

Nottingham City Council

Commissioning and Procurement Executive Committee

Minutes of the meeting held at Loxley House, Station Street, NG2 3NG on 12 April 2022 from 10.05 am - 10.38 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:

Mark Leavesley	- Governance Officer
Lisa Lopez	- Lead Commissioning Officer
Tracy Martin	- Transactional Accounting
Shaun Miles	- Head of Markets and Fairs
Steve Oakley	- Head of Contracting and Procurement
Hannah Stovin	- Intelligence and Insight Manager
Ceri Walters	- Head of Commercial and Transformation Finance

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 26/04/2022. Decisions cannot be implemented until the working day after this date.

62 Apologies for Absence

Councillor Longford - leave

63 Declarations of Interests

None.

64 Minutes

The Committee agreed the minutes of the last meeting held on 15 March 2022 as a correct record and they were signed by the Chair.

65 D2N2 Supported Accommodation Framework

Lisa Lopez, Lead Commissioning Officer, presented the report, highlighting the following:

- Nottingham City Council's (NCC) current accreditation process for Semi-Independent Accommodation was due to end, and the existing contracts due to expire, in March 2023;

- as such, approval was being sought to utilise the opportunity to jointly commission a Supported Accommodation light-touch framework contract across the D2N2 area, replacing the existing accreditation;
- as this would be a framework, and therefore services paid for solely based on activity, the costs in the report were only indicative and NCC would only pay for services actually commissioned;
- commissioning services jointly across the D2N2 area was likely to result in more efficient use of resources, and, as Derby City Council were leading the re-commissioning, it would reduce pressure on NCC resources and align with the Residential and Foster Carers frameworks, which are currently jointly commissioned across D2N2.

In response to questions, Ms Lopez stated that although the:

- main aim of the service was around accommodation provision, it also included life-skills training, such as financial responsibility etc;
- D2N2 area was large, with providers across all regions, NCC would look to place service users locally where possible, or across the region if that was more appropriate.

Resolved

(1) to approve:

- (a) procurement of the provision of Supported Accommodation for Children in Care, as detailed in appendix 1, in partnership with the D2N2 councils, through an appropriate procurement process led by Derby City Council, to commence on 1 August 2022 for a five-year period, with an option to extend for a further two periods of 2-years and one period of 1-year (5+2+2+1), therefore up to a maximum 10 years in total;**
- (b) a maximum expenditure of £12,355,200 for the provision over the entirety of the contract (up to 10 years), to be met from the Children's Placement Service budget;**

(3) to delegate authority to the:

- (a) Head of Contracting and Procurement to sign as required any inter-Local Authority partnership agreement to set out the legally binding relationship and inter-dependencies between Nottingham City, Derby City, Derbyshire County and Nottinghamshire County Councils;**
- (b) Head of Children in Care (Regulated Services) to award any call-off contract(s) in accordance with the Council's scheme of delegation number 274(a).**

Reasons for recommendations

- 1) To provide high quality, local accommodation for older children in care, aged 16 years and over. Commissioning a light touch framework contract for placements within Nottingham City, in addition to the other existing provision, will ensure the young people who are moving towards living independently will have access to high quality accommodation and support locally.
- 2) The current Nottingham City Council accreditation has over 50 providers – this is extremely challenging for our Quality Assurance colleagues to monitor on an ongoing basis. The D2N2 framework will have up to 10 providers for each local authority – this will provide sufficient opportunities to secure placements, whilst keeping the number of providers manageable and thus improving quality. This service will form part of a range of accommodation and support options to meet the differing needs of children in care.
- 3) To fulfil Nottingham City Council’s statutory duties. Nottingham City Council has a statutory duty to provide sufficient accommodation for its Looked After Children. For those young people aged 16 years and above (who have left school), it is often appropriate to provide this accommodation in a semi-independent setting, in order to successfully prepare young people for independent living. Nottingham City Council’s accreditation for Supported Accommodation is due to end at the end of March 2022. Where there are no alternatives available, placements are spot-purchased outside of contracts.
- 4) A national shortage of available placements means that placements can be spot-purchased wherever they are available. This results in young people being placed outside the city, away from their support networks, and lack of quality assurance of accommodation and support being provided. Commissioning a light touch framework contract for placements within Nottingham City, in addition to the other existing provision, will help to ensure statutory requirements are fulfilled, reduce incidences of spot-purchasing and help keep young people closer to home.
- 5) To improve efficiency and value for money. Commissioning the service jointly across the D2N2 area is likely to result in more efficient use of resources – Derby City Council have led development of the service model, and will lead the procurement, which reduces pressure on Nottingham City Council’s resources. There is an existing partnership agreement in place with the other D2N2 authorities, and the proposed Supported Accommodation framework will be added to the scheme of work within that agreement. In order to take advantage of this opportunity, Nottingham City Council needs to re-commission the Supported Accommodation framework in line with the other D2N2 authorities’ timescale.
- 6) The average cost of a placement for a young person who is currently in Supported Accommodation is approximately £750-900 per placement per week. With a light touch framework, providers submit their pricing structure within specified parameters, which is then fixed for the duration of the contract unless otherwise agreed. Because the contract is paid on activity i.e. we only pay for the placements we are using, all costs in this report are indicative.

- 7) Providers will only be accepted onto the framework for Nottingham City Council within the agreed price banding, which is in line with the current market rates. There may be some small savings from moving to a model with a smaller number of local providers. However, the more significant savings will come from work with families to ensure less children become looked after, and from more of our placements being commissioned via provided internally or via fixed-price contracts, rather than via frameworks, accreditations, and spot-purchasing. This framework will only be used for those young people who could not be placed in our internal services, or one of our fixed-price services (for example, Supported Lodgings, or the Supported Accommodation block contract).
- 8) To manage the market. The shortage of placements has led to increased demand and high placement costs, with providers effectively in control of the market. Many local authorities have sought to keep placements local by withdrawing from larger frameworks – this leads to more work for providers, for the same volume of work, and the costs of this are likely to be passed on to the local authorities. Commissioning this service jointly across the D2N2 area is likely to provide sufficient volume of activity to be appealing to providers, whilst keeping placements local and managing costs.

Other options considered

- 1) Re-tender for a Nottingham City only Supported Accommodation, as per the current arrangements. The current accreditation was developed to allow a flexible option to purchase placements in and close to Nottingham City. However, the flexible nature of the accreditation has resulted in over 50 providers now being accredited. Nottingham City Council has no children placed with the majority of these providers, but is still required to quality assure them – an enormous undertaking which is not possible for our teams to carry out effectively. Supported Accommodation is currently not subject to national registration, and therefore this presents a risk to the quality of accommodation and support being provided, as well as creating additional work for Nottingham City Council officers. Therefore, this option is not recommended.
- 2) Do nothing. The current Supported Accommodation accreditation is due to end at the end of March 2022. Taking no action would result in having no flexible contract arrangement in place, and all placements beyond those in our internal and fixed-price contracts would need to be spot-purchased. This would result in uncontrolled, highly varied pricing and quality, and in young people being placed outside the city, far away from their support networks. This would likely result in poorer outcomes for the young people and significantly increased costs to Nottingham City Council. Therefore, this option is not recommended.

66 DLUHC grant for Domestic Violence & Abuse statutory duty

Hannah Stovin, Intelligence and Insight Manager, presented the report, highlighting that as of 1 April 2021, Part 4 of the Domestic Abuse Act 2021 places a statutory duty on Tier 1 local authorities relating to the provision of support to survivors, and their children, of domestic violence and abuse residing within safe accommodation, and covers revenue expenditure relating to those functions, and Nottingham City Council

has been awarded £873,640 by the Department of Levelling up, Housing and Communities (DLUHC) to fulfil that duty.

It was also stated that a framework was currently being worked on, through which delivery of these services would be commissioned, and it was expected that this work would be in completed during 2022-23, and in place for 2023-24.

Resolved

(1) to approve:

(a) acceptance of the grant of £873,640 from the Department of Levelling Up, Housing and Communities to deliver the statutory requirement during 1 April 2022 to 31 March 2023;

(b) use of the grant to fund:

(i) the delivery of services as detailed in appendix 1;

(ii) 1xFTE member of staff to support implementation of the new statutory duty:

(2) to delegate authority to the Director of Community Protection to award and sign contracts and variations as detailed in appendix 1.

Reasons for recommendations

1. To enable delivery of the statutory duty as outlined in the Domestic Abuse Act 2021 for a one-year period.
2. To enable the completion of a framework for the commissioning of domestic and sexual violence services in 2022-23 to ensure future compliance.
3. To enable the continuation of joint commissioning under partnership agreements with the Office of the Police and Crime Commissioner (OPCC) and Clinical Commissioning Group.
4. To enable the completion of the review of the CDP Team within NCC and the contributions it receives from Public Health and the OPCC.

Other options considered

No other options were considered as this is a statutory duty. DLUHC have indicated that failure to spend will result in a reduction of future awards. NCC's proposed strategy and spend were submitted to DLUHC in August 2021 in line with statutory requirements.

67 Grant for refugee resettlement schemes to 2027

Further to minute 33, dated 14 December 2021, Shaun Miles, Head of Markets and Fairs, presented the report, highlighting that the December report requested authority

to participate and draw down grant monies for refugees resettled into the partnership to 2022-23 (with funding until 2025-26), and ensured approval for urgent work underway to commission new resettlement casework and ESOL services for the client group. He further stated that this report sought further approval around grant funded ad-hoc spend and delegated authority for the drawdown of relevant grant monies up to £7,000,000 for refugees resettled in the partnership between 2023-2026 and their legacy funding (5 years' maximum to 2031), in line with corporate governance and funding of the contracts as per Home Office ways of working.

In response to a question, Mr Miles stated that the service included mental health provision, play activities and registration with/access to GP/CAMHS services etc.

Resolved

(1) to approve:

- (i) extension of participation in the refugee resettlement schemes to the end of the financial year 2030-31, meaning new arrivals will arrive until the end of the financial year 2025-26, with a five-year funding taper;**
- (ii) continuation of Accountable Body duties in support of neighbouring first-tier authorities to deliver resettlement;**
- (iii) delegation of spending authority on other required services within NCC, County, District partners and externally with the voluntary sector and local businesses and landlords, in accordance with delegated scheme of authority, subject to compliance with Home Office Funding Instructions and Nottingham City Council's constitutional requirements, up to the end of financial year 2030-31.**

(2) to authorise acceptance and drawdown of relevant grant monies;

(3) to grant delegated authority to the Corporate Director for Resident Services to:

- (i) approve the outcome of the tender processes commenced following the 14 December 2021 Committee approvals for both the casework contract (valued at up to £2.5million over 5 years) and the ESOL contract (up to £600,000 over the 5 years), and to sign and award the contracts;**
- (ii) recruit 2 additional fixed term staff for this project in order to improve the service, governance and contractual arrangements.**

Reasons for recommendations

1. The Resettlement programme is fully Home Office funded – staff time and redundancy costs are factored into this.

2. This work is also in accordance with Strategic Council Plan 2021-23 Key Outcome One: 'To be a city that welcomes those in need of refuge or shelter'.
3. It should also be noted that central Government funding instructions are frequently changing in parameters and timescales, and are often issued after implementation has begun. UKRS funding instructions were issued in April 2021, while ARAP and ACRS funding instructions were substantially altered and reissued in August 2021 and January 2022.
4. The three schemes are now aligned in funding amount and confirmed to run for 5 years with a 3 to 5-year funding taper in place, so it is prudent to seek governance for the five years at this stage providing the opportunity to ensure commissioning, staffing and service delivery are planned over the timeframe of the schemes.
5. Allowing 5 years of funding flows into NCC will enable the contracts (as described in Dec 2021 report) and staffing in the programme to be on a secure footing.
6. In addition to the current 2.3 staff permanent staff currently on this project there is the intention to recruit two fixed term posts focused on the contracts and governance side of the work specifically. This will ensure compliance with NCC's new working models and to secure efficiencies with aligned contracts/ grants.
7. Taking a five-year view enables the city to improve governance for the projects and set out improved commissioning and grant aid processes rather than responding to crisis with each new policy announcement.
8. These schemes provide for UNHCR recognised refugees, they are comprehensive in providing housing and education, advice to employment and benefits, integration and English language support.
9. Improved longevity in this funding enables supporting departments such as the Adaptations Agency, Education and CAMHS to secure additional resource for this cohort, freeing up and adding capacity in the system.

Other options considered

1. Decline to participate in schemes – this may result in capacity reduction or closure of key voluntary services, which would displace support needs back to Nottingham City Council, without additional resources.
2. Continue to seek year on year approval to bring in refugees through resettlement schemes – this is a time consuming process which would reduce stability for staff and service users.

68 New 3-year merchant acquirer contract

Tracy Martin, Team Leader, Transactional Accounting, presented the report, highlighting that the Merchant Acquirer contract was a core contract that enabled NCC to accept debit and credit cards payment for a range of income generating services, and was due to expire in August 2022.

Resolved to approve that Nottingham City Council enter into a new 3-year Merchant Acquirer contract with Cardnet, utilising an existing framework CPRAS, at an estimated total value of £891,000.

Reasons for recommendation

1. The current NCC contract is due to expire in August 2022. The existing arrangements with Cardnet have been in place since 2015; the contract was awarded in line with the bank contract as Cardnet is part of the Lloyds group.
2. The option to undertake a full tender has been disregarded for the following reasons:
 - There are a small number of providers of merchant acquirer services for an organisation of this size and scale. There is no guarantee a full tender would generate a saving to the council; current accessible benchmarking data indicates that NCC are not overpaying for this service;
 - A change of merchant acquirer includes a hardware and software change to 53+ establishments and significant software configuration to link this new hardware to our cash management system which would require project managing. This will result in revision of bank paperwork, termination of card terminal lease arrangements, changes to cash management rules and potentially changes to business process depending on the service offer. This will all need testing thoroughly to ensure functionality is in place prior to the go live date;
 - If the merchant acquirer was to change this would trigger a new award for replacement card machines at the 53 establishments;
 - The specialist resource required to support this project is already fully utilised supporting other core functions and projects such as: end of year closedown in Fusion, transfer of EnviroEnergy into NCC and an essential cash management system upgrade during 22/23.

Other options considered

The option of undertaking a full tender has been considered but disregarded because this does not appear to offer NCC material cashable savings. Awarding this contract to an alternative provider would result in changes to card reader hardware and software at 53+ establishments and software changes to the Council's cash management system, which are not realistically deliverable by September 2022.

69 Proposed dates for 2022/23

The Committee noted the proposed meeting dates for municipal year 2022-23, to be agreed at the first meeting in May 2022.