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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 12 December 2023 from 10.00 am - 10.30 am

Membership

Present

Councillor Audra Wynter (Chair)
Councillor Cheryl Barnard (Vice Chair)
Councillor Jay Hayes
Councillor Linda Woodings

Absent

Councillor Corall Jenkins

Colleagues, partners and others in attendance:

Anne-Marie Barclay	-	Project Manager
Chris Carter	-	Head of Transport Strategy
Eileen Hudson	-	Principal Records Officer
Mark Leavesley	-	Governance Officer
Steve Oakley	-	Head of Procurement
Theresa Pollard	-	Deputy Data Protection Officer / Solicitor
Iain Turner	-	Senior Transport Planner

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 22/12/2023. Decisions cannot be implemented until the working day after this date.

43 Apologies for absence

Councillor Jenkins - leave

44 Declarations of interests

None.

45 Minutes

The Committee agreed the minutes of the meeting held on 14 November 2023 as a correct record and they were signed by the Chair.

46 Public E-scooter Hire operator retender – key decision

Chris Carter, Head of Transport Strategy, presented the report and stated the following:

- i. Nottingham's e-scooter hire scheme commenced in October 2020 following a joint procurement in partnership with Derby City Council. Initially planned for a 12-month duration involving 30 local authorities, the trial period has been extended each year by the Department for Transport (DfT);

- i. the DfT have indicated the legalisation of all e-scooters will be forthcoming however, delays have been experienced with securing a Bill slot to take the proposed legalisation through Parliament;
- ii. Nottingham's e-scooter scheme is one of the most well used in the country with an average of 3,000 rides per day and is particularly popular with young people, students and other low-income groups without access to a car. The fleet has been expanded from an initial roll out of 250 scooters to 1,300 scooters (operating license limit) at the current time. Issues with pavement riding and poor parking are being addressed through the implementation of innovative technology, education/communications, and infrastructure;
- iii. the existing contract for the city's e-scooter scheme is due to expire on the 31 May 2024. Therefore, there is a requirement to retender for an e-scooter operator to continue the scheme post-May 2024;
- iv. the trial has recently been extended to 31 May 2026 by the DfT as work on legalisation of all e-scooters continues. A longer-term contract with a duration of three to five years will be sought to cover the extended trial period and a transition period whilst legislation is being passed.

Resolved to

- (1) approve undertaking a procurement for a concessionaire to operate Nottingham's public hire e-scooter scheme for a duration of three to five years;**
- (2) delegate authority to the Corporate Director of Growth and City Development to award the contract to the successful provider following the tender process.**

Reasons for recommendations

- i. Retendering for an operator will secure commitment to continue the ongoing public e-scooter hire trial in Nottingham. It is proposed that the new contract will cover any extension period set out by the DfT as well as the follow-on period where legislation and long-term arrangements are put in place.
- ii. Continuation of the e-scooter hire scheme assists in meeting a number of strategic objectives. These include supporting access to work, education and other services. Providing an affordable personal transport option for short journeys. A clean and green transport mode, that supports the Carbon Neutral 2028 plan.
- iii. The council will be seeking a revenue share from the operator to offset costs associated with managing and overseeing the contract including planning of supporting infrastructure and ongoing maintenance with any surplus to support Council revenue savings. Any supporting infrastructure, such as parking corals, will continue to be funded by local transport grant funding.

Other options considered

Two other options were considered – i. do nothing and ii. seek a short-term contract to cover trial period only.

- i. **Do nothing.** Procurement have advised that it is not possible to extend the contract duration (that is due to expire on 31 May 2024) with the current e-scooter operator. This is due to the scheme hitting the £4.5m revenue threshold over the three and a half years the trial will have been active.
- ii. **Seek a short-term contract to cover any extended trial period.** A short-term contract was considered but feedback from other authorities and operators is that best value could not be achieved from this option. A contract only covering the duration of the trial (expiring 31 May 2026) would not attract investment from an operator or provide the council with levers to ensure high performance.

47 Nottingham Car Club retender - key decision

Chris carter, Head of Transport Strategy, presented the report and stated the following:

- i. a car club offers 'pay as you go' car hire for the public and for businesses. It contributes to Nottingham's sustainable transport approach by offering an alternative to private car ownership for journeys not suitable or possible by alternative means of transport. The benefits of car clubs are that it can be a cheaper option than owning a car, helps to reduce congestion, reduces parking pressure and helps cut pollution;
- ii. all costs and responsibilities associated with private vehicle ownership are included in the annual membership, hourly booking rates and mileage rates. This creates a saving for members when compared with traditional car ownership with limited mileage (typically less than 7,000 miles per year);
- iii. CoMoUK, the national charity dedicated to the social, economic and environmental benefits of shared transport, recently published their annual study into car club usage. The report highlighted that nationally there has been a significant growth in car club membership, which has more than doubled since 2019. On average each car club vehicle in the UK has replaced 22 private vehicles;
- iv. the Nottingham car club has been in operation since 2014. First launched with a City Centre focus it was retendered in 2019. The contract was awarded to Enterprise and will expire in May 2024;
- v. the car club operates on a 'back to bay' model whereby users hire and return a vehicle to a dedicated location. The current fleet comprises of 20-25 vehicles and is a mixture of low emission, hybrid and fully electric vehicles;
- vi. the scheme operates on a fully commercial basis with the concessionaire taking on responsibility for all costs associated with the operation of the scheme

including vehicle purchase, fuel, tax, insurance, cleaning, maintenance, customer support, online booking and payment system.

Resolved to

- (1) approve undertaking procurement to retender for a concessionaire to deliver the Nottingham Car Club for up to five years (a 3 + 2 year concession contract);**
- (2) delegate authority to the Corporate Director of Growth and City Development to award the contract to the successful provider following the tender process.**

Reasons for recommendations

- i. Retendering of the Nottingham Car Club scheme will secure commitment to expand the operating fleet to new hire locations across the city, that will increase the availability of car club vehicles to more residents, businesses and visitors. To support CN28 and cleaner air objectives the operator will also be required to increase the share of low and zero emission vehicles.
- ii. In order to expand the car club, it will be necessary to allocate additional dedicated car club bays in commercial and residential areas, which for on-street locations will require the implementation of further Traffic Regulation Orders (TROs). Future bay locations will be assessed for their viability in terms of customer attractiveness, commercial value and deliverability of electric vehicle charging infrastructure.
- iii. The current concession includes payment of an annual charge by the operator for each dedicated parking bay plus a revenue share. This allows the scheme to operate without the need for Council funding.
- iv. Increasing the number of electric vehicles in the car club fleet will require an increased deployment of electric vehicle charging infrastructure. This will need to be integrated with the Council's roll out of public charging facilities.
- v. The cost of changing infrastructure will be funded through a combination of income generated from the scheme and local transport grant funding.
- vi. Income generated through the scheme will contribute to existing Council savings as well as supporting promotional activity such as discounted drivetime to Nottingham residents or expansion of the service into neighbourhoods that would otherwise not be commercially viable.

Other options considered

Three other options were considered - i. do nothing, ii. extend with the existing operator and iii. deliver in house.

- i. **Do nothing.** As a minimum, the current car club scheme could continue (or decline) on a commercial basis without further involvement from the Council.

Outside of a formal contractual arrangement the Council would not benefit from the income generated and lose all influence over the scheme so was, rejected.

- ii. **Extend with the existing operator.** The tender award in 2019 was for a three-year concession, with an option to extend for a further two years. The two-year extension has already been utilised and further extension of this contract has therefore been rejected.
- iii. **Deliver in house.** The specialist skills and resources required to operate and manage a car club are not available within the Council for the service to be delivered in house, resulting in this option being rejected.

48 Retendering of the offsite storage service - key decision

Eileen Hudson, Principal Records Officer, presented the report and stated the following:

- i. since 2010, the offsite document storage service has been provided by Box-it North Midlands, who are based in Uttoxeter. They are a franchise operated by R P Storage Ltd
- ii. the Council have been out of contract with Box-it for a significant period of time, and so a retendering process now needs to take place for the storage of NCC's paper documentation. The current contract terms with Box-it are to store documents, with a select number of boxes having to be stored in archival (or specialist) storage conditions. They offer a delivery and collection service twice a week to NCC sites and provide a service for confidential destruction of paperwork when requested. They also provide materials, such as file storage boxes and security tags;
- iii. the retendering process provides the opportunity for the Council to futureproof its archived paper data and approval is being sought to re-tender for the provision of an off-site data storage service for approximately 22,739 boxes, with significant additional modifications over and above the existing service provision;
- iv. the process will be to procure a hybrid document management solution using a competitive procedure with negotiation;
- v. the proposal is to move to a hybrid model of service that offers:
 - a physical paper archive solution;
 - a scan on demand service;
 - a significantly reduced box delivery and collection service;
 - a bulk scanning option with file preparation;
 - an improved box tracking audit system;
 - an electronic document management storage solution.

Resolved to

- (1) note that approval is being sought, via the spend control process put in place by Nottingham City Council's Chief Finance Officer, to spend up to £800,000 on the procurement of a hybrid total document management solution and that the procurement will only proceed once approval has been given;**
- (2) subject to (1) above:**
 - (a) approve procurement of a hybrid total document management solution service provider (as detailed in paragraph 3.1 of the report) using a competitive procedure with negotiation;**
 - (b) delegate authority to the Head of Legal Services to approve the outcome of the competitive procedure with negotiation and award and enter an initial 5-year contract, with the option to extend for a further 3-years and then a further 2-years contract, with the successful provider, subject to satisfactory contractual performance:**
 - (c) note each Corporate Directorate Service Delivery Area will be given responsibility for:**
 - i. document digitisation suitability;**
 - ii. document record management (including document retention period policy compliance;**
 - iii. UK GDPR and Data Protection Act 2018 compliance;**
 - iv. ensuring sufficient resource and budget allocation to ensure UK GDPR and Data Protection Act 2018 compliance;**
 - (d) note the intention to de-centralise the budget for the document management solution and devolve this to each Corporate Directorate Service Delivery Area.**

Reasons for recommendations

- i. NCC currently stores 22,739 boxes at Box-it's offsite storage facility. 2,359 of these boxes require storage in higher cost archival conditions, due to the age of these documents, and the need for them to be kept in their physical format in perpetuity;
- ii. The contract has expired, and therefore approval is sought to retender the operation with modifications to the original 2010 specification;
- iii. The annual cost of the current contract primarily only covers the cost for storage, delivery/collection of boxes, and any new box materials. The Box-it service has included the delivery of around 1,500 boxes to various NCC sites per year. The current process is to return the boxes to the offsite facility once the contents are viewed. As a matter of convenience, standard practice, and cultural habit,

sending files to Box-it has been the default option for most service areas for many years;

- iv. In line with changing approaches to the management of paper records by organisations across the public sector, Information Compliance recommends that NCC moves away from purely archiving records to one where records are futureproofed and digitised. NCC have a legal requirement to physically maintain some records in hard copy, usually in perpetuity. The need to retender provides an opportunity for NCC to adopt a new approach to the way the organisation manages paper records. The preferred option would be to consider a hybrid model, storing paper files where legally required to do so, and then digitising paper records when requested to view by colleagues, as well as those with the longer retention dates where it would be cheaper to scan and destroy rather than storing physically. This option will help to support the organisation's future aims;
- v. In a recent Financial Controls Assessment carried out by Ernst & Young, the auditors identified several serious concerns including a weak control environment, ineffective systems, and a culture which is not focused upon compliance. It was found that there were issues around the inability to find documents and document retention. Although this audit related to financial records, it is evident through work conducted by Information Compliance that these issues are likely to be reflective across all areas in the authority in relation to the data that they hold;
- vi. The transformation of the offsite storage service will help underpin the corporate planning theme referred to in the Information Assurance Board Report (18 May 2023). By rethinking how NCC manages and futureproof its information assets, and by taking a longer-term view of records management, NCC can deliver best value outcomes for Nottingham;
- vii. It is envisioned that the process of digitising records will become a longer-term project, with little to no cost savings initially. But with the reduction of paper records stored, and the move to store files digitally, the costs will reduce over the longer-term period of the contract, for which the savings can then be built into larger bulk scanning projects if required;
- viii. Information Compliance believe that, where possible, a programme of digitising records would be beneficial to NCC for the following reasons:
 - Service areas could quickly access information which would reduce delays caused when waiting for boxes to be delivered, improving efficiency within teams, and delivering a better service to our citizens;
 - It is evident through the procurement frameworks related to document management that it is more cost effective to adopt a hybrid model of storage and scanning;
 - It will improve the efficiency of those colleagues classed as hybrid workers to access records from wherever they are working;

- There will be a reduction in risk of records degrading over time or from records being mislaid or lost;
 - There is the future potential to transfer existing digitised documents from decommissioned systems currently used by NCC onto a new EDMS creating one centralised system to store documents;
 - Improved protection of data through IT mechanisms, through providing a better inventory of records than what NCC has at the current time, using metadata to categorise the sensitivity of the information contained, and adding in automatic retention periods;
 - A reduction in storage costs will be made over the timeframe of the contract, although a certain number of records would still need to be retained in hard copy as defined through legislation (such as deeds, births, deaths, and marriage registers) – these could still be digitised for ease of access and to support the reduction of deliveries;
 - The proposal will help support NCC’s Carbon Neutral aims by requesting less physical box deliveries, a reduction in documentation being printed, reducing the need large amounts of physical storage, and therefore decreasing utility usage (such as electricity).
- ix. The proposal will help support NCC’s Carbon Neutral aims by requesting less physical box deliveries, a reduction in documentation being printed, reducing the need large amounts of physical storage, and therefore decreasing utility usage (such as electricity).

Other options considered

- i. Information Compliance have approached the current supplier and a number of other suppliers for their costings of storage, delivery, and destruction of physical boxes, as well as the scanning and storage of digitised records, with the provision for the use of their own box and document management system. Suppliers have provided the costings in order for the calculation of the projected costings for this report. However, Box-it have not provided new costings for scanning. The new costs include the payment of the uplift and perm-out fee charged by Box-it within the box storage cost projections. There will be further work undertaken with service areas and Information Compliance to understand if the amount of current archival storage is necessary, which may bring the costs down further.
- ii. **Option 1** – Storage only approach (i.e. storage, delivery, destruction of physical paperwork, use of supplier’s box tracking platform)

This option would be the same approach taken by NCC that it has done for the past 13 years, therefore remaining as the ‘status quo’, which is currently unsustainable and not good value for money. Deliveries would still take place to various NCC sites twice a week for colleagues, with the option for the supplier to destroy boxes on NCC’s behalf. The only change would be the use of a supplier’s box tracking platform to reduce the current risk with the internally built-in house

database. This would not support more agile working, will not achieve efficiencies in terms of staff time and resources, not assist with required digitisation projects as well as not supporting NCC's CN28 aims.

- iii. **Option 2** – Digitisation approach (i.e., digitise everything and only store the records that need to be retained in their physical format, destruction of boxes, use of the supplier's document management system and box tracking system)

This approach will not be suitable or affordable given the staff resource and financial constraints that NCC is currently facing. There is no one size fits all approach to digitisation, and so this 'big bang' approach would not be suitable across the varying teams within the organisation.

- iv. **Option 3** – Hybrid approach (i.e. a scan on demand service to reduce deliveries and stored paperwork, supplier's document management system and box tracking system, storage of boxes where required and when not cost effective to scan)

This would be the desired option for this new tender and from conversations with suppliers, would be the best approach to digitising records. Scans can have a level of service dictated to the supplier which could ensure documents can be delivered electronically to colleagues within 24 hours, and then after a set time, the physical paperwork can then be destroyed - reducing physical storage costs. With this reduction of costs over time, it will release funds in the budget to tackle bulk scanning projects, such as citizen records

- v. Options 2 and 3 will require input from across the organisation, with the assistance of staff within Information Compliance. There will need to be extensive thought and planning within each team to create specified file definitions and categorisations so that electronic scanned files can be indexed and utilised effectively by those staff members who need them to undertake their day-to-day work.
- vi. It is envisaged that changes to the provision will enable internal variations to be made on how the system is managed. At the present time, the budget is centralised, maintained by the Information Compliance team. This means that there is no incentive for services to maintain and manage their physical records. By moving towards a more service-based approach, service areas will be responsible for paying to store their own records, paying for box deliveries and destructions. This will help to prevent unnecessary spend on retaining boxes past their retention date and reducing or removing deliveries to sites when the scan on demand service will suffice, allowing for service areas to be involved in the management of their own records with guidance on the relevant statutory requirements from Information Compliance when required.
- vii. Options will also require consultation with the services that request delivery of boxes and FM Services regarding the impact of changes to the type of offsite storage service that is delivered.

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