

Cabinet

**Date & time**

Tuesday, 15
December 2015 at
2.00 pm

Place

Ashcombe Suite,
County Hall, Kingston
upon Thames, Surrey
KT1 2DN

Contact

Vicky Hibbert or Anne
Gowing
Room 122, County Hall
Tel 020 8541 9229 or 020
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Chief Executive

David McNulty

vicky.hibbert@surreycc.gov.uk or
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Cabinet Members: Mr David Hodge, Mr Peter Martin, Mrs Helyn Clack, Mrs Clare Curran, Mr Mel Few, Mr John Furey, Mr Mike Goodman, Mrs Linda Kemeny, Ms Denise Le Gal and Mr Richard Walsh

Cabinet Associates: Mr Tony Samuels, Mr Tim Evans, Mrs Kay Hammond and Mrs Mary Lewis

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This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Vicky Hibbert or Anne Gowing on 020 8541 9229 or 020 8541 9938.

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If you have any queries regarding this, please contact the representative of Legal and Democratic Services at the meeting

1 APOLOGIES FOR ABSENCE

2 MINUTES OF PREVIOUS MEETING:

The minutes will be available in the meeting room half an hour before the start of the meeting.

3 DECLARATIONS OF INTEREST

To receive any declarations of disclosable pecuniary interests from Members in respect of any item to be considered at the meeting.

Notes:

- In line with the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, declarations may relate to the interest of the member, or the member's spouse or civil partner, or a person with whom the member is living as husband or wife, or a person with whom the member is living as if they were civil partners and the member is aware they have the interest.
- Members need only disclose interests not currently listed on the Register of Disclosable Pecuniary Interests.
- Members must notify the Monitoring Officer of any interests disclosed at the meeting so they may be added to the Register.
- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest.

4 PROCEDURAL MATTERS

4a Members' Questions

- (i) The deadline for Member's questions is 12pm four working days before the meeting (9 December 2015).

4b Public Questions

The deadline for public questions is seven days before the meeting (8 December 2015).

4c Petitions

The deadline for petitions is 14 days before the meeting.

4d Representations received on reports to be considered in private

To consider any representations received in relation why part of the meeting relating to a report circulated in Part 2 of the agenda should be open to the public.

5 REPORTS FROM SCRUTINY BOARDS, TASK GROUPS, LOCAL COMMITTEES AND OTHER COMMITTEES OF THE COUNCIL

(Pages 1
- 2)

A report has been received from the Council Overview Board regarding agency workers.

6 MONTHLY BUDGET MONITORING REPORT

(Pages 3
- 6)

The council takes a multiyear approach to its budget planning and monitoring, recognising the two are inextricably linked. This report presents the council's financial position as at 30 November 2015 (month eight).

The Annex to this report gives details of the financial position but please note that the Annex will be circulated separately prior to the Cabinet meeting.

[The decisions on this item can be called in by the Council Overview Board].

7 SUPPORTING ECONOMIC GROWTH THROUGH INVESTMENT IN TRANSPORT AND HIGHWAYS INFRASTRUCTURE - 3RD TRANCHE

(Pages 7
- 14)

In their Strategic Economic Plans (SEPs), the two Local Enterprise Partnerships (LEPs) covering Surrey, Enterprise M3 (EM3) and Coast to Capital (C2C), have set out their proposals for supporting economic development in their areas. The County Council has worked with them to develop these plans, which include improvements to transport infrastructure to provide economic benefits. Funding for the schemes included in the SEP comes from the Local Growth Fund, and the arrangements require a local contribution to be made to the cost for the transport schemes.

On 23 September 2014, the Cabinet approved arrangements for local contribution for the first tranche of three schemes, of the 2015-16 SEP programme. On 14 December 2014, approval was given for local contribution for the second tranche of seven schemes, of the same programme.

Approval is now sought for arrangements for local contributions for the third tranche of four schemes, for the 2015-16 SEP programme. The total estimated cost for these four schemes is just under £22m and we are seeking LGF contribution from the LEPs of £17m. Currently, County Council contribution is approximately £3.3m, with partner contribution of £1.4m, which could increase, as discussions are still in progress with the partners. The business cases for EM3 LEP need to be submitted by 29 January 2016; and for C2C LEP by end March 2016. Construction of some of these schemes could commence during 2016/17.

The Council has been in discussions with the relevant Borough councils to secure their share of the local contribution. It is a requirement that the County Council confirms that the specified local contribution is available when it submits the business cases.

[The decisions on this item can be called in by the Economic Prosperity and Environment and Highways Board].

8 AWARD OF CONTRACT FOR THE INTEGRATED COMMUNITY EQUIPMENT SERVICE

(Pages
15 - 24)

This report seeks approval to award a contract to Millbrook Healthcare Ltd for a managed service for the provision of Integrated Community Equipment Service (ICES) to commence on 1 April 2016 as the current

arrangements expire on 31 March 2016.

The procurement process has delivered an improved service which will support strategies in Health and Social care to enable Surrey residents to remain independent, facilitate hospital discharges, prevent re-admission and delay admittance into long term care.

This contract will be jointly funded on a 50-50 basis by the Council and Surrey's six Clinical Commissioning Groups (CCGs).

This report provides details of the procurement process, including the results of the evaluation process and, in conjunction with the Part 2 report, demonstrates why the recommended contract award delivers best value for money.

N.B. An annex containing exempt information is contained in Part 2 of the agenda – item 14.

[The decisions on this item can be called in by the Social Care Services Board].

9 AWARD OF A FRAMEWORK FOR THE PROVISION OF SURFACE DRESSING ON ROADS (Pages 25 - 30)

This paper outlines the recommendation to approve the award of a five year framework agreement that will allow for direct access to approved suppliers to deliver the surface dressing works.

Following a comprehensive procurement activity, it is proposed that the five year framework agreement contract be awarded naming three approved contractors; Road Maintenance Services Limited, Hazell & Jefferies Ltd and Kiely Bros Ltd be authorised.

The total maximum framework agreement value over five years is up to £20m, to enable flexibility of spend, although estimated annual spend is currently £2.5m.

N.B. An annex containing exempt information is contained in Part 2 of the agenda – item 15.

[The decisions on this item can be called in by the Economic Prosperity and Environment and Highways Board].

10 ACCOMMODATION WITH CARE AND SUPPORT (Pages 31 - 56)

This report outlines the future strategy for the provision of accommodation options for residents of Surrey for whom the Council commissions care and support. Whilst the strategy covers all client groups, this report mainly focuses on accommodation with care and support for older people as the largest area of spend within Adult Social Care.

For the purpose of this report, accommodation with care and support refers to a range of housing options where individuals live within private independent units but have care and support services available as required to support them to live independently.

N.B. An annex containing exempt information is contained in Part 2 of the

agenda – item 16.

[The decisions on this item can be called in by the Social Care Services Board].

11 AWARD OF FRAMEWORK AND CALL OFF CONTRACT FOR THE PROVISION OF EMPLOYEE HEALTH SERVICES (Pages 57 - 68)

The Council's employees are at the core of delivering the corporate strategy and the organisation promises to provide effective front line services to residents. In order to do this, the Council need to ensure that employees remain happy, healthy and well supported.

Occupational Health and Employee Assistance services form crucial elements of the Councils' overall health and wellbeing strategy which is centred around proactively ensuring its employees have the appropriate structures in place to ensure the continued positive wellbeing of it's staff, that they remain fit for work and where necessary are rehabilitated back to work in a timely and care centred way.

To support the health and wellbeing strategy, this report seeks approval to award a framework agreement for a period of four years, and a subsequent contract for the Council, for the provision of Employee Health Services. The framework consists of three lots as follows:

Lot 1 – Occupational Health Services

Lot 2 – Employee Assistance Services

Lot 3 – Absence Management Services

N.B. An annex containing exempt information is contained in Part 2 of the agenda – item 17.

[The decisions on this item can be called in by the Council Overview Board].

12 LEADER / DEPUTY LEADER / CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING (Pages 69 - 70)

To note any delegated decisions taken by the Leader, Deputy Leader and Cabinet Members since the last meeting of the Cabinet.

The annex for this report will be tabled at the meeting to take account of decisions due to be taken after this agenda has been published.

13 EXCLUSION OF THE PUBLIC

That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

PART TWO - IN PRIVATE

- 14 AWARD OF CONTRACT FOR THE INTEGRATED COMMUNITY EQUIPMENT SERVICE** (Pages 71 - 76)
- This is a part 2 annex relating to item 8.
- Exempt: Not for publication under Paragraph 3**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information)
- [The decisions on this item can be called in by the Social Care Services Board].*
- 15 AWARD OF A FRAMEWORK FOR THE PROVISION OF SURFACE DRESSING ON ROADS** (Pages 77 - 80)
- This is a part 2 annex relating to item 9.
- Exempt: Not for publication under Paragraph 3**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information)
- [The decisions on this item can be called in by the Economic Prosperity and Environment and Highways Board].*
- 16 ACCOMMODATION WITH CARE AND SUPPORT** (Pages 81 - 86)
- This is a part 2 annex relating to item 10.
- Exempt: Not for publication under Paragraph 3**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information)
- [The decisions on this item can be called in by the Social Care Services Board].*
- 17 AWARD OF FRAMEWORK AND CALL OFF CONTRACT FOR THE PROVISION OF EMPLOYEE HEALTH SERVICES** (Pages 87 - 90)
- This is a part 2 annex relating to item 11.
- Exempt: Not for publication under Paragraph 3**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information)
- [The decisions on this item can be called in by the Council Overview Board].*

18 PROPERTY TRANSACTIONS - DISPOSAL

(Pages
91 - 104)

Exempt: Not for publication under Paragraph 3

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

[The decisions on this item can be called in by the Council Overview Board].

19 PUBLICITY FOR PART 2 ITEMS

To consider whether the item considered under Part 2 of the agenda should be made available to the Press and public.

David McNulty
Chief Executive
Monday, 7 December 2015

QUESTIONS, PETITIONS AND PROCEDURAL MATTERS

The Cabinet will consider questions submitted by Members of the Council, members of the public who are electors of the Surrey County Council area and petitions containing 100 or more signatures relating to a matter within its terms of reference, in line with the procedures set out in Surrey County Council's Constitution.

Please note:

1. Members of the public can submit one written question to the meeting. Questions should relate to general policy and not to detail. Questions are asked and answered in public and so cannot relate to "confidential" or "exempt" matters (for example, personal or financial details of an individual – for further advice please contact the committee manager listed on the front page of this agenda).
2. The number of public questions which can be asked at a meeting may not exceed six. Questions which are received after the first six will be held over to the following meeting or dealt with in writing at the Chairman's discretion.
3. Questions will be taken in the order in which they are received.
4. Questions will be asked and answered without discussion. The Chairman or Cabinet Members may decline to answer a question, provide a written reply or nominate another Member to answer the question.
5. Following the initial reply, one supplementary question may be asked by the questioner. The Chairman or Cabinet Members may decline to answer a supplementary question.

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

Those attending for the purpose of reporting on the meeting may use social media or mobile devices in silent mode to send electronic messages about the progress of the public parts of the meeting. To support this, County Hall has wifi available for visitors – please ask at reception for details.

Anyone is permitted to film, record or take photographs at council meetings. Please liaise with the council officer listed in the agenda prior to the start of the meeting so that those attending the meeting can be made aware of any filming taking place.

Use of mobile devices, including for the purpose of recording or filming a meeting, is subject to no interruptions, distractions or interference being caused to the PA or Induction Loop systems, or any general disturbance to proceedings. The Chairman may ask for mobile devices to be switched off in these circumstances.

It is requested that if you are not using your mobile device for any of the activities outlined above, it be switched off or placed in silent mode during the meeting to prevent interruptions and interference with PA and Induction Loop systems.

Thank you for your co-operation

COUNCIL OVERVIEW BOARD

Item under consideration: AGENCY WORKERS

Date Considered: 5 November

At its meeting on 5 November 2015, the Council Overview Board scrutinised the Council's agency worker arrangements and spend. The Board considered the service areas where there is highest spend on agency workers and the reasons for using agency workers to meet staffing demands.

Members recognised the work being undertaken by officers in HR&OD to address issues with agency workers and acknowledged the need for some agency staff in order to maintain a flexible and adaptable workforce. It was noted that agency workers could play an important role covering periods of sickness or annual leave, short term projects, where skills are scarce and covering vacancies during recruitment.

The Chairman of the Economic Prosperity, Environment & Highways Scrutiny Board raised particular concerns about the need for agency staff in the Highways Service to fill vacancies resulting from a number of reorganisations. Staff had provided anecdotal feedback that frequent changes in personnel caused by reorganisations led to a level of disruption and decreased morale. The Board stressed the importance of evolutionary change programmes and continuous improvement to avoid the need for frequent whole-scale restructures.

Therefore, the Council Overview Board recommends to the Cabinet, that:

The frequency of reorganisation within the Environment & Infrastructure Directorate be considered and managed to avoid an impact on:

- **The morale and wellbeing of Highways staff**
- **The ability of the service to carry out priority highway maintenance**

David Munro

Chairman of the Council Overview Board (at date of meeting)

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SURREY COUNTY COUNCIL

CABINET

DATE: 15 DECEMBER 2015

REPORT OF: MR DAVID HODGE, LEADER OF THE COUNCIL

LEAD OFFICER: SHEILA LITTLE, DIRECTOR OF FINANCE

SUBJECT: FINANCE AND BUDGET MONITORING REPORT FOR NOVEMBER 2015



SUMMARY OF ISSUE:

The council takes a multiyear approach to its budget planning and monitoring, recognising the two are inextricably linked. This report presents the council's financial position as at 30 November 2015 (month eight).

The annex to this report gives details of the council's financial position.

RECOMMENDATIONS:

Recommendations to follow.

REASON FOR RECOMMENDATIONS:

This report is presented to comply with the agreed policy of providing a monthly budget monitoring report to Cabinet for approval and action as necessary.

DETAILS:

Revenue budget overview

1. Surrey County Council set its gross expenditure budget for the 2015/16 financial year at £1,671m. A key objective of MTFP 2015-20 is to increase the council's overall financial resilience. As part of this, the council plans to make efficiencies totalling £67.4m.
2. The council aims to smooth resource fluctuations over its five year medium term planning period. To support the 2015/16 budget, Cabinet approved use of £3.7m from the Budget Equalisation Reserve and carry forward of £8.0m to fund continuing planned service commitments. The council currently has £21.3m in general balances.
3. The financial strategy has the following long term drivers to ensure sound governance, management of the council's finances and compliance with best practice.
 - Keep any additional call on the council taxpayer to a minimum, consistent with delivery of key services through continuously driving the efficiency agenda.

- Develop a funding strategy to reduce the council's reliance on council tax and government grant income.
- Balance the council's 2015/16 budget by maintaining a prudent level of general balances and applying reserves as appropriate.
- Continue to maximise our investment in Surrey.

Capital budget overview

4. Creating public value by improving outcomes for Surrey's residents is a key element of the council's corporate vision and is at the heart of MTFP 2015-20's £696m capital programme, which includes £176m spending planned for 2015/16.

Budget monitoring overview

5. The council's 2015/16 financial year began on 1 April 2015. This budget monitoring report covering the financial position at the end of the second quarter of 2015/16. The report focuses on material and significant issues, especially monitoring MTFP efficiencies. The report emphasises proposed actions to resolve any issues.
6. The council has implemented a risk based approach to budget monitoring across all services. The approach ensures we focus effort on monitoring those higher risk budgets due to their value, volatility or reputational impact.
7. A set of criteria categorise all budgets into high, medium and low risk. The criteria cover:
 - the size of a particular budget within the overall council's budget hierarchy (the range is under £2m to over £10m);
 - budget complexity, which relates to the type of activities and data monitored (this includes the proportion of the budget spent on staffing or fixed contracts - the greater the proportion, the lower the complexity);
 - volatility, which is the relative rate that either actual spend or projected spend moves up and down (volatility risk is considered high if either the current year's projected variance exceeds the previous year's outturn variance, or the projected variance has been greater than 10% on four or more occasions during the current year); and
 - political sensitivity, which is about understanding how politically important the budget is and whether it has an impact on the council's reputation locally or nationally (the greater the sensitivity the higher the risk).
8. Managers with high risk budgets monitor their budgets monthly, whereas managers with low risk budgets monitor their budgets quarterly, or more frequently on an exception basis (if the year to date budget and actual spend vary by more than 10%, or £50,000, whichever is lower).
9. Annex 1 to this report sets out the council's revenue budget forecast year end outturn as at 30 November 2015. The forecast is based upon current year to date income and expenditure as well as projections using information available to the end of the month.
10. The report provides explanations for significant variations from the revenue budget, with a focus on efficiency targets. As a guide, a forecast year end variance of greater than £1m is material and requires a commentary. For

some services £1m may be too large or not reflect the service's political significance, so variances over 2.5% may also be material.

11. Annex 1 to this report also updates Cabinet on the council's capital budget. Appendix 1 provides details of the MTFP efficiencies, revenue and capital budget movements.

CONSULTATION:

12. All Cabinet Members will have consulted their relevant director or head of service on the financial positions of their portfolios.

RISK MANAGEMENT AND IMPLICATIONS:

13. Risk implications are stated throughout the report and each relevant director or head of service has updated their strategic and or service risk registers accordingly. In addition, the leadership risk register continues to reflect the increasing uncertainty of future funding likely to be allocated to the council.

Financial and Value for Money Implications

14. The report considers financial and value for money implications throughout and future budget monitoring reports will continue this focus. The council continues to maintain a strong focus on its key objective of providing excellent value for money.

Section 151 Officer Commentary

15. The Section 151 Officer confirms that the financial information presented in this report is consistent with the council's general accounting ledger and that forecasts have been based on reasonable assumptions, taking into account all material, financial and business issues and risks.

Legal Implications – Monitoring Officer

16. There are no legal issues and risks.

Equalities and Diversity

17. Any impacts of the budget monitoring actions will be evaluated by the individual services as they implement the management actions necessary.

WHAT HAPPENS NEXT:

18. The relevant adjustments from the recommendations will be made to the Council's accounts.

Contact Officer:

Sheila Little, Director of Finance
020 8541 7012

Consulted:

Cabinet, strategic directors, heads of service.

Annexes:

- Annex 1 – Revenue budget, staffing costs, efficiencies, capital programme.
- Appendix 1 – Service financial information (revenue and efficiencies), revenue and capital budget movements.

Sources/background papers:

- None
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SURREY COUNTY COUNCIL**CABINET****DATE: 15 DECEMBER 2015****REPORT OF: MR PETER MARTIN, DEPUTY LEADER****MR JOHN FUREY, CABINET MEMBER FOR HIGHWAYS,
TRANSPORT AND FLOODING****LEAD OFFICER: TREVOR PUGH, STRATEGIC DIRECTOR, ENVIRONMENT &
INFRASTRUCTURE****SUBJECT: SUPPORTING ECONOMIC GROWTH THROUGH INVESTMENT
IN TRANSPORT AND HIGHWAYS INFRASTRUCTURE –THIRD
TRANCHE****SUMMARY OF ISSUE:**

In their Strategic Economic Plans (SEPs), the two Local Enterprise Partnerships (LEPs) covering Surrey, Enterprise M3 (EM3) and Coast to Capital (C2C), have set out their proposals for supporting economic development in their areas. The County Council has worked with them to develop these plans, which include improvements to transport infrastructure to provide economic benefits. Funding for the schemes included in the SEP comes from the Local Growth Fund, and the arrangements require a local contribution to be made to the cost for the transport schemes.

On 23 September 2014, the Cabinet approved arrangements for local contribution for the first tranche of three schemes, of the 2015-16 SEP programme. On 14 December 2014, approval was given for local contribution for the second tranche of seven schemes, of the same programme.

Approval is now sought for arrangements for local contributions for the third tranche of four schemes, for the 2015-16 SEP programme. The total estimated cost for these four schemes is just under £22m and we are seeking LGF contribution from the LEPs of £17m. Currently, County Council contribution is approximately £3.3m, with partner contribution of £1.4m, which could increase, as discussions are still in progress with the partners. The business cases for EM3 LEP need to be submitted by 29 January 2016; and for C2C LEP by end March 2016. Construction of some of these schemes could commence during 2016/17.

The Council has been in discussions with the relevant Borough councils to secure their share of the local contribution. It is a requirement that the County Council confirms that the specified local contribution is available when it submits the business cases.

RECOMMENDATIONS:

It is recommended that:

Authority is delegated to the Strategic Director for Environment and Infrastructure, in consultation with the Deputy Leader, Cabinet Member for Highways, Transport and Flooding and the Director of Finance to:

1. agree the precise amount of the Surrey County Council contribution, based on the proposals set out in Table 1;
2. substitute and/ or omit any schemes listed in Table 1 from submission to the LEPs, if so warranted by developments at that time.

REASON FOR RECOMMENDATIONS:

Transport infrastructure schemes are a key element of the Strategic Economic Plan (SEPs), submitted by the Local Enterprise Partnerships (LEPs) to Government in March 2014, which sets out how they will support the economic development and regeneration of their areas. The proposed schemes will deliver a range of benefits to Surrey's residents, including reduced congestion, improved journey time reliability, enhanced safety, and improved access for cyclists, pedestrians and buses, as well as enabling economic development and regeneration.

Under the funding arrangements, local partners are required to provide a local contribution to the schemes to reflect the local benefits that will be provided. Therefore if the Cabinet wishes these schemes to proceed to business case submission, the Cabinet will need to confirm that this local contribution is available.

This is the third tranche of schemes to be funded from the Local Growth Deal. The precise amount of contribution that the County Council will need to make will be finalised once discussions with relevant Borough Leaders/ Chief Executives have been completed, in accordance with the approach presented to the Cabinet at the meeting of 23 September 2014.

DETAILS:

Introduction

Please note that all figures quoted have been rounded up/ down, as appropriate, to one decimal place per £m, for ease of reference.

1. In July 2014, the government announced Local Growth Fund (LGF) allocation for transport infrastructure to the LEPs, for the 2015 – 2021 periods, based on their respective SEPs. Allocation for 2015-16 was specifically detailed, with committed funding for a selection of prioritised schemes. The County Council was successful in receiving committed funding for several schemes from both the LEPs, subject to satisfactory business cases.
2. Schemes for the 2015-16 programmes were organised into two tranches, to correspond with the submission dates of September/ October 2014 and January 2015. Three schemes were submitted as part of the first tranche, with eight schemes as part of the second tranche.

The Third Tranche for business case submissions in early 2016

3. A total of nine schemes are envisaged for the Third and Fourth tranches. They have been selected as a result of a prioritisation exercise which assessed each scheme across a number of criteria, including economic benefits and Borough/ partner contributions.
4. Submission of business cases can be made to EM3 LEP in January and/or September; and to C2C LEP in March and/or December. Business cases for four

of the nine schemes can be ready by January/ March 2016. This cluster forms the Third Tranche. The remaining five schemes are included in Fourth Tranche, as their business cases cannot be prepared earlier than September/ December 2016. Also, the local contributions for these schemes are yet to be concluded.

5. Estimated scheme costs and current position regards local contributions for schemes featured in the Third Tranche are set out in Table 1 below.

Please note that the figures in the tables have been rounded up/ down to one decimal place per £m.

Table 1: Schemes featured in the Third Tranche and contribution status

Scheme	Scheme cost	LGF/ LEP ask	Partner Contribution	S106/ CIL contribution	SCC direct contribution
Guildford Transport Package [1]	£8.9m	£6.5m	£1.4m	£0 [2]	£0.9m
Epsom- Banstead STP [3]	£4.8m	£3.6m	£0	£0	£1.2m
A23 Strategic Maintenance [4]	£4.9m	£4.2m	£0	£0	£0.7m
A217 Strategic Maintenance [4]	£3.2m	£2.7m	£0	£0	£0.5m
Total	£21.8m	£17.0m	£1.4m	£0.0m [2]	£3.3m

Total direct impact currently on SCC budget: approx. £3.3m [this may reduce with additional Partner and/ or S106 contributions being agreed].

Notes:

- [1] For Guildford Transport Package, EM3 LEP has agreed to a total contribution of £6,550,000 representing 73% of the estimated costs, requiring a local contribution of £2,360,000 [27%]. GBC has indicated to contribute £1,403,100 but is subject to further discussions. This requires an SCC contribution of £911,000. Currently, S106 developer contribution of £46,000 are also available.
- [2] As stated in [1], a S106 contribution of £46,000 is available. However, due to rounding to one decimal place in £m, it is shown as £0.0m to be consistent.
- [3] The Epsom – Banstead STP is estimated at £4,800,000 requiring local contribution of £1,200,000. Discussions are still in place with respective Borough partners for their contribution towards the scheme. Some S106 contributions may also be applicable for the scheme but are yet to be determined. In the meantime, it is assumed that SCC will bear this contribution, as this is largely a highways related scheme.
- [4] SCC is liable for full local contributions for the two Resilience schemes. These can be met fully from Operation Horizon maintenance programme.
6. Based on the above scenario and qualifying notes, the current full cost to SCC regards local contributions is just over £3.3m. This could attract government investment of £17m. If contributions for the Resilience schemes are excluded, as they are being funded from Operation Horizon maintenance programme, the remainder £2.2m can be contained within SCC's Local Growth Deal Match Fund budget allocation.

CONSULTATION:

7. The proposed schemes have been developed in consultation with Borough and District partners and have been noted to the LEPs and the neighbouring Local Transport Authorities, through the SEP process, as indicated previously.
8. Officers from relevant Boroughs or Districts have been kept informed and engaged in the preparation of the business cases for the schemes, through participation on the governance boards for schemes/ scheme clusters.
9. Design proposals for schemes have been/ are being presented to Local Committees for scrutiny and approval of the preferred solutions.
10. All the expressions of interest that were input into the Strategic Economic Plans submitted to Government are already publicly available on both the LEP websites. Where schemes are submitted as Business Cases, these will also be published on the LEP websites.
11. All Business Cases are subject to up to 12 week public consultation period run by the LEPs, the results of which will be used by the LEPs as part of their independent assurance process. These results could influence the detailed design development process of the schemes.
12. All necessary consultation processes have been carried out to date, either by the County Council or Borough Councils involved. The feedback has been fed into the development of the schemes, up to the point they are to be submitted to the LEPs as Business Cases.
13. This includes all required and necessary consultation with statutory agencies, such as the Highways Agency, Network Rail, Environment Agency, etc, as well as with statutory undertakers (utility operators), as appropriate to each scheme.
14. The Cabinet should also note that any further statutory consultation will happen once the detailed scheme designs are ready.
15. Reference to specific consultation activity that has already happened and briefings to Local Committees are included in Table 2, which appears in Annex 1.

RISK MANAGEMENT AND IMPLICATIONS:

16. The scheme costs set out in this report are estimates that were reviewed in 2014/ 2015, based on outline scheme designs. Whilst they include a contingency sum and optimism bias, there is a risk that these costs could increase once the designs are finalised and procurement processes run. If costs increase, such that the local contribution required would exceed the amount stated in this report, then the following mitigation strategies would apply:
 - Further value engineering exercises would be undertaken as the design is developed, to see if scheme costs could be reduced, without reducing the scope of the scheme
 - If scheme costs cannot be reduced, then the scope of the scheme would be reviewed, to see if the primary benefits could still be realised but with a reduced scheme

- If it is not possible to reduce the scheme cost in either of these ways, then we would engage with the LEPs and the relevant Borough/District to see if they are able to increase their contribution.
 - If after following the steps above, the scheme would still require a greater contribution from Surrey, and then a further decision on this would be sought from the Cabinet or Cabinet Member, as appropriate.
17. If we do not submit these Business Cases, the Council may not be able to attract government investment in infrastructure through the Local Growth Deal. There is a risk that if we do not financially support these schemes, and deliver them well, SCC may lose the opportunity to access LEP funding for later potential schemes. LEPs are urging Councils and other delivery bodies to ensure that they utilise the LGF funding available in each year, as any unused funds could be clawed back. However, investment in these schemes does mean that there is insufficient Council funding remaining for future schemes/ tranches.

Financial and Value for Money Implications

18. The proposed transport schemes will deliver significant benefits to Surrey, and depending on the type of scheme, 75% or more of their historically estimated capital cost will be provided by LEP. Therefore, the required local contribution represents good value for money for Surrey residents.
19. Local contributions for most schemes are being met by partner contributions, S106 developer contributions and/or other sources, as indicated in Table 1. However, the details presented in Table 1 reflect the position as at the writing of this report. Expectations are that additional contributions could become available from Borough partners, as the schemes are being prepared.
20. In order to optimise value for money, robust procurement will be undertaken for each of the schemes and approval to award the contracts will be sought as required, under the Council's constitution.

Section 151 Officer Commentary

21. The Section 151 Officer highlights that estimated scheme costs are currently under review, they are in some cases based on outline scheme designs and therefore would be expected to change as designs evolve, and are also subject to change as schemes are procured. In recognition of this, estimated costs include an allowance for risk. As grant funding is likely to be fixed, subject to the mitigation strategy outlined in this report, an increase in scheme costs is likely to result in an increase in the local contribution required. The Council would also need to meet any future maintenance costs for these schemes.
22. The Council's expected contribution will be funded from the existing capital budget, including Project Horizon. Depending upon final costs and the profile of spend, capital budgets may need to be re-profiled across financial years.
23. Further consideration should be given to the long-term strategy for funding future tranches of schemes, including contributions from partners and the utilisation of new funding streams, such as the Community Infrastructure Levy (CIL).

Legal Implications – Monitoring Officer

24. The report sets out the process by which relevant schemes for the third tranche have already been identified and these are schemes which have been the subject of consultation and may need to have further public consultation, if required, before final approval by the LEPs. The LEPs will need to take account of the results of those consultations when finalising their views. The report also sets out proposed principles by which decisions can be made about how the costs of the local contributions to the schemes can be shared with Boroughs and Districts, and the rationale behind these principles is clear and takes account of relevant matters. As the final decision regarding the amount of contribution is an executive function it can properly be delegated to the Strategic Director for Environment and Infrastructure.

Equalities and Diversity

25. An initial Equalities and Diversity screening was carried out in advance of the report to Cabinet of 27 November 2012, which indicated that a full Equalities Impact Assessment was not required. All the proposed schemes seek to eliminate any perceived and/or actual inequalities through compliance with up to date design standards which address disabled access and social inclusivity. Improved crossing facilities and disabled access will be provided at pedestrian crossings and junctions, wherever appropriate.

Climate change/carbon emissions implications

26. A key objective of many of the proposed schemes, in particular the Sustainable Transport Package Schemes (STP), is to reduce carbon emissions through a combination of reduced vehicle delays, improvements to public transport and encouraging alternative modes of transport to motorised vehicles.

WHAT HAPPENS NEXT:

27. **For C2C LEP:** Business case for 'Epsom – Banstead STP' scheme is expected to be submitted during March 2016. Contributions from partner organisations will continue to be explored, as well as any S106 developer contributions. LEP decision can be expected in Summer 2016 and construction could commence in late 2016/ early 2017. Business cases for the resilience schemes – A23 Strategic Maintenance and A217 Strategic Maintenance have already been approved by the LEP and await allocation of funding, which could happen either in November 2015 or March 2016. If C2C allocates funding for these resilience schemes for 2015/16, construction could commence in early-mid 2016.
28. **For EM3 LEP:** Business case for 'Guildford Transport Package' scheme needs to be submitted by 29 January 2016. LEP decision can be expected by mid 2016 or earlier. If approved, construction of the scheme is unlikely to commence before 2017, owing to the procurement timetable and processes.
29. Detailed design and procurement for the schemes will commence following approval from the LTB/ LEP. The costs for Detailed Design and Construction Supervision can be reclaimed from the LEP, as the DfT accept that these costs can be treated as capital costs and included with the construction costs. These costs have been included in the scheme cost estimate submitted in the SEP.

30. Following final approval by the LEPs of the business cases, all partner organisations will be informed of the outcomes. Cabinet Members and Local Members will also be updated by the Cabinet Member for Highways, Transport and Flooding, and the Strategic Director of Environment and Infrastructure. If appropriate, further report or reports to Cabinet may be required to gain approval to start work.
-

Contact Officer:

Lyndon Mendes, Transport Policy Team Manager, tel: 020 8541 9393

Consulted:

Trevor Pugh, Strategic Director, Environment and Infrastructure
Jason Russell, Assistant Director, Highways and Transport
Kevin Lloyd, Lead Manager, Economic Growth

Details of external consultation and future consultation arrangements are covered in the Consultation section of this paper and also in Annex 2.

Annexes:

Annex 1: Details of consultations undertaken

Sources/background papers:

Cabinet Report, 'Supporting the economy through investment in transport infrastructure', 27 November 2012.

Cabinet Report, 'Supporting Economic Growth', 25 February 2014.

Cabinet Report, 'Supporting Economic Growth through investment in Highways infrastructure', 23 September 2014.

Cabinet Report, 'Supporting Economic Growth – implementing the Local Growth deals', 21 October 2014.

Cabinet Report, 'Supporting Economic Growth through investment in Transport and Highways infrastructure – second tranche', 16 December 2014.

ANNEX 1: DETAILS OF CONSULTATIONS UNDERTAKEN

Table 2 includes links to various reports, which contain details of consultations undertaken for the specified schemes.

Table 2: Consultations Undertaken

Scheme	Link reference	Notes
Guildford Transport Package	http://www.surreycc.gov.uk/roads-and-transport/roads-and-transport-policies-plans-and-consultations/major-transport-projects/guildford-major-transport-schemes	The link refers to an ongoing public consultation on the scheme, taking place during 05.10.15 until 15.11.15. Results of the consultation will feed into final design of the scheme.
Epsom – Banstead STP	http://www.surreycc.gov.uk/data/assets/pdf_file/0010/49384/Reigate-and-Banstead-LTS-December-2014-Main-Document.pdf http://mycouncil.surreycc.gov.uk/ieListDocuments.aspx?CId=146&MId=3479&Ver=4 http://mycouncil.surreycc.gov.uk/ieListDocuments.aspx?CId=197&MId=3561&Ver=4	<p>This scheme spans Epsom & Ewell BC and Reigate & Banstead BC.</p> <p>The 1st link refers to Reigate & Banstead Local Transport Strategy December 2014, which refers to the scheme.</p> <p>The 2nd link refers to Reigate & Banstead Local Committee minutes of 01.12.14, which refers at item 59/14 to the Local Transport Strategy and Consultation Report that includes details of the scheme.</p> <p>The 3rd link refers to Epsom & Ewell Local Committee minutes of 15.09.14, which refers at item 26/14 to the Local Transport Strategy and the Consultation Report.</p>
A23 Strategic Maintenance and A217 Strategic Maintenance Resilience Packages in Reigate & Banstead	http://www.surreycc.gov.uk/view?a=811837	<p>Part of the routine maintenance programme and as such, not subject to any consultation.</p> <p>The links refers to the Horizon maintenance programme in Reigate & Banstead, where the proposed scheme improvements are targeted.</p>

SURREY COUNTY COUNCIL

CABINET

DATE: 15 DECEMBER 2015

**REPORT OF: MR MEL FEW, CABINET MEMBER FOR ADULT SOCIAL CARE,
WELLBEING AND INDEPENDENCE**

**MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS
SERVICES AND RESIDENT EXPERIENCE**

**LEAD OFFICER: DAVID SARGEANT, STRATEGIC DIRECTOR ADULT SOCIAL
CARE**

**SUBJECT: AWARD OF CONTRACT FOR THE INTEGRATED COMMUNITY
EQUIPMENT SERVICE**



SUMMARY OF ISSUE:

This report seeks approval to award a contract to Millbrook Healthcare Ltd for a managed service for the provision of Integrated Community Equipment Service (ICES) to commence on 1 April 2016 as the current arrangements expire on 31 March 2016.

The procurement process has delivered an improved service which will support strategies in Health and Social care to enable Surrey residents to remain independent, facilitate hospital discharges, prevent re-admission and delay admittance into long term care.

This contract will be jointly funded on a 50-50 basis by the Council and Surrey's six Clinical Commissioning Groups (CCGs).

This report provides details of the procurement process, including the results of the evaluation process and, in conjunction with the Part 2 report, demonstrates why the recommended contract award delivers best value for money.

Due to the commercial sensitivity involved in the contract award process the financial details of the successful supplier have been circulated as a Part 2 report.

RECOMMENDATIONS:

It is recommended that:

1. The contract is awarded to Millbrook Healthcare Ltd.
2. The contract is awarded for an initial period of three years with an option to extend for up to two further years in one year increases.

REASON FOR RECOMMENDATIONS:

Following an assessment of a number of options it was decided that a full competitive tender under the existing financial model was deemed the most appropriate route to market.

An open tender process compliant with the requirements of Public Contracts Regulations 2015 and the Council's Procurement Standing Orders, has been carried out using the Council e-Procurement system, with the opportunity advertised within the Official Journal of the European Union, and on Contracts Finder. Following a thorough evaluation process the recommendation provides best value for money for this contract.

This procurement exercise has been carried out in collaboration with Surrey's six NHS Clinical Commissioning Groups (CCGs) to secure a single supplier to deliver the service for the seven parties through a contract between the Council and Millbrook Healthcare Ltd.

The demand pressures on the equipment service is increasing which drives up the cost however it is recognised that this is a key service in supporting Surrey residents to remain independent, facilitate hospital discharges, prevent re-admission and delay admittance into long term care.

In accordance with their constitution and procurement governance, each of the six CCGs has approved the process and award of contract at their governance boards.

DETAILS:

Business Case

1. This contract is for the statutory supply and installation of preventative health and social care equipment, which assists supporting Surrey residents to be safe and independent within their own home.
2. Examples of health and social care equipment purchased through this contract consist of:
 - a) Beds,
 - b) Mattresses,
 - c) Hoists,
 - d) Walking aids,
 - e) Bath lifts.
3. The total current budget value of this contract is £5.7m per annum on the supply and installation of equipment however current financial forecasting is estimating that the cost of this service will be £6.2m for 2015/16 as demand increases.
4. This contract is jointly funded between Surrey's six collective NHS CCGs and the Council, with each party contributing 50% of the overall budget.
5. The existing contract for the provision of ICES will expire on 31 March 2016. There is no existing or comparable contract for the provision of ICES and therefore a full tender process, compliant with the Public Contracts

Regulations 2015 and the Council's Procurement Standing Orders, has been carried out following the receipt of authority from Procurement Review Group (PRG) on 25 August 2015. This included advertising the contract opportunity in the Official Journal of the European Union (OJEU) on 3 September 2015.

6. This service has seen a rise in the cost since 2011/12 as Health and Social care face an increase in demand pressures to continue to support the needs of individuals. The demand on this service has increased in the following areas:
 - a) The number of individuals that this service supports has risen by 10%.
 - b) The number of equipment issued under this service has risen by 25%.
7. These two demand pressures are having a direct effect on driving the cost of this service.
8. The contract award will support the Council's statutory obligation to continue to provide social care equipment.
9. The ICES Commissioners Board, which is made up of commissioning, finance and procurement representatives from the Council and CCGs, agreed that the Council would lead the procurement process for the re-tender of this service.
10. The re-tendering involved engaging with key service teams and service user/carer groups who utilise the service to shape and advise the development of the specification and priorities for the tender.
11. The new service will offer improved benefits to meet the requirements of the Council and CCGs:
 - a) This service offers an increase in hours that activities can take place Monday to Friday and now includes a Saturday service as standard. This will deliver better value and support Health and Social Care in meeting the demands and pressures, especially more effective support of weekend hospital discharges and enabling people to return home in a more timely and appropriate way.
 - b) This service will promote the uptake of the retail opportunities in the sector to allow individuals within the community, who might benefit from equipment but not necessarily be eligible to receive it under this service, access to information and advice on purchasing equipment privately through this supplier.
 - c) The Millbrook Healthcare bid offers greater potential for improved, effective prescribing of equipment by deploying specific clinical support, more accessible training and improved access to information.
12. This bid supports the Council's move to providing apprenticeship opportunities and over the course of the contract Millbrook Healthcare Ltd have initially committed to employing 10 apprenticeships. It is the commissioner's intention to have continued conversations with the supplier to encourage the uptake of additional apprenticeships.

13. The dispensing of health and social care equipment to Surrey residents is key to delivering the following benefits:
- a) facilitation of timely and effective discharge from hospital
 - b) increasing capacity within home based care services
 - c) prevention of admission into hospital or long-term care
14. Recommendations from the most recent Surrey Internal Audit report were taken into account in the design of the specification to ensure the new contract addressed the areas for improvement identified within the current contract, which included:
- a) Substituting existing high cost equipment with suitable alternatives:
 - Bidders were asked to competitively price the top 14 equipment lines (based on spend and value) from the current contract and propose alternative items to meet the same level of specification but at a more cost effective price.
 - b) Reducing the number of failed deliveries:
 - The default delivery option under the new specification will be for “service user led” orders which will help reduce the number of failed deliveries as it will give service users an opportunity to directly influence the date and time they are scheduled to receive a delivery.
15. Market analysis and consultation with key suppliers was carried out and ensured the project team were well informed of the market structure and able to identify new emerging innovations. This information fed into the design of the specification.
16. This tender put emphasis on the suppliers presenting innovative ideas and recommending cost reduction solutions based on the information that was provided on the Surrey environment the recommendations made are dependent on the ICES Commissioning Board taking action (see part 2 section 17 for detail).
17. The tender exercise was conducted in collaboration with Surrey’s six CCGs to appoint a single supplier to deliver both the Councils’ and the CCG’s requirements. The collaboration on this contract forms part of the development of the wider partnership approach with Health.

Procurement Strategy

18. A full competitive tender process, compliant with the Public Contracts Regulations 2015 and the Council’s Procurement Standing Orders, has been carried out using the Council e-Procurement system following the receipt of authority from Procurement Review Group (PRG) on 25 August 2015.

Several procurement options were considered when completing the Strategic Procurement Plan (SPP) prior to commencing the procurement activity and

the decision was made to go out to tender under the existing service model via full Official Journal of the European Union (OJEU) tender.

Use of e-Tendering and market management activities

19. In order to open the tender process to a wider range of suppliers than have previously been involved, the Council's electronic tendering platform Intend was used for the ICES procurement.
20. Through the market stimulation activities completed during the planning phase of the procurement process, a total number of 14 suppliers expressed an interest.

Key Implications

21. By awarding a contract to the recommended supplier, for the provision of ICES to commence on 1 April 2016, the Council will be meeting its duties and ensuring that there is continued supply of health and social care equipment to Surrey residents.
22. There will be a 13 week transition period from January 2016 to April 2016 to ensure that all new systems, training, and marketing of the improved service elements are fully functional for the launch of the new contract from go live.
23. Performance will be monitored through ongoing review of the supplier in accordance with defined Key Performance Indicators. There will be monthly operational level reporting and quarterly strategic meetings to review performance and discuss improvements. There will also be joint strategic meetings with the six CCGs as part of the partnership working approach to this contract.
24. The management responsibility for the contract lies with Adult Social Care and will be managed in line with the Contract Management Strategy and plan as laid out in the contract documentation which also provides for review of performance and costs, efficiency savings, gain share savings from identified continuous improvements in performance.

Competitive Tendering Process

25. The contract has been tendered following a competitive tendering exercise. It was decided that an open full tender competition was appropriate as despite the market interest generated, in reality there are a limited number of suppliers in this specialist market that can fulfil the Integrated Community Equipment Service requirements of a larger organisation such as the Council and the CCGs partnership.
26. The procurement activity required supplier's bids to be evaluated to ensure that they had the legal, financial, and technical capacity to undertake the contract for the Council. Suppliers were given 30 days to complete and submit their tender. The results of this process were that of the 14 suppliers who expressed an interest, 3 bid for the opportunity.
 - a) AJ Mobility Ltd
 - b) Medequip Ltd

c) Millbrook Healthcare Ltd

27. The tender was evaluated on the following split of price and non price based criteria

a) Non Price = Total of 60%

- Quality based questions – 58%
- IMT Compliance – 2%

b) Price = Total of 40%

- Cost of individual activities – 15%
- Cost of equipment lines – 15%
- Innovation to deliver savings – 2%
- Overall most economical bid – 8%

28. Based on the combined total scores received for both non price and price categories of the tender the winning bidder recommended for the award of the contract is Millbrook Healthcare Ltd.

29. Please refer to Part 2 report for further information related to the breakdown of scores at each stage of the tender.

CONSULTATION:

30. Key stakeholders within both the Council and CCGs have been consulted at stages of the commissioning and procurement process including:

- User/Carers
- Procurement
- Legal Services
- Adult Social Care Commissioners & Operational Staff
- CCGs Commissioners & Operational Staff
- Children's Commissioners & Operation Staff
- The Council & CCGs Finance
- Internal Audit
- IMT

RISK MANAGEMENT AND IMPLICATIONS:

31. The contract includes a 'Termination Clause' this will allow the Council to terminate the contract with twelve months notice should priorities change.

32. However, it should be noted that if the supplier was to breach the contract or be under performing then the Council has the right to terminate the contract sooner than the twelve months notice period.

33. All suppliers that submitted a tender for this service successfully completed financial satisfactory checks.

34. The following key risks associated with the contract and contract award have been identified, along with mitigation activities:

Category	Risk Description	Mitigation Activity
Financial	Insufficient Funding: the cost of the service exceeding the funding available.	A number of cost reducing activities have been identified to help ease the financial pressures these include: <ul style="list-style-type: none"> a) Increasing recycle rates b) Identifying cost effective alternatives to our existing catalogue of equipment c) Developing methodology to demonstrate value of the service to other care services e.g. Home Based Care.
Financial / Reputational	Failure to agree funding with partner(s)	A section 75 agreement will be in place with protocol agreed on financial contributions and management of the overall joint contract.
Supply	Supply disruption during changeover of premises.	The successful supplier is the incumbent and as such presents the lowest operational risk in terms of transition to the new service and there is a thirteen (13) week implementation period to ensure the supplier is fully ready for the start of the new service on the 1 April 2016. In addition, as part of the tender process bidders were required to provide implementation plans that were scrutinised as part of the evaluation.

Financial and Value for Money Implications

35. Full details of the contract value and financial implications are set out in the Part 2 report.

36. The contract is charged on an on-demand basis and there is no minimum usage applied to the contract. The costs for the contract are made up of two elements:

- a) **Equipment Costs** – represent circa 65% of the contract value and the Commissioners purchase the equipment from the supplier at the cost by which the supplier sources the equipment.
- b) **Activity Charges** – a series of fixed rate charges that apply to the support activities undertaken by the supplier e.g. deliveries, collections, cleaning etc.

37. The activity charges are fixed for the duration of the contract and any proposed increase to the rates must be agreed by exception by the ICES Commissioning Board in advance.
38. The procurement activity has delivered a solution with identified savings opportunities to assist with supporting the pressure of increasing demand.
39. It should be noted that any rise in the activity volume and/or equipment costs may increase annual spend for the Council.

Section 151 Officer Commentary

40. The S151 officer supports the proposal to award a new contract to Millbrook Healthcare Ltd, providing the best value solution for the provision of this type of service along with opportunities for efficiencies leading to improved Value for Money for the contract, and for the Health and Social Carer system as a whole.

Legal Implications – Monitoring Officer

41. Legal Services are satisfied that this procurement is fully compliant with European Union Law. This is because the requirement for the provision of CES was advertised in the Official Journal of the European Union and tenders were received and evaluated in accordance with the law.
42. The Council has complied with its statutory duty under Section 82 of the National Health Service Act 2006 to secure and advance the health and welfare of the people of England by procuring the ICES. The Council has followed its own policy and procedures by obtaining approval from the Procurement Review Group to go to the market to select a supplier.
43. The risk of a legal challenge to the award of a contract to the preferred supplier is not considered high. This is because the Council has complied with EU Procurement Law as set out in the EU Directive 2014/24/EU and put into English Law as the Public Contracts Regulations 2015

Equalities and Diversity

44. The need for a new revised Equality Impact Assessment (EIA) was considered, however, as core elements of this long-standing service will not change, other than certain qualitative enhancements that will improve the overall service user experience, it was concluded that a revised EIA was not required. Despite this, the preferred supplier will of course be required to comply with the Equalities Act 2010 and any relevant codes issued by the Equality and Human Rights Commission.

Safeguarding responsibilities for vulnerable children and adults implications

45. As part of the delivery of this contract all workers that will be assigned to work with or have exposure to vulnerable adults or children will be subject to an enhanced DBS check. The supplier will have in place robust DBS procedures that are in keeping with the Council's policies and will be carried through to subcontractors.

WHAT HAPPENS NEXT:

46. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award (including 'call in' period)	23 December 2015
'Alcatel' Standstill Period	24 December 2015 – 04 January 2016
Contract Signature	January 2016
Contract Commencement Date	April 2016

47. The Council has an obligation to allow unsuccessful suppliers the opportunity to challenge the proposed contract award. This period is referred to as the 'Alcatel' standstill period.

Contact Officer:

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Annexes:

Part 2 report with financial details attached

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SURREY COUNTY COUNCIL

CABINET

DATE: 15 DECEMBER 2015



**REPORT OF: MR JOHN FUREY, CABINET MEMBER FOR HIGHWAYS,
TRANSPORT AND FLOODING**

**MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS
SERVICES AND RESIDENT EXPERIENCE**

**LEAD OFFICER: TREVOR PUGH, STRATEGIC DIRECTOR FOR ENVIRONMENT
AND INFRASTRUCTURE**

**SUBJECT: AWARD OF A FRAMEWORK AGREEMENT FOR THE
PROVISION OF SURFACE DRESSING ON ROADS**

SUMMARY OF ISSUE:

This paper outlines the recommendation to approve the award of a five year framework agreement that will allow for direct access to approved suppliers to deliver the surface dressing works.

Following a comprehensive procurement activity, it is proposed that the five year framework agreement contract be awarded naming three approved contractors; Road Maintenance Services Limited, Hazell & Jefferies Ltd and Kiely Bros Ltd be authorised.

The total maximum framework agreement value over five years is up to £20m, to enable flexibility of spend, although estimated annual spend is currently £2.5m.

Due to the commercial sensitivity involved in the contract award process, financial details of the proposed contractors have been circulated as a Part 2 Annex.

RECOMMENDATIONS:

It is recommended that:

1. The framework agreement is awarded to:
 - a) Road Maintenance Services Limited
 - b) Hazell and Jefferies Ltd
 - c) Kiely Bros Ltd
2. Authority is delegated to the Strategic Director for Environment and Infrastructure, in consultation with the Leader, the Cabinet Member for Highways, Transport and Flooding and the Section 151 Officer, to award annual contracts, above £0.5m in value, where a mini-competition procedure has been followed under this Framework Agreement.

REASON FOR RECOMMENDATIONS:

A full tender process, both in compliance with the Public Contracts Regulations 2015 and Procurement Standing Orders, has been completed and the recommendations provide best value for money. The tender process was constructed based directly on findings from three pre procurement activities; these are detailed in the 'Background and Procurement Strategy' section.

DETAILS:

Background

1. Surface dressing allows the road surface to be sealed preventing water penetrating the deeper road layers which can cause pot holes and other defects. This process typically is applied to a road every 7 years as a usual road life cycle.
2. In order to effectively manage the maintenance of the road network Surrey Highways operates an Asset Management approach which aims to maximise the life of the asset through various preservation techniques.
3. Surface dressing is one such preservation technique that is designed to extend the life of a road surface by up to 10 years.
4. The process of surface dressing is common practice within the highways industry however there are key elements of the activity which determine success. It is not suitable for all road types and Highways ensure that road layouts and speed are suitable for recommended treatment. Specific areas of delivery were assessed within the procurement process and are summarised as:
 - a. Scheme design – recognising site specific conditions and designing the approach accordingly.
 - b. Programme management –Surface Dressing is a seasonal activity and cannot be undertaken during wet or cold weather. Strong programme management functions need to be in place to effectively manage delivery tolerances.
 - c. Customer service – this process has high customer exposure and requires high levels of both proactive customer engagement to ensure a positive customer experience and reactive customer service to resolve issues quickly and effectively should they arise.
5. The preservation process is critical to enable the sustainable maintenance of Surrey's highway network. Surrey requires a framework agreement mechanism in place to enable Surface dressing works to be delivered commencing May 2016.
6. The surface dressing framework agreement supports the objectives of the main Term Maintenance Contract with Kier services as it allows the council to deliver a preventative solution in parallel with the more invasive road surfacing programme, which is delivered by Kier when either the road is at the end of its natural life (i.e project horizon) or needs urgent pothole repairs.

Procurement Strategy

7. The procurement strategy for this framework agreement was developed using the learning from previous programmes and market analysis. The following activities and findings shaped the approach taken:
 - a. A tender exercise was undertaken in 2014 based primarily on the previous contract. However, we were unable to identify a suitable supplier and as a result, no contract was awarded. An interim set of arrangements with three contractors was therefore implemented for a single year (2015).
 - b. A market engagement activity was undertaken to understand:
 - i. how the Council could structure the tender and contract in order to secure the best outcome;
 - ii. what would make the proposed contract attractive to suppliers in order to generate the best response.
 - c. There were seven responses from the market all of which made positive recommendations to future procurement activities.
8. These three key events provided valuable considerations to be made in the options analysis process of determining an appropriate procurement strategy. The key outputs from this analysis were as follows;
 - a. The expectations on contractors must be clearly defined.
 - b. Direct contracts with the client were preferred in comparison to sub-contractor arrangement, via a managed service provider.
 - c. Long term contracts provide surety of work and are more likely to secure a better price.
 - d. Performance related incentives were supported.
 - e. Recognising desired flexibility of the client framework agreement models were supported.
 - f. Enabling the opportunity to capitalise on benefits achieved through accessing Small and Medium Enterprise (SME) businesses.
9. These outputs shaped the procurement strategy which ensured that the procurement route chosen captured all the lessons learnt and met the requirements of the Council.
10. The interim delivery model for 2015 enabled a trial scenario to be tested of a framework agreement model. There were three contractors operating within the county concurrently all of whom delivered their works successfully and provided the service confidence in operating a flexible framework agreement model.
11. Pre-procurement activities ensured interest from the market for the tender, driving competition and consequently the quality of bids.
12. An invitation to tender was advertised openly as per the OJEU process. These tenders were then evaluated against the following criteria and weightings, the results and approved suppliers are listed in Part 2. The evaluation was based on 40% price and 60% quality.

13. The quality evaluation was scored on six main categories; Technical Compliance, Design, Permitting, Customer Service, Programme Management and Contingency, Sustainability and Social Value and Innovation. These areas had previously been identified as crucial to service delivery success.
14. The works will be awarded via a mini competition held annually. Each year all three contractors will be invited to submit revised rates, and these in conjunction with additional weighting provided via performance data (from previous work undertaken), will be used to determine the winning supplier(s) for the following year's programme.
15. The framework will be managed within the service utilising Key Performance Indicators (KPIs) as a performance monitoring mechanism.

Key Implications

16. By operating a framework agreement with multiple suppliers the Council has flexibility and supply chain resilience to adapt the supply chain as and when required. This may be due to increased works orders resulting in a need for a greater number of suppliers, reduced works due to financial constraints, or replacing a supplier should there be a drop in performance/quality from the list of approved suppliers.
17. By allowing for a five year framework agreement there is clear communication to the market place that the intention of the Council is to operate all the highways contracts in a strategic manner and to align expiry dates of contracts whilst providing a clear forward plan of work delivery. The decision to allow for a five year length framework term was clearly outlined as part of the OJEU notice ensuring openness and transparency of the councils approach.
18. The Key Performance Indicator model for this framework agreement provides a mechanism which both incentivises current and future suppliers. The framework agreement will generally be utilising two of the three suppliers in anyone year, these active suppliers will then be assessed via the KPI's and the output will directly affect their scores within the mini competition for the following year's work. This not only ensures a good level of performance from the active suppliers but also allows opportunity for the remaining supplier/s to provide competitive bids for each annual mini competition.

CONSULTATION:

19. Consultation was undertaken thoroughly throughout the procurement process with all stakeholders including the highways service and the market industry place.

RISK MANAGEMENT AND IMPLICATIONS:

20. The following key risks associated with the contract and contract award have been identified, along with mitigation activities:

Category	Risk Description	Mitigation Activity
Financial	Varying budgets prevent accurate forecasting of annual framework agreement spend in advance.	Improving operating process within the service in relation to asset management strategy will increase our ability to forecast.
Reputational	Successful supplier does not have necessary skills, experience and technical knowledge to satisfactorily complete the elements of the contract(s)	Tender process to include 60% quality element towards overall contract(s) award, including clarification meetings if any officer concerns remain post tender process. Post contract remedies available under the contract. In addition all bidders to this framework have previously undertaken work on behalf of SCC which has been successful.
Reputational	Issuing a framework agreement which is not fit for purpose for internal customers or external suppliers.	The replacement of a new Surface Dressing framework agreement through quality, specialist suppliers, following a thorough contract procurement exercise. Regular contract performance meetings to ensure adherence to works programmes and agree recovery actions if required.

Financial and Value for Money Implications

21. Full details of the contract value and financial implications are set out in the Part 2 report. The estimated costs have been based on previous costs, and market knowledge. The total contract value is up to £20m for the full five year duration with an estimated spend of £2.5m per annum.
22. The procurement activity has resulted in a price marginally higher than the submitted rates in the 2014 tender.
23. Benchmarking information will be shared with East Sussex County Council.

Section 151 Officer Commentary

24. The proposed framework agreement is expected to result in a cost that is marginally higher than the current arrangement, as set out in part 2 of this paper. The framework will provide flexibility to accommodate changes in the size of the annual surface dressing programme. Work will be awarded through an annual competition which will provide further opportunity to obtain value for money.

Legal Implications – Monitoring Officer

25. The Council has a duty to secure best value and to comply with relevant statutory provisions in the way in which it procures services. The procurement exercise undertaken to secure the provision of the services as outlined in this report complies with those requirements.

Equalities and Diversity

26. An Environment Impact Assessment was undertaken and the findings of which directly influenced the marking criteria of the Surface dressing tender. Customer Service was an area identified as high priority within the EIA findings and this was recognised accordingly.

WHAT HAPPENS NEXT

27. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award	15 December 2015
'Alcatel' Standstill Period	24 December 2015 to 13 January 2016
Contract Signature	18 January 2016
Contract Commencement Date	20 January 2016

28. The Council has an obligation to allow unsuccessful suppliers the opportunity to challenge the proposed contract award. This period is referred to as the 'Alcatel' standstill period.

Contact Officer:

Victoria Trust, Category Specialist Highways. Tel: 020 8541 7124 email: Victoria.trust@surreycc.gov.uk

Consulted:

Surrey Procurement and Commissioning
Surrey Highways Service
Surrey Legal Service

SURREY COUNTY COUNCIL**CABINET****DATE: 15 DECEMBER 2015****REPORT OF: MR MEL FEW, CABINET MEMBER FOR ADULT SOCIAL CARE,
WELLBEING AND INDEPENDENCE****LEAD OFFICER: DAVID SARGEANT, STRATEGIC DIRECTOR FOR ADULT
SOCIAL CARE****SUBJECT: ACCOMMODATION WITH CARE AND SUPPORT****SUMMARY OF ISSUE:**

This report outlines the future strategy for the provision of accommodation options for residents of Surrey for whom the Council commissions care and support. Whilst the strategy covers all client groups, this report mainly focuses on accommodation with care and support for older people as the largest area of spend within Adult Social Care.

For the purpose of this report, accommodation with care and support refers to a range of housing options where individuals live within private independent units but have care and support services available as required to support them to live independently.

A full glossary of terms included within this report is available at Annex 1.

Whilst housing is a district and borough function, the Care Act (2014) introduces explicit references to housing as part of the County Council's statutory duty to promote the integration of health and social care by giving control to the individual for their care and support needs and offering residents the right accommodation choices to meet their health and wellbeing needs, ensuring that there are flexible options available which will adapt as their support levels change.

The Council's corporate strategy outlines the importance of both residents' wellbeing and their experience, ensuring residents in Surrey can live and age well while experiencing public services that are easy to use, responsive and value for money. These strategic goals underpin the Strategic Intent Document (Annex 2) and will drive the Programme's future work with partners.

Surrey's population is increasing and ageing, resulting in an increasing demand on health and social care services. In response to this, some Surrey residents are actively choosing to make accommodation choices now which are suitable for the longer term and will cater for their future care needs.

Residents have told us that they prefer to access help and resources from their family, friends and community rather than traditional care environments, which is driving a declining use of Residential Care in Surrey and growing interest in Extra Care type accommodation.

Given the demographic and legislative pressures, we face unprecedented financial

challenges in meeting care and support needs in Surrey. However, a whole system approach and the Cabinet's approval to shift away from Residential Care creates opportunities for us to reassess our role in accommodation while continuing to ensure the safeguarding of our vulnerable elderly.

Working together with partners, the Council has the chance to plan for the right types of accommodation for Surrey residents, in appropriate locations, whilst also maximising value for money.

This programme aims to increase the options available for residents needing accommodation with care and support, by integrating our approach across health, social care and the community, and re-shaping the market to ensure everyone has access to the right support regardless of tenure.

This report seeks Cabinet approval to the approach outlined in the Strategic Intent Document (Annex 2). The Cabinet is also asked to note the emerging local plans and agree these continue to be developed with partners. These are presented separately as item 16, due to the commercial sensitivity of the plans.

RECOMMENDATIONS:

It is recommended that the Cabinet:

1. Approves the Strategic Intent Document for Accommodation with Care and Support.
2. Agrees that future developments will include a full business case and be presented for Cabinet approval as appropriate.

REASON FOR RECOMMENDATIONS:

With changing demographics, increasing financial challenges, and a joint health and social care strategy to support people to live independently in their homes for as long as possible, the Council needs to commission the right accommodation options to meet eligible residents' health and wellbeing needs. To do this, the Council will work with partners and the private sector to develop the market in Surrey for accommodation with care and support. This paper sets out a clear ambition and message to the market in relation to future needs, and provides a strong base for Surrey to work together with developers in the private sector, as well as Health and District and Borough partners to find the right local solutions.

DETAILS:

Background

1. It is recognised that the full programme will need to include all care groups including older people, people with learning disabilities, people with physical and sensory disabilities and those with mental illness. This report is the first stage for the programme and focuses on older people.
2. The following factors drive the strategy:
 - The Better Care Fund and national targets to reduce admissions to residential and nursing care.

- Surrey’s population is increasing and ageing, resulting in an increasing demand on health and social care services.
 - The Care Act (2014) introduces explicit references to housing as part of the Council’s statutory duty to promote the integration of health and social care.
 - The Care Act also highlights the importance of giving control to the individual for their care and support needs and offering residents the right accommodation choices to meet their health and wellbeing needs, ensuring that there are flexible options available which will adapt as their needs change.
 - Residents have told us that they prefer to access help and resources from within their local community where they can be supported by their family, friends and community rather than traditional care environments.
 - New technology is changing how we all live, learn, work and communicate, with a growing trend in assistive technology designed specifically to support people with physical and/or learning disabilities and elderly frail people to remain independent in their own home.
3. Given the growing demographic and legislative pressures, together with the unprecedented financial challenges facing the Council in meeting care and support needs of the elderly in Surrey, we believe that a whole system approach and a move away from Residential Care creates opportunities for us to reassess our role in accommodation. By working together with partners, the Council has the opportunity to plan for the right types of accommodation for Surrey residents, in appropriate locations, whilst maximising value for money.

Future Direction

4. The overall purpose of this programme is to develop local partnerships and opportunities for a range of flexible and financially self-sustaining accommodation with care and support that will enable adults to live and age well.
5. Year end Adult Social Care volume data shows a decline in the Council’s use of traditional Residential Care services. This is in line with national and local policy to support people to live in their own homes or, where that’s not possible, to introduce alternative forms of accommodation, like Extra Care housing. Neighbouring authorities, such as Hampshire and East Sussex, have recognised similar trends within their local data, and have responded with their own strategies to meet this change.
6. We need to be able to offer residents the right choices to meet their health and wellbeing needs – through flexible accommodation that can adapt and continue to support residents to live as independently as possible.
7. Extra Care housing, Assisted Living, Supported Living and Supported Housing are all forms of accommodation with care and support, and represent positive choices for people whose needs are not being met within standard accommodation. These types of accommodation can assist more vulnerable adults to live within their local community through to end of life.

8. Under the strategy, the Council will support personalised care, based in communities, and ensure that residents receive the care and support they need in appropriate and flexible physical environments wherever they choose to live. The benefits derived include:
 - care and support services that can be flexed around the individual and their changing needs
 - opportunities to develop accommodation further as hubs of the local community, for residents and non-residents alike
 - individuals are able to live within and be part of thriving local communities and remain independent
 - purpose built accommodation with a range of tenures and developed to a quality standard, including the ability for assistive technologies to be added on an individual basis
 - a range of activities and opportunities that support Surrey's Family, Friends & Community strategy.

9. Based on the current profile of needs, at least 1 in 4 of the residents currently supported in Residential Care could have their needs met through alternative forms of accommodation with care and support (such as Extra Care housing or Supported Living). This would reduce the financial costs to the Council as it is estimated that the average net amount saved on care costs per resident in Extra Care housing is £3,326¹ per annum when compared to traditional residential care costs.

10. Our evaluations of Extra Care housing schemes have provided a strong evidence base to support proof of concept, including a number of whole system benefits in terms of reducing hospital admissions, quicker discharge and increased community support. In addition, Surrey residents currently living within Extra Care housing schemes have stated that their lives had improved since moving into Extra Care housing and that they receive a good service.

11. All the CCGs in Surrey have indicated their support for a strategic shift from residential to accommodation with care and support, with district and borough local plans also identifying accommodation with care and support as a key part of their future housing strategies.

12. Pursuing this strategy will allow Adult Social Care to deliver on its vision by increasing the options available for residents needing accommodation with care and support, integrating our approach across health, social care and the community, and working with the market to ensure everyone has access to the right support regardless of tenure. The Strategic Intent Document, which outlines the direction of travel in more detail, is attached at Annex 2 for the Cabinet's approval.

¹ This is based on the current cost of the different care settings and an assumed mix of needs of people occupying Extra Care housing facilities.

Proposed Way Forward

13. In order to achieve this future, the County Council will commit to promoting accommodation with care and support where needs are greatest across the county which:
 - promotes independence and social inclusion
 - works alongside other services and communities to meet an individual's needs
 - has the infrastructure to deliver flexible care and support in a planned, person centred way
 - provides dementia-friendly environments
 - becomes the centre of vibrant communities for people to live and age well.
14. In the context of integrated working, strengthening partnerships and the principles of co-design, we will work with Clinical Commissioning Groups, Districts and Boroughs, Children, Schools and Families Directorate, service users, families and carers and other critical partners to jointly commission solutions and develop flexible models of care.
15. Initial discussions at local joint commissioning groups indicate that this vision for accommodation with care and support has widespread support from partners and joint proposals for the local areas, based on the above criteria, have begun to be developed as outlined in Developing Initial Local Plans (Annex 4), which are in item 16 (part 2) due to commercial sensitivity.
16. The Cabinet will be asked under item 16 to review these local plans against the aspirations of the programme and to indicate their support for the direction of travel. With Cabinet's approval, discussions can progress to meet local requirements, through the potential re-development of the Council's current sites, identification of new sites and/or discussions with providers in the market.
17. In line with the shared vision for accommodation with care and support, developers will be encouraged to demonstrate that their models:
 - mitigate future care costs as people's needs change, especially in comparison to more institutionalised care
 - can support people in the continuum of care through to end of life
 - reduce risks of hospital admissions
 - follow best practice in design and care for people with dementia
 - are transparent about the cost of the care package in their charges in preparation for changes in Adult Social Care funding as part of the Care Act.

Models of Delivery: Extra Care

18. There are three main ways in which Extra Care housing operates in the UK:
 1. One Organisation
 - Land and Building is owned with care and support provided by the same organisation (usually a Registered Provider (RP) i.e. Housing Association).

- RP responsible for Housing Management/Landlord functions, care and support services and property maintenance.
2. Landlord/Owner & Separate Care and Support Provider
 - Building and land is owned, developed and managed by one organisation.
 - Care and support services commissioned from an external agency.
 3. Landowner, Landlord/Developer & Separate Care and Support Provider
 - Three way partnerships across organisations.
 - Landowner leases land out to Developer who will also act as Landlord.
 - Care and support commissioned from external agency.
19. In practice, the first option is seen as the most cost effective delivery model in that it allows for operating efficiencies and one point of contact for commissioners. It also provides a seamless service for residents, although it is important residents don't feel obliged to purchase packages or more hours of care than they need. The second and third options can work effectively although there are risks that gaps arise in responsibilities and therefore it is important that partnership arrangements are robust with clear roles outlined.

Council's Future Role

20. The Council will explore which role it might play in the development of Extra Care housing in Surrey, as landowner, landlord, care provider or care commissioner. The Council itself or through a local authority trading company, would be able to carry out all 3 of these functions under current legislation.
21. The options available to the Council are that the Council:
1. leases land to a provider
 2. lends to a developer to stimulate building
 3. forms a partnership or Joint Venture with a provider who builds and runs the schemes
 4. uses its existing land (or buys land), develops a building and runs the scheme.
22. Subject to Cabinet approval of the Strategic Intent Document (Annex 2) and support for the development of the local plans, in part 2 of this agenda, officers will work with the market to identify opportunities to develop further schemes in the areas of greatest need.

<u>CONSULTATION:</u>

23. Discussions have taken place at the local joint commissioning groups held in each CCG area, looking at the overall strategic intentions and detailed demographic projections of future need. All the CCGs in Surrey, as well as the districts and boroughs consulted to date, have indicated their support for the strategy and have welcomed the opportunity to be involved from an early stage. Health colleagues recognise the whole system benefits of this approach and see this strategy as a key part of health and social care integration. A number of district and boroughs have also highlighted accommodation with care and support as a key element within their local

plans in terms of future housing needs and are therefore keen to work with the Council on developing this market.

24. The draft Strategic Intent Document (Annex 2) was presented to the Social Care Services Board on 25 November 2015 and received full support.
25. Residents in Extra Care housing have been consulted twice in recent years; once in 2012 prior to two new schemes opening and again in 2014 following the opening of the two new schemes. Both consultations revealed high resident satisfaction with both the accommodation and service offer. Key themes emerged focusing on personal sense of security, safety, wellbeing, reduction in loneliness and community participation. People's reasons for choosing Extra Care housing in 2014 reflected those identified in the previous consultation in 2012. Residents also told us about their need for reassurance, peace of mind, feeling less isolated and making new friends, as well as being nearer to family.
26. As local plans progress, further consultation will be planned as necessary, in line with best practice.

RISK MANAGEMENT AND IMPLICATIONS:

27. In the current financial climate, there are significant challenges for both the public and private sector and a resulting risk that there isn't the level of investment/development funding needed to adequately increase our provision of accommodation with care and support. The next phase of the Programme will validate the viability of the various schemes, ensuring any potential solutions for new delivery models are fully costed and evidence based.
28. There are also risks in being able to identify sites within Surrey of a suitable size with close proximity to public transport, particularly when looking at Extra Care housing schemes which require more space. The Programme will continue to be developed, working closely with colleagues in Property and also the districts and boroughs, to ensure that effective local solutions are found.

Financial and Value for Money Implications

29. By focussing on ensuring a better understanding of future demand and developing the market sufficiently to meet those needs, whilst also maximising the use of our assets, this Programme will contribute towards the savings already planned in the Medium Term Financial Plan (MTFP) and those required in future years.
30. The Programme will contribute to achieving the following whole system demand management savings:
 - improve wellbeing to manage increasing demand and care needs;
 - shift in Older People care pathway;
 - family, friends and community support;
 - targeted strategic shift from residential to community based provision for people with disabilities; and
 - optimisation of Transition pathways.

31. The Council will work with partners and the market to maximise any opportunities for additional savings as they arise, whilst recognising the challenging targets the service is already planning to deliver.
32. The implementation of the strategy may require investment from the Council and will be considered as part of any resulting business case to ensure value for money is maximised.

Section 151 Officer Commentary

33. The Section 151 Officer supports the strategic intent of the Accommodation with Care and Support Programme as it will enable greater choice and more personalised care for residents in their local communities as well as supporting the Council in delivering a range of important savings plans.
34. The Programme is an essential part of enabling the Council to effectively support the growing numbers of people with social care needs in Surrey within stretched financial resources by developing alternative forms of care, such as Extra Care housing.
35. The financial implications of individual proposals will be reviewed to ensure that they represent value for money as part the preparation of the detailed business cases for each development that is planned.

Legal Implications – Monitoring Officer

36. The Council has long had duties to meet the eligible care and support needs of its residents. In the case of residents with more significant needs the Council has traditionally done this by providing support in residential care homes with the result that individuals have needed to move out of their own homes. This is no longer the first choice of many residents who prefer to be supported in their own home environment.
37. The Care Act 2014 has introduced a new duty upon councils to promote individual well-being. In exercising this function, the suitability of living accommodation and the ability of an individual to control his or her day to day life must be considered. In response to this duty the Council needs to adopt a more flexible approach to the meeting of assessed needs and one which recognises the desire of residents to choose how they live at a time in their lives when they need more help. The strategy which the Cabinet is asked to approve is intended to address the need of the Council to offer more flexible, popular and long term solutions to meeting care needs. It is also expected that the strategy will result in overall savings and constitute best value for money thereby satisfying the Council's fiduciary duties to secure best value in its service provision.
38. The approval that is being sought is confined to a strategic intent. As particular plans and projects evolve, the Cabinet will be required to consider more detailed proposals which are likely to have been the subject of public consultation.
39. The public sector equality duty (Section 149 of the Equality Act 2010) applies to the decision to be made by Cabinet. When considering the recommendations the Cabinet must have due regard to the need to advance equality of opportunity for people with protected characteristics, foster good

relations between such groups, and eliminate any unlawful discrimination, which includes considering any disproportionate impact on any particular protected group. These matters are dealt with in the equalities paragraphs of the report and in the attached equalities impact assessment.

Equalities and Diversity

40. An initial Equality Impact Assessment (EIA) is included as Annex 3, examining areas of consideration for any implementation of the Accommodation with Care and Support Strategy. Initial potential identified impacts centre on improved resident experience and outcomes, more people remaining independent within their own homes for longer and further consideration needed of people's natural communities, recognising that communities do not necessarily fit with statutory boundaries. A full EIA evaluating the impacts of the local implementation plans will be brought back to Cabinet for further discussion as individual business cases develop.

Safeguarding responsibilities for vulnerable children and adults implications

41. Improving the accommodation options available for people with care and support needs could have a positive impact in terms of safeguarding, ensuring that vulnerable adults can live within safe, secure environments with appropriate care and support services designed around them.

Public Health implications

42. Accommodation with care and support can positively impact on public health outcomes, including reductions in social isolation and/or loneliness; improved nutrition and hydration; increased wellbeing for residents participating in activities, such as exercise classes, and minimising the ill effects of fuel poverty and/or seasonal health risks.

WHAT HAPPENS NEXT:

43. If Cabinet approves the way forward as proposed, work will continue to develop initial opportunities with partners. This will include looking at the potential models of delivery, involving developers as necessary (in line with procurement standing orders.) If further approvals are needed from Cabinet to pursue specific opportunities, a full business case will be brought to a future Cabinet meeting.

Contact Officer: Rachel Crossley, New Models of Delivery Lead

Contact details: rachel.crossley@surreycc.gov.uk

Consulted:

Clinical Commissioning Groups in Surrey

Surrey Districts and Boroughs

Leader

Deputy Leader

Cabinet Member for Business Services and Resident Experience

Cabinet Member for Wellbeing and Health

Social Care Services Board

Residents of Surrey Extra Care housing schemes (consultations undertaken in 2012 & 2014)

Annexes:

Annex 1 – Glossary of terms

Annex 2 – Strategic Intent Document

Annex 3 – Equality Impact Assessment

Annex 4 – Developing Initial Local Plans (Part 2 - item 16, due to commercial sensitivity)

Sources/background papers:

- Cabinet 27 March 2012, item 10 - Public Value Review Of Services For People With Learning Disabilities
- Cabinet 21 October 2014, item 16 - Surrey County Council Residential Care Homes for Older People
- Cabinet 12 March 2015, item 4 – Surrey County Council Residential Care Homes For Older People
- Care Act 2014
- Extra Care Housing – A Briefing 2015
- Extra Care Evaluation Report (Public Version) 2015
- Extra Care Pathway Comparison Report (Confidential) 2015

Glossary of types of care referred to in the report

Accommodation with Care & Support - A range of housing options where individuals live within private independent units but have care and support services available as required to support them.

Care home with Nursing/ Nursing Care - A care establishment which is able to provide care and nursing tasks. Registered nurses will be part of the staff. This type of home has to be registered with the Care Quality Commission (CQC).

Day Care - A non-residential facility that supports the health, nutritional, social support, and daily living needs of adults in professionally staffed, group settings.

Extra Care housing - Extra Care housing is an extension of traditional sheltered housing and allows adults to live as independently as possible, with the reassurance of onsite care support when they need it.

Reablement - Assistance with daily living activities and care tasks for a temporary period, usually up to six weeks, to enable a person to regain skills. This may often be someone who has been in hospital and needs some additional input for a short time to regain skills and confidence. This is sometimes referred to as a step down or intermediate care. This may be provided in a residential or nursing home environment, or through visits to people in their own homes.

Residential Care - An establishment where care is provided, rather than that care being provided in a person's own home. A residential care home has to be registered with the Care Quality Commission (CQC).

Respite Care - Short-term accommodation in a facility outside the home, often to provide carers with a break from caring.

Sheltered Housing - A traditional style of accommodation for older people consisting of private independent units of accommodation centred around communal facilities, with low level support available during working hours by an onsite scheme manager or floating support service.

Supported Housing - A style of accommodation suitable for all client groups consisting of private independent units of accommodation, sometimes centred around communal facilities, with support available during working hours by an onsite team of staff or floating support service.

Supported Living - An option of accommodation for people with learning disabilities. It offers a choice of independent living within a community where care and support can be delivered according to individual need across a range of settings.

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1. Vision

We will actively work to deliver the best options of accommodation with care and support to Surrey residents. We will do this by integrating our approach across health, care and the community, and re-shaping the market to ensure everyone has access to the right support regardless of tenure.

2. Purpose

Our purpose is to develop local partnerships and opportunities for a range of flexible and financially self-sustaining accommodation with care and support that will enable adults to live and age well in Surrey.

3. Scope

- This strategy outlines what we want to achieve in accommodation with care and support over the next 20 years, focussing on public value and resident experience. It sets out our strategic intent for all the accommodation based services we commission and provide for residents of Surrey who have care and support needs, covering all care groups including older people, people with learning disabilities, people with physical and sensory disabilities, and people with mental illness.
- The strategy documents our intention to shape the market and to make a strategic shift from traditional residential and nursing care to jointly commissioned, innovative accommodation with care and support.

4 Context

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Surrey's population is increasing and ageing. By 2035 there will be:

More than 24% of the local population over the age of 65	A 75% increase in dementia prevalence in the 65+ population	18,200 people aged 18-64 with a learning disability	19,000 people aged 18-64 with a physical disability
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Policy - The Care Act means we now have a responsibility to promote wellbeing, focus on prevention, provide information and advice, and promote sustainable markets. Our statutory duties now explicitly reference housing as key to promoting the integration of health and care. The Children's and Families Act has introduced Education, Health and Care Plans for young people aged up to 25.

Personalisation & Choice - We need to be able to offer residents the right accommodation choices to meet their health and wellbeing needs; ensuring there are flexible options which will adapt as their needs change, whilst ensuring choice and control for the individual.

Communities - We recognise the contribution families, friends and communities make in helping people to live and age well. We need to ensure accommodation supplements rather than duplicates this support. We need to counter the ill effects of loneliness linked to isolation.

Resources – We are facing unprecedented challenges in Surrey, including increasing demographic pressures, the responsibility of maintaining a sustainable local care market, workforce recruitment and significant financial implications of key legislative changes.

New opportunities - Technology is changing how we all live, learn, work and communicate. New technology is becoming increasingly relevant and available to people with care and support needs including technology designed specifically to support independence.

Accommodation trends - trends indicate a declining demand for residential care, a growing popularity of Extra Care housing and an increase in people being supported to live independently. Demand for nursing care in Surrey is projected to increase due to people living at home longer and needing more intensive services later in life.

5. Principles

Accommodation that we commission/provide will be:

<p>Person centred Enable residents to exercise choice and control and promote independence</p>	<p>Outcome focused Focus on improving residents' wellbeing and integrating with communities</p>	<p>Innovative Learn from innovative practice elsewhere and maximise all opportunities to deliver a digital service</p>
<p>Future proof Have a clear understanding of predicted future demand and supply and create financially viable and value for money services</p>	<p>Partnership focussed Work with CQC, CCGs and Borough & District Councils to deliver the right accommodation for the local area</p>	<p>Intelligence led Base decisions on relevant data and recognise and share best practice. Be transparent about decision making</p>

6. Outcomes

Residents with care and support needs will:

- have improved **wellbeing** and **quality of life**
- feel **supported** by their **communities**
- be able to live in **suitable accommodation** with **appropriate care** and support to meet their **changing needs** now and in the future
- have **accommodation choices** available to them to meet their range of health and social care needs **flexibly** and **responsively**
- get the **right level of support** at the right time and in the right way.

For the Council:

- the model of accommodation provision in Surrey is **affordable** and **sustainable** into the future.

7. Financial Implications

By focussing on ensuring a better understanding of future demand and developing the market sufficiently to meet those needs, whilst also maximising the use of our assets, this programme will primarily contribute towards the savings already planned in the Medium Term Financial Plan (MTFP) and those required in future years. In particular the programme will contribute towards achieving savings planned as part of the Directorate’s whole systems demand management strategy as set out below. Additionally, this work will help the service to optimise its block contracts as part of the Directorate’s sustainable markets and resources strategy.

The programme will contribute to achieving the following whole systems demand management savings:

- improve wellbeing to manage increasing demand and care needs;
- shift in Older People care pathway;
- Family, Friends and Community support;
- targeted strategic shift from residential to community based provision for people with learning disabilities; and
- optimisation of Transition pathways working with young people and families early to develop greater independence as part of preparation for adulthood

There is potential for further savings beyond those that are currently built into the MTFP. The expansion of Extra Care housing in Surrey is one area where further savings are considered possible. Based on an initial assessment of the cost of Extra Care housing compared to alternative forms of care, future demand for care services and capacity of the market to develop new Extra Care housing schemes, an additional £1m in revenue savings is forecast and has been added to the MTFP for 2018 to 2021. There may be potential to increase this should sufficient additional market capacity be created around Extra Care housing. The Council will work with partners and the market to maximise any opportunities for additional savings as they arise, whilst recognising the challenging targets the service is already planning to deliver.

The implementation of the strategy may require investment from the Council – this will be considered as part of any resulting business case to ensure value for money is maximised and further approval will be sought from the Cabinet as necessary.

9. Message to the Market

The way that social care is delivered in Surrey has changed and will continue to evolve in the foreseeable future. Working in partnership with our Clinical Commissioning Group colleagues, our focus is on helping our residents to stay independent for longer and to enable them to make their decisions on the care and support services they may need.

Surrey County Council is committed to developing accommodation with care and support where needs are greatest across the county and that:

- promotes independence and social inclusion
- works alongside other services and communities to meet an individual’s needs
- has the infrastructure to deliver flexible care and support in a planned, person centred way
- provides dementia-friendly environments
- becomes the centre of vibrant communities for people to live and age well.

We will work with developers and providers of accommodation with care and support who can demonstrate that their models:

- mitigate future care costs as people’s needs change, especially in comparison to more institutionalised care
- support people in the continuum of care through to end of life
- reduce risks of hospital admissions
- follow best practice in design and care
- are transparent about the cost of the care package within their charges
- meet evidenced local need.

8. Future Direction

Our Approach

We need to be able to offer residents the right accommodation options to meet their health and wellbeing needs, in a way that supports them to live as independently as possible. We recognise that there will still be a role for traditional care services in Surrey in the future but will look more creatively at how care and support can be integrated into accommodation to reduce the need for those traditional services for most residents.

The Council will think and act creatively in addressing the challenges we face, whilst pursuing a preventative approach to accommodation. This approach will involve:



Extra Care housing, Assisted Living, Supported Living and Supported Housing are valuable housing options, and represent positive choices for people. These forms of accommodation can assist more vulnerable adults to live within their local community through:

- multiple tenure options
- peace of mind and reassurance
- flexible care and support designed around the individual
- the integration of digital technologies and adaptations.

Partnerships

Within the framework of integration and strengthening partnerships, we will seek to work with the Care Quality Commission, Clinical Commissioning Groups, Districts and Boroughs, the Children Schools and Families Directorate and other critical partners to jointly commission solutions and develop flexible models of care. We will seek to co-design services with service users, families and carers. This will ensure that residents receive the best services within their local communities.

Benefits

The expected benefits of this approach are:

- care and support services that can be flexed around the individual and their changing needs
- opportunities to develop accommodation options as hubs of the local community, for residents and non-residents alike
- individuals are able to live within and be part of thriving local communities and remain independent
- the development of purpose built accommodation with a range of tenure options, with the ability for assistive technologies to be added on an individual basis
- accommodation options that provide a range of activities and opportunities that support Surrey's Families, Friends & Community strategy.
- more seamless support with earlier focus on preparation for adulthood and developing greater independence

1. Topic of assessment

EIA title:	Accommodation with Care & Support Strategy 2015-2040 (?)
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EIA author:	Matt Lamburn – Adult Social Care Project Manager
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2. Approval

	Name	Date approved
Approved by¹	Dave Sargeant	10 .11.2015

3. Quality control

Version number	1.5	EIA completed	
Date saved	06.11.2015	EIA published	

4. EIA team

Name	Job title (if applicable)	Organisation	Role
Matt Lamburn	Project Manager	Surrey County Council	Project Manager – Adult Social Care
Rachel Crossley	New Models of Delivery Lead Manager	Surrey County Council	Project Lead
Alice Ward	New Models of Delivery Manager	Surrey County Council	Project Manager

5. Explaining the matter being assessed

What policy, function or service is being introduced or reviewed?	<p>This EIA examines the strategic intentions that Surrey County Council is developing as part of an Accommodation with Care & Support Strategy, overseen by the New Models of Delivery Team.</p> <p>The Accommodation with Care & Support Strategy will be the vehicle for developing local partnerships and identifying opportunities to create a range of flexible and financially self-sustaining accommodation with care and support that will enable adults to live and age well in Surrey.</p> <p>The strategy will outline what Surrey County Council wants to achieve</p>
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¹ Refer to earlier guidance for details on getting approval for your EIA.

EQUALITY IMPACT ASSESSMENT TEMPLATE

10

	<p>in the delivery of social care accommodation over the next 25 years (2015-2040). The strategy will focus on public value and resident experience, linking across to Surrey County Council’s Corporate Strategy 2015-20.</p> <p>The strategy will bring together current social care strategies with the vision to increase the options for Surrey residents who are in need of accommodation with care and support. Surrey County Council intends to do this by integrating its approach across health, social care and the community, and actively working with partners to reshape the market to ensure everyone has access to the right support, regardless of tenure.</p> <p>Where possible at this early stage, this EIA will outline the potential impacts that the strategy could have on current users of accommodation-based services; those who may choose or require a form of accommodation with care and support as their preferred option in the future; and families, carers and other associated stakeholders. Where potential impacts are identified, this EIA will seek and propose ways of enhancing them (positive impacts) or mitigating those (negative impacts) as far as possible. This EIA is important in ensuring all stakeholders have had their views considered and will inform local commissioning arrangements.</p>
<p>What proposals are you assessing?</p>	<p>The key proposal under consideration for this EIA is the drive to develop local partnerships and opportunities for a range of flexible, financially self-sustaining accommodation with care and care support that will enable adults to live and age well. The vision of the strategy will be to increase the options available for Surrey residents that need accommodation with care and support, working to integrate the approach across health, social care and the community and to re-shape the market to ensure the right accommodation with care and support is made available.</p> <p>For Surrey County Council, the continued development of appropriate accommodation with care and support is seen as a positive option for people who might otherwise require other, more institutionalised forms of accommodation. This is supported by previous strategies that have been developed since 2003 to meet the anticipated demand across the various demographics.</p> <p>The Care Act 2014 has introduced key changes for Adult Social Care services, which now have a statutory duty to promote wellbeing, focus on prevention and to provide information and advice to all residents of Surrey. Integration now frames the context for everything that Adult Social Care do and wishes to achieve in the future; it is critical that, where possible, solutions are jointly commissioned with NHS Clinical Commissioning Groups, Borough & District Local Authorities and other partners.</p>

EQUALITY IMPACT ASSESSMENT TEMPLATE

Who is affected by the proposals outlined above?	<p>In the main, the people who may be affected by proposals emerging from the Accommodation with Care & Support Strategy are:</p> <ul style="list-style-type: none">• Current Residents of accommodation with care and support• Families and Friends• Carers• NHS Clinical Commissioning Groups• Adult Social Care Locality Teams• Borough & District Housing Departments• Landlords & Providers of Existing Schemes & Services• Care Providers• Workforce
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EQUALITY IMPACT ASSESSMENT TEMPLATE

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6. Sources of information

Engagement carried out
<p>During the lead up to and the development of this strategy, there has been wide-ranging and ongoing engagement with existing users of accommodation with care and support, potential future users of services, Carers, Stakeholders, Surrey County Council staff, NHS Clinical Commissioning Groups, Borough & District Partners and Providers.</p>
Data used
<ul style="list-style-type: none">• Improving Housing with Care Choices for Older People: An Evaluation of Extra Care Housing' – Netten, Darton, Baumker & Callaghan, 2011• Various Housing LIN (Learning & Innovation Network) Bulletins• Chestnut Court & Anvil Court Evaluation Report (2014 & 2015)• Individual Resident Feedback Forms• Group Consultation with Extra Care Residents (various schemes – 2012)• Surrey CC - Extra Care Pathway Comparison Report 2015• Surrey County Council Corporate Strategy 2015-2020• The Future Direction of Extra Care Provision in the South East Region – Housing LIN, March 2011• Accommodation with Care & Support Demographic Profiles covering each of the 6 NHS Clinical Commissioning Groups

7. Impact of the new/amended policy, service or function

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7a. Impact of the proposals on residents and service users with protected characteristics

Protected characteristic ²	Potential positive impacts	Potential negative impacts	Evidence
Age	<p>It is expected that changes to the future commissioning and delivery of accommodation with care and support will provide a variety of positive impacts:</p> <ul style="list-style-type: none"> Improved outcomes for the individual Flexible Care & Support services that are self-sustaining and value for money Improved resident experience More Surrey residents with care and support needs remaining within their own home for longer Benefits to the wider health system and NHS Clinical Commissioning Groups, including reductions in hospital 	<ul style="list-style-type: none"> Existing residents may see changes to the current service they receive A cohort of the Surrey population will have needs that continue to be met more institutionalised forms of accommodation, such as residential settings, and changes to this market may have unforeseen impacts in terms of quantity and quality Consideration of resident's natural communities will need to be recognised, especially as these can cross over political/health boundaries. 	<ul style="list-style-type: none"> Chestnut Court & Anvil Court Evaluation Report (2014 & 2015) Surrey CC - Extra Care Pathway Comparison Report 2015
Disability			
Gender reassignment			
Pregnancy and maternity			
Race			
Religion and belief			
Sex			
Sexual orientation			
Marriage and civil partnerships			
Carers ³			

² More information on the definitions of these groups can be found [here](#).

³ Carers are not a protected characteristic under the Public Sector Equality Duty, however we need to consider the potential impact on this group to ensure that there is no associative discrimination (i.e. discrimination against them because they are associated with people with protected characteristics). The definition of carers developed by Carers UK is that 'carers look after family, partners or friends in need of help because they are ill, frail or have a disability. The care they provide is unpaid. This includes adults looking after other adults, parent carers looking after disabled children and young carers under 18 years of age.'

EQUALITY IMPACT ASSESSMENT TEMPLATE

	admissions and quicker hospital discharges		
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7b. Impact of the proposals on staff with protected characteristics

Protected characteristic	Potential positive impacts	Potential negative impacts	Evidence
Age	In this column you should identify the potential positive impacts arising from the proposal that could benefit staff with this particular protected characteristic.	In this column you should identify the potential negative impacts arising from the proposal that could harm staff with this particular protected characteristic.	In this column you should explain how you have identified the negative or positive impacts. It might be that this was identified as an issue in your workforce monitoring or as part of your engagement activities with staff. Remember to include information from the data and engagement you listed in section six.
Disability			
Gender reassignment			
Pregnancy and maternity			
Race			
Religion and belief			
Sex			
Sexual orientation			
Marriage and civil partnerships			

EQUALITY IMPACT ASSESSMENT TEMPLATE

Carers			
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EQUALITY IMPACT ASSESSMENT TEMPLATE

8. Amendments to the proposals

Change	Reason for change
At this early stage, there have not been any significant changes or amendments to the development of the strategy.	N/A

9. Action plan

Potential impact (positive or negative)	Action needed to maximise positive impact or mitigate negative impact	By when	Owner
Improved outcomes for the individual	TBC	TBC	TBC
Flexible Care & Support services that are self-sustaining and value for money	Detailed development of business model(s) needed to underpin the aims and objectives of the strategy	March 2016?	Rachel Crossley / NMoD
Improved resident experience	TBC	TBC	TBC
More Surrey residents with care and support needs remaining within their own home for longer	TBC	TBC	TBC
Benefits to the wider health system and NHS Clinical Commissioning Groups, including reductions in hospital admissions and quicker hospital discharges	Develop and expand the Extra Care Pathway Comparison report to further highlight the benefits to the whole system and NHS CCG partners	March 2016	Matt Lamburn / ASC & Finance
Existing residents may see changes to the current service they	Understand the potential for current residents of accommodation with care and support who could see	Ongoing, using some of the learning from current	Matt Lamburn / ASC

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receive	changes to the way services and delivered and/or changes in their physical environment, either through redevelopment or a physical move.	re-commissioning activity of Extra Care housing	
A cohort of the Surrey population will have needs that continue to be met more institutionalised forms of accommodation, such as residential settings, and changes to this market may have unforeseen impacts in terms of quantity and quality	Develop a clear vision of the future market in Surrey for traditional forms of accommodation with care and support, recognising that some residents will still require these more intensive services in the future and the quality must meet current and/or future standards	March 2016	ASC / Business intelligence & Commissioners
Consideration of resident's natural communities will need to be recognised, especially as these can cross over political/health boundaries.	Better understanding of how communities operate within Surrey and where the natural 'fit' between communities is	March 2016	Matt Lamburn / ASC & Commissioners

10. Potential negative impacts that cannot be mitigated

Potential negative impact	Protected characteristic(s) that could be affected
N/A	
N/A	

11. Summary of key impacts and actions

This section will serve as an executive summary of the Equality Impact Assessment and should be copied into the equalities section in decision making reports (such as those for Cabinet, Local Committee or CLT/DLTs). Please use the sub-headings provided.

Information and engagement underpinning equalities analysis	<ul style="list-style-type: none"> Improving Housing with Care Choices for Older People: An Evaluation of Extra Care Housing' – Netten, Darton, Baumker & Callaghan, 2011 Various Housing LIN (Learning & Innovation Network) Bulletins Chestnut Court & Anvil Court Evaluation Report (2014)
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	<p>& 2015)</p> <ul style="list-style-type: none"> • Individual Resident Feedback Forms • Group Consultation with Extra Care Residents (various schemes – 2012) • Surrey CC - Extra Care Pathway Comparison Report 2015 • Surrey County Council Corporate Strategy 2015-2020 • The Future Direction of Extra Care Provision in the South East Region – Housing LIN, March 2011 • Accommodation with Care & Support Demographic Profiles covering each of the 6 NHS Clinical Commissioning Groups
<p>Key impacts (positive and/or negative) on people with protected characteristics</p>	<p>It is expected that changes to the future commissioning and delivery of accommodation with care and support will provide a variety of positive impacts:</p> <ul style="list-style-type: none"> • Improved outcomes for the individual • Flexible Care & Support services that are self-sustaining and value for money • Improved resident experience • More Surrey residents with care and support needs remaining within their own home for longer • Benefits to the wider health system and NHS Clinical Commissioning Groups, including reductions in hospital admissions and quicker hospital discharges <p>It is also expected that changes to the future commissioning and delivery of accommodation with care and support will provide a variety of negative impacts:</p> <ul style="list-style-type: none"> • Existing residents may see changes to the current service they receive • A cohort of the Surrey population will have needs that continue to be met more institutionalised forms of accommodation, such as residential settings, and changes to this market may have unforeseen impacts in terms of quantity and quality • Consideration of resident’s natural communities will need to be recognised, especially as these can cross over political/health boundaries
<p>Changes you have made to the proposal as a result of the EIA</p>	<p>At this early stage, there have not been any significant changes or amendments to the development of the strategy.</p>
<p>Key mitigating actions planned to address any outstanding negative impacts</p>	<ul style="list-style-type: none"> • Consideration of resident’s natural communities will need to be recognised, especially as these can cross over political/health boundaries. • Understand the potential for current residents of accommodation with care and support who could see

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	<p>changes to the way services and delivered and/or changes in their physical environment, either through redevelopment or a physical move.</p> <ul style="list-style-type: none">• Develop a clear vision of the future market in Surrey for traditional forms of accommodation with care and support, recognising that some residents will still require these more intensive services in the future and the quality must meet current and/or future standards.
Potential negative impacts that cannot be mitigated	N/A

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SURREY COUNTY COUNCIL**CABINET****DATE: 15 DECEMBER 2015****REPORT OF: MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS SERVICES AND RESIDENT EXPERIENCE****LEAD OFFICER: JOHN STEBBINGS, CHIEF PROPERTY OFFICER****SUBJECT: AWARD OF FRAMEWORK AND CONTRACTS FOR THE PROVISION OF EMPLOYEE HEALTH SERVICES****SUMMARY OF ISSUE:**

The Council's employees are at the core of delivering on the corporate strategy and the organisation promises to provide effective front line services to residents. In order to do this, the Council need to ensure that employees remain happy, healthy and well supported.

Occupational Health and Employee Assistance services form crucial elements of the Councils' overall health and wellbeing strategy which is centred around proactively ensuring its employees have the appropriate structures in place to ensure the continued positive wellbeing of it's staff, that they remain fit for work and where necessary are rehabilitated back to work in a timely and care centred way.

To support the health and wellbeing strategy, this report seeks approval to award a framework agreement for a period of four years, and a subsequent contract for the Council, for the provision of Employee Health Services. The framework consists of three lots as follows:

Lot 1 – Occupational Health Services

Lot 2 – Employee Assistance Services

Lot 3 – Absence Management Services

This report provides details of the procurement process, including the results of the evaluation process and, in conjunction with the Part 2 report, demonstrates why the recommended contract award delivers best value for money.

This report is the result of a successful collaborative exercise with East Sussex County Council, and a number of other local authorities in the Surrey and East Sussex regions.

Due to the commercial sensitivity involved in the contract award process the commercial details of the successful suppliers have been circulated as a Part 2 report.

RECOMMENDATIONS:

It is recommended that:

1. The framework agreement be awarded to the following three suppliers, for a period of four years to commence on 1 January 2016 and to expire on 31 December 2019:
 - a. Lot 1 – Occupational Health Services to be awarded to Team Prevent Ltd
 - b. Lot 2 – Employee Assistance Services to be awarded to OH Assist
 - c. Lot 3 – Absence Management Services to be awarded to First Care Ltd

2. Individual contracts for the Council are awarded to Team Prevent and OH Assist for a period of three years with the option to extend for one further year to commence on 1 April 2016 for:
 - a. Lot 1 – Occupational health Services at an anticipated total value of £1.1m
 - b. Lot 2 – Employee assistance Services at an anticipated total value of £522,000

3. Cabinet note that the HR service is currently in the process of completing a business case to proceed to put in place a contract from lot 3 of the framework and implement the absence management service within the Council.

REASON FOR RECOMMENDATIONS:

During a review of the spend and contracts in the Corporate and Human Resources categories across Surrey and East Sussex Councils, an opportunity was identified to collaborate on the design of the specification, align the expiry of the current contracts and retender as a joint contract to appoint the same providers for both Councils.

Following discussion with a number of public sector authorities in the region, it was found that there were several authorities with similar requirements for employee health services whose contracts were due to expire within the next 18 months. This has created an opportunity to pool volume and approach the market with a larger offering than that of the Council on its own, to achieve better rates through economies of scale.

Following an assessment of a number of options, it was decided that the creation of a framework, led by the Council and open to public sector authorities in the Surrey and East Sussex region would be the most appropriate route to market.

In addition to better rates, through the use of the framework by other authorities it is anticipated that the common arrangements will provide an avenue for further collaborative joint working such as wellbeing campaigns, co-location of clinics, and proactive sharing of best practice.

The tender was in compliance with the requirements of Public Contracts Regulations 2015 and the Council's Procurement Standing Orders. The recommendation provides best value for money for these contracts, following a thorough evaluation process.

This procurement exercise has been carried out in collaboration with East Sussex County Council to secure a single provider to deliver the service for both Councils via individual contracts for each Council.

DETAILS:

Background

1. As part of the overall health and wellbeing service that is provided by the Council for its employees, Occupational Health and Employee Assistance services help to ensure that employees remain fit for work and are supported and rehabilitated back to work in a timely and care centred way, and have the appropriate support. This framework will assist greatly and be critical to the Council's aspirations of reducing long term absence, and building on good performance.
2. The existing contracts for Surrey County Council for the supply of both Occupational Health and Employee Assistance services are due to expire on 31 March 2016.
3. The contract award will support the Council's ability to continue to provide these support services for employees to maintain a healthy workforce.
4. A joint project team was set up to include representatives from Human Resources (HR) and Procurement from both Surrey and East Sussex County Councils.
5. The project team carried out extensive consultation with key services teams and senior management within both Councils to advise the specification and priorities for the tender.
6. The project team also carried out extensive consultation with a number of public sector authorities in the region who directly fed into the design of the new specification to ensure that the framework would be fit for purpose for a range or organisations. Participants included:
 - Babcock 4s (to advise on SCC Schools behalf)
 - Surrey, East Sussex and Thames Valley Police consortium
 - East Sussex Fire & Rescue
 - Woking Borough Council
 - Surrey Heath Borough Council
7. The parties listed above have reviewed and fed into the specifications and as a result have indicated an intention to utilise this framework in line with their contract expiry dates, and have provided volume information that has formed part of the procurement.
8. In addition to the parties above a number of authorities were listed as able to access this framework should they wish. These authorities include all District & Boroughs and Clinical Commissioning Groups within the Counties of Surrey and East Sussex. Following the award of this framework this opportunity will be promoted further to all authorities listed as able to access this framework.
9. It was identified through the consultation that there could be an opportunity in working with other partners identified above for further collaborative joint working such as wellbeing campaigns, co-location of clinics, and proactive sharing of best practice.

10. Market analysis was completed to assess the market trends, route to market opportunities and key suppliers within the market capable of fulfilling the needs of the Council. Market consultation with providers was also carried out, and ensured the project team were well informed of the market structure and able to identify new emerging trends.
11. The tender exercise was conducted in collaboration with East Sussex County Council to appoint a single provider per lot of the framework. The collaboration on this framework forms part of the development of the wider Orbis partnership, and will act as an enabler for integration.
12. As part of the collaboration with East Sussex County Council, joint strategic aims for the new contracts were developed:
 - Support positive health and wellbeing
 - Prevent ill health absence
 - Manage and reduce sickness
13. This will be achieved through:
 - Reducing absence by minimising risks of sickness or injury
 - Supporting sick or injured employees to optimise the rehabilitation process and individual's health, safety and welfare needs
 - Reducing and managing risks and consequences of poor mental and physical wellbeing
 - Supporting services in the management of sickness absence
 - Fulfilling its statutory obligations and duty of care responsibilities in relation to the health, safety and welfare of its employees
 - Participating in the provision of effective wellbeing education programmes.

Procurement Strategy and Options

14. An open tender process compliant with the Public Contracts Regulations 2015 and the Council's Procurement Standing Orders, has been carried out using the Council e-Procurement system, with the opportunity advertised within the Official Journal of the European Union, and on Contracts Finder.
15. Several procurement options were discussed and considered when completing the Strategic Procurement Plan (SPP) prior to commencing the procurement activity. These included the following options:
 - a. Ceasing the current service
 - b. Utilising an existing framework
 - c. Going out to tender for a new contractual arrangement via a full Official Journal of the European Union (OJEU) tender.
16. After a full and detailed options analysis, the tender process described in 15(c) was chosen. This option was deemed most appropriate and selected as it enables the Council to pool its spend with partner authorities and an opportunity to go out to market with a larger volume to attract better rates. Setting up our own framework

would also allow us to extend the agreements for use by districts and boroughs within both counties and emergency services within Surrey and East Sussex under the same provider, and support the development of Orbis.

17. Representatives from key service areas were involved throughout the evaluation process to ensure that the preferred solution was fit for purpose for all areas of the organisation.

Key Implications

18. By awarding a framework to the suppliers as recommended, for the supply of Employee Health Services, to commence on 1 January 2016, the Council will be meeting its obligations to provide Occupational Health and Employee Assistance services and ensuring best value for money for this service.
19. The Council will put in place separate contracts for the provision of Occupational Health services and Employee Assistance services immediately, to ensure there is no gap in provision at the expiry of the existing arrangements on 31 March 2016.
20. There will be a 12 week mobilisation period from January 2016 to April 2016 to ensure systems are configured, staff are informed and the new service promoted, and processes, infrastructure and data are fully in place for the launch of the new contracts in April 2016.
21. Performance will be monitored through ongoing review of the suppliers in accordance with defined Service Level Agreements and Key Performance Indicators. There will be monthly operational level reporting and quarterly strategic meetings to review performance and discuss improvements. There will also be joint strategic meetings with East Sussex County Council as part of the partnership working approach to this contract.
22. The contracts will utilise local and Small and Medium Sized Enterprises (SME) in the supply of specialist services such as physiotherapy, audiometry, counselling delivered via sub contractors under the main suppliers.
23. The management responsibility for the contract lies with the dedicated contract manager within HR. The contract will be managed in line with the HR policies and the processes agreed with the successful suppliers.
24. The rates are agreed on an annual basis and no changes can be made to those rates without prior agreement from the contract manager within the Council.
25. Based on discussion and prior engagement in the build up to the tender process, it is expected that in addition to the Council and Surrey schools, the following authorities will also utilise this framework
 - Lot 1 – Occupational Health Services
 - East Sussex County Council
 - East Sussex Fire & Rescue Services
 - Woking Borough Council
 - Surrey Heath Borough Council
 - Lot 2 – Employee Assistance Services
 - East Sussex County Council
 - East Sussex Fire & Rescue Services

- Woking Borough Council
- Surrey Heath Borough Council
- Surrey, East Sussex and Thames Valley Police consortium

- Lot 3 – Absence Management Services
- East Sussex County Council

Competitive Tendering Process

26. The contract has been tendered using an open procedure and advertised within the Official Journal of the European Union. It was decided that the open procedure was appropriate as there are a limited number of suppliers in this specialist market that can fulfil the requirements of a larger organisation such as Surrey County Council and partners.
27. A total of thirteen bids were received, split as follows:
- Lot 1 – Occupational health Services – five bids received
 - Lot 2 – Employee assistance Services – six bids received
 - Lot 3 – Absence Management Services – two bids received
28. The numbers of bids received were better than expected and a number of bidders applied for multiple lots, seeking to provide a single source for all or some parts of the framework.
29. The tender was evaluated on the following split of price and non-price based criteria as detailed in table 1 :

Table 1 – Lot specific weightings

Lot 1 – Occupational Health Services		Lot 2 – Employee Assistance Services		Lot 3 – Absence Management Services	
Price Based Weighting		Price Based Weighting		Price Based Weighting	
Pricing Schedule	30%	Pricing Schedule	30%	Pricing Schedule	35%
Price Based Questions	10%	Price Based Questions	10%	Price Based Questions	5%
Non Price Weighting		Non Price Weighting		Non Price Weighting	
Quality Questionnaire	45%	Quality Questionnaire	45%	Quality Questionnaire	45%
Presentation	15%	Presentation	15%	Presentation	15%
Total	100 %	Total	100 %	Total	100%

30. Bidders were notified in advance of the tender being issued, and within the tender documentation, that following the initial response, the top three scoring bidders would be shortlisted and taken through to a presentation stage, whilst all bidders outside the top three would not continue any further in the process.

31. The initial tender response was evaluated against the criteria and weightings as shown below

Lots 1 & 2

- Quality Questions – 45%
 - Pricing Schedule – 30%
 - Cost-based questions – 10%
- Maximum Total for phase 1 - 85%**

Lot 3

- Quality Questions – 45%
 - Pricing Schedule – 35%
 - Cost-based questions – 5%
- Maximum Total for phase 1 - 85%**

32. Following the initial tender response the top three scoring bidders per lot were shortlisted to the presentation stage. The shortlisted bidders were as follows:

Lot 1	Lot 2	Lot 3
OH Assist	OH Assist	Santia
Health Management Ltd	People Asset Management	First Care
Team Prevent	Health Assured	

33. The shortlisted bidders were then evaluated in accordance with predefined questions and scenarios which were provided to the bidders in advance, and formed the final 15% of the total score possible.

34. Based on the combined total scores received for both phases of the tender the winning bidders recommended for the award to the framework are as follows:

- Lot 1 – Occupational health Services – Team Prevent UK Ltd
- Lot 2 – Employee assistance Services – OH Assist
- Lot 3 – Absence Management Services – First Care Ltd

35. The procurement department has received positive feedback from unsuccessful bidders complimenting on how the process was run and the quality of the feedback provided on their bids following the tender process.

36. Please refer to Part 2 report for further information related to the breakdown of scores at each stage of the tender.

<u>CONSULTATION:</u>

37. Key stakeholders within both Surrey and East Sussex County Councils have been consulted at all stages of the commissioning and procurement process, as well as representatives for partner authorities including:

- Procurement
- Legal Services
- HR Leadership Teams
- Service based Senior Management Teams
- Front line Hiring Managers
- Finance

- Audit
- IMT

RISK MANAGEMENT AND IMPLICATIONS:

38. Risks were appropriately identified in Table 2 and have mitigation actions in place.
39. The terms and conditions include termination provisions for convenience to allow the Council to terminate the contract should priorities change.
40. The framework terms and conditions include Non Exclusivity provisions to allow the Council to use other suppliers to fulfil roles if required.
41. The specification and terms and conditions clearly set out that during the life of the contract the sourcing strategies will be reviewed on a regular basis to ensure they are appropriate for the life of the contract and can be subject to change following agreement from the Council and the suppliers.
42. All suppliers successfully completed satisfactory financial checks as part of the framework competition.

Table 2 – Risks and mitigating actions

Category	Risk Description	Mitigation Activity
Financial	Price increases due to market conditions and prices within existing contract held for a number of years.	The framework controls and fixes the prices which are reviewed on an annual basis. In addition the model provides discounts based on volume of headcount which will see price reductions as other authorities utilise the framework.
Supply	Supply disruption during changeover of suppliers	A twelve (12) week implementation has been allowed to ensure the new provider is ready and has fully implemented the necessary process and systems to support them for the launch of the new contract.
Reputational	Change of suppliers could lead to unrest within the services	A twelve (12) week implementation has been allowed to ensure the new provider is ready and has fully implemented the necessary process and systems to support them for the launch of the new contract.
Data	Loss to data on existing cases during changeover	The framework specifies that where necessary the new suppliers are required to receive and store medical records and previous case details both in physical and electronic form. This will be transported according to strict confidentiality procedures.
Carbon emissions	Carbon emissions due to employees having to travel large distances to attend face to face consultations.	Suppliers are expected to provide a number of clinics within the county for employees to attend face to face consultations to reduce both travelling time and carbon emissions. In addition it is being investigated whether space can be made within larger area offices to have an on-site clinic to reduce travel for employees.

Financial and Value for Money Implications

43. The value of the Council's contracts, including schools, for the full four year possible term are as follows:
- Occupational Health services – £1.1m
Employee Assistance Services - £522,000
44. Based on the cost of the previous contracts, the new contracts represent an annual saving of £40,000 for the Council's services and £83,000 for schools, which would equate to a total saving of £492,000 over the total four year possible contract life.
45. Full details of the contracts values, scoring and financial implications are set out in the Part 2 report.
46. The contracts are charged on an annual price per employee rate basis which is in keeping with the normal industry practice. A volume discount model has been put in place that will further reduce the cost per employee as more organisations use the framework and bring additional volume.
47. An annual review process of employee volume across all organisations utilising the framework has been written into the framework which will allow an annual agreement on the employee rate.
48. In addition during the course of the year if a new customer puts in place a contract from the framework and brings significant additional volume then it triggers an immediate review. If the volumes are such that the new total employee volume attracts a lower rate then all future invoices for all customers are reduced

Section 151 Officer Commentary

49. The Section 151 Officer confirms that the proposed contracts are affordable within the current Medium Term Financial Plan (MTFP) and that the estimated savings are achievable.

Legal Implications – Monitoring Officer

50. The Council has a duty to secure best value and to comply with relevant statutory provisions in the way in which it procures services. The procurement exercise undertaken to secure the provision of the services as outlined in this report complies with those requirements.

Equalities and Diversity

51. An initial assessment of the impacts on staff with protected characteristics was conducted which concluded that a further Equality Impact Assessment (EIA) was not required as this was not a new service, nor were there any significant changes to the provision of the service that negatively affected staff with protected characteristics. Despite this, the protected characteristics of staff were considered throughout the subsequent procurement exercise and the Council's senior Equality, Inclusion and Wellbeing manager was involved as a key project member throughout the entire process.

52. In addition, representatives from a number of service areas within the Council were involved in the specification design and subsequent procurement exercise to ensure that the needs of staff with protected characteristics were being considered.
53. The preferred suppliers will be required to comply with the Equalities Act 2010 and any relevant codes issued by the Equality and Human Rights Commission.
54. The following table represents the key impacts on protected characteristics that were deemed to be affected by this service and the mitigating actions that were taken during the procurement exercise.

Characteristic	Impact	Mitigating Actions
Disability	<p>There is a potential impact on accessibility to clinics in the delivery of the service for both Lot 1 and 2.</p> <p>Accessibility to the online resources and referral forms.</p> <p>This affects all lots.</p>	<p>Lot 1- All bidders were asked to propose their clinic locations and detail how they meet accessibility standards, how they adhere to the Equalities Act 2010 and how they are assessed with consideration to transport links.</p> <p>Lot 2 –Bidders were requested to detail how they vet new counsellors to ensure their locations meets accessibility standards, and how they audit affiliates on a regular basis to ensure they remain fit for purpose. Also when assigning a counsellor the provider will take into consideration the individual's work and / or home locations.</p> <p>IMT have assessed the online resources of all winning bidders in relation to AA Web Content Accessibility standards in relation to making content accessible for users with hearing, visual or motor difficulties.</p> <p>Lot 1 - The default referral process is via the web based online for, however the supplier is able to offer a telephone based referral for individuals who would have difficulty in using the online system.</p> <p>Lots 2 & 3 – The default mode of access is via telephone, however there is the option to access the service and send requests via web based resources</p>
Sex	<p>There is a potential negative impact for staff with talking to or receiving services from supplier staff of the opposite sex.</p> <p>This is relevant to lots 1 and 2.</p>	<p>Lot 1 - The proposed winning bidder outlined that during the referral process if a face to face consultation is required, the staff member can request that their assessor is of the same sex.</p> <p>Lot 2 - The proposed winning bidder outlined when assigning a counsellor they take into consideration a number of factors, including any requests from the individual for a counsellor of the same sex.</p>

<u>Other Implications:</u>

55. The potential implications for the following Council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Safeguarding responsibilities for vulnerable children and adults	As part of the delivery of this contract all workers that will have exposure to vulnerable adults or children will be subject to an enhanced DBS check. The provider will have in place robust DBS procedures that are in keeping with the Council's policies and will be carried through to supporting agencies. The provider will monitor the expiry dates of workers requiring DBS clearance and no worker will be allowed to work without a valid and in date DBS clearance.

<u>WHAT HAPPENS NEXT:</u>

56. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award including call in period	23 December 2015
10 day standstill	24 December 2015 – 04 January 2016
Contract Signature	January 2016
Framework implementation	January 2016
Surrey County Council Contract signature	January 2016
Surrey County Council Contract Commencement	April 2016

Contact Officer:

Dean Fazackerley,
Category Specialist – Procurement and Commissioning, Business Services,
Tel: 020 8541 79476

Annexes:

Part 2 report with financial details attached - item 17.

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SURREY COUNTY COUNCIL**CABINET****DATE: 15 DECEMBER 2015****REPORT OF: N/A****LEAD OFFICER: ANN CHARLTON, DIRECTOR OF LEGAL AND DEMOCRATIC SERVICES****SUBJECT: LEADER/DEPUTY LEADER/CABINET MEMBER DECISIONS TAKEN SINCE THE LAST CABINET MEETING****SUMMARY OF ISSUE:**

To note the delegated decisions taken by Cabinet Members since the last meeting of the Cabinet.

RECOMMENDATIONS:

It is recommended that the Cabinet note the decisions taken by Cabinet Members since the last meeting as set out in Annex 1.

REASON FOR RECOMMENDATIONS:

To inform the Cabinet of decisions taken by Cabinet Members under delegated authority.

DETAILS:

1. The Leader has delegated responsibility for certain executive functions to the Deputy Leader and individual Cabinet Members, and reserved some functions to himself. These are set out in Table 2 in the Council's Scheme of Delegation.
2. Delegated decisions are scheduled to be taken on a monthly basis and will be reported to the next available Cabinet meeting for information.
3. **Annex 1** lists the details of decisions taken by Cabinet Members since the last Cabinet meeting.

Contact Officer:

Andrew Baird, Regulatory Committee Manager, Tel: 020 8541 7609

Annexes:

Annex 1 – List of Cabinet Member Decisions

Sources/background papers:

- Agenda and decision sheets from the Cabinet Member meetings (available on the Council's website)

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