

# Nottingham City Council

## Commissioning and Procurement Sub-Committee

Minutes of the meeting held remotely via Zoom and livestreamed at <https://www.youtube.com/user/NottCityCouncil> on 15 September 2020 from 10.00 am - 11.00 am

### Membership

#### Present

Councillor Sam Webster (Chair)  
Councillor Cheryl Barnard (Vice Chair)  
Councillor Eunice Campbell-Clark  
Councillor Adele Williams

#### Absent

Councillor Sally Longford

### Colleagues, partners and others in attendance:

Chris Carter	- Head of Transport Strategy
Bethan Hopcraft	- Strategy and Commissioning Officer
Councillor Chantal Lee	-
Lucy Lee	- Head of Customer Services
Jane Lewis	- Community Safety Strategy Manager
Steve Oakley	- Acting Director of Commissioning and Procurement
Christine Oliver	- Head of Commissioning
Ceri Walters	- Head of Commercial Finance
Phil Wye	- Governance Officer

### Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 23/09/2020. Decisions cannot be implemented until the working day after this date.

### 6 Apologies for Absence

Councillor Sally Longford - other Council business

### 7 Declarations of Interests

None.

### 8 Minutes

The minutes of the meeting held on 14 July 2020 were confirmed as a correct record.

### 9 Approval to tender for the Medilink bus service in 2020/21 - Key Decision

Chris Carter, Head of Transport Strategy, presented the report which requests approval to tender for the operations of contracts for the high frequency Medilink bus service.

### **Resolved to**

- (1) undertake a procurement process for the Medilink bus service;**
- (2) delegate authority to the Corporate Director for Development and Growth to award and sign contracts to the successful bidder(s) following the outcome of the tenders (for 3+1+1 years), subject to the costs being within current budget levels.**

Reasons for decision:

- To tender the services as required by Procurement Regulations.
- A new provider will be identified following the outcome of the tender process.
- Within the tender process, opportunities for efficiency savings in providing these services will be sought. The tender process will ensure that the most cost-effective provision of the services can be ensured.

Other options considered in making recommendations:

- Withdrawal of the service due to rising costs as rejected, as it would lead to disruption for passengers.
- Handing the service wholly to the NHS to fund and procure.
- Merge the service with the NCT 53 route, and partially commercialise. NCT can also tender for the service and could choose to integrate operations more closely with the 53 offer.

## **10 Approval to tender for Linkbus Services in 2020/21 - Key Decision**

Chris Carter, Head of Transport Strategy, presented the report seeking approval to tender for the operation of contracts for 11 subsidised "Link" bus services in three separate tenders. These serve a high number of elderly and disabled residents and also provide access to jobs and education, in areas of the city that are away from the commercial bus network.

Resolved to

- (1) undertake a procurement process for the Locallink, Worklink, and Easylink City Dial-a-Rise service as detailed in the appendix to the report;**
- (2) approve a further £913,500 current spending on the bus services during the 2020/21 financial year, until the tender process can be completed and the new contract awarded;**
- (3) delegate authority to the Corporate Director for Development and Growth to award and sign contracts to the successful bidder(s) following the outcome of the tenders (for 3+1+1 years) subject to the costs being within current budget levels.**

Reasons for decision:

- Tendering of the services is required by Procurement Regulations.
- Approval of current spend on the bus services is necessary to keep them operating in 2020/21, and until the tender process can be completed.
- A new provider(s) will be identified following the outcome of the tender process.
- Within the tender process, opportunities for efficiency savings in providing these services will be sought. The tender process will ensure that the most cost-effective provision of services can be ensured.

Other options considered in making recommendations:

- Withdrawing services due to rising costs was rejected, as it would lead to disruption for passengers and the removal of access to the public transport network for some residential and employment areas of the city, where commercial services would be more than 400m from residents.

## **11 Procurement of Domestic Violence and Abuse Prevention Service - Key Decision**

Councillor Chantal Lee, Executive Assistant for Housing and Child Friendly Nottingham presented the report providing an update on the work to procure a domestic violence and abuse prevention service. The aim of this service will be to produce and deliver a range of training, workshops and resources for the overall aim of preventing domestic violence and the harm caused to survivors, their families and the citizens of Nottingham City.

**Resolved to**

- (1) approve to commence a tender process for the domestic violence prevention service for an initial contract period of three years, for a value of £447,873 (NCC investment of £125,373), with the option of extending for three further two-year periods (+2+2+2) for a total potential contractual value of £1,343,619 (NCC investment of £376,119);**
- (2) approve the spend associated with this decision for a potential contract period of nine years;**
- (3) delegate authority to the Head of Contracting and Procurement to approve and sign off the outcome of the tender process for the domestic violence prevention service and to award a contract to the successful bidder;**
- (4) delegate authority to the Head of Contracting and Procurement to sign all contract documents arising under the recommendations of this report, including any extensions of the proposed contracts.**

Reasons for recommendations:

- Approval is sought to procure a prevention service for domestic violence. This will ensure compliance with the Council's Financial Regulations and Contract

Procedure Rules as the current contract is due to expire on 31<sup>st</sup> March 2021 with no option to extend further. It will deliver value for money due to a competitive process being undertaken as well as a requirement within the service specification for the provider to ensure resilience by sourcing external funding throughout the life of the contract.

- Approval is sought to advertise, tender, and award a contract for a period of three years with the option to extend for three further two-year periods (3+2+2+2). The contract will be awarded with a six-month break-clause. The contract length is proposed to complement the rest of the sector's contract lengths (nine years) and provides stability to a provider which will need to establish its brand within the City. The proposed contract length was decided by the Domestic and Sexual Violence Joint Commissioning Group as the most viable option when compared with other options in the options appraisal.

Other options considered in making recommendations:

- Five options were presented to the Domestic Violence Joint Commissioning Group. It was decided that the option above was the most effective use of resources, most beneficial for the successful bidder, and the best option for our citizens and survivors of domestic abuse.

## **12 Pricing Model for Non Standard/Specialist Residential and Nursing Care Services**

Steve Oakley, Acting Director of Commissioning and Procurement, presented the report presenting proposals for a new pricing model for fee rates for non-standard or specialist adult residential and nursing care services. The proposed model follows a review of the arrangements for setting fee rates for packages in which the level of care needed is above what is included in the fees paid for a standard package of care. The model and rates proposed are based on consideration of the actual costs of providing services and potential sustainable funding models, and have been subject to consultation with service providers. It is proposed to implement the new model from 1st December 2020 following completion of an appeals process in relation to the banding of individual homes.

### **Resolved to**

- (1) approve proposals for a pricing model for non-standard/specialist adult residential and nursing care services, which have been subject to consultation with service providers;**
- (2) delegate authority to the Head of Contracting and Procurement to agree the appropriate banding (and associated fee level) for each residential and nursing care service in accordance with the model proposed. The banding of individual services (for both existing and new placements) will be subject to an appeals process should providers wish to challenge the banding decision for their service;**
- (3) approve the implementation of the new model for new placements from 1<sup>st</sup> December 2020, with a view to implementing for all existing packages on 1<sup>st</sup>**

**December 2020 subject to the outcome of the appeals process;**

- (4) delegate authority to the Director of Commissioning and Procurement in consultation with the Director of Adults Services to determine the outcome of the appeals process and confirm the timing of implementation of the new funding model for existing packages, following the appeals process;**
- (5) note that approval to spend against individual placements in specialist provision is through the Council's scheme of delegation for Adults Care Packages.**

Reasons for recommendations:

- Nottingham City Council (the Council) has a legal duty under the Care Act 2014 to consider fee rates payable for social care contracted services and in doing so, must consider the costs of delivering care and the sustainability of the market. These considerations are balanced against budget commitments and pressures for the City Council.
- The Council is looking to implement a new funding model for nonstandard/ specialist residential and nursing care placements in which the level of care needed is above that of a standard package (as defined in the 'core' elements' of a standard residential service). The aim is to take a more consistent and streamlined approach to the fees paid for specialist care and support. The development of a more consistent pricing mechanism supports transparency and fairness across providers.
- Currently citizens are placed in non-standard/specialist residential and nursing care homes on a variety of differing rates, often for the same level of support. Under the proposed model, citizens with similar support needs will be paid the same rate regardless of where they are placed. Additionally there is often a high number of one to one hours required to support the citizen's daily living. The proposed model aims to reduce reliance on one to one support to 'top up' fee rates when adequate staffing should be available to support the needs of citizens within the home.
- It is considered that a balanced, reasoned and informed approach has been adopted in developing these proposals, which seek to support a sustainable, efficient and effective market within the available resources. The key factors taken into consideration are:
  - Costs of service delivery
  - Market considerations, including implications of the 'Better Lives, Better Outcomes' strategic vision for residential and nursing care
  - Outcomes of consultation with providers
  - Affordability
- The proposed pricing model is based on a formula developed by Valuing Care Financial Management Ltd, who carried out a pricing review in 2018/19. The outcome of this review has been supplemented with information collected from providers to produce a model that is considered to align with and reflect the actual costs of service delivery in this market.
- In recognition that the size of the home impacts on the costs of delivering services, the pricing model recognises the size of homes and comprises three size categories: 5 beds or less; between 6 and 11 beds; and 12 beds and above.

- Market related factors considered include: size of the market; any evidence of market failure or collapse; whether providers are managing to deliver under the current fee rates and whether the fees proposed are equitable and support an efficient, effective and sustainable market.
- Service providers were consulted on the proposals during March 2020 and were invited to identify potential impacts and risks eg to provider/market and service delivery, and to suggest mitigating actions. The outcomes have been fully considered in making these final recommendations.
- The Council's financial pressures are significant, with savings required in 2020/21 and cost pressures anticipated to continue. The review has been undertaken with regard to the budget savings required across adult provision, due to reductions in the funding the Council receives from central government and other current economic pressures. These proposals are considered the fairest way to allocate the funding available in the light of the Council's financial pressures and within the context of the overall funding for adult social care provision.
- Following approval of the proposed model, it is proposed to notify providers of the banding of their individual homes during September 2020. The banding of individual services will be subject to an appeals process should providers wish to challenge this decision.
- It is proposed to implement this pricing model for new placements in residential and nursing care from 1st December 2020. It is also the intention to implement the model for existing placements from 1st December 2020, however this will be confirmed following completion of the appeals process.

Other options considered in making recommendations:

- Do nothing. This is not recommended as it does not address the current inconsistencies in the pricing of specialist packages of care and achieve the aim of adopting a more consistent, streamlined and fair process across all providers.
- Adopt a different model of fee rates. This is not recommended as the proposals are the result of significant analysis and financial modelling undertaken, taking into account knowledge of the market and the overall budget pressures upon the Council. The recommendations consider the potential impact on service delivery and the market. Offering alternative fee rates would place additional pressure on the Adult Social Care budget and this is not a feasible option.
- To undertake analysis of individual placement costs and offer fee rates based on the cost of care, factoring in staffing and other operating costs. This option would not be feasible as it would be highly administratively burdensome and problematic as rates of pay and other factors are not standard across the sector.

### **13 Procurement of Personal Protective Equipment - Key Decision**

Steve Oakley, Acting Director of Commissioning and Procurement, presented the report outlining the proposal to procure a framework of suppliers of a range of Personal Protective Equipment (PPE) to the Council in line with UK and EU standards. The framework is intended to provide a stable and cost effective supply to meet the Council's requirements both for routine supplies and for specialist products

as and when needs arise. It is proposed that it will be available for use by other local and regional partners for their PPE purchasing needs.

**Resolved to**

- (1) undertake a procurement process to establish a framework for the supply of Personal Protective Equipment, for use by Nottingham City Council and a number of named partner organisations;**
- (2) delegate authority to the Director of Commissioning and Procurement to approve the outcome of the procurement process and for the award of call off contracts under the framework;**
- (3) approve a maximum NCC spend under the framework of £2m per annum for up to 10 years (maximum £20m in total).**

Reasons for recommendations:

- Since the start of the Covid 19 outbreak in March 2020, the Council's need for a range of PPE supplies has increased dramatically. At the same time, the market for these products has become more competitive and it has become apparent that a supply source is needed which reflects this changing context.
- It is expected that the Council will have ongoing needs for both routinely used and specialist PPE products beyond the current Covid 19 outbreak, although the nature and scale of the potential need in future years is difficult to project. The proposed framework will provide a compliant mechanism for the ongoing purchase of PPE supplies through an open procurement process in accordance with Council's Financial Regulations and Contract Procedure Rules and EU and UK Procurement regulations.
- The proposed framework is intended to provide a stable and cost effective supply of PPE for the Council – enabling specific products to be sourced in the quantities required as and when needs arise. The process will enable the appointment of a number of suitably qualified and skilled suppliers able to supply and deliver PPE in line with EU and UK quality standards.
- The framework will be broken down into categories of product types, with approved suppliers listed under each. There is potential for elements such as item specific suppliers and suppliers for both routine and emergency needs. When purchasing needs arise, a mini competition can be undertaken between suppliers listed for each product to secure the best value on each occasion.
- It is intended to make the framework available for use by other East Midlands Authorities and potentially to a wider audience. This pooling of purchasing power will increase the economies of scale and should maximise the interest from the market, securing the most competitive offers.
- This proposal presents opportunity to generate income through a rebate charged on all expenditure under the framework. This may be as a levy charged at a set percentage rate on all purchases and would be used to cover the Council's costs in managing the framework and associated contracts.
- Establishment of a framework offers potential efficiencies through:
  - competition between suppliers for each call off to secure best price for each requirement at the time of purchase

- Economies of scale through the joint purchasing arrangements with a number of partners – pooled purchasing power
- A streamlined products list, removing administrative burden and risks of duplication of purchasing and contracting for each separately.
- The proposed duration of the framework for up to a maximum of 10 years aims to ensure long term security of these supplies. A Dynamic Purchasing System is being considered which will allow for the inclusion of new suppliers over the duration of the framework.

Other options considered in making recommendations:

- Do nothing. This was rejected as this does not address the need for an efficient and compliant arrangement for the ongoing purchase of PPE and will not secure the benefits of ensuring supplies are maintained to meet all future needs and to secure best value for money.

#### **14 Procurement of Mortuary Services - Key Decision**

Steve Oakley, Acting Director of Commissioning and Procurement, presented the report seeking to award a negotiated contract to the incumbent provider, Nottingham University Hospitals Trust (NUHT) for the delivery of Mortuary Services for a period of 5 years.

#### **Resolved to**

- (1) Approve the award of a negotiated contract for Mortuary Services to Nottingham University Hospitals Trust, subject to a satisfactory conclusion of negotiations;**
- (2) Delegate authority to the Director of HR and Customer to award and sign the contract on conclusion of the negotiation for a period of 5 years;**
- (3) Approve expenditure by the Council on a proposed contract of £763,694 per year for 5 years; total £3,818,417.**

Reasons for recommendations:

- The Council is under a legal obligation to provide a mortuary and post mortem service as required by HM Coroner and the proposed contract award will enable this obligation to be met.
- The proposed award of a negotiated contract is necessary to secure mortuary services in the City due to the absence of competition in this market. A competitive tender process was undertaken in November 2018 to secure a provider, and this was preceded by market engagement to encourage participation however no suitable bids were received. Negotiations have taken place with the existing provider, NUHT in relation to the continued delivery of these services and the proposed contract will secure provision for five years. Ongoing dialogue has taken place with other hospital trusts but none have capacity for Nottinghamshire's work, even if split as it is the largest jurisdiction in the country.

- Negotiations have been undertaken with NUHT to secure reduced costs in comparison with the price received through the tender. These negotiations have reduced the cost of the contract from £1.820m per annum to £1.527m per annum. It is proposed to award an activity based contract, and these costs are projected based on average activity levels over the last 3 years.

Other options considered in making recommendations:

- Do nothing: This is not a viable option as this is a statutory service that the Council must continue to provide. The current contract has expired and we need to ensure continuous service in order to meet statutory requirements under The Coroners and Justice Act (2009), and specifically Part 1, Section 1, Duty to Investigate; Section 14, Post-mortem examinations and Section 15, Power to Remove Body.

## **15 Exclusion of the public**

**The Committee decided to exclude the public from the meeting during consideration of the remaining agenda 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 outweighed the public interest in disclosing the information, as defined in Paragraph 5 of Part 1 of Schedule 12A to the Act.**

## **16 Pricing Model for Non Standard/Specialist Residential and Nursing Care Services - Exempt Appendix**

**Resolved to note the information contained in the exempt appendix.**