

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

Reference Number:

3951

Author:

Norman England

Department:

Children and Adults

Contact:

Norman England

(Job Title: Passenger Transport Manager, Email: [norman.england@nottinghamcity.gov.uk](mailto:norman.england@nottinghamcity.gov.uk), Phone: 8761771)

Subject:

Procurement - Supplier Relief Payments from 1 July 2020

Total Value:

Nil (Type: Nil)

Decision Being Taken:

1) To continue to make relief payments to external suppliers of transport for vulnerable children and adults that are currently not operating due to Coronavirus for the month of July 2020, in line with Government Policy note PPN 04/2020.2) To end all adult transport contracts following this period, due to the lack of demand. 3) To delegate authority to the Interim Director for Adults Services to continue to pay any contractors that evidence serious financial difficulties that would result in them ceasing trading due to not receiving the Adult payments of 85% of route cost. These budgets are already approved as part of the base budget within Children and Adults, and the payments will be allocated to the Children and Adults base budgets codes.

**Reasons for the Decision(s)** Passenger Transport Services (PTS) operate transport for Special Educational Needs (SEN) and High Dependency (HD) children and adults to school and day care centres on behalf of the Children and Adults 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 £2.1million per year for external taxi services via a taxi framework, to secure best value for the Council and citizens. 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 PTS process.

Since April 2020, due to Coronavirus, 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 PPN 02/20 and PPN 04/20, which gave information and guidance to Local Authorities for continuing to pay suppliers in these circumstance to ensure that the supply chain can continue and be maintained. Nottinghamshire County Council also use many of the same suppliers and has taken the decision to pay suppliers in line with the guidance. The City Council has already authorised a payment for April to June of 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 (such as furloughing), agree to an open book policy for auditing and continue to pay their suppliers. All suppliers have agreed to these conditions.

As it is not known when Adults services will open fully both internally or externally, and that the new demand is not known, the Council should not continue to pay for these Adults routes indefinitely when there may be extra demand for SEN from September, and more income is being found by the taxi companies as the market place opens up more.

**Briefing notes documents:** Briefing Note Contractor relief Payments form July onwards amended 31st July.docx

**Other Options Considered:** 1) To not make relief payments to the end of July: Nottinghamshire County Council have confirmed that that are paying these suppliers, and inconsistency could fracture the marketplace, which could see an increase costs and affect viability of service provision. Some suppliers could cease trading, reducing the competitive marketplace, but there is going to be a greater need for more transport going forward due to social distancing, which could replace lost Adults transport income. Not paying for July or the contractual notice period could result in legal challenge, reputational damage to the image of the Council, and negatively impact on citizens. For these reasons, this option was rejected.

**Background Papers:** None

**Published Works:** Procurement Policy Note 04/20: Recovery and Transition from COVID-19 (<https://www.gov.uk/government/publications/procurement-policy-note-0420-recovery-and-transition-from-covid-19>)

**Affected Wards:** Citywide

**Colleague / Councillor Interests:**

None

**Consultations:**

Those not consulted are not directly affected by the decision.

**Crime and Disorder Implications:**

None

**Equality:**

EIA not required. Reasons: This decision does not represent changes to a policy, service or function.

**Social Value Considerations:**

Not applicable

**Decision Type:**

Portfolio Holder

**Subject to Call In:**

Yes

**Call In Expiry date:**

12/08/2020

**Advice Sought:**

Legal, Finance, Procurement

**Legal Advice:**

This report seeks authority to pay suppliers who are at risk in accordance with Government guidance which is set out in Procurement Policy Note 02/20. As restrictions related to the lockdown have been reduced, Government has issued a further guidance note Procurement Policy Note 04/20 that has requested local authorities to review their contracts with suppliers and any contractual relief that has been granted. The City Council has been granting financial relief to the transport providers referred to in this report. The guidance note 04/20 instructs Local Authorities to work with providers to exit from the relief as soon as possible. It is understood that this work has been undertaken by the report author and has resulted in relief being withdrawn as per the recommendations.

Advice provided by Andrew James (Team Leader Contracts and Commercial) on 28/07/2020.

**Finance Advice:**

This decision is not to agree additional spend, as the spend has already been approved as part of the budget setting process, which explains the 'nil' value. This represents approval to pay suppliers as per the PPN02/20 note, to support businesses in line with the Coronavirus response. Invoices will be paid from C&O Passenger Transport as per the normal process, and transferred to the relevant Children and Adults budgets as per normal working procedures. This decision is to approve payments of 85% of contract value for the month of July. April, May and June have been approved in a previous decision.

Advice provided by Claire Gavagan (Strategic Business Partner Commercial, Operations) on 16/07/2020.

**Procurement Advice:**

**There are no procurement implications to this decision as they relate to matters involving existing contracts.**  
**Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 09/07/2020.**

**Signatures**

**Adele Williams (Portfolio Holder for Adult Care & Local Transport)**  
**SIGNED and Dated: 04/08/2020**  
**Catherine Underwood (Corporate Director for People)**  
**SIGNED and Dated: 31/07/2020**