SHEFFIELD CITY COUNCIL

EXECUTIVE FUNCTIONS DECISION RECORD

The following decisions were taken on Wednesday 19 June 2019 by the Cabinet.

Date notified to all Members: Tuesday 25th June 2019

The end of the call-in period is 4:00 pm on Monday 1st July 2019

The decision can be implemented from Tuesday 2nd July 2019

Item No

8. ADULT SUBSTANCE MISUSE SERVICES RETENDER

8.1 The Deputy Executive Director, People Services, submitted a report setting out the proposed approach to recommissioning drug and alcohol treatment and support services for adults aged 18 and above in Sheffield.

8.2 **RESOLVED:** That Cabinet:-

(a) approves the proposed procurement process and service model, as set out in the report, to secure services for the support and treatment of the adult residents of Sheffield with substance use disorders; and

(b) delegates authority to the Director of Commissioning, Learning and Inclusion, in liaison with the Director of Legal and Governance, the Director of Finance and Commercial Services, and the Cabinet Member for Health and Social Care, to:-

(i) approve the procurement strategy for the tender for the Adult Substance Misuse Services; and

(ii) agree appropriate contract terms and approve a contract award following the tender process.

8.3 **Reasons for Decision**

8.3.1 Good quality drug and alcohol support services are essential to help individuals turn their lives around and build stronger families and communities in Sheffield.

8.3.2 The Council has a duty to organise and arrange drug and alcohol treatment and support services for the people of Sheffield. The Council cannot directly run these services, so a recommissioning process is required.

8.3.3 The current legal contractual arrangements in place for these services expire on 31 March 2020, so carrying out this process at this time will allow us to ensure there is continuity of service, with new contracts commencing

on 1st April 2020, and to offer the necessary savings to the Public Health Grant with minimum impact on frontline service. This was the over-arching action set out in the Drug Strategy 2018-2022.

8.3.4 The service will be based on local need and trend analysis, and performance data for current service provision will inform where change and improvement is needed for the forthcoming contract period.

8.4 **Alternatives Considered and Rejected**

8.4.1 There is not a 'do nothing' option available: all SCC commissioned substance misuse support contracts now end on 31st March 2020 and in order to ensure there is legally contracted provision from 1st April 2020 a new commissioning process must be carried out in a timely manner. The ending of all the contracts on the same date allows us the opportunity to ensure our vision, as set out in the drug and alcohol strategies, are realised via the commissioned treatment provision, and achieve savings and efficiencies by streamlining and integrating the service and remove barriers for service users such as duplication and issues with information sharing.

8.4.2 The commissioning process also allows us to review our outcomes, and focus attention and prioritise areas where improvement is required.

8.4.3 The alternative option in terms of the model would be to commission two or more separate contracts to mirror the current provision. However, the outcome of the consultation was overwhelmingly that a one contract model was preferred by staff, stakeholders and service users. It also offers the opportunity for reduced overheads in a time when savings are required, and so is the sensible approach to providing these savings while minimising the impact on frontline service.

8.4.4 Another option considered is the Council taking on the delivery of these services and running them as a Council service. This has been rejected for a number of reasons. Firstly, the services involve a significant element of clinical expertise and delivery of high volume clinic based activity. Secondly, the Council has no experience or delivery knowledge of these services and has no past precedent for running them, whereas there is a well-developed market of qualified and experienced providers who would be willing and able to deliver these services if successful in the competitive tender process. This is evidenced through our current service delivery arrangements. Finally, the Council has no systems in place for clinical supervision of a workforce, licences to hold medication, is unable to manage safe prescribing: and the costs of setting this up would be disproportionately high and poor value for money when existing fit for purpose options exist in this market.

8.5 **Any Interest Declared or Dispensation Granted**

None

8.6 **Reason for Exemption if Public/Press Excluded During Consideration**

None

8.7 **Respective Director Responsible for Implementation**

John Doyle, Deputy Executive Director, Place.

8.8 **Relevant Scrutiny and Policy Development Committee If Decision Called In**

Healthier Communities and Adult Social Care.

9. REVENUE BUDGET AND CAPITAL PROGRAMME MONITORING 2018/19 - AS AT 31/3/2019

9.1 The Executive Director, Resources, submitted a report providing the outturn monitoring statement on the City Council's Revenue and Capital Budget for 2018/19.

9.2 **RESOLVED:** That Cabinet:-

(a) notes the updated information and management actions provided by the report and attached appendices on the 2018/19 Revenue Budget Outturn;

(b) notes the recommendation of the Executive Director, Resources and Statutory Finance Officer, at paragraph 14 of the report, that the General Fund reserve is returned to the minimum recommended level of £12.6m (approximately 3% of net revenue expenditure) during 2019/20;

(c) in relation to the Capital Programme, notes the Outturn position described in Appendix 6 of the report; and

(d) in relation to the Treasury Management Review in Appendix 7 of the report, notes the 2018/19 Treasury Management Outturn Report.

9.3 **Reasons for Decision**

9.3.1 To record formally changes to the Revenue Budget and the Capital Programme.

9.4 **Alternatives Considered and Rejected**

9.4.1 A number of alternative courses of action are considered as part of the process undertaken by Officers before decisions are recommended to Members. The recommendations made to Members represent what

Officers believe to be the best options available to the Council, in line with Council priorities, given the constraints on funding and the use to which funding is put within the Revenue Budget and the Capital Programme.

9.5 **Any Interest Declared or Dispensation Granted**

None

9.6 **Reason for Exemption if Public/Press Excluded During Consideration**

None

9.7 **Respective Director Responsible for Implementation**

Eugene Walker, Executive Director, Resources.

9.8 **Relevant Scrutiny and Policy Development Committee If Decision Called In**

Overview and Scrutiny Management Committee.

10. MONTH 1 CAPITAL APPROVALS

10.1 The Executive Director, Resources, submitted a report providing details of proposed changes to the Capital Programme, as brought forward in Month 01 2019/20.

10.2 **RESOLVED:** That Cabinet approves the proposed additions and variations to the Capital Programme, listed in Appendix 1 of the report, including the procurement strategies and delegates authority to the Director of Finance and Commercial Services or nominated Officer, as appropriate, to award the necessary contract.

10.3 **Reasons for Decision**

10.3.1 The proposed changes to the Capital Programme will improve the services to the people of Sheffield.

10.3.2 To formally record changes to the Capital Programme and gain Member approval for changes in line with Financial Regulations and to reset the Capital Programme in line with latest information.

10.3.3 Obtain the relevant delegations to allow projects to proceed.

10.4 **Alternatives Considered and Rejected**

10.4.1 A number of alternative courses of action are considered as part of the process undertaken by Officers before decisions are recommended to

Members. The recommendations made to Members represent what Officers believe to be the best options available to the Council, in line with Council priorities, given the constraints on funding and the use to which funding is put within the Revenue Budget and the Capital Programme.

10.5 **Any Interest Declared or Dispensation Granted**

None

10.6 **Reason for Exemption if Public/Press Excluded During Consideration**

None

10.7 **Respective Director Responsible for Implementation**

Eugene Walker, Executive Director, Resources.

10.8 **Relevant Scrutiny and Policy Development Committee If Decision Called In**

Overview and Scrutiny Management Committee.

11. RETENDERING OF HEAT METERING CONTRACT

11.1 The Executive Director, Place, submitted a report seeking approval for Sheffield City Council to tender for, and award a new contract for the provision of Heat Metering Services for its District Heating network. Existing contractual arrangements are due to end in September 2019 and it is intended to award a new contract from this date.

11.2 **RESOLVED:** That Cabinet:-

(a) approves the procurement of District Heating Metering Services via a Public Sector Framework Agreement, as detailed and outlined within the report; and

(b) delegates authority to the Director of Finance and Commercial Services, in consultation with the Director of Housing and Neighbourhoods, following such procurement exercise to award such contract and take such other necessary steps not covered by existing delegations to achieve the outcomes outlined in the report.

11.3 **Reasons for Decision**

11.3.1 After considering the nature of this contract and taking on board the

essential regulatory compliance/value for money requirements, the best option for the Council is to award via mini competition under a Public Sector Framework Agreement.

11.3.2 Out of the two available frameworks, the Yorkshire Procurement Organisation (YPO) is the favoured option. Sheffield City Council has a long standing relationship with YPO and they have a proven and established track record in delivering frameworks for use by the public sector.

11.4 **Alternatives Considered and Rejected**

11.4.1 As part of an extensive appraisal of the potential procurement options available to the Council, the following options were considered:-

- Option 1 > Above OJEU Invitation to Tender for services (Open procedure).

- Option 2 > Call off via mini competition under a Public Sector Framework Agreement – options included YPO 642 Framework for Utilities Metering and Data Collection Services and Fife Council 10366 Framework for Heat Metering and Billing Services.

- Option 3 > Renegotiate and extend the current contract through a waiver of Contracts Standing Orders.

11.4.2 It was concluded that Option 3, which would seek a further waiver of Contracts Standing Orders, would contravene PCR Regulations and present a serious risk of challenge from alternative suppliers in the market. This would also not provide the Council the opportunity to test the market through a competitive exercise and therefore may not achieve value for money.

11.4.3 Option 1 would require a significant length of time in completing a full above OJEU threshold procurement exercise and would likely exceed the expiry of the current contract ending September 2019. Furthermore, this option would require further resources in terms of time and people.

11.4.4 Having considered all options through the regular project group meetings (including advice from Commercial Services), Option 2 is recommended for the following reasons:-

- The framework agreements are compliant with EU/UK procurement.
- Pre–agreed terms and conditions - all providers have signed

and accepted this agreement and terms and conditions of call off.

- Assured supplier standards - suppliers are pre-qualified as to their general suitability, giving customers confidence in the quality of service/products they can provide.
- Use of framework agreements is recognised best practice for the procurement of goods and services in public sector.
- Reduced timescales - with no need to publish requirements by OJEU or pre-qualify suppliers.
- Immediate access/use of frameworks.
- Ability to use our own detailed and tailored specification.
- Can allow for direct call offs and also mini competitions.

11.4.5 Both frameworks offer a compliant, cost effective and straight forward/quicker route to market consisting of multiple suppliers who have been pre-qualified and deemed suitable to provide the requested services. Furthermore, the incumbent suppliers Switch 2 are a named supplier on both frameworks.

11.5 **Any Interest Declared or Dispensation Granted**

None

11.6 **Reason for Exemption if Public/Press Excluded During Consideration**

None

11.7 **Respective Director Responsible for Implementation**

Laraine Manley, Executive Director, Place.

11.8 **Relevant Scrutiny and Policy Development Committee If Decision Called In**

Safer and Stronger Communities.

12. PROCUREMENT OF SEXUAL HEALTH SERVICES - APPROVAL OF CONTRACT AWARD

12.1 The Director of Public Health and the Deputy Executive Director, People Services, submitted a report seeking approval to proceed to award of contracts for provision of sexual health services to commence on 1st August 2019.

12.2 **RESOLVED:** That Cabinet:-

(a) notes the additional financial impact on the Council in awarding this contract and that contract award will require additional

savings from other budgets in the 2020/21 budget process, and that, in accordance with the Council's Constitution, any immediate financial implications will be addressed by the Head of Strategic Finance, in consultation with the Cabinet Member for Finance and the Director of Finance and Commercial Services; and

(b) approves the Director of Public Health and the Deputy Executive Director, People Services, proceeding to contract award in accordance with previous delegations.

12.3 **Reasons for Decision**

12.3.1 The bids received have been modelled and priced based on outturn service activity data provided by SCC and are therefore considered to be realistic and accurate and any alternative model would require reduced activity with the likely consequence of a significant additional financial pressure on SCC further down the line due to the open access nature of the service and SCC's related statutory responsibilities.

12.3.2 Approval of the additional expenditure on these services will enable contract award and service mobilisation to commence as per the intended procurement timescales.

12.4 **Alternatives Considered and Rejected**

12.4.1 Consideration was given to aborting the current procurement process to allow for further re-design of the service model with a view to generating further savings following a new procurement process. However, the bids received have been modelled and priced based on outturn service activity data provided by SCC and are therefore considered to be realistic and accurate. Further re-design in response to reducing spend on these services would therefore require specifying a reduced amount of activity. It is likely that this would create a significant additional financial pressure on SCC due to the open access nature of the service and SCC's related statutory responsibilities.

12.4.2 The intended model has been carefully designed based on service user feedback and detailed health needs assessment. Applying significant changes to the service model could impact on service quality and patient safety.

12.5 **Any Interest Declared or Dispensation Granted**

None

12.6 **Reason for Exemption if Public/Press Excluded During Consideration**

None

12.7 **Respective Director Responsible for Implementation**

Greg Fell (Director of Public Health) and John Doyle (Deputy Executive Director, People Services).

12.8 **Relevant Scrutiny and Policy Development Committee If Decision Called In**

Healthier Communities and Adult Social Care.

(NOTE: The decision relating to sexual health services was taken as an urgent item of business at the meeting.)