgamate the TCC communication services within the existing communications contracts and frameworks that NCC already has in place. It was agreed with all parties that due to the level of TCC spend and the number of lines that TCC has, that there were no existing contracts that could be used to absorb the TCC services.
- (2) Doing nothing is not an option as there would be a breach of regulations.

**13 Contract for the production, printing and despatch of Council Tax billing, reminder notices, Benefit statements and associated documents - key decision**

Antony Snape, Team Leader, Revenues and Benefits Business Support, presented the report, and stated the following:

- the Revenues and Benefits service issues 230,000 Council Tax bills, 80,000 e-bills, 250,000 Benefit Statements and 85,000 Council Tax reminder notices over the course of a year;
- the current contract expires on 31 July 2022 and the report seeks authority to undertake a procurement exercise for a new four-year contract (on a 2+1+1 year basis) at a cost of up to £900,000 total over the 4 years;
- a supplier was required that can despatch the volume at both annual billing time and several times each week throughout the year, and can also meet critical deadlines.

Members stated that consideration should be given to marketing of e-billing, highlighting the benefits from a sustainability and financial perspective.

**Resolved**

- (1) to approve the undertaking of a procurement process for a new four-year contract (on a 2+1+1 year basis) up to a total cost of £900,000, to commence 1 August 2022;**
- (2) to delegate authority to the Corporate Director for Finance and Resources to award the contract to the preferred supplier following completion of the tender process.**

Reasons for recommendations

- (1) The current four-year contract, which has operated on a 2 +1+1 basis since 2018, will expire on 31/07/22 and in order to comply with the City Council's contract procedure rules it is necessary to undertake another procurement exercise to award a replacement contract. It is anticipated that procurement may be made through a G-Cloud framework.
- (2) The 2+1+1-year contract arrangement allows the City Council to plan the cost over this period while retaining the flexibility to break after two years if circumstances require this.

Other options considered

- (1) To bring the production of bills and statements in-house. This option has been rejected due to the complexity of the sorting and matching processes and resources and machinery do not exist to handle these volumes.

**14 Procurement of a Managed Service Provider for the Supply of Agency Workers - key decision**

Rachael Morris, HR Business Lead (People), presented the report and stated the following:

- The council has been in a contract with a managed service provider for number of years in order to support the appropriate compliance and governance of agency spend and in order to source the appropriate periphery resource to bolster the core workforce in some of the council's key services to ensure their delivery is maintained and sustainable.
- The council has been using Executive agencies and niche agencies for the engagement of senior interim workers and those requiring specialist skills, at an additional cost to the organisation over and above the managed service provider.
- The current managed service provider is not able to source agencies at this level of skill or expertise due to the contractual implications NCC previously put in place in the original tender.
- The council was in a significantly different place in 2018 when the most recent contract was awarded and it would be appropriate for us to increase the value of the contract to cover off this spend, and bring it into one place.
- The current contract expires in August 2022, and there is an option to extend for a short period while we procure a new contract.
- The contract would be for 5 years (on a 3+1+1 basis) at an approximate cost of £6,000,000 per year (£30,000,000 total).

In response to a comment from members, Ms Morris stated that the use of agency workers was only considered once HR and Heads of Service had discussed whether there were other options available.

### **Resolved**

- (1) to grant authority to procure a managed service provider for the supply of agency workers for a period of 3+1+1 years with a value of up to £6,000,000 per annum (£30,000,000 total value over the contract lifespan);**
- (2) to delegate authority to the Corporate Director for Finance and Resources to award the contract to the successful provider;**
- (3) to grant authority to extend the current contract by up to three months from August 2022, up to a value of £750,000, in order for the tendering exercise to take place.**

### Reasons for recommendations

- (1) To approve a procurement process to commence in order for the council to gain best value through the supply of agency workers for critical roles across the council.

- (2) An extension to the existing contract allows appropriate resource and time to procure the contract, with the current expiration due in August 2022. The extension will be under the terms of the current ESPO framework.

#### Other options considered

- (1) Not renewing the contract and ceasing the usage of agency resource. This option is not recommended from a compliance and financial perspective. Agency resource should always be used as a last resort but there is always likely to be need for agency cover in some of our high risk and statutory services, and those services with recruitment & retention challenges. It is for this reason that a corporate contract should be in place to manage and monitor usage and spend across the organisation.
- (2) Due to the challenges with sourcing agency workers, the executive interim market and the specialist skills set, we have recently had challenges through the current managed service provider contract. We have explored procuring via a Dynamic Purchasing System (DPS) but on the advice of procurement colleagues this option was discounted on the basis that this would produce challenges with governance and it would be unrealistic with current resources to manage these contracts.

### **15 Procurement Strategy 2018-23 Year End Report**

This item does not contain any decisions that are eligible for call-in.

Steve Oakley, Head of Contracting and Procurement, presented the report and stated the following:

- The Nottingham City Council Procurement Strategy 2018-2023 drives the use of the Council's spending power to drive the key strategic objectives of:
  - Citizens at the heart;
  - Securing economic, social and environmental benefits;
  - Commercial efficiency.
- The report presents the outcomes and achievements delivered under the Strategy in its fourth year 2021-22, (detailed in appendix 1) and over the four years of the Strategy 2018-21 (detailed in appendix 2). During 2021-22, procurement activity delivered:
  - 367 contracts awarded - representing a total value of £128.8m;
  - £68.29m invested in the local economy – 53% of total contract value awarded to City suppliers, of which £27.8m was awarded to local SMEs. Over the four years of the Strategy 2018-2022, a total of £1.16bn has been invested in the local economy – an average of 60.51% of total contract value awarded to City suppliers;
  - 54.55% of the total contract value awarded (£70.29m) retained within Nottinghamshire; 74.52% within the East Midlands area overall (£96.02m);

- 105 environmental measures and benefits secured through contracts awarded;
- 35 new entry level jobs and apprenticeships created;
- Cashable savings of £0.515m per annum on recurring contracts – representing 10.74% of total contract value (recurring contracts only);
- Anticipated income generation of £1.375m from concession contracts awarded and approximately £0.205m external income raised from procurement and contracting activities;
- 70 contracts awarded subject to the 1% levy rebate. Actual levy income is dependent on expenditure incurred during the lifetime of contracts and based on expenditure on relevant contracts during 2022-23, the income generated for employment and skills activity was £90,000.

## **Resolved**

### **(1) to note the outcomes delivered:**

- (a) under the Nottingham City Council Procurement Strategy 2018-23 in its fourth year (2021-22), as detailed in appendix 1;**
- (b) during the four years of the Procurement Strategy 2018-22, as detailed at appendix 2;**

### **(2) to note that the Nottingham City Council Procurement Plan was to be refreshed during 2022-23 as part of the procurement transformation programme, and the updated Plan would be reported to a future meeting of this Committee once complete.**

## Reasons for recommendations

- (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. Delivery of the Council's strategic priorities depends on the efficient, strategic 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.
- (2) 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.
- (3) Implementation of the Strategy during 2021-22 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 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.

Other options considered

None as the report is for noting only.