

COMMISSIONING AND PROCUREMENT SUB COMMITTEE – 11 February 2015

Subject:	Approval of Crime and Drugs Partnership Funding Allocation Spend 2015/16		
Corporate Director(s)/ Director(s):	Alison Michalska - Corporate Director Children and Adults Candida Brudenell - Strategic Director Early Intervention Christine Oliver / Tim Spink – Acting CDP Directors		
Portfolio Holder(s):	Councillor Alex Norris, Portfolio Holder for Adults, Commissioning and Health		
Report author and contact details:	Lucy Putland – Strategy & Commissioning Manager CDP 0115 8765732 lucy.putland@nottinghamcity.gov.uk Tim Clark – Finance Analyst 01158762711 Tim.clark@nottinghamcity.gov.uk		
Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Subject to call-in	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons:	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	<input checked="" type="checkbox"/> Revenue	<input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Total value of the decision: £11,969,000			
Wards affected: All	Date of consultation with Portfolio Holder(s): Councillor Chapman – 30/01/15 Councillor Collins – 03/12/14 Councillor Norris – 21/11/14		
Relevant Council Plan Strategic Priority:			
Cutting unemployment by a quarter			<input type="checkbox"/>
Cut crime and anti-social behaviour			<input checked="" 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 checked="" type="checkbox"/>
Deliver effective, value for money services to our citizens			<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
<p>The purpose of this report is to seek authority to collate Public Health funding, Police and Crime Commissioner (PCC) Grant, funds from NHS England and partner contributions and allocate them to the Crime & Drugs Partnership (CDP) to act as the accountable body for the funding on behalf of all partners and grant delegated authority to the Strategic Director for Early Intervention to allocate funds. This will enable the continuation of commissioning responsibilities of the Crime and Drugs Partnership (CDP) and the continuation of services across substance misuse and reoffending, Ending Gang and Youth Violence, Hate Crime and domestic and sexual violence. Allocation of resources from across these funding streams contributes to prevention and reduction of crime, violence and anti-social behaviour; and prevention of and recovery from problematic substance misuse in order to make Nottingham citizens safer, healthier, reduce reoffending and increase employment and engagement in treatment and education across the</p>			

cohort.

The allocation of resources as set out within the exempt appendices will also deliver required savings for 2015/16.

The report also seeks delegated authority to the Strategic Director for Early Intervention for approval to tender services, award contracts across a number of areas following a detailed review process and to secure best value for Nottingham Citizens.

Exempt information:

State 'None' or complete the following.

An appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to commercial confidentiality and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Recommendation(s):

1 To approve the anticipated expenditure of Public Health, Police and Crime Commissioner, NHS England and Partner Contribution funds by the CDP in 2015/16 as set out in exempt Appendix 1.

2 To delegate authority to the Strategic Director for Early Intervention to allocate funds for the above expenditure and to secure best value for Nottingham Citizens.

3 To delegate authority to the Strategic Director for Early Intervention to approve the outcome of tenders and award contracts to secure best value for Nottingham's citizens. (Appendix 2 tables 2A)

4 To delegate authority to the Strategic Director of Early Intervention to sign contracts arising from the tender process once the tender outcome is agreed (Appendix 2 tables 2A)

5 To approve dispensation from financial regulations 3.29 under corporate contract procurement rule 5.1.2 in respect of those contracts identified in exempt appendix 3 (Appendix 3 table 3A, 3B and 3C).

6 To approve dispensation and the extension of those contracts identified in exempt appendix 3 (Appendix 3 table 3C) to ensure service continuity while commissioning and tendering.

1 REASONS FOR RECOMMENDATIONS

- 1.1 To ensure that the Public Health, Police and Crime Commissioner, NHS England and partner contributions funding allocations are utilised to commission and contract with services in an appropriate way and in accordance with the correct legislation.
- 1.2 To allow for relevant and necessary commissioning activity to continue in order to maintain service provision for citizens and meet identified local need, including meeting the recommendations from the Safe from Harm Review. Commissioning activity will also contribute to ensuring continued progress of the Health and Wellbeing Strategy, relevant Public Health Outcomes Framework targets, the Safer agenda and agreed 2020 targets.
- 1.3 To enable timely contract variations and allocations to be made to services in order to deliver continuation of services in 2015/16.
- 1.4 To allocate funding to deliver the required savings across the Public Health and Police and Crime Commissioner funding streams in 2015/16. To allow for commissioning and tendering activities to deliver efficiencies in subsequent years.
- 1.5 The Safe From Harm Review made recommendations for a joint commissioning approach for Domestic and Sexual Violence. It has been agreed that there will be a move to a lead commissioner approach with one commissioning organisation leading the commissioning of each specialist area on behalf of all other commissioners. This will reduce the number

of contracts and repetitious performance monitoring for providers. To progress this approach it is proposed that all commissioners will hand over their DSV contracts to the CDP for 1st April 2015 for management. Authority will be sought at a later date once full scope had been clarified.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 Indicative unconfirmed allocations to the CDP for 2015/16 include £8.5m from Public Health, £1.5m from the Police and Crime Commissioner, £0.3m from NHS England Prisons and £1.1m from partner contributions

2.2 **Exempt appendix 1 sets out anticipated expenditure against each funding stream.**

Expenditure has been forecast following:

- Consultation and negotiation with providers
- Review of service areas to identify how best to deliver any savings required in 2015/16, including risk assessment, quality assurance and Equality Impact Assessment
- Establishing commissioning intentions for 2015/16 and anticipated values for services to be tendered in 2015/16

2.3 **Exempt appendix 2 sets out those service areas where tender is proposed in 2015/16** due to a need for either (or a combination of) service redesign, increased efficiency or the alignment of commissioning across partner commissioning agencies. The tables set out current contract values of services that are likely to be in scope and anticipated new contract value where known.

2.4 **Exempt appendix 3 sets out:**

- **Those services that require dispensations** due to tendering in year or a subsequent year (table 3A), and the need for continuation of services in the interim period.
- **Those services where current contracts are in place and existing arrangements can be maintained** or where allocations are being made to wider partnership contracts (table 3B)
- **Those services where approval is required to extend contracts** to allow for service continuity while tendering is ongoing (table 3C)

2.5 Legal and procurement teams have been consulted to ensure legal and procurement compliance.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 Do nothing – Not to allocate funding for 2015/16. This is not considered an option due to the significant potential risk of an increase in crime and health harms.

3.2 To allocate funds in a different way. This has been considered as part of the work to review provision in order to deliver savings in 2015/16. Risk assessments, review of existing provision, and work with providers and partners have been used to consider how to allocate funds appropriately to remain within the available budget.

3.3 Not to deliver services within the available budget. This is not considered an option due to the significant pressures on the Local Authority budgets, including the Public Health budget.

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

4.1 The value of the contracts included in this report, including the extension periods is £11.969m, further detail of the profile of this spend is included in the Exempt Appendix 4

4.2 Allocation of funds as set out in Exempt Appendix 1 will allow for savings to be delivered in 2015/16 which aligns to the requirements of the Medium Term Financial Plan (MTFP)

4.3 Re-tendering will deliver a more cohesive service, deliver against the recommendations of the needs assessment, and contribute to delivering savings in 2015/16 (exempt appendix 2).

4.4 Commissioning of the contracts in this report will ensure value for money is being achieved for services and the requirements of the MTFP are achieved. Before the contracts are awarded a review will need to be undertaken by Commissioning to ensure that the final award value aligns with the values in the Exempt Appendices.

4.5 This report only seeks approval to spend non-employee expenditure.

4.6 Chief Finance Officers Observations on Dispensation

Dispensation from financial regulations 3.29 and contract procedure rule 5.1.2 is supported for this service.

(Author Dee Fretwell Finance Analyst 02/02/15)

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

Legal Implications

5.1 There are no significant legal issues with regard to the proposals set out in this report which are supported.

5.2 Each contract that is proposed to be transferred to the CDP as a result of the arrangements detailed in this report will have varying provisions with respect to contractual term and so will need to be considered in its own light.

5.3 With regard to the requests for dispensation, such can be granted for operational reasons and these are as set out in the report. On the basis that the individual contract values are relatively low, the extensions are for an interim period only to allow the commissioning to be undertaken, the risk to service users if there is a break in service, and the localised nature of the service, such dispensation is considered to be low risk to the Council. The request for extensions under this report to facilitate the service review, are therefore supported. However, clear planning must be put in place with regard to the commissioning review to ensure that the Council is in compliance with its duty to secure best value and any public procurement requirements moving forward. This will be addressed by the proposed redesign and commissioning of the services.

5.4 Advice will continue to be provided by both the Corporate Procurement and Legal Teams to ensure compliance with governance and procurement requirements. Legal Services

will assist as necessary with respect to the transfer of the existing contracts over to the CDP. These arrangements will need to ensure protection of the CDP with respect to its obligations and responsibilities as the accountable body of the funding, that funding will not be removed by partners during the contract term and that there are efficient break clauses included in the contracts. It is proposed to capture these arrangements under a detailed Memorandum of Understanding between the Partners.

- 5.5 Delivery of savings across the Public Health substance misuse budget beyond 2015/16 will be difficult unless redesign and recommissioning is undertaken.

(Author: Dionne Scream, Solicitor, Contracts and Commercial Team, Legal Services 02/02/2015)

Crime and Disorder Implications

- 5.6 Should the budget be further reduced, risks may include people waiting longer for treatment (alcohol and drugs) with less likelihood of recovery. They may require more support with attached costs for recovery. The increase of illegal drug use and sales may impact on crime, particularly violence.

There may be increased costs to both Nottingham City Council and partners particularly health colleagues and police. One in five children are currently in care due to parents substance misuse, there is a potential for increase in these numbers should costs be reduced further.

Procurement Implications

- 5.7 There are no significant procurement concerns with the recommendations of included in this report. The CPU is providing full support for re-commissioning services as planned.

On discussion with the service area, dispensation to extend current Drug and Alcohol Services contracts to July 2016 is supported for operational reasons and this will facilitate an effective commissioning process. Likewise, dispensations to extend the CDP's Domestic Violence contracts are supported whilst a comprehensive review of this service area is undertaken. Following these reviews, contracts will be tendered in accordance with Contract Procedure Rules.

Extension by direct award of Supervised Consumption and Brief Alcohol Intervention contract is supported, where the intention is to advertise these contracts for other interested pharmacies and GPs to ensure transparency (there is no competition for provision of these services as all suitably qualified organisations may be awarded contracts).

(Author Dawn Cafferty: Procurement Category Manager - Leisure, Environment and Community Services 02/02/2015)

6 SOCIAL VALUE CONSIDERATIONS

- 6.1 Recommendations have been considered in line with the Public Services (Social Value) Act 2012. All services within this report aim to improve the social wellbeing of the client groups they target.

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 decisions relating to public health functions we consider the NHS Constitution where appropriate and take into account how it can be applied in order to commission services to improve health and wellbeing.

8 EQUALITY IMPACT ASSESSMENT (EIA)

- 8.1 An EIA has been undertaken against those services which were identified as potential areas for efficiencies which is incorporated in the allocations contained within exempt appendix 1.
- 8.2 An Equality Impact Assessment is not required for those services where no efficiency savings are being made as recommendations in relation to agreement of spend for these services is to continue to extend existing provision (exempt appendix 1).
- 8.3 Risk Assessment and Equality Impact Assessments are being undertaken or will be undertaken (depending on the timescales for the tender) for those services to be tendered.

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 None

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

- 11.1 Christine Oliver, Acting Director, Crime & Drugs Partnership
Dionne Scream, Solicitor, Contracts and Commercial Team, Legal Services
Dee Fretwell, Finance Analyst, Children and Families, Strategic Finance
Dawn Cafferty, Procurement Category Manager, Corporate Procurement
Lucy Putland, Strategy and Commissioning Manager, Crime and Partnership
Tim Clark, Finance Analyst, Crime & Drug Partnership