



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

**Date:** Tuesday, 12 March 2024

**Time:** 9.30 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

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|----------|---|---------|
| <b>1</b> | <b>Apologies for absence</b>  |         |
| <b>2</b> | <b>Declarations of interests</b>  |         |
| <b>3</b> | <b>Minutes</b><br>Last meeting held 13 February 2024 (for confirmation)   | 3 - 10  |
| <b>4</b> | <b>Housing Services HRA: Supply, delivery and installation of large kitchen appliances and furniture - key decision</b><br>Report of Corporate Director for Growth and City Development | 11 - 16 |
| <b>5</b> | <b>Housing Services HRA: Capital Programme delivery - key decision</b><br>Report of Corporate Director for Growth and City Development  | 17 - 22 |
| <b>6</b> | <b>Corporate landlord procurement requirements 2024-25 - key decision</b><br>Report of Corporate Director for Communities, Environment and Resident Services                            | 23 - 30 |
| <b>7</b> | <b>DHSC grant funding to support current smokers to quit smoking in Nottingham - key decision</b><br>Report of Corporate Director for People  | 31 - 44 |
| <b>8</b> | <b>Specialist Residential Children's Homes - key decision</b><br>Report of Corporate Director for People  | 45 - 50 |

<b>9</b>	<b>Booking arrangements of private rented accommodation for emergency temporary use for homeless households - key decision</b> Report of Corporate Director for Growth and City Development	51 - 62
<b>10</b>	<b>Exclusion of the public</b> To consider excluding the public from the meeting during consideration of the remaining items in accordance with Section 100A(4) of the Local Government Act 1972 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	
<b>11</b>	<b>Exempt appendix - Specialist residential children's homes</b>	63 - 64
<b>12</b>	<b>Exempt appendices - Booking arrangements of private rented accommodation</b>	65 - 70
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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 13 February 2024 from 9.33 am - 10.17 am**

#### **Membership**

##### **Present**

Councillor Audra Wynter (Chair)  
Councillor Cheryl Barnard (Vice Chair)  
Councillor Jay Hayes  
Councillor Linda Woodings

##### **Absent**

Councillor Corall Jenkins

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

Kenneth France	-	Head of Fleet and Depot Operations
Mark Jenkins	-	Head of Traffic and Flood Risk Management
Mark Leavesley	-	Governance Officer
Steve Oakley	-	Head of Procurement
Andrew Smith	-	Assistant Fleet Manager
Jackie Wyse	-	Interim Head of Service, Contracts, Quality and Personalisation

#### **Call-in**

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 22/02/2024. Decisions cannot be implemented until the working day after this date.

#### **58 Apologies for absence**

None.

#### **59 Declarations of interests**

None.

#### **60 Minutes**

The Committee agreed the minutes of the meeting held on 09 January 2024 as a correct record and they were signed by the Chair.

#### **61 Light Vehicle supply framework for up to 7,500kg vehicles - key decision**

Andrew Smith, Assistant Fleet Manager, presented the report, and stated the following:

- a) the Fleet and Depot Operations Service is seeking permission to renew and replace its existing framework for the supply and delivery of both internal combustion engine and ULEV light commercial vehicles up to a maximum gross vehicle weight of 7,500kg;

- a) the report is not seeking a commitment to spend during the framework's lifetime, just approval to provide a compliant solution for if a vehicle is required to support service delivery;
- b) the framework will be accessible by all other public sector bodies and the service specification of the framework will allow for supply and maintenance;
- c) the framework will also allow contracting parties, including Nottingham City Council, to purchase light commercial vehicles from various suppliers to enable them to fulfil replacement needs when necessary;
- d) the vehicles to be purchased throughout the lifetime of the framework will include those that are used to deliver statutory services across the registered users of the framework;
- e) a rebate of 1% is payable to Nottingham City Council for all purchases made under the terms of the framework to cover all costs incurred in the management of the framework and the procurement process.

**Resolved to**

- (1) to approve the undertaking of a procurement process to establish a framework for the outright purchase of Light Commercial Vehicles that all UK public sector contracting authorities can access;**
- (2) delegate authority to the Corporate Director for Communities, Environment and Resident Services to:**
  - (a) enter into the initial light commercial vehicle framework;**
  - (b) sign all call-off orders under the terms of the framework.**

Reasons for recommendations

- a) establishing a Framework Agreement provides the Council, and any other user of the framework, a compliant mechanism to source Light Commercial Vehicles. Under the terms of the framework, the user can establish 'call-off' agreements for their specific requirement;
- b) the framework offers two call-off methods:
  - direct award to the highest ranked provider in each of the three lots;
  - mini competitions inviting all suppliers under the chosen lot to bid;
- c) there are benefits and considerations with either approach, these can be considered at the point of demand;
- d) the framework will consist of 3 lots. A framework agreement will be awarded to up to four suppliers per lot, suppliers can bid for one or more lots:
  - Lot 1 - light commercials up to a maximum GVW of 3,500kg;

- Lot 2 - light commercials between 3,501kg GVW to 7,500kg GVW;
  - Lot 3 – pick-up trucks: 4x2 and 4x4 types;
- e) the structure of the framework considers not only any future fleet requirements, but those of other Council departments (Greenspace, Housing Services, etc);
- f) individual or multiple vehicles can be bought under the terms of the framework;
- g) the rebate payable by users of the framework will be (on average) 0.5% lower than third party framework and nationally accessible by all public sector contracting bodies;
- h) under the terms of any framework, there is no commitment to spend or to place a minimum number of orders.

Other options considered

- a) Extend the existing framework – this option was rejected as it would not comply with the Public Contract Regulations 2015.
- b) Renew the method and create a DPS – this option was rejected as the core members and users of the Framework are members of the Nottinghamshire Transport Group Consortium who many have stated don't have the capacity to carry out numerous Mini Competitions and requested the option to retain the Direct Award process to enable swift purchases to be made where necessary.
- c) Undertake ad-hoc tenders at the point of demand – this option was rejected to avoid any duplication of work and to ensure all vehicle purchases are going through a compliant procurement mechanism with a specification created with the Council in mind.
- d) Access external third-party frameworks at the point of demand – this option was rejected to avoid any duplication of work and to be paying any rebate fees to third parties as opposed to benefitting from rebates paid to the Council by 3<sup>rd</sup> party users of the Framework.
- e) Creating our own Framework also provides a way to ensure all vehicle purchases are going through a compliant procurement mechanism with a specification created with the Council in mind.

**62 ANPR enforcement maintenance contract with 3G device upgrades - key decision**

Mark Jenkins, Head of Traffic and Flood Risk Management, presented the report, and stated the following:

- a) Yunex provides the Council with fixed ANPR enforcement devices which activate when a vehicle passes through a trigger point and records a video pack for evidential review;

- b) all suppliers in this market operate a 'one stop shop' or 'closed system' for enforcement to meet Department for Transport (DfT) licencing requirements. This means only they or their accredited engineering provider can work on their whole system, maintaining the integrity of the system to preserve the DfT certification;
- c) the Yunex proposal is to fix costs for 3 years of maintenance and the essential modification of 19 devices that currently communicate using 3G technology, which the government intends to phase out in 2024, meaning these units will no longer communicate with the system;
- d) the proposal also includes a move to a hosted review/fault management platform to improve efficiency in data management and evidence processing;
- e) moving to a hosted platform, and taking the software off council servers, where the platform currently resides, will aid data management and security, and improve operational efficiency as Yunex will no longer have to apply to the Council's IT team for access to the server to fix an issue affecting the system;
- f) upgrading to a hosted platform will also ensure data integrity, removing the risk of evidence packs or encryption keys being lost when we have server issues;
- g) the upgrade will also lessen the workload on NCC's IT department, and of MTE colleagues reporting faults etc, freeing them up to concentrate on further efficiency and performance improvements.

#### **Resolved to**

- (1) approve the purchase of a 3-year 'maintenance agreement', including modifications to 19 ANPR devices and provision of a hosted server, from the current supplier (Yunex) to enable continuation of a Department for Transport compliant enforcement system that is fully certified to issue Penalty Charge Notices to motorists that contravene bus lane and other moving traffic restrictions;**
- (2) note that a formal review of future ANPR purchase / maintenance arrangements will be undertaken by Procurement and Traffic colleagues, with a further report being submitted to this Committee by no later than the April 2025 meeting.**

#### **Reasons for recommendations**

- a) DfT require a formal maintenance arrangement to be in place to enable the enforcement system to be fully certified. Due to the integrity of the enforcement systems, 3rd parties cannot undertake any repair or maintenance activities on these closed systems. Therefore, in line with previous years we are seeking approval to renew the maintenance contract with our current supplier.
- b) To address some essential modifications to 19 ANPR devices and improve reliability and efficiency of the server platform, we are looking to secure a 3-year maintenance arrangement (October 2023 to September 2026) which would

provide 'Best Value' and spread these modification costs over an extended period.

- c) The costs related to this proposed 3-year maintenance proposal are fully funded through the annual PCN income and underwritten by the ring-fenced reserve.
- d) The essential modifications to the 19 ANPR devices and the upgrade to a hosted review/fault management platform, ensures enforcement activities can be maintained, data security enhanced, operating efficiencies improved and PCN income is not adversely affected. (These essential modifications and upgrades can only be carried out by the current supplier due to DfT certification guidance).

#### Other options considered

- a) the option of changing operational arrangements and supplier were considered. However, due to the complex DfT compliance rules (no other company can maintain other suppliers' enforcement equipment or systems) and the scale of the existing set-up with our current supplier, no suitable alternative could be achieved within the current renewal timeframe, so this option was rejected.

### **63 Fee rates for Adult Social Care services 2024/25 - key decision**

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

Jackie Wyse, Interim Head of Service, Contracts, Quality and Personalisation, presented the report, and stated the following:

- a) as Nottingham City Council is contractually obliged to consider fee rates on an annual basis where it has a statutory duty to provide a service, the report presents proposals for fee rates in 2024/25 across Adult Social Care contracted provision;
- b) consultation will be undertaken with providers on the proposals and the responses will be fully considered prior to implementation from April 2024;
- c) the Council's fee rates for adult social care services have historically been reviewed annually and decisions based on an established methodology for calculating inflationary increases. An evidence base for pricing was originally developed based on the UK Homecare Association model for Care at Home type services and independent review of residential care pricing. These tools have been adjusted to account for factors including the current market position, cost of living indices and Office of National Statistics data;
- d) every year, these established tools have been used to undertake analysis of the potential impact of national living wage requirements and other pressures such as cost of living, pensions, profit, and voids. Alongside these financial pressures, there are other aspects which are considered:

- the current provider market including number of providers and quality of the market;
  - demand for social care provision arising from demographic pressures;
  - difficulty in attracting workers into the care sector due to competition from other sectors;
  - competition between Local Authorities and their ability to pay more to the market
  - the fee rate modelling process has therefore been key to support social care providers to meet NLW and other cost pressures, and to manage the social care market, whilst balancing against the Council's other budget commitments and pressures;
- e) in December 2021, the Department of Health and Social Care announced the new Market Sustainability and Fair Cost of Care Fund, available to support local authorities to begin preparing local care markets for reform and moving towards sustainable funding for this market;
- f) local authorities were expected to use this funding for activities such as conducting a cost of care exercise; improving data on costs; strengthening capacity for market oversight; and increasing fee rates as appropriate to local circumstances;
- g) in 2023-24, Nottingham City Council received an allocation of £5.99m from this fund, which has been used to support transformational work, to complete a strength-based review, bolster staffing levels and to provide a sustainable level of funding. The Fair Cost of Care work has been completed; however, the local response rate was extremely low (mirrored nationally) and therefore the outcome was inconclusive;
- h) due to the significant budget constraints, further options have been proposed and are outlined in exempt appendix 1. Information in relation to the market context (including benchmarking) and intelligence relating to the fragility of the market, quality and provider failure that is outlined within exempt appendix 3.

**Resolved to**

- (1) approve the fee uplift proposal (as outlined in exempt appendix 1, option 2) to enable consultation with the market to take place;**
- (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 proposals detailed in section 3 of the report and in exempt appendix 1, subject to the outcome of consultation with providers and in line with the Council budget;**
- (3) note that, subject to consultation outcomes, the agreed rates will be implemented from April 2024;**



- (4) approve the spend of £11.337m associated with this decision, including approval to spend against high-cost placement provision through the Council's scheme of delegation for Adults Care Packages;**
- (5) note that, if upon completion of consultation the financial impact of any revised proposals exceeds the budget available, further approval from this Committee will be sought.**

Reasons for recommendations

- a) Section 5 of the Care Act, 2014 states: A local authority must promote the efficient and effective operation of a market in services for meeting care and support needs with a view to ensuring that any person in its area wishing to access services in the market has a variety of:
  - a) providers to choose from who (taken together) provide a variety of services;
  - b) high-quality services to choose from;
- b) The Care Act statutory guidance states in 4.35 Local authorities must not undertake any actions which may threaten the sustainability of the market as a whole, that is, the pool of providers able to deliver services of an appropriate quality – for example, by setting fee levels below an amount which is not sustainable for providers in the long-term. However, this should be considered with the duties relating to the delivery of a balanced budget;
- c) in accordance with the Council's legal obligation, consultation on these proposals will be undertaken with adult social care providers during prior to April 2024;
- d) 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 notable change to the sustainability of the market and/or financial consequences of these proposals a further report will be presented through the appropriate governance process;
- e) the proposals and the associated financial modelling are based on current full year financial forecasts in 2023/24;
- f) 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) Consideration was given to a hybrid model, whereby each option would be broken down into two parts, part one applied the proposed uplift to all provision, part 2 applied the proposed uplift to providers on a contracted rate. (A contracted rate is one that is either a standard rate, a banded rate, or a commissioned rate. It does not include any provision where the rate is variable, and the provider has been able to state their fees at the point of placement).
- b) Although the hybrid options have been considered they are not recommended. The care packages are currently recorded in CONTROCC in such a way that it is impossible to determine which are contracted and which are variable resulting in an inability to financially model this option.
- c) Banded rates were introduced for working age adults residential care approximately 3 years ago, however, this only applied to new placements and not existing placements. It could also create disparity between providers, as not all providers had the opportunity to sign up to the banded or standard rates due to the specialisms they offer.
- d) Alongside the uplift proposals outlined within this report, there are a range of projects (appendix 3) being undertaken to reduce the financial impact of the fee rate increases, including any additional resources required to accelerate these projects.
- e) A range of options have been scoped and outlined within exempt appendix 1, with recommendations based on meeting statutory duties in relation to market stability and whilst balancing this with budget pressures. From the options proposed in appendix 1, option 2 is recommended, along with the contingency measures in section 3 of the appendix.

#### **64 Exclusion of the public**

The Committee agreed to exclude the public from the meeting during consideration of the remaining item in accordance with Section 100A(4) of the Local Government Act 1972 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.

#### **65 Exempt appendices - Fee rates for Adult Social Care Services 2024/25**

The Committee noted the exempt appendices.

<b>Subject:</b>	Supply, delivery and installation of large kitchen appliances and furniture		
<b>Corporate Director:</b>	Sajeeda Rose - Growth and City Development		
<b>Portfolio Holder:</b>	Cllr Jay Hayes – Housing		
<b>Report author and contact details:</b>	Cath Stocks, Head of Housing Options, Housing Services <a href="mailto:catherine.stocks@nottinghamcity.gov.uk">catherine.stocks@nottinghamcity.gov.uk</a>		
<b>Other colleagues who have provided input:</b>	Geetha Blood - Strategic Finance Business Partner Charles Lee - Senior Solicitor Rosamund Smith – Procurement Officer		
<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> £2.7 million			
<b>Section 151 Officer expenditure approval</b>			
Has the spend been approved by the Section 151 Officer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/a			
Spend Control Board approval reference number: 6881			
<b>Wards affected:</b> All			
<b>Date of consultation with Portfolio Holder:</b> TBC			
<b>Relevant Council Plan Key Outcome:</b>			
Green, 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 type="checkbox"/>		
Living Well in our Communities	<input type="checkbox"/>		
Keeping Nottingham Moving	<input type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input checked="" type="checkbox"/>		
Serving People Well	<input checked="" type="checkbox"/>		
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>The report seeks approval to commence the procurement process for the supply, delivery and installation of residential equipment and furniture such as cookers, washing machines and beds to enable the council to provide furnished tenancies for council tenants.</p> <p>The provision of furnished tenancies supports tenancy sustainment for many vulnerable and disadvantaged citizens allocated Council housing. It provides an affordable option for tenants needing to furnish their new home, many of which have no furniture or appliances when they sign up for a tenancy, nor the savings to purchase them. This can either delay moving in - incurring rent arrears, or tenants resorting to credit - incurring high-cost borrowing and long-term debts.</p> <p>An inability to fund the essentials to make a home or being burdened with rent arrears or high debts to do so can reduce tenancy sustainment levels incurring additional cost for the Council's HRA in void turnaround costs, rent loss and potentially a subsequent homelessness duty.</p>			

The cost of renting basic furnishings in a furnished tenancy is eligible for Housing Benefit and Universal Credit housing costs, making it affordable for all tenants that need it. Tenants can choose a fully furnished home or just kitchen appliances depending on their requirements.

Furnished tenancies contribute to the Council's Housing Strategy and the Together for Nottingham plan through the provision of good quality, affordable housing for Nottingham families and citizens.

**Council Plan Outcome Nine: Better Housing:**

- We will tackle poor-quality housing in Nottingham, regardless of tenure, and continue to drive up housing standards in the city, ensuring sustainable communities and neighbourhoods for residents.

**Exempt information:** None

**Recommendations:**

- 1 To approve authority to undertake a procurement exercise to identify a supplier and issue an open tender, in accordance with the Council's Constitution, for a 5-year contract at a cost of £2.7m;
- 2 To delegate authority to the Corporate Director for Growth and City Development to enter into contracts with the successful supplier;
- 3 To approve authority to set up CPAs to cover the works to be delivered and to raise purchase orders under the signed contract, including CPAs for the duration of the contracts.

**1. Reasons for recommendations**

- 1.1 Nottingham City Council has provided new tenants with the option of a furnished tenancy since 2016. The provision of furnished tenancies supports tenancy sustainment for many vulnerable and disadvantaged citizens allocated to Council housing. It provides an affordable option for tenants needing to furnish their new home, many of which have no furniture or appliances when they sign up for a tenancy, nor the savings to purchase them. This can either delay moving in - incurring rent arrears, or tenants resorting to credit - incurring high-cost borrowing and long-term debts.
- 1.2 There is provision in the HRA budget for the continuation of the furnished tenancy programme and provision has been made for future expenditure. The 2023/24 budget is £529,400. The 2024/25 budget is £555,870.
- 1.3 The current contract to supply large kitchen appliances and furniture has come to an end and we need to tender and issue a new contract for the supply of household furnishings and large kitchen appliances in Council furnished tenancies.
- 1.4 The contract will cover the delivery and installation of residential furniture and large kitchen appliances, and the removal and correct disposal of old equipment and furnishings where required.
- 1.5 The internal business case to continue with furnished tenancies and the ongoing HRA budget was approved in September 2023 by the Corporate Director for Growth and City Development.

- 1.6 The provision of furnished tenancies is a demand-led service. Take-up has increased dramatically in recent years as the hardship of Covid, lost jobs, homelessness and the cost-of-living crisis have contributed to a rising inability to fund essential items for the home. As of 1 April 2023, 885 current Council homes had furnished tenancies (3.5% of Council tenancies); 75 dating from prior to 2018 and 810 from that point on.
- 1.7 This service provides all new Council tenants with the option to have an unfurnished tenancy or a furnished tenancy prior to sign-up. The furnished tenancy can be either kitchen appliances (cooker, fridge-freezer, washing machine) only or a fully furnished home (kitchen appliances, settee, dining table/ chairs, beds, wardrobes and drawers).
- 1.8 Furniture cannot be added to an existing tenancy. It can only be added at the beginning of a new tenancy, but it can go with a tenant if they transfer to a new home and therefore a new tenancy.
- 1.9 With a furnished tenancy, tenants also rent the furniture and kitchen appliances, with service charges levied to recover the costs. Furniture and appliances remain the property of Nottingham City Council and cannot be gifted or sold to the tenant at any time under benefit regulations. Variable charges are levied in addition to the tenant's rent, dependent on the furniture package needed.
- 1.10 Tenants pay a weekly service charge to rent the furnishings and/ or kitchen appliances to repay the investment. Nottingham City Council levies the service charge through the tenant's rent account and the charges are fully eligible for Housing Benefit / Universal Credit housing costs for qualifying tenants. Weekly furnished tenancy service charges recoup the original investment, cover losses, wear and tear, early tenancy terminations, electrical testing and provide modest surpluses for future investment and to ensure furnished tenancies are not subsidised by all tenants.
- 1.11 Furnished tenancies are reviewed at the 5<sup>th</sup> anniversary of the commencement of the tenancy. At that point, the tenant has the option to continue with a furnished tenancy – and items subject to wear and tear can be replaced – or switch to an unfurnished tenancy. With the latter, the furniture and appliances and their associated charges are removed. Tenants cannot be gifted or sold the furniture and appliances.
- 1.12 The furnished tenancy programme is on-going and provision has been made for future expenditure in the Housing Revenue Account (HRA) budget. The 2023/24 budget is £529,400. The 2024/25 budget is £555,870.
- 1.13 The current contract to supply large kitchen appliances and furniture has come to an end and we need to tender and issue a new contract for the supply of household furnishings and large kitchen appliances in Council furnished tenancies.
- 1.14 The contract will cover the supply, delivery and installation of residential furniture and furnishings such as cookers, washing machines, fridge freezer, beds, dining tables and sofas. The intended supply contract is for a period of three years plus the option to extend the contract a further two years subject to satisfactory performance reviews. The estimated spend within the contract for the HRA is £2.7m over a maximum five-year period.

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

- 2.1 A new contract is required due to current contract coming to an end.

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

- 3.1 None, as we have to supply, deliver and install the items required in council-owned furnished residential properties.

## **4. Consideration of Risk**

### **4.1 Key Risks:**

**4.1.1 Change to benefit Regulations;** these prescribe that basic furnishings are eligible for mainstream benefits. This has been the case for many decades and is unlikely to change.

**4.1.2 Loss or damage;** Furniture and appliances are covered by a 2-year warranty handled by the contracted supplier. Damage considered beyond fair wear and tear will either be charged to the tenant or the item not replaced and the charges remain. Where a tenant sells or otherwise disposes of any item without permission, this will be referred to the police and a crime number obtained and the item will not be replaced. Loss and damage has historically been low.

**4.1.3 Failure to pay charges;** Furnished tenancy charges are a tenancy condition, so enforcement action can be taken to ensure payments are made. Most furnished tenants are in receipt of Housing Benefit or UC housing costs, so that can be received direct.

**4.1.4 Tenancy ends before furniture cost is recovered;** Sustainment of furnished tenancies is better than that of unfurnished tenancies, although not as conclusively so as in the early years. The cost model provides for the actual cost of furniture and appliances to be recovered in 2 to 3 years, with the loss/ damage provision, admin and electrical testing in year 3 and 4. Relatively few furnished tenancies end in the first 2 years, so expended costs are generally recovered at least.

- 4.2 Risks have been addressed within the Business Case approved September 2023 – all rated green.
- 4.3 There is the risk that the contractor procured is unable to meet the Council's requirements. This risk is mitigated by working with procurement colleagues to ensure that the tender specification and assessment criteria secure a contractor of the highest quality.

## **5. Best Value Considerations**

- 5.1 This is achieved through the authority undertaking an open market tender.

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

- 6.1 The report seeks approval to commence the procurement process for the supply, delivery and installation of residential equipment and furniture such as cookers, washing machines and beds. The supply of these goods enable vulnerable tenants to move into their new homes without having to incur any up-front cost. The costs of the furniture and equipment are recovered through a weekly charge to the tenant. In 2023/24 there is a £529,400 provision in the HRA to meet this expenditure. This provision has been increased to £553,870 in 2024/25. There are similar budgets for income to ensure that all costs are full recovered and there is no cost to the HRA.

Geetha Blood, Strategic Finance Business Partner – 23/02/24

## 7. Legal colleague comments

- 7.1 The report seeks approval for the continuation of a furniture rental scheme, enabling tenants to move into their new home without the burden of significant front-loaded cost for furniture and/or appliances, which the tenant would otherwise have to fund themselves or using private sector credit at much greater cost. The costs of the furniture and appliances are paid for by the tenant by way of an additional amount added to rent. The cost of renting basic furnishings in a furnished tenancy is eligible for Housing Benefit and Universal Credit housing costs, making it affordable for all tenants who require it.

The provision of a furniture rental scheme is allowable under s.10(1) of the Housing Act 1985, which provides:

‘(1) A local housing authority may fit out, furnish and supply a house provided by them under this Part with all requisite furniture, fittings and conveniences.’

The furniture rental scheme is operated under a model which pays back the investment, covers losses and replacement and provides that any surplus is re-invested in respect of any other costs associated with its provision, thereby constituting an arrangement which is non-profit and does not require payment of any costs from any other budget.

Charles Lee, Senior Solicitor – 27/02/24

## 8. Other relevant comments

### 8.1 Procurement Comments

For the proposed schemes, the procurement requirements would be a Competitive Tendered process for the project and would be managed through the Councils recognised procurement Portal (Due - North)

**Procurement of a Supplier:** Supplier to provide the Supply, Delivery & installation of White Goods and Furniture. This would be identified by a competitive procurement process. Terms and conditions for Products procured will be NEC4 Supply Chain Short Form agreement. Lot 2 will be for installation of equipment as necessary, and the terms will be Joint Contracts Tribunal (JCT) Measured Term Contract.

Housing Services typically use the standard form of (Version 2016) from the suite of Joint Contract Tribunal (JCT) contracts are usually made between an 'employer' and a 'contractor' to facilitate the process of supply, delivering and

installation of White Goods and Furniture. They set out all of the relevant terms and conditions, including the obligations of the parties, the costs involved and specification of the project.

Rosamund Smith, Procurement Officer – 20/02/24

**9. Crime and Disorder Implications (If Applicable)**

9.1 N/A

**10. Social value considerations (If Applicable)**

10.1 We will be using the Nottingham Business Charter as a method to promote and support sustainable growth, social and environmental wellbeing.

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

11.1 N/A

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

12.1 An EIA is not required at this stage because this decision does not represent proposals for a new or changing policy, service or function.

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

13.1 A DPIA is not required as the data is not high risk. Information Compliance have confirmed that data processing terms will be in the new contract.

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

14.1 A CIA is not required at this stage because this decision does not represent proposals for a new or changing policy, service or function.

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

15.1 Business Case, HRA Furnished Tenancies - 5 July 2023

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

16.1 None.



<b>Subject:</b>	Housing Services HRA: Capital Programme delivery		
<b>Corporate Director:</b>	Sajeeda Rose - Growth and City Development		
<b>Portfolio Holder:</b>	Cllr Jay Hayes – Housing		
<b>Report author and contact details:</b>	Steve Edlin, Assistant Director of Asset Management. <a href="mailto:steven.edlin@nottinghamcity.org.uk">steven.edlin@nottinghamcity.org.uk</a>		
<b>Other colleagues who have provided input:</b>	Thomas Straw - finance Beth Brown – legal Jeremey Delderfield - procurement Alison Brown – Director of Property Services		
<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		<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
taking account of the overall impact of the decision			
Significant impact on communities living or working in two or more wards in the city			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Type of expenditure:</b> <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital			
If Capital, provide the date considered by Capital Board - Date: 05/02/2024			
<b>Total value of the decision:</b> £80,000,000			
<b>Section 151 Officer expenditure approval</b>			
Has the spend been approved by the Section 151 Officer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/a			
Spend Control Board approval reference number: 2645			
<b>Wards affected:</b> All			
<b>Date of consultation with Portfolio Holder:</b> 22/02/2024			
<b>Relevant Council Plan Key Outcome:</b>			
Green, Clean and Connected Communities	<input type="checkbox"/>		
Keeping Nottingham Working	<input type="checkbox"/>		
Carbon Neutral by 2028	<input checked="" type="checkbox"/>		
Safer Nottingham	<input type="checkbox"/>		
Child-Friendly Nottingham	<input type="checkbox"/>		
Living Well in our Communities	<input type="checkbox"/>		
Keeping Nottingham Moving	<input type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input checked="" type="checkbox"/>		
Serving People Well	<input type="checkbox"/>		
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>NCC are required by regulation to ensure that all its social housing meets the governments Decent Homes standard. The decent homes standard sets out a minimum standard for social housing and is underpinned by four criteria linked to a statutory minimum standard based on the 29 Hazards detailed in the Housing Health and Safety Rating System (HHSRS), reasonable state of repair, having modern facilities and meeting identified levels for thermal comfort.</p> <p>We maintain decency through the delivery of repair, maintenance and investment works to homes, blocks, and estates. We do this through a mixed service delivery model of directly employed staff and trade colleagues and external contractors who provide additional capacity and technical expertise.</p> <p>This paper is to seek approval to appoint two contractors to form part of the mixed delivery model.</p>			

We do not have sufficient internal capacity or expertise to deliver the scale and scope of works to ensure we maintain decency across our housing assets. Urgency is needed due to the impact on delivery of works after one of our key partners for investment works went into administration and delays with our ability to recruit additional internal staff following.

The HRA Capital Investment programme, which this work will be carried out under was reported to Executive Board on 13 February 2024 as part of the Capital Programme.

The 2006 Decent Homes standard is currently under review as part of one of the most significant regulatory reviews of social housing in the last decade. Using the consultation that has taken place to date there are likely to be additional measures we will have to take on as a landlord to ensure we are compliant with the decency standard exacerbating the need for additional capacity

The Social Housing Regulation Act 2023 ("The Act") introduced a requirement for landlords to evidence how we ensure compliance with the decency standard through the Consumer standards specifically the Safety and Quality standard. Many of the provisions in the Act are responses to the tragedies of the 2017 Grenfell Tower fire and death of two-year old Awaab Ishak, who died in 2020 from exposure to serious mould.

The Act allows the Regulator of Social Housing to take action against social landlords before people are at risk and hold landlords to account with a reintroduced regime of service inspections. The act gives the Secretary of State power to require social landlords to investigate and rectify serious health hazards. This could include intervention within the Property service.

**Exempt information:** None

**Recommendations:**

- |          |  |
|----------|--|
| <b>1</b> | To approve the authority to enter into contracts with United Living and Lovells to enable delivery of the HRA Capital programme up to 31 March 2025, with a 2-year option to extend to March 2027. |
| <b>2</b> | To approve the authority to set up the required Contract Purchase Agreements (CPA) to cover the works to be delivered.   |
| <b>3</b> | To approve raising of purchase orders under the signed contract for the duration of the contracts.   |

**1. Reasons for recommendations**

- 1.1 Nottingham City Council Housing Services team are required to ensure that all of its Social Housing homes meet the governments Decent Homes Standard which means that they will meet the minimum statutory standard for housing including no category one failures under the Health and Safety Rating System (HHSRS), properties are in a reasonable state of repair, we have reasonably modern facilities and services, and homes provide a reasonable degree of thermal comfort.
- 1.2 The Act includes a requirement to meet our obligations under the newly introduced Building Safety Act 2022 and Fire Safety Act 2021 and the forthcoming Awaabs Law to ensure that Social Housing is free from Damp and Mould, disrepair, HHSRS hazards and are structurally sound and safe. We are required to demonstrate our compliance using the consumer standards, specifically for property the safety and quality standard. We have adopted a mixed delivery model to help us manage and maintain decency across our Housing assets. This is to reflect the scope, scale and timescales,

capacity and technical expertise needed to deliver the required works. External contractors form part of this mixed delivery model. The types of works we deliver to maintain decency includes:

- Replacements works and refurbishments works to key building elements and components including roofs, structural works, doors, windows and heating systems;
- Replacement of key facilities including Kitchens, bathrooms;
- Control measures to manage Hazards including Damp and Mould, Falls, electrical hazards and fire;
- Preventing disrepair by dealing with property deficiencies within a reasonable timescale;
- Work to improve thermal efficiency including external wall insulation or alternative heating systems;
- Decent Neighbourhoods work, including boundary issues, garages and HRA pathways;
- Support for development of mixed communities including HRA shop conversions and works to properties bought on the open market.

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

- 2.1 We have been without a key decent homes partner since 10 July 23 after they went into liquidation, which is having a significant impact on being able to deliver identified works to maintain decency compliance. Their contract was novated to Nottingham City Council after the housing service was bought back under direct management of the council on 1 April 2023 but became void after they ceased trading and therefore, we needed to procure some alternative support. In addition, we have seen a highly significant increase in the number of claims being brought against the authority for breaches in our landlord obligations. This has in part been triggered by the increased publicity around damp and mould and the potential impacts to health if not addressed. There is not currently sufficient capacity to meet these demands.
- 2.2 To enable Nottingham City Council Housing Services to meet its regulatory, statutory and landlord obligations we need additional capacity which will be achieved through a mixed delivery model, we need the additional capacity, technical expertise and experience of external contractors to work in partnership with our internal resources. This will initially enable internal teams to manage the volume of work arising from claims for disrepair and to deliver against the scope and scale of the agreed Housing Revenue account (HRA) capital works programme. The initial priority being roofing works and fire remediation works.

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

- 3.1 Carry out the work with internal resources, which would not be achievable to scale, scope, volume and timescales.

- 3.2 Award to a single contractor. To apply learning from what has happened during 2023 and mitigate against a contractor going into receivership we have proposed two contractors to spread the risk. It also provides an opportunity to benchmark to demonstrate value for money.

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

- 4.1 A full risk register has been completed and will be incorporated into ongoing governance reporting as required to ensure control measures remain appropriate and help to inform decisions.

#### 5. **Best Value Considerations**

- 5.1 We will use this contract to demonstrate continuous learning against the identified seven best value themes some examples are given below.

5.1.1 As part of contract mobilisation, we will establish the governance regime from operational to a strategic overview to manage performance against agreed success measures and robust financial management;

5.1.2 We will work collaboratively to identify areas of learning and positive practice that can be shared across other contracts we have within property service;

5.1.3 We will involve the partners in the wider service transformation activities to ensure there is clear direction on our approach and service delivery expectations. To promote the development of a culture of cooperation, respect and trust between all parties our partners will be co-locating with us at Harvey Road;

5.1.4 Promoting a mixed delivery model helps promote most effective use of resources and technical expertise;

5.1.5 Using a framework arrangement provides some assurance on technical competency and value for money as the contractors have been externally benchmarked against a cost and quality criteria;

5.1.6 We have a dedicated team who will be responsible for the effective management of the contract and overseeing the quality of the service received by customers and work to our assets;

5.1.7 We will proactively work with the partners to support where possible a local supply chain to offer employment and opportunities to local companies;

5.1.8 Both contractors will develop a social value plan for the term of the contract.

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

- 6.1 The expenditure budgets within this decision have been incorporated within the Capital Budget 2024/25 to 2027/28 as reported to Executive Board February 2024 and Full Council March 2024. These Capital Budgets were endorsed by Capital Board on the 5 February 2024.

- 6.2 This specific decision does not increase the current Capital Budget as the approval relates to entering into contracts to enable delivery of the Capital Programme as reported at Full Council.
- 6.3 The spend within this decision will be monitored against the budget during the MTFP and it is the project managers responsibility to ensure that the works carried out remain within the approved Capital Budgets.

Tom Straw, Senior Accountant (Capital Programmes) - 1 March 2024

## **7. Legal colleague comments**

- 7.1 The Social Housing Regulation Act 2023 places enhanced obligations on Local Authority Landlords to ensure that social housing is of a decent standard for tenants. To ensure that we are meeting our obligations there is a requirement for additional capacity, this is being achieved via a mixed delivery model with the private sector. The arrangements between the parties will be regularised via industry standard JCT contracts and Legal Services will provide support as required.

Beth Brown, Head of Legal - 1 March 2024

## **8. Other relevant comments**

### **Procurement Comments**

- 8.1 Following the liquidation of the incumbent partner on 10 July 2023. Their original contract was Novated during the completion of the transformation of Nottingham City Home to Housing Services who were originally Nottingham City Homes appointed Contractor to deliver the Capital works programme for the Asset Management team.
- 8.2 With agreement a process was completed to engage with Framework companies in accordance with NCC's Constitution of completing a procurement competition and this involved providing formal notification of our intention to engage with the selected Contractors using our e-tendering Portal requesting them to confirm an Expression of Interest for providing services to the Council for the Works. We received Three (3) Expressions of Interest (EOI) from the Ten (10) Contractors Framework listed on the Fusion 21 Agreement.
- 8.3 This process was completed through the City Council's e-tendering Portal (Due-North) and a compliant evaluation process undertaken.
- 8.4 Procurement have issued draft copies of the Joint Contracts Tribunal (JCT) contract documents for initial comments and engaged with Fusion 21 legal team informing them of the procurement and their support with any legal matters arising during the project delivery.
- 8.5 We have established, and tested rates for these Works that provides Best Value opportunities for the Council and to manage business continuity it would be prudent to utilise the existing contractors who have resource capacity and maximise the use a local labour supply that we need to demonstrate to support the Nottingham Charter. We have also carried out a cost evaluation on

the first pricing model for the delivery of Kitchen & Bathrooms from the external contractor against our in-house delivery team.

Jeremey Delderfield, Procurement & Sourcing Manager – 1 March 2024

**9. Crime and Disorder Implications (If Applicable)**

9.1 N/A

**10. Social value considerations**

10.1 Nottingham City Council promotes and supports sustainable growth, social and environmental wellbeing. All Signatories to the Contract will become part of a network of organisations that can do business together, whilst supporting the Contract principles to promote economic prosperity and social environmental wellbeing.

10.2 The Contract also provides a way to create more employment and training opportunities for Nottingham City residents. With Nottingham Jobs we will help employers to find the right people for their business. This free service helps employers to employ the right people with the right skills.

10.3 The Contract identifies the actions and activities that Nottingham City Council, and our contracted suppliers and partner organisations will deliver to bring about economic growth and prosperity and help transform Nottingham from a good to a great City.

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

11.1 N/A

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

12.1 An EIA is not required at this stage because this decision does not represent proposals for a new or changing policy, service or function. However individual EIA's will be completed for each work stream as part of the implementation of each Sectional Commencement agreement.

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

13.1 A DPIA is not required.

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

14.1 A CIA has been undertaken and due regard will be given to any implications identified in it.

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

15.1 None.

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

16.1 Executive Board report 'Capital Programme' – 13 February 2023

<b>Subject:</b>	Corporate landlord procurement requirements 2024-25		
<b>Corporate Director:</b> <b>Director:</b>	Colin Parr – Communities, Environment and Resident Services Nicki Jenkins - Economic Development and Property		
<b>Portfolio Holder:</b>	Cllr Battlemuch – Skills, Growth, Economic Development and Property		
<b>Report author and contact details:</b>	Trevor Bone, Head of Building Services & Facilities Management <a href="mailto:Trevor.bone@nottinghamcity.gov.uk">Trevor.bone@nottinghamcity.gov.uk</a>		
<b>Other colleagues who have provided input:</b>	Sarah Baker, Senior Commercial Business Partner Anthony Heath, Senior Solicitor Sue Oliver, Procurement Category Manager Beverley Gouveia, Head of Property		
<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> £17,730,000			
<b>Section 151 Officer expenditure approval</b> Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/a Spend Control Board approval reference number:			
<b>Wards affected:</b> City Wide			
<b>Date of consultation with Portfolio Holder:</b> 8 February 2024			
<b>Relevant Council Plan Key Outcome:</b>			
Green, Clean and Connected Communities	<input type="checkbox"/>		
Keeping Nottingham Working	<input checked="" type="checkbox"/>		
Carbon Neutral by 2028	<input checked="" type="checkbox"/>		
Safer Nottingham	<input checked="" type="checkbox"/>		
Child-Friendly Nottingham	<input type="checkbox"/>		
Living Well in our Communities	<input checked="" type="checkbox"/>		
Keeping Nottingham Moving	<input checked="" type="checkbox"/>		
Improve the City Centre	<input checked="" type="checkbox"/>		
Better Housing	<input type="checkbox"/>		
Serving People Well	<input checked="" type="checkbox"/>		
<b>Summary of issues (including benefits to citizens/service users):</b> This report sets out Building Services (BS) and Facilities Management (FM) procurement requirements for planned, reactive maintenance and minor works for financial year 2024-25. This report also includes Property teams' procurement requirements for financial year 2024-25 which is due to the formation of Corporate Landlord Services which BSFM fall under.  The Council has a statutory duty to be compliant with all applicable asset legislation in relation to its asset portfolio. This duty is met by carrying out planned, reactive and minor works on its asset portfolio. Whilst works are performed in-house wherever possible, there are occasions where specialist contractors or additional resource is required. This report sets out how those requirements are to be procured to provide a seamless ability to meet the Council's statutory duty.			

<b>Exempt information:</b> None	
<b>Recommendations:</b>	
<b>1</b>	To delegate authority to Head of Building Services and Facilities Management to procure and award the frameworks and contracts set out in the annual procurement plan in appendix 1 to the value of £17,730,000
<b>2</b>	To delegate authority to Head of Building Services and Facilities Management to award call-off contracts under the frameworks set out in appendix 1 within established budgets in compliance with the terms of the frameworks without having to seek further approvals up to the financial limit for officer decisions in force at the time. For avoidance of doubt, awards of contract other than provided for in this recommendation shall seek approval appropriate to the delegated limits of authority set out in the Constitution
<b>3</b>	To approve the proposed expenditure of at least £1m of the £3.1m planned maintenance budget for 2024/25 to be spent on services delivered through in-house provision.

## 1. Reasons for recommendations

- 1.1 There are a number of contracts which the Building Services and Facilities Management (BS&FM) department use that are coming to the end of their term in March 2024 onwards. The contracts set out in the appendix 1 require re-procurement to enable BS&FM to keep the Council's asset portfolio compliant with regulatory, legislative and insurance obligations. Through the proposed procurement routes the Council can continue to improve efficiency and service of supplier delivery across multiple high-risk work streams and improve value for money for Directorates across the Council. Our annual procurement programme has proven to be the best approach to securing a competent specialist supply chain with the lowest costs possible.
- 1.2 This report details how orders are placed with Contractors through the Council's robust system. To ensure a smooth and timely process for placing orders it is recommended that the Director of Economic Development and Property has delegated authority to approve any contracts and call-offs made under frameworks for their duration. No award will be made without evidence that the budget has been approved for the ordered requirement.
- 1.3 It has been identified that at least £1m of the 2024/25 planned maintenance budget can be delivered through use of in-house services.

## 2. Background (including outcomes of consultation)

- 2.1 BS&FM provide a range of asset and facilities management services specifically planned maintenance, reactive, minor works, facilities management which is defined as "the tools and services that support the functionality, safety, and sustainability of buildings, grounds, infrastructure, real estate and cleaning etc" all with the intention of maintaining the safety and integrity of the Council's operational property portfolio.
- 2.2 The Council has a statutory duty to maintain and service all equipment within its property portfolio in accordance with current legislation in order for buildings to be safe and compliant with legislative requirements and to ensure the management of risk is undertaken by appropriately trained and qualified colleagues. This ensures that our citizens and visitors to the city are safe when visiting/using the council's assets and ensure the frontline services can be delivered from the facilities.



- 2.3 In addition to having and managing its own determined work programme and budget, the service also provides a complete building services and facilities management function to support departments across the Council. Approval for these works (if required) will be sought by the budget holders in line with financial regulations. Prior to providing any services to a department BS&FM require evidence that there is an approved budget and spend control approval in place.
- 2.4 In providing a range of services, and delivery against its own requirements it is necessary to use a mix of in-house provision and the use of external specialist contractors. The use of specialist external contractors is mainly for the delivery of specialised works and services, or on occasion to meet any resource requirements it's in house team require.
- 2.5 The budget allocated for planned maintenance for 2024/25 is c£3.1m of which it is intended that at least £1m will be spent internally. The remaining amount will be spent through external contracts which are either already in place through previous procurement exercises or the newly procured contracts as set out in this report.
- 2.6 BS&FM have successfully been engaging with the Council's Corporate Procurement Team to run tenders to appoint a range of contractors and demonstrating Best Value for the Council.
- 2.7 BS&FM have already undertaken the restructuring of its supply chain, which has previously achieved a £450k pa reduction in costs across the Directorates. We also insourced multiple work streams e.g. legionella flushing, fire alarm weekly bell testing, asbestos auditing etc. to further gain cost and service delivery efficiencies. All new contracts include a contractual clause to enable further insourcing activity, the addition and deletion of the asset register and social and economic responsibilities.
- 2.8 The Planned Maintenance programme ensures health and safety issues within the Councils operational portfolio are overseen in a strategic manner. The projects are subject to there being an approved budget in place which is usually the annual budget allocated to BS&FM. All projects undergo and pass the scrutiny and governance of the Operational Asset Group (OAG). The statutory planned maintenance programme enables all the statutory checks, inspections, and insurance testing to be completed throughout the operational portfolio and ensure assets are safe to use. It also ensures 24/7 service delivery throughout the year.
- 2.9 All contracts and orders placed under a framework arrangement are recorded on the Council's Concerto system. This ensures the 'Golden thread' of live data and evidence of works undertaken are captured and all certification associated with compliance is stored centrally. It also means that the Director of Economic Development and Property has confidence that any order placed not only has evidence that there is a budget in place but that the order is fully recorded and can be used for any audit purposes. New contracts will continue to require the supplier to utilise our asset management system.

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

- 3.1 Do nothing and allow contracts to end, which will remove statutory, regulatory, and legislative compliancy across the Council's portfolio of assets and increase the risk of prosecution and reputational damage to Nottingham City Council. This option was considered unacceptable and rejected.

- 3.2 Insource all the activity covered by the contract areas under consideration for renewal. Due to the complexity and high risks involved with this task, including a lack of competency-based skills and training, equipment, and specialised resource, it was considered unacceptable and rejected.
- 3.3 Allow Nottingham City Council's directorates to purchase their own asset compliancy services. This is a very high-risk approach to asset safety and compliance across the portfolio and the Council would find it very hard to track actual compliance through our current systems. In 2024 under the Corporate Landlord Services programme all Statutory testing across the Council is now the responsibility of Corporate Landlord Service BSFM team.
- 3.4 Such an approach would lead to additional expense and the general safety of the asset compromised as well as going against the principles of the Corporate Landlord model introduced in 2023. This option was considered unacceptable and rejected

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

- 4.1 N/A

#### **5. Best Value Considerations**

- 5.1 Through the proposed procurement routes the Council can continue to improve efficiency and service of supplier delivery across multiple high-risk work streams and improve value for money for Directorates across the Council.

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

- 6.1 This report seeks approval to move forward with procurement of several contracts to enable continuation of services funded through existing budgets.
- 6.2 It contains assurances that all approval routes and controls applicable at the time will be adhered to when it comes to placing orders through the new contracts.
- 6.3 It further seeks approval to spend c.£1m of the existing Planned Maintenance budget on in-house delivery.
- 6.4 It is necessary to undertake the re-procurement stated in this report to adhere with City Council procurement rules and financial regulations and therefore the recommendations are agreed to.
- 6.5 The values set out in appendix 1 and identified in recommendation 1 is the value of the contracts rather than the budgeted figures and any contracts procured need to be within future budgets available.
- 6.6 In line with recommendation 2, all agreed contracts will be awarded by the Director of Economic Development and Property and will be monitored in line with the budgets and contract values.

Sarah Baker, Senior Commercial Business Partner - 2 February 2024

#### **7. Legal colleague comments**

- 7.1 This report seeks authority to set up one framework arrangement, for Minor Works & Planned Maintenance, and to procure various other contracts as set out in appendix 1. The report seeks delegation to the Director of Economic Development and Property to award any call-off or other contracts between 2024 – 2028.
- 7.2 In setting up the framework arrangement and procuring various other contracts, the Council must comply with its own constitution and the relevant regulations in force at the time.

Tony Heath, Senior Solicitor - 6 February 2024

## **8. Procurement**

- 8.1 This report seeks authority to set up the frameworks and/or contracts set out in appendix 1 to support the continuing operations within Building Services. The procurement and commercial strategy for each has been determined by the client team in Building Services and the Procurement Team and agreed by the Commercial Oversight Board.
- 8.2 Officers have delegated authority under the Constitution to award contracts up to £300k where the budget has already been approved and within established policy. For call-offs £300k and above, approvals need to be sought in line with the Constitution:
- £300k to £750k Portfolio Holder decision (normally in the form of a DD);
  - £750k & above Key Decision (Leader's Key Decision, Executive Board or this Committee).

Sue Oliver, Procurement Category Manager - 8 February 2024

## **9. Corporate Landlord Implications**

- 9.1 The procurement exercises set out in the appendices are required to ensure the Council can operate its Corporate Landlord model and ensure that the Council's asset are well managed and compliant within the best value framework.

Beverley Gouveia, Head of Property - 8 February 2024.

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

- 10.1 N/A

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

- 11.1 All contracts have suppliers social, economic and environmental promises to be fulfilled over the duration of the contract.

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

- 12.1 N/A

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

13.1 An EIA has been undertaken and due regard will be given to any implications identified in it.

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

14.1 A DPIA is not required because no applicable data is generated.

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

15.1 A CIA has been undertaken and due regard will be given to any implications identified in it.

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

16.1 None.

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

17.1 None.

Procurement Ref	Procurement Category	Project Title	Whole-life Value	Initial Contract Duration	Contract Extension Terms	Comments
5539	Places	R & M fall arrests and lightning protection	£220,000	2 years	1+1 Years	Renewal
4420	Places	Dangerous Structures - Out of Hours Consultancy	£120,000	2 years	1 + 1 year	Renewal
5358	Places	Electrical Resource Support Framework	£1,000,000	2 years	1 + 1 year	Renewal
5361	Places	Mechanical Supply & Installation	£4,500,000	2 years	1 + 1 year	Renewal
4604	Places	R & M Sauna and steam rooms	£50,000	2 Years	1+1 Years	Renewal
4652	Places	Floating Pool Floor Maintenance	£45,000	2 Years	1+1 Years	Renewal
5042	Places	CCTV & Access Control PPM	£100,000	2 Years	1+1 Years	Renewal
5470	Places	Electrical Supply and Installation	£2,000,000	2 Years	1+1 Years	Renewal
5436	Places	Asbestos Surveys & Analytic Services	£200,000	2 years	1+1 Years	Renewal
	Places	Pest Control	£25,000	2 years	1+1 Years	New
2166	Products	Vending Machines	£950,000	2 years	1+1 Years	Renewal
3839	Products	Washroom Services	£195,000	2 years	1+1 Years	Renewal

4691	Products	Mailroom Services - mail in and mail out, hybrid mail consolidation process	£600,000	2 years	1+1 Years	Renewal
6173	Products	Cleaning Consumables	£600,000	2 years	1+1 Years	Renewal
5721	Products	Electrical Equipment Supply Framework	£7,000,000	2 years	1+1 Years	Renewal
5251	Products	Mailroom equipment - franking machines and inserter for mailroom	£75,000	2 Years	0 Years	Renewal
6533	Products	Window Cleaning	£50,000	2 years		New
		<b>BSFM Total Contractual Value (Red text means they are related and will fall under Mailroom BV review)</b>	<b>£17,730,000</b>			

<b>Subject:</b>	Additional DHSC Public Health Grant funding for smoking services and support in Nottingham for 2024/25 – 2028/29		
<b>Corporate Director:</b> <b>Director:</b>	Catherine Underwood - People Lucy Hubber - Public Health		
<b>Portfolio Holders:</b>	Councillor Linda Woodings – Adult Social Care and Health		
<b>Report author and contact details:</b>	Swathi Krishnan, Public Health Manager – Smoking & Tobacco <a href="mailto:Swathi.krishnan@nottinghamcity.gov.uk">Swathi.krishnan@nottinghamcity.gov.uk</a>		
<b>Other colleagues who have provided input:</b>	Tracey Moore – Commercial Business Partner, Strategic Finance Richard Bines – Solicitor, Contract and Commercial Team Nicola Harrison - Lead Procurement Officer Matt Corder - Public Health Principal David Johns - Deputy Director of 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> <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income Savings <input type="checkbox"/> 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> up to £2,726,075 (£545,215 per annum x5 years)			
<b>Section 151 Officer expenditure approval</b> Has the spend been approved by the Section 151 Officer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/a Spend Control Board approval reference number: 4169			
<b>Wards affected:</b> All			
<b>Date of consultation with Portfolio Holder:</b> 12/02/2024			
<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 checked="" 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 residents/service users):</b> This report requests approval to accept and spend the funding of up to £2,726,075 over 5 years 2024/25 to 2028/29 (up to £545,215 per annum) awarded to Nottingham City Council by the Department of Health and Social Care (DHSC) to support our stop smoking service and help more people stop smoking in Nottingham City.  The additional time limited grant funding has been issued to all Local Authorities. Allocating funding for stop smoking services and support, the funding uplift for each area is based on the number of smokers in each local authority. So, this additional funding will target local authorities with the most smokers.			

The government has already confirmed additional funding of £70 million a year for 5 years, from 2024 to 2025 through to 2028 to 2029. Allocations will continue to be based on the average smoking prevalence over a 3-year period to ensure the allocations are based on the most robust and recent data.

The approval of the recommendations within this report will allow for the improvement, expansion and additional targeting of the support offered to smokers to quit, over the next 5 years (2024-29).

**Exempt information:** None

**Recommendations:**

- 1** To approve receipt of additional Public Health Grant funding up to a total of £2,726,025 over a period of 5 years (2024/25 to 2028/29) (up to £545,215 per annum) from the Department of Health and Social Care.
- 2** To delegate authority to the Director of Public Health to:
  - (i) enter into Grant Agreements under s31 of the Local Government Act 2003 with DHSC for the receipt of the above grant funding for 2024/25 – 2028/29;
  - (ii) spend the full grant on the Integrated Wellbeing Service - smoking services and support contract, subject to compliance with Grant Agreement conditions imposed under section 31(4) LGA 20023 and modification procedures under Health Care Services (Provider Selection Regime) Regulations 2023;
  - (iii) enter into relevant contract modifications / variations for the Integrated Wellbeing Service - smoking services and support contract, in consultation with the Director for Legal and Governance / Head of Legal and Governance where sealing of a deed is necessary to give effect to the delegation.

## **1. Reasons for recommendations**

- 1.1 Stop smoking services are funded through the ring-fenced Public Health Grant (PHG). The PHG funding is awarded under a s31 Local Government Act 2003 Grant Agreement and subject to grant conditions (s31(4)). The [government's command paper](#) lays out the vision to create a smokefree generation unaffected by the extraordinary harms of addiction-driven smoking, and tackle youth vaping. This includes a programme of funding to support current smokers to quit smoking, with £70 million additional funding per year nationally for local stop smoking services and support.
- 1.2 Smoking rates in Nottingham are the second highest in England with higher prevalence of smoking in pregnancy (13.4%), routine and manual workers (27.8%) and adults with mental health conditions (32.8%) when compared to the England average. Helping these individuals successfully quit is essential, the additional funding will therefore help target these groups and support these smokers through their quit journey.
- 1.3 The new funding is in addition to the existing ring-fenced Public Health Grant and will be provided through a new section 31 grant on top of the current public health grant allocations, in 2024/25 and annually thereafter until 2028/29.



DHSC will provide the grant. The aim of this additional funding is to ensure there is a nationwide comprehensive offer to help people stop smoking across England and to increase the number of smokers engaging with effective interventions to quit smoking.

This will be achieved by stimulating more quit attempts by providing more smokers with advice and swift support; linking smokers to the most effective interventions to quit; boosting existing behavioural support schemes designed to encourage smokers to quit (for example the 'swap to stop' scheme); building capacity in local areas to respond to increased demand; and strengthening partnerships in local healthcare systems.

Payments will be given to local authorities every 6 months. In the first 6 months, local authorities will receive 70% of their allocated financial year's funding. They will then be expected to provide grant reporting to the DHSC grants team to receive the second payment.

Local authorities will receive the grant agreement in February 2024. This will provide local authorities with the full grant conditions. Once received, local authorities will be asked to read and return a signed copy. The grant agreement will start from 6 April 2024.

#### 1.4 The key success indicators for this funding are:

- number of recorded quit dates set per 100,000 smokers;
- percentage of people engaging with services who successfully quit smoking (recorded quit rate);
- number of recorded quits per 100,000 smokers.

Local authorities will need to report data throughout the life cycle of the grant. This will take place through 2 methods:

The Stop Smoking Services Collection is an existing data collection and reporting system used to monitor the delivery of local stop smoking interventions. NHS England collects the data from local authorities and there is a requirement to submit activity for each quarter.

NHS England publishes submission dates and local authorities can return activity and outcome data associated with quit support provided. The collection requires local authorities to submit cumulative counts of activity using a template, which can be requested from the Strategic Data Collection Service.

Starting from the second payment, local authorities will need to complete a statement of grant usage to the DHSC grants team, before they receive the next payment. The statement of grant usage will ask local authorities to provide the funding amount they received, their actual eligible spending, and a reason for any differences.

#### 1.5 Over a 5-year period, grant conditions may be subject to change as are the activities required to meet local need. The recommendations outline a governance approach embedded in public health expertise to assure decision making and best value.

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

- 2.1 The smoking rates in Nottingham city is second highest in England with adult smoking prevalence 21.2%, higher than the national average of 12.7%. Smoking is one of the largest causes of ill-health and early death in Nottingham and Nottinghamshire. It has an impact on children and young people's lives through pregnancy to adolescence.
- 2.2 Children and teenagers from the poorest neighbourhoods are considerably more likely to be exposed to smoking throughout their youth, increasing their risk of developing smoking habits and being harmed by secondhand smoke. This worsens health inequalities by encouraging smoking practices in future generations. Smoking and Tobacco control is therefore one of four high level priorities to improve health and reduce health inequalities of the population in Nottingham included within the Joint Health and Wellbeing Strategy 2022-25.
- 2.3 The government is creating the first smokefree generation, by bringing forward legislation so that children turning 14 this year (2024) or younger will never be legally sold tobacco products. This will prevent future generations from ever taking up smoking, as there is no safe age to smoke. To support existing smokers to quit, the government is more than doubling the budget for stop smoking services, investing an additional £70 million per year (to a total of £138 million), aiming to support around 360,000 people to quit each year.
- 2.4 The aim to help people stop smoking through the additional funding will be achieved by:
- stimulating more quit attempts by providing more smokers with advice and swift support linking smokers to the most effective interventions to quit;
  - boosting existing behavioural support schemes designed to encourage smokers to quit;
  - building capacity in local areas to respond to increased demand strengthening partnerships in local healthcare systems.
- 2.5 From April 2024, the Council will amalgamate a range of health improvement interventions into one service model, referred to as an Integrated Wellbeing Service. This model will be responsible for delivering the service functions in an innovative, dynamic, and flexible manner across Nottingham, ensuring Best Value with the following objectives:
- Maintaining and improving the health of Nottingham City residents;
  - Preventing future ill-health and its negative impacts on the local population;
  - Reducing future and existing pressures on local health and care services;
  - Putting the service user at the centre of provision, in-line with the personalisation agenda.
- 2.6 This follows CPEC approval in May 2023 for the expenditure of £23,750,000 of ring-fenced public health grant over the entirety of a contract (10 years), for the provision of the Integrated Wellbeing Service.

This figure represented the investment from Nottingham City Council. It was noted that funding from external partners may be used in addition to Nottingham City Council funding to expand the future service offer. The procurement process has concluded and the Contract was awarded to a new provider and includes stop smoking services and support.

- 2.7 In keeping with the conditions outlined in 2.4 we intend to spend all the additional funding for smoking services and support on this contract, as this represents best value and work with our new stop smoking service provider to support more people to quit smoking. This additional funding support is for a “relevant health care service”, as it is provided as part of the health service, whether NHS or public health; consists of the provision of health care to individuals or groups of individuals; and falls within one or more of the specified CPV codes in the new Provider Selection Regime regulations. This service isn’t materially different to the service already provided for under the IWS contract. Below is an example of how the funding could be used in Nottingham, in keeping with the funding aims.

The two CPV codes relevant are as follows;

- 85100000-0 (Health services);
- 85323000-9 (Community health services, but only in respect of community health services which are delivered to individuals).

### **PHASE 1: Accelerated roll-out (2024/25)**

The new service is contracted to achieve 2000 4 week quits per annum; this would be an increase from the 802 (Source - NHS Digital latest data reports) achieved in 2022/23. To ensure the service has the best chance of achieving this goal in ‘Year 1’ we intend to use the additional funding provided by DHSC to accelerate roll-out and integration with existing health and care services. This will also provide a platform to further increase the quit rates over the remaining grant period.

### **Care pathways: Additional Resource, Roles and Responsibilities -**

The Integrated Wellbeing Service through the provider will employ the following roles:

**1 x FTE Partnership & Engagement Officer** – An additional role will support engagement with secondary care to enable the existing engagement officer to focus on primary care and community promotions. This additional capacity will support an ‘in-reach’ model to support the LTP acute inpatient pathway in NUH. This will be funded on the condition that the ICB uses ongoing funding to strengthen the maternity tobacco dependency service in NUH.

**1x FTE Partnership & Engagement Officer, placed within the ICB** who has the remit of creating full accessibility to patient records by establishing access to Nottingham GP systems (through an Honorary Contract). This will provide the service with the ability to send text messages to smokers on behalf of the surgeries, to train surgery-based staff to conduct patient back-list searches to enhance recruitment from priority groups.

In addition to activity already planned, the roles above will compliment those in the existing service and will maximise proactive engagement with smokers through text messages, letters, local promotions and ensure VBA methods such as 'Ask, Advise and Act' are adopted with all GP staff to maximise referrals, in effect 'Making Every Contact Count'.

### **SMI Health Check pathway: Additional Resource, Role and Responsibilities -**

**1 x FTE Specialist Stop Smoking Practitioner**, to work within Primary Care, Nottinghamshire Healthcare NHS Foundation Trust, and The Wells Road Centre to target patients on the Serious Mental Illness (SMI) Patient lists. The service will also target those that receive their statutory annual Physical Health Checks. This pathway was included in the new service specification. However, to ensure this specialist support is provided as soon as possible whilst the service establishes itself in Nottingham, our provider will recruit and train an additional Specialist Stop Smoking Practitioner.

### **NHS Long Term Plan (LTP) acute inpatient pathway: Additional Role and Responsibilities -**

**1 x FTE Community Navigator** to focus on pregnant smokers and inpatients establishing robust pathways to ensure the smooth transition of patients into stop smoking clinics within the community, ensuring continuity of care for patients who have started a quit attempt but have been discharged from hospital.

We have established links with the NHS LTP tobacco dependency teams to facilitate stop smoking support for patients in maternity services and inpatients. Initially, the new provider will work within existing pathways and create additional triage capacity. This will ensure clients referred at discharge from NUH receive appropriate behaviour change conversations and are triaged directly into stop smoking services.

Our provider will offer additional training in brief advice, including more advanced healthy conversation training to key staff on priority wards. This aims to improve the quality of referrals made through the acute inpatient pathway.

**Increased health outcomes - 2 x FTE Specialist Stop Smoking Advisors** to enable the service to be responsive to specialist need and provided targeted support including, where necessary, in partnership with the NHS.

### **Large-scale communication and marketing campaign -**

An awareness raising campaign for the new service, including a social media campaign and a radio advertising harm reduction campaign to attract long term smokers to the service, and targeting the hardest to support / revolving quitters with a cut down to stop offer.

### **Remote CO monitoring –**

Introduction of 750 Remote CO Monitoring (iCOQUIT Smokalyzer) specifically to target the smokers who access the digital pathway.

**Total £ 426,608.75**

It is anticipated that there will be an underspend for Year One. This is based on the example delivery model outlined – Phase One.

## **PHASE 2: Expanded reach (2025/26 – 2028/29)**

### **Elements of PHASE 1 to be continued throughout years 2 - 5:**

1 x FTE Specialist Stop Smoking Practitioner  
2 x FTE Specialist Stop Smoking Advisors.  
2 x FTE partnership & engagement officer (see below)  
1 x Community Navigator.  
750 x Remote co-monitors.

### **Partnership Development**

In phase 2 we aim to work with our provider to enable a sub-contracted partnership model. This would see smoking cessation support provided by trained professionals in social housing providers, vape shops, large employers, charity and community organisations, and some independent pharmacies or GP practices across Nottingham City.

To facilitate this, the example delivery model will include:

**1x Subcontractor Manager** who will also pick up the responsibility to train sub-contractors to NCSCT Level 2 and quality assure their delivery, campaigns, training, routine co-monitoring within sub-contractors on an ongoing basis. They will deliver the necessary training, NSCST level 2 stop smoking practitioner qualification, as well as data system specific training to ensure all staff are delivering a standard treatment programme.

The aim will be to increase capacity across GP and Pharmacies and to enable specialised organisations such as Housing Associations, employers, and VCS organisations to target specific areas and hard to reach groups within Nottingham.

The Sub-Contractor manager will also provide an expansion of the planned co-production approach to work with select communities (e.g. areas of high deprivation and smoking prevalence) and create new pathways such as supporting smokers in social housing.

This will be achieved through an enhanced tariff-based programme that replicates the contract in line with the Community Pharmacy Advanced Service Specification and NHS Trusts through the NHS Long Term Plan to ensure competitive rates are being offered across the sector.

### **Tariff / Service Fees –**

A set-up fee will be paid following registration on Basecamp (our provider's system) to provide the service, having declared the sub-contractor is ready to provide the service and relevant staff have satisfactorily completed the NCSCT training and passed the e-assessments. We aim to attract a minimum of 20 new partners per year between year 2 and 5 attracting 80 – 100 partners throughout the life of the funding. Sub-contracted providers will be paid for consultation time, the provision of NRT and e-cigarettes, and successful quits.

## **Increased Health Outcomes -**

Target for additional number of people setting a quit date will be discussed with the provider.

### **Total £ 545,211.25**

This figure is based on the example delivery model outlined – Phase Two.

All of the above are subject to receiving the final grant agreement guidelines from DHSC and continuous service improvement work including identifying emerging need and/or gaps in provision.

It is anticipated that any underspend will be rolled over to the next financial year, contributed to the capped amount allocated per year to the local authority.

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

- 3.1 To not accept the funding awarded - this is not recommended as there is a significant health need in-line with the aims of this grant. Not accepting this funding would mean we are unable to realise the benefits of expanding the local service offer and disadvantage Nottingham residents in comparison to other areas in England.

## **4. Consideration of Risk**

- 4.1 Contract variation – There is a potential risk that the Integrated Wellbeing Service provider is unwilling to work on the contract variation for the additional funding. This has been mitigated by having early conversations with the provider in their mobilisation phase and deciding the action plan in partnership. Moreover, the provider is working with other local authorities nationally on funding proposal for the additional funding so are very keen on using this additional funding to improve the quit rates in Nottingham.
- 4.2. Changes to the grant criteria – DHSC have yet to finalise grant criteria and have the option to alter these in the future. This risk is small as national ambitions upon which the grant criteria are based are in-line with the local vision for smoking and tobacco control. This risk will be mitigated by delegation of authority to the Director of Public Health and use of existing governance structures to receive professional approval for changes to the use of the grant.

## **5. Best Value Considerations**

- 5.1 Economy – the strategic allocation of grant funds to eligible service provision to support delivery of key outcomes, in line with population need, commissioning framework and national guidance. Analysis of local and national data has been carried out informing the need for an improved offer for Nottingham City regarding smoking and tobacco control.
- 5.2 Effectiveness – Ensuring investment of the grant funding delivers improvements in key public health outcomes, supported, and informed by evidence and intelligence. The proposal is informed by the local and national smoking prevalence data and evidence based best practice and guidelines.

- 5.3 Efficiency – Utilising the funding to enhance the stop smoking element of the commissioned Integrated Wellbeing Service ensures efficiency by providing one front door for the citizens and making the most use of the results and capacity already in place to ensure best value. The proposed delivery model will be regularly reviewed to ensure that the Council is using its resources well and productively. The DHSC will provide the funding on annually ensuring that the outcomes are achieved every year.

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

- 6.1 As outlined by the report author, this decision seeks approval for the receipt and the spend of grant funding from the Department for Health and Social Care of £545,215 during 2024/2025 and the subsequent grant which will cover a total of 5 years.

- 6.2 The total value of this decision is **£2,726,075** over 5 years, the breakdown is contained within the table below:

<b>Local Stop Smoking Services and Support Grant</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>TOTAL</b>
Department for Health and Social Care	£545,215	£545,215	£545,215	£545,215	£545,215	£2,726,075

- 6.3 The maximum cost of this decision is £2,726,075 and will be incorporated within the Medium Term Financial Plan within Public Health. If the Local Stop Smoking Grant was to reduce in future years, the service would need to realign services within the revised available funding limit to ensure that no financial pressure arises.
- 6.4 The decision seeks to award extension of funding to existing contracts. Colleagues in procurement have confirmed the extension of current contracts, however if additional funding above the value of this decision is available a further extension will be required. Value for money was considered during the competitive tender process. There are no staffing implications for Nottingham City Council.
- 6.5 Once the decision is approved, a budget virement will be posted to realign the grant income and expenditure budgets, supporting budget managers to robustly monitor the budgets.
- 6.6 The actual costs associated with this decision will require regular monitoring to form appropriate financial accounting and an audit trail to support robust forecasting. Any decisions taken will need to be captured against this decision value to ensure it is not exceeded. This information will also be used for internal/external reporting purposes as required.
- 6.7 All grant funding must be spent each financial year in line with the individual grant conditions and ensure all funding is claimed in a timely manner and accounted for correctly. Any underspend may be subject to being paid back or carried forward where agreed.

- 6.8 Further approval will be required to establish any posts not requested in this decision and/or if there are any changes to the grant proposals or value outlined in this report.

Tracey Moore, Commercial Business Partner – 12/02/2024

## **7. Legal colleague comments**

- 7.1 It is understood additional time-limited funding has been allocated to local authorities for smoking services and support. The smoking services and support funding will be allocated for 2024/25 to 2028/29 as additional Public Health Grant (PHG) money. Local authorities currently receive funding to provide local stop smoking services and support through the public health grant.
- 7.2 The new funding is in addition to that and will be provided through new section 31 Local Government Act 2003 grants on top of the current public health grant allocations.
- 7.3 Payments will be given to local authorities every 6 months. In the first 6 months, local authorities will receive 70% of their allocated financial year's funding. They will then be expected to provide grant reporting to the DHSC grants team to receive the second payment. Similar arrangements are expected to apply through to 2028/29.
- 7.4 Although receipt of the 2024/25 Grant Agreement was anticipated in January 2024, and will commence from the 6<sup>th</sup> April 2024, it has not yet been received. Nevertheless, as a PHG payment, it is expected NCC will need to sign the Grant Agreement/s and fully comply with grant conditions each year before receipt of funding.
- 7.5 Whilst the final grant agreement terms and conditions are still awaited ( and will need to be reviewed by the commissioning department) as a minimum, as the funding still comprises a public Health Grant, the grant must be used only for meeting eligible expenditure incurred or to be incurred by local authorities for the purposes of their public health functions as specified in Section 73B(2) of the National Health Service Act 2006 ('the 2006 Act'). The functions mentioned in that subsection are:
- (a) functions under section 2B, 111 or 249 of, or schedule 1 to, the 2006 Act
  - (b) functions by virtue of section 6C of the 2006 Act
  - (c) the Secretary of State's public health functions exercised by local authorities in pursuance of arrangements under section 7A of the 2006 Act
  - (d) the functions of a local authority under section 325 of the Criminal Justice Act 2003 (co-operating with the police, the probation service and the prison service to assess the risks posed by violent or sexual offenders)
  - (e) such other functions relating to public health as may be prescribed.
- 7.6 Other obligations/ conditions under the Grant Agreement/s will include annual end of year reporting expectations, financial an external audit management



arrangements and record keeping. Failure to comply with the conditions will risk clawback of the grant from the Authority. To ensure continuing grant condition compliance when spending the grant, the Authority will need to ensure that the relevant Grant Agreement conditions are cascaded down into future sub – grant agreements or contracts with third parties.

7.7 Spend of the grant (when received) on the Integrated Wellbeing Service contract (completed as deed), recently procured and awarded in 2023 under the Public Contracts Regulations 2015, will require a variation/ further variations to the contract, again by deed. As ‘smoking services and support’ qualifies as an in-scope relevant health care service, under the Health Care Services (Provider Selection Regime) Regulations 2023 and associated statutory guidance (to which the Authority must have regard), notwithstanding that the contract was originally procured under the Public Contract Regulations 2015, modifications may be dealt with under the Health Care Services (Provider Selection Regime) Regulations 2023.

A relevant “relevant” health care service is a service that:

- is provided as part of the health service, whether NHS or public health;
- consists of the provision of health care to individuals or groups of individuals;
- falls within one or more of the specified CPV codes.

7.8 Under regulation 13(1)(d) of these regulations, modification is permissible if the modification is attributable to a decision of the Authority and does not materially alter the character of the contract and the cumulative change in the lifetime value of the contract or framework agreement since it was entered into or concluded is:

- (i) below £500,000; or
- (ii) less than 25% of the lifetime value of the original contract when it was entered into or concluded.

7.9 As the Health Care Services (Provider Selection Regime) Regulations 2023 only came into force, alongside Statutory Guidance, on the 01.01.2024, absent any case law or other guidance on the meaning of the ‘lifetime value of the contract’ this has been interpreted by the Authority’s Legal and Procurement service as meaning the previously advertised maximum value of the contract. As the Integrated Wellbeing Service contract advertised value was up to £23,750,000 when it was entered into and concerned smoking services and support, the addition of up to £2,726,075.00 in the five years between 2024/25 and 2028/29 for further smoking services and support, would not materially alter the character of the contract and comprise a maximum of 11.49% (under 25%) cumulative change in the lifetime value of the contract since it was entered into. The modifications/s would therefore be permissible under regulation 13(1)(d) of the PSR Regulation 2023 in these circumstances.

NB any modification over and above those set out above must not exceed 13.50% to remain under 25% cumulatively. This will require careful contract and financial management by the relevant commissioning department.

Notice of any modification under regulation 13(1)(d) valued at £500,000 or more must be published on the e-modification service within 30 days of the modification and in the form set out in Schedule 12 to the regulations, for reasons of transparency.

Richard Bines, Solicitor, Contracts and Commercial – 13/02/2024

## **8. Procurement colleague comments**

- 8.1 The Integrated Wellbeing Service (IWS) was recently awarded through a competitive tender, following a full commissioning review and approval of a commercial strategy.
- 8.2 Value for money was secured through the competitive tender process for the IWS and the proposal to add the smoking support delivery to the existing contract is considered the appropriate route to source the services required and there are not considered to be other options for commercial consideration.
- 8.3 The addition of the DSHC Grant Funding for delivery of support to current smokers to quit smoking in Nottingham, as a variation to the IWS contract is permissible under Regulation 13(1)(d) criteria (2)(b)(ii), of the Provider Selection Regime regulations - Modification of contracts and framework agreements during their term. These are new procurement regulations introduced from 1 January 2024 for Health services, including eligible Public Health contracts delivered within Local Authorities. This regulation permits a modification of contract with an increase in contract value less than 25% of the total lifetime contract value. In this instance the proposed addition for the smoking support delivery equates to approximately 11% of the total lifetime contract value. Please note that permitted increases in contract value under this regulation, are cumulative over the lifetime of the contract and this should therefore be factored into consideration of further future proposed increases to this contract which fall under this regulation.
- 8.4 This modification is also permissible under Nottingham City Council's Contract Procedure Rule 18.110.

Nicola Harrison, Lead Procurement Officer – 12/02/2024

## **9. Social value considerations**

- 9.1 The Integrated Wellbeing Service will adapt a life course approach, which will accommodate delivery to facilitate the changes in needs and opportunities of different age groups. It will appreciate that individual's health behaviours depend on the characteristics and attitudes of the individuals, alongside the wider contexts and environments in which they live.
- 9.2 The additional funding for the stop smoking element of the service will accommodate delivery to facilitate enhanced support for changes in needs and opportunities of different individuals, alongside the wider contexts and environments in which they live.
- 9.3 The service has begun and will continue to encourage the recruitment of local staff for the service that reflect the demographics and communities within the

city. It will also help upskill the wider workforce, for e.g. – those working in social housing or with people experiencing severe multiple disadvantages.

- 9.4 The subcontracting model within the IWS will help develop partnerships with local stakeholders, schools and VCSE sector.

## **10. Regard to the NHS Constitution**

- 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 decisions relating to public health functions, we consider the NHS Constitution where appropriate and consider how it can be applied to commission services to improve health and wellbeing.
- 10.2 The Stop smoking element of the Integrated Wellbeing Service fits with the aims of the NHS Constitution by working across organisational boundaries to deliver support across systems and pathways. It will provide best use of taxpayers' money, offering effective, fair, and sustainable use of finite resources. It will provide person-centred, strength-based care plans, putting the citizen at the heart of the service and supporting individuals to promote and manage their own health.

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

- 11.1 Since the grant funding will be given to the Integrated Wellbeing Service, the relevant EIA will be updated to reflect the additional funding.

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

- 12.1 A DPIA is not required since this is an addition to the approved Integrated Wellbeing Service model.

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

- 13.1 A CIA is not required since this is an addition to the approved Integrated Wellbeing Service model.

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

- 14.1 Commissioning and Procurement Executive Committee report and minutes – 30 May 2023.

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

- 15.1 Smoking and Tobacco control vision document and delivery plan – [43.114-Smoking-and-Tobacco-Control-Vision.pdf \(mynottinghamnews.co.uk\)](#)
- 15.2 Nottingham city's Joint Health and Wellbeing Strategy – [nottingham-city-joint-health-and-wellbeing-strategy-2022-25.pdf \(nottinghamcity.gov.uk\)](#)
- 15.3 Command paper - Stopping the start: our new plan to create a smokefree generation - [Stopping the start: our new plan to create a smokefree generation - GOV.UK \(www.gov.uk\)](#)

15.4 Local stop smoking services and support: guidance for local authorities - [Local stop smoking services and support: guidance for local authorities - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/local-stop-smoking-services-and-support)

15.5 The Provider Selection Regime: statutory guidance.

<b>Subject:</b>	Specialist Residential Children's Homes		
<b>Corporate Director:</b>	Catherine Underwood – People		
<b>Director:</b>	Roz Howie – Commissioning and Partnerships		
<b>Portfolio Holder:</b>	Cllr Cheryl Barnard – Children, Young People and Education		
<b>Report author and contact details:</b>	Cath Cameron-Jones - Commissioning Manager, Start Well / Live Well <a href="mailto:Catherine.cameron-jones@nottinghamcity.gov.uk">Catherine.cameron-jones@nottinghamcity.gov.uk</a>		
<b>Other colleagues who have provided input:</b>	Tania Clayton Pérez, Senior Commercial Business Partner Tony Heath, Senior Solicitor, Contracts and Commercial Jo Pettifor, Category Manager, People		
<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> £9m - £14m			
<b>Section 151 Officer expenditure approval</b>			
Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/a			
Spend Control Board approval reference number: 8235 (awaiting confirmation)			
<b>Wards affected:</b> All			
<b>Date of consultation with Portfolio Holder:</b> 26/02/2024			
<b>Relevant Council Plan Key Outcome:</b>			
Green, 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"/>		
Living Well in our Communities	<input type="checkbox"/>		
Keeping Nottingham Moving	<input type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input type="checkbox"/>		
Serving People Well	<input checked="" type="checkbox"/>		
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>Local Authorities have a statutory duty to secure, so far as is reasonably practicable, sufficient accommodation within its local authority area to meet the needs of the children that the local authority is looking after (section 22G of the Children Act 1989; its 'Sufficiency duty'). To satisfy this duty, Nottingham City Council provides a range of accommodation options through in-house and externally commissioned services.</p> <p>The D2N2 partnership is proposing to tender for 4 x 2 bed homes (1 within each locality area) to meet the needs of children and young people who present with emotional/psychological issues and/or challenging behaviour.</p> <p>These specialist health residential homes will be jointly commissioned across the D2N2 footprint, utilising the existing D2N2 residential and Fostering Framework, incorporating D2N2 local authority partners (Derbyshire County, Nottinghamshire County, and Derby City) and Nottinghamshire and Derbyshire Integrated Care Boards (ICB). A D2N2 Inter-Agency Agreement</p>			

will underpin risk sharing/funding/placement decisions, building on the current D2N2 governance.

This proposal will be funded through the existing Children in Care Budget, using funding currently allocated to individual placements. It is expected to go out to the market in Quarter 1 of 2024/25.

**Exempt information: State 'None' or complete the following**

An appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to finances and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

It is not in the public interest to disclose this information because it is pertinent to an upcoming tender and could harm the Councils' negotiating position.

**Recommendations:**

- 1** To grant approval to undertake a tender process in partnership with D2N2, through the existing D2N2 Framework Contract for a single provider to deliver 2 units of specialist residential care in Nottingham City through a 5-year contract with the option to extend for a further 4 years at the end of the initial contract period.
- 2** To delegate authority to the Director of Commissioning and Partnerships to enter into an Inter-Agency Agreement with D2N2 partners within the scope of the existing partnership arrangements governing the D2N2 Framework contract.
- 3** To delegate authority to the Director of Commissioning and Partnerships to approve the outcome of the tender process for the Specialist Childrens Residential Homes and agree for Nottinghamshire County Council to make that award on behalf of Nottingham City.
- 4** To delegate authority to the Head of Contracts, Quality and Personalisation to sign the contract once awarded.

**1. Reasons for recommendations**

- 1.1 Nottingham City is a partner in the D2N2 framework for residential and foster care. This enables us to call off the framework for residential homes as and when a young person requires a placement.
- 1.2 We currently have approximately 60% of our residential placements sourced through this framework and where we are not able to source a placement through the framework, we will go out to the wider market.
- 1.3 This tender seeks to establish 4 specialist homes of 2 beds each across the D2N2 footprint, with the potential to increase over the course of the contract. Using a block funding agreement and keeping the homes within 20 miles of each other, should enable development of a cost-effective service with all four authorities sharing the risk of the block funding to enable this.
- 1.4 One, two bed home will be established within each local authority area with the 'host' local authority providing the block funding for the home.
- 1.5 Nottinghamshire and Derby City are providing accommodation as part of the contract. Derbyshire and Nottingham City will require the provider to provide the

accommodation. The agreement between the four authorities will outline the process for reimbursement between the authorities in the event a child is placed into a partner's home and the circumstances this would be agreed.

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

- 2.1 Since March 2019, the number of children in care in Nottingham slowly rose from 629 to 721 in March 2023. While the overall number of children in Care in Nottingham is now falling, at as February 2024 the total number stands at 674, finding placements for children with complex needs and challenging behaviours remains a challenge.
- 2.2 Many of these children have experienced emotional and physical trauma in their lives and may have moved placements four or more times as providers struggle to manage their behaviour, particularly if in homes with 3 or 4 other children.
- 2.3 Solo placements, which many of the children need due to their behaviour having a negative impact on other children, are not only costly but also as a long-term solution, mean the child, who may also be excluded from mainstream schooling, is isolated from their peers, which then impacts on their ability to socialise and move towards becoming independent in adulthood.
- 2.4 The specialist residential homes are intended to be for one or two children. In many cases, they will be used for solo placements but as two bed homes, will enable a second child to be moved in as and when the first child becomes more stable. This will not only enable best value through economies of scale but benefit the child as a step toward more mainstream provision.
- 2.5 It is intended that these homes provide a short-term intervention to some of our most complex children, enabling stability in future placements.
- 2.6 The service will come with a guaranteed therapeutic wrap around support offer from the respective ICB. This therapeutic support will stay with the young person once they move on from the specialist home into their next provision, giving a more stable support function.
- 2.7 There will be provision within the contract to place in other D2N2 homes in order to increase the chance of being able to match children within these specialist homes. It is not anticipated that placements out of area will happen often, but the provision is there to ensure the best use can be made of the placements and children kept within 20 miles of their local authority.

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

- 3.1 Do nothing. This is an identified gap in the market and due to current insufficiency of supply we are currently placing in unsuitable accommodation at significant cost.
- 3.2 To commission the service outside of the D2N2 partnership arrangement. It is anticipated by offering a provider up to 8 units of accommodation within a relatively small footprint, this will offer economies of scale and be more attractive to providers.
- 3.3 To procure more than 2 units. While needs suggest that we could use higher levels of placements, we are using this approach to test the viability of the

model. The health offer will also need to be considered and whether this can be expanded or reconfigured to provide dedicated support to more units.

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

- 4.1 There is a risk that providers will not bid for this service. As stated, many providers do not wish to work with high-risk children due to fear it will impact on their OFSTED status. However, the dedicated therapeutic support from health will help the provider to navigate these risks. All authorities are also committed to working with OFSTED to support the provider on the basis of the specialist criteria for accessing the service, i.e. young people with significant behavioural challenges.
- 4.2 There is a risk that the service will be underutilised and therefore a block payment would not be cost effective. However, the homes will be priced as solo homes but benefit from economies of scale when both units are in use. There is a long term and consistent need identified for placements to support our most complex children. The ability to utilise units in partnering authority homes will also reduce the risk of any home remaining vacant and increase the likelihood of both units being used.

#### **5. Best Value Considerations**

- Enabling a transparent price to be set rather than relying on the market to provide best value at point of ciris along side procuring in partnership with the other D2N2 authorities, to maximise potential for economies of scale, is likely to deliver best value.
- The block contract would cover the cost of a solo placement, enabling further best value through a low cost second placement.

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

- 6.1 The decision seeks to tender in partnership with D2N2, through the existing D2N2 Framework Contract for a single provider to deliver 2 units of specialist residential care within the Nottingham City boundary.
- 6.2 The period of time relating to the tender is a 5-year contract with the option to extend for a further 4 years at the end of the initial contract (5+2+2).
- 6.3 If successful, the funding for the provider costs will be through existing external placements budgets held within the Children in Care service. This arrangement would give further options in placing children and young people who present with emotional/psychological issues and/or challenging behaviour.
- 6.4 Access to other homes within the D2N2 region could also be utilised if demand in the other areas is lower than expected, increasing potential best value on placement cost.
- 6.5 Any framework inflationary increases in future years would need to be addressed within the MTFP planning process as part of external placement provider uplifts.

Tania Clayton Pérez, Senior Commercial Business Partner – 26 February 2024



## **7. Legal colleague comments**

- 7.1 This decision should support the Council meet its statutory duties to the children who will benefit from the proposed provision, in particular the duties under the Children Act 1989.
- 7.2 This appears to be a compliant route to market for such services, noting the comments from Procurement colleagues. In using the framework, it is assumed that the terms of the call-off arrangements are already fixed and offer little scope for variation. The Council should ensure that those terms meet their requirements and that the Council can meet any obligations imposed on the Council by those terms.
- 7.3 In particular, clear performance indicators need to be established, monitored and actioned as appropriate, for example only, the success of the interventions being “short-term”. It is key that this arrangement is premised on the high quality of the provision offered and does not, in itself, create an expectation of a contract for any fixed period of time.
- 7.4 It would be prudent that support from Legal Services is sought prior to Recommendations 2 and 4 being actioned. There should be focus on documenting the inter-agency arrangements in sufficient detail that there is a clear understanding of the operational and governance arrangements between the partners.
- 7.5 It is understood that legal advice for the specific of this call-off of the main D2N2 residential and fostering framework is being provided by Nottinghamshire County Council as lead partner in the D2N2 framework. The partnership and overarching contracting arrangements for operating under the framework are already in place.

Tony Heath, Senior Solicitor, Contracts and Commercial - 27 February 2024

## **8. Other relevant comments**

### **Procurement**

- 8.1 This decision relates to the joint commissioning of 4 specialist homes for Children in Care, with D2N2 partner authorities. The procurement will be undertaken by Nottinghamshire County Council on behalf of Nottingham City and other D2N2 partners through compliant call off under the established D2N2 framework for Children in Care services.
- 8.2 One provider will be secured to deliver 2 units of specialist residential care in the Nottingham City area, and Nottingham City Council will be responsible for upfront funding of this home. It is understood that the financial risk of block funding will be mitigated by other authorities being able to use vacancies and reimburse the costs.
- 8.3 It is anticipated that the block arrangements will secure lower prices than commissioning on a more ad hoc basis, and there will be economies of scale when both units are in use.
- 8.4 Best value for money will be secured through the competitive call off process between providers on the framework.

- 8.5 Cost benchmarking should be completed in order to set a reasonable, value for money price range for bids. These recommendations are supported from a procurement perspective and the Procurement Team will support with the procurement process as needed.

Jo Pettifor, Category Manager, People - 27 February 2024

**9. Crime and Disorder Implications (If Applicable)**

- 9.1 N/A

**10. Social value considerations (If Applicable)**

- 10.1 This service will work with children with significant mental and emotional health issues. Positive outcomes for young people are likely to impact on their long-term health and wellbeing as adults.
- 10.2 Improved local health outcomes contributes to socio-economic factors such as healthy life expectancy, employment and local economic development.

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

- 11.1 Local Authorities have a statutory duty to have regard to the NHS Constitution when exercising their public health functions under the NHS Act 2006. In making decisions relating to public health, functions we consider the NHS Constitution where appropriate and take into account how it can be applied in order to commission services to improve health and wellbeing.

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

- 12.1 An EIA is not required as the authority has a duty to provide sufficient fostering and residential accommodation to meet the needs of the children in its care. The D2N2 framework provides provision to do this and this call off from the main contract simply increases provision and choice in that market.

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

- 13.1 A DPIA was created for the overarching contract that this service is being called off from and due regard will be given to any implications identified in it.

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

- 14.1 A CIA is not required because there are no CIA implications.

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

- 15.1 Commissioning and Procurement Sub-Committee report and Minutes – 11/06/2019

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

- 16.1 Childrens Act 1989 amended 2004;
- 16.2 D2N2 Residential and Fostering Framework.

<b>Subject:</b>	Nightly paid and block booking arrangements of privately owned short-term furnished rental accommodation, for use as emergency accommodation for vulnerable households		
<b>Corporate Director:</b> <b>Director:</b>	Sajeeda Rose - Growth and City Development Geoff Wharton - Strategic Director of Housing		
<b>Portfolio Holder:</b>	Councillor Jay Hayes – Housing		
<b>Report author and contact details:</b>	Rachael Harding - Homelessness Strategy Manager <a href="mailto:rachael.harding@nottinghamcity.gov.uk">rachael.harding@nottinghamcity.gov.uk</a>		
<b>Other colleagues who have provided input:</b>	Geetha Blood, Strategic Finance Business Partner Vendie Charles, Solicitor Julie Herrod, Lead Procurement Officer		
<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> £6,461,560			
<b>Section 151 Officer expenditure approval</b>			
Has the spend been approved by the Section 151 Officer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/a			
Spend Control Board approval reference number: 7744			
<b>Wards affected:</b> Citywide			
<b>Date of consultation with Portfolio Holder:</b> 06 February 2024			
<b>Relevant Council Plan Key Outcome:</b>			
Green, 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 type="checkbox"/>	
Living Well in our Communities		<input type="checkbox"/>	
Keeping Nottingham Moving		<input type="checkbox"/>	
Improve the City Centre		<input type="checkbox"/>	
Better Housing		<input checked="" type="checkbox"/>	
Serving People Well		<input type="checkbox"/>	
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>Over recent years there has been an increase nationally in the number of households at risk of homelessness. Nottingham City Council's primary approach is to try to prevent and relieve homelessness but when this is not possible, the council has a statutory duty to provide temporary accommodation to households who are eligible, homeless and considered to be in priority need. The council has significantly increased supply of temporary accommodation, but not at a sufficient rate to keep up with demand, and the council has been required to rely upon emergency use of hotels.</p> <p>Hotels are also used by other departments in the council such as adults and children social care, communities and public health to fulfil other statutory, humanitarian and public protection duties and responsibilities to vulnerable households.</p>			

Currently 90% of emergency accommodation for citizens is accessed via a procured online booking system. However, this system was not specifically designed to meet citizen accommodation needs and is not representative of the market of privately owned, instantly accessible accommodation options and crucially does not provide the ability to secure discounted rates for multiple and/or block booking arrangements.

In January 2024, the Commissioning and Procurement Executive Committee noted the requirement to explore alternative compliant procurement arrangements for emergency accommodation for households to whom the council owes a duty, in order to secure best value for the council and to provide a more suitable and appropriate form of emergency accommodation to households with dependent children.

**Exempt information:**

Appendices B and C are exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

It is not in the public interest to disclose this information because it is commercially sensitive and may impact providers during tender processes and on the council's ability to secure best value services.

**Recommendations:**

- 1 To approve the establishment of a flexible framework (under the light touch procurement regime) of providers of privately owned short-term rental accommodation as a mechanism for the compliant future contracting of these services to fulfil statutory duties in accommodating vulnerable households.
- 2 To note the value of this contract is spend redirected from the existing booking system and is not additional spend incurred by the Council
- 3 To approve a maximum value of total expenditure under the regime and delegate authority to the Corporate Director of Growth and City Development (and other Corporate Directors as relevant for use) to award individual contracts under the flexible framework agreement in line with s114 procedures
- 4 To delegate authority to the Head of Housing Solutions and Head of Housing Strategy and Regeneration (and other Heads of Service as relevant for use) to order services via the flexible framework (under the light touch procurement regime) within the budget value
- 5 To extend the contracts for interim arrangements pending the introduction of the flexible framework (under the light touch procurement regime)

**1. Reasons for recommendations**

- 1.1 The council has a statutory duty to provide emergency accommodation for vulnerable citizens in accordance with relevant legislation (including housing, homelessness and social care).
- 1.2 The council is required to source the accommodation in a way that is compliant with procurement regulations, and which offers best value, quality assurance and auditable use.

- 1.3 The council has reviewed current arrangements and has identified a process to access additional market options that have been assessed as deliverable at lower cost and are more appropriate for family use.
2. **Background (including outcomes of consultation)**
- 2.1 There has been a significant increase in homelessness and rough sleeping in England. This has been driven and/or exacerbated by a range of factors including the undersupply of affordable housing, increasing private sector rents, the failure of local housing allowance rates to keep up with rent rises, and increased cost of living pressures.
- 2.2 Homelessness pressures are acute in Nottingham as these problems have been further impacted locally by low average wages and high levels of deprivation. A snapshot in January 2024, showed there are an average of 120 new applications to Nottingham City Council Housing Solutions per week from homeless households and the service is working with a caseload of over 2,100 to try to prevent or relieve their homelessness. Currently there are over 650 families in temporary accommodation provided by Nottingham City Council under the homelessness duties.
- 2.3 The Nottingham Homelessness Prevention and Rough Sleeping Strategy aims to reduce the number of households becoming homeless and requiring temporary accommodation. Nottingham City Council has developed a detailed plan to increase homelessness prevention activity and decrease the requirement for temporary accommodation and the length of stay in temporary accommodation where it cannot be avoided. The council also recognises the need to secure sufficient provision to meet demand and is working to facilitate the delivery of quality temporary accommodation which secures value for money.
- 2.4 Since 2017, Nottingham City Council has increased the amount of temporary accommodation available for homeless families from under 100 units to over 500 units and plans are progressing to deliver a number of additional temporary accommodation projects under the most cost-effective financial models i.e. under leasing arrangements and/or delivered as exempt supported accommodation. However, the earliest any currently proposed additional arrangements will be mobilised is in 2025/26 and even with the increased provision supply has not matched demand, leading to a reliance on use of hotels.
- 2.5 A snapshot at the end of January 2024 showed there were 143 families who had been placed in hotels by Nottingham City Council, in order to fulfil statutory duties to provide temporary accommodation. The financial cost of using hotels as temporary accommodation is extremely high. The 2023/24 total cost to the council by the end of January was £5.36m. Furthermore, it is not suitable for families for sustained periods due to the lack of cooking and living facilities and government guidance states that placements of families with dependents in hotels should not exceed 6 weeks.
- 2.6 Detailed projections (as per Appendix A) show that the council will remain reliant on emergency, instantly accessible accommodation such as hotels in the short-term and there is an urgent need to ensure that the best value options are accessed to minimise the temporary accommodation budget pressure.

- 2.7 Currently, the council utilises a procured third-party online travel booking system in order to access the best on-the-day rate for the hotels hosted by the platform. This system was developed principally for corporate travel and includes most major chains and large hotels but is limited on smaller providers and supply of other privately owned accommodation options. It also does not allow for costing adjustments for multiple and block booking arrangements.
- 2.8 Nottingham City Council has piloted delivery of an interim arrangement with a provider of privately owned short-term furnished rental accommodation, for use as emergency temporary accommodation for homeless households and is seeking to expand this form of delivery by introducing a compliant procurement process that enables access to a broader range of suppliers, where supply can be called off to align with projected need to directly replace hotel bookings at a lower rate.
- 2.9 Calculations based on current rates for nightly paid temporary accommodation show that in 2024/25 privately owned short-term furnished rental accommodation is at least 15% less expensive than the average cost of on-the-day hotel bookings. The projected minimum spend savings that are estimated to be achieved if this process can replace 100% of hotel bookings are £1,16m in 2024/25 and £227k in 2025/26. The reason that the savings are lower in 2025/26 is because the spend is aligned to forecast need and the measures in the broader hotel reduction plan will by then have achieved a reduction in the requirement for this type of emergency accommodation. The breakdown of the total spend anticipated through the proposed privately owned short-term furnished rental accommodation framework is as appendix B.
- 2.10 The procurement process will be in the form of a flexible framework agreement upon which all types of providers of privately owned short-term furnished rental accommodation can be registered, once the council has assessed and verified their ability to deliver in line with a defined specification.
- 2.11 The council will order supply from the list in advance and aligned with the forecast requirements. It is anticipated that there will be diminishing call offs as the term of the agreement progresses and as the more cost-effective options as well as increased prevention activity are delivered.
- 2.12 The flexible framework will primarily be used by Housing Solutions to meet statutory homelessness duties. However, all departments across the council will have the option to use this process to call off emergency accommodation supply for vulnerable households.
- 2.13 In the meeting held on 09 January 2024, the Commissioning and Procurement Executive Committee agreed for an estimated value totalling £12,788,900 to be spent on corporate and citizen travel and accommodation. It is to be noted that the value of this decision is redirecting a proportion of that spend to this process and this decision is not requesting additional spend to that already approved. Spend control approval will be sought at call-off stages (mainly in usage blocks).
- 2.14 An operational Executive Decision taken in January 2024, approved the introduction of an interim arrangement pending this procurement process. This report recommends the extension of that arrangement until call off from the accreditation list can be completed. It is anticipated that this will be June 2024.

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

- 3.1 Not to establish a compliant process for procuring a variety of forms of privately owned short-term furnished rental accommodation and
- a) to continue to use existing arrangements to secure emergency accommodation for vulnerable households. This was rejected because it is not considered that the current is always allows for the best value options;
  - b) explore ad-hoc arrangements with individual suppliers. This was rejected because this would not be compliant with procurement regulations.
- 3.2 Nottingham City Council will continue to source and progress arrangements for the most cost-effective model of delivering temporary accommodation, including future call off from the Homelessness Procurement framework, with the aim of reducing and minimising the type of provision required through this agreement during the term.

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

- 4.1 Risk: Lack of supplier interest.

Mitigation: The ability to plan multiple and block bookings will appeal to providers, providing them with certainty of business at times when the property could otherwise be vacant. Registration for the flexible framework will be widely promoted through our extensive housing network and there will be an ongoing ability to join the flexible framework. The interim arrangement in place has enabled the development of a specification that meets the requirements of the council but also is deliverable from a provider perspective.

- 4.2 Risk: Unable to fulfil statutory duties to provide accommodation to vulnerable households.

Mitigation: though this process is being introduced, the existing booking system will remain and can continue to be utilised as required.

- 4.2 Risk: advance booking of more accommodation than is required.

Mitigation: Call off terms will allow for flexible durations. Advance and block bookings will be aligned to detailed projections of need that are refreshed using actual delivery data on a weekly basis. Multiple bookings will be made at the beginning of the agreement term, when need is more acute with a planned reduction in the number of call offs and block booking durations as requirements lessen

### **5. Best Value Considerations**

- 5.1 The development of this process has been driven by the need to source best value in emergency accommodation placements for vulnerable households and through the identification of an process that expands the current options available. The Accreditation List will demonstrate best value by:

- Widening the market, enabling broader price comparison and competitive tending;

- Reducing administrative burdens and increasing certainty through block bookings;
- Matching required supply to demand;
- A planned not reactive approach;
- Creating corporate consistency.

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

- 6.1 The recommendation to the Commissioning and Procurement Executive Committee is to approve the establishment of a flexible framework of providers of privately owned short-term rental accommodation for the compliant future contracting of these services to fulfil statutory duties in accommodating vulnerable households. The values of the contract procured by providers will be within the budget envelope for temporary accommodation.
- 6.2 The financial benefits of securing such an arrangement with privately owned rental accommodation providers would include the value for money obtained from longer term contracts than currently in place for short term nightly paid accommodation which has proven to be expensive for the Council. In 2023/24, the Council is forecasting a total spend of c£6.784m compared to a budget of £4.023m for temporary accommodation due to the high demand and prices commanded by hotels and bed and breakfast accommodation for relatively short stays. By securing a longer-term block booking with private providers of accommodation, the Council will possibly realise financial savings and efficiencies. The provider will need to adhere to the quality assessment regulations and Health & Safety compliance rules once they become accredited and committed to providing the service in line with the regulatory framework.
- 6.3 The costs for temporary accommodation are captured under the cost code N-10541-100-4245.

Geetha Blood, Strategic Finance Business Partner - 20 February 2024

## 7. **Legal colleague comments**

- 7.1 The writer of the report seek approval to establish a flexible light-touch framework procurement agreement for providers of privately owned short-term rental accommodation, a mechanism for the compliance of future contracting of services to fulfil its statutory duties in temporary accommodating vulnerable households, to approve a maximum value expenditure on contracts, to note the value of the contract spend is redirected from the existing approved spend on CPEC Report Ref:1618 under the current system, and not a request for additional spend incurred by the Council, and to delegate authority to the Corporate Director of Growth and City Development to award individual contracts under the flexible light-touch framework agreement in line with s114 procedures, grant a direct award to economic providers through a Flexible Framework, to delegate authority to the Head of Housing Solutions and Head of Housing Strategy and Regeneration to order services via the flexible framework agreement, to extend the contracts for interim arrangements under CPEC Report , pending the flexible, light-touch framework agreement.



- 7.2 The report highlights the increasing homelessness, lack of affordable housing supply and an under resourced statutory service has impacted on homelessness prevention due to limited opportunities of housing stock, contributing to lack of affordable housing, and increase reliance on hotels as temporary accommodation, resulting in extortionate prices with a worsening impact on NCC budget due to the inflexible regime to obtain best value.
- 7.3 The current booking system operated is deemed unsuitable to fulfil the statutory duty, requiring part of the funds transferred and allocated to the services proposed in this report. The Council in providing this new service via privately owned short-term rental accommodation, would be fulfilling its statutory duty under section 188 of the Housing Act 1996, Part VII.
- 7.4 The report writer has indicated that it seeks to move away from the current system of booking hotels to provide a more accessible service, deliverable at a lower cost and more appropriate for families, thereby complying with the best value requirement.
- 7.5 Note the report author has requested approval for the redirection of funds to this project and has confirmed that are no contractual implications arising from the proposed redirection of the funds on the existing contractual arrangements in place with the current booking system provider.
- 7.6 The new proposal however will result in new contractual arrangements being established with a provider of the new temporary accommodation provide under the proposed flexible framework. This will result in spend under a new contract and therefore requires 151 Officer spend control approval as a pre-requisite to the proposed decision being taken by CPEC.
- 7.7 The report writer has requested that Appendixes to this report be exempted from publication, under paragraph number 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial or business affairs of any person, (including the authority holding that information) and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. Given the contents of the documents, and their commercially sensitive nature, it therefore has merits that it is not in the public interest to disclose the information and meet the criteria for exemption from publication.
- 7.8 The proposed flexible framework under the light Touch regime of the Public Contracts Regulation 2015 via direct awards for private accommodation, to meet the Council's Statutory duty, should ensure that it complies with the accreditation process to ensure their ability to deliver in line with the service requirement and call -off contracts.
- 7.9 The flexible framework under the light touch process allows the Council to meet its statutory duty and by having access to a framework that allows new economic entrants to join as demands required, by the ability to a direct award through the procedure set out in the call-offs from the framework, complying with the Council's Contracts Procedure Rules and Public Contracts Regulations.

- 7.10 The proposal in this report raises no significant legal issues. Legal services will continue to support the report author as required to complete the necessary formalities required.

Vendie Charles, Solicitor - 20 February 2024

**8. Other relevant comments**

Procurement

- 8.1 It is proposed to establish a flexible framework under the Light Touch regime of the Public Contracts Regulations 2015 for privately owned short-term rental for accommodating vulnerable households.
- 8.2 This process will quality assess providers to ensure their ability to deliver in line with the service requirements. It will enable new providers to be accepted onto the framework during the lifetime of the contract and will include an open and fair call-off process. The Procurement Team will support with the procurement process to ensure compliance and best value.

Julie Herrod, Lead Procurement Officer - 12 February 2024

**9. Crime and Disorder Implications (If Applicable)**

- 9.1 N/A

**10. Social value considerations (If Applicable)**

- 10.1 A range of suppliers of privately owned accommodation will be able to register on the flexible framework including those with properties containing separate bedroom and kitchen/dining/living facilities which will enable families to live routine life including cooking healthy meals, completing schoolwork, maintaining positive habits and improved health and wellbeing.

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

- 11.1 N/A

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

- 12.1 Attached as appendix D and due regard will be given to any implications identified in it.

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

- 13.1 Attached as appendix E, and due regard will be given to any implications identified in it.

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

- 14.1 Attached as appendix F, and due regard will be given to any implications identified in it.

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

15.1 None.

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

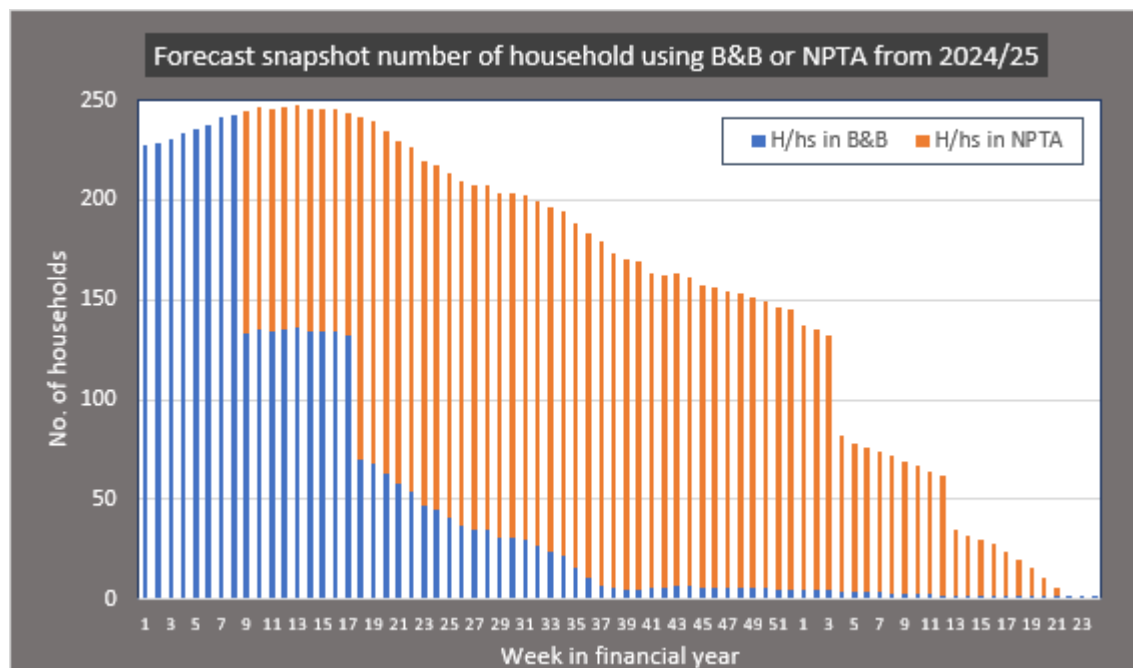
16.1 Minutes 55 and 57 of the Commissioning and Procurement Executive Committee meeting held on 09 January 2023.

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## Appendix A

### Projection of Temporary Accommodation supply deficit 2024-26

The chart below shows the total number of households forecast as requiring temporary accommodation beyond the level of existing supply from 01 April 2024 to 31 March 2026.



The projections are calculated using a formula that has been refined over the past 7 years of weekly monitoring and forecasting and includes a number of assumptions, as follows:

- Seasonal trends
- Known pressures, such as cost of living, increase Home Office decisions
- Mitigating factors, such as Local Housing Allowance rate increase, impact of Housing Solutions restructure and the additional activity preventing the requirement for Temporary Accommodation, Additional supply of Temporary Accommodation

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