

Commissioning and Procurement Executive Committee – 14 November 2023

Subject:	Continuation of Changing Futures Programme for People Experiencing Severe and Multiple Disadvantage		
Corporate Director:	Catherine Underwood - People		
Director:	Lucy Hubber - Public Health		
Portfolio Holder:	Cllr Linda Woodings - Adults and Health		
Report author and contact details:	Tracey Ford, Senior System Change Commissioning Manager tracey.ford@nottinghamcity.gov.uk		
Other colleagues who have provided input:	Tracey Moore, Commercial Business Partner Benita Meehan, Contracts and Commercial Solicitor Jo Pettifor, Category Manager (People) Steve Oakley, Head of Contracting and Procurement Helen Johnston, Consultant in Public Health Nancy Cordy, Head of Strategy and Service Improvement		
Key Decision	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Subject to call-in
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons:	<input checked="" type="checkbox"/> Expenditure	<input checked="" type="checkbox"/> Income	<input type="checkbox"/> Savings of £750,000 or more
taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
Total value of the decision: £2,444,493			
Wards affected: All			
Date of consultation with Portfolio Holder: 25 October 2023			
Relevant Council Plan Key Outcome:			
Green, Clean and Connected Communities	<input type="checkbox"/>		
Keeping Nottingham Working	<input type="checkbox"/>		
Carbon Neutral by 2028	<input type="checkbox"/>		
Safer Nottingham	<input checked="" type="checkbox"/>		
Child-Friendly Nottingham	<input type="checkbox"/>		
Living Well in our Communities	<input checked="" type="checkbox"/>		
Keeping Nottingham Moving	<input type="checkbox"/>		
Improve the City Centre	<input type="checkbox"/>		
Better Housing	<input type="checkbox"/>		
Serving People Well	<input checked="" type="checkbox"/>		
Summary of issues (including benefits to citizens/service users):			
<p>This report requests approval to accept and use funding awarded to Nottingham City Council (on behalf of a local partnership facilitated by the Nottingham City Place Based Partnership) following successful applications to the national Changing Futures programme for an extension of the existing Changing Futures grant and to the NHS Nottingham and Nottinghamshire Integrated Care Board (ICB) Health Inequalities and Innovation Fund (HIIF) to deliver a programme of work to improve outcomes for people experiencing severe and multiple disadvantage (SMD).</p> <p>Nottingham has the eighth highest prevalence of SMD in England (JSNA 2019). SMD is one of four high level priorities to improve health and reduce health inequalities of the population in Nottingham included within the Joint Health and Wellbeing Strategy 2022-25.</p> <p>The approval of the recommendations within this report will allow for the continuation and expansion of an ambitious programme for direct delivery of services and infrastructure to improve</p>			

how statutory and voluntary sector partners work together to improve the lives of people experiencing SMD and the effective use of system resources during the 2024/25 year.

Exempt information: None

Recommendations:

- 1** To approve receipt of funding up to a total of £993,265 from the Department for Levelling Up, Housing and Communities' Changing Futures transition fund to deliver an agreed programme of activity from 01/04/2024 to 31/03/2025.
- 2** To approve receipt of funding up to a total of £469,375 from The National Lottery Community Fund's Changing Futures transition fund to deliver an agreed programme of activity from 01/04/2024 to 31/03/2025.
- 3** To approve receipt of funding up to a total of £981,853 from the NHS Nottingham and Nottinghamshire Integrated Care Board's Health Inequalities and Innovation Fund to deliver an agreed programme of activity from 01/04/2024 to 31/03/2025.
- 4** To approve spend of £2,444,493 from 01/04/2024 to 31/03/2025 to meet the Changing Futures programme objectives, in line with the indicative spending plan in appendix 1, with operational oversight delegated to the Changing Futures Programme Delivery Board.
- 5** To approve awards of contracts as set out in appendix 1 for transacting the spend to deliver the Changing Futures programme in 2024/25.

1. Reasons for recommendations

- 1.1 Approval to take receipt of the funding detailed in recommendations 1 – 3 (totalling £2,444,493) is sought to allow for the continued delivery and extension of Nottingham's Changing Futures programme in line with proposals submitted to the Changing Futures national team and the Integrated Care Board.
- 1.2 Appendix 1 details the proposed spend of the three sources of funding from 01/04/2024 to 31/03/2025 as described in recommendation 4. This largely replicates the existing model and extends some areas of programme activity in line with opportunities to increase the impact of the programme. These are ring fenced grant monies, subject to the Council's financial regulations. Oversight of the full budget remains with the Changing Futures Partnership Board, which needs flexibility to resource the programme.
- 1.3 Appendix 1 also details the compliant routes to market for the proposed contracts to be approved under recommendation 5. This includes:
 - 1.3.1 extending the existing s. 75 agreements, so the programme can continue the roles of the Mental Health Practitioner and Programme Director hosted by NHT from 01/04/2024 to 31/03/2025 and the Advanced Analyst at the ICB from 01/07/2024 to 31/03/2025;
 - 1.3.2 expansion of the embedded practitioner model into up to four additional public bodies. Changing Futures currently has embedded practitioners in five partner agencies. This model is proving beneficial and is improving the way they work with people experiencing SMD. The development of new partnerships is currently being explored to confirm scope for delivery and to reach those areas most relied upon by people experiencing SMD.

Subsequent approval will be sought for spend and approach to contracting once proposals have been confirmed. It is intended that these arrangements will be in place from 01/04/2024 to 31/03/2025;

- 1.3.3 the Main Delivery Service contract, currently delivered by Framework, has been confirmed as exempt from Contract Procedure Rules under 18.94. This will allow the current services to continue from 01/04/2024 to 31/03/2025 with some extensions to provision. The services are to meet the needs of people experiencing SMD, this is a particularly complex cohort, which requires specialist knowledge and experience;
- 1.3.4 the transition to new contracting and funding arrangements in 2024/25 would represent a risk to continuity due to uncertainty in the provider organisation and staff members. This carries a risk of the loss of experienced staff (as occurred during the transition from Opportunity Nottingham). These contracting arrangements will minimise this risk for delivery in 2024/25, with the intention to undertake the more comprehensive recommissioning required for ongoing compliance with procurement regulations prior to the start of the 2025/26 year;
- 1.3.5 by extending the existing contracts for advocacy and the Primary Care Embedded Practitioner, the services will continue uninterrupted from 01/04/2024 to 31/03/2025. This applies equally to the grant agreement with NCVS, which would be extended from 19/06/2024 to 31/03/2025.

2. **Background (including outcomes of consultation)**

- 2.1 The Changing Futures programme is a £77 million joint initiative by the Department for Levelling Up, Housing and Communities (DLUHC) and The National Lottery Community Fund (TNLCF), the largest funder of community activity in the UK. The fund is for local organisations to work in partnership to better support those who experience SMD, defined as experiencing three or more of the following concurrently: homelessness, substance use, mental health issues, domestic violence, and contact with the criminal justice system.
- 2.2 The Place Based Partnership (PBP) bid for Changing Futures funding in 2021/22. A grant of £3,878,673 was awarded, the award was made to Nottingham City Council. A report was brought to this committee in September 2021 to approve receipt of the initial award and the model of expenditure. The funding was due to come to an end in March 2024.
- 2.3 This significant programme of activity, designed to help improve the lives of people in the city who experience SMD, commenced in February 2022 and has been fully in place since July 2022. Improving the lives of people experiencing SMD is one of four priorities in the Nottingham City Joint Health and Wellbeing Strategy 2022-25.
- 2.4 DLUHC and TNLCF sought expressions of interest for an extension of funding for another year (from 01/04/2024 to 31/03/2025) to support local Changing Futures partnerships in their efforts to transition to local sustainability. Once again, the PBP bid for the funding. All bidders were limited to bidding for up to 70% of this year's allocation. The bid was accepted, and an award of £993,265 has been offered to Nottingham City Council by DLUHC and a further £469,375 from TNLCF.
- 2.5 The PBP simultaneously bid to the ICB's Health Inequalities and Innovation Fund for funding for services to people experiencing SMD. This bid has also been approved and an award of £981,853 offered from 01/04/2024 to 31/03/2025. The funding will

be subject to review during the year, with the potential for recurrent funding from 2025 onwards.

- 2.6 There has been considerable work negotiating with the funders to clarify the complementary use of funds and ensure collective agreement with the overall programme of work proposed and the allocation of the funding. The costed proposal is at Appendix 1, showing which elements will be funded from which source and the mechanism for commissioning the services.
- 2.7 Accepting these grants will ensure Nottingham can continue the delivery and further development of Changing Futures activity to realise the significant benefits of improving the lives of vulnerable people and the avoidance of serious negative outcomes. The acceptance and approval of spend for the grants will enable the programme to continue through 2024/25, preventing a substantial loss of existing support for people experiencing SMD by providing continuity of provision beyond the end of the current award.
- 2.8 Consultations have taken place with Nottingham's SMD Partnership and the Experts by Experience Board. The comments of both groups have been incorporated into the proposed model for delivery. The proposed model of delivery has also been approved (subject to formal approval by the Council) by the Nottingham City Changing Futures Programme Delivery Board.
- 2.9 The effectiveness of this programme is contingent on system change across public sector organisations. The expansion of Embedded Practitioners is needed to support direct engagement between the service and the wider Changing Futures programme with scope to directly influence developments within their organisation.

3. Other options considered in making recommendations

- 3.1 To not accept the funding awarded. This is not recommended on the basis that to not take receipt of the funding would lose the opportunity to realise expected benefits from direct operational delivery and prospects for longer term improvements.
- 3.2 Various options were considered in developing the model. The model proposed incorporates all elements of the current model and provides for expansion of the Wraparound Multi-Disciplinary Team and the Embedded Practitioner roles.
- 3.3 Reprocurring all services was considered as an option. This is not possible for operational reasons. There would be significant risk to the continuity of services. To minimise the risk around transition, the Programme has recommended options to extend existing agreements where compliant with the Council's financial regulations. This will ensure the continuity of the programme and minimise associated uncertainty amongst services and colleagues over their future involvement in the programme.

4. Consideration of Risk

- 4.1 There are risks associated with not accepting the funding and ceasing all Changing Futures services on 31/03/2024 when the current funding comes to an end. Referrals would be immediately and permanently ceased, exit planning for the individuals currently on service would begin. This would likely be hampered as staff leave for more secure jobs. This would potentially result in increased demand on other services, and worsening outcomes for vulnerable people.
- 4.2 The transition to new contracting and funding arrangements in 2024/25 represents a risk to continuity due to uncertainty amongst provider organisations and staff

members over their continued involvement in the delivery programme. This carries an associated risk of the loss of experienced staff (as occurred during the transition from Opportunity Nottingham). Consideration has been given to contracting arrangements that will promote stability to minimise this risk for delivery in 2024/25, with the intention to undertake more comprehensive recommissioning required for ongoing compliance with procurement regulations prior to the start of the 2025/26 year.

- 4.3 Legal Services and Procurement have been consulted in the development of this report. All routes to market are considered compliant with Public Contracts Regulations and the Council's internal Contract Procedure Rules.
- 4.4 There are substantial risks if there is no smooth onward provision of the Main Delivery Service with anticipated staff loss and interruptions to delivery. To go through a procurement that would not attract any viable interest would destabilise the service and, as was experienced previously, result in loss of experienced staff. An award through negotiated procedure without prior publication is appropriate in this case on the basis that no alternative provider is able to meet these requirements.
- 4.5 The ambition for delivery programme for Changing Futures in 2024/25 is fully funded by the funding streams identified in this paper and contracts have been written such that the Council is not exposed to separate financial risk. Financial liability for two Council staff will be assessed, costed and appropriately budgeted for in 2024/25.

5. **Best Value Considerations**

- 5.1 Best value is achieved for the City by accepting the award. This is income enhancement.
- 5.2 Best value is achieved by commissioning and spending using mechanisms described in Appendix 1. Two lines extend existing City Council temporary staff contracts, four providers will be selected by seeking three quotes. All proposed contract awards will be fully transparent, with contract values based on actual salaries and on costs, with a negotiated amount for expenses, management and overheads. The programme will also extend its reach into other public bodies through deploying additional embedded practitioners. All of this is designed to improve efficiency and outcomes from services provided by the Council and partner organisations.
- 5.3 The infrastructure provided through the programme helps to improve efficiency and outcomes from other services provided by Council and partner organisations. Changing Futures provides support and navigation within services, reducing inappropriate presentations and reliance on reactive crisis services.
- 5.4 All contracts and other agreements proposed to be extended were secured through competitive tender or other compliant processes which ensured Best Value.
- 5.5 All services commissioned are reviewed quarterly. Additionally, there are quarterly reviews of the overarching programme and spend reported to our funders.
- 5.6 The Personalised Commissioning Budget provides a flexible and innovative means of tailoring services to meet individual needs. All awards will be made following a documented procedure.

6. **Finance colleague comments (including implications and value for money/VAT)**

- 6.1 This decision seeks approval for the receipt and the spend of grant funding to continue the Changing Futures Programme during 2024/2025. This follows a

previous decision on 11 January 2022 at the Commissioning and Procurement Executive Committee.

- 6.2 The total value of this decision is £2,444,493 which is a combination of three grants, the breakdown is contained within the table below:

Changing Futures Funding: 2024/2025	Total Grant £
Department for Levelling Up, Housing and Communities	£993,265
The National Lottery Community Fund	£469,375
NHS Nottingham and Nottinghamshire Integrated Care Board Health Inequalities and Innovation Fund	£981,853
Total Grant 01/04/24 to 31/03/2025	£2,444,493

- 6.3 All grant funding must be spent between 01/04/24 to 31/03/2025 and in line with the individual funding proposals. The authority should manage receipt of this funding in line with the grant conditions and ensure all funding is claimed in a timely manner and accounted for correctly. Any underspend may be subject to being paid back or carried forward where agreed.
- 6.4 The decision seeks to award extension of funding to existing contracts see details in appendix 1 and the programme manager has confirmed best value where appropriate.
- 6.5 The decision seeks to extend one staffing position for 1 year and two internal agreements within Nottingham City Council.

Post	Grade	FTE	Value £	Notes
System Change Commissioner <i>*see below</i>	K3	1	70,003	Extend fixed term contract to 31/03/2025
Housing Aid Practitioner	n/a	0.5	26,500	Extend current SLA with Housing to 31/03/2025
Social Worker Practitioner	n/a	0.5	28,500	Extend current SLA with Adults to 31/03/2025

** See assumptions below*

- 6.6 Once any decision is approved, a budget virement will be posted to realign the grant income and expenditure budgets, supporting budget managers to robustly monitor the budgets.
- 6.7 The actual costs associated with this decision will require regular monitoring to form appropriate financial accounting and an audit trail to support robust forecasting. Any decisions taken will need to be captured against this decision value to ensure it is not exceeded. This information will also be used for internal/external reporting purposes as required.
- 6.8 Assumptions:
- The above figures are based on the 2022/23 NCC pay scales, as yet no pay award has been announced for 2023/24 or 2024/25, therefore any agreed pay inflation increase will need to be mitigated by the grants. The figures do include changes to recent NCC pay structures however do not include any pension deficit.
 - The grant is sufficient to cover the costs of this proposal in 2024/25.
 - The posts which are identified as fixed term may incur redeployment and/or redundancy costs. Any additional costs that are incurred as a result of this decision will need to be mitigated by the grant, seeking further approval where required in line with Council process'.

Further approval will be required:

- to establish any additional posts not requested in this decision;
- if there are any changes to the proposals outlined in this decision.

Tracey Moore, Commercial Business Partner - 23 October 2023

7. **Legal colleague comments**

- 7.1 Legal advice and input has been sought on these proposals alongside procurement colleagues and therefore the routes to procurement outlined in Paragraph 8 of this report and more particularly described in Appendix 1 are thus considered to be compliant from a legal perspective.
- 7.2 The extensions are considered permissible amendments to existing contracts in accordance with Article 18.110 of the Council's Contract Procedure Rules and are considered to be either amendments that are necessary additional works, services and supplies by the original Contractor or the extensions are considered to be non-substantial variations within the provisions of Regulation 72(1)(b) and/or Regulation 72 (1)(e) respectively.
- 7.3 In relation to the proposed expenditure moving forward, Legal Services will continue to work with the client department to ensure that proposed terms and conditions relating to further extensions are adequate, appropriate and in place and will assist as necessary with any future procurement requirements.
- 7.4 Any funding conditions attached to the funding streams outlined will need to be observed and managed in accordance with processes already established to avoid any risk of claw-back.

8. **Other relevant comments**

8.1 **Procurement colleague comments**

This report relates to the acceptance and expenditure of funding awarded to the Council from the national Changing Futures grant programme and NHS Nottingham and Nottinghamshire Integrated Care Board (ICB) Health Inequalities and Innovation Fund (HIIF), for the continuation of a programme of work to improve outcomes for people experiencing severe and multiple disadvantage.

Procurement advice has been sought on these proposals and they are supported. In relation to the proposed awards of funding for external service delivery set out at appendix 1, procurement comments are as follows.

- The proposed contracts for specialist navigator posts will be awarded through a quotation process to ensure compliance and value for money; procurement will support this as needed.
- The recommended Section 75 arrangements are considered permissible as public sector co-operation (in accordance with Regulation 12 of the Public Contracts Regulations 2015 and Article 18.33-35 of the Council's Contract Procedure Rules).
- The award for the main delivery service through a negotiated procedure is considered permissible under Regulation 32 (2)(b)(ii) of the Public Contracts Regulations 2015 CRS due to the absence of competition for technical reasons. The allocation of further grant funding to the Council was not anticipated, and due to the nature and complexity of the services and need for continuity of provision, it is not possible to secure an alternative provider for the period required. Should further funding be made available for continuation of this service in the longer term, a competitive tender process will be required and it is recommended that market development work is undertaken to facilitate a wider supplier market for this in future. Exemption from CPRS under Article 18.94 for this award has been agreed.
- The proposed contract extensions outlined are deemed permissible in accordance with Article 18.110 CPRs based on the principles of Regulation 72 of the Public Contracts Regulations being applicable.

The conditions of funding should be fully complied with in the use of this funding. Procurement will engage with ongoing work to determine the future requirements and funding for this programme and ensure full compliance and value for money is secured should the programme continue in the longer term.

Jo Pettifor, Category Manager (People) - 13 October 2023

9. **Crime and Disorder Implications (If Applicable)**

- 9.1 Contact with the Criminal Justice System (CJS) is one of the primary sources of disadvantage in the definition of SMD.

9.2 Research into the programme that preceded Changing Futures, Fulfilling Lives, delivered locally by Framework Housing Association under the name Opportunity Nottingham, shows that crime, and costs to the CJS, are reduced through the provision of intensive support. (Why We Need to Invest in Multiple Disadvantage; The University of Sheffield and CFE Research)

10. Social value considerations (If Applicable)

10.1 The delivery of the Changing Futures programme is achieving significant social value through the delivery of assistance intended to improve circumstances and outcomes for vulnerable people. Further consideration of the opportunity to create additional social value will be considered as part of the procurement of services in 2025/26.

11. Regard to the NHS Constitution (If Applicable)

11.1 The development of Nottingham's Changing Futures programme was prepared in collaboration with NHS Nottingham and Nottinghamshire Integrated Care Board and the wider Place Based Partnership.

12. Equality Impact Assessment (EIA)

12.1 An EIA is not required because this is a continuation of an existing programme. The programme includes specific elements to address the needs of women and people from minority communities. The programme monitors and reports against all protected characteristics, adapting to address underrepresentation.

13. Data Protection Impact Assessment (DPIA)

13.1 A DPIA is not required because this is an extension of existing arrangements. A Data Sharing Agreement is in place for current Changing Futures partners. This DSA will be reviewed and signed by all existing and new partners.

14. Carbon Impact Assessment (CIA)

14.1 A CIA is not required because this is an extension of an existing model. The resultant arrangements will not impact on the Council's carbon footprint.

15. List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

15.1 None.

16. Published documents referred to in this report

16.1 CPEC report - Changing Futures Programme for People Experiencing Severe and Multiple Disadvantage - 14 September 2021.

16.2 'Why we need to invest in multiple disadvantage; Evaluation of Fulfilling Lives: Supporting people experiencing multiple disadvantage' - Rachel Moreton, Dr Joanna Welford, Peter Howe - published by The University of Sheffield and CFE Research.