

Nottingham City Council

Commissioning and Procurement Executive Committee

Minutes of the meeting held at Ground Floor Committee Room - Loxley House, Station Street, Nottingham, NG2 3NG on 12 July 2022 from 10.00 am - 10.16 am

Membership

Present

Councillor Cheryl Barnard (Vice Chair)
Councillor Adele Williams (Chair)
Councillor Toby Neal
Councillor Linda Woodings

Absent

Councillor Sally Longford

Colleagues, partners and others in attendance:

Thomas Ali	- Food Development Manager
Katy Ball	- Director of Procurement and Commissioning
Nancy Barnard	- Governance and Electoral Services Manager
Elspeth Clowes	- Assistant Catering Manager
Holly Fisher	- Procurement Officer
Helen Johnston	- Public Health Consultant
Sue Oliver	- Category Manager, Procurement
Shane Staley	- Fleet Manager
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 19 July 2022. Decisions cannot be implemented until the working day after this date.

16 Apologies for absence

Councillor Sally Longford – on leave

17 Declarations of interests

None

18 Minutes

The Committee agreed the minutes of the meeting held on 14 June 2022 as a correct record and they were signed by the Chair.

19 Supply of diesel and associated lubricants - key decision

Shane Staley, Fleet Manager, presented the report and stated the following:

- Fleet Services currently use the ESPO framework, which is a 'direct award' process for the provision of diesel and other lubricants. This contract is due to

expire 30 August 2022 and the report seeks approval for the Council to go out to 'mini competition' by using the Crown Commercial Services (CCS) framework agreement and award a contract to one supplier to purchase fuels.

- There is significant volatility in the fuel market at the moment and the proposed arrangement would allow greater flexibility and will secure more competitive prices for fuels.
- Despite the ongoing electrification of Nottingham City Council's fleet, diesel is still essential for running 49% of the fleet including refuse collection vehicles, sweepers and minibuses.

In response to questions it was confirmed that an option to use fuel cards would be held in reserve to be used if required but this would mean paying forecourt prices for fuel and presented issues with larger vehicles such as refuse trucks accessing the pumps.

Resolved to

- (1) **approve going out to 'Mini Competition' and award a contract to one provider via the Crown Commercial Services (CCS) framework agreement. The contract will be awarded for an initial 2-year period with an option to extend it by 1+1 years**
- (2) **approve spend of £9,600,000 for fuel and lubricant supply for the NCC vehicle and plant fleet**
- (3) **delegate authority to the Director of Neighbourhood Services to award the necessary contract(s) to the chosen supplier under the new framework.**

Reasons for recommendations

- (1) To ensure the provision of the services which are compliant with UK Procurement legislation and the Council's procurement rules.
- (2) To enable the Council to access market competitive prices throughout the purchasing period through the aggregated purchasing power of the awarding Framework.
- (3) To ensure commercial and financial risks to the Council are mitigated by the Framework Terms and Conditions.
- (4) The framework lists approved suppliers chosen through a qualitative and pricing competition which Nottingham City Council is permitted to access as a Contracting Authority.
- (5) Continued use of frameworks means that the investigation into the most competitive suppliers and price of fuel is undertaken on behalf of Nottingham Council.

Other options considered

- (1) The Council could choose to undertake a full competitive tendering process for the provision of automotive fuel and oil. This has been discounted for the following reasons: - A full competitive tender will take around 9 months to complete meaning any new arrangements are unlikely to be in place before August 2022 when the current contract ends. Furthermore, the relatively low volumes of fuel and oil purchased by the Council, when compared to the terms of the framework agreement, means that any tendered prices may not reflect best value because similar economies of scale may not be achieved. A full competitive tender would increase the procurement costs without, as noted above, providing best value for the Council.
- (2) CCS has an open framework for the provision of Fuel Cards that the Council could utilise going forward. The framework operates with a number of national suppliers including well-known forecourt names such as BP & Shell. The Council would be charged at pump prices per litre via the card transaction. Each card will be required to be assigned to a vehicle to reduce the risk of fraudulent purchases and would require fuel only transactions. Dependant on the annual volume of fuel purchased a rebate will be applied retrospectively to reduce the overall cost to the Council. This option requires strict management controls to be in place to ensure compliance and spend. In order to achieve a similar pricing structure when compared to the expected unit prices achieved under from bulk fuel framework the Council will be required to use a large volume of fuel (a likely outcome) and pay by direct debit, which will increase cash flow pressures, when compared to the bulk fuel framework that operates on a credit basis. Although this option carries a number of operational and compliance risks, as described above, it may provide some flexibility going forward because of the Council's Carbon Neutral (CN28) programme of change. Unlike the bulk fuel framework, the Council is not required to maintain the local depot infrastructure for vehicle fuelling which does incur additional overhead costs. Given that the direct provision of fleet may change as new models of service delivery changes because of CN28 these costs may start to become disproportionately high. The table in section 2.5 helps show how proportionate the financial and operational risk associated with this option will be for the main service users given the current usage profile. At this stage, this option is not considered to be the preferred route to market. However, this option should remain 'under review' as the demand for direct fuel provision may change as an outcome of the CN28 programme.
- (3) No Action Taken – The Council would still require the provision of Automotive Fuel and Oil therefore individuals would need to either purchase via high street forecourts which would be both expensive and administratively burdensome or be obliged to operate under any supplier's standard terms and conditions and price banding which would not provide best value. In addition, this would be non-compliant with the Council's procurement rules and UK Procurement Legislation as the service value dictates that a full, robust and compliant process would be required. After evaluation, the recommended option would be to market test the provision of the service using the established CCS Framework Agreement and award an initial two-year contract. This would provide a period for continuity of service provision as the Council continues to implement the CN28 vision and ensure that new commercial entities have a

period of stability and to assess their individual requirements prior to seeking their own competitive procurement process. This option also balances the need to deliver a value for money service alongside managing the procurement and commercial risks.

20 Supply and delivery of frozen food, grocery and fresh meat - key decision

Following an introduction from Councillor Cheryl Barnard, Thomas Ali, Food Development Officer, presented the report and stated the following:

- The Council has 73 sites split between schools, catering outlets and care homes which all require frozen food, grocery products and/ or fresh meat. The previous contracts expire in November 2022 for groceries and frozen food and January 2023 for fresh meat.
- The proposal is to enter into a new contract for two years with two potential one year extensions. This will allow for further competitive processes if required after two years as the market is currently volatile and a four year contract would not offer the same flexibility.
- The meat contract is seeking local suppliers who meet certain standards of accreditation and aims to encourage local competition.

Resolved to:

- (1) **approve the undertaking of a full tender to procure a contract for the supply of frozen food and groceries for up to a 4-year period (2+1+1 years), with a maximum cost of £5,000,000**
- (2) **approve the undertaking of a full tender to procure a contract for the supply of fresh meat for up to 4 years (2+1+1 years), with maximum cost of £1,000,000**
- (3) **delegate authority to the Corporate Director of Resident Services to award the contracts to the successful bidders.**

Reasons for recommendations

- (1) The current contract for the supply of frozen food and groceries expires on 01/11/2022 and fresh meat expires January 2023. New contracts need to be put in place and therefore a competitive tender process will ensure that both quality of product and value for money for all sites is obtained.
- (2) The contract is subject to the Public Contracts Regulations 2015 which requires the City Council to undertake a competitive tender process to award the contract.
- (3) The rationale for the decision is that all this expenditure will be covered by the charges for school meals, which is either through paid meals for the Free School Meals budget or income from the Council operated catering outlets.

Other options considered

- (1) Do nothing – this would leave Nottingham City Council at risk of no longer receiving products required to produce school meals. This option has been rejected as Nottingham City Council needs a supplier to provide food to schools, catering outlets and care homes to ensure that services continue to be provided to citizens.

21 Commissioning of substance misuse treatment and recovery services for Nottingham - key decision

Following an introduction from Councillor Linda Woodings, Helen Johnston, Consultant in Public Health, presented the report stating the following:

- Nottingham's alcohol and drug treatment and recovery system includes an integrated treatment and recovery service for adults, a criminal justice pathway, and services for children and young people and families impacted by substance misuse. The substance misuse treatment and recovery services in Nottingham city need to be re-commissioned, with new contracts to be let from 1 July 2023.
- The Supplemental Grant has been allocated to Nottingham City to support improvements in the quality and capacity of drug and alcohol treatment 2022/23 to 2024/25. Along with other ring-fenced grant funding and partner funding, this marks a step change in investment in substance misuse services, for consideration alongside the commissioning review to ensure Nottingham has sufficient high-quality service provision.
- The report seeks approval for the re-commissioning of substance misuse treatment and recovery services in Nottingham from July 2023, and the receipt/spend of Supplemental grant. The proposal is to approve spend for commissioned services under five year contracts with two options to extend for further two year periods against a nine year budget.

In response to questions, it was confirmed that a two percent uplift had been applied to the Public Health grant funded elements due to anticipated Agenda for Change increments on staffing costs. This applies across the life of the contract. A more substantial risk arises post March 2025 as there is no guarantee of ringfenced grant funding beyond that point. This risk is being mitigated through contractual arrangements.

Resolved to:

- (1) approve the receipt of up to £2,899,440 from the Office of the Police & Crime Commissioner as a partner contribution to substance misuse**
- (2) approve the receipt of the full allocation for Nottingham of the Supplemental Substance Misuse Treatment and Recovery Grant (including the Inpatient Detoxification grant line) from the Office of Health**

Improvement & Disparities to 31 March 2025 (total indicative value of £7,064,863), paying attention to grant conditions

- (3) approve the spend of £1,829,466 on substance misuse services and activity to 30 June 2023 as set out in Appendix A to the report
- (4) approve the spend of £291,177 of the Inpatient Detoxification Grant through a consortium procurement of additional inpatient detox beds within the Midlands to 31 March 2025
- (5) delegate responsibility to Director of Public Health to agree the service model for the commissioning of substance misuse services against the entire budget available, through applying the insight and commissioning recommendations developed within the strategic commissioning review and in consultation with the Portfolio Holder
- (6) approve undertaking a procurement process for the following services as outlined in Appendix B to the report:
 - Integrated drug and alcohol treatment and recovery services for adults
 - Drug and alcohol treatment and recovery services for people in the criminal justice system
 - Integrated drug and alcohol treatment and recovery services for children and young people
 - Family support service for those impacted by substance misuse
 - Harm reduction service including specialist needle exchange & sexual health
 - Shared Care in primary care.
- (7) approve the spend of ring-fenced Public Health Grant, ring-fenced substance misuse grants, and partner funding up to a total value of £62,498,502 on substance misuse services for Nottingham for 1 July 2023 to 30 June 2032, with funding contributions detailed in Appendix C to the report.

Reasons for recommendations

- (1) New substance misuse treatment and recovery service contracts need to be let from 1st July 2023.
- (2) A commissioning review of substance misuse services in Nottingham is underway. The procurement exercise for new services needs to be completed in autumn 2022, to allow for service mobilisation in 2023.
- (3) The commissioned services for adults, children, families, the criminal justice pathway, and the harm reduction service will be procured such that additional substance misuse treatment activity grant-funded by the Office of Health Improvement and Disparities is provided by the awarded treatment service provider, as this is not standalone activity.

Other options considered

- (1) The current contracts have been aligned such that they cease on 30 June 2023. Without re-commissioning, there would be no commissioned services and a lack of provision, with Nottingham City Council neglecting the duty to ensure these services.
- (2) Under a 'do nothing' option' on the Supplemental Substance Misuse Treatment & Recovery Grant, there would be no receipt of the grant. This would put Nottingham at significant disadvantage for the delivery of From Harm to Hope with a lack of benefit for Nottingham residents.