

NOTTINGHAM CITY COUNCIL

COMMISSIONING AND PROCUREMENT SUB-COMMITTEE

MINUTES of the meeting held at LB32 - Loxley House, Station Street, Nottingham, NG2 3NG on 14 January 2015 from 14.00 - 14.29

Membership

Present

Councillor Alex Norris (Chair) – Portfolio Holder for Adults, Commissioning and Health

Councillor Jon Collins - Portfolio Holder for Strategic regeneration and Schools

Councillor David Liversidge - Portfolio Holder for Community Safety, Housing and Voluntary Sector

Councillor Dave Trimble - Portfolio Holder for Leisure and Culture

Absent

Councillor Nick McDonald - Portfolio Holder for Jobs and Growth

Councillor David Mellen (Vice Chair) – Portfolio Holder for Children's Services

Colleagues, partners and others in attendance:

Katy Ball	- Director, Procurement and Children's Commissioning
Candida Brudenell	- Strategic Director, Early Intervention
Anna Coltman	- Policy Officer
Antony Dixon	- Strategic Commissioning Manager
Bobby Lowen	- Lead Commissioning Manager
Colin Monckton	- Director of Commissioning, Policy and Insight
Steve Oakley	- Head of Quality and Efficiency
Jo Pettifor	- Strategic Procurement Manager
Helen Kearsley-Cree	- Chief Executive, Nottingham Community and Voluntary Service (NCVS)

Call-in

Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until **27 January 2015**.

1 APOLOGIES FOR ABSENCE

Councillor David Mellen, other Council business.

2 DECLARATIONS OF INTEREST

None.

3 MINUTES

The minutes of the meeting held on 10 December 2014 were confirmed and signed by the Chair.

4 VOLUNTARY SECTOR UPDATE

Helen Kearsley-Cree of Nottingham Community and Voluntary Services (NCVS) provided an update for the Sub-Committee on the following issues:

- (a) NCVS continues to work alongside Market Development to support the Nottingham City Council's Procurement Strategy. The sector is structuring at the citywide level specifically in 2 provider networks to support commissioning, including involvement in commissioning reviews and procurement. The Vulnerable Adults Provider Network has 82 member organisations and the Children and Young People's Provider Network has 107 member organisations across the city.
- (b) Small Firms Enterprise Development Initiative (SFEDI) – the awarding body is moving to ratify a new programme, developed here with NCVS, for qualifications in Starting and Managing a Value Led Organisation. NCVS are moving away from terms such as social enterprise and social business towards a 'value led organisation'.
- (c) The decision will be with the NCVS trustees next week regarding the potential closure of the Volunteer Centre service. Closing this service will impact adversely on vulnerable adults. Up to date statistics show that:
 - (i) Last week 68% of the people who came to help to get into volunteering were looking for roles that spanned prevention/early intervention through to direct care opportunities.
 - (ii) Last week, 76 community and voluntary groups came to NCVS for help to recruit to their 84 volunteer roles.
 - (iii) 2,300 people per year come to the service to become active as volunteers. Of these, 60% are unemployed people who look to volunteering to help with their skills, their confidence, and the need for routines towards employment
 - (iv) Other vulnerable adults are accessing volunteering as a method to support their recovery or as a method of prevention.
 - (v) NCVS is seeing a marked increase in demand from people wanting to engage in volunteering as a form of prevention or as a way to manage their conditions. The Volunteer Centre team are preparing a Supported Volunteering project for submission to EU Theme 9.

5 WORK PROGRAMME

Antony Dixon, Strategic Commissioning Manager, presented a work programme for the Sub-Committee, covering the period February 2015 to June 2015.

RESOLVED to note the provisional agenda items shown below:

- 11 February 2015:** **ICELS Commissioning Arrangements;
Early Intervention Directorate Commissioning
Intentions;
Health Visiting and Family Nurse Partnership
Transfer;
Approval of Crime and Drugs Partnership Funding
Allocation Spend 2015/16;**
- 11 March 2015:** **Children & Young Peoples Review Commissioning
Intentions;**
- June 2015:** **Learning Disability Strategic Commissioning Review
Commissioning Intentions.**

6 PROCUREMENT PLAN UPDATE

Jo Pettifor, Strategic Procurement Manager, and Steve Oakley, Head of Quality and Efficiency, presented the update to the Nottingham City Council Procurement Plan 2014-2018, highlighting the following points:

- (a) Governance and support for the plan will be looked at. The document is still subject to further streamlining.
- (b) The Procurement strategy is being tracked to measure its success. 90.5 jobs have been created at the time of writing the plan, with this figure set to increase.
- (c) The Procurement Plan will be revisited on a six monthly basis; the planned activity currently reported is for the next three years. This activity includes local spending, local jobs, savings, and implementation. There are now 153 local jobs with savings of over £5 million. 174 procurements are also under way.

Following questions and comments from the Sub-Committee, additional information was provided:

- (d) There are still items being added in as the need arises.
- (e) There are now over 1,100 contracts in the contract register.
- (f) Report authors will look into the plan to see if the pre-procurement and planning procurement can be laid out in a different way.

RESOLVED to:

- (1) **note the Nottingham City Council Procurement Plan 2014-18;**
- (2) **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;**

7 EMERGENCY HARDSHIP FUND - KEY DECISION

Colin Monckton, Director – Commissioning Policy and Insight, and Antony Dixon, Strategic Commissioning Manager, presented the report on the Emergency Hardship Fund, highlighting the following points:

- (a) The Local Welfare Assistance Fund is ending in April – a continuation of support will enable the Local Authority to help the most financially vulnerable households in the City, through enabling the Discretionary Hardship scheme to continue in 2015/16 and 2016/17.

Following questions and comments from the Sub-Committee, additional information was provided:

- (b) Revenue funding to the Credit Union will be provided for two years to deliver small loans with capital funding already allocated.
- (c) More effective performance management will be implemented to ensure more loans are being made.
- (d) The Emergency Hardship element of the scheme will in essence remain the same, but the administrative costs of delivering the scheme will be reduced.

RESOLVED TO:

- (1) **approve the continuation of the Discretionary Hardship Support Scheme and Small Loans Scheme for the City of Nottingham in 2015/16 and 2016-17;**
- (2) **approve the funding of this scheme from reserves for 2015/16 and 2016/17;**
- (3) **contribute any 2014/15 under spend associated with this scheme to the reserve to support future risks;**
- (4) **approve dispensation from section 5.1.2 of the Council's Contract Procedure Rules in accordance with section 3.27 of the Council's Financial Regulations in relation to the Small Loans Scheme as detailed in 1.3;**

Reasons for Decision

- (1) The extension of provision for hardship support once Government funding is withdrawn from April 2015 will enable the Local Authority to help the most financially vulnerable households in the City who experience financial hardship, or who need support to remain living independently in their community.
- (2) Commitment of further funding is required to enable the Discretionary Hardship scheme to continue in 2015/16 and 2016/17.
- (3) The extension of provision for administration of a Small Loans pilot scheme by the Credit Union will enable citizens experiencing hardship, who fall outside of the main eligibility criteria for the Discretionary Hardship Support Scheme (DHSS), to access affordable loans, advice and support.

Other Options Considered

- (1) Central Government funding allocation is not ring-fenced so a decision to not operate the DHSS from 31 March 2015 is possible. Intelligence and insight has been gathered since the Scheme was implemented on 1 April 2013. This has revealed potential issues and impacts if appropriate provision is not made available for vulnerable citizens facing hardship or needing support to maintain independent living, including:
 - (i) Risk of health and wellbeing of citizens;
 - (ii) Risk of use of disreputable or door step lenders by citizens;
 - (iii) Risk of increased demand on other services such as homelessness services, advice services and family support services;
 - (iv) Increased risk of reliance on already stretched voluntary services such as food banks.

For these reasons, this option was rejected.

- (2) Completely revising the Discretionary Hardship Scheme. The current scheme was developed on the basis of significant engagement and balances the need to manage scarce resources with the imperative to provide discretionary hardship support to the most vulnerable. Refinements in process, eligibility and performance management are considered the most appropriate way of delivering further improvements and efficiency to the scheme. For this reason, this option was rejected.

8 FINANCIAL VULNERABILITY ADVICE AND ASSISTANCE COMMISSIONING INTENTIONS - KEY DECISION

Colin Monckton, Director – Commissioning Policy and Insight, and Bobby Lowen, Lead Commissioning Manager, presented the report on Financial Vulnerability Advice and Assistance Commissioning Intentions, highlighting the following points:

- (a) The proposals improve access to advice and the coordination of that advice. There will be a change to the mechanism and means of access, rather than a change in the advice itself.
- (b) The mix and proportion of internal and commissioned advice services to be maintained.
- (c) There is a high demand for services and pressures on funding.
- (d) Access to support in the City varies depending on where people live in the City.
- (e) There is a high level of repeat use of advice services. Around two-thirds of users are experiencing advanced difficulties. To improve prospects, access to employment could be one option, along with prioritising access to support.
- (f) A shared free phone telephone number will provide a clearer pathway to support, and this will be promoted to citizens as an opportunity to speak directly to an advisor.
- (g) A shared case management system will track support across services, so that two services don't duplicate advice and citizens don't have to repeat histories.
- (h) There is a commitment to work through issues with regard to risks raised by the sector relating to impartiality and data sharing.
- (i) Savings of £200,000 per year are expected. This equates to 10% of the current commitment.
- (j) The contract extension will run to September 2015, until the new services are introduced. In year savings will be applied to extensions.

Following questions and comments from the Sub-Committee, additional information was provided:

- (k) There is no reason why data sharing issues cannot be resolved through requiring the citizen to give consent – in line with the Data Protection Act.
- (l) There is no need to delay the contract extension any further, as the evidence of the review suggests the right approach. Regular updates will be provided.

RESOLVED TO:

- (1) approve the reconfigured model of advice and support to assist citizens in (or at risk of) financial difficulty (see appendix 1) to be delivered from 1 October 2015;**
- (2) approve the commissioning of advice services detailed in section 1.2 and in exempt appendix 4;**

- (3) delegate authority to the Strategic Director of Early Intervention to approve the outcome of the tenders and award contracts to secure best value for Nottingham's citizens;**
- (4) delegate authority to the Head of Quality and Efficiency to sign contracts arising from the tender process once the tender outcome is agreed;**
- (5) approve the procurement of a freephone telephone number for access to advice and support for citizens in financial difficulty as detailed in exempt appendix 4;**
- (6) approve the variation of the contract for the Crisis Intervention Drop In (CIDI) service as detailed in exempt appendix 4;**
- (7) approve the creation of a fund for the trial of activities designed to prevent financial difficulty from occurring or worsening as detailed in exempt appendix 4;**
- (8) note the savings of £0.200m per annum against funds currently allocated towards the provision of advice and assistance for citizens who are vulnerable to financial difficulty from the start of the 2015/16 financial year;**
- (9) approve expenditure associated with the contracts included in this report;**
- (10) approve dispensation from contract procedure rules 5.1.2 under financial regulation 3.29, in order to extend contracts for current services at a reduced level of funding (see exempt appendix 4) for a period of up to 6 months in order to ensure uninterrupted delivery of support for citizens;**
- (11) delegate authority to the Strategic Director of Early Intervention to extend current contracts at a reduced contract value for services detailed in exempt appendix 4 for a period of up to 6 months for the period 1 April 2015 to 30 September 2015;**

Reasons for Decision

- (1) Analysis of the current offer of advice and support completed to inform the Financial Vulnerability Advice and Assistance Strategic Commissioning Review (FVAA SCR) suggests that there are a number of opportunities to use resources more effectively to assist citizens experiencing or at risk of financial difficulty. The commissioning of advice services in line with a new model (Appendix 1) is therefore recommended in order to make better use of resources to assist citizens in financial difficulty and to manage pressure on the Council's budget.
- (2) Approval is sought to procure the following services in accordance with the outcome of a competitive tender in order to deliver the model described in appendix 1 and to secure best value for Nottingham's citizens:

- (i) Neighbourhood Advice Provision in Community Settings
- (ii) Citywide Advice Services
- (iii) Community Specific Advice for Refugees and Asylum Seekers
- (iv) Community Specific Advice for Deaf Citizens
- (v) Housing Debt Advice

Current contracts let by NCC for the delivery of advice services (which it is intended that the above services will replace) are also due to expire 31 March 2015 (see recommendation 7 and section 1.5 of this report). Indicative values of each service can be found in exempt appendix 4.

- (3) The creation of a freephone number (also to be free via mobile phone) for access to advice is proposed in order to remove a barrier to support for citizens in financial difficulty.
- (4) Approval is sought to vary the agreement with Framework Housing Association for the provision of the Crisis Intervention Drop In (CIDI) service in order to deliver the model described in Appendix 1 and to deliver savings needed to manage pressure on the Council's budget. Details of this variation of service and the associated change in contract value can be found in exempt appendix 4.
- (5) A range of possible approaches for helping citizens to avoid financial difficulty (or worsening difficulty) have been identified through the FVAA SCR. The creation of a fund paid for by reducing investment in reactive support is proposed in order to allow for the trial of services designed to assist citizens before difficulties escalate and increase in their impact and/or become more costly to resolve.
- (6) Budget pressures faced by the Council mean that savings of £0.2m per annum against the current commitment of funds for the provision of advice and assistance for financially vulnerable citizens are needed from 2015/16 in order to contribute to overall savings needed to balance the Council's budgets.

Other Options Considered

- (1) To retain the current arrangement of advice and support for citizens in financial difficulty and seek efficiencies through retendering or negotiation with existing providers. Opportunities have been highlighted through the FVAA SCR for the Council and its partners to better utilise resources to better assist citizens in or at risk of financial difficulty. Analysis from the FVAA SCR also suggests that maintaining the existing arrangements for the provision of advice would not enable services to effectively manage the demand pressures identified. For these reasons, this option was rejected.
- (2) To allow contracts (detailed in exempt appendix 4) to expire on 31 March 2015. The tender for new advice services will not have been completed in

order for new services to be in place from 1 April 2015. This option would therefore result in a significant gap in the provision of advice services at a period of high demand, likely to result in significant adverse impact to citizens experiencing financial difficulty, and the consequent risk of an increase in demand for crisis and/or statutory provision. For these reasons, this option was rejected.

- (3) To extend contracts (detailed in exempt appendix 4) at their current values until 30 September 2015 prior to the introduction of new services. Pressure on the Council's budgets requires savings to be delivered from the start of the 2015/16 financial year. For this reason, this option was rejected.
- (4) To further reduce the budget for the provision of advice and assistance for citizens in financial difficulty to contribute additional savings to the Council's budget. This would pose an unacceptable risk of undermining an important area of support for Nottingham's citizens (see 2.3) and risk of placing additional pressure on (and the cost of providing) crisis and/or statutory areas of support funded by the Council. For these reasons, this option was rejected.

9 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining items in accordance with section 100a(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

10 EMERGENCY HARDSHIP FUND - EXEMPT APPENDIX

As per minute 7, above.

11 FINANCIAL VULNERABILITY ADVICE AND ASSISTANCE COMMISSIONING INTENTIONS - EXEMPT APPENDICES

As per minute 8, above.