

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3875

Author:

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Department:

Commercial and Operations

Contact:

Norman England

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Subject:

Procurement - Supplier Relief Payments

Total Value:

Nil (Type: Revenue)

Decision Being Taken:

To make relief payments to external suppliers of transport for vulnerable children and adults, which are no longer running due to Covid19, in line with Government Policy note 02/2020. These budgets are already approved as part of the base budget within C&A, and the payments will be allocated to the C&A base budgets codes

Reasons for the Decision(s) Passenger Transport Services (PTS) operates transport for Special Educational Needs (SEN), High Dependency (HD) children and Adults to school and day care centres on behalf of Adults and Children's directorate. The service operates over 44 buses and also commissions private sector taxis to transport over 400 children and adults across the city to help deliver this service, parts of which are a statutory duty.

Currently the budget is £2.1m pa for external taxi services via a taxi framework to secure best value for the council and citizens and successful taxi companies are then awarded a contract for the school year (190 days) whereby the route will then be retendered for the following year. Adult taxis are tendered on a set amount of time or until further notice. There are 11 main taxi providers who transport children and adults through the DPS process.

Since April 2020 due to Covid19 all schools and day centres have been closed so none of these runs have been operated. The Government issued guidance in the form of Policy note 02/20 which gave information / guidance to local authorities for continuing to pay suppliers in these circumstances to ensure the supply chain can continue and to be maintained. Nottinghamshire County Council also use many of the same suppliers and they have taken the decision to pay suppliers for the three months in line with the guidance. Procurement have supported this decision to pay 85% of the operating costs which ensures that fuel costs to the routes and the profit element is removed. In order to get this relief suppliers must not use any of the other government supplier relief schemes (forloughing), agree to an open book policy for auditing and continue to pay their suppliers. All suppliers have agreed to these conditions.

Briefing notes documents: Appendix A PPN_02_20_Supplier_Relief_due_to_Covid19 (002).pdf

Other Options Considered: Not paying suppliers could result in challenge from government by not complying with the policy note, and legal challenge by suppliers. Notts County Council have confirmed that that are paying these suppliers and inconsistency could fracture the market place which could see an increase costs and affect viability of service provision. Some suppliers could cease trading reducing the competitive market place. There is going to be a greater need for more transport going forward due to social distancing and a reduction in suppliers may again affect service provision to NCC. This could result in reputational damage to the image of NCC and negatively on citizens.

Background Papers: None

Published Works: None

Affected Wards: Citywide

Colleague / Councillor Interests: None

Consultations:	Those not consulted are not directly affected by the decision.
Crime and Disorder Implications:	N/A
Equality:	EIA not required. Reasons: N/A
Decision Type:	Portfolio Holder
Subject to Call In:	<p>No</p> <p>The call-in procedure does not apply to the proposed decision because the delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests. The Chair of the Overview and Scrutiny Committee (or Vice-Chair) in his/her absence has been consulted and agreed both that the decision proposed is reasonable in all circumstances and that it should be treated as a matter of urgency.</p>
	<p>Person Consulted: Chair of Overview and Scrutiny</p> <p>Consultation Date: 22/05/2020</p> <p>Urgent payment is required to companies in order to relieve the financial pressures there are under.</p>
Advice Sought:	Legal, Finance, Procurement, Other: Catherine Underwood(catherine.underwood@nottinghamcity.gov.uk)
Legal Advice:	<p>This report seeks authority to make payments to transport providers who are in contract to the City Council in circumstances where they are unable to deliver their services due to the COVID 19 epidemic. The UK Government has issued guidance in the form of Procurement Policy Notice 02/20(the Guidance) to Local Authorities to consider giving financial and performance relief to its suppliers which it considers are at risk. The term 'at risk' is not defined in the Guidance and it is left to each Local Authority to determine which suppliers it considers are at risk. The Guidance does not require Local Authorities to provide relief in every case. The City Council has asked each service area to consider which of its contractors and providers are at risk. Each case must be judged on its own merits and it is in line with the Guidance that payments can be made where there is reduced or no performance. It is understood that the report author has engaged with the providers the subject of this report and considers that if some level of payment is not made to them for the 3 month period April to June they are 'at risk' of failing financially and may not be able to resume provision of the services to the City Council when required. The Guidance sets out that if the Local Authority has agreed to provide financial relief to a supplier there are some key obligations it must place on the supplier; these include the supplier agreeing to act on an open book basis, making cost data available and agreeing to continue to pay its employees and not to claim under the Coronavirus Job Retention Scheme (i.e. not to furlough staff). Legal Services has prepared a letter for use by the City Council which incorporates the requirements of the Guidance to be sent to suppliers who are given relief. Advice provided by Andrew James (Team Leader Contracts and Commercial) on 20/05/2020.</p>

Finance Advice:

This DDM is not to agree additional spend, the spend has already been approved as part of the budget setting process, which explains the 'nil' value

This is approval to pay suppliers as per the PPN02/20 note, to support businesses in line with the Covid19 response.

Invoices will be paid from C&O Passenger Transport as normal process, and transferred to the relevant C&A budgets as normal working procedures.

This DDM is to approve payments of 85% of contract value for the months of April, May and June 2020

Advice provided by Claire Gavagan (Strategic Business Partner Commercial, Operations) on 20/05/2020.

Procurement Advice:

There are no procurement implications to the decision as the spend relates to payments being made under existing contracts between the Council and suppliers. Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 19/05/2020.

Other Advice:

It is incorrect to state that schools are closed. Most remain open, however, the numbers attending are at present radically reduced.

The impact of a failure to access specialist transport would mean NCC would be unable to meet statutory responsibilities it has for education and for adult social care.

I support this proposal.

Advice provided by Catherine Underwood (Corporate Director for People) on 20/05/2020.

Signatures

Adele Williams (Portfolio Holder for Adult Care & Local Transport)
SIGNED and Dated: 21/05/2020
Andy Vaughan (Corporate Director Commercial and Operations)
SIGNED and Dated: 21/05/2020