

Finance and Major Contracts Management Committee

Monday, 29 April 2019 at 14:00

County Hall, West Bridgford, Nottingham, NG2 7QP

AGENDA

- | | | |
|----|--|---------|
| 1 | Minutes of the last meeting held on 18 March 2019 | 3 - 6 |
| 2 | Apologies for Absence | |
| 3 | Declarations of Interests by Members and Officers:- (see note below)
(a) Disclosable Pecuniary Interests
(b) Private Interests (pecuniary and non-pecuniary) | |
| 4 | Financial Monitoring Report Period 11 2018-19 | 7 - 22 |
| 5 | Risk & Insurance Update | 23 - 30 |
| 6 | Process for Accessing the Funding held by D2N2 LEP for HS2 Developments in Toton | 31 - 36 |
| 7 | Progress Report on Public Health Commissioning and Procurement | 37 - 40 |
| 8 | Update on the Implementation of the New Home Based Care and Support Services | 41 - 48 |
| 9 | CIPFA Conference 2019 | 49 - 50 |
| 10 | Work Programme | 51 - 54 |

Notes

- (1) Councillors are advised to contact their Research Officer for details of any Group Meetings which are planned for this meeting.
- (2) Members of the public wishing to inspect "Background Papers" referred to in the reports on the agenda or Schedule 12A of the Local Government Act should contact:-

Customer Services Centre 0300 500 80 80

- (3) Persons making a declaration of interest should have regard to the Code of Conduct and the Council's Procedure Rules. Those declaring must indicate the nature of their interest and the reasons for the declaration.

Councillors or Officers requiring clarification on whether to make a declaration of interest are invited to contact Peter Barker (Tel. 0115 977 4416) or a colleague in Democratic Services prior to the meeting.

- (4) Councillors are reminded that Committee and Sub-Committee papers, with the exception of those which contain Exempt or Confidential Information, may be recycled.
- (5) This agenda and its associated reports are available to view online via an online calendar - <http://www.nottinghamshire.gov.uk/dms/Meetings.aspx>

Meeting FINANCE AND MAJOR CONTRACTS MANAGEMENT COMMITTEE

Date 18th March 2019 (commencing at 2.00pm)

Membership

Persons absent are marked with an 'A'

COUNCILLORS

Richard Jackson (Chair)
Roger Jackson (Vice Chair)
John Ogle (Vice Chair)

Richard Butler	David Martin
John Clarke	Diana Meale
Glynn Gilfoyle	Philip Owen
Eric Kerry	Mike Pringle

OFFICERS IN ATTENDANCE

Pete Barker	Democratic Services Officer
Derek Higton	Service Director - Place and Communities
John Hughes	Group Manager - Catering & Facilities Management
Nigel Stevenson	Service Director - Finance, Infrastructure & Improvement

1. MINUTES OF THE LAST MEETING

The minutes of the last meeting held on 11th February 2019, having been circulated to all Members, were taken as read and were confirmed, and were signed by the Chair.

2. APOLOGIES FOR ABSENCE

Councillor Owen replaced Councillor Quigley MBE, Councillor Gilfoyle replaced Councillor Rhodes, Councillor Butler replaced Councillor Girling and Councillor Martin replaced Councillor Hollis, all for this meeting only.

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. FINANCIAL MONITORING REPORT: PERIOD 10 2018/19

RESOLVED: 2019/014

That the variation to the capital programme be approved.

5. CIPFA CONFERENCE 2019

RESOLVED: 2019/015

That attendance at the CIPFA annual conference for one officer and two Members be approved.

6. LATEST ESTIMATED COSTS – DEMOLITION OF FORMER SHERWOD E-ACT ACADEMY SCHOOL, GEDLING

The requisite number of Members requested a recorded vote and it was ascertained that the following 7 members voted '**For**' the motion:-

Richard Butler
Richard Jackson
Roger Jackson
Eric Kerry
David martin
John Ogle
Philip Owen

The following 4 Members voted '**Against**' the motion:-

John Clarke
Glynn Gilfoyle
Diana Meale
Mike Pringle

The Chair declared that the motion was carried and it was:-

RESOLVED: 2019/016

- 1) That the Latest Estimated Costs for the project be approved.
- 2) That the project to proceed to the demolition phase based on the estimated cost be approved.

7. CATERING, CLEANING & LANDSCAPING SERVICES – 2 YEAR PRICING STRATEGY

8. FUTURE ARRANGEMENTS FOR COUNTY SUPPLIES

The Committee agreed that the order of items be changed in order that the debate regarding the above 2 items takes place in the closed part of the meeting.

9. WORK PROGRAMME

RESOLVED: 2019/017

That a report on the implications of the Catering, Cleaning & Landscaping Services - 2 Year Pricing Strategy be brought to a future meeting of the Committee.

10. EXCLUSION OF THE PUBLIC

RESOLVED: 2019/018

That the public be excluded for the remainder of the meeting on the grounds that the discussions are likely to involve disclosure of exempt information described in Schedule 12A of the Local Government Act 1972 and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

11a. CATERING, CLEANING & LANDSCAPING SERVICES – 2 YEAR PRICING STRATEGY

RESOLVED: 2019/019

That the proposals contained in the report be approved.

11b. FUTURE ARRANGEMENTS FOR COUNTY SUPPLIES

RESOLVED: 2019/020

- 1) That the transfer of County Supplies to another local authority traded service, on the terms outlined in the Exempt Appendix to the report, be approved, subject to approval by Policy Committee to the terms of a lease of the current County Supplies site at Huthwaite.
- 2) That the delegated authority to the Corporate Director Place, in consultation with the S151 Officer, to approve the details of the terms for the transfer in accordance with the financial parameters set out in the Exempt Appendix, be approved.

The meeting closed at 2.25pm

CHAIR

29 April 2019

Agenda Item: 4

REPORT OF THE SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND IMPROVEMENT

FINANCIAL MONITORING REPORT: PERIOD 11 2018/19

Purpose of the Report

1. To provide a summary of the Committee revenue budgets for 2018/19.
2. To provide a summary of capital programme expenditure to date and year-end forecasts.
3. To inform Members of an allocation from the 2019/20 contingency budget.
4. To inform Members of the Council's Balance Sheet transactions.

Information Background

5. The Council approved the 2018/19 budget at its meeting on 28 February 2018. As with previous financial years, progress updates will be closely monitored and reported to management and Committee each month.

Summary Revenue Position

6. The table below summarises the revenue budgets for each Committee for the current financial year. A £5.5m net overspend is currently predicted. As a consequence of the in-year overspend and the significant financial challenges facing the Council over the medium term, the key message to effectively manage budgets and, wherever possible, deliver in-year savings is being reinforced.

Table 1 – Summary Revenue Position

Forecast Variance as at Period 10 £'000	Committee	Annual Budget £'000	Actual to Period 11 £'000	Year-End Forecast £'000	Latest Forecast Variance £'000
6,577	Children & Young People's	121,389	113,436	127,755	6,366
(1,248)	Adult Social Care & Public Health	202,866	174,162	200,831	(2,035)
853	Communities & Place	123,840	109,935	124,564	724
(510)	Policy	35,121	38,263	34,672	(449)
(355)	Finance & Major Contracts Management	3,172	3,423	2,830	(342)
95	Governance & Ethics	7,285	6,659	7,344	59
(17)	Personnel	15,054	16,255	14,828	(226)
5,395	Net Committee (under)/overspend	508,727	462,133	512,824	4,097
(1,533)	Central items	(14,060)	(29,596)	(15,396)	(1,336)
-	- Schools Expenditure	335	-	335	-
(194)	Contribution to/(from) Traders	766	741	572	(194)
3,668	Forecast prior to use of reserves	495,768	433,278	498,335	2,567
746	Transfer to / (from) Corporate Reserves	(9,347)	(2,132)	(8,597)	750
1,268	Transfer to / (from) Departmental Reserves	(3,662)	124	(1,453)	2,209
-	- Transfer to / (from) General Fund	(1,529)	-	(1,529)	-
5,682	Net County Council Budget Requirement	481,230	431,270	486,756	5,526

Committee and Central Items

The main variations that have been identified are explained in the following section.

Children & Young People's (£6.4m overspend, 5.2% of annual budget)

7. The overspend has been caused primarily by rapidly increased demand for children's care services. Allied with unavoidably high unit costs this has had a large impact on demand led budgets. Child in Need cases have also increased significantly. This increased demand is also being experienced nationally and consequently adds additional market pressures.

8. The major contributing variances are:

- Staffing in Hard to Recruit Teams (including leaving care, looked after children (LAC), emergency duty, etc.) and other Social Work teams is forecast to overspend by £1.8m due to a combination of staffing changes including permanent recruitment to vacancies, temporary staff to respond to workload issues and agency workers. This includes the Assessment and District Child Protection Teams which continue to have high demand and caseloads. The agency challenge panel continues to approve all usage of agency staff.
- External Placements for LAC are forecast to overspend by £5.5m, of which £2.2m is due to the recent and sustained growth in the number of Independent Fostering Agency (IFA) placements which are not expected to significantly reduce over the year, together with £3.1m Residential and £0.8m on semi-independent spot placements. This is partially offset by a contribution from the Troubled Families Reserve of £0.6m. Overall external

placements increased by a net of 8 in the month, whereas numbers were expected to reduce slightly (taking into account scheduled leavers and new growth). Additional cost is also being incurred as a result of price rises in the care market as demand outstrips supply. Considerable work has been undertaken to better predict future need and to construct appropriate budgets, although the situation will remain volatile.

- There is a forecast underspend of £0.5m in Early Help Services due to increased income generated by outdoor education in accordance with their commercial development, together with underspends in the Family Service.
 - There is a net £0.4m underspend across a range of other budgets
9. A number of budget control measures are in place across the Children and Young People's Committee as follows:
- Instruction to all Group Managers to scrutinise and restrict all non-essential expenditure. This will be followed up with a further "line by line" budget review.
 - Ongoing challenge and development of existing block contracts for residential care.
 - Proposed increased frequency of Agency Worker Challenge Panels.
 - Bringing forward proposals to increase the number of internal foster carers.
 - Various measures will be implemented through the department's Remodelling Practice programme (fieldwork staffing arrangements).

Adult Social Care & Public Health (forecast £2.0m underspend, 1.0% of annual budget)

10. The increase in the forecast underspend this month is primarily due to forecast underspends on external contracts in Public Health and Deprivation of Liberty Safeguards (DoLS).
11. Despite early and overachievement of savings, the major variances on care packages are as follows :
- Older Adults across the County are forecasting an overspend of £0.5m, largely in the areas of long term residential and nursing care and homecare.
 - Younger Adults across the County are forecast to overspend by £0.4m, largely in the areas of long term residential and nursing care and supported living despite increased Section 28a income from Health.
 - These will be offset by underspends in the Improved Better Care Fund as the department has specifically held vacancies to mitigate the pressure of care package demand in year.
12. Direct Services are forecasting a combined net underspend of £0.5m which is offsetting an overspend of £0.3m on Reablement due to increased demand.
13. The Strategic Commissioning, Accessing and Safeguarding Division is reporting an underspend of £1.5m due to increased service user contributions (£1.0m) and additional Appointeeship and Deputyship income (£0.2m) as a result of increased packages and lower in-year costs relating to the advocacy contract (£0.3m).
14. DoLS are now forecasting an underspend of £0.3m, which is a forecast reduction of £0.5m due to reduced agency activity in the last quarter of the year.

15. The forecast includes an early estimate of £1.0m in respect of redundancy costs associated with the closure of the remaining care and support centres.
16. Public Health is currently forecasting an underspend of £0.9m, mainly due to slippage in the PHN 0-19 contract which has arisen and will be carried forward in the contract for next year. There are other small underspends on Directorate staffing, the Substance Misuse and Obesity Programmes, partially offset by an overspend against the Sexual Health Programme. The overall County Council forecast assumes that this net underspend will be transferred to the Public Health reserve.

Communities & Place (forecast £0.7m overspend, 0.6% of annual budget)

17. There is currently a forecast overspend of £1.5m against the SEND / home to school transport budget. A review of transport provision is currently taking place with reference to changing demand and the efficiency of routes. A retendering process has been undertaken the results of this exercise will be reported in due course.
18. The budget for concessionary fares is forecast to underspend by £0.5m following favourable contract settlement values with transport operators.
19. The highways retained client budget is forecast to underspend by £0.3m due mainly to an underspend on electricity and signals.

Trading Services

20. County Supplies are forecasting a deficit of £0.5m, £0.3m is associated with trading losses and £0.2m with their recent relocation to Huthwaite. There is no reserve to cover this overspend.
21. The anticipated draw-down from Cleaning, Catering and Landscapes Services Reserves to fund deficits/savings is £1.0m, from current Reserve balances of £1.1m, meaning any similar losses in 2019/20 would be largely unfunded. This includes current redundancy costs resulting from the recent restructure.
22. The remaining trading services are predicting a surplus of £0.7m which will be transferred to reserves to fund capital projects or smooth future losses.

Central Items (forecast £1.3m underspend)

23. Central Items primarily consists of interest on cash balances and borrowing, together with various grants, contingency and capital charges.
24. At the time of setting the 2018/19 budget, several funding allocations had not been announced, specifically with regard to the impact of business rates revaluations and, therefore, assumptions about certain grants were made based on the best information available at the time. Throughout the year confirmations are received and current forecasts suggest a net additional grant of £2.8m will be received in 2018/19.
25. Interest payments fluctuate depending on expectations of future rates and anticipated slippage on the capital programme. Current Treasury Management forecasts suggest a net

underspend on interest of £0.8m. There is a net £0.2m underspend across the other central items.

26. Employer's pension contributions are currently predicted to over-recover (£0.5m) the amount required by the actuary to fund the deficit. As per previous practice, the final surplus amount will be transferred to the workforce reserve to cover potential under-recoveries in the future.
27. In-year capital expenditure and capital receipt forecasts continue to be monitored and an assessment to agree a prudent Minimum Revenue Provision (MRP) charge will be made as part of the final accounts process.
28. The Council's budget includes a main contingency budget of £5.5m to cover redundancy costs, slippage of savings, additional requirement for the 2018/19 pay award and unforeseen events. Following a half yearly review of the commitments made against this contingency, a forecast underspend of £1.0m has been identified. This will continue to be reviewed throughout the year.
29. Also, in 2018/19 a number of demand and inflationary pressures have been identified that have a high degree of uncertainty with regard to likelihood, value and profiling. As such, an additional provision of £4.1m has been made within contingency to fund these pressures should they arise. Finance and Major Contracts Management Committee or the Section 151 Officer are required to approve the release of contingency funds.
30. To date the Section 151 Officer has approved release of £0.7m to fund pressures that have now materialised, leaving £3.4m left in the additional contingency budget. This will continue to be assessed throughout the year.

Contingency Budget

31. In February 2019, the Service Director – Finance, Infrastructure and Improvement approved a contingency request for £50,000 (for 2019/20) from the Children and Young People's Service to part fund a programme of work to help prevent young peoples' use of violence and weapon crime in the Gedling area.

Progress with savings and risks to the forecast

32. Council on 28 February 2018 approved savings proposals of £15.6m for delivery over the four year period 2018-22. These proposals are in addition to those approved previously by County Council. Officers will continue to monitor the deliverability of individual schemes and targets as part of the budget monitoring process and reflect achievability in the forecast outturn. The progress of the Council's current savings programme is reported to the Improvement and Change Sub-Committee on a regular basis. This report highlights all projects that are either experiencing obstacles or are at risk, the latest being 4 March 2019.
33. The approved 2018/19 budget was set against a background of assumptions and on-going risks, specifically with regard to the demand for Council services in the areas of Children and Adult Social Care where safeguarding takes priority. These high risk areas will continue to be monitored closely during the year through the robust monthly budget management process and reported back to Committee.

Balance Sheet

General Fund Balance

34. Members approved the 2017/18 closing General Fund Balance of £30.9m at Council on 12 July 2018. The 2018/19 budget approves utilisation of £1.6m of balances which will result in a closing balance of £29.3m at the end of the current financial year. This is 6.1% of the budget requirement. Factoring in the projected overspend the closing balance is now projected to be £23.8m.

Capital Programme

35. Table 2 summarises changes in the gross Capital Programme for 2018/19 since approval of the original Programme in the Budget Report (Council 28/02/18):

Table 2 – Revised Capital Programme for 2018/19

	2018/19	
	£'000	£'000
Approved per Council (Budget Report 2018/19)		112,771
Variations funded from County Council Allocations : Net slippage from 2017/18 and financing adjustments	(7,796)	
		(7,796)
Variations funded from other sources : Net variation from 2017/18 and financing adjustments	(7,300)	
		(7,300)
Revised Gross Capital Programme		97,675

36. Table 3 shows actual capital expenditure to date against the forecast outturn at Period 11.

Table 3 – Capital Expenditure and Forecasts as at Period 11

Committee	Revised Capital Programme £'000	Actual Expenditure to Period 11 £'000	Forecast Outturn £'000	Expected Variance £'000
Children & Young People's	24,705	16,665	23,444	(1,261)
Adult Social Care & Public Health	3,523	942	2,969	(554)
Communities & Place	54,160	39,115	53,605	(555)
Policy	15,100	9,381	13,315	(1,785)
Finance & Major Contracts Mngt	180	49	193	13
Personnel	7	-	7	-
Contingency	-	-	-	-
Total	97,675	66,152	93,533	(4,142)

Children & Young People's

37. In the Children and Young People's Committee capital programme, a forecast underspend of £1.2m has been identified. This is mainly due to £0.9m forecast slippage against the School Places Programme as forecasts have been adjusted to reflect current project profiles.

Adult Social Care & Public Health

38. In the Adult Social Care and Public Health Committee capital programme, a forecast underspend of £0.6m has been identified. This is mainly as a result of a contribution to a project within the Supported Living programme being delayed until the next financial year.

Communities & Place

39. In the Communities and Place capital programme a forecast underspend of £0.6m has been identified. This is mainly as a result of the Clean Bus Vehicle Technology project not progressing as quickly as originally envisaged due to longer lead in times required by CBTF technology partners and uncertainty around the City's Advanced Quality Partnership proposals for the City Centre.'

Policy

40. In the Policy Committee capital programme, a forecast underspend of £1.8m has been identified. This is mainly as a result of a change in the funding of the Better Broadband for Nottinghamshire (BBfN) programme. It was agreed that funding held by the supplier would be used to fund current year rather than future year expenditure. The overall BBfN programme remains unchanged.

Financing the Approved Capital Programme

41. Table 4 summarises the financing of the overall approved Capital Programme for 2018/19.

Table 4 – Financing of the Approved Capital Programme for 2018/19

Committee	Capital Allocations £'000	Grants & Contributions £'000	Revenue £'000	Reserves £'000	Gross Programme £'000
Children & Young People's	5,389	19,052	125	139	24,705
Adult Social Care & Public Health	2,408	1,115	-	-	3,523
Communities & Place	19,192	32,115	1,501	1,352	54,160
Policy	14,850	214	-	36	15,100
Finance & Major Contracts Mngt	-	-	-	180	180
Personnel	7	-	-	-	7
Contingency	-	-	-	-	-
Total	41,846	52,496	1,626	1,707	97,675

42. It is anticipated that borrowing in 2018/19 will decrease by £11.9m from the forecast in the Budget Report 2018/19 (Council 28/02/2018). This decrease is primarily a consequence of:

- £7.8m of net slippage from 2017/18 to 2018/19 and financing adjustments funded by capital allocations.
- Net slippage in 2018/19 of £4.1m of capital expenditure funded by capital allocation identified as part of the departmental capital monitoring exercise.

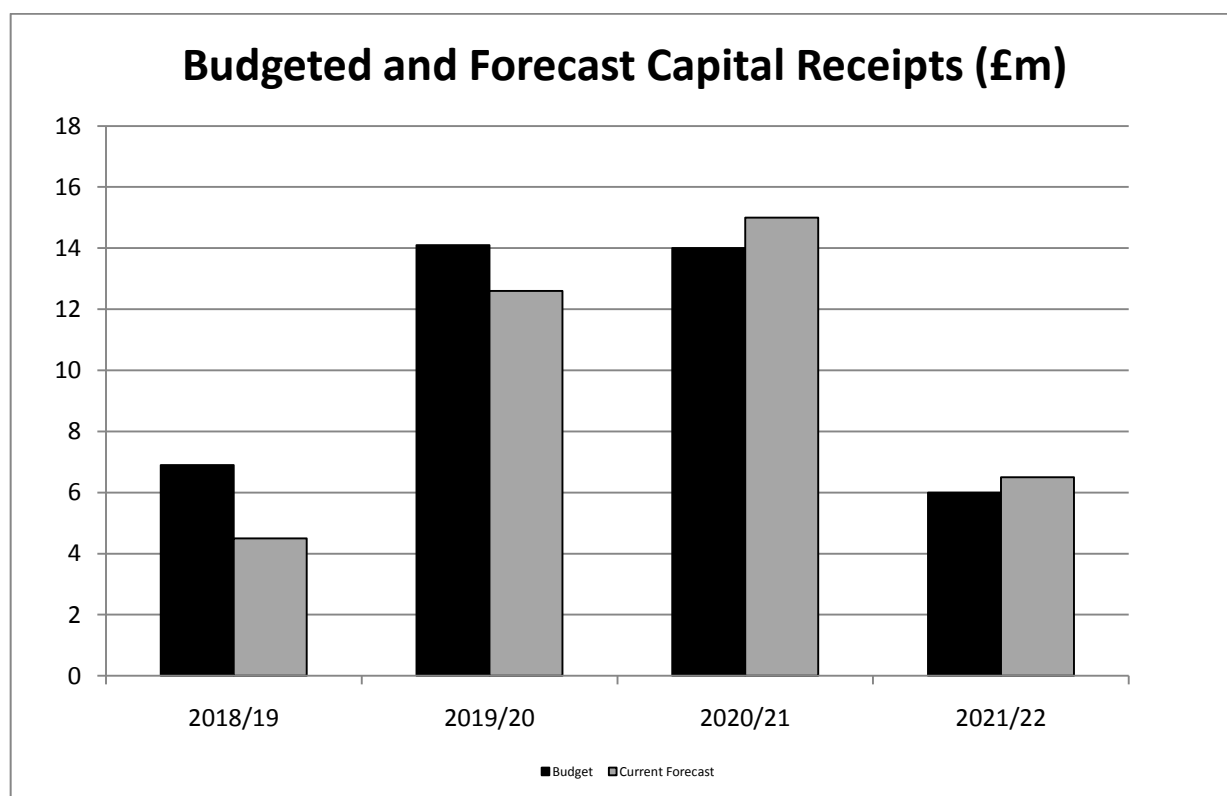
Prudential Indicator Monitoring

43. Performance against the Council's Prudential Indicators is regularly monitored to ensure that external debt remains within both the operational boundary and the authorised limit.

Capital Receipts Monitoring

44. Anticipated capital receipts are regularly reviewed. Forecasts are currently based on estimated sales values of identified properties and prudently assume a slippage factor based upon a review of risk associated with each property.

45. The chart below shows the budgeted and forecast capital receipts for the four years to 2021/22.



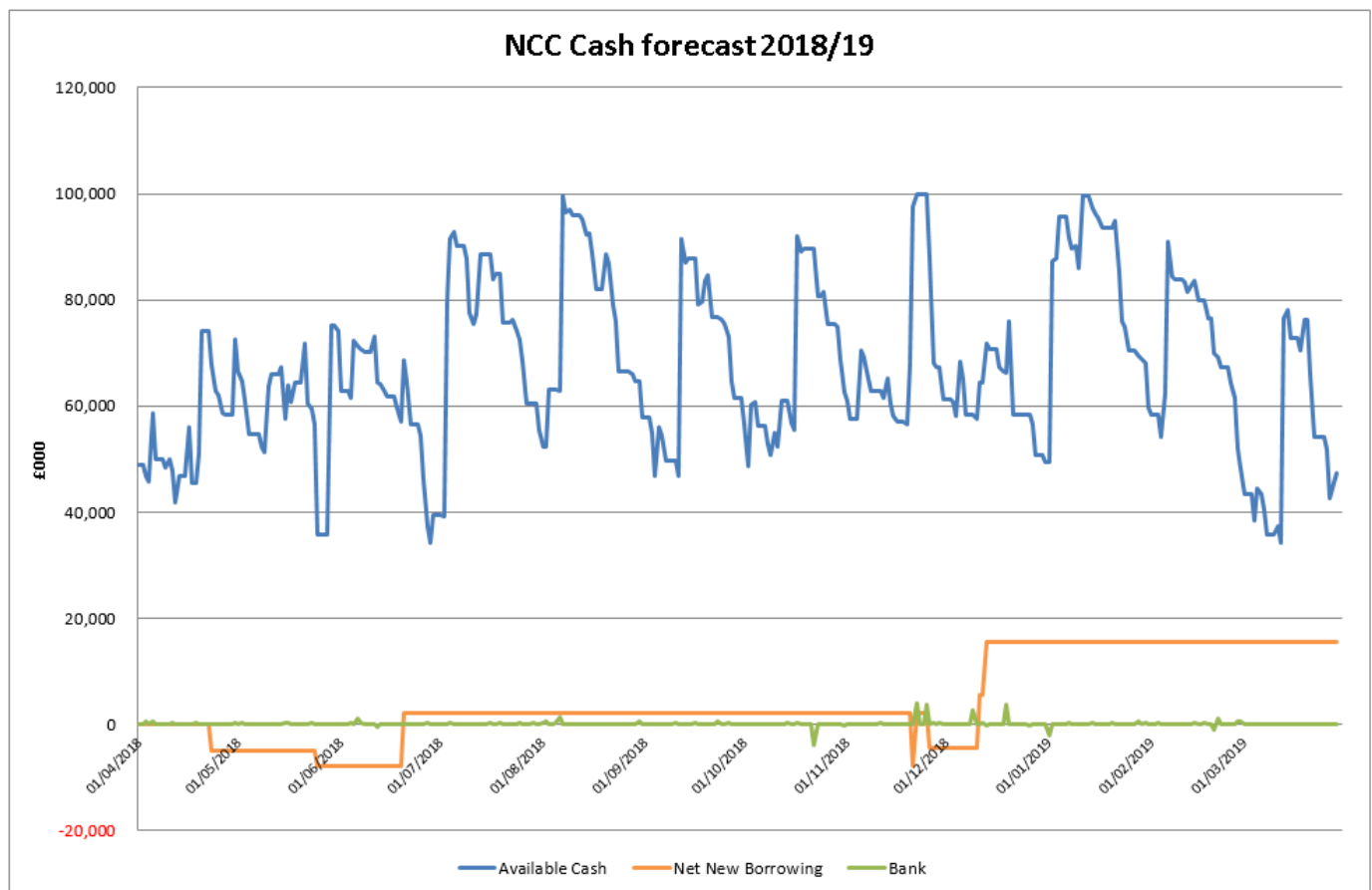
46. The dark bars in the chart show the budgeted capital receipts included in the Budget Report 2018/19 (Council 28/02/2018). These capital receipts budgets prudently incorporated slippage, giving a degree of “protection” from the risk of non-delivery.

47. The capital receipt forecast for 2018/19 is £4.5m. To date in 2018/19, capital receipts totalling £4.3m have been received.

48. The number and size of large anticipated receipts increase the risk that income from property sales will be below the revised forecasts over the next three years. Although the forecasts incorporate an element of slippage, a delay in receiving just two or three large receipts could result in sales being lower than the forecast.
49. Current Council policy (Budget Report 2018/19) is to use the first £3.8m of capital receipts to fund in-year transformation costs. Any capital receipts in excess of this will be set against the principal of previous years' borrowing. This reduces the amount of Minimum Revenue Provision (MRP) to be set aside each year. It is important to regularly monitor capital receipt forecasts and their effect on the overall revenue impact of the Capital Programme.

Treasury Management

50. Daily cash management aims for a closing nil balance across the Council's pooled bank accounts with any surplus cash invested in accordance with the approved Treasury Management Policy. Cash flow is monitored by the Senior Accountant (Pensions & Treasury Management) with the overall position reviewed quarterly by the Treasury Management Group.
51. The Cash forecast chart below shows the forecast cash flow position for the financial year 2018/19. Cash inflows are typically higher at the start of the year due to the front loading receipt of Central Government grants, and the payment profile of precepts. Cash outflows, in particular capital expenditure, tend to increase later in the year, and the chart below reflects this.

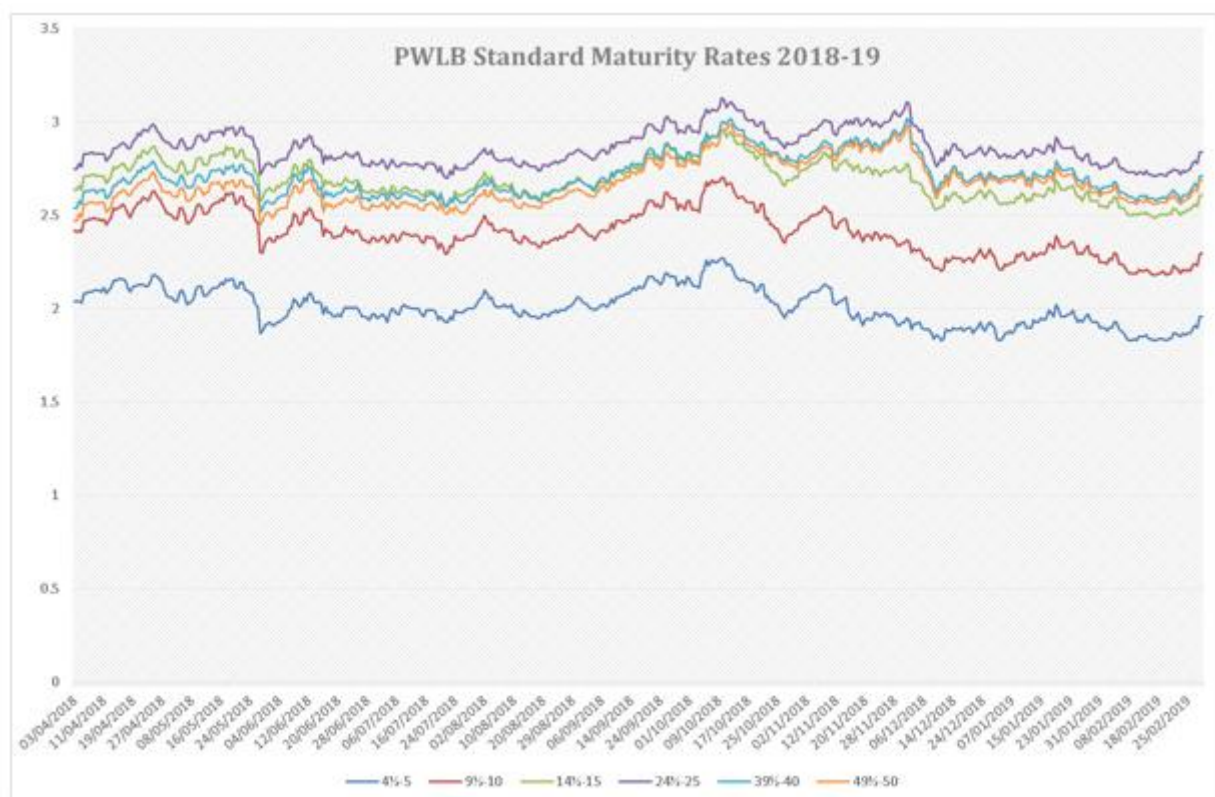


52. The chart above gives the following information:

Available cash	Surplus cash (invested in call accounts or money market funds) or a shortfall of cash indicating a need to borrow.
Net new borrowing	New loans taken during the year net of principal repayments on existing borrowing.
Bank	That element of surplus cash held in the Council's Barclays Bank account.

53. The Treasury Management Strategy for 2018/19 identified a need to borrow approximately £45m over the course of the year to (a) fund the capital programme, (b) replenish internal balances and to (c) replace maturing debt. After the 2017/18 accounts closure this forecast was revised to £52m. £10m of this was taken in June, a further £10m in November, and £20m in December. £24.3m of debt has been redeemed over the same period. This includes a £10m Lender's Options, Borrower's Options' loans (LOBOs) from Royal Bank of Scotland (RBS).

54. PWLB interest rates continue to be monitored closely to allow changes - or potential changes - in rates to feed into decisions on new borrowing. The Council remains able to take advantage of the PWLB "certainty rate" which is 0.2% below the standard rates. The chart below shows the movement in standard PWLB maturity rates over the course of 2018 to date.



55. Borrowing decisions will take account of a number of factors including:

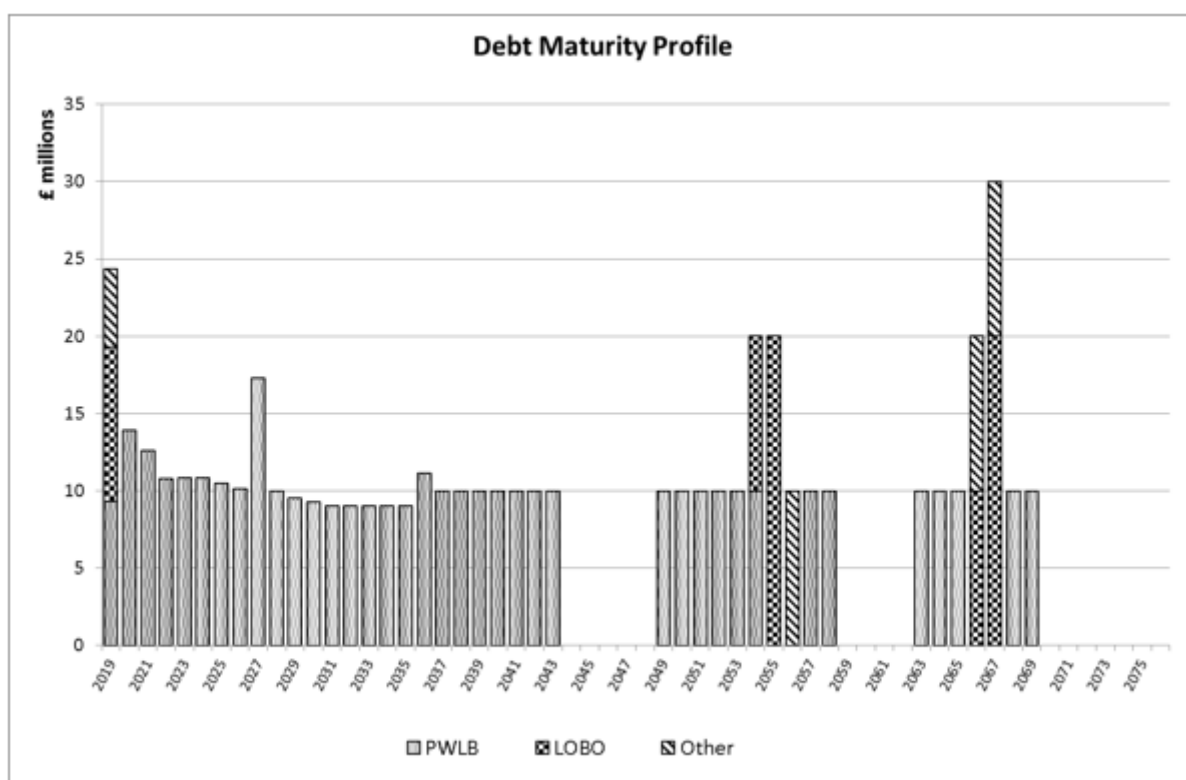
- expected movements in interest rates

- current maturity profile
- the impact on revenue budgets and the medium term financial strategy
- the treasury management prudential indicators.

56. The maturity profile of the Council's debt portfolio is shown in the chart below. The PWLB loans are reasonably well distributed and have a maximum duration of 50 years. When deciding on the lengths of future loans the Council will factor in any gaps in its maturity profile, with a view to minimising interest rate risk, but will consider this alongside other financial factors.

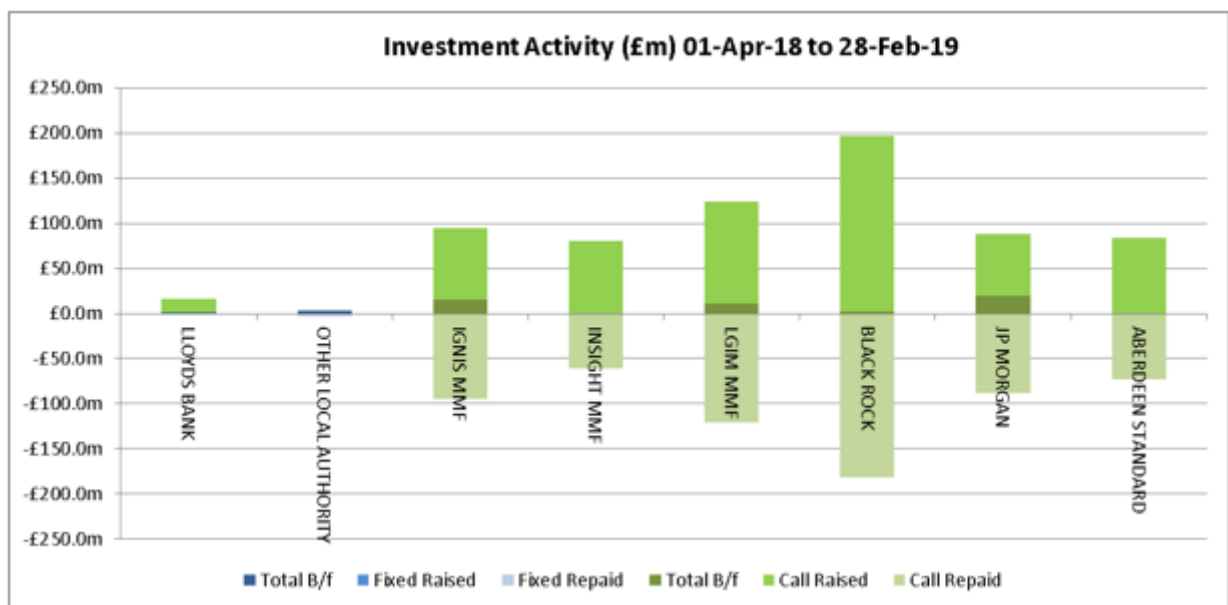
57. Longer-term borrowing (maturities up to 60 years) was obtained from the market some years ago in the form of LOBOs. These loans are treated as fixed rate loans (on the basis that, if the lender ever opts to increase the rate, the Council will repay the loan) and were all taken at rates lower than the prevailing PWLB rate at the time. However, LOBOs could actually mature at various points before then, exposing the Council to some refinancing risk. A £10m RBS LOBO was redeemed in November 2018 following an offer from RBS.

58. The 'other' loans denote borrowing from the money markets where the main objective was to minimise interest costs, and also includes loans from Barclays Bank that were converted from LOBOs to fixed-term loans in 2016.



59. The investment activity for 2018/19 is summarised in the chart and table below. Outstanding investment balances totalled approximately £54m at the start of the year and £63m at the month-end.

	Total B/F £ 000's	Raised £ 000's	Repaid £ 000's	Outstanding £ 000's
Lloyds Bank	1,000	15,000	(1,000)	15,000
Other Local Authority	3,500	-	(3,500)	-
IGNIS MMF	15,500	79,150	(94,650)	-
INSIGHT MMF	-	80,450	(60,950)	19,500
LGIM MMF	11,400	112,420	(120,720)	3,100
Black Rock	2,150	194,650	(182,050)	14,750
JP Morgan	20,000	68,150	(87,700)	450
Aberdeen Standard	-	83,650	(73,100)	10,550
Total	53,550	633,470	(623,670)	63,350



60. As part of the Council's risk management processes all counterparty ratings are regularly monitored and lending restrictions changed accordingly.

61. The Treasury Management team have historically obtained details of counterparty ratings from the Bloomberg system also used for pension fund activities. The move from an in-house portfolio to funds being managed by LGPS Central Ltd has meant that this system is no longer required by the pension fund. In order to maintain access to appropriate risk information the council is in the process of appointing a treasury management advisor. The cost of this will be less than the license fee previously paid.

Statutory and Policy Implications

62. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATIONS

- 1) To comment on the revenue budget expenditure to date and year-end forecasts.
- 2) To comment on the capital programme expenditure to date and year-end forecasts.
- 3) To comment on the approval of the contingency request for 2019/20.
- 4) To comment on the Council's Balance Sheet transactions.

Nigel Stevenson Service Director – Finance, Infrastructure and Improvement

For any enquiries about this report please contact:

Keith Palframan - Group Manager, Financial Services

Tamsin Rabbitts - Senior Accountant, Pensions and Treasury Management

Constitutional Comments (KK 26/03/2019)

63. The proposals in this report are within the remit of the Finance and Major Contracts Management Committee

Financial Comments (GB 27/03/2019)

64. The financial implications are stated within the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- 'None'

Electoral Division(s) and Member(s) Affected

- 'All'

29 April 2019

Agenda Item: 5

REPORT OF SERVICE DIRECTOR FOR FINANCE, INFRASTRUCTURE & IMPROVEMENT

RISK & INSURANCE UPDATE

Purpose of the Report

1. To provide members with an update on some significant areas of work and development in the Risk & Insurance Team. To determine the most appropriate frequency and content for future update reports.

Information

2. Previous reports to this Committee regarding activities and developments in the Risk & Insurance Team have been concerned with the following:
 - October 2017 – outlined the general insurance arrangements for the Council, and the main functions and activities of the Risk & Insurance Team
 - April 2018 - two separate reports were considered, covering proposals for the renewal of insurance cover and information relating to Freedom of Information requests dealt with by the team and recent claims experience.
3. This update provides the latest information on claims experience, along with additional information concerning recent developments in the Team.

Claim trends

4. **Appendix 1** presents two graphs showing a quarter-by-quarter analysis for the current and previous two financial years of:
 - The number of claims received by the County Council
 - The number of claims that remained open (still to be resolved)
 - The number of liability claims where the defence has proceeded to the point of formal court proceedings (litigation)
 - The value of payments made on claims.
5. Some key points and context to note about the trends are the following:

- Overall, the number of claims received and the number of claims that remained open at the end of each quarter are both fairly consistent with the two previous years. The fact that the number of claims remaining open is tracking reasonably closely the number of claims received indicates that claims are being pro-actively managed.
- The spike in the number of claims received during the final quarter of 2017/18 and the first quarter of 2018/19 was due to the number of Public Liability (PL) claims in this period, relating to highway claims. The harsh winter of 2017/18 led to the County Council's highways service, provided by Via East Midlands, repairing 115,000 potholes during 2018 – double the number compared with the same period the previous year. The County Council has already increased investment in highway repairs by £20m during 2018-2022 – the largest single increase in highways spending ever seen in Nottinghamshire, as part of an overall total of £142m investment in the county's roads over the same period. The County Council is also investing £1.75m to purchase new equipment which uses an innovative spray injection and chip patching system to enable more repairs to be completed, so that we complete the right repair at the right time.
- The significant increase in the value of claims paid in the third quarter of the current year is due to the settlement of one high-value claim in that period, relating to a public liability highway claim. The County Council was required to pay the first £250,000 of this claim, the balance being met by insurers. The values in the graph include fees paid by the Council to its own and the claimants' solicitors.
- Aside from highway claims, the number of historic abuse claims continues to be a priority area for the Team, and for the Council. However, significantly reduced numbers of claims have been received in relation to Employer Liability (EL), Property and Motor. This largely reflects the shrinking size of the Council and in particular the conversion of schools to academies.

Audit of the claims handling process by Zurich Municipal

6. Since 1 May 2015, the County Council has placed its liability insurances with Zurich Municipal (ZM). Due to the level of excess (currently £750,000), the majority of the claims are funded by the Council.
7. The Council has chosen to handle the most claims in-house. Despite the level of excess, ZM will only permit this if the Council can demonstrate that it has a robust claims handling process in place. The in-house arrangements have been subject to a recent review by ZM, and a very successful assessment was achieved:
 - The verbal feedback from the auditors was that the claim handling function was "exemplary", with an official rating of "Effective". Files were reviewed and scored across three key measures, with the following outcome

Measure	File Score
Timeliness	99.61%
Process	98.82%
Outcome	89.60%
Total	96.56%

- Reassuringly, the auditors did not find any examples of "leakage". Leakage is a term used to describe incurring unnecessary costs or unnecessarily high settlements on claims.

8. The main area for improvement was around the estimates held on open claims. It has been possible to introduce some quick wins to deal with the issues identified, which were primarily around lowering the standard figures being used for third party cost reserves.

Development of an on-line claim form

9. The Risk & Insurance Team recently instigated a process review meeting to identify how the initial stages of dealing with highways claims could be improved and streamlined. The aim was to improve the service to the claimant and to make sure that the team's resources are being used effectively.
10. The review identified that, in many cases, highway claims cannot be progressed as claimants have not provided adequate information. This is particularly the case in relation to the location of the defect which gave rise to an incident. The solution has been to work with the Customer Service Centre to design a suite of online forms which self-represented claimants can use to submit their claims.
11. The move to the electronic form allows more bespoke questions to be asked and the mandatory fields should help to ensure that better quality information is provided on a consistent basis.
12. The use of electronic forms progresses the team's commitment to paperless working and serves as a contribution towards the County Council's Plan commitment to move more of its services to be accessible online. The development of the form was a collaborative approach with the Customer Service Centre, VIA EM and the Highways Client team. The commitment and co-operation from these colleagues is acknowledged in the success of the project.

Other Options Considered

13. No other options were applicable for this update.

Reason/s for Recommendation/s

14. To provide Members with the opportunity to comment on key information relating to the activities of the Risk & Insurance Team, and to determine the content and frequency of future updates.

Statutory and Policy Implications

15. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

A primary aim of the insurance arrangements is to provide a reasonable level of protection against significant and unforeseen liabilities, in the most cost effective way. A further aim is to ensure claims management processes are robust to protect the Council from unnecessary expenditure.

Implications for Service Users

Recent developments in the claim procedure aim to improve accessibility for service users and to design out delays in the process by clarifying core information requirements.

RECOMMENDATIONS

- 1) Members determine whether there are any actions or further information they would like to see arising from the matters raised in this report.
- 2) Members agree to receive further updates on a six-monthly basis, and consider whether there is specific information they would like to see covered in future reports.

Nigel Stevenson

Service Director for Finance, Infrastructure and Improvement

For any enquiries about this report please contact:

Rob Disney
Group Manager – Assurance

Constitutional Comments (EP 11/04/2019)

16. The Finance and Major Contracts Management Committee is the appropriate body to consider the content of the report. If the Committee resolves that any actions are required it must be satisfied that such actions are within the Committee's terms of reference.

Financial Comments (RWK 11/04/2019)

17. There are no specific financial implications arising directly from the report.

Background Papers and Published Documents

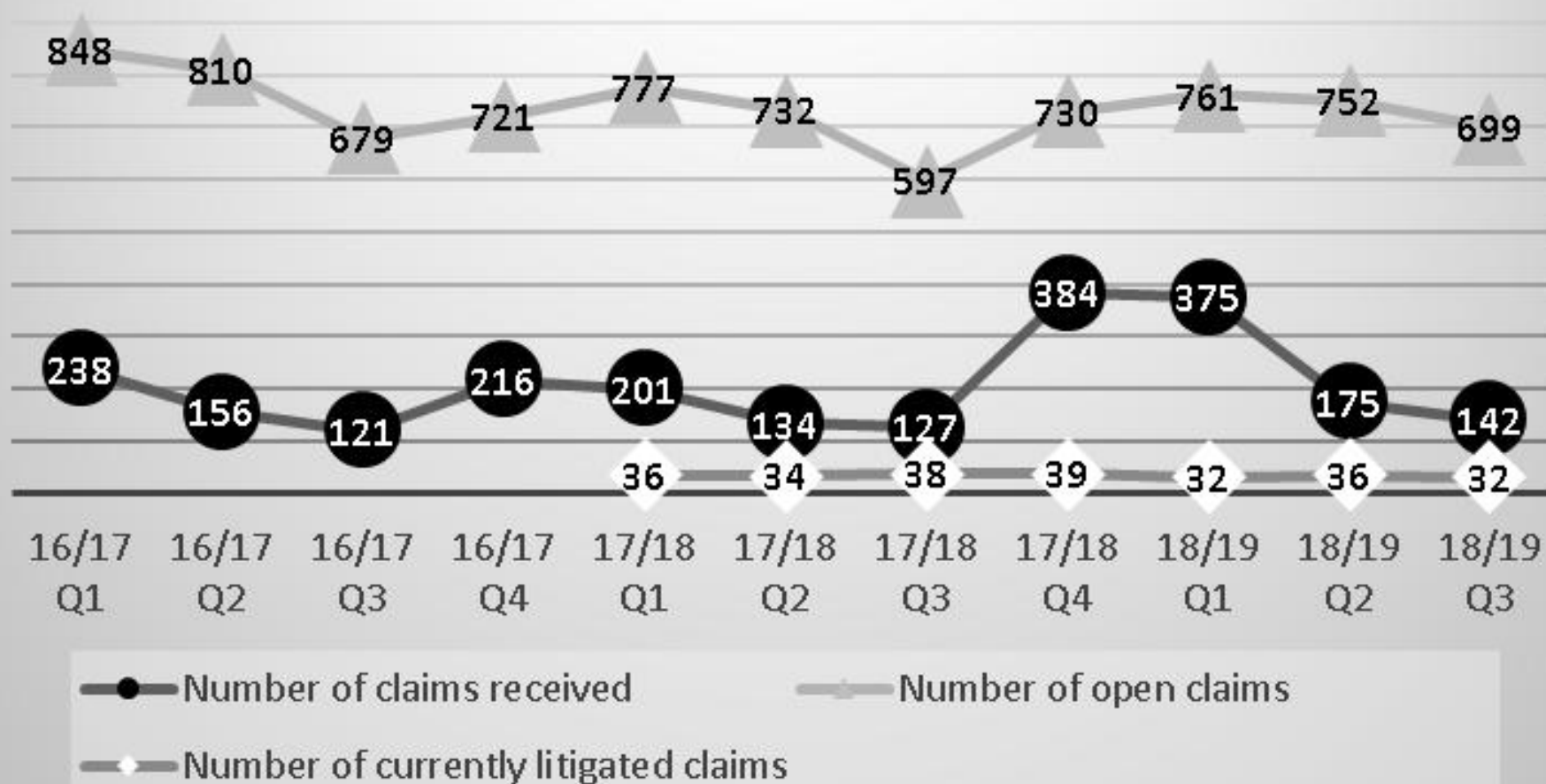
Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

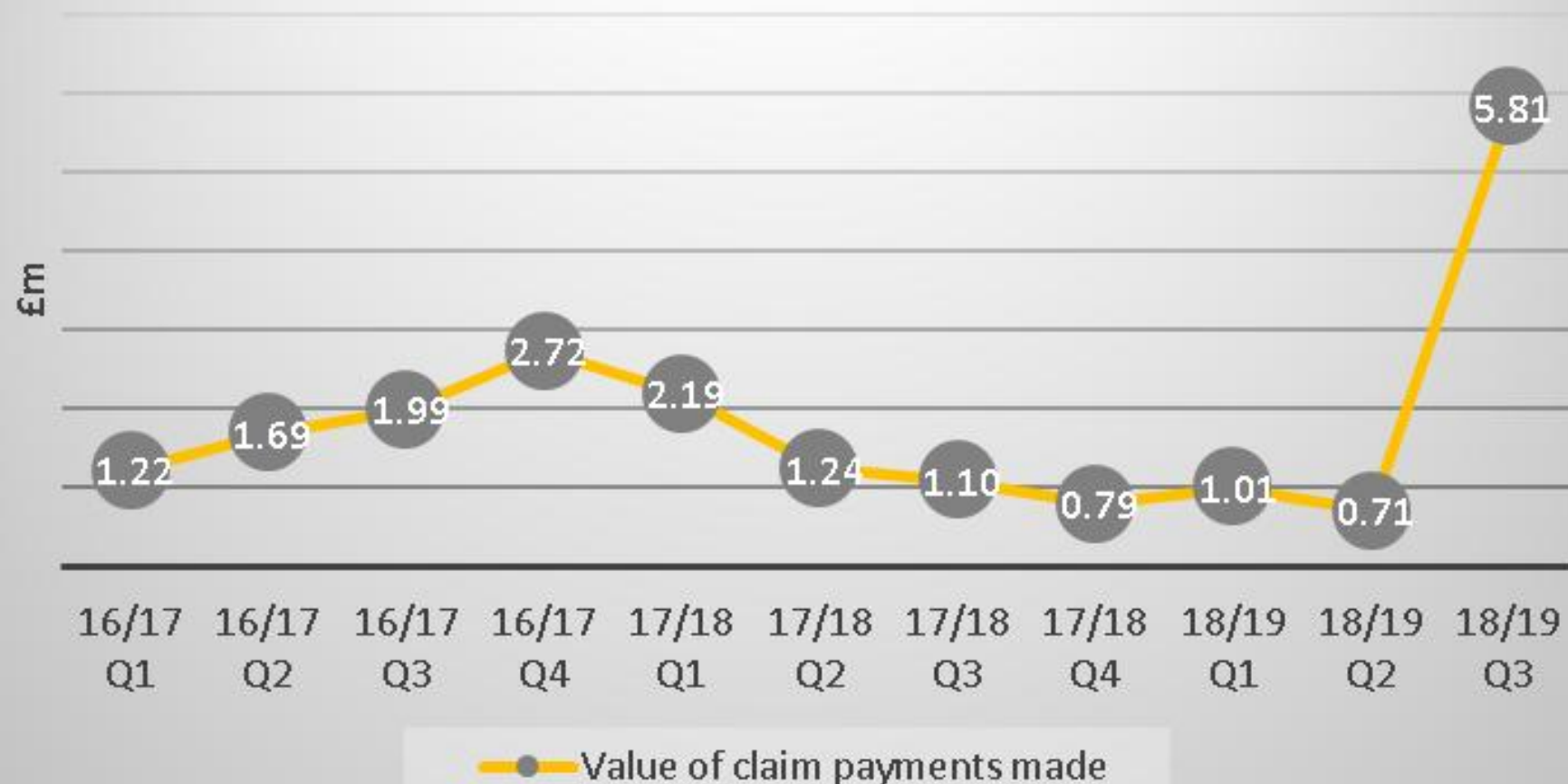
Electoral Division(s) and Member(s) Affected

- All

Insurance claim numbers



Value of claim payments made



REPORT OF CORPORATE DIRECTOR, PLACE**PROCESS FOR ACCESSING FUNDING HELD BY THE D2N2 LEP FOR HS2
DEVELOPMENTS AT TOTON****Purpose of the Report**

1. This report sets out the mechanism for Nottinghamshire County Council (NCC) to access funding held by the D2N2 LEP for the purposes of project spending relating to the HS2 developments at Toton.

InformationBackground

2. The reports presented to Policy Committee on 14 February 2018 and 20 June 2018 outlined the importance of HS2 related growth to Nottinghamshire, and specifically how the development of an East Midlands hub at Toton was integral to this. These reports followed the publication of the East Midlands HS2 Growth Strategy in September 2017.
3. As Nottinghamshire will be home to the East Midlands hub in Toton, the county is perfectly placed to capitalise on the economic benefits from high-speed rail. Working with national and local partners, Nottinghamshire County Council are playing an active role in helping to drive the HS2 programme forward.
4. At Policy Committee in February 2018, it was agreed that an HS2 delivery team would be established to drive forward the County Council engagement in the development of a number of business cases from strategic outline to full business case stage, including any further studies or commissions.

Funding approved by Department of Transport to date

5. In 18/19 the Department for Transport awarded stage one funding of £900,000 for the Toton Connectivity development to the D2N2 Local Enterprise Partnership (LEP) following a bid completed by East Midlands Councils. This is part of a £1.8 million funding programme, the second stage of which is yet to be awarded.
6. This grant has been awarded as a grant under Section 31 of the Local Government Act 2003 and does not have any conditions attached to how it is used. However in order to provide appropriate transparency, the project team is reporting how this grant is spent to the Toton Delivery Board and the HS2 Executive Board in line with the HS2 Growth Strategy priorities.

D2N2 Local Enterprise Partnership (LEP) Accountable Body

7. It is expected that all of the funding will be awarded to the D2N2 LEP and so far the LEP has received £900,000 from the Department of Transport.
8. D2N2 is the Local Enterprise Partnership (LEP) for Derby, Derbyshire, Nottingham and Nottinghamshire. It plays a central role in deciding local economic priorities, and undertaking activities to drive economic growth and create local jobs. Established in 2011, the D2N2 LEP is a non-incorporated partnership made up of organisations from public, private and voluntary sector who want to have a positive impact on the future growth of the local economy. NCC is a member of the D2N2 LEP.
9. The current scheme of delegation is for decisions to be made by the LEP Board or the LEP Chief Executive. The LEP Board may from time to time delegate decisions to its sub boards which are outlined in the terms of reference for each board. Derbyshire County Council's Improvement and Scrutiny Committee will provide an independent scrutiny function where appropriate.
10. Derbyshire County Council (DCC) are the Accountable Body for the D2N2 LEP and therefore the funding awarded to the LEP is held by Derbyshire County Council on behalf of D2N2 LEP.
11. See appendix 1 for the D2N2 LEP governance structure relating to the projects for HS2.

Accessing the funding

12. To progress and drive the HS2 work, it will sometimes be necessary for NCC to procure services on behalf of regional groups, such as the Midlands Engine or D2N2 LEP.
13. On these occasions it is necessary for NCC to have a formally recognised mechanism to access the funding from the D2N2 LEP in order to undertake the procurement activity on the LEP's behalf.
14. NCC will only draw on indicative budget allocations that have been approved by an appropriately authorised partnership board, such as the Toton Delivery Board (who have delegated authority to review spending granted by the HS2 Executive Board), and where the body providing funding has confirmed award of the funding.
15. Once project costs and contracts have been agreed, Nottinghamshire County Council will procure services and incur expenditure and invoice the D2N2 LEP in arrears to recover costs incurred. This will reduce any risks associated with Nottinghamshire County Council's liability to fund awarded services in the event that the funds are unable to be drawn from the external source.
16. Contracts will be divided into milestones that will ensure project work remains on track and financial risk is minimised.
17. For 2018/19 costs, Nottinghamshire County Council invoiced the D2N2 LEP at the end of the financial year, providing evidence of spend via relevant invoices. From April 2019, invoicing will take place on a quarterly basis and be linked to project reporting.

Reason/s for Recommendation/s

18. A robust, financially compliant mechanism for drawing on funding is required to ensure the necessary cash flow to Nottinghamshire County Council to undertake procurement activity on behalf of the D2N2 LEP where Nottinghamshire County Council are identified as the lead agency for that work.

Statutory and Policy Implications

19. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

20. A robust mechanism for authorising and drawing down funding will ensure that NCC is not reliant on its own funds to procure services for third party partnerships. The above approach will also mitigate risks associated with delivering this important project work by providing for staged milestone payments on completion of identified work packages.

RECOMMENDATION/S

That members agree to the process for the award of contracts in relation to HS2 on behalf of the D2N2 LEP, in relation to elements of the work for which NCC have been authorised to lead by the Toton Delivery Board or other authorised bodies holding such funding.

Adrian Smith

Corporate Director, Place

For any enquiries about this report please contact:

Ken Harrison, HS2 Programme Director

Constitutional Comments [HD – 28/3/2019]

21. As this report relates to procurement activity relating to the HS2 programme of work, this decision about accessing funding for that purpose falls within the remit of Finance and Major Contracts Management Committee.

Financial Comments [RWK 16/04/2019]

There are no specific financial implications arising directly from the report.

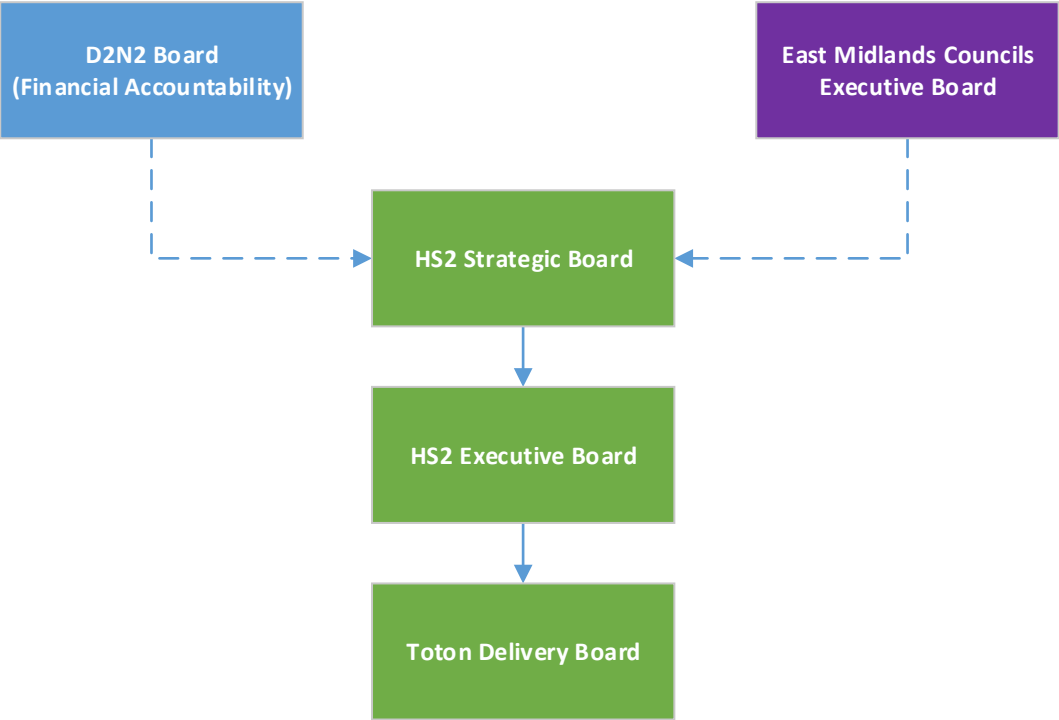
Background Papers and Published Documents

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Electoral Division(s) and Member(s) Affected

- All

Appendix 1 – Governance structure



29th April 2019**Agenda Item: 7****REPORT OF DIRECTOR OF PUBLIC HEALTH****PROGRESS REPORT ON PUBLIC HEALTH COMMISSIONING AND
PROCUREMENT****Purpose of the Report**

1. To report on the progress made with the commissioning of an Integrated Wellbeing Service and an All Age Substance Misuse Treatment and Recovery Service. Committee to consider whether there are any actions they require in relation to the current progress made and if they require an update on progress before the conclusion of the tender process.

Information

2. This report relates to two procurement projects. In both cases the procurement approach adopted is based on a Competitive Dialogue process. Competitive Dialogue is used when it is not possible to describe detailed requirements with sufficient certainty or where, in the absence of in-depth dialogue with potential providers, it is not possible to assess what the market can offer in terms of technical, financial or legal solutions. The dialogue which takes place has an important role in shaping the solution which bidders compete to provide.
3. The current Public Health budget available to invest in the Integrated Wellbeing Service is £2,630,000 per year. This is a combination of the Obesity, Tobacco and Workplace Wellbeing budget lines. The financial envelope will be used to develop a service across the County and across all age groups.
4. The current Public Health investment in all three Substance Misuse contracts totals £ 8,570,135 per year. This financial envelope will be used to develop an All Age Substance Misuse Treatments and Recovery Service across the County.

Progress summary for The Integrated Wellbeing Service

Date	Task	Progress
26/11/18	OJEU notice issues and Tender process commenced	Complete
07/01/19	Bidders submit their Selection Questionnaire response	Complete
01/02/19	Shortlisted Bidders Notified	Complete
12/02/19	Bidders submit their Outline Solution	Complete
18/02/19 to 06/03/19	Dialogue period	Complete
07/03/19 to 18/04/19	Commissions review and amend specification	Complete
29/04/19	Issue Invitation to Continue in Dialogue (ITCD)	Scheduled
23/05/19	Bidders submit their ITCD Response	Scheduled
25/06/19	Shortlisted Bidders Notified	Scheduled
01/07/19 to 05/07/19	Dialogue period	Scheduled
08/07/19 to 12/07/19	Commissioners finalise documents for final Tender stage	Scheduled
15/07/29	Issue Final Tender documents	Scheduled
05/08/19	Bidders submit their final tenders	Scheduled
August	Evaluation and Selection of Preferred Bidder	Scheduled

There was a lot of interest in the opportunity and we received bids from experienced and technically capable providers. Through the shortlisting process we are in dialogue with a number of Bidders who have fully embraced the process and welcome the opportunity to explore the best solution to meet our needs. Our assessment is that there is a sufficiently strong and competitive market to be able to form a contract with a Provider who will meet the service and quality requirements. The authority will select the Provider offering the most economically advantageous tender.

Progress summary for the All Age Substance Misuse Treatment and Recovery Service

Date	Task	Progress
05/12/18	OJEU notice issues and Tender process commenced	Complete
15/01/19	Bidders submit their Selection Questionnaire response	Complete
07/02/19	Shortlisted Bidders Notified	Complete
26/02/19	Bidders submit their Outline Solution	Complete
05/03/19 to 14/03/19	Dialogue period	Complete
15/03/19 to 01/04/19	Commissions review and amend specification	Complete
11/04/19	Issue Invitation to Continue in Dialogue (ITCD)	Complete
09/05/19	Bidders submit their ITCD Response	Scheduled
30/05/19	Shortlisted Bidders Notified	Scheduled
06/06/19 to 07/06/19	Dialogue period	Scheduled
10/06/19 to 14/06/19	Commissioners finalise documents for final Tender stage	Scheduled
20/06/19	Issue Final Tender documents	Scheduled
11/07/19	Bidders submit their final tenders	Scheduled
July / August	Evaluation and Selection of Preferred Bidder	Scheduled

There was interest in the opportunity and we received bids from experienced and technically capable providers. Through the shortlisting process we are in dialogue with a number of Bidders who have fully embraced the process and welcome the opportunity to explore the best solution to meet our needs. Bidders are specialised in delivering Substance Misuse treatment and recovery services and our assessment is that there is a sufficiently strong and competitive market to be able to form a contract with a Provider who will meet the service and quality requirements. The authority will select the Provider offering the most economically advantageous tender.

Other Options Considered

5. If the bids received at the selection stage for both projects indicated a limited response from technically capable and experienced providers we could have considered ceasing the Competitive Dialogue process and re-issuing the opportunities using an alternative procurement model. This is not the case and for both projects there are experienced and competitive Bidders involved.

Reason/s for Recommendation/s

6. To allow Committee to consider whether there are any actions they require in relation to the current progress made.

Statutory and Policy Implications

7. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

8. The financial implications for both of these contracts are included within the Public Health allocated budget which is £2,630,000 per year for the Integrated Wellbeing Service and £8,570,135 per year for Substance Misuse.

RECOMMENDATION/S

- 1) Committee to consider whether there are any actions they require in relation to the current progress made.
- 2) That Committee considers if they require an update on progress before the conclusion of the tender process.

Michael Fowler

Category Manager ASCHPP Procurement

For any enquiries about this report please contact:

Rebecca Atchinson Senior Public Health and Commissioning Manager

Sarah Quilty Senior Public Health and Commissioning Manger

Constitutional Comments (CEH 13.03.19)

9. The recommendations fall within the remit of Finance and Major Contracts Management Committee under its terms of reference.

Financial Comments (DG 15.03.19)

10. The financial implications are included within paragraph 8 of this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All



29 April 2019

Agenda Item: 8

**REPORT OF THE SERVICE DIRECTOR FOR FINANCE, INFRASTRUCTURE
& IMPROVEMENT AND SECTION 151 OFFICER**

**UPDATE ON THE IMPLEMENTATION OF THE NEW HOME BASED CARE
AND SUPPORT SERVICES**

Purpose of the Report

1. This report provides an update on the implementation of the new Home Based Care and Support Services including notification of any further awards of new contracts and the use of the Dynamic Purchasing System.
2. The report gives an update on the progress of the Home First Response Service.

Information

Background

3. This report provides an update to the progress made with implementation of the new model of service delivery which seeks to address the challenges of the home care market both at a local and national level. The previous report and the presentation to this Committee on 19th November 2018 referred to the new model of services which was developed to address some of these issues by offering fair financial remuneration and greater security to Providers, whilst in return expecting better quality services that provide person-centred care to service users and their carers.
4. The new service contract will deliver Home Based Care and Support Services for an initial period up to 30th June 2023 with an option to extend up to a further five years. It is part of a system of services to keep people living at home including reablement, rapid response, hospital discharge, carers support, assistive technology and housing with care.

Update on the implementation of the new Home Based Care and Support Services

5. The previous report to Committee in November 2018 confirmed the outcomes of the tenders to procure a 'Lead Provider' for each of the six geographical areas or 'lots' plus 'Additional Providers', also for each lot. The lot areas are:
 - Bassetlaw
 - Broxtowe
 - Gedling

- Mansfield and Ashfield
- Newark and Sherwood
- Rushcliffe.

The Lead Providers are also required to provide care and support services to all nominated service users in the Housing with Care schemes within their lot area.

6. The first phase of the new contracts commenced on 1 July 2018 followed by an implementation and transition phase that ran until October 2018. This was successfully completed with little disruption to service users. Services are now being commissioned for outcomes, rather than the prescriptive “time and task” approach, which allows for a greater degree of individuality and flexibility in the delivery of services. Previously the Council paid home care providers on the actual minutes delivered to each individual service user. This payment model was quite restrictive and caused some cash flow issues for Providers, particularly small Providers, nor did it encourage them to offer staff salaried contracts due to fluctuating monthly payments. The new model pays Providers on commissioned hours, dependent on the achievement of two high level outcomes; service user satisfaction and percentage of pick-up of referrals of 80% for Lead Providers and 35% for Additional Providers. To incentivise the providers to achieve these outcomes, they are paid 95% of the commissioned hours with an additional 5% available on the achievement of the two outcomes. This gives providers more financial surety and therefore they will be in a better position to offer staff improved terms and conditions.
7. The new commissioning process requires that all new care packages are sent to the appointed Lead Provider for the geographical Lot. The Lead Provider is required to accept a minimum of 75% of these and packages that are not picked up by the Lead Provider are sent to the Additional Providers in the Lot. Additional Providers are required to offer on a minimum of 25% of these packages. Any packages not picked up by either Lead or Additional Providers are advertised to a wider pool of Providers via the Dynamic Purchasing System (DPS).
8. Over 700 packages of care were recommissioned and transferred to one of the new Providers through the new arrangements, the majority being in Mansfield/Ashfield and Newark and Sherwood areas. Providers also picked up care packages from the existing waiting list in place on 1 July 2018 and there has been a reduction of the number of people awaiting a long term package from over 250 (July 2018) to less than 30.
9. The overall acceptance of referrals by the Lead and Additional Providers is steady across the County, but sometimes below contractual requirement for individual Providers. Most of those packages which are not accepted by the Lead or Additional are being picked up by providers on the DPS.
10. Bassetlaw was previously a difficult to serve area but now the Lead and Additional Providers are working well together and are responding to the majority of referrals for that area. The same is true for Broxtowe and also Mansfield and Ashfield. In other areas acceptance rates are generally lower than contractually required for both Lead and Additional Providers and Rushcliffe poses some particular challenges. Measures have been put in place to address these which include contractual sanctions being applied to some of the Additional Providers and de-selection of the preferred Lead Provider in Rushcliffe. Alternative temporary provision is being arranged for the Care and Support

Services to the Housing with Care schemes in Rushcliffe pending procurement of a permanent provider and the DPS is being used to source other packages of care. In addition market engagement exercises are being undertaken to gather further intelligence and stimulate the market in this particular area.

Home First Response Service overview

11. The Home First Response Service (HFRS) is a short term rapid response service providing home based care for up to a maximum of 14 days to facilitate discharge from hospital or to prevent unnecessary admission to short term care or hospital due to a temporary crisis at home. The service is a county-wide service and delivered by one Provider, Carers Trust East Midlands, to ensure consistency and flexibility. The service commenced in December 2017.
12. From mid-December 2017 to the end of January 2019, 1,427 people have been through the service. At point of discharge from the service 30% of people required no on-going services, 18% were referred to the Council's START (Short Term Assessment and Reablement Team) service for further reablement, and 52% went on to a longer term home based care service.
13. The service, which is accessible seven days a week, is reported by staff and service users as being an excellent service.
14. In recognition of this and the valuable contribution it offers to facilitate discharges from hospital extra capacity has been commissioned to ensure that people being discharged from hospital are returned home as quickly and as smoothly as possible and the contract has been extended until March 2020.

Dynamic Purchasing System

15. The Dynamic Purchasing System (DPS) Further Competition process is now fully operational and provides a further opportunity to place packages that have not been accepted by Lead or Additional Providers. The care packages that have been awarded through the DPS process have been at no significant increase in hourly rates and therefore currently the spend remains within the expected budget.

Actions to build market resilience and capacity

16. Availability of home care services is a national, as well as a local, issue and the recruitment and retention of sufficient workforce remains a challenge. The Council is actively trying to address these difficulties with this different model of Home Based Care and Support Services which is designed to build and support capacity in the local market over a 10 year period. Although it is still early in this process there have been some examples of Providers changing their recruitment practices and terms and conditions which are detailed below.
17. The Council has invested significant energy and resources into designing this new model and it will take some time to embed the change in culture that is required to fully realise the benefit of the change. The new model of service delivery will provide an opportunity for improved terms and conditions for Provider staff as well as greater job

satisfaction for care staff. This will encourage a more reliable and consistent workforce which in turn will improve the quality of services being delivered.

18. There are still challenges in terms of Provider capacity to meet the demand for home based care but there are also opportunities. These are to deliver greater efficiencies by further streamlining the systems and processes by which services are commissioned. An example of this is the introduction of an electronic portal to manage referrals through to Providers which will reduce manual processes and accelerate response times. Also, work is underway to support Providers to collaborate and create a more motivated and vibrant workforce throughout home based care and support services in Nottinghamshire.
19. In order to monitor that staff terms and conditions are improving, the new contract requires the Provider to evidence year on year increases in the number of staff offered a salaried Contract. An example of good practice is that since the introduction of the new contracts one of the main Lead Providers is advertising posts at hourly rates of £10.00 for care staff and two Providers have introduced some guaranteed hour or salaried contracts. This is a significant change for Providers and it is hoped that this will encourage other Providers to adopt similar approaches.
20. More immediately, the following actions have been initiated to address the issues identified and help provide market capacity:
 - weekly monitoring of Providers' performance and target setting on pick-up of new referrals and recruitment of staff
 - strict application of contract requirements which, for those Providers who do not meet the standards required, have result in sanctions being applied including the termination of contracts
 - retendering to increase the overall pool of Additional Providers particularly in areas where there are insufficient Providers
 - support to Providers to work together and build capacity through sharing good practice around recruitment and retention or by focusing on particular localities in the area to problem solve issues.

Communications, Engagement and Co-production

21. The Council continues to work with the 'Experts by Experience' engagement group, who were involved in the evaluation of the tenders and have also offered advice to officers on producing appropriate communications for service users and carers. The group is now considering how its members can be involved in the on-going quality monitoring of services and how to attract new members.
22. The Council will continue to inform and involve service users, carers, Providers, staff, Health partners, stakeholders and the public in the ongoing work and implementation of the new services.

Other Options Considered

23. These are detailed in **paragraphs 18-20**.

Reasons for Recommendations

24. The Council is required to procure services in line with its statutory obligations and to oversee and create a diverse and vibrant market on behalf of the population of Nottinghamshire as required under The Care Act 2014.
25. To allow Committee to consider whether there are any actions they require in relation to the issues raised in this report.

Statutory and Policy Implications

26. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

27. The current spend on Home Based Care and Support Services is within the expected budget and the cost of the service is monitored monthly with the forecast costs contained within the monthly budget monitoring. The budget for 2018-19 was £17.2m and for 2019-20 is £18.45m.

Public Sector Equality Duty Implications

28. The nature of the services being commissioned mean they will affect older adults and people with disabilities, including people who have multiple and complex health and social care needs. The Council completed an Equality Impact Assessment to consider the implications of the tender process on people with protected characteristics.

Implications for Service Users

29. The Council has a statutory duty to ensure there is sufficient provision of a diverse range of services to meet people's social care and support needs. The re-modelling of Home Based Care and Support Services has been to enable the Council to commission sufficient volumes of Home Based Care and Support Services and to ensure these services are flexible, sustainable and able to meet current and future needs.
30. It is expected that the Providers of the services will be able to offer staff improved terms and conditions which will encourage a more reliable and consistent workforce which in turn will improve the quality of services being delivered.

Implications for Sustainability and the Environment

31. The payment rates and payment method provide a more realistic rate for independent sector Providers who in turn will be able to invest in their workforce.

RECOMMENDATIONS

- 1) That the Committee considers whether there are any further actions it requires arising from the information on the progress of the procurement and implementation of the Home Based Care and Support Services.

Nigel Stevenson

Service Director, Finance, Infrastructure & Improvement and Section 151

For any enquiries about this report please contact:

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E: Jane.cashmore@nottsccl.gov.uk

Constitutional Comments (CEH 29/03/19)

32. The recommendation falls within the delegation to the Finance and Major Contracts Management Committee under its terms of reference.

Financial Comments (DG 01/04/19)

33. The financial implications are contained within paragraph 27 of this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Tender for Home Based Care and Support Services – report to Full Council on 26 September 2013

The Social Care Market: Provider Cost Pressures and Sustainability – report to Adult Social Care and Health Committee on 30 November 2015

Annual Budget 2016-17 – report to Full Council on 25 February 2016

Tender for older people's home based care and support services – report to Adult Social Care and Health Committee on 18 April 2016

Tender for older people's home based care and support services – report to Adult Social Care and Health Committee on 11 July 2016

Tender for older people's home based care and support services - report to Adult Social Care and Public Health Committee on 12 June 2017

Tender for older people's home based care and support services - report to Adult Social Care and Public Health Committee on 13 November 2017

Equality Impact Assessment

New ways of working for Home Based Care Services – review of case studies: February 2018

Tender for older people's home based care and support services - report to Adult Social Care and Public Health Committee on 12 March 2018

Revision to the Adult Social Care Charging Policy - report to Policy Committee on 28 March 2018

Update on Tender for Home Based Care and Support Services - report to Adult Social Care and Public Health Committee on 9 July 2018

Proposals for allocation of additional national funding for Adult Social Care – report to Adult Social Care and Public Health Committee on 12 November 2018

Proposals for allocation of additional national funding for Adult Social Care Addendum - report to Adult Social Care and Public Health Committee on 12 November 2018

Home based care & support services project – presentation - report to Finance and Major Contracts Management Committee on 19 November 2018

Electoral Division(s) and Member(s) Affected

All.

ASCPH644 final

29 April 2019**Agenda Item: 9****REPORT OF THE SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE &
IMPROVEMENT****CIPFA CONFERENCE 2019****Purpose of the Report**

1. To seek approval for 2 nights' hotel accommodation to allow one of the Vice Chairs of the Committee to attend the annual Chartered Institute of Public Finance & Accountancy (CIPFA) conference in Birmingham on 9 -10 July 2019.

Information and Advice

2. At the last meeting of the Committee on 18th March 2019 approval was given for 2 members and an officer to attend the above conference. Councillor Richard Jackson, Councillor John Ogle and Nigel Stevenson are due to attend. As the Conference is due to be held in Birmingham it was assumed that hotel accommodation would not be required and approval was therefore given for return rail travel for the attendees on each of the 2 days of the Conference.
3. However, the Vice Chairman, Councillor Ogle, lives in Retford and it is not possible to travel by public transport from Retford to Birmingham on the same day and arrive in time for the beginning of the Conference. Approval is therefore sought for 2 nights' accommodation in Birmingham for Councillor Ogle. The estimated cost of 2 nights' accommodation is £200.

Other Options Considered

4. Driving between Retford and Birmingham and returning on 2 successive days is not considered to be a practical or safe alternative to 2 nights' accommodation in Birmingham.

Reason/s for Recommendation/s

5. Under the terms of the Council's constitution, the Finance & Major Contracts Management Committee is responsible for the financial management of the Authority, and it is best practice to ensure that those charged with decision-making and financial management have effective knowledge and skills. Without the approval of overnight accommodation it will not be possible for one of the Vice Chairs of the Committee to attend the Conference.

Statutory and Policy Implications

6. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

That 2 nights' hotel accommodation in Birmingham on 8th and 9th July 2019 be approved to allow attendance at the CIPFA annual conference by the Vice Chair of the Committee.

Nigel Stevenson

Service Director – Finance, Infrastructure and Improvement

For any enquiries about this report please contact:

Keith Palframan – Group Manager Financial Services

Constitutional Comments (KK 04/042019)

7. The proposal in this report relating to the approval of hotel accommodation to allow the Vice Chair to attend the CIPFA annual conference is within the remit of the Finance and Major Contracts Management Committee.

Financial Comments (KRP 04/04/2019)

8. The financial implications are set out in the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

25 April 2019

Agenda Item: 10

REPORT OF THE SERVICE DIRECTOR - CUSTOMERS, GOVERNANCE AND EMPLOYEES

WORK PROGRAMME

Purpose of the Report

1. To consider the Committee's work programme for 2019.

Information

2. The County Council requires each committee to maintain a work programme. The work programme will assist the management of the committee's agenda, the scheduling of the committee's business and forward planning. The work programme will be updated and reviewed at each pre-agenda meeting and committee meeting. Any member of the committee is able to suggest items for possible inclusion.
3. The attached work programme has been drafted in consultation with the Chair and Vice-Chairs, and includes items which can be anticipated at the present time. Other items will be added to the programme as they are identified.
4. As part of the transparency introduced by the revised committee arrangements from 2012, committees are expected to review day to day operational decisions made by officers using their delegated powers. It is anticipated that the committee will wish to commission periodic reports on such decisions. The committee is therefore requested to identify activities on which it would like to receive reports for inclusion in the work programme.

Other Options Considered

5. None.

Reason/s for Recommendation/s

6. To assist the committee in preparing its work programme.

Statutory and Policy Implications

7. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required

RECOMMENDATION/S

- 1) That the Committee considers whether any amendments are required to the Work Programme.

Marjorie Toward
Customers, Governance and Employees

For any enquiries about this report please contact: Pete Barker, x74416

Constitutional Comments (HD)

8. The Committee has authority to consider the matters set out in this report by virtue of its terms of reference.

Financial Comments (NS)

9. There are no direct financial implications arising from the contents of this report. Any future reports to Committee on operational activities and officer working groups, will contain relevant financial information and comments.

Background Papers

None.

Electoral Division(s) and Member(s) Affected

All

FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME

<u>Report Title</u>	<u>Brief summary of agenda item</u>	<u>Lead Officer</u>	<u>Report Author</u>
20 May 2019			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
CIPFA Financial Management Code		Nigel Stevenson	Keith Palframan
New Schools Build LEC Report: Bestwood Hawthorne, Hucknall Flying High Academy and Orchard Special School.	Latest Estimated Costs Report	Derek Higton	Phil Berrill
LEC – Schools Building Improvement Programme 2019-20	Latest Estimated Costs Report	Derek Higton	Phil Berrill
17 June 2019			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell
'Your Nottinghamshire Your Future' Departmental Strategy, Six Month Review of Progress (Oct – March 2019)	Progress report	Nigel Stevenson	Rob Disney / Matthew Garrard
Fair Price for Care Project (older adults)	Outcome of consultancy work and how this is going to inform the approach to the market.	Michael Fowler	Kaj Ghattora
Contract Management – A Framework Approach for NCC		Kaj Ghattora	Kaj Ghattora
15 July 2019			
Monthly Budget & Capital Monitoring Report 2019/20	Budget Capital Monitoring, Capital Receipts, Capital Variations	Nigel Stevenson	Glen Bicknell

FINANCE & MAJOR CONTRACTS MANAGEMENT COMMITTEE – WORK PROGRAMME

September 2019			
BCF 6 Monthly Reconciliation		Joanna Cooper	Joanna Cooper
November 2019			
DN2 Partnership Children's Services Intervention Programme	6 Monthly Update	Lynn Brammer / Jon Hawketts	Kaj Ghattora
TO BE PLACED			
Commercial Development Unit	Report on progress.	Mark Knight	Nigel Stevenson
The provision of new schools and school places	Details of the Authority's approach	Derek Higton	Derek Higton
Gedling Access Road (GAR)	Report on progress	Neil Hodgson	Neil Hodgson