



SURREY

<b>Title of Report:</b>	<b>Health and Social Care Commissioning: Surrey County Council's Annual Procurement Forward Plan 2021/22</b>	
<b>Status:</b>	<b>TO APPROVE</b>	
<b>Committee:</b>	<b>Surrey-wide Commissioning Committees in Common</b>	<b>Date:</b> 09/12/2020
<b>Venue:</b>	Microsoft Teams	
<b>Presented By:</b>	Cllr Tim Oliver, Leader of the Council, Surrey County Council	
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### 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. 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 various 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. The APFP has been developed for 2021/22 and the Surrey County Council Sub-Committee is asked to approve the Plan to allow implementation of the identified the procurement activity that is led by Surrey County Council.

### Governance:

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

**Decision Applicable to:**

Decision applicable to the following partners of the Committees in Common:	NHS East Surrey CCG	
	NHS Guildford and Waverley CCG	
	NHS North West Surrey CCG	
	NHS North East Hants and Farnham CCG	
	NHS Surrey Downs CCG	
	NHS Surrey Heath CCG	
	Surrey County Council	✓

**Recommendation(s):**

The Surrey County Council Commissioning Sub-Committee is asked to:

1. Give Approval to Procure for the projects listed in Annex 1 – “Annual Procurement Forward Plan for 2021/22” 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, the relevant Executive Director, Director or Head of Service (as appropriate) is authorised to award such contracts while consulting with the relevant Cabinet Member as appropriate.
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 Committee in Common with strategic oversight of planned procurement projects led by Surrey County Council for 2021/22.
- 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 2021/22

**Next Steps**

1. The approved plans will be delivered during the financial year 2021/22.
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 approve 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 2021/22.
  - 1.1.3 to ensure Cabinet 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 2021/22.
- 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 £189,330 that are in scope of the Committee in Common and due for procurement in 2021/22. 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 This threshold figure is the level at which the council is bound by the UK Public Contract Regulations 2015 to advertise in the Official Journal of the European Union (OJEU) and conduct a public tender for goods and services above £189,330.
- 1.7 It is important to note that the budgetary figures provided in Annex 1 are to give members and partners an indication of the size and scope of the service, usually taken from the value of the existing contract. Budgets will be agreed with the service, finance and partners (where applicable) through the development of a detailed statutory procurement report and finalised before going to the market.
- 1.8 Once the approval to procure is granted by the SCC Sub-Committee, officers may proceed to procurement without delay. Award decisions are delegated to Executive Directors, Directors, or Heads of Service.

- 1.9 There will only be additional approvals required at the award stage of each procurement in the event that the outcome is outside a +/-5% tolerance of the budget agreed with Finance when each project begins. Any project with an outturn not within tolerance will be reported and approved as follows: 1.9.1 Under £1m: S151 Officer 1.9.2 Over £1m: S151 Officer and relevant service Portfolio Holder 1.9.3 Over £5m: S151 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. Where the contractual limits and the available budgetary provision are not in alignment, the lower of the two will generally prevail.

## **2. Consultation:**

- 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 ensure adequate resources and sufficient time are 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.

## **5. Section 151 Officer Commentary**

5.1 Although significant progress has been made over the last twelve months to improve the Council's financial position, the medium term financial outlook is uncertain. The public health crisis has resulted in increased costs which may not be fully funded in the current year. With uncertainty about the ongoing impact of this and no clarity on the extent to which both central and local funding sources might be affected from next year onward, 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 2021/22 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 Cabinet 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, Cabinet should be cognisant of its fiduciary duty to Surrey residents to ensure services are provided effectively while also maintaining a balanced budget.

6.2 Notwithstanding Cabinet giving Approval to Procure, officers will have to ensure that the Public Contracts Regulations 2015 and any further legislation introduced after the transition Brexit end date on 31st December 2020 are complied with in relation to any procurements undertaken. Furthermore, commissioners will need to be aware of the 'best value duty' under Section 3 of the Local Government Act 1999 and its requirements on them. It states that the Council "...must 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."

6.3 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.

6.4 Cabinet will note that authority to grant Approval to Procure in relation to selected health and social care matters has been delegated to the Council's representatives on the Committee in Common with Surrey's Clinical Commissioning Groups. The relevant projects are included in Annex 1 for information only.

## **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

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### **Consulted:**

Surrey County Council - Service Directors, Finance, Strategic Commissioning Unit.

### **Annexes:**

Annex 1 – “Annual Procurement Forward Plan for 2021/22”

### **Sources/background papers:**

Surrey County Council’s Procurement and Contract Standing Orders 2019

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