



Agenda item: 8
Paper no: 4

	Surrey County Council use	CCG/s use
Section 151 Finance cleared on:	16/03/22	xx/xx/xx
Legal cleared on:	11/03/22	
Executive Director cleared on:	21/12/21	xx/xx/xx
Cabinet Member cleared on:	21/12/21	

Title of Report:	Health and Social Care Commissioning: Surrey County Council's Annual Procurement Forward Plan 2022/23	
Status:	TO APPROVE	
Committee:	Surrey-Wide Commissioning Committees in Common	Date: 30/03/2022
Venue:	Microsoft Teams -Virtual	
Presented by:	Anna Kwiatkowska, Head of Procurement, Surrey County Council Danielle Bass, Procurement Partner, Surrey County Council	
Author(s)/ Lead Officer(s):	Anna Kwiatkowska, Head of Procurement, Surrey County Council Danielle Bass, Procurement Partner, Surrey County Council	

Executive Summary:

In March 2019, Surrey County Council's Cabinet approved the recommendation to delegate authority and decision making, related to the strategic commissioning of Health and Social Care services across Surrey, to the Surrey Wide Committees in Common (CIC) Board.

This included the delegation of key decision-making authority regards specific commissioning functions (Core Better Care Fund, ASC Learning Disabilities, ASC Mental Health, Children's Community Services/Emotional Health and Wellbeing, Continuing Healthcare and Public Health services) to the SCC Sub-Committee.

The revised Procurement and Contract Standing Orders agreed by the Council in May 2019 require the preparation of an Annual Procurement Forward Plan (APFP) during the business planning cycle for all goods/services over the regulatory threshold.

The APFP has been developed for 2022/23 and the Surrey Committees in Common is asked to give Approval to Procure for all the projects listed in the CiC Tab (Annex 1), allowing implementation of the identified procurement activity that is led or jointly procured with Health by Surrey County Council.

Governance:

Conflict of Interest: The Author considers:	None identified	✓
Previous Reporting: (relevant committees report has previously been presented to)	N/A	
Freedom of Information: The Author considers:	Open – no exemption applies. Part I paper suitable for publication.	✓

Decision Applicable to:

Decision applicable to the following Committee/s:	NHS Frimley CCG	
	NHS Surrey Heartlands CCG	
	Surrey County Council	✓

Recommendation(s):

The above Surrey-wide Commissioning Committee/s are asked to:

1. Give Approval to Procure for the projects listed in Annex 1 – “Surrey County Council Annual Procurement Forward Plan for 2022/23” in accordance with Surrey County Council’s Procurement and Contract Standing Orders.
2. Agrees that where the first ranked tender for any projects listed in Annex 1 is within the +/-5% budgetary tolerance level for Surrey County Council, the relevant Surrey County Council Executive Director, Director or Head of Service (as appropriate) is authorised to award such contracts while consulting with the relevant Cabinet Member as appropriate. It is noted that for joint procurements the appropriate scheme of delegation will need to be followed for each contracting party.
3. Agrees the procurement activity that will be returned to Committee in Common for review of the commissioning and procurement strategy prior to going out to market, and which is highlighted in grey in Annex 1.

Reason for recommendation(s):

- To comply with the Procurement and Contract Standing Orders agreed by Surrey County Council in May 2019.
- To provide the Committee in Common with strategic oversight of planned procurement projects led or jointly procured with Health by Surrey County Council for 2022/23.
- To ensure Committee in Common oversight is focussed on the most significant procurements.
- To avoid the need to submit multiple individual requests for Approval to Procure as well as individual contract award approvals for work taking place in 2022/23.

Next Steps

1. The approved plans will be delivered during the financial year 2022/23.
2. The procurement activity that is highlighted as per recommendation (3) will be returned to the Committee in Common for review of the commissioning and procurement strategy prior to going out to market.

1. Details:

- 1.1 Surrey County Council's Cabinet approved an Annual Procurement Forward Plan for all procurement activity to be delivered throughout the upcoming financial year:
 - 1.1.1 to comply with the Procurement and Contract Standing Orders agreed by Council in May 2019.
 - 1.1.2 to provide Cabinet with strategic oversight of planned procurement projects for FY 2022/23.
 - 1.1.3 to ensure Cabinet's oversight is focussed on the most significant procurements.
 - 1.1.4 to avoid the need to submit multiple individual requests for Approval to Procure as well as individual contract award approvals for work taking place in FY 2022/23.
- 1.2 As decisions relating to various commissioning functions were delegated to the SCC Sub-Committee as part of the Surrey joint health and wellbeing strategy in March 2019, the Approval to Procure for the services in scope must be sought from the SCC Sub-Committee. While the SCC Sub-Committee holds the decision-making authority for their delegated functions, the decision will be taken in line with the Committee in Common ethos to:
 - 1.2.1 consider and make collective decisions for all delegated functions
 - 1.2.2 discuss strategic commissioning decisions across Surrey
- 1.3 Annex 1 lists all known projects over £213,477 (inc. VAT) that are in scope of the Committee in Common and due for procurement in 2022/23. They include services that are funded by Surrey County Council. These projects will be publicised in due time using the established e-procurement platforms.
- 1.4 Please note that there may be services included in Annex 1 for which the procurement is likely to be led by the CCGs or another partner. They are included so that the SCC Sub-Committee can approve in principle the Surrey County Council funding for the service.
- 1.5 Procurement of social care services that are outside scope of the SCC Sub-Committee are approved by SCC Cabinet.
- 1.6 The Council is bound by The Public Contracts Regulations 2015 to advertise and conduct a public tender for supply and services contracts above the procurement threshold of £213,477 (inc. VAT). However, services concerning social care have a procurement threshold of £663,540 (inc VAT).
- 1.7 Budgets will be agreed with the service, finance, and partners (where applicable) through the development of a detailed procurement report and finalised before going to the market.
- 1.8 Once the Approval to Procure is granted by the SCC Sub-Committee, SCC officers may proceed to procurement without delay. Award decisions for SCC contracts are delegated to Executive Directors, Directors, or Heads of Service, while consulting with the relevant Cabinet Member as appropriate. It is noted that for joint procurements the appropriate scheme of delegation will need to be followed for each contracting party.

- 1.9 There will only be additional approvals required at the award stage of each SCC procurement in the event that the outcome is outside a +/-5% tolerance of the budget agreed when each project begins. Any project with an outturn not within tolerance will be reported and approved as follows:
- 1.9.1 Under £1m: Section 151 Officer
 - 1.9.2 Over £1m: Section 151 Officer and relevant service Portfolio Holder
 - 1.9.3 Over £5m: Section 151 Officer and SCC Sub-Committee
- 1.10 By approving the APFP in this way, there will be no need to gain Approval to Procure for each individual project for the remainder of this financial year. This will streamline governance processes and ensure focus on the most important projects throughout the year. However, it is likely that unforeseen projects will arise, and officers will need to seek Approval to Procure for these separately.
- 1.11 Where significant transformation or material change to the delivery of a commissioned service is proposed these projects have been identified in grey in Annex 1. Depending on the nature of the changes, public consultation and equality impact assessments may also be necessary. Further situations not currently anticipated (but included in Annex 1) may arise during the year. In any situation, the final proposed commissioning strategy and, if applicable, the outcome of any public consultation and equality impact assessment, will be brought back to the SCC Sub-Committee as an exception report for a new Approval to Procure.
- 1.12 Whilst the APFP is integral to the business planning cycle, it is not intended to set budgets for coming years, a task which is handled via the council's annual budget report that is approved by Full Council in February each year. Where the contractual limits and the available budgetary provision are not in alignment, the lower of the two will generally prevail.

2. Consultation/ Public Engagement:

- 2.1 Consultation will take place for individual projects as appropriate to the products or services required.

3. Risk Management and Implications:

- 3.1 If Surrey County Council does not manage the contract renewal programme effectively and efficiently it could lead to a detrimental impact on value for money and required outcomes and benefits from our contracted services. Good forward planning will enable adequate resources and sufficient time is dedicated to ensure appropriate procurement strategies and commercial negotiations to take place.
- 3.2 Also, by bringing forward member and partner approval to an earlier stage in the governance process, there will be the opportunity for the review and influence of plans in advance of any procurements being carried out.

4. Financial and ‘Value for Money’ Implications

- 4.1 The APFP approach has been designed to facilitate better planning, early engagement, and strategic oversight and, therefore, allows for more efficient and effective use of resources to support delivery of commissioning intentions.
- 4.2 The financial resources for each project will be reviewed and agreed based on the budget set for the relevant Council service in its Medium-Term Financial Strategy.

5. Section 151 Officer Commentary

- 5.1 Although significant progress has been made to improve the Council’s financial position, the medium-term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
- 5.2 The Section 151 Officer supports the Annual Procurement Forward Plan, which sets out the contracts expected to be tendered during the 2022/23 financial year. It remains however, the responsibility of the relevant Executive Director, Director or Head of Service to ensure that any expenditure committed to as a result of these procurements remain within approved budget envelopes and is consistent with the Directorate Commissioning Strategy.

6. Legal Implications – Monitoring Officer

- 6.1 Committees in Common is being asked to give formal Approval to Procure for the projects listed in Annex 1 in accordance with the Council’s Procurement and Contract Standing Orders. In making this decision, Committee in Common should be cognisant of its fiduciary duty to Surrey residents to ensure services are provided effectively while also maintaining a balanced budget.
- 6.2 For projects where additional statutory duties arise at a later date, for example as a result of a change in commissioning strategy, the Approval to Procure given at this stage will no longer be valid. Once additional statutory requirements have been satisfied, a report will need to return to Cabinet for a new Approval to Procure. Legal Services will advise in relation to any such situations on a case-by-case basis.

7. Equalities and Diversity

- 7.1 Equality Impact Assessments will take place for individual projects as appropriate to the products or services required.

8. Other Implications:

- 8.1 There are no significant implications upon key council priorities and policy areas

Consulted:

Surrey County Council - Service Directors, Finance, Legal, Head of Procurement

Annexes:

Annex 1 – “Annual Procurement Forward Plan for 2022/23”

Sources/background papers:

Surrey County Council’s Procurement and Contract Standing Orders 2019

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