

**COMMISSIONING AND PROCUREMENT SUB COMMITTEE**  
**14 JANUARY 2015**

<b>Subject:</b>	<b>NOTTINGHAM CITY COUNCIL PROCUREMENT PLAN 2014-2018</b>		
<b>Corporate Director(s)/ Director(s):</b>	Candida Brudenell – Strategic Director Early Intervention		
<b>Portfolio Holder(s):</b>	Councillor Alex Norris – Portfolio Holder for Commissioning Councillor Nick McDonald – Portfolio Holder for Procurement		
<b>Report author and contact details:</b>	Jo Pettifor – Strategic Procurement Manager Tel: 0115 8765026 Email: <a href="mailto:jo.pettifor@nottinghamcity.gov.uk">jo.pettifor@nottinghamcity.gov.uk</a>		
<b>Key Decision</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<b>Subject to call-in</b>
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b>	<input type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision
			<input 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 type="checkbox"/> No
<b>Total value of the decision:</b> Nil			
<b>Wards affected:</b> All	<b>Date of consultation with Portfolio Holder(s):</b> Councillor Norris – 17 December 2014 Councillor McDonald – 30 December 2014		
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter			<input type="checkbox"/>
Cut crime and anti-social behaviour			<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input type="checkbox"/>
Help keep your energy bills down			<input type="checkbox"/>
Good access to public transport			<input type="checkbox"/>
Nottingham has a good mix of housing			<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input type="checkbox"/>
Support early intervention activities			<input type="checkbox"/>
Deliver effective, value for money services to our citizens			<input type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
This report presents the Nottingham City Council Procurement Plan for 2014 – 2018 which sets out the planned programme of procurement activity for the Council. The Procurement Plan 2014-2018 is attached in Appendices 1- 6. The report also updates on progress made with procurement activity since the last Procurement Plan for the Early Intervention Directorate was presented to the Executive Board Commissioning Sub-Committee in July 2015 (Appendix 7).			
<b>Exempt information:</b>			
None			
<b>Recommendation(s):</b>			
<b>1</b> To note the Nottingham City Council Procurement Plan 2014 – 18.			
<b>2</b> To note that the Plan is indicative of planned procurement activity and timescales, which may be subject to change dependent on the outcomes of the strategic commissioning process, service budgets and priorities and the full consideration of procurement options for each requirement.			

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 A Procurement Plan was first developed to align procurement and contracting activity for commissioned services with the planning of the Strategic Commissioning Intention (SCI) programme within the former Quality and Commissioning Directorate. The Plan continues to provide a tool for joint planning between Commissioning and Procurement; ensuring procurement activity is fully embedded within the SCI programme.
- 1.2 The Procurement Plan assists compliance with the Public Procurement Regulations and the Contract Procedure Rules of the Council's Financial Regulations by enabling procurement activity to be planned and undertaken within the duration of existing contracts. This avoids the need for dispensation from the Financial Regulations to be sought to extend contracts beyond their expiry date without formal tendering being undertaken, other than in genuinely exceptional circumstances. This is particularly important in relation to services that are subject to the full application of the European Directives.
- 1.3 The Procurement Plan provides information for internal and external stakeholders about planned procurement activity, and facilitates joint working on these projects. It allows other service departments (such as Legal Services) to include support activities for this process in their work plans and will present to stakeholders a clear, transparent and robust process of procurement planning aligned with the strategic commissioning process.
- 1.4 The Procurement Plan provides a tool for the planning of all the Council's procurement activity alongside the other activities, which include contract management across a range of contract categories.

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 The Plan was first reported to Committee at its meeting on 23 May 2012. It has subsequently been updated based on the progress of and outcomes emerging from the SCI Reviews and update reports have been regularly presented to Committee over the last 2 years.
- 2.2 Following the establishment of the Early Intervention Directorate and the integration of the procurement function within the Quality and Efficiency Service Area, the Procurement Plan was extended to present all the planned procurement activity across all Departments of the Council. A copy of the updated Procurement Plan 2014 – 2018 is attached at Appendices 1- 6. It presents planned and anticipated procurement activity organisation wide across all procurement categories, with the expected commencement and completion dates and anticipated key stages for each project. The Procurement Plan is indicative procurement activity and may be subject to change, for example (for commissioned services) based on the outcome of an SCI Review, or as a result of changes to service budgets and service priorities.
- 2.3 The procurement options for each requirement are considered as part of the commissioning process based on a number of factors, including:
  - whether the services are required in future,
  - whether remodelling is necessary,
  - consideration of 'Make or Buy' options,
  - compliance with the Council's financial regulations,

- Public Procurement Regulations
  - the overall risks, costs and benefits of tendering.
- 2.4 All procurement activity is planned in accordance with the core principles of the Nottingham City Council Procurement Strategy 2014-17:
- Economic, social and environmental well being;
  - Maximising savings;
  - Citizen focus;
  - Governance, fairness and transparency;
  - Partnership and collaboration;
  - Innovation and improvement
- 2.5 Appendix 7 presents a progress update on procurement activity across all categories since the July report to Committee, including outcomes delivered through procurement activity.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 3.1 Do nothing. This would impact on the planning of the Council's procurement activity across all goods and services. In relation to commissioned services it would impact on the alignment of procurement activity with the programme of SCI Reviews undertaken by the Early Intervention Directorate. It would risk non-compliance with the Council's Contract Procedure Rules and Financial Regulations through contracts needing to be extended beyond their expiry date, for example due to commissioning and procurement activity (for example through SCI reviews) not being undertaken in a timely way. For these reasons, this option was rejected.

### **4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

- 4.1 This report does not have any specific financial implications.
- 4.2 As each element of the Procurement Plan set out in Appendices 1-6 is undertaken, separate approvals will be required by the relevant Board or Portfolio Holder as appropriate. This approval will include the appropriate financial implications and recommendations aligning any procurement savings to:
- Current Big Ticket programmes included in the Medium Term Financial Plan (MTFP);
  - Service specific savings included in the MTFP;
  - Category management saving included in the MTFP or
  - The mitigation of budget pressures arising from demographic growth.

### **5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

- 5.1 The Council's Contract Procedure Rules and Financial Regulations and European Procurement Regulations dictate that the Council should undertake a formal tender process for the award of contracts of a particular value. The Procurement Plan addresses the risk of non-compliance with the Contract Procedure Rules by providing a tool for planning procurement activity across all contracts based on their expiry date.

- 5.2 The Procurement Plan sets out an ambitious programme of procurement activity for the Council across all categories of goods and services. Planned procurement activity includes the re-tendering of existing contracts prior to expiry, alongside anticipated procurement to meet new priorities identified through the strategic commissioning process. The delivery of this programme of activity depends upon the necessary resources being available. In relation to commissioned services, the number of tenders actually undertaken will be dependent on the outcomes of the strategic commissioning process (including the full consideration of procurement options and implications) and will be subject to further decision making during the SCI process.

#### **Legal Observations:**

- 5.3 The recommendations in this report raise no legal issues. The intention of the Procurement Plan is to ensure compliance with the Council's Constitutional requirements in obtaining Best Value, together with compliance with the Public Contracts Regulations 2006 (as amended) in respect of EU compliant procurement activity.
- 5.4 New procurement Directives were introduced in 2014 and it is anticipated that early in 2015 the European law will be transposed into domestic legislation by way of new Regulations. As such, the Procurement Team will need to be fully aware of the proposed changes as this will impact on current process.
- 5.5 Legal Services will provide support and contribute to the delivery of the Procurement Plan by advising on relevant legislation, legal and commercial risks, and drafting and approving of contract documents.

## **6 SOCIAL VALUE CONSIDERATIONS**

- 6.1 The Nottingham City Council Procurement Strategy 2014-17 sets out how procurement will drive the Council's key priorities of economic growth, social value and sustainability. It outlines how procurement will contribute to the economic, social and environmental well-being of the City through consultation, supporting the local economy, supporting social benefits and protecting the environment.
- 6.2 For each procurement process, consultation will be undertaken and full consideration will be given to how the goods or services procured could improve economic, social and environmental well-being in Nottingham. In relation to commissioned services for vulnerable adults and children, social improvements are expected for those receiving services. Economic improvements are expected with regard to the terms under which service providers employ their staff. Such considerations will support compliance with the Public Services (Social Value) Act 2012 and this will be developed in the procurement process. Appendix 7 presents the outcomes delivered through procurement activity since April 2014 including contracts awarded to local suppliers and employment and training opportunities.

## **7 REGARD TO THE NHS CONSTITUTION**

- 7.1 Local authorities have a statutory duty to have regard to the NHS Constitution when exercising their public health functions under the NHS Act 2006. In making this decision relating to public health functions, we have properly considered the NHS Constitution where applicable and have taken into account how it can be applied in order to commission services to improve the health of the local community.

## **8 EQUALITY IMPACT ASSESSMENT (EIA)**

8.1 An EIA is not needed, as the report does not contain proposals for new or changing policies, services or functions.

## **9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

9.1 None

## **10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

10.1 Quality and Commissioning Procurement Plan – Report to Executive Board Commissioning Sub-Committee, 23 May 2012.

10.2 Nottingham City Council Procurement Plan 2014 – 2018 – Report to Executive Board Commissioning Sub-Committee, 16 July 2014

10.3 Nottingham City Council Procurement Strategy 2014-17

## **11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

11.1 Vivien Bolland, Senior Procurement Manager, Early Intervention Directorate

11.2 Naomi Vass, Senior Solicitor, Legal Services, Resources

11.3 Ceri Walters, Acting Head of Departmental Financial Support, Resources