

Nottingham City Council

Commissioning and Procurement Executive Committee

Minutes of the meeting held at Loxley House, Station Street, NG2 3NG, on 10 January 2023 from 10.02 am - 11.18 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 for Commissioning and Partnerships
James Blount	- Communications and Marketing Officer
Louise Dobson	- Lead Procurement Officer - Products
Mark Leavesley	- Governance Officer
Lucy Littlefair	- Head of East Midlands Shared Services (EMSS)
Steve Oakley	- Head of Procurement

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 20/01/2023. Decisions cannot be implemented until the working day after this date.

45 Apologies for absence

Councillor Neal – unwell

46 Declarations of interests

None.

47 Minutes

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

48 HR and Finance System (Oracle Cloud): software support services - key decision

Lucy Littlefair, Head of East Midlands Shared Services (EMSS), presented the report and stated the following:

- (i) the Fit for the Future Programme has delivered a new Finance, Payroll and HR System Implementation;
- (ii) in order to provide adequate technical support for the new Finance and HR System (Oracle Fusion), a decision was taken to secure 3rd party application

support in place of the existing support provided by the Application Management team within Leicestershire County Council;

- (iii) a procurement exercise was undertaken for an initial 3-year contract, with a 5x 1-year extension option (so a potential 8-year contract) and Evolutionary Systems Limited was identified as the preferred bidder, at a cost to Nottingham City Council of £3,849,600;
- (iv) the cost of the procurement will be part of the annual 'Business as Usual' budget for EMSS.

Resolved, subject to completion of a signed DPIA, to

- (1) approve the award of an initial 3-year contract, with an option to extend for a further 5x 12-month periods (3+1+1+1+1+1, up to a total 8-years) to Evolutionary Systems Limited to provide support and development services for the new Finance and HR System, in place of the current arrangements, at a total cost to Nottingham City Council of £3,849,600;**
- (2) delegate authority to the Nottingham City Council:**
 - (a) Director of Legal and Governance to enter into the contract;**
 - (b) Corporate Director of Finance and Resources to award the contract and manage the contract processes.**

Reasons for recommendations

The support arrangements for Oracle Fusion cannot be met internally via the Application Management Team within Leicestershire County Council, therefore a 3rd party supplier is required to deliver the required services.

Other options considered

For Oracle Cloud support, the following options were considered by the Fit for the Future Board:

Option 1 – Continue in-house support provided by LCC AM Team (dismissed);

Option 2 – Outsource all Fusion System Support to a 3rd party provider (dismissed);

Option 3 – Mix of internal and external 3rd party support (recommended).

Having determined that the best option for the partners was to source application management activities to a 3rd party, a full competitive tender process was undertaken.

49 Fee levels for Children's Care Placements 2023/24 - key decision

Councillor Barnard, Portfolio Holder for Children, Young People and Schools, introduced the report.

Katy Ball, Director for Commissioning and Partnerships, presented the report, which detailed proposals for placement fee levels in 2023/24 across externally

commissioned children's care placements, including children's residential care homes and foster care placements.

Ms Ball stated the following:

- (a) the Council has a statutory duty to ensure there is sufficient accommodation for its looked after children and young people which meets their needs in its authority area (section 22G of the Children Act 1989 'the sufficiency duty'), balanced against budget commitments and pressures for the Council;
- (b) Nottingham City Council is part of several pan-Local Authority framework agreements in addition to contracting children's placements in its own right;
- (c) whilst placement fee levels are reviewed on an annual basis, due to the current unprecedented economic climate, the annual inflationary increase was expected to exceed that ordinarily applied and was subject to council discretion.

Resolved to

- (1) approve the fee levels for Children's Care Placements as detailed in the exempt appendix;**
- (2) delegate authority to the Director for Children's Integrated Services to agree fee levels in accordance with the exempt appendix, subject to the outcome of further engagement and in line with the Council budget, and, subject to engagement and resolution 4 below, implement the fee levels from April 2023;**
- (3) approve the total spend of up to £2,985,872, including approval to spend against high-cost placement provision through the Council's scheme of delegation for Children's Care Packages;**
- (4) note that:**
 - (i) agreement was subject to final approval of the 2023/24 budget at the Full Council meeting being held on 06 March 2023;**
 - (ii) if, after completion of further engagement with relevant parties, the financial impact of any revised proposals exceeds the budget available, further approval from the appropriate Committee would be sought.**

Reasons for recommendations

- (a) Nottingham City Council considers the fee levels for children's care placements on an annual basis, and in doing so will take account of a number of factors, within the context of the wider financial position of the Council.
- (b) The Council has a statutory duty to ensure there is sufficient accommodation for its looked after children and young people which meets their needs in its authority area (section 22G of the Children Act 1989 'the sufficiency duty'), balanced against budget commitments and pressures for the Council.

- (c) Where the Council is party to pan-local authority frameworks, there must be engagement with local authorities party to these framework agreements. Where the outcome of these discussions require consideration of significant change to the financial consequence of these proposals (with due regard given to the available budget) a further report will be presented through the appropriate governance process.
- (d) These proposals and the associated financial modelling are based on information currently available about service utilisation and demand.
- (e) The recommendations presented take account of the implications of inflationary pressures on the children's placements market and aim to represent a fair allocation of funding and to support the market across all service areas. The proposals seek to support a sustainable, efficient, and effective market within the available resources.

Other options considered

- (a) Do nothing. Due to under-capacity in the children's placements market and economic pressures, taking no action risks providers not offering placements for Nottingham's children. This would result in a failure to meet the sufficiency duty and a higher proportion of off-framework placements being made at a higher cost and at a distance from Nottingham.
- (b) Offer different fee rate proposals. This option is not recommended as the proposals have taken into account knowledge of the market and feedback from providers, and the overall budget pressures for Children's Social Care. D2N2 employs a joint post and has undertaken a range of market engagement work to understand pressures and risks to sufficiency which has informed the proposed rate. The final proposals have taken account of the potential impact on service delivery and risk of market failure. Offering different fee rate proposals would place further pressure on the Children's Social Care budget and this is not a feasible option.

50 Pricing of Adult Social Care Commissioned Services 2023-24 - key decision

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

Katy Ball, Director for Commissioning and Partnerships, presented the report, and stated the following:

- (a) Nottingham City Council was obliged to consider the fee rates it pays for its commissioned social care services, and in doing so to take account of a number of factors, within the context of the wider financial position of the Council;
- (b) 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, and they must have regard to the need for sufficient services to be available in the area and the importance of sustainability in this market, balanced against budget commitments and pressures for the Council;

- (c) it was proposed to consult with adult social care providers on the proposals during January – February 2023 and the Director of Commissioning and Partnerships, in consultation with the Director for Adult Health and Social Care, will take account of consultation responses and issue variations to existing contracts, reflective of the proposals, should no significant issues arise;
- (d) should the outcome of consultations require consideration of significant change to the shape and financial consequence of the proposals (with due regard given to the available budget), a further report will be presented through the appropriate governance process.

Resolved to

- (1) approve the fee rates for Adult Social Care Services in 2023/24, as outlined in the exempt appendices (subject to the correction as stated in the meeting), which will be consulted upon with service providers;**
- (2) delegate authority to the Director of Commissioning and Partnerships, in consultation with the Director for Adult Health and Social Care, to agree fee rates in accordance with the exempt appendix, subject to the outcome of consultation with providers and in line with the Council budget, to be implemented from April 2023 subject to consultation and resolution 4 below;**
- (3) approve the total spend of £10.133m, including approval to spend against high cost placement provision through the Council's scheme of delegation for Adults Care Packages;**
- (4) note that, if upon completion of consultation the financial impact of any revised proposals exceeds the budget available, further approval from this Committee would be sought.**

Reasons for recommendations

- (a) Nottingham City Council is obliged to consider the fee rates it pays for its commissioned social care services, and in doing so to take account of 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. This is balanced against budget commitments and pressures for the Council.
- (b) In accordance with the Council's legal obligation, it is proposed to consult with adult social care providers on these proposals during January - February. The Director of Commissioning and Partnerships in consultation with the Director for Adult Health and Social Care will take account of consultation responses and issue variations to existing contracts reflective of the proposals in this report should no significant issue arise. Should the outcome of these consultations require consideration of significant change to the shape and financial consequence of these proposals (with due regard given to the available budget) a further report will be presented through the appropriate governance process.

- (c) These proposals and the associated financial modelling are based on information currently available about service utilisation and demand.
- (d) The recommendations presented take account of the implications of inflationary pressures on the adult social care market and aim to represent a fair allocation of funding and to support the market across all service areas. It is considered that a balanced, reasoned and informed approach has been taken and that the proposals seek to support a sustainable, efficient and effective market within the available resources.

Other options considered

- (a) Do nothing – the Council is contractually bound to review contract fee rates on an annual basis. Doing nothing would present a risk of legal challenge and for this reason, this option was rejected.
- (b) Offer different fee rate proposals. This option is not recommended as the proposals have resulted from significant work and modelling between finance and contracting, taking into account knowledge of the market and feedback from providers, and the overall budget pressures for Adult Social Care. The final proposals take account of the potential impact on service delivery and risk of market failure. Offering different fee rates would place further pressure on the Adult Social Care budget and this is not a feasible option.
- (c) To undertake analysis of individual provider costs and offer fee rates based on factors such as wage rates paid, pension contributions, profit and void levels etc. This option would not be feasible at this time as it would be administratively burdensome due to variations in rates of pay and other costs across the sector.

51 Exclusion of the public

The Committee agreed to exclude the public from the meeting during consideration of the remaining items in accordance with Section 100A of the Local Government Act 1972, Schedule 12A, Part 1, Paragraphs 3 and 5, on the basis that having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

52 Fee levels for Children's Care Placements 2023/24 - exempt appendix

Resolved to note the exempt appendix to minute 49 above.

53 Pricing of Adult Social Care Commissioned Services 2023-24 - exempt appendices

Resolved to note the exempt appendices to minute 50 above.