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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 11 October 2022 from 10.00 am - 10.48 am

#### Membership

##### Present

Councillor Adele Williams (Chair)  
Councillor Cheryl Barnard (Vice Chair)  
Councillor Sally Longford  
Councillor Linda Woodings

##### Absent

Councillor Toby Neal

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

Katy Ball	- Director of Commissioning and Procurement
Wayne Bexton	- Director of Carbon Reduction, Energy and Sustainability
Mark Leavesley	- Governance Officer
Jane Lewis	- Community Safety Strategy Manager
David Nicoll	- CRES Customer Service and Transformation Manager
Colin Wilderspin	- Head of Community Safety
Gwendoline Williams	- Business Support Assistant

#### Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 21/10/2022. Decisions cannot be implemented until the working day after this date.

#### 28 Apologies for Absence

Councillor Neal - other Council business

#### 29 Declarations of Interests

None.

#### 30 Minutes

The Committee agree the minutes of the meeting held on 13 September 2022 as a correct record and they were signed by the Chair.

#### 31 EE Monitor & Customer Relationship Management Systems Tender - key decision

Councillor Longford, Portfolio Holder for Energy, Environment and Waste Services introduced the report.

Dave Nicoll, CRES Customer Service and Transformation Manager, and Wayne Bexton, Director for Carbon Reduction, Energy and Sustainability, presented the report and highlighted the following:

(a) EE Monitor Manufacture, Supply and Development

- Nottingham City Council (NCC) owns and operates the largest district heating network in the UK. The network serves around 5,000 domestic properties and 120 commercial properties. 95% of the domestic properties on the network currently have an outdated prepayment solution installed, which is over 18 years old. Parts to repair the systems are now obsolete and the software is no longer supported. Customers only have a small number of shops in the area at which they can top up, and this is leading to them having to travel some distance to top up their prepayment device;
- a decision by the Executive Board to bring Enviroenergy Ltd in to the Council recognised a requirement to upgrade this domestic metering and billing system, and funding was allocated within the Council's capital programme, enabling commencement in 2022/23 to deliver this transition;
- NCC has worked with a supplier to develop a prepayment metering solution for heat networks - this solution is called the EE Monitor, and has successfully helped other local authorities and housing associations across the UK to purchase and install the EE Monitor solution into properties they are the supplier of heat for;
- the EE Monitor has become a commercial success since its inception, being fitted in 3,000 homes across the UK at present. As the demand for more heat networks across the UK grows, so does the opportunity for NCC to provide billing services alongside monitoring, utilising the expert teams within the Enviroenergy department. The EE Monitor is currently installed at Bentinck, Manvers and Kingston Courts in Nottingham and has proved a success;
- there is now a need for NCC to procure the manufacturer, supplier and developer of the EE Monitor product on a long-term contract basis of 10 years, also enabling the roll out across the district heating estate within Nottingham (approximately 5,000 properties);
- the existing prepayment metering system on Nottingham Estate is outdated and provides no control to us in managing debt and customer accounts;
- benefits that the installation of an EE Monitor will have for our citizens and services are:
  - full control over customers' heating accounts, enabling NCC to clawback existing debt and reduce the number of tenants who can get into debt;
  - better top up options;
  - tenants who require an engineer to manually top up their meter by £250 in order for them to not be allowed to get into debt should no longer require a visit from an engineer every few months;

- Nottingham One and Victoria Centre have dedicated top up machines which are out of use and cannot be fixed due to requiring obsolete parts;
- the EE Monitor device will offer all the options you expect to see in 2022, such as direct debit, online, over the phone and a card in any shop. The payments are added to the account instantly and automatically, which will allow tenants to be able to manage their heating accounts better.

(b) Customer Relationship and Management System (CRMS)

- the report is also seeking approval to procure a CRMS for a 10-year period to ensure Nottingham City Council can meet the regulatory requirements for 'Heat Network Metering and Billing' legislation. The current CRMS, known as DOMMS, is no longer fit for purpose and is running on the Microsoft Access system. The data within the system has become corrupted, making billing and account management very difficult. This leads to a delay in bills being sent to customers as billing is performed manually. The system doesn't allow for customers to have an online account to manage their energy usage and check their balance;
- benefits of a new CRMS include:
  - online customer account access;
  - multiple payment options;
  - automated billing;
  - monitoring of usage and payments.

**Resolved to**

- (1) to approve commencement of a tender process for both the manufacture, supply and development of the EE Monitor and the Customer Relationship Management System, at a cost of £3,579,000 and £3,200,000 respectively (a total cost of £6,779,000);**
- (2) delegate authority to the Director of Carbon Reduction, Energy and Sustainability to award contracts for both items, in accordance with the Council's constitution, to the successful bidders.**

Reasons for recommendations

The current supplier has been engaged with NCC since 2015 in the production of a heat metering and billing solution. After the delivery of a successful prototype EE Monitor, the relationship with the supplier has continued. The sale of EE Monitors is a profitable business proposition offering a good return on sales and ongoing billing services. The EE Monitor is currently installed in 3000 properties across the UK. It is recognised as a very reliable cost-effective prepayment solution. It is recommended that approval to proceed with this tender is given and that the Director of Carbon Reduction, Energy & Sustainability has approval to procure and execute the contract in accordance with the Council's constitution for this item after a successful tender process has been concluded.

The current DOMMS CRM utilised by Nottingham City Council's Enviroenergy Department for their heat network customers is constantly failing and unable to produce bills. The system is Access based and previous attempts to "fix" the system have failed. The DOMMS system offers no online customer account capability and is very outdated. Customers have in some instances not received automated bills since 2014 due to the system failures.

Based on the value and length of the contract it is recommended that a tender exercise is completed to source a CRM solution offering best value. It is also recommended that the Director of Carbon Reduction, Energy & Sustainability has approval to procure and execute the contract in accordance with the Council's constitution for this item after a successful tender process has been concluded.

#### Other options considered

Do nothing re EE Monitor – If we choose to do nothing, we will not be able to meet our targeted business growth and financial targets for EE Monitor sales. Nottingham City Council residents will face a complete failure of the prepayment metering infrastructure, meaning they may see a loss of the heat and hot water supply.

Do nothing re CRMS – If we do not source a new CRM, NCC is at risk of fines due to regulatory failures for not issuing a minimum of one annual statement per year to customers on the District Heating Network as per the Heat Network, Metering & Billing Regulations 2014 (Updated 2020). Customer billing is currently done via a manual process; this process is a time consuming process adding additional cost to the operation of the Nottingham City Council district heating network. An automated billing system will see a reduction in FTE time spent on billing of the equivalent of 1 FTE per annum.

### **32 Domestic and sexual violence and abuse and violence against women and girls commissioning framework - key decision**

Jane Lewis, Community Safety Strategy Manager, presented the report, and stated the following:

- it was proposed that Nottingham City Council (NCC) commissions a framework of providers through a tender process to deliver provision for domestic and sexual violence and abuse (DSVA) and violence against women and girls (VAWG) (the DSVA / VAWG Framework) on behalf of the Domestic and Sexual Violence and Abuse Joint Commissioning Group (DSVA JCG);
- the JCG comprises of the NCC Crime and Drugs Partnership and Public Health, the Office of the Police and Crime Commissioner, the Violence Reduction Unit, the Integrated Care Board, Changing Futures and Nottinghamshire County Council;
- the JCG delivers the commissioning element of the 'Domestic Abuse Act 2021, Part 4' statutory duty for NCC and reports to the Local Partnership Board for DVA, which is the Crime and Drugs Partnership (CDP) Board;
- the development of a Public Contract Regulations 2015 regulation 33 framework is recommended in order to ensure that Nottingham City Council is able to select

organisations that have been able to demonstrate their qualification to provide specialist DSV/VAWG services to deliver these services in Nottingham;

- a framework will also ensure NCC achieve best value (in quality and price) and are compliant with procurement legislation and the Council's Contract Procedure Rules;
- the DSV/VAWG Framework will enable NCC CDP, as lead commissioner within the DVSA Joint Commissioning Group, to jointly commission DSV and VAWG services for citizens, the funding for which is provided by NCC Public Health and General Funds, the Office of the Police and Crime Commissioner (OPCC) and Integrated Care Board (ICB) secured under a Partnership Agreement between NCC, OPCC and ICB;
- currently, OPCC and NCC/Public Health each contribute approximately £1m per year. Department of Levelling Up, Housing and Communities New Burdens Funding to support NCC compliance with its statutory duty fluctuates, but is between £800-900k per year, and other national funding to support provision of DVSA services may become available each year of the framework from government and other sources;
- in the last 4 years, the proposed life of the Framework, NCC received approximately £4m to commission and grant aid domestic and sexual violence and abuse support services. However, the partnership received a greater amount over this time. NCC has a partnership agreement with OPCC and ICB;
- it is anticipated that the ICB will review its position on funding for DSV/VAWG services during the lifetime of the framework, and the Partnership Agreement between NCC, OPCC and ICB will enable ICB funding to be incorporated into the framework;
- it is anticipated that the DSV/VAWG Framework will be for a maximum term of 4 years, during which time contracts will be awarded by way of call-off for services required. The Lots for the framework are outlined in appendix 1 to the report.

## Resolved

### (1) to approve

- (i) the procurement of a 4-year DSV/VAWG Multi-Supplier Framework of providers of specialist services to ensure compliant future contracting of these services, at a maximum cost of £5m per year (total cost £20million);**
- (ii) receipt and spend under the framework, in compliance with grant fund conditions of the annual New Burdens Grant for the 'Domestic Abuse Act 2021, Part 4' statutory duty from Department of Levelling Up, Housing and Communities for DVA services in Nottingham;**
- (iii) receipt and spend under the framework, in compliance with grant fund conditions of national funding for DSV/VAWG services. Ministry of Justice, Homes England, Home Office, Department of**

**Health and other government departments, during the life of the Framework;**

- (2) to delegate authority to the Corporate Director of Resident Services to:**
- (i) authorise the spend on call-off contracts under the framework;**
  - (ii) enter into relevant grant funding agreements arising from resolutions (1)(ii) and (1)(iii) above.**

Reasons for recommendations

In recent years, the Ministry for Housing, Communities and Local Government now the Department of Levelling Up, Housing and Communities (DLUHC) and other government departments have awarded local authorities short-term funding (typically on an annual basis) to address Domestic Sexual Violence and Abuse (DSVA) and Violence Against Women and Girls (VAWG), most recently for funding to support compliance with the statutory duty to provide safe accommodation under the Domestic Abuse Act 2021 (“the Statutory Duty”).

It is anticipated that this will continue as the means used by DLUHC & other government departments for the administration of funding for specialist DSVA / VAWG services. DLUHC are awarding New Burdens Grant funding for part 4 of the Statutory Duty to all Local Authorities across the UK. The short term nature of the awards and the expectation for delivery has limited the scope to procure the delivery of services through a competitive tender process to date, for example in 2022 the DLUHC award was provided in February for an April start.

On 12 April 2022 this Committee approved the award of contracts and contract variations for domestic and sexual violence services in 2022-23 and stated that the development of a framework for the commissioning of domestic and sexual violence services to ensure future compliance was required.

The development of a multi-supplier framework (“the DSVA/ VAWG Framework”) will ensure that Nottingham City Council will award contracts to organisations that have demonstrated their suitability through a clear procurement process. The Council’s requirements under a DSVA /VAWG Framework have been organised into lots according to the type of service required. Suppliers may be appointed to a single lot, or more than one lot. (Regulation 46 of the PCR 2015 expressly permits contracting authorities to divide contracts into lots). Each lot requires different Quality Standards, for example a therapeutic service is expected to belong to the British Association of Counselling and Psychotherapy, but a specialist DVA service may require Safe Lives Quality Assurance. To ensure a wide range but appropriate services are able to bid to deliver services, the lots have been clearly defined. This will ensure the most suitable providers will deliver the contracts and the contracts awarded will achieve best value.

The use of a framework to procure services through an open process will also ensure compliance with UK procurement legislation and the Council’s Contract Procedure Rules. At the same time, it will help facilitate compliance with the Statutory Duty and enable joint commissioning, funded through money received under a partnership agreement with the OPCC and Integrated Care Board (formerly the CCG) and the DLUHC New Burdens Grant to NCC.

The delegation of authority to the Corporate Director for Residents Services is sought to enable the timely appointment of providers onto the framework and subsequent award of contracts in accordance with the outcome of the procurement process.

#### Other options considered

To award contracts through separate procurement processes rather than establishing a framework. This option has been rejected as it will not allow for a compliant process to be undertaken when funding is awarded to the council or other partners and services must be established in a short time scale.

Not to accept funding. This option has been rejected as it will mean NCC is not able to comply with its Statutory Duty under the Domestic Abuse Act 2021.

No other options are being considered as this framework will enable NCC to discharge its Statutory Duty. DLUHC have indicated that failure to spend will result in reduction of future awards. The framework enables NCC to procure qualified providers to deliver DSV/VAWG services in Nottingham from DLUHC and a range of other funding sources.

### **33 Adult Social Care pricing 2022-23 - key decision**

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

Prior to discussion, it was stated that the report incorrectly named the responsible Director as 'Katy Ball - Director of Commissioning and Procurement', when it should state responsibility laid with 'Sara Storey - Director for Adult Health Social Care'.

As Ms Storey was not in attendance, Ms Ball presented the report and stated the following:

- it was proposed to apply a further temporary increase to the rates paid for adult social care services in 2022-2023, effective from 1 October 2022.
- this was in response to the current impact of inflationary pressures upon these services and the adult social care market overall.
- a cost of care exercise was currently underway, with the aim of establishing a sustainable position for the funding of this market for the longer term and the proposed increases would be paid, in part, from the Market Sustainability Funding allocated to Nottingham City Council by the Department of Health and Social Care.

#### **Resolved**

- (1) to agree temporary increases to the rates paid for all commissioned adult social care services in 2022-23 of up to 4.25% for residential and nursing care services and 2.99% for community services, backdated to take effect from 1 October 2022;**

- (2) to approve expenditure of up to £2.33m on the proposed increases in resolution (1) above, funded in part from the Department of Health and Social Care Market Sustainability Fund allocation to Nottingham City Council.**

Reasons for recommendations

Nottingham City Council is obliged to consider the fee rates it pays for its commissioned social care services, and in doing so to take into account a number of factors, within the context of the wider financial position of the Council. Section 5 of the Care Act 2014 obliges Local Authorities to promote the efficient and effective operation of the market for adult social care as a whole. They must have regard to the need for sufficient services to be available in the area and the importance of sustainability in this market.

The pricing of all adult social care services for 2022-23 was set in March 2022 based on proposals developed during the autumn 2021. These rates were based upon inflationary pressures in November 2021 and therefore did not provide for the significant inflationary increase now being experienced. General inflation is currently having a significant impact upon the care sector, causing providers to struggle to meet costs.

To develop a detailed understanding of the impact of inflation on this market, specific elements of the Consumer Price Index have been applied to the pricing tools that were previously developed to calculate annual inflationary increases. The biggest impact is from energy and fuel, with inflation on these items running at between 17 and 80%. Food inflation is also high at 8.6%. Wage inflation is likely to impact on the longer term National Living Wage (NLW) set annually by government, with wage inflation currently at over 7% in the private sector.

These inflationary pressures mean that some providers are struggling to provide services and a number have requested additional funding to maintain service provision. Wage inflation is impacting on the availability of staffing and providers are finding it difficult to recruit. Some services such as home care that were previously under pressure are now failing to keep up with demand.

The proposed increases are based upon local provider prices for standard residential care, including top up fees; and for homecare, the impact of wage inflation as the tool calculates rates based upon the hourly rate paid to the worker.

For community-based services such as homecare and care, support and enablement, provision has been made for travel costs which will increase from 30p to 40p per mile to reflect increased costs. Providers may use this funding as they decide best to deliver the service; for example by increasing the overall hourly rate paid to staff, or by increasing the travel allowance.

It is anticipated and providers will be encouraged to pass on part of these increases directly to staff to support recruitment and retention at this difficult time.

It is considered that a fair, balanced and informed approach has been adopted in developing these recommendations and that the proposed increases aim to support a sustainable, efficient and effective market across all areas of adult social care, within the available resources.



Other options considered

Do nothing. This option was rejected due to the current serious impact of current inflationary pressures on the adult social care market and the associated risks of service and market failure.

Offer different levels of increase. This is not recommended as these proposals are based on modelling using established tools, adjusted to take account of current data on inflation and local market factors.

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