

# Public Document Pack



**Nottingham  
City Council**

## **Nottingham City Council Commissioning and Procurement Executive Committee**

**Date:** Tuesday, 15 November 2022

**Time:** 10.00 am

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

**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

- 1 Apologies for Absence**
- 2 Declarations of Interests**
- 3 Minutes** 3 - 12  
Last meeting held on 11 October 2022 (for confirmation)
- 4 Commissioning of substance misuse treatment and recovery services for Nottingham** 13 - 18  
Joint report of Corporate Director for People and Director of Public Health
- 5 Adjustment of 'Giving Nottingham Children the Best Start in Life' contract value** 19 - 26  
Joint report of Corporate Director for People and Director of Public Health

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

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## Nottingham City Council

### Commissioning and Procurement Executive Committee

Minutes of the meeting held at Loxley House, Station Street, NG2 3NG, on 11 October 2022 from 10.00 am - 10.48 am

#### Membership

##### Present

Councillor Adele Williams (Chair)  
Councillor Cheryl Barnard (Vice Chair)  
Councillor Sally Longford  
Councillor Linda Woodings

##### Absent

Councillor Toby Neal

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

Katy Ball	- Director of Commissioning and Procurement
Wayne Bexton	- Director of Carbon Reduction, Energy and Sustainability
Mark Leavesley	- Governance Officer
Jane Lewis	- Community Safety Strategy Manager
David Nicoll	- CRES Customer Service and Transformation Manager
Colin Wilderspin	- Head of Community Safety
Gwendoline Williams	- Business Support Assistant

#### Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 21/10/2022. Decisions cannot be implemented until the working day after this date.

#### 28 Apologies for Absence

Councillor Neal - other Council business

#### 29 Declarations of Interests

None.

#### 30 Minutes

The Committee agree the minutes of the meeting held on 13 September 2022 as a correct record and they were signed by the Chair.

#### 31 EE Monitor & Customer Relationship Management Systems Tender - key decision

Councillor Longford, Portfolio Holder for Energy, Environment and Waste Services introduced the report.

Dave Nicoll, CRES Customer Service and Transformation Manager, and Wayne Bexton, Director for Carbon Reduction, Energy and Sustainability, presented the report and highlighted the following:

(a) EE Monitor Manufacture, Supply and Development

- Nottingham City Council (NCC) owns and operates the largest district heating network in the UK. The network serves around 5,000 domestic properties and 120 commercial properties. 95% of the domestic properties on the network currently have an outdated prepayment solution installed, which is over 18 years old. Parts to repair the systems are now obsolete and the software is no longer supported. Customers only have a small number of shops in the area at which they can top up, and this is leading to them having to travel some distance to top up their prepayment device;
- a decision by the Executive Board to bring Enviroenergy Ltd in to the Council recognised a requirement to upgrade this domestic metering and billing system, and funding was allocated within the Council's capital programme, enabling commencement in 2022/23 to deliver this transition;
- NCC has worked with a supplier to develop a prepayment metering solution for heat networks - this solution is called the EE Monitor, and has successfully helped other local authorities and housing associations across the UK to purchase and install the EE Monitor solution into properties they are the supplier of heat for;
- the EE Monitor has become a commercial success since its inception, being fitted in 3,000 homes across the UK at present. As the demand for more heat networks across the UK grows, so does the opportunity for NCC to provide billing services alongside monitoring, utilising the expert teams within the Enviroenergy department. The EE Monitor is currently installed at Bentinck, Manvers and Kingston Courts in Nottingham and has proved a success;
- there is now a need for NCC to procure the manufacturer, supplier and developer of the EE Monitor product on a long-term contract basis of 10 years, also enabling the roll out across the district heating estate within Nottingham (approximately 5,000 properties);
- the existing prepayment metering system on Nottingham Estate is outdated and provides no control to us in managing debt and customer accounts;
- benefits that the installation of an EE Monitor will have for our citizens and services are:
  - full control over customers' heating accounts, enabling NCC to clawback existing debt and reduce the number of tenants who can get into debt;
  - better top up options;
  - tenants who require an engineer to manually top up their meter by £250 in order for them to not be allowed to get into debt should no longer require a visit from an engineer every few months;

- Nottingham One and Victoria Centre have dedicated top up machines which are out of use and cannot be fixed due to requiring obsolete parts;
- the EE Monitor device will offer all the options you expect to see in 2022, such as direct debit, online, over the phone and a card in any shop. The payments are added to the account instantly and automatically, which will allow tenants to be able to manage their heating accounts better.

(b) Customer Relationship and Management System (CRMS)

- the report is also seeking approval to procure a CRMS for a 10-year period to ensure Nottingham City Council can meet the regulatory requirements for 'Heat Network Metering and Billing' legislation. The current CRMS, known as DOMMS, is no longer fit for purpose and is running on the Microsoft Access system. The data within the system has become corrupted, making billing and account management very difficult. This leads to a delay in bills being sent to customers as billing is performed manually. The system doesn't allow for customers to have an online account to manage their energy usage and check their balance;
- benefits of a new CRMS include:
  - online customer account access;
  - multiple payment options;
  - automated billing;
  - monitoring of usage and payments.

**Resolved to**

- (1) to approve commencement of a tender process for both the manufacture, supply and development of the EE Monitor and the Customer Relationship Management System, at a cost of £3,579,000 and £3,200,000 respectively (a total cost of £6,779,000);**
- (2) delegate authority to the Director of Carbon Reduction, Energy and Sustainability to award contracts for both items, in accordance with the Council's constitution, to the successful bidders.**

Reasons for recommendations

The current supplier has been engaged with NCC since 2015 in the production of a heat metering and billing solution. After the delivery of a successful prototype EE Monitor, the relationship with the supplier has continued. The sale of EE Monitors is a profitable business proposition offering a good return on sales and ongoing billing services. The EE Monitor is currently installed in 3000 properties across the UK. It is recognised as a very reliable cost-effective prepayment solution. It is recommended that approval to proceed with this tender is given and that the Director of Carbon Reduction, Energy & Sustainability has approval to procure and execute the contract in accordance with the Council's constitution for this item after a successful tender process has been concluded.

The current DOMMS CRM utilised by Nottingham City Council's Enviroenergy Department for their heat network customers is constantly failing and unable to produce bills. The system is Access based and previous attempts to "fix" the system have failed. The DOMMS system offers no online customer account capability and is very outdated. Customers have in some instances not received automated bills since 2014 due to the system failures.

Based on the value and length of the contract it is recommended that a tender exercise is completed to source a CRM solution offering best value. It is also recommended that the Director of Carbon Reduction, Energy & Sustainability has approval to procure and execute the contract in accordance with the Council's constitution for this item after a successful tender process has been concluded.

#### Other options considered

Do nothing re EE Monitor – If we choose to do nothing, we will not be able to meet our targeted business growth and financial targets for EE Monitor sales. Nottingham City Council residents will face a complete failure of the prepayment metering infrastructure, meaning they may see a loss of the heat and hot water supply.

Do nothing re CRMS – If we do not source a new CRM, NCC is at risk of fines due to regulatory failures for not issuing a minimum of one annual statement per year to customers on the District Heating Network as per the Heat Network, Metering & Billing Regulations 2014 (Updated 2020). Customer billing is currently done via a manual process; this process is a time consuming process adding additional cost to the operation of the Nottingham City Council district heating network. An automated billing system will see a reduction in FTE time spent on billing of the equivalent of 1 FTE per annum.

### **32 Domestic and sexual violence and abuse and violence against women and girls commissioning framework - key decision**

Jane Lewis, Community Safety Strategy Manager, presented the report, and stated the following:

- it was proposed that Nottingham City Council (NCC) commissions a framework of providers through a tender process to deliver provision for domestic and sexual violence and abuse (DSVA) and violence against women and girls (VAWG) (the DSVA / VAWG Framework) on behalf of the Domestic and Sexual Violence and Abuse Joint Commissioning Group (DSVA JCG);
- the JCG comprises of the NCC Crime and Drugs Partnership and Public Health, the Office of the Police and Crime Commissioner, the Violence Reduction Unit, the Integrated Care Board, Changing Futures and Nottinghamshire County Council;
- the JCG delivers the commissioning element of the 'Domestic Abuse Act 2021, Part 4' statutory duty for NCC and reports to the Local Partnership Board for DVA, which is the Crime and Drugs Partnership (CDP) Board;
- the development of a Public Contract Regulations 2015 regulation 33 framework is recommended in order to ensure that Nottingham City Council is able to select

organisations that have been able to demonstrate their qualification to provide specialist DSV/VAWG services to deliver these services in Nottingham;

- a framework will also ensure NCC achieve best value (in quality and price) and are compliant with procurement legislation and the Council's Contract Procedure Rules;
- the DSV/VAWG Framework will enable NCC CDP, as lead commissioner within the DVSA Joint Commissioning Group, to jointly commission DSV and VAWG services for citizens, the funding for which is provided by NCC Public Health and General Funds, the Office of the Police and Crime Commissioner (OPCC) and Integrated Care Board (ICB) secured under a Partnership Agreement between NCC, OPCC and ICB;
- currently, OPCC and NCC/Public Health each contribute approximately £1m per year. Department of Levelling Up, Housing and Communities New Burdens Funding to support NCC compliance with its statutory duty fluctuates, but is between £800-900k per year, and other national funding to support provision of DVSA services may become available each year of the framework from government and other sources;
- in the last 4 years, the proposed life of the Framework, NCC received approximately £4m to commission and grant aid domestic and sexual violence and abuse support services. However, the partnership received a greater amount over this time. NCC has a partnership agreement with OPCC and ICB;
- it is anticipated that the ICB will review its position on funding for DSV/VAWG services during the lifetime of the framework, and the Partnership Agreement between NCC, OPCC and ICB will enable ICB funding to be incorporated into the framework;
- it is anticipated that the DSV/VAWG Framework will be for a maximum term of 4 years, during which time contracts will be awarded by way of call-off for services required. The Lots for the framework are outlined in appendix 1 to the report.

## **Resolved**

### **(1) to approve**

- (i) the procurement of a 4-year DSV/VAWG Multi-Supplier Framework of providers of specialist services to ensure compliant future contracting of these services, at a maximum cost of £5m per year (total cost £20million);**
- (ii) receipt and spend under the framework, in compliance with grant fund conditions of the annual New Burdens Grant for the 'Domestic Abuse Act 2021, Part 4' statutory duty from Department of Levelling Up, Housing and Communities for DVA services in Nottingham;**
- (iii) receipt and spend under the framework, in compliance with grant fund conditions of national funding for DSV/VAWG services. Ministry of Justice, Homes England, Home Office, Department of**

**Health and other government departments, during the life of the Framework;**

- (2) to delegate authority to the Corporate Director of Resident Services to:**
- (i) authorise the spend on call-off contracts under the framework;**
  - (ii) enter into relevant grant funding agreements arising from resolutions (1)(ii) and (1)(iii) above.**

Reasons for recommendations

In recent years, the Ministry for Housing, Communities and Local Government now the Department of Levelling Up, Housing and Communities (DLUHC) and other government departments have awarded local authorities short-term funding (typically on an annual basis) to address Domestic Sexual Violence and Abuse (DSVA) and Violence Against Women and Girls (VAWG), most recently for funding to support compliance with the statutory duty to provide safe accommodation under the Domestic Abuse Act 2021 (“the Statutory Duty”).

It is anticipated that this will continue as the means used by DLUHC & other government departments for the administration of funding for specialist DSVA / VAWG services. DLUHC are awarding New Burdens Grant funding for part 4 of the Statutory Duty to all Local Authorities across the UK. The short term nature of the awards and the expectation for delivery has limited the scope to procure the delivery of services through a competitive tender process to date, for example in 2022 the DLUHC award was provided in February for an April start.

On 12 April 2022 this Committee approved the award of contracts and contract variations for domestic and sexual violence services in 2022-23 and stated that the development of a framework for the commissioning of domestic and sexual violence services to ensure future compliance was required.

The development of a multi-supplier framework (“the DSVA/ VAWG Framework”) will ensure that Nottingham City Council will award contracts to organisations that have demonstrated their suitability through a clear procurement process. The Council’s requirements under a DSVA /VAWG Framework have been organised into lots according to the type of service required. Suppliers may be appointed to a single lot, or more than one lot. (Regulation 46 of the PCR 2015 expressly permits contracting authorities to divide contracts into lots). Each lot requires different Quality Standards, for example a therapeutic service is expected to belong to the British Association of Counselling and Psychotherapy, but a specialist DVA service may require Safe Lives Quality Assurance. To ensure a wide range but appropriate services are able to bid to deliver services, the lots have been clearly defined. This will ensure the most suitable providers will deliver the contracts and the contracts awarded will achieve best value.

The use of a framework to procure services through an open process will also ensure compliance with UK procurement legislation and the Council’s Contract Procedure Rules. At the same time, it will help facilitate compliance with the Statutory Duty and enable joint commissioning, funded through money received under a partnership agreement with the OPCC and Integrated Care Board (formerly the CCG) and the DLUHC New Burdens Grant to NCC.

The delegation of authority to the Corporate Director for Residents Services is sought to enable the timely appointment of providers onto the framework and subsequent award of contracts in accordance with the outcome of the procurement process.

#### Other options considered

To award contracts through separate procurement processes rather than establishing a framework. This option has been rejected as it will not allow for a compliant process to be undertaken when funding is awarded to the council or other partners and services must be established in a short time scale.

Not to accept funding. This option has been rejected as it will mean NCC is not able to comply with its Statutory Duty under the Domestic Abuse Act 2021.

No other options are being considered as this framework will enable NCC to discharge its Statutory Duty. DLUHC have indicated that failure to spend will result in reduction of future awards. The framework enables NCC to procure qualified providers to deliver DSV/VAWG services in Nottingham from DLUHC and a range of other funding sources.

### **33 Adult Social Care pricing 2022-23 - key decision**

Councillor Woodings, Portfolio Holder for Adult Social Care and Health, introduced the report.

Prior to discussion, it was stated that the report incorrectly named the responsible Director as 'Katy Ball - Director of Commissioning and Procurement', when it should state responsibility laid with 'Sara Storey - Director for Adult Health Social Care'.

As Ms Storey was not in attendance, Ms Ball presented the report and stated the following:

- it was proposed to apply a further temporary increase to the rates paid for adult social care services in 2022-2023, effective from 1 October 2022.
- this was in response to the current impact of inflationary pressures upon these services and the adult social care market overall.
- a cost of care exercise was currently underway, with the aim of establishing a sustainable position for the funding of this market for the longer term and the proposed increases would be paid, in part, from the Market Sustainability Funding allocated to Nottingham City Council by the Department of Health and Social Care.

#### **Resolved**

- (1) to agree temporary increases to the rates paid for all commissioned adult social care services in 2022-23 of up to 4.25% for residential and nursing care services and 2.99% for community services, backdated to take effect from 1 October 2022;**

**(2) to approve expenditure of up to £2.33m on the proposed increases in resolution (1) above, funded in part from the Department of Health and Social Care Market Sustainability Fund allocation to Nottingham City Council.**

Reasons for recommendations

Nottingham City Council is obliged to consider the fee rates it pays for its commissioned social care services, and in doing so to take into account a number of factors, within the context of the wider financial position of the Council. Section 5 of the Care Act 2014 obliges Local Authorities to promote the efficient and effective operation of the market for adult social care as a whole. They must have regard to the need for sufficient services to be available in the area and the importance of sustainability in this market.

The pricing of all adult social care services for 2022-23 was set in March 2022 based on proposals developed during the autumn 2021. These rates were based upon inflationary pressures in November 2021 and therefore did not provide for the significant inflationary increase now being experienced. General inflation is currently having a significant impact upon the care sector, causing providers to struggle to meet costs.

To develop a detailed understanding of the impact of inflation on this market, specific elements of the Consumer Price Index have been applied to the pricing tools that were previously developed to calculate annual inflationary increases. The biggest impact is from energy and fuel, with inflation on these items running at between 17 and 80%. Food inflation is also high at 8.6%. Wage inflation is likely to impact on the longer term National Living Wage (NLW) set annually by government, with wage inflation currently at over 7% in the private sector.

These inflationary pressures mean that some providers are struggling to provide services and a number have requested additional funding to maintain service provision. Wage inflation is impacting on the availability of staffing and providers are finding it difficult to recruit. Some services such as home care that were previously under pressure are now failing to keep up with demand.

The proposed increases are based upon local provider prices for standard residential care, including top up fees; and for homecare, the impact of wage inflation as the tool calculates rates based upon the hourly rate paid to the worker.

For community-based services such as homecare and care, support and enablement, provision has been made for travel costs which will increase from 30p to 40p per mile to reflect increased costs. Providers may use this funding as they decide best to deliver the service; for example by increasing the overall hourly rate paid to staff, or by increasing the travel allowance.

It is anticipated and providers will be encouraged to pass on part of these increases directly to staff to support recruitment and retention at this difficult time.

It is considered that a fair, balanced and informed approach has been adopted in developing these recommendations and that the proposed increases aim to support a sustainable, efficient and effective market across all areas of adult social care, within the available resources.

Other options considered

Do nothing. This option was rejected due to the current serious impact of current inflationary pressures on the adult social care market and the associated risks of service and market failure.

Offer different levels of increase. This is not recommended as these proposals are based on modelling using established tools, adjusted to take account of current data on inflation and local market factors.

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Commissioning and Procurement Executive Committee - 15 November 2022

<b>Subject:</b>	Commissioning of alcohol and drug use treatment and recovery services – inclusion of community pharmacy supervised consumption scheme into scope		
<b>Corporate Director/ Director:</b>	Catherine Underwood, Corporate Director for People Lucy Hubber, Director of Public Health		
<b>Portfolio Holder:</b>	Cllr Linda Woodings (Adults and Health)		
<b>Report author and contact details:</b>	Tammy Coles, Public Health Principal <a href="mailto:tammy.coles@nottinghamcity.gov.uk">tammy.coles@nottinghamcity.gov.uk</a>		
<b>Other colleagues who have provided input:</b>	Helen Johnston, Consultant in Public Health Nancy Cordy, Senior Public Health Manager		
<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 £750,000 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>Type of expenditure:</b>	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
<b>Total value of the decision:</b> £2,689,709			
<b>Wards affected:</b> City-wide			
<b>Date of consultation with Portfolio Holder:</b> 25 October 2022			
<b>Relevant Council Plan Key Outcome:</b>			
Clean and Connected Communities	<input type="checkbox"/>		
Keeping Nottingham Working	<input type="checkbox"/>		
Carbon Neutral by 2028	<input type="checkbox"/>		
Safer Nottingham	<input checked="" type="checkbox"/>		
Child-Friendly Nottingham	<input type="checkbox"/>		
Healthy and Inclusive	<input checked="" type="checkbox"/>		
Keeping Nottingham Moving	<input type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input type="checkbox"/>		
Financial Stability	<input type="checkbox"/>		
Serving People Well	<input checked="" type="checkbox"/>		
<b>Summary of issues (including benefits to citizens/service users):</b>			
Nottingham City Council commissions community pharmacists to deliver supervised consumption for opioid substitution therapy. There are over 50 branches across the city who provide this service.			
A key decision has been recently taken for the recommissioning of alcohol and drug treatment and recovery system.			
Community pharmacy provision was not initially identified as being in scope for this recommissioning, however a strategic commissioning review has identified the benefits of including community pharmacy provision as part of the re-commissioned system of community treatment and recovery services, and this paper requests approvals to align and include community pharmacy services accordingly.			
<b>Exempt information:</b> None.			

**Recommendations:**

- 1 Approve the inclusion of community pharmacy supervised consumption and other appropriate pharmacy led alcohol and drug use interventions in the scope of the re-commissioning of community alcohol and drug services, within described delegated approvals for developing the service model, and within the procurement process with approval to spend to a total value of £2,689,709.
- 2 Approve an extension to the existing community pharmacy supervised consumption contracts from 1 April 2023 to 30 June 2023 with spend to a value of £65,606.

**1. Reasons for recommendations**

- 1.1 Recommendation 1 is seeking approval to include supervised consumption and other appropriate pharmacy led alcohol and drug use interventions in community pharmacies within the scope of the procurement for the new alcohol and drug use treatment and recovery services. This is to enable the procurement processes to align and maximise the opportunities for multidisciplinary working across the proposed new integrated service model. This will optimise outcomes for service users, their families, and communities.
- 1.2 Recommendation 2 is seeking to further extend these contracts by 3 months during Quarter 1 2023/24 to align with the timescales for the procurement of new alcohol and drug use treatment and recovery services.

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

- 2.1 In line with NICE and Department of Health guidance prescribing opioid substitution therapy (OST) is a recommended option for maintenance therapy in the management of opioid dependence. It is recommended that when a person starts OST, they should take each dose under the supervision of a nurse, doctor, or community pharmacist for a minimum of 3 months.
- 2.2 This 'supervised consumption' reduces drug use, injecting, mortality, and offending. It maintains a service user's tolerance for opioids, reducing withdrawal symptoms and cravings for opioids. It gives people the stability to focus on broader recovery, by helping people come off opioids and OST medication altogether. It reduces the risks of overdose or under dosing, diversion of controlled medicines and accidental poisonings of children and vulnerable adults.
- 2.3 Pharmacists have expertise in the use and interaction of medicines. They contribute to the treatment and care of patients through liaison with prescribers. In the treatment and management of drug use they play a key role in the assessment of appropriate levels of supervised consumption, the provision of take-home naloxone and provision of needle exchange services.
- 2.4 A strategic commissioning review of substance misuse services and the wider system has been undertaken to understand the current service landscape, needs including emerging trends, and the perspective of people with lived experience. This includes a Joint Strategic Needs Assessment chapter, service reviews and a programme of stakeholder engagement. The review has informed the development of a commissioning model for the highest quality and value treatment and recovery services, reflecting effective pathways with other key services including for mental health and severe multiple disadvantage, meeting the needs of our diverse population, and building on existing good practice.

- 2.5 A key decision was taken by the Commissioning and Procurement Executive Committee in July 2022 for the recommissioning of substance misuse treatment and recovery services for Nottingham. This gave delegated approval to the Director of Public Health to develop a service model for the system, and for the council to procure the required services, with spend approval through to 30 June 2032.
- 2.6 Approval has been previously given to extend the existing community pharmacy contracts for supervised consumption to 31 March 2023. This extension is requested on the same grounds as the April 2022 - March 2023 extension period, noting that this scheme was procured under an open accreditation process, and that model will be maintained throughout the extension period, with ongoing advertisement of the open accreditation of the scheme on the Nottingham City Council website to enable any prospective providers to apply and deliver, if appropriate.
- 2.7 Whilst not initially in scope for the strategic commissioning review the ending of the current supervised consumption provision and requirements to re-tender provides an opportunity to align and include within the wider alcohol and drug treatment and recovery procurement process. The opportunity to integrate both the provision of OST and the roles and expertise of community pharmacists within an alcohol and drug treatment and recovery system. This has the benefits of improved joined up care throughout the treatment and recovery pathway and making recovery visible, a distributed model of care across and beyond the city centre reaching into local communities and the opportunity to gain a better understanding of the needs of individuals and the communities they live in. This is consistent with the findings from the strategic commissioning review which highlighted: the need for flexibility around the location of and opening times of services and services linking together.
- 2.8 This integrated approach supersedes a previous intention to separately procure supervised consumption (set out in Commissioning and Procurement Executive Committee paper October 2021; indicated in Delegated Decision 4635) and allows substantially improved alignment between treatment and recovery services.
- 2.9 Community pharmacy supervised consumption is wholly funded by the Public Health Grant. 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 treatment services".
- 2.10 The supervised consumption scheme will allow Nottingham City to provide an evidence-based treatment system which aligns with the needs of the drug-using population. The value of the Public Health Grant allocation for supervised consumption from July 2023 has been calculated as: £2,624,103 which represents the annual budget over 9 years (approved contract length of new service) plus 2% year on year cost of living.

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

- 3.1 Do nothing and let the service provision end on 31 March 2023. 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 medication. All of these aspects would increase the burden on other departments and organisations such as HM Corner's Office, Nottinghamshire Police, Community Protection and local businesses.

- 3.2 A separate procurement exercise for supervised consumption in community pharmacy would miss the opportunity to align this provision with other community treatment and recovery provision and would not be consistent with the findings of the strategic commissioning review.

#### 4. **Consideration of Risk**

A risk of a gap in delivery is minimised by extending the current contracts. By alignment with the procurement processes, community pharmacy supervised consumption provision will be included with the risks previously described for the commissioning of the community alcohol and drug treatment and recovery system.

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

This report requests approval to:

1. Include supervised consumption and other appropriate pharmacy led alcohol and drug use interventions in community pharmacies within the scope of the procurement for the new alcohol and drug use treatment and recovery services. Approval to spend up to a value of £2,689,709.
2. Extend the existing community pharmacy supervised consumption contracts by 3 months from 1 April 2023 to 30 June 2023 up to the value of £65,606.

The total cost of this decision will be fully funded from the Public Health grant. If the grant was to reduce in future years, the service would need to realign services within the revised available funding limit ensuring that no financial pressure arises.

Once the decision is approved, a budget virement will be posted to realign the budgets, supporting budget managers to robustly monitor the budget.

The actual costs associated with this decision will require regular monitoring to form an audit trail against this grant funding and support robust forecasting. Any decisions taken will need to be robustly captured against this decision value to ensure it is not exceeded. This information will also be used for internal/external reporting purposes as required.

Tracey Moore, Commercial Business Partner - 07 November 2022

#### 6. **Legal colleague comments**

The proposals in this report raise no significant legal issues and are supported.

An extension of the existing arrangement will permit a tender process (approval for which has already been sought) to be prepared and undertaken. Due to the open nature of the accreditation process that is in place for these types of services, the proposal to extend the contracts is deemed to be permissible as a non-substantial modification under the Public Contracts Regulations 2015 which is in turn permissible in accordance with Article 18.99 of the Constitution.

The proposed extended accreditation process will remain open for the duration of the three-month extension period which shall ensure continued opportunity and

competition for providers in the market. A new tender will be undertaken during the extension period to facilitate a new contract being put in place from April 2023.

Legal services will assist as necessary with respect to any contract extensions and the future procurement requirements.

Advice provided by Amana Parveen, Solicitor - 18/10/2022.

## **7. Other relevant comments**

### **7.1 Procurement colleague comments**

This decision relates to the commissioning of supervised consumption and related pharmacy led interventions, which is proposed to be included within the scope of the wider commissioning and procurement process already approved for alcohol and drug use treatment and recovery services.

A commissioning review has identified that the alignment of these procurement processes will maximise the opportunities for multidisciplinary working and integration of services to optimise outcomes for service users, their families, and communities.

The procurement team will support the commissioning of these services through undertaking a procurement process compliant with the UK Public Contracts Regulations and the Council's Contract Procedure Rules.

The proposed extension of current contracts for supervised consumption for a 3-month period will enable alignment of the commissioning and procurement process with other substance misuse services, in order to secure integrated service provision.

The current accreditation process for the award of contracts will remain open for new applications during the extension period. The proposed extension of these contracts is therefore considered to be a permissible modification in accordance with Article 18.99 of the Contract Procedure Rules.

Jo Pettifor, Category Manager, Strategy & People - 11 October 2022.

## **8. Crime and Disorder Implications (If Applicable)**

8.1 Drugs and alcohol are a major driver of crime and disorder. Ensuring sufficient accessible treatment and recovery services for substance misuse is a fundamental aspect of addressing this nationally and locally.

## **9. Social value considerations (If Applicable)**

9.1 High quality alcohol and drug use services add social value through improving the outcomes for people affected by substance misuse and their wider families and communities.

9.2 The Procurement Strategy objectives for promoting social value and maximising economic, social and environmental benefits will be applied here, including considering how categories of supplies are structured within lots to ensure accessibility for local or smaller organisations.

**10. Regard to the NHS Constitution (If Applicable)**

10.1 NHS Nottingham and Nottinghamshire Integrated Care System (ICS) are key partners in the Substance Misuse Strategic Oversight Group, the multiagency advisory group for the system model of substance misuse services.

**11. Equality Impact Assessment (EIA)**

11.1 An Equality Impact Assessment will be completed on the approved commissioning model, and due regard will be given to any implications identified within it

**12. Data Protection Impact Assessment (DPIA)**

12.1 A Data Protection Impact Assessment will be completed on the approved commissioning model, and due regard will be given to any implications identified within it.

**13. Carbon Impact Assessment (CIA)**

13.1 A Carbon Impact Assessment will be completed on the approved commissioning model, and due regard will be given to any implications identified within it

**14. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

14.1 None.

**15. Published documents referred to in this report**

15.1 [Guidance | Methadone and buprenorphine for the management of opioid dependence | Guidance | NICE](#)

15.2 [Drug misuse and dependence \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

15.3 Delegated decision - [DD4635.pdf \(nottinghamcity.gov.uk\)](#)

<b>Subject:</b>	'Giving Nottingham Children the Best Start in Life' Agenda for Change adjustment to contract value		
<b>Corporate Director/ Director:</b>	Catherine Underwood, Corporate Director for People Lucy Hubber, Director of Public Health		
<b>Portfolio Holder:</b>	Cllr Linda Woodings - Adults and Health		
<b>Report author and contact details:</b>	Uzmah Bhatti - Senior Public Health Manager <a href="mailto:uzmah.bhatti@nottinghamcity.gov.uk">uzmah.bhatti@nottinghamcity.gov.uk</a>		
<b>Other colleagues who have provided input:</b>	David Johns – Consultant in Public Health		
<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> taking account of the overall impact of the decision	<input checked="" type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £750,000 or more
			<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>Type of expenditure:</b>	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
If Capital, provide the date considered by Capital Board Date:			
<b>Total value of the decision:</b>	£ 5,491,618 (£3,783,135 confirmed + £1,708,483 estimated)		
<b>Wards affected:</b>	Citywide		
<b>Date of consultation with Portfolio Holder:</b>	24 October 2022		
<b>Relevant Council Plan Key Outcome:</b>			
Clean and Connected Communities	<input type="checkbox"/>		
Keeping Nottingham Working	<input type="checkbox"/>		
Carbon Neutral by 2028	<input type="checkbox"/>		
Safer Nottingham	<input type="checkbox"/>		
Child-Friendly Nottingham	<input checked="" type="checkbox"/>		
Healthy and Inclusive	<input checked="" type="checkbox"/>		
Keeping Nottingham Moving	<input type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input type="checkbox"/>		
Financial Stability	<input type="checkbox"/>		
Serving People Well	<input type="checkbox"/>		
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>Nottingham City Council (NCC) Public Health Department has commissioned Nottingham CityCare Partnership CIC to deliver the 'Giving Nottingham Children the Best Start in Life' service in partnership with the NCC Early Help Team. The contract period runs for 5 years from 1 April 2018 to 31 March 2023 with option to extend for two further two-year periods (1 April 2023 to 31 March 2025 and 1 April 2025 to 31 March 2027).</p> <p>The Public Health Grant has received an uplift for contracts containing staff on Agenda for Change (AfC) since 2020. At the time it was unclear if this was a one-off uplift or would be applied each year. As a result, a fixed increase was agreed with CityCare.</p> <p>Clarification over this process has led us to reassess this situation. As a result, we have applied the NHS Pay Award Revenue Finance and Contracting Guidance and re-calculated an updated contract value for 2022/23 based on annual AfC increases (minus efficiency) since 2019/20.</p> <p>The new contract value for 2022/23 is £10,058,270, an increase of £756,627. This new contract value will be applied for the remainder of the contract (total cost: £3,783,135) and will come from</p>			

the Public Health grant.

It is proposed that the contract value is increased annually by the net uplift figure published within the NHS Pay Award Revenue Finance and Contracting Guidance that considers the AfC increase minus efficiencies. It is not possible to know this number in advance but an estimate of 4% has been used to provide an estimate of the additional cost over the remainder of the contract (£1,708,483). This would again be covered by the Public Health grant.

**Exempt information:** None

**Recommendations:**

- 1 To approve the £3,783,135 costs from the Public Health grant to cover an increase of £756,627 per annum in the 'Best Start in Life' contract from 2022/23 until 2026/27, should Nottingham City Council enact the option to extend its contract.
- 2 To delegate authority to the Director of Public Health to implement future 'Agenda for Change' uplifts, in accordance with NHS published figures, for the remainder of the contract up to the value of £1,708,483.

**1. Reasons for recommendations**

- 1.1 A new contract value has been established for the 'Giving Nottingham Children the Best Start in Life' service using NHS Pay Award Revenue Finance and Contracting Guidance since 2018/19 (see appendix 1a); an increase of £756,627 per annum from 2022/23. This totals £3,026,508 when applied till the end of the contract in March 2027 and will be funded through the Public Health Grant.
- 1.2 Each year the NHS Pay Award Revenue Finance and Contracting Guidance outlines the net uplift after considering a Cost uplift factor and NHS efficiency factor. This formula has been used to establish a new contract value for 2022/232 and is recommended to be applied each year for the remainder of the contract.
- 1.3 As the NHS net uplift value changes each year, the amount of additional funding that will be added to the contract each year till March 2027, is unknown. Using an estimate of 4% (based on 2021/22), it is estimated a total £1,708,483 from the public health grant will be required to meet Agenda for Change responsibilities and maintain service provision between 2022/23 to 2026/27.

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

- 2.1 Nottingham City Council (NCC) Public Health Department has commissioned Nottingham CityCare Partnership CIC to deliver the 'Giving Nottingham Children the Best Start in Life' service in partnership with the NCC Early Help Team. This is an integrated service encompassing Health Visiting, Family Nurse Partnership, Breastfeeding Peer Support, Public Health Nurses (5-19s), Children's Public Health Nutrition, Domestic Violence training and expertise nurse.
- 2.2 The contract period runs for 5 years from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2023 with option to extend for two further two-year periods (2023-2025 & 2025-2027).

- 2.3 In 2020/21, the Public Health grant included 'an adjustment to cover the additional Agenda for Change pay costs for eligible staff'. With uncertainty with respect the future of the public health grant, a one-off position was negotiated with City Care.
- 2.4 It has since been deemed more appropriate to provide an annual AfC uplift to relevant contracts. The NHS Pay Award Revenue Finance and Contracting Guidance confirms Integrated Care Boards will receive funding to cover annual AfC uplifts for public health contracts provided by NHS organisations. However, this is not the case for 'Giving Nottingham Children the Best Start in Life' which is provided by CityCare a social enterprise.
- 2.5 A new contract value has been calculated and agreed with CityCare by applying the NHS net uplift for each year since 2018/19 (Appendix 1a). If approved, this will apply from 2022/23 with no payments for historic differences. The new contract value will increase by £756,627 to £10,058,270.
- 2.6 Service changes and efficiencies have been made since 2018/19. As such, CityCare have identified opportunities for service transformation within the new financial envelope. The Director of Public Health will continue to review and approve any changes to service provision to ensure best value.
- 2.7 In 2023/24 and for the remainder of the contract, an annual AfC uplift should be calculated based upon the NHS net uplift in the NHS Pay Award Revenue Finance and Contracting Guidance. This value varies from year-to-year; therefore, for the purposes of this paper, a 4% estimate has been used to provide a maximum value for approval over the remainder of the contract (£1,708,483 – see appendix 1b).

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

- 3.1 Option to do nothing is not recommended. This would transfer the financial burden of the additional pay costs to the service provider and risk a reduction in service provision to meet the costs of delivering the Healthy Child programme.

### **4. Consideration of Risk**

- 4.1 This decision aims to mitigate the impact of not awarding AfC allocations. If these uplifts are not awarded, then the service would have to make savings maintain costs within the contract value.

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

#### Observations of Finance Business Partner:

For reasons outlined by the report author, this decision seeks approval to:

1. To approve £3,783,135 from the Public Health grant to cover an increase of £756,627 per annum in the 'Best Start in Life' contract from 2022/23 until 2026/27, should NCC enact the option to extend its contract. This is in addition to the previous CPEC decision approved re this contract.

2. To delegate authority to the Director of Public Health to implement future AfC uplifts, in accordance with NHS published figures, for the remainder of the contract (covering 2022/23 to 2026/27) up to the value of £1,708,483.

The total maximum cost of the proposals seeking approval in this decision to meet agenda for change (AfC) responsibilities and maintain service provision therefore is £5,491,618, covering the period 1 April 2022 to 31 March 2027.

The total cost of this decision will be fully funded from the Public Health grant. If the Public Health grant was to reduce in future years, the service would need to realign services within the revised available funding limit ensuring that no financial pressure arises.

This report follows on from the previous report approved by Commissioning and Procurement Executive Committee (CPEC) on 13 June 2017 where the 'Giving Nottingham Children the Best Start in Life' contract was agreed over a 5+2+2-year period covering the periods outlined below:

- Original 5-year contract period: 1 April 2018 to 31 March 2023;
- Option to extend for 2 years (1): 1 April 2023 to 31 March 2025;
- Option to extend for 2 years (2): 1 April 2025 to 31 March 2027.

Since the original contract summarised above was awarded, Public Health have received an annual uplift for contracts containing staff on AfC since 2020' via the Public Health grant to cover the funding gap in pay costs. At the time it was unclear if this would be a one-off or recurrent uplift and as a result, a fixed increase was agreed with CityCare.

The NHS Pay Award Revenue Finance and Contracting Guidance has been used to recalculate an updated contract value covering the period 2022/23 to 2026/27 based on annual AfC increases (minus efficiency) since 2019/20 to reflect the appropriate contract value had increases been made annually instead of the fixed increase previously agreed with CityCare. The total cost of this element of the decision is £756,627 per annum or £3,783,135 for the remainder of the contract if the 2+2-year contract extension is enacted. It is to be noted that this adjustment relates to 2022/23+ contract values only and no increase will be included as a result of historic differences.

This decision also seeks approval for the future estimated annual increase of AfC which is £1,708,483 for the remainder of the contract if the 2+2-year contract is enacted. This is based on an estimated annual increase of 4% (based on the 2021/22 increase) between 2022/23 and 2026/27. This is unknown at this stage and will need to be monitored closely by the service to ensure that the assumptions align with the actual activity and that any changes to that outlined in this report are approved in a subsequent report via the appropriate route, where required.

The breakdown of the costs seeking approval are summarised in appendices 1a and 1b of this report.

Once the decision is approved, a budget virement will be posted to realign the budgets, supporting budget managers to robustly monitor the budget.

The actual costs associated with this decision will require regular monitoring to form an audit trail against this grant funding and support robust forecasting. Any decisions taken will need to be robustly captured against this decision value to ensure it is not exceeded. This information will also be used for internal/external reporting purposes as required.

Tracey Moore, Commercial Business Partner - 21 October 2022

## 6. **Legal colleague comments**

The recommendations sought in respect of the contract are permissible within Regulation 72 of the Public Contract Regulations 2015 and comply with Article 18.99 of the Council's Contract Procedure Rules.

S O'Bradaigh, Legal - 27/10/2022

## 7. **Other relevant comments**

### 7.1 **Procurement Colleague comments**

This report seeks approval to award additional funding to the Nottingham Citycare Partnership 'Giving Nottingham Children the Best Start in Life' contract to cover the costs of NHS Agenda for Change (AfC) pay uplift in accordance with government guidance. The Council's Public Health grant allocations include provision for additional AfC pay costs associated with this contract and it is proposed to 're-baseline' the contract value in 2022-23 with an additional £756,627 based on calculations using published NHS formulas.

It is also proposed to delegate authority to the Director of Public Health to agree future AfC uplift payments in accordance with government guidance for AfC, at an estimated average of 4% per year. These proposals are considered permissible in accordance with Regulation 72 of the Public Contracts Regulations and Article 18.99 of the Council's Contract Procedure Rules.

Jo Pettifor, Category Manager, Strategy & People - 11 October 2022

## 8. **Crime and Disorder Implications (If Applicable)**

8.1 None.

## 9. **Social value considerations (If Applicable)**

9.1 None.

## 10. **Regard to the NHS Constitution (If Applicable)**

10.1 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 this decision relating to public health functions, we have properly considered the NHS Constitution where applicable and have taken into account how it can be applied in order to commission services to improve the health of the local community.

## 11. **Equality Impact Assessment (EIA)**

11.1 An EIA is not required because this funding decision does not have a direct impact on the way in which services are delivered. An EIA will be conducted as part of the reinvestment planning process.

**12. Data Protection Impact Assessment (DPIA)**

12.1 A DPIA is not required because this decision does not involve any collection, exchange or transfer of data.

**13. Carbon Impact Assessment (CIA)**

13.1 A CIA is not required because there is no direct impact on the service carbon footprint and a CIA is not applicable to this decision.

**14. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)**

14.1 None.

**15. Published documents referred to in this report**

15.1 2020 DDM approval for AFC uplift  
<https://committee.nottinghamcity.gov.uk/documents/s112135/DD4070.pdf>

15.2 Approval for contract funding 2017  
<https://committee.nottinghamcity.gov.uk/documents/s57915/0-5%20Integrated%20Services%20Contract.pdf>

**Appendix 1a - Breakdown of renegotiated AFC uplift values 2019 to 2023**

	<b>Original</b>	<b>Net Uplift</b>	<b>Revised</b>
2018/19	£9,301,643	0.10%	£9,310,945
2019/20		2.70%	£9,562,340
2020/21		1.40%	£9,696,213
2021/22		2.00%	£9,890,137
2022/23		1.70%	£10,058,270

Increase from original contract value in 2022/23: £756,627

**Appendix 1b - Estimated annual contract values based on assumed 4% net uplift for 2023 to 2028.**

	<b>2022/23 baseline</b>	<b>Assumed Maximum Net Uplift</b>	<b>Revised</b>
2023/24	£10,058,270	4.00% (£402,331)	£10,460,601
2024/25		4.00% (£418,424)	£10,879,025
2025/26		4.00% (£435,161)	£11,314,186
2027/28		4.00% (£452,567)	£11,766,753

Total value of estimated net uplifts: £1,708,483

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