

## Notice of Meeting

# Leader Decisions

**Date & time**

Thursday, 5 April  
2018 at 3.00 pm

**Place**

Committee Room B -  
County Hall, Kingston  
upon Thames, KT1  
2DN

**Contact**

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**Chief Executive**

Joanna Killian



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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 Angela Guest on 020 8541 9075

**Leader**

Mr David Hodge CBE (Leader of the Council)

## **AGENDA**

### **1 DECLARATIONS OF INTEREST**

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter

- i. Any disclosable pecuniary interests and / or
- ii. Other interests arising under the Code of Conduct in respect of any item(s) of business being considered at this meeting

#### **NOTES:**

- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest
- As well as an interest of the Member, this includes any interest, of which the Member is aware, that relates to the Member's spouse or civil partner (or any person with whom the Member is living as a spouse or civil partner)
- Members with a significant personal interest may participate in the discussion and vote on that matter unless that interest could be reasonably regarded as prejudicial.

### **2 PROCEDURAL MATTERS**

#### **MEMBERS' QUESTIONS**

The deadline for Members' questions is 12pm four working days before the meeting (Wednesday 28 March 2018).

#### **PUBLIC QUESTIONS**

The deadline for public questions is seven days before the meeting (Thursday 29 March 2018).

#### **PETITIONS**

The deadline for petitions was 14 days before the meeting, and no petitions have been received.

#### **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.

### **3 PROGRAMME MANAGEMENT AND CHANGE CAPACITY**

(Pages 1  
- 6)

This report seeks approval to award a contract for the provision of a project to develop the organisation's programme management and change capacity to commence on 17 April 2018. The 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 names of the potential suppliers and their financial details have been circulated as a Part 2 report.

#### **4 EXCLUSION OF THE PUBLIC**

**Recommendation:** 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.

#### **5 PROGRAMME MANAGEMENT AND CHANGE CAPACITY**

(Pages 7  
- 10)

This Part 2 report contains information which is exempt from Access to Information requirements by virtue of paragraph 3 – Information relating to the financial or business affairs of any particular person (including commercially sensitive information to the bidding companies).

The information contained in this report may not be published or circulated beyond this report and will remain sensitive for the length of the contract.

**Confidential: Not for publication under Paragraph 3**

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

#### **6 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.

**Joanna Killian  
Chief Executive**

Published: Monday, 26 March 2018

## **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.

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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*

**SURREY COUNTY COUNCIL**

**LEADER DECISION**

**DATE: 5 APRIL 2018**

**LEAD OFFICER: RACHEL CROSSLEY, CHIEF OF STAFF**

**SUBJECT: PROGRAMME MANAGEMENT AND CHANGE CAPACITY**



#### **SUMMARY OF ISSUE:**

This report seeks approval to award a contract for the provision of a project to develop the organisation's programme management and change capacity to commence on 17 April 2018. The 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 names of the potential suppliers and their financial details have been circulated as a Part 2 report.

#### **RECOMMENDATIONS:**

It is recommended that following consideration of the results of the procurement process in the part 2 submitted report, the award of a contract for the provision of a project to develop the organisation's programme management and change capacity to Bloom, with the supplier named in the confidential annex as a recommended sub-contractor, be agreed.

#### **REASON FOR RECOMMENDATIONS:**

A tender process, in compliance with the requirement of Public Contract Regulations and Procurement Standing Orders has been completed, and the recommendations provide best value for money for the Council following a thorough evaluation process.

#### **DETAILS:**

##### **Background and options considered**

1. At its meeting on 6 February 2018, the County Council approved the Revenue and Capital Budget 2018/19 to 2020/21. This included a balanced budget for 2018/19 but currently shows a funding shortfall of £86m in 2019/20 rising to £93m by 2020/21. This is a significant challenge for the council and in order to resolve it, the council recommendation requires the Chief Executive and the Director of Finance to lead the development of a transformation programme to move the council to a sustainable position by 2021.
2. Given the scale of the budget challenge, the council is going to need to re-think how it delivers its services and the future operating model. This will mean

undertaking a significant transformation programme and the leadership team is looking to present initial business cases on the areas of focus to Cabinet in September 2018, with a view to delivering significant additional savings and reductions in budget pressures from 2019/20 onwards. Putting in place strong programme management and developing the right change capacity will be vital to delivering the necessary transformation. The council has identified the need to develop its change management and Programme Management Office (PMO) functions more rigorously with external expertise to help do this at pace.

### **Procurement Strategy**

3. Several options were considered when completing the Strategic Sourcing Plan (SSP) outlining the best route to market, before starting the procurement activity. These were:
  - A full OJEU procurement
  - A mini-competition under the Crown Commercial Services Framework Agreement
  - A mini-competition under a NEPO Framework Agreement (delivered by Bloom) for the provision of Specialist Professional Services
4. After a full and detailed options analysis it was decided to invite tenders via a framework agreement. NEPO Bloom Framework Agreement has been utilised to fulfil this requirement as it offered the most effective solution to procure the services needed within the required time scales.

### **Key Implications**

5. By awarding a contract to the supplier recommended for the provision of this project to commence on 17 April 2018, the council will be better placed to support services and the senior leadership team in developing the transformation programme required to move the council to a sustainable position by 2021. Given the scale of the challenge, it is important that the council moves at pace, engaging with external specialists will help ensure the right skills and expertise is put in place to drive change more effectively.
6. The scope of work for this project includes the following broad elements:
  - Undertake a diagnostic of current approach and change capacity;
  - Provide a health-check of current transformation plans;
  - Support the development of our change approach, including assurance processes;
  - Introduce a programme of capability development to increase the council's in-house skills and expertise; and
  - Provide some short-term interim programme management support as necessary to key transformation projects to ensure delivery.

- 7. The majority of the work will be carried out between April and September 2018 to support the development of the council’s transformation programme, including business cases for change, which will report to Cabinet in September/October 2018. Performance of the contract will be monitored against the delivery of each of these elements, with milestones agreed in line with the council’s current “5D” approach to transformation to review progress.
- 8. The management responsibility for the contract lies with the Chief Executive’s Office. The contract will be managed in line with the agreed project and resource plan as laid out in the contract documentation which also provides for review of performance and cost at key stages of delivery. This will be monitored on a regular basis and any changes to scope, projects or resource plan will have to be reviewed in line with the agreed change control process.

**Competitive Tendering Process**

- 9. Approval to run a tender via the NEPO Framework was granted by the Sourcing Governance Board on 6 March 2018. The mini-competition process was delivered by Bloom acting on instructions from Surrey County Council.
- 10. A project team was set up and included the Chief of Staff, Strategy and Performance and Procurement. Representatives from Finance were also consulted.
- 11. Three suppliers were invited to bid with 2 tender responses received. The tender submissions were scored against the quality and commercial criteria and weightings as shown below.

Price	Experience	Method Statement	Presentation
30%	20%	30%	20%

**CONSULTATION:**

- 12. No external consultation was required.

**RISK MANAGEMENT AND IMPLICATIONS:**

- 13. There is a risk that the cost of this project will increase but this will be mitigated by ring fencing the cost by using the resource and project plans provided by the supplier. Any variation to these plans will be addressed using the agreed change control process.
- 14. A further risk is that the council does not have the capacity to support the programme, especially in the early stages. A small team has been identified to work with the provider to deliver jointly on this programme. As part of the approved invest to save business case, a budget has been allocated to invest in further resource if necessary.

### **Financial and Value for Money Implications**

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

### **Section 151 Officer Commentary**

16. The Section 151 Officer confirms that a robust process has been followed in putting these arrangements in place and that progress against the contract in terms of deliverables and costs will be closely monitored to ensure effective use of resources. Approval has been given to fund the investment through the invest to save reserve and costs will be repaid to the fund from future savings. The additional costs are not therefore a pressure within current MTFP (2018-21).

### **Legal Implications – Monitoring Officer**

17. Under Section 3(1) Local Government Act 1999 the council is under a general duty to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. Furthermore, the council is under various legal obligations to ensure it operates a balanced budget. The expenditure requested in this report is intended to assist the council in meeting these obligations.

18. As set out in the main body of this report, a procurement process in compliance with the council’s Procurement Standing Orders and the Public Contracts Regulations 2015 has been undertaken.

### **Equalities and Diversity**

19. The need for an Equality Impact Assessment (EIA) was considered, however, a conclusion was reached that as there were no implications for any public sector equalities duties due to the nature of the service being procured, an EIA was not required. Despite this, the preferred supplier will be required to comply with the Equalities Act 2010 and any relevant codes issued by the Equality and Humans Rights Commission.

### **WHAT HAPPENS NEXT:**

- Subject to necessary approvals from the Council’s Sourcing Governance Board (SBG) and Leader, the contract with Bloom will be finalised, with the named supplier as a successful sub-contractor.
- The named supplier would start on site on 17 April 2018.
- Kick off meeting between provider and council team to confirm the scope of the work and project plan.
- Project to be delivered and completed by December 2018.

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#### **Contact Officer:**

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#### **Consulted:**

Corporate Leadership Team  
Procurement

Investment Panel  
Cabinet Member for Property and Business Services

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