

## Commissioning and Procurement Executive Committee – 10 September 2024

<b>Subject:</b>	Commissioning of Changing Futures Services for Nottingham – 2025/26 – 2029/30		
<b>Corporate Director:</b> <b>Director:</b>	Roz Howie - Adult Social Care and Health (Interim) Lucy Hubber - Public Health		
<b>Portfolio Holder(s):</b>	Cllr Pavlos Kotsonis - Adult Social Care and Health		
<b>Report author and contact details:</b>	Tracey Ford, Changing Futures Senior Systems Change Commissioning Manager <a href="mailto:tracey.ford@nottinghamcity.gov.uk">tracey.ford@nottinghamcity.gov.uk</a>		
<b>Other colleagues who have provided input:</b>	Tracey Moore – Finance Richard Bines – Legal Jo Pettifor – Procurement Helen Johnston - Consultant in Public Health Nancy Cordy - Senior Public Health Strategy & Service Improvement Manager		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Subject to call-in</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b> <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 in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Type of expenditure:</b>	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
<b>Total value of the decision:</b> £7,346,875			
<b>Wards affected:</b> All			
<b>Date of consultation with Portfolio Holder:</b> 21 August 2024			
<b>Relevant Council Plan Key Outcome:</b>			
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"/>
Healthy and Inclusive			<input checked="" type="checkbox"/>
Keeping Nottingham Moving			<input type="checkbox"/>
Improve the City Centre			<input type="checkbox"/>
Better Housing			<input type="checkbox"/>
Financial Stability			<input type="checkbox"/>
Serving People Well			<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>Changing Futures Nottingham aims to improve outcomes for people experiencing severe multiple disadvantage (SMD), one of four priorities in the Joint Health and Wellbeing Strategy 2022-25. From 2022 to 2024 it has been funded by the national Changing Futures programme, a partnership between the Department for Levelling Up, Housing and Communities (DLUHC) and the National Lottery Community Fund (TNLCF).</p> <p>A new funding stream has been secured from NHS Nottingham and Nottinghamshire Integrated Care Board (ICB). The ICB Health Improvement and Innovation Fund (HIIF) is contributing £981,853 in 2024/25, rising to £1,469,375 in 2025/26 and subsequent years.</p> <p>Key elements of the Changing Futures programme in Nottingham need to be re-commissioned, with new contracts to be let from 01 April 2025.</p>			

The recurrent ringfenced ICB funding has been allocated to Nottingham to continue the Changing Futures programme. This is less than the funding available in 2024/25, the programme is actively pursuing other sources of funding to maximise the impact of the programme and retain current capacity.

This paper requests the approvals for receipt and spend of the HIIIF funding and the re-commissioning of Changing Futures services in Nottingham from April 2025.

**Exempt information:** None

**Recommendation:**

- 1 To approve receipt of £7,346,875 of ringfenced ICS Health Inequalities and Innovation Investment Funding (HIIIF) between 01 April 2025 to 31 March 2030 (£1,469,375 per year).
- 2 To delegate authority to Director of Public Health to;
  - (i) enter into a Section 256 NHTA 2006 Agreement with the Integrated Care Board for the transfer to the Council of the HIIIF of up to £7,346,875 (£1,469,375 per year) from 01 April 2025 to 31 March 2030;
  - (ii) approve the service model for the commissioning of Changing Futures services against the entire budget available:
  - (iii) subject to prior Spend Control / s151 Officer approval:
    - a. to spend £1,469,375 per year for the next five years on Changing Futures services and activity to 31 March 2030 as set out in the indicative budget at appendix A, including the extension of four specialist navigator contracts from 01 April 2025 to 31 March 2026;
    - b. to procure, award and enter into two contracts for Changing Futures services and activity for three years from 01 April 2025, with an option to extend for a further two years from 01 April 2028 for (i) Main Delivery Service and (ii) Partnership Learning Hub;
    - c. to enter into 1-year extensions of four specialist navigator contracts from 01 April 2025 to 31 March 2026;

## 1. Reasons for recommendations

- 1.1 Since 2021/22 Changing Futures funding has been funded by the national Changing Futures programme, a partnership between the Department for Levelling Up, Housing and Communities (DLUHC) and the National Lottery Community Fund (TNLCF). A new funding stream has been secured from NHS Nottingham and Nottinghamshire Integrated Care Board (ICB) for the Changing Futures programme in Nottingham. The ICB Health Improvement and Innovation Investment Fund (HIIIF) is contributing £981,853 in 2024/25 (receipt of which was approved by CPEC on 14 November 2023), rising to £1,469,375 per annum from 01 April 2025 to 31 March 2030. Recommendation 1 seeks approval for the receipt of funding from the ICB for the next five years, to be transferred through a Section 256 (NHTA 2006) Agreement.

- 1.2 Recommendation 2 seeks approval to spend the ICB award to the Changing Futures programme, subject to the mandatory Spend Control Board process having entered into an appropriate section 256 NHS Agreement with the ICB.
- 1.3 All of the funding for Changing Futures services commissioned by Nottingham City Council sits either under ring-fenced grant conditions (national Changing Futures grants from DLUHC and TNLCF) or partnership agreements (the ICB), for which the Director of Public Health is accountable, and the resource must be stewarded in line with these conditions.
- 1.4 The current Changing Futures Main Delivery Service contract expires on 31 March 2025. For 2024/25, the contract was awarded via negotiated procedure without publication. Exemption from Contract Procedure Rules was agreed. As the funding for the services is now recurrent, the services must be competitively procured. Recommendation 2(3)(b) seek to approve to separate the services currently delivered under one contract into two lots and procure separately, under 3 + 2-year contracts. There is an expectation that the programme will attract additional funding over the next five years. The advertised contract values will therefore be in excess of the funding currently secured, to provide flexibility for additional capacity in those contracts; all additional funding will be subject to separate decisions to approve receipt and spend and procurement approach.
- 1.5 Four specialist navigator services designed to meet the needs of women and people from minority ethnicities experiencing SMD were competitively procured in 2023. One-year contracts were awarded from 01 April 2024, each contract has provision to be extended until 31 March 2026. The recommendation also seeks approval to utilise this extension provision. Separate decisions to approve will be needed for re-procurement of that service beyond 31 March 2026.
- 1.6 The ICB funding includes a requirement for the provision of system and programme leadership, through two named posts, a Senior Systems Change Commissioning Manager and a Programme Director. Both posts are currently fixed term until 31 March 2025. Recommendation 2 incorporates approval of the budget allocation for the programme staffing. Under the current arrangements the commissioning post is based in NCC's Public Health team, and the programme director role is hosted by Nottinghamshire Healthcare NHS Foundation Trust. A review of the staffing structure has been proposed to explore the most appropriate future arrangements, including the development of permanent roles. The Nottingham City Changing Futures Programme Delivery Board and Nottingham City Place Based Partnership will advise on this, with the Director of Public Health progressing this as per their delegated authority. The programme staff posts will be established subject to appropriate HR advice and the necessary staffing decisions, consistent with the terms of the ICB funding.

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

- 2.1 Funding for Changing Futures is stewarded by Nottingham City Council's (NCC) Public Health Division. NCC manages the awards on behalf of the Nottingham City Place Based Partnership. Current funding for the programme provided by the Ministry for Housing Communities and Local Government (MHCLG), formerly the Department of Levelling Up, Housing and Communities (DLUHC) and The National Lottery Community Fund (TNLCF) is

due to come to an end on 31 March 2025. Following a successful application to the NHS Nottingham and Nottinghamshire Integrated Care Board (ICB) Health Inequality Improvement Investment Fund (HIIF), £981,853 was awarded for the delivery of the programme in 2024/25 increasing to £1,469,375 in 2025/26 and subsequent years.

- 2.2 There is momentum around the SMD agenda and policy recommendations being formed by government in relation to SMD. There is potential for additional funding for SMD through local and national sources, as yet these are not confirmed.
- 2.3 Partial funding has already been secured for the delivery of embedded practitioner roles in the current year previously funded in totality through the national award. Discussions are underway to ensure the continuation of these posts from 2025/26, with full investment by the host providers. This remains a key component of the Nottingham model, should additional resources be available consideration will be given to extending the reach of these posts.
- 2.4 Previous decisions by NCC have approved the acceptance of the award of funding from the ICB for the delivery of the programme in 2024/25 (along with transitional funding awarded by DLUHC and TNLCF). Further NCC approval is now required for the acceptance of ICB funding from 2025/26 to 2029/30 and proposals to use these resources for commissioning the core requirements of the programme to meet the expectations of the ICB.
- 2.5 The award of £1,469,375 has been given for the following services:

**Specialised 1:1 ‘Navigator’ support** including dedicated roles to assist people from minority ethnicities and women;

**Facilitation of a Multi-Disciplinary Team (MDT)** to bring together system partners to provide a co-ordinated, partnership response to people with the highest acuity of need;

**A Lived Experience Team** (including peer mentors) that puts people’s experiences at the heart of planning and delivery;

**A Partnership Learning Hub (PLH)** providing training and shared learning on approaches that work to all system partners and services;

**Integrated programme leadership** to root the partnership response to SMD in the City and County within secure structures that sustain joint planning, coordination, and use of resources to benefit people who experience SMD and system partners;

**Learning and Evaluation** to demonstrate impact and enable continual development of approaches that work across the system.

- 2.6 The provision of Navigator support (a) above is currently delivered both with the Main Delivery Contract delivered by Framework and through four separate contracts with smaller, specialist providers (two contracts with Al Hurraya for the provision of services with an ethnicity focus; one held by POW focused on Violence Against Women and Girls; and a contract with the Women’s Centre focused on Domestic and Sexual Violence and Abuse).

- 2.7 The MDT (b), Lived Experience Team and Peer Mentoring (c) and the Learning and Evaluation Service (f) are currently included within the contract for the provision of the Main Delivery Service. The PLH (d) (known as the Practice Development Unit) is currently subcontracted by the Main Delivery Service. All services currently delivered under the Main Delivery Contract must be competitively tendered, with services to commence from 01 April 2025 following the expiry of the current contract on 31 March 2025.
- 2.8 The Specialist Navigator contracts to assist people from minority ethnicities and women are also scheduled to come to an end on 31 March 2025, but each of these contracts has a compliant option to extend delivery to 31 March 2026.
- 2.9 An open invitation meeting with prospective providers and other stakeholders was held on 27 June 2024 to help plan the development of proposals for the commissioning requirements of the programme from 2025/26. At that meeting, it was suggested that the MDT, Lived Experience Team, Peer Mentor Team and the Learning and Evaluation Service should, for practical and operational reasons, be commissioned as part of the core specification for the main delivery service, including the navigators not attached to a specialist service.
- 2.10 There are ongoing interfaces between these services. Navigators within the main delivery service both refer to and inform the Lived Experience Team. The Peer Mentor Team matches mentors with beneficiaries in partnership with the navigators, and navigators steer the deployment of the peer mentors, reporting back to the Peer Mentor Team Leader. The Learning and Evaluation Service needs unfettered access to the case management system hosted by the main delivery service in order to service ongoing evaluation and reporting and needs to be able to influence timeliness and quality of reporting through the navigators' managers.
- 2.11 It was suggested that the PLH could stand alone and did not need to be subcontracted by the Main Delivery Service, it could instead be commissioned directly by NCC.
- 2.12 Consultations have also taken place with Nottingham's SMD Partnership and the Experts by Experience Board. The proposed model of delivery has been extensively co-produced over the duration of the programme, involving people with lived experience of SMD, other stakeholders and the current partnership Programme Delivery Board. Views were incorporated into the bid for the core elements of the programme, that is what is being funded by the ICB.
- 2.13 Feedback from all consultations indicated broad support for this model and approach to procurement. The recommendations are supported (subject to formal approval by NCC) by the Nottingham City Changing Futures Programme Delivery Board.
- 2.14 There was also support to keep the specialist navigator services separate from the Main Delivery Service in order to maintain the ability to directly contract with community organisations. Recommendation 2(3)(c) is to extend the four specialist navigator contracts in line with the extension provisions to 31 March 2026. This extension is permissible under the Public Contracting Regulations and the contracts were procured with the optional extension compliantly with NCC's procurement thresholds. It is anticipated that re-procurement will take place during 2025 subject to separate future approval.
- 2.15 Recommendation 2(3)(b) seeks approval to tender for two lots with services to commence on 01 April 2025:

## **i) Lot 1 - Main Delivery Service**

- a) Specialised 1:1 Navigator support;
- b) A Multi-Disciplinary Team;
- c) A Lived Experience Team (including peer mentors);
- d) Learning and Evaluation.

To be advertised with a minimum value as per Appendix A.

## **ii) Lot 2 – Partnership Learning Hub**

The Partnership Learning Hub (PLH).

To be advertised with a minimum value as per Appendix A.

- 2.16 The values have been given for the minimum contract price, together with an estimate of additional investments. Additional resources for the delivery of the programme from 2025/26 are unconfirmed but may include additional funding awarded by related national programmes and in line with other local partners' interests. At present, the only confirmed commitment to the programme is the investment from the ICB. Contracts will be advertised at potential higher values to allow for flexibility in the contracts over their lifetimes, enabling additional capacity to be added when additional resources become available.
- 2.17 To retain services at their current level within the Main Delivery Service will require additional investment. Priorities for additional resources would include increasing capacity through recruiting more core navigators, reinstating the enhanced MDT capacity, increasing lived experience support, increasing flexible budgets and, if not transferred to direct employment by the Probation Service, retaining the probation embedded practitioner, currently employed by the Main Delivery provider and seconded into the Probation Service. Additionality with the PLH services would include extending the offer to a wider geographical area, increasing the focus of resources such as tailoring trauma informed care to particular organisations, such as those in criminal justice and coordinating additional in person events. The specifications will provide a narrative on the types of additionalities the providers would need to be willing to offer.
- 2.18 Local partners may choose to invest in Changing Futures services. Additionally, NCC may determine value can be gained by realigning funding to the Changing Futures programme to reduce costs and pressures on other services, such as homelessness and adult social care. Some may be interested in investing in workforce development through the PLH, others may be interested in investing in the main delivery services. Nationally, though this year's Changing Futures funding was for a final year to transition to local funding, it is possible that the Government will review its investment proposals and continue the Changing Futures programme. Changing Futures in Nottingham is ambitious and optimistic that additional resources will be found.
- 2.19 The integrated programme leadership includes two posts. The Programme Director is currently based in Nottinghamshire Healthcare NHS Trust, the Senior Systems Change Commissioning Manager is employed by NCC in the Public Health Team. Originally fixed term posts to 31 March 2024, these posts have been extended for a further year. Both posts are required in the ICB model, to provide system leadership, and commission effectively on behalf of NCC, in line with its governance arrangements.

- 2.20 There is currently no inflationary uplift provided for in the ICB funding. therefore, flexible service contract terms will be needed to facilitate any future inflationary uplift at the discretion of NCC, but subject to additional funding being identified, that may be necessary to continue to maintain delivery at the initial levels. There is less funding allocated to the programme in 2025/26, as at present the national Changing Futures funding from TNLCF and MHCLG is scheduled to come to an end.
- 2.21 The indicative budget for spending the ICB award is attached at Appendix A. Additional resources will be required to meet inflationary costs, or services will have to reduce over the course of the contracts. Contracts will include provision that allows for increases should resources, including increased income from the ICB, become available, should NCC consider this appropriate.

### **3. Other options considered in making recommendations**

- 3.1 The current contracts have been aligned such that they cease on 31 March 2025. Without re-commissioning or extending, there would be no commissioned Changing Futures services and a lack of specialist, intensive provision for people experiencing SMD, with NCC failing to maximise the opportunity offered by the ICB's HIIIF grant. Under a 'do nothing option' without the grant funding for the core elements funded by the ICB, there would be no chance of attracting additional funding through partners or a national programme. NCC would not fulfil its partnership role with wider preventative benefits with a lack of benefit for Nottingham residents.
- 3.2 Reprocurring all services, including the Specialist Navigators, was considered as an option. This is not possible for operational and capacity reasons. There would be significant risk to the continuity of services. To minimise the risk around transition, the programme has recommended the option to extend existing agreements where provided for within existing contracts. These services are distinct from the main delivery contract, currently delivered by community organisations, run by and for the communities they represent.
- 3.3 It was also considered to procure the main delivery service and the Partnership Learning Hub together. This is how the services are currently delivered, with the PLH sub-contracted by the main delivery provider. To separate the contracts gives greater accessibility to delivery for new partners to the Changing Futures programme. It also gives greater accountability for managing the service directly by NCC.

### **4. Consideration of Risk**

- 4.1 There are risks associated with not accepting the funding and ceasing all Changing Futures services on 31 March 2025 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 ICB's ringfenced grant funding runs to March 2030, subject to review. The ability to demonstrate the impact of this programme in reducing health inequalities is vital in ensuring there is a compelling case for ongoing funding. The programme includes a Learning and Evaluation function which will assess

the effectiveness of the services in Nottingham, to inform the ongoing use of all partner funding contributions for SMD services on an impactful and sustainable footing.

- 4.3 There are risks associated with the lack of inflationary uplift being provided for in contracts. The contracts may become unsustainable if providers are subject to inflationary pressures, and services can't be maintained at the levels originally envisaged. To avoid this, and the risk that price will be inflated at the outset by providers, the contractual flexibility outlined in para 2.20 can be provided for, subject to the availability of future funding and discretion of NCC.
- 4.4 There are substantial risks if there is no smooth onward provision of the Main Delivery Service with anticipated loss of experienced staff (as occurred during the transition from Opportunity Nottingham) and interruptions to delivery. Consideration has been given to contracting arrangements that will promote stability in the market, with contracts being offered for a minimum of three and up to five years.
- 4.5 It is anticipated that TUPE will apply. There are particular considerations regarding the workforce within commissioned services. Workforce information will be supplied during the tender to enable tenderers to consider. This activity will need to be picked up by the awarded providers. There is a tight timeline, with the newly procured services needing to go live on 01 April 2025 to ensure a seamless transition. It is intended to make decisions on contract award before Christmas to allow progress on TUPE and the awarded provider to develop its staffing model and provide security for retained staff as far in advance of the new contract commencing as possible.
- 4.6 This is a complicated commissioning exercise due to the scale and need to build flexibility into the new contracts. The minimum programme for Changing Futures in 2025/26 onwards is funded by the ICB and contracts will be written such that NCC is not exposed to separate financial risk.. Additional funding for Changing Futures programme delivery will be sought. As noted in the background (2.1-2.3) there has been a mixed funding model for the Changing Futures programme to date and it is anticipated the commissioned services will need a suitable model of contract to enable the inclusion of future investment consistent with the purpose of that contract. The tender and contracts will provide flexibility to allow for additional funding to be added, with advertised values reflecting the maximum potential funding during the life of the contract. Clauses will need to be included in contracts to allow for abrupt changes in funding.

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

- 5.1 As outlined by the report author, this decision seeks approval for the receipt and spend of funding from NHS Nottingham and Nottinghamshire Integrated Care Board (ICB) to continue the Changing Futures Programme between 2025/26 to 2029/30. This follows a previous decision on 14 November 2023 at the Commissioning and Procurement Executive Committee.
- 5.2 The total value of this decision is £7,346,875 over 5 years:

Changing Futures	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL
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NHS Nottingham and Nottinghamshire Integrated Care Board Health Inequalities and Innovation Fund	£1,469,375	£1,469,375	£1,469,375	£1,469,375	£1,469,375	<b>£7,346,875</b>
<b>TOTAL Grant 01/04/25 to 31/03/30</b>	<b>£1,469,375</b>	<b>£1,469,375</b>	<b>£1,469,375</b>	<b>£1,469,375</b>	<b>£1,469,375</b>	<b>£7,346,875</b>

5.3 The grant funding will be transferred under section 256 of the National Health Service Act. All grant funding must be spent between 01/04/2025 to 31/03/2030 and in line with the funding proposals. The authority is required to manage receipt of this funding in line with the 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.

5.4 The forecast spend of the grant is set out in appendix A.

5.5 The decision seeks to:

- undertake a procurement process for 2 services (Lot 1 and Lot 2) for 3 years with an option to extend for a further 2 years;
- extend navigator contracts from 1 April 2025 to 31 March 2026.

The service will need to ensure the contract is robustly monitored, ensuring that the performance is as required and value for money is being delivered.

5.6 Part of the grant will be used to continue funding a staffing post within the Public Health team. Any changes to existing staffing arrangements will require further approval.

5.7 Once any decision is approved, a budget virement will be posted to realign the grant income and expenditure budgets, supporting the service to robustly monitor the budgets and spend.

5.8 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.

Assumptions:

The grant is sufficient to cover the costs of this proposal. Any adverse changes to the grant allocation will need to be mitigated by the service, ensuring no financial pressure arises.

Any additional funding received or costs that are incurred that are not included in the value above will require further approval being sought where required in line with Council process.

Any changes to Nottingham City staffing posts not included in this report would seek further approval where required in line with Council process'.

This decision is subject to approval from Spend Control Board.

Tracey Moore, Commercial Business Partner – 12/08/2024

6. Commissioners' comments: Commissioners have noted the content of the reports and have no further comments

7. **Legal colleague comments**

7.1 Authorisation is sought for the acceptance of funding from the ICB HIIIF under a s256 NHS Act 2006 agreement to spend on the identified project, which includes spend on the procurement of services and staff to support delivery of the project to improve clinical outcomes, by providing person centred, intensive support to people facing Severe Multiple Disadvantage "SMD", improving access to, and maintaining engagement with services.

7.2 Prioritising support to people in greater need, specifically people experiencing SMD is a priority in the recently published Nottingham and Nottinghamshire Integrated Care Strategy. Improving experiences and outcomes for people who experience SMD is also one of four priorities in the Joint Health and Wellbeing Strategy for Nottingham City 2022-25, which the ICB has a statutory duty to have regard to.

7.3 Section 256 of the NHS Act 2006 and the associated National Health Service (Conditions Relating to Payments by NHS Bodies to Local Authorities) Directions 2013 ("the Directions") provide a legally complaint pathway and the common conditions concerning financial management that must be complied with for payments between NHS bodies and a local authority for the transfer of funding intended for expenditure on community services.

7.4 Before making a payment, the ICB must be satisfied that the payment is likely to secure a more effective use of funds than if an equivalent amount was spent by them (see 2(2) of the Directions). The ICB must also be satisfied that the Council will meet any costs not covered by the proposed payment and for so long as the project is considered necessary or desirable (see 2(5) of the Directions). In providing this assurance in the s256 agreement the Council will need to ensure it has mitigated this risk by ensuring that any such costs are budgeted for or ensuring that there are none. The ICB must ensure the payment is used in the most efficient and effective way possible and prepare an agreement in the form set out in the directions for the purposes of the transfer of the payments.

7.5 If the Council were not to provide the agreed level of service under the agreement, the ICB must reduce any further payments accordingly as prescribed in the Directions. To ensure compliance with the duties under the aforementioned legislation, any s256 agreement between the parties should contain the relevant assurances, provide certainty over the funding amount, the duration and nature of the project and services to be provided for, and set

out clear conditions for the use of funding and provide for the possibility of clawback to minimise the risk of challenge to the funding arrangements.

7.6 Transfer of the funding awarded to the Local Authority is by the ICB. The ICB is a public authority within the Subsidy Control Act 2022 definition, however the funding does not comprise a subsidy and require assessment by the ICB against the Subsidy Control Act 2022 principles, as the transfer is to a Local Authority and not an enterprise undertaking economic activity which entails the offering of goods or services on a market. Whilst any additional funding arrangement with partners in relation to future funding will need assessment against the Subsidy Control Act 2022, the aforementioned position is expected to remain the case where the Council is the recipient. It is understood that any spend of the funding by the Council in due course, on third party service provider contracts will also not comprise a subsidy, as the healthcare services funded through public resources will be provided for free at the point of access and will not be considered commercial activities for the purposes of the subsidy control regime. Furthermore, it is understood there would be no distortion of the market as the financial assistance is being used for the purchase of a service through a procurement process which will be tendered at the market price and is to be open and competitive. To ensure this is the case and that the PCR 2015 (or the Procurement Act 2023, if applicable) and Council's Contract Procedure Rules are complied with the Council must ensure that the procurement process:

- gives equal and non-discriminative treatment to all bidders;
- is open and transparent;
- is carried out in a proportionate manner.

7.7 The extension sought in relation to the existing Specialist Navigator Service contracts, procured in compliance with the Public Contracts Regulations 2015 (PCR's), (which means that the PCR 2015 and not the new Procurement Act 2023 will apply to the modification despite the modification occurring after 28 Oct 2024) is considered to comprise a permissible variation in accordance with Article 18.110 of the Council's Contract Procedure Rules, without a new procurement procedure being required. The proposed extension equates to a non-substantial modification within the provisions of Regulation 72(1)(a) as it is understood the modification has been provided for in the original procurement documents in a clear, precise and unequivocal review clause stating the scope and nature of the possible modification or option as well as the conditions under which it may be used and it does not alter the overall nature of the contract.

7.8 Best value in relation to any newly procured contracts should be secured through the competitive process, with the evaluation of the best possible service for the price, and through robust ongoing contract management.

7.9 Prior associated Spend Control Board approval is required for any variation, any newly procured services and spend on the relevant staff posts, as these will give rise to new agreements/ contracts or commitment of expenditure effective from the 01.04.2025.

7.10 Any funding conditions attached to the funding streams outlined (i.e. the s.256 agreement or any future funding arrangements) will need to be observed and managed in accordance with processes already established to avoid any risk of claw-back, this will include cascading any relevant conditions down into any

subsequent service contracts. Mechanisms should be built into any service contracts to mitigate financial pressures which may arise to accommodate situations where indicative funding in future years doesn't materialise as planned, or to allow for contracts to be varied to accommodate additional services, together with possible inflationary increases as the discretion on the Council, subject to the availability of funding.

- 7.11 It is essential that robust contract monitoring, and management is maintained throughout the period for any contracts are awarded, regularly reviewing performance/KPI's and ensuring the contracts are fit for purpose and continue to achieve value for money throughout the commissioning period. All contracts will need to be managed in accordance with internal NCC finance and governance arrangements.
- 7.12 So far as the use of funding for staff provision is concerned it should be noted that after two years continuous employment with the Council any relevant employees will have accrued full employment law rights which include the right not to be unfairly dismissed and the entitlement to statutory redundancy pay or any enhanced redundancy pay if there is an applicable scheme. In so far as any possible transfer of role from a previous employer, following review, to the Council or to any new provider, is concerned, then under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended) — the TUPE regulations — any employees transferring from one employer to another will continue to enjoy the same terms and conditions of employment, and their existing employment rights will remain intact. These employees will also carry over the same continuity of employment for the purposes of any 2 year employment rights for which continuous service is a qualifying requirement. This must be costed and budgeted for.

Richard Bines, Contracts and Commercial Team - 24.07.2024.

## 8. **Other relevant comments**

### 8.1 **Procurement**

This report relates to the receipt and expenditure of Integrated Care Board Funding for the delivery of Changing Futures Programme Services, through the commissioning of services through external contracts and funding project related staff posts.

The proposed procurement of the Main Delivery Service and Partnership Learning Hub will be undertaken through open tender in compliance with UK Procurement Regulations and NCC Contract Procedure Rules. The tender and contracts will provide for the possibility of additional funding being added should further funding be secured, with advertised values reflecting the maximum potential funding during the life of the contract. Best value will be secured through competition, with the evaluation of the best possible service for the price, and through robust ongoing contract management.

In relation to the proposed extension of Navigator contracts, this is provided for within the existing contracts and is therefore permissible and will provide continuity of services. Review of future requirements for these services should be completed in time to secure ongoing provision, if needed, through a compliant process.

Indirect economic benefits are expected from the delivery of these services through reduced costs in other parts of the system eg health, criminal justice and homelessness. It is recommended that prior market engagement is undertaken to mitigate the risks arising from a limited specialist market for this type of provision. It is anticipated that TUPE will apply and this will be managed during the tender process.

Jo Pettifor, Category Manager - 24<sup>h</sup> July 2024

## **9. Crime and Disorder Implications**

- 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. Further research showed the significant costs to the CJS of people with SMD who were arrested, using a cost calculator developed by Fulfilling Lives Newcastle and Gateshead.

## **10. Social value considerations**

- 10.1 High quality services add social value through improving the outcomes for people affected by SMD, their wider families and communities. The Procurement Strategy objectives for promoting social value and maximising economic, social and environmental benefits will be applied here, including considering how some services will be delivered in smaller contracts to ensure accessibility for local or smaller organisations.
- 10.2 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.

## **11. Regard to the NHS Constitution (If Applicable)**

- 11.1 The development of Nottingham's Changing Futures programme was undertaken in collaboration with the Place Based Partnership. NHS Nottingham and Nottinghamshire Integrated Care Board is the core, and as yet, only secured funder of the programme from 2025/26 onwards, having committed to recurrent funding to at least 2030.

## **12. Equality Impact Assessment (EIA)**

- 12.1 An Equality Impact Assessment will be completed on the approved commissioning model, and due regard will be given to any implications identified within it.

## **13. Data Protection Impact Assessment (DPIA)**

- 13.1 A Data Protection Impact Assessment will be completed on the approved commissioning model, and due regard will be given to any implications identified within it.

## **14. Carbon Impact Assessment (CIA)**

14.1 A Carbon Impact Assessment will be completed on the approved commissioning model, and due regard will be given to any implications identified within it.

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 None.

**APPENDIX A - Commissioning of Changing Futures Services for Nottingham – 2025/26 – 2029/30**

**Table 1 Indicative Budget 2025/26 - 2029/30 ICB Income**

	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
Income						
ICB	£1,469,375	£1,469,375	£1,469,375	£1,469,375	£1,469,375	£7,346,875
<b>TOTAL</b>	<b>£1,469,375</b>	<b>£1,469,375</b>	<b>£1,469,375</b>	<b>£1,469,375</b>	<b>£1,469,375</b>	<b>£7,346,875</b>
<b>Staffing</b>						
Programme Director <sup>^</sup>	£100,142	£105,149	£109,881	£114,276	£118,847	£548,295
Commissioning Manager <sup>^</sup>	£84,404	£88,203	£91,731	£95,400	£99,216	£458,954
<b>TOTAL</b>	<b>£184,546</b>	<b>£193,352</b>	<b>£201,612</b>	<b>£209,676</b>	<b>£218,063</b>	<b>£1,007,249</b>
<b>Services</b>						
Main Delivery Service	£999,032	£977,222	£968,962	£960,898	£952,511	£4,858,625
Practice Development Unit	£103,798	£103,798	£103,798	£103,798	£103,798	£518,990
Specialist navigators x 4*	£181,999	£195,003	£195,003	£195,003	£195,003	£962,011
<b>TOTAL</b>	<b>£1,284,829</b>	<b>£1,276,023</b>	<b>£1,267,763</b>	<b>£1,259,699</b>	<b>£1,251,312</b>	<b>£6,339,626</b>
<b>TOTAL</b>	<b>£1,469,375</b>	<b>£1,469,375</b>	<b>£1,469,375</b>	<b>£1,469,375</b>	<b>£1,469,375</b>	<b>£7,346,875</b>

Notes:

\*Specialist navigator services will be subject to review and procurement from 2026/27 onwards. Spend approval for expenditure relating to this element will be subject to a further separate decision in due course.

<sup>^</sup>Leadership posts will be subject to nationally agreed pay awards, and where relevant, increments. These have been budgeted for in line with MTFP assumptions.





**Table 2 - Spend Decisions in Report**

		2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
Income	Core (ICB)	£1,469,375	£1,469,375	£1,469,375	£1,469,375	£1,469,375	£7,346,875
<i>Services to be procured</i>							
Main Delivery Service	Core	£999,032	£977,222	£968,962	£960,898	£952,511	£4,858,625
Practice Development Unit	Core	£103,798	£103,798	£103,798	£103,798	£103,798	£518,990
	TOTAL	£1,102,830	£1,081,020	£1,072,760	£1,064,696	£1,056,309	£5,377,615
<i>Contracts to be extended</i>							
Specialist navigators x 4	Core	£181,999					£181,999
	TOTAL	£181,999					£181,999
<b>TOTAL</b>							
	Core	£1,284,829	£1,081,020	£1,072,760	£1,064,696	£1,056,309	£5,559,614