

Scrutiny Committee, 7 February 2017

Information Bulletin

The Information Bulletin is a document that is made available to the public with the published agenda papers. It can include update information requested by the Committee as well as information that a service considers should be made known to the Committee.

This Information Bulletin covers the following items:

1. [New mechanisms for bidding to provide school transport](#)
2. [Information requested as a result of Budget Scrutiny](#)
3. [Early implications of "Brexit"](#)
4. [Assessments for Disabled Facilities Grants and customer numbers for Housing Related Support](#)

1. New mechanisms for bidding to provide school transport

- 1.1 At its meeting on 30 November 2016, the Committee heard that the recent change in public procurement regulations had created opportunities for the use of dynamic purchasing systems (DPS) and e-auctions, and that this should enable the County Council to receive faster and more competitive prices from suppliers for home to school transport services. It was estimated that savings of £0.06m could be achieved through this approach.
- 1.2 As a result, the Committee requested an information bulletin setting out further information about new mechanisms for bidding to provide school transport.

Overview

- 1.3 Suffolk County Council spends over £20M per year on home to school transport. The transport is provided by external taxi and bus companies. Those companies are selected using a traditional tendering process, which can be quite slow and bureaucratic. The expectation is that through the introduction of faster procurement approaches, new suppliers will be attracted to the market. This will increase competition and hence drive prices down. The anticipation is that this should save the Council £60k per year.

Current position and the plan going forwards

- 1.4 Passenger Transport currently use traditional tendering methods for all local bus and mainstream home to school transport using the corporate e-procurement platform, Suffolk Sourcing. Special Educational Needs (SEN) transport (Children and Young People's Services and Adult and Community Services) is procured by using a manual approved supplier list.

- 1.5 As a result of recent changes to the public procurement regulations and researching what other councils are doing Suffolk County Council (SCC) is looking to implement a DPS for the provision of Passenger Transport Services for its Home to School and SEN transport requirements, as well as its other transport category requirements.

What is a DPS?

- 1.6 A DPS is a completely electronic tendering process which basically creates a list of approved suppliers from which buyers can easily and quickly run tender exercises to award contracts. Suppliers can apply to join the DPS at any point during its life cycle which is ideal for a typically fluid market such as passenger transport.

How have recent changes to the public procurement regulations helped?

- 1.7 Under the old procurement rules councils had to first issue an advert every time they wished to award a contract under a DPS, in case any new suppliers wished to apply to join and bid for that particular contract. This made awarding contracts via a DPS slow and cumbersome and therefore put many councils off from setting up a DPS. Suppliers also had to submit an indicative tender with their application to join the DPS which also deterred suppliers and the DPS itself was time limited in its duration to four years. All of the above no longer applies under the new rules, which has helped to make the use of a DPS more attractive to councils.
- 1.8 Will it enable SCC to receive faster and more competitive prices for its home to school transport services?
- 1.9 Any new DPS when introduced will formalise the existing process used, and will allow for greater transparency and the ability to extract valuable management data on all contracts. This will mean that SCC will be able to identify any specific areas of high cost and allow these to be challenged based on evidence.
- 1.10 Competition is unlikely to be increased immediately as currently tenders are distributed to all suppliers. However, the introduction of a formal DPS will present an opportunity to contact the wider market and invite them to join in an effort to increase competition.

How could savings be achieved?

- 1.11 Other councils have made savings as a result of implementing a DPS and utilising reverse electronic auctions (eAuctions) where suppliers who have submitted an initial compliant bid are then invited to partake in an eAuction during which they can see the current lowest price offered and therefore readjust theirs if they want to win the contract. Contracts using this method are effectively awarded on price only.
- 1.12 It is anticipated the use of eAuctions will result in more competitive pricing and therefore deliver savings to SCC. They would however only be used where appropriate and supplier engagement will be key to the success of any eAuctions so as to ensure adequate competition in order to realise any potential savings.
- 1.13 It is worth noting that savings are likely to be realised only on the first eAuction for each contract as this will “reset” the contract values at their lowest point. If retendered at a later stage it is unlikely that any further contract cost reductions could be realised except in the case of a new supplier entering the market with a lower cost base.

1.14 eAuctions are not the only method of making savings under a DPS, as other councils have achieved this via tender exercises which award contracts on both cost and quality by having an open offer period after bids have been received. This allows suppliers to see where they are currently ranked in a tender process and gives them the opportunity to improve their ranking by adjusting only their price in an effort to be ranked 1st and therefore win the contract. This is different to an eAuction in that suppliers cannot see what the lowest price offered is, but can see where they are ranked during the open offer period.

What are the main risks of implementing a DPS?

1.15 There is a risk that the number of transport suppliers available to SCC could reduce if suppliers do not get quickly accustomed to the new system and this risk would need to be mitigated by engaging with the market early to explain the proposed changes as well as providing support and guidance to suppliers to help ensure a smooth transition.

For further information, please contact: Ashley Sale, Senior Procurement Officer
Email: ashley.sale@suffolk.gov.uk, Telephone: 01473 260669

[Back to top](#)

2. Information requested as a result of Budget Scrutiny

2.1 At its meeting on 30 November 2016 the Scrutiny Committee requested that the following information be provided to its meeting on 7 February. This information was requested following discussion of Agenda Item 5 Pre-Cabinet Decision Scrutiny of the 2017/18 Revenue and Capital Budget.

How the On Street Parking Account will be used in 2017/18

2.2 It has been agreed that the following will be funded from the On Street Parking Account in 2017/18

Scheme	Amount (£'000)
Coddenham feasibility study	10
Hoxne Green Street traffic calming	10
Highway improvements for bus priority	200
Car parking signs Mildenhall	10
Skyliner Way layby contribution	25
Bury Local Links	60
Trimley pedestrian improvements	25
A1307 study contribution	10
TOTAL	350

A list of voluntary and community sector organisations commissioned to provide services

2.3 The Scrutiny Committee received an information bulletin at its meeting on 28 July 2016 (Agenda item 7) regarding work with the Voluntary and Community Sector. This showed that the total expenditure in 2014/15 with the voluntary, community and social enterprise sector was just under £149m. The bulk of this funding is procured services that, if the County Council did not buy, it would need to deliver. Around £10m of this money is grants. This includes councillor locality budgets. This money was spent with 1991 different organisations/groups and 69% of the

organisations the Council supports financially or buys services from receive under £10,000. There are 27 organisations who received more than £1m from the Council. These are listed below:

AFFINITY TRUST
AGE UK SUFFOLK
ANCHOR TRUST
ANGLIA CARE TRUST
AUTISM ANGLIA
AVENUES EAST
CATCH 22
CRI
FLAGSHIP HOUSING GROUP
JULIAN SUPPORT LTD
LEADING LIVES
MENCAP
ORWELL HOUSING ASSOCIATION LTD
PAPWORTH TRUST
RAPT
REALISE FUTURES
SCOPE
SENSING CHANGE LTD
ST ELIZABETH HOSPICE
ST NICHOLAS HOSPICE
STONHAM
SUFFOLK CARERS LTD
SUFFOLK LIBRARIES IPS LTD
SUFFOLK MIND
THERA EAST
THRIVE TRIBE T/A LIVE WELL SUFFOLK
UNITED RESPONSE

A table setting out what Supporting Lives Connecting Communities (SLCC) has achieved to date and is forecast to achieve in terms of managing down demand for Adult and Community Services (ACS) by Tier, for the next two years and at least the two previous years

2.4 The two largest customer groups in ACS are older people (i.e. those aged over 65) and those with a learning disability. For older people, SLCC has been successful in mitigating against the rising population. Despite Suffolk having a higher proportion of older people than the national average and one which is rising at a faster rate than the national average, the table below shows that SLCC has been a success in keeping the number of people who require long term care services relatively stable. This has been achieved through the reablement of people by helping them to return to live independently following referrals into social care or by signposting people to voluntary and other organisations where appropriate. The Care Act introduced, in April 2015, a National Eligibility Threshold Criteria and promotes customer well-being and therefore people who have eligible needs for long term care do still have their care and support needs met by the council.

Customer Age Group	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 (Apr to Oct)
65-74	1,120	1,230	1,323	1,332	1,319	1,178
75-84	2,851	2,983	2,894	2,838	2,911	2,330
85+	5,489	5,699	5,650	5,659	5,193	4,309
Total	9,460	9,912	9,867	9,829	9,423	7,817

- 2.5 The SLCC model has to date been less successful for people with learning disabilities which has seen a steady increase in customer numbers. The proportion of new customers compared to existing customers is much lower for learning disabilities compared to older people and customers are receiving care for a much greater length of time. Therefore, in order for SLCC to be a success in the same way for people with Learning Disabilities as older people, changes are required in services for existing customers. By their nature these lower cost alternatives are likely to take further time to implement and support customers and their families to transition to any new arrangements.
- 2.6 Over the last two years (2015/16 and 2016/17 to date) SLCC savings have amounted to £12m of which £10.3m was taken from care purchasing budgets. Care purchasing budgets have been reduced by a further £1m to contribute to the corporate contract savings target. The last quarterly monitoring report to Cabinet showed spend on care purchasing being within £1.1m of the £172m budget. Further savings of £6m are required in 2017/18. Whilst other sources of funding are being put into care purchasing i.e. the improved Better Care Fund and the Adult Social Care Precept, these are primarily to increase the rates paid to providers rather than negating the need to continue to mitigate demand. Therefore SLCC will continue to try to mitigate the impact of the aging population whilst attempting to make more of an impact in learning disability services.

Figures to demonstrate how successful changes to fostering services have been

- 2.7 Children and Young People’s Services have increased the in-house placement options by 26 with new fostering households. A further 10 placements are due by the end of the financial year from the transfer of carers from the independent sector to in-house. As a result of the decrease in placements with independent foster agencies the forecast spend has reduced by £150k. The service needs to continue to progress work on maximising the placement options that are available, and as part of this have introduced a range of new procedures and financial offers.

Further information about the public health budget and services provided

- 2.8 The table overleaf shows a breakdown of the services included in the Public Health budget. The Directorate Service headings are those used in the 2017/18 Revenue Budget report to the Cabinet meeting on 24 January 2017, Agenda item 9, Appendix C Annex C3a.

Proposed Public Health Revenue Budget 2017-2018		
Directorate Service	Additional Service Information	2017-18 Net Budget £'000
Director of Public Health and Protection & Exec Asst.		181
Knowledge and Intelligence		567
Health Improvement and Health Protection	0-5 Year Funding	8,621
	Children 5-19	1,958
	Drugs & Alcohol	5,257
	General Health Protection	62
	Health Check Programme	825
	Health Lifestyle Services	3,910
	Sexual Health Services	5,742
	Health Improvement and Protection Staffing	1,521
	Use of Reserves	-767
Public Health Support to Commissioning		713
Localities and Partnerships		2,111
		30,701

Analysis of the costs of County Council accommodation occupied by County Council staff and rented out, including numbers of people accommodated, area involved and total cost

2.9 There is a general policy to charge market rents for premises that are let to third parties. Whilst, if the Council is commissioning a service, this may add to the contract cost, it avoids state aid issues and drives commercially driven behaviours. There are, however, some exceptions, principally:

- a) Community Asset Transfers: in some cases, premises are made available at less than market rent to encourage the development of community capacity.
- b) Historic arrangements: in the past a range of lettings have taken place at less than market value to partner organisations or to encourage delivery of services, although this is generally avoided in new lettings.
- c) Libraries

2.10 With regard to Endeavour House, Corporate Property monitor Ipswich office rents regularly and are satisfied that the £12 per square foot that is charged to occupants of the building is in line with similar properties (in so far as there is anything similar to compare it with). In addition, occupants pay a “service charge” which is a contribution to the cost of services provided, charged proportionate to the amount they use (generally taken as pro rata to floor area). Services include utilities, cleaning and security and can also cover items like photocopying, telephony and IT if the tenants want to buy in to these. Generally, tenants pay their own National Non-Domestic Rates.

2.11 The table below provides a breakdown of the 2017/18 budget for the Corporate Office estate. This shows the gross cost of the Corporate Office estate, the external income received for each building from rents and service charges and the net cost to Suffolk County Council. This budget includes the income that is expected from accommodating the headquarters and back-office functions of Babergh and Mid Suffolk District Councils in Ipswich.

Property Name	Premises and Supplies and Services (£'000)	External Income (£'000)	Net Cost (£'000)
Endeavour House offices Ipswich	1,825	-1,140	685
Constantine House Offices Ipswich	824	0	824
Landmark House	1,107	-575	532
PSV Western Way Bury St Edmunds	773	-51	722
Lowestoft Riverside Road	826	-402	425
Lowestoft Marine Centre	172	-52	121
Foley House CEC Newmarket	15	-20	-5
Kingsfield Site	126	-7	119
Felixstowe Social Services Sub-Office	36	-7	29
Street Farm Road Offices Saxmundham	138	-24	115
Access Centre Offices 54 Ipswich Street Stowmarket	43	-17	27
Needham Market Access Centre	63	0	63
Haverhill House	52	-4	48
Ipswich Beacon House	177	-176	2
Total	6,179	-2,473	3,706

For further information, please contact: Tracey Woods, Chief Accountant (Financial Control); Email: Tracey.Woods@suffolk.gov.uk, Telephone: 01473 265639.

[Back to top](#)

3. Early Implications of “Brexit”

3.1 On 30 September 2016, the Committee requested the following information:

- I. An outline of the scope of the “Brexit implications” modelling exercise;
- II. Details of Suffolk sector sizes giving an indication of turnover, numbers employed, and current import/export values.

Outline of the scope of the “Brexit” implications modelling exercise

Background

3.2 “Brexit” will undoubtedly have a significant impact on the growth profile of the UK economy. Although most experts are downgrading their initial negative forecasts, it is unclear exactly what the longer term outcomes will be or how these will play out.

3.3 Current analysis suggests that the path the economy follows will be dependent on a range of key factors/trends including changes to:

- Consumer confidence and levels of demand
- Business confidence and levels of investment
- Public sector confidence and levels of borrowing and spending
- Exchange rate fluctuations
- Access to EU markets/trade agreements
- Access to EU funding schemes and subsidies
- Access to new trade agreements and overseas markets outside of the EU
- Inward investment decisions

- Availability of skilled and unskilled labour and impacts on wages
 - Business regulations
- 3.4 At local level, the impact of Brexit may ultimately be very different to that experienced nationally because business (and labour market) demographics differ across the country. Brexit will inevitably have very different consequence for large and small businesses and will create significant opportunities for companies operating in some markets and industries while creating costs and challenges for others.
- 3.5 Suffolk County Council, Norfolk County Council and the New Anglia Local Enterprise Partnership are now seeking to jointly commission a short focussed piece of economic analysis to explore the likely impacts of Brexit specifically in the New Anglia area. This will enable us to proactively consider new policies and business support services that we may be able to introduce to support local companies over this transitional period.

Objectives

- a) Highlight how the factors listed above are likely to impact specifically on the New Anglia economy as a direct consequence of Brexit (over the short, medium and long term). Present different scenarios where appropriate but give an informed view on likely trends.
- b) Give an idea of the scale of potential impacts on regional growth and employment given local business demographics.
- c) Highlight differential impacts on a range of business types across sectors, sizes and key markets to give idea of where the biggest challenges/risks and opportunities lie.
- d) Use the analysis above to create a list/database of companies across the region most likely to be significantly impacted by Brexit and explore the anticipated response of a cross section of these businesses to the situation.
- e) Make appropriate local level policy recommendations based on all of the above.

Methodology

- i) No primary/academic research is required. We are looking for tightly focused economic analysis based on existing national and local level data, evidence, forecasting and research.
- ii) We anticipate that business databases will need to be used in order to compile the list of companies and proposals should include any costs associated with accessing this information.
- iii) Proposals should include suggestions for a cost effective quantitative/qualitative survey of local business views.
- iv) The final analysis should encompass both macro and micro/company level impacts.
- v) Analysis should cover positive AND negative potential impacts from Brexit – highlighting both likely challenges and opportunities that may arise for local businesses.

Outputs

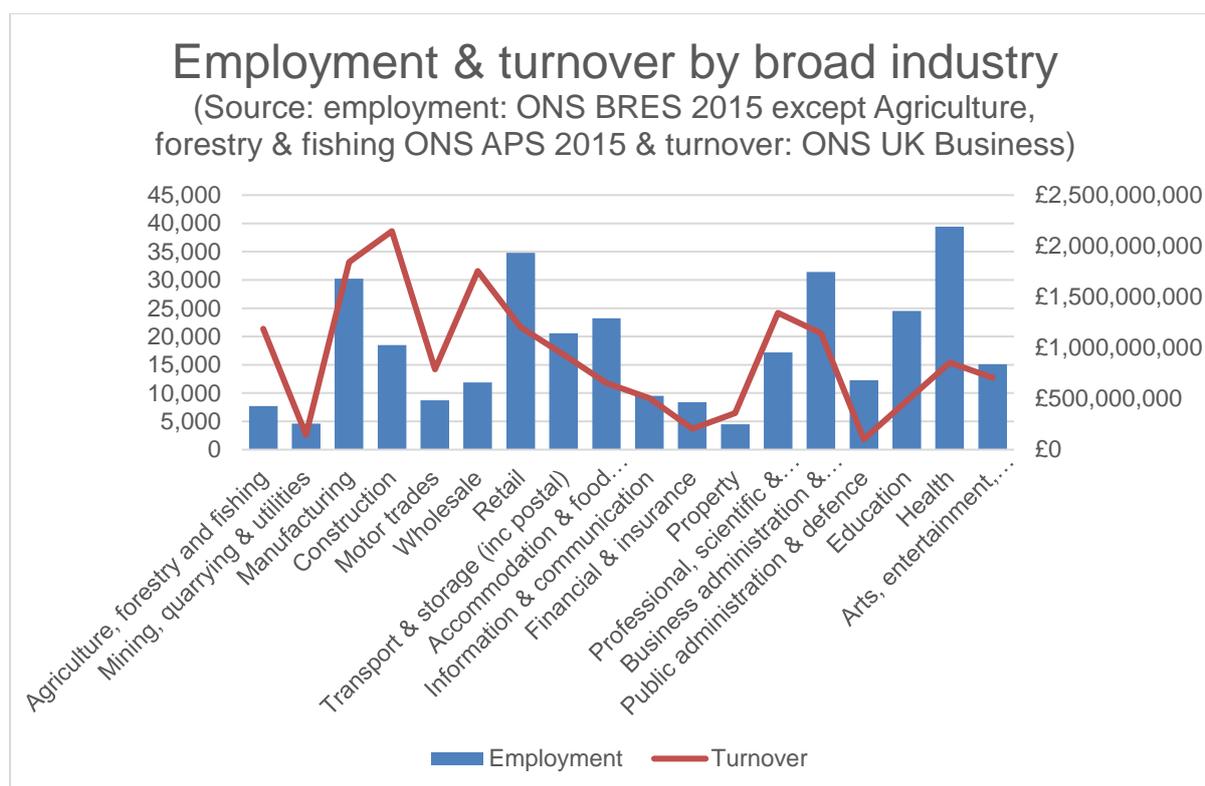
- A short focussed report.
- A series of presentations of the key findings to groups of key stakeholders
- List/database of companies

Timing

To be commissioned following the triggering of Article 50, expected March 2017.

Details of Suffolk sector sizes giving an indication of turnover, numbers employed, and current import/export values

3.6 The chart below shows employment and turnover by Sector in Suffolk based on 2015 data.



3.7 Data is not available on import/export values at county level but the collection of this information could be included within the scope of the proposed research exercise if required.

For further information please contact: Alison Huxley, Economic Strategy Manager; Email: alison.huxley@suffolk.gov.uk, Telephone:07083 100708.

[Back to top](#)

4. Assessments for Disabled Facilities Grants and customer numbers for Housing Related Support

4.1 On 30 November 2016, the Scrutiny Committee asked for the following:

- details about how assessments for Disabled Facilities Grant are being undertaken/delivered and the performance of this service;
- the number of people assisted through Housing Related Support over the last three years and projected in the year ahead.

In response to the first point concerning Disabled Facilities Grants:

- 4.2 All work related to Disabled Facilities Grants (DFGs) is undertaken by Suffolk's Home Improvement Agency (HIA), with grant payments overseen by district and borough councils in line with their statutory duties. Orbit Care and Repair are the providers running the HIA service currently, a service designed and agreed by a partnership of all local authorities in Suffolk. This is a new contract establishing a fully rounded service, dealing with all aspects of the support and services needed to sustain people with disabilities and physical mobility needs in their own homes – from basic advice to complex adaptations of properties. Unlike the previous arrangements, it seeks to combine all aspects of the assessment of a customer's needs, from initial conversations that determine the nature of need - to full professional therapeutic assessments that determine long term sustainable changes to people's home environments. As well as the processing of DFGs, the service also includes advice and support in gaining other sources of funding and specialist housing advice to customers - where staying in their own homes is not a viable option.
- 4.3 The current contract was awarded and is jointly managed by all local authority partners and the new contract has been fully running since May 2016 handling all new enquiries alongside the management of existing customers.
- 4.4 In respect of Disabled Facility Grants specifically, up to the end Quarter 3 (December) 200 DFGs had been agreed with a total grant value of £1.2m and of those 164 had been completed. These figures are below required performance and a performance improvement plan is in place; we have seen noticeable improvements in delivery since the improvement plan has been in place with an average of 44 DFGs being completed per quarter prior to the plan being in place and 75 completions in the quarter after. All local authority partners are focused on continuing to drive up performance through specialist contract management arrangements.

In response to the second bullet point related to Housing Related Support Services:

- 4.5 On average Housing Related Support (HRS) services, both those that are accommodation based support (that is HRS services that provide both accommodation and support) and floating support (support delivered to people in their own homes) assisted 5,000 people per year on average.
- 4.6 We currently commission 854 accommodation places and 1,315 hours of floating support across the County and will be maintaining those levels next year. The projected number of people that will receive support is therefore unchanged from previous years at around 5,000 and may in fact rise as a result of a more efficient customer referral system being implemented from April.

For further information, please contact: Paul Little, Head of Strategic Commissioning; Email: paul.little@suffolk.gov.uk, Telephone: 01473 260714.

[Back to top](#)