

Merton Council

Cabinet Agenda

Membership

Councillors:

Stephen Alambritis (Chair)
Mark Allison
Nick Draper
Caroline Cooper-Marbiah
Andrew Judge
Edith Macauley MBE
Maxi Martin
Judy Saunders
Martin Whelton

Date: Monday 9 March 2015

Time: 7.15 pm

**Venue: Committee rooms B, C & D - Merton Civic Centre, London Road,
Morden SM4 5DX**

This is a public meeting and attendance by the public is encouraged and welcomed.
For more information about the agenda please contact
democratic.services@merton.gov.uk or telephone [020 8545 3361](tel:02085453361).

All Press contacts: press@merton.gov.uk, 020 8545 3181

Cabinet Agenda

9 March 2015

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| 2 | Declarations of pecuniary interest | |
| 3 | Minutes of the previous meeting | 1 - 8 |
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| 5 | Proposed Changes To The Non Residential Adult Social Care Fairer Contributions Policy | 33 - 50 |
| 6 | Financial Monitoring January (2014/15) | |
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To RESOLVE that the public are excluded from the meeting during consideration of the following report(s) on the grounds that it is (they are) exempt from disclosure for the reasons stated in the report(s). | |
| 8 | Customer Contact Contract Award | 51 - 68 |
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Note on declarations of interest

Members are advised to declare any Disclosable Pecuniary Interest in any matter to be considered at the meeting. If a pecuniary interest is declared they should withdraw from the meeting room during the whole of the consideration of that matter and must not participate in any vote on that matter. If members consider they should not participate because of a non-pecuniary interest which may give rise to a perception of bias, they should declare this, withdraw and not participate in consideration of the item. For further advice please speak with the Assistant Director of Corporate Governance.

All minutes are draft until agreed at the next meeting of the committee/panel. To find out the date of the next meeting please check the calendar of events at your local library or online at www.merton.gov.uk/committee.

CABINET

16 FEBRUARY 2015

(19.15 - 20.34)

PRESENT

Councillor Stephen Alambritis (in the Chair),
Councillor Mark Allison, Councillor Caroline Cooper-Marbiah,
Councillor Nick Draper, Councillor Andrew Judge,
Councillor Edith Macauley, Councillor Maxi Martin,
Councillor Judy Saunders and Councillor Martin Whelton

Ged Curran (Chief Executive), Paul Dale (Assistant Director of Resources) Chris Lee (Director of Environment and Regeneration), Yvette Stanley (Director of Children, Schools and Families), Yvonne Tomlin-Miller (Head of Community Education), Simon Williams (Director of Community and Housing), Gareth Young (Business Partner for Community and Housing) and Chris Pedlow (Senior Democratic Services Officer).

ALSO PRESENT

Councillors Hamish Badenoch, John Bowcott, Stephen Crowe, David Dean, Suzanne Grocott, James Holmes, Abdul Latif, Oonagh Moulton, David Simpson, Peter Southgate, Linda Taylor and David Williams

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

No apologies were received.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

No pecuniary declarations were made.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

The Minutes of the Meeting of the Cabinet held on the 19 January 2015 were approved as a correct record.

4 BUSINESS PLAN 2015-19 (Agenda Item 4)

The Deputy Leader and the Cabinet Member for Finance presented the Business Plan 2015-19. The report sets out details of how, using the medium term financial planning model the budget has been structured to ensure that a balanced budget would be set for 2015-16, Council Tax frozen and progress made towards a balanced budget over the medium term.

It was noted that the report had to be considered in context of the reduction in the Council grants, that would mean that the Council would need to take £32million out of

its budget by 2018-19. The Cabinet Member emphasised that as a result of the severity of the savings required, difficult decisions had and would have to be made, but such decisions would be taken using the Council's 'July principles', as agreed in July 2010.

The Business Plan 2015-19 report itself contained the Budget for 2015-16, Medium Term Financial Strategy 2015-19 Capital Strategy 2015-19 and separate sections detailed Schools budgets.

Terry Downes, (Unison Branch Chair) and Lyla Adwan-Kamara (Chief Executive of Merton Centre for Independent Living) addressed the meeting.

RESOLVED:

That Cabinet:

1. considers and agrees the response to the Overview and Scrutiny Commission;
2. resolves that, having considered all of the information in this report and noted the positive assurance statement given by the Director of Corporate Services based on the proposed strategy, the Council Tax in 2015/16, equating to a Band D Council Tax of £1,102.24 be approved and recommended to Council for approval. This represents a Council Tax freeze.
3. considers all of the latest information and the comments from the scrutiny process, and makes recommendations to Council as appropriate
4. resolves that the Business Plan 2015-19 including the General Fund Budget and Council Tax Strategy for 2015/16, and the Medium Term Financial Strategy (MTFS) for 2015-2019 as submitted, along with the Equality Assessments (EAs), be approved and recommended to Council for approval subject to any proposed amendments agreed at this meeting;
5. resolves that, having considered all of the latest information and the comments from the scrutiny process, the Capital Investment Programme (as detailed in Annex 1 to the Capital Strategy); the Treasury Management Strategy (Section 5), including the detailed recommendations in that Section, incorporating the Prudential Indicators and the Capital Strategy as submitted and reported upon be approved and recommended to Council for approval, subject to any proposed amendments agreed at this meeting;
6. notes that the GLA precept will not be agreed by the London Assembly until the 23 February, but the provisional figure has been incorporated into the draft MTFS
7. requests officers review the savings proposals agreed and where possible bring them forward to the earliest possible implementation date

8. notes that there may be minor amendments to figures in this report as a result of new information being received after the deadline for dispatch and that this will be amended for the report to Council in March
 9. in respect of the new business rates relief announced in the Autumn statement 2014, agrees the Merton Council Retail Property Discount 2015/16 and the Merton Council Transitional Relief Discount 2015/16 set out in Appendices 12(a) and 12(b)
- 5 REFERENCE FROM THE OVERVIEW AND SCRUTINY COMMISSION - PRE DECISION SCRUTINY OF THE BUSINESS PLAN 2015-19 (Agenda Item 5)

The Leader of the Council invited the Chair of the Overview and Scrutiny Commission to present Scrutiny's comments on the Business Plan 2015-2019 to Cabinet. In presenting the Commission's views Councillor Southgate acknowledged that it had been an exceptionally difficult process due to the size of the savings required, leading to some seemingly unpalatable proposed savings, including the loss of the youth service, the reduction in planning enforcement and reduction in services at our day care centres. However the Commission did not recommend that any proposed savings be deferred or reconsidered, rather suggest that Cabinet considers adopting a general principle of bringing forward budget savings where possible. It was also suggested that further investigation occur by the Financial Monitoring Task Group, to scope for alternative sources of revenue to fund some of the savings.

Cabinet thanked Scrutiny for their help in the budget setting process, especially in highlighting the possibility of taking some savings earlier than initially scheduled.

RESOLVED

That Cabinet:

1. in taking decisions relating to the Business Plan 2015-19, acknowledges the comments and recommendations made by the Overview and Scrutiny Commission and the outcomes of consideration by the Overview and Scrutiny Panels:
 - References made by the Overview and Scrutiny Panels - paragraphs 2.2 to 2.6
 2. adopts a general principle of bringing forward budget savings whenever that can be done, including for the financial year 2015/16.
- 6 REFERENCE FROM HEALTHIER COMMUNITIES AND OLDER PEOPLE OVERVIEW AND SCRUTINY PANEL - ADULT SOCIAL CARE CONSULTATION RESULTS (Agenda Item 11)

RESOLVED

That Cabinet acknowledges the comments made by the Healthier Communities and Older People Overview and Scrutiny Panel (set out in section 2 of the report) when taking decisions on the adult social care savings proposals for 2015/16.

7 ADULT EDUCATION IN MERTON - EVIDENCE AND OPTIONS FOR ACHIEVING A VALUE FOR MONEY SERVICE (Agenda Item 6)

The Cabinet Member for Education presented the report, which provided the finding of the review and of the consultation, into alternative ways of delivering the adult education within the Borough, as requested by Cabinet on 10th November 2014. It was noted that the report evaluates the 6 proposed options in light of financial/value for money considerations, evidence from the consultation with residents, and other relevant factors, to provide a recommended option for delivery.

The Cabinet Member then detailed why the recommendation, of option 4 that Merton becomes a commissioner of Adult Education Services, was the most deliverable option, both in financial terms, ensuring the continuation of adult learning, and still providing the Council with the ability to steer the provision and the spread of services and venues to help us bridge the gap between the east and west of the borough. He highlighted the 13 Commissioning principles, which would underpin all the future commissioning, as set out in paragraph 3.4 of the report.

RESOLVED

That Cabinet

1. considers the evidence, including the financial analysis, responses to the public consultation and the equalities analysis
2. reconfirms their commitment to offering adult education services in the borough and their continued rejection of the previously outlined option 6 to cease offering these services.
3. approves the recommendation to move Adult Education to a Commissioning model (option 4) for the reasons outlined in 3.9 and based on the financial analysis provided in 2.1, that this is based on a commissioning strategy that seeks to provide courses in a diversity of locations around the borough and to make arrangements with providers that provide a supportive and nurturing environment for learners.
4. endorses the equalities action plan (appendix H)
5. adopts a series of core principles to underpin future commissioning of this service, in addition to a phased commissioning timetable (as set out in paragraph 3.14)

8 REFERENCE FROM SUSTAINABLE COMMUNITIES SCRUTINY PANEL - ADULT EDUCATION IN MERTON - EVIDENCE AND OPTIONS FOR ACHIEVING A VALUE FOR MONEY SERVICE (Agenda Item 7)

RESOLVED

That the Cabinet

- 1) notes the Sustainable Communities Scrutiny Panel support of the recommendation that a commissioning model be adopted for the delivery of an adult education service in Merton; and
- 2) agrees to communicate their commitment to the commissioning principles outlined within the report at paragraph 3.14, in particular, the retention of staff, where possible, and the development of a nurturing environment for learners.
- 3) agrees to consult the Sustainable Communities Scrutiny Panel at key stages of the implementation of the commissioning model to enable the Panel to undertake pre decision scrutiny.

9 FINANCIAL MONITORING DECEMBER (2014/15) (Agenda Item 8)

The Cabinet Member for Finance presented the report which provided the regular monthly financial monitoring update for December 2014.

RESOLVED

That Cabinet:

1. notes the financial reporting data relating to revenue budgetary control, showing a forecast net overspend at year end of £4.6million, 2.8% of the net budget, at month 9, quarter 3. This is a reduction of £150k from last month.
2. approves the virement for the additional social work capacity required in CSF. The required virement is £234k (£119k for quarter three and £115k for fourth quarter) from the corporate contingency.
3. notes the adjustments to the capital programme as detailed in Appendix 5b and approves the capital virement of TfL funding below:

Narrative	2014/15 £
Central Road	(124,000)
Morden Road	48,050

The Broadway	26,750
Coombe Lane	6,500
Parkside	42,700

10 EXCLUSION OF THE PUBLIC (Agenda Item 9)

RESOLVED

That the public are excluded from the meeting during consideration of the following report(s) on the grounds that it is (they are) exempt from disclosure for the reasons stated in the report(s).

11 INSURANCE PROGRAMME 2015-2020 (Agenda Item 10)

The Cabinet Member for Finance presented the report which sought Cabinet's approval for the renewal of the Council insurance arrangements, following a tender exercise using insurance brokers Jardine Lloyd Thompson

RESOLVED

1. That Cabinet notes the report (Confidential Appendix B) received from the Council's insurance brokers Jardine Lloyd Thompson (JLT)
2. That Cabinet approves the renewal of the Council's insurance arrangements as follows:
3. That Lot 1 (Property Insurance) be placed with Organisation A at a premium of £197,813.31 plus Insurance Premium Tax (IPT) totalling £209,682.11 (£989,066.55 and £1,048,410.54 respectively for the five year period).
3. That Lot 2 (Liability Insurance) be placed with Organisation B at a premium of £296,206.50 plus IPT totalling £311,094.69 (£1,481,032.50 and £1,555,473.45 for the five year period)
4. That Lot 3 (Fidelity Guarantee Insurance) be placed with Organisation A at a premium of £21,000 plus IPT totalling £22,260.00 (£105,000 and £111,300 for the five year period)
5. That Lot 4 (Motor Fleet Insurance) be placed with Organisation A at a premium of £73,490.00 plus IPT totalling £77,858.00 (£367,450.00 and £389,290 for the five year period)

6. That Lot 5 (Travel and Schools Onsite/Offsite Activities Insurance) be placed with Organisation A at a premium of £9,717.85 plus IPT totalling £10,300.92 (£48,589.25 and £51,504.60 for the five year period)
7. That Lot 6 (Commercial Property Insurance) be placed with Organisation A at a premium of £43,016.53 plus IPT totalling £45,597.52 (£215,082.65 and £227,987.60 for the five year period)
8. That Lot 7 (Terrorism Insurance) be placed with Organisation C, at a premium of £102,500.00 plus IPT totalling £108,650 (£512,500 and £543,250 for the five year period)
9. That the Cabinet grant authority to the Director of Corporate Services to effect Medical Malpractice Insurance and a Crime Extension to Fidelity Guarantee Insurance if deemed necessary subject to the total premium not exceeding £25,000.00

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Committee: Cabinet

Date: 09 March 2015

Wards: All Wards

Subject: Options for the transfer of the Independent Living Fund (ILF) and consultation outcome

Lead officer: Simon Williams Director for Community and Housing

Lead member: Councillor Caroline Cooper- Marbiah, Cabinet Member for Adult Social Care and Health

Contact officer: Sandra Mak, Team Manager, ASC Older People's Service

Recommendations:

- A. To consider, as detailed in the report, the outcome of the consultation exercise on the options for when the ILF closes and full responsibility for supporting ILF customers transfers to the Council from 1st July 2015.
- B. To agree the recommended option (Option 4 in 5.2) on how care and support will continue to be provided to the existing ILF customers

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. The purpose of the report is: to provide the background on the Government's decision to close the ILF and transfer full responsibility for supporting ILF customers to the Council; to provide feedback on the outcome of the consultation exercise that has taken place, on the options for how care and support will continue; and to seek Cabinet agreement on the preferred option

2 DETAILS

- 2.1. The ILF is a Non-Departmental Public Body funded by grant-in-aid from the Department for Work and Pensions (DWP). The fund operates as a discretionary trust alongside the mainstream adult social care system for which local authorities already take prime responsibility. Nationally, the ILF currently makes direct cash payments to around 18,000 disabled people enabling them to purchase care and support services.
- 2.2. The ILF was originally set up in 1988 and ran until 1993 as a charitable trust. In 1993 the original fund was closed to new applications and a new fund was created. The two funds ran in parallel until 2007 when they were amalgamated.
- 2.3. The two funds had different eligibility criteria which resulted in two separate groups of users: Group 1 and Group 2.
- 2.4. Group 1 users joined ILF before 1st April 1993. Group 1 users may receive some support from their local authority but this support is not part of their ILF eligibility criteria.

- 2.5. Group 2 users joined on or after 1st April 1993. Group 2 users have care and support packages which must include a minimum contribution from their local authority which is part of their ILF eligibility criteria.
- 2.6. In June 2010, because of pressures on the ILF budget, the decision was taken to temporarily close the ILF fund to new users. In December 2010, the Government announced the permanent closure of the fund to new applicants, stating that awards to existing users would be protected until 2015 and that there would be a consultation on the future of the ILF.
- 2.7. On 18 December 2012, following a consultation period, the Government announced its decision to close the ILF permanently on 31 March 2015 and transfer funding to local authorities and devolved administrations in Scotland and Wales. However this decision was quashed by the Court of Appeal on 6 November 2013 on the grounds that the DWP had failed to comply with its public sector equality duties, and in particular failed to have due regard to the duty to promote equality and failed to inform the Minister fully of the potential impact of the decision when making the decision to close the ILF.
- 2.8. Following a new Equality Impact Assessment, on 6 March 2014, the Government announced a new decision to close the ILF fund on 30 June 2015. A further legal challenge to this decision was unsuccessful. From this point local authorities, in line with their statutory responsibilities, will have sole responsibility for meeting eligible care and support needs of their current ILF users.
- 2.9. The Government has stated that the ILF funding would be distributed to local authorities based on ILF's forecast expenditure for 2015/16 in each local authority area at the point of closure. In accordance with Government policy the funding devolved to local authorities is not ring-fenced and it will be up to each local authority to determine how to allocate the funding transferred to them.
- 2.10. This will mean that ILF users will have all their care and support needs assessed through the mainstream care and support system under a single eligibility criteria and charging regime.

3 GOVERNMENT RATIONALE FOR CLOSING THE ILF

- 3.1. Since the ILF was established the mainstream care and support system has evolved. In 1988 there was no legal provision for local authorities to provide direct cash payments for the purchase of care which is a feature of the ILF. The Health and Social Care Act 2001 placed a legal duty on local authorities in England to offer Direct Payments to anyone eligible for community care services. The Care Act 2014 gives all users of the social care system in England the right to a personal budget and creates a national minimum eligibility threshold.
- 3.2. The Government view is that the mainstream adult social care system provides many of the features currently associated with the ILF such as direct payments, personal budgets and choice and control.
- 3.3. The Government believed it was increasingly difficult to justify operating a separate source of funding for one group of disabled people. Closing the ILF and transferring the funding to local authorities will enable use of all funding available to adult social care to support all disabled people in a more consistent, effective and equitable way within a mainstream system.

4 PROFILE OF MERTON ILF USERS

- 4.1. There 20 ILF users living in Merton. 18 out of the 20 ILF users currently have a care and support package that is jointly funded by the ILF and social services. 2 of the ILF users have care and support packages that are solely funded by the ILF. 4 out of the 20 ILF users are Group 1 users (application made before 1993).
- 4.2. Of the 4 Group 1 users, 3 have given consent for their current ILF award to be disclosed to Merton social services, but 1 Group 1 user has declined for the information to be shared. For ILF users who decline their information to be shared, the ILF's freelance social worker will contact the user and assess the user's mental capacity to make decisions on care and finance. If the user has mental capacity but does not wish to engage with their local authority then it is their decision to do so.
- 4.3. There are 16 Group 2 users (application made after 1993) and all of them have consented to information being shared.
- 4.4. 19 out of the 20 ILF users have received regular joint reviews by the ILF social worker and a review officer from Merton social services. 15 out of the 20 ILF users are known to Merton's Direct Payments team.
- 4.5. The table below illustrates the nature of Merton's ILF users' primary impairment:

Primary Impairment	No. of users
HIV/Aids related	1
Arthritis (osteo-rheumatoid)	1
Cerebral Palsy	5
Cerebro-Vascular eg stroke	2
Dementia (including Alzheimers)	1
Multiple Sclerosis	4
Other	2
Polio Damage	1
Severe Learning Disability	1
Spinal Injury	2
Total	20

- 4.6. The table below shows the age range of the Merton's ILF users. The youngest is aged 33 years and the oldest is aged 78 years.

Age range	No. of users
31-40	2
41-50	4
51-60	8
61-70	3
70+	3
Total	20

5 OPTIONS ON HOW CARE AND SUPPORT WILL CONTINUE TO BE PROVIDED POST CLOSURE OF ILF AND TRANSFER OF RESPONSIBILITIES AND ILF FUNDS TO THE COUNCIL

- 5.1. The funding position from 16/17 onwards will be subject to the next spending review cycle, however at the point that ILF will no longer exist and people's needs will be considered wholly against social care eligibility criteria, any financial impact associated with any future funding decisions will be an impact against the total funding for care and support packages held by adult social care.
- 5.2. There are 4 options:
- Option1: the transfer of ILF funding on 1 July 2015 goes into the baseline budget for the Council for 15/16 and is spent in other areas of the Council
 - Option2: the transfer of ILF funding on 1 July 2015 goes into the baseline budget for adult social care for 15/16 on a recurring basis and is ring-fenced to existing ILF users in perpetuity
 - Option3: the transfer of the ILF funding on 1 July 2015 goes into the baseline budget for adult social care for 15/16 and ILF users are re-assessed immediately in accordance with social care eligibility criteria and given a personal budget for their care and support needs on this basis
 - Option4: the transfer of the ILF funding on 1 July 2015 goes into the baseline budget for adult social care for 15/16 and the individual ILF users receive the same level of funding for their care and support for 15/16. During 15/16 the ILF users will be re-assessed in accordance with social care eligibility criteria and given a personal budget on this basis for 16/17.

6 IMPACT OF THE OPTIONS

- 6.1. Option 1 would place additional pressure on the adult social care budget. ILF users would have to be assessed immediately in accordance with social care eligibility criteria and given a personal budget for their care and support needs for 15/16. The majority of the ILF users would face immediate change to the way their care and support is delivered and the possibility of a reduction to the funding that they currently receive. The immediate loss of ILF funding would mean that the ILF users would have to make different choices about their daily lives.
- 6.2. Option 2 would place an additional budget pressure on the adult social care budget as we may end up supporting ILF recipients above their eligible needs and the Council would end up operating a separate source of funding for a small group of disabled people which would be difficult to justify.
- 6.3. Option 3 would mean that the Council is able to use the funding available to adult social care to support all disabled people in a consistent, effective and equitable way, within a cohesive mainstream system. The intention would be to offer support through the Direct Payments scheme where chosen by the ILF users, thus ensuring that they can retain choice and control albeit within resource constraints, including the continuation of their existing arrangements. However some ILF users may face a reduction to the funding that they currently receive,

and this would mean that they would have to make different choices about their daily lives.

- 6.4. Option 4 is as Option 3 but would give the ILF users the time to be supported through any changes and work out care and support plans to meet outcomes whilst ensuring eligible needs are met. This would enable good planning for future care and support.

7 CONSULTATION UNDERTAKEN OR PROPOSED

- 7.1. A consultation meeting with ILF users took place on 10 February 2015. 9 ILF users and their carers attended as well as representative from Merton Centre for Independent Living and officers of the Council.
- 7.2. Telephone consultations were also held between 9 – 13 February 2015 with 6 ILF users
- 7.3. 1 consultation home visit was made at the person's request
- 7.4. 3 ILF users requested consultation via email. This was sent between 9-13 February
- 7.5. 1 person did not respond with attempts to get in touch
- 7.6. The majority of ILF users expressed a preference for Option 2.
- 7.7. The outcome of the consultation exercise is summarised in Appendix A

8 TIMETABLE

- 8.1. Following Cabinet agreement on the Option, in March 2015, each ILF user would be allocated to a key worker in the locality social care teams.
- 8.2. Information, advice and support will be provided by the key worker and Merton Centre for Independent Living from March 2015.
- 8.3. Re-assessments of the ILF users will be timetabled in accordance to Cabinet decision on the options
- 8.4. From 1 July 2015, Merton will take over the ILF responsibilities for all 20 ILF users.

9 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 9.1. Funding will be transferred to the local authority on 1 July 2015 via a section 31 Grant. The ILF funding will be transferred net of any ILF charges that the user was contributing towards their ILF care and support package. There will be an expectation that users will continue to make this level of contribution towards their support until the point of the local authority re-assessment. At this time a financial assessment will be carried out in accordance to the Fairer Charging policy.
- 9.2. We do not yet know the total funding that will be transferred to Merton. There is a financial risk as the process of funding is still unclear
- 9.3. The funding position from 2016/17 onwards will be subject to the next spending review cycle.

10 LEGAL AND STATUTORY IMPLICATIONS

- 10.1. The council currently has a duty to assess needs of disabled persons who may need community care services under the NHS and Community Care Act 1990 and the Disabled Persons (Services Representations and Consultation) Act 1986. When the Care Act 2014 is brought into force, assessments will be required under sections 9-12 of that Act and services will be provided to persons assessed to be eligible under national eligibility criteria set by regulations. The Council will be required to set a personal budget as part of care and support plans and provide direct payments in appropriate cases.
- 10.2. In considering the options for supporting ILF customers, the council must also have regard to consultation responses and to its Public Sector Equality Duty.
- 10.3. Case law establishes that the council must not rule out any alternative options prior to consultation and must take the responses to consultation conscientiously into account in finalising any proposals.
- 10.4. The Council's public sector equality duty is set out in section 149 of the Equality Act 2010, which provides that a public authority must, in the exercise of its functions, have due regard to the need to eliminate discrimination, foster good relations and advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to: (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low. Relevant protected characteristics are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.
- 10.5. To meet the public sector equality duty, the Council must assess the risk and extent of any adverse impact of proposals and the ways in which such risk may be eliminated before the adoption of a proposed policy. An equalities analysis has been completed to enable this assessment to be undertaken as referred to in section 11 below.

11 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 11.1. The full Equality Impact Analysis is detailed in Appendix B
- 11.2. The key findings of this initial assessment are:
 - Merton's vulnerable residents are affected, in particular those people with disabilities (learning and physical) and older people
 - Despite any reduction or cessation of services the council will still continue to meet its statutory duties and minimize any adverse impact on service

users and carers. Service users will be assessed and provided with services in accordance with the council's statutory duties. Although in some cases this may mean changes to the services they currently receive their needs will be continue to be met and they will receive the same level of service as other service users with similar assessed needs.

- The council will promote the ethos of greater independence for service users (where possible), maintaining the 'person-centred' approach working together with partners from the health and voluntary sectors, as well as tapping into existing social capital.
- The potential negative impact of these proposals have been identified and communicated with a mitigation plan developed as detailed in section 6 of the report.

12 CRIME AND DISORDER IMPLICATIONS

12.1. None specific to this report

13 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

13.1 The Council will need to ensure that the work associated with ILF re-assessment and disputes is undertaken in a consistent way as failure to do so would leave the Council open to challenge.

13.2 If people aren't happy with the level of care and support for their assessed need, there may be disputes and complaints that will need managing

14 BACKGROUND PAPERS

- CLOSURE OF THE INDEPENDENT LIVING FUND (ILF) , DWP, 6 MARCH 2014
- ADASS AND LGA RESPONSE TO THE FUTURE OF ILF

15 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- Appendix A Summary of the consultation exercise undertaken
- Appendix B Equality Impact Assessment

Appendix A

Notes from Independent Leaving Fund consultation meeting

Introduction

The meeting took place on 10 February 2015 at All Saints Centre. In attendance were 9 ILF users, with carers and Lyla Adwan-Kamara from Merton Centre for Independent Living. Attending from Merton Council were Rahat Ahmed-Man, Head of Assessment and Commissioning, Jenny Rees, Service Manager, Older People, Physical Disabilities and Sensory Impairment, Sandra Mak, Team Manager, Older People, Physical Disabilities and Sensory Impairment and Kris Witherington, Consultation and Community Engagement Manager.

The following note captures the comments made by attendees about the options being considered; the questions they raised and the answers provided and the actions agreed. It is a summary rather than a transcript but captures the points being made by the individuals involved and any responses.

Options

The four options being considered were presented.

Responses

Option 1

Users agreed that this option should not be considered by the council. Reducing ILF funding would lead to deterioration in users' lives.

Option 2

This was the option preferred by all users although users understood that the council would need to provide additional funding to the social care budget from 2016. Users believe that the notes from the ILF should sufficiently demonstrate the value of the support to users and that they have a right to this support. They further believe that the ILF offers control over daily life whereas care assessments do not respond quickly to changes and that the ILF offers flexibility in arrangements when travelling outside of the borough.

Users believe that some of the other administrative arrangements currently in place should also be maintained, like separate bank accounts for ILF funding for those who already have them.

Option 3

Users expressed concern about the assessment process and eligibility criteria that would be used since in their view social care assessments follow a very different model to ILF assessments. Users felt ILF focuses on independence, quality of life and giving users control whereas care assessments focus on essential needs. Users were concerned that on the new Care Act eligibility criteria that will be used in social care assessments independence is only included in guidance notes and would not be a statutory obligation.

Users also felt reassessment was unnecessary given that long term conditions were unlikely to have improved since the original ILF assessment. Users felt that their care needs were already assessed by Merton but the ILF offered a different model that fills in gaps in the care criteria.

Option 4

Users agreed that should any changes to ILF support occur then sufficient time should be allowed for them to plan their lives properly. It is already too late to be discussing changes that could be implemented in July 2015.

If existing structures are maintained for the first year then users should be involved in deciding what arrangements are put in place and test any changes before they are implemented. Volunteers taking part in any planning should be supported and not end up out of pocket. Any further review of arrangements in the future should also allow enough time for users to plan.

Questions and responses

Q: What happens to IFL funding after the first 12 months of funding stops?

A: There will be no further funding from central government so care and support needs would need to be met from social care budgets. Council and social care budgets are under huge pressure so it will be challenging to maintain ILF funding. Any decision to continue to maintain ILF funding is likely to have to be reviewed frequently.

Q: Will ILF funding be index linked and staying as is means no pay increase for PA's?

A: Not known at this stage

Q: What are the assessment criteria used by social care and what happens if users do not agree with the assessment?

A: Merton currently uses the Fair Access to Care eligibility criteria but this would be replaced by the nationally set Care Act criteria. Care is assessed on need as that is a statutory obligation, not budget, and using the same criteria means everyone is treated fairly. There would not be any guarantee that funding would remain the same once switched to personal budgets but this would be based on need. Assessments are done in partnership with customers. When agreement cannot be reached other social workers may be brought in to revisit the assessment.

Q: Will we still be in control of employing our own PA's?

A: Yes, being funded through Direct Payments would maintain the principle of choice and flexibility.

Q: How frequently do reassessments take place?

A: Try to reassess all customers annually but we will also react to changes in circumstances. Care and support packages change frequently in response to needs.

Q: ILF currently has a low level of administrative costs, around 2-3%, where as local authorities spend more. How will the transfer of the funds to Merton impact on the resources available.

A: Merton does not plan to take any money in administrative costs

Q: Will 24 hour care be covered?

A: 24 hour care is already covered in current eligibility if that meets needs. A number of customers already received 24 hour care regardless of whether they received ILF.

Q: How will those users not at the meeting get involved in the consultation?

A: They are being contacted directly, either by phone or through home visits.

Q: How will the decision be made and how will what we say influence decision makers as they are not here to listen to us.

A: A report will be submitted to Cabinet for the meeting on 9 March. The report will include all the options and all the responses from users as we do want to listen and work with people affected. No decision has been taken on whether any of the options would be recommended to cabinet by officers.

Q: Are there any plans for any further meetings with users?

A: Not at the moment but any task group or other mechanism looking at 2016/17 would involve users.

Other comments

The national campaign to save the principle of the ILF, a national funding pool that focuses on quality of life, is continuing.

Merton needs to use a different definition of independence that moves away from functionality and is about control over lives.

It is important to remember that ILF is not about what users want but what they are entitled to.

Actions

- To share social care eligibility criteria and assessment questions with users so they could compare these to ILF
- To share the total budget for ILF users in Merton when known
- To find out if Merton provides training for PA's and if training is required for insurance
- To develop plans for a task group or other mechanism to involve users in planning for 2016/17

- To inform ILF users of the recommendations officers make to Cabinet on the options.

Summary of consultation via telephone calls made between 9 – 13 February 2015

- 5 ILF users expressed on the telephone that option 2 is their preferred option because this would give them stability in terms of planning for care. They commented that the ILF has worked very well for them in terms of giving more control and independence in their care arrangements. In general, they felt that the administrative aspect of the ILF has been very effective and they have always been well-informed by the ILF in relation to all the changes.
- 1ILF user indicated that option 4 is the preferred option because it was felt that his health may deteriorate over the next 12 months but does not wish to have any changes in the current care package so soon.
- 1ILF user's representative mentioned that they would attend the Consultation Meeting but did not attend. Two telephone messages were left on 11th and 12th February but no response so far. We do not have an e-mail address for the representative hence unable to gain their view. The user has severe dementia so it would not have been feasible to consult them directly.

Consultation by home visit

- One ILF user's parent preferred to be visited at home for consultation and Sandra Mak carried out a home visit on 11th February. The ILF user has several physical and cognitive impairments hence the parent (who lives in Clapham and works full time) said that they preferred option 2 because it would give her daughter more stability in the provision of a live-in care package.
- It was acknowledged that the ILF award has been valuable in financing the existing care package and enabling people with disabilities to have more control and independence. The parent also commented that the ILF payments run very smoothly and the staff are very helpful whenever they have any query. They would prefer to have a separate bank account for the ILF transfer fund if the cabinet approves for option 2 to be implemented. If there is a Task Group for Merton's ILF users, the parent would be interested to participate.

Consultation by e-mails

- 3 ILF users/ representatives requested consultation via e-mail and the list of four options was sent for comments (between 9th to 13th February). Still awaiting their replies on the preferred option. These users either have several physical disabilities that they are not able to hold the phone or speak hence their representatives preferred consultation to be done by e-mail. They declined a telephone consultation because they would like more time to reply to us with their preferred option.

Summary of Consultation on the preferred options for ILF transfer

- None of the ILF users and carers who participated in the consultation exercise prefer option 1.
- 14 ILF users expressed a preference for option 2.
- 1 ILF user prefers option 3.
- 1 ILF user would like option 4.
- 4 ILF users have not responded yet.

Equality Analysis



What are the proposals being assessed?	Options for the transfer of the Independent Living Fund (ILF) and consultation outcome
Which Department/ Division has the responsibility for this?	Community and Housing / Adult Social Care

Stage 1: Overview	
Name and job title of lead officer	Jenny Rees, Service Manager, Adult Social Care
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	<p>On 18 December 2012, following a consultation period, the Government announced its decision to close the Independent Living Fund (ILF) permanently on 31 March 2015 and transfer funding to local authorities and devolved administrations in Scotland and Wales. However this decision was quashed by the Court of Appeal on 6 November 2013 on the grounds that the DWP had failed to fulfil its duty to promote equality when making the decision.</p> <p>Following a new Equality Impact Assessment, on 6 March 2014, the Government announced a new decision to close the ILF fund on 30 June 2015. From this point local authorities, in line with their statutory responsibilities, will have sole responsibility for meeting eligible care and support needs of their current ILF users.</p> <p>The Government has stated that the ILF funding would be distributed to local authorities based on ILF's forecast expenditure for 2015/16 in each local authority area at the point of closure. In accordance with Government policy the funding devolved to local authorities is not ring-fenced and it will be up to each local authority to determine how to allocate the funding transferred to them.</p> <p>This will mean that ILF users will have all their care and support needs assessed through the mainstream care and support system under a single eligibility criteria and charging regime.</p> <p>There 20 ILF users living in Merton and there are 4 options:</p> <p><u>Option 1:</u> the transfer of ILF funding on 1 July 2015 goes into the baseline budget for the Council for 15/16 and is spent in other areas of the Council</p> <p><u>Option 2:</u> the transfer of ILF funding on 1 July 2015 goes into the baseline budget for adult social care for 15/16 on a recurring basis and is ring-fenced to existing ILF users in perpetuity</p> <p><u>Option 3:</u> the transfer of the ILF funding on 1 July 2015 goes into the baseline budget for adult social care for 15/16 and ILF users are re-assessed immediately in accordance with social care eligibility criteria and</p>

	<p>given a personal budget for their care and support needs on this basis</p> <p><u>Option 4</u>: the transfer of the ILF funding on 1 July 2015 goes into the baseline budget for adult social care for 15/16 and the individual ILF users receive the same level of funding for their care and support for 15/16. During 15/16 the ILF users will be re-assessed in accordance with social care eligibility criteria and given a personal budget on this basis for 16/17</p> <p>We have recommended option 4 and the rest of this analysis is based on that option.</p> <p>The broad aim and desired outcome of the proposals above is to enable use of all funding available to adult social care to support all disabled people in a more consistent, effective and equitable way within a mainstream system. That whatever we do we seek to continue the principles of maximising choice and control for the user, as this is what the ILF has done. That whatever we do there should be a fair allocation of public funds according to need.</p>
2. How does this contribute to the council's corporate priorities?	The Adult Social Care Service Plan contributes to the Council's Merton 2015 priorities and will ensure that savings targets are achieved in line with the Corporate Business Plan and Medium Term Financial Strategy. It is in line with the principles adopted in July 2011 by councillors, which seek to protect statutory services and minimise adverse impact on vulnerable people.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Those primarily affected by the proposals are the 20 existing ILF users in Merton and their carers.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Adult Social Care will take overall responsibility, although we will work with partners in the voluntary sector and NHS to help us support the ILF users.

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?

Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

We have consulted with the 20 ILF users, carers and considered carefully the feedback received from a face to face consultation event, telephone consultations, a home visit and email consultation. We have liaised with and received information from the ILF and attended ILF meetings.

We have also considered the report by the DWP – Closure of the Independent Living Fund (6 March 2014) and feedback from users and carers on the national consultation exercise. We have also considered the views and articles of the Association of Directors of Social Services (ADASS), the Disability Rights UK, Human Rights Commission, the Local Government Lawyer and other councils.

We have also considered the consultation outcome of the ASC budget savings proposals and the related EA.

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified														
	Positive impact		Potential negative impact																
	Yes	No	Yes	No															
Age	Yes		Yes		<p>The table below shows the age range of the Merton's ILF users.</p> <table border="1"> <thead> <tr> <th>Age range</th> <th>No. of users</th> </tr> </thead> <tbody> <tr> <td>31-40</td> <td>2</td> </tr> <tr> <td>41-50</td> <td>4</td> </tr> <tr> <td>51-60</td> <td>8</td> </tr> <tr> <td>61-70</td> <td>3</td> </tr> <tr> <td>70+</td> <td>3</td> </tr> <tr> <td>Total</td> <td>20</td> </tr> </tbody> </table>	Age range	No. of users	31-40	2	41-50	4	51-60	8	61-70	3	70+	3	Total	20
Age range	No. of users																		
31-40	2																		
41-50	4																		
51-60	8																		
61-70	3																		
70+	3																		
Total	20																		

					<p>As with any review/re-assessment process the ILF transfer process will give the opportunity to identify any specific age related requirements which will reflect the changing need of the individual. The transfer will provide the opportunity for greater equity in how services are commissioned across the wider eligible population, especially those not in receipt of the ILF.</p> <p>Steps will be taken to ensure that individuals will not be disadvantaged throughout the process because of their age.</p>
Disability	Yes		Yes		<p>The transfer will provide the opportunity for greater equity in how services are commissioned across the wider eligible population, especially those not in receipt of the ILF.</p> <p>There will be a negative impact as all ILF users will have a disability. ILF users expressed concern about care and support packages being reduced and being unable to achieve the same outcomes as they have with the ILF. The majority of users will face changes to the way their support is delivered, including the possibility of a reduction to the funding they currently receive.</p>
Gender Reassignment					N/A
Marriage and Civil Partnership					N/A
Pregnancy and Maternity					N/A
Race					N/A
Religion/ belief					N/A
Sex (Gender)					N/A
Sexual orientation					N/A
Socio-economic status					N/A

7. If you have identified a negative impact, how do you plan to mitigate it?

Potential impact of change - Mitigation Plan

Following Cabinet Decision we will take the following steps to help mitigate any negative impact:

1. Each ILF will be allocated a Key Worker by the end of April 2015
2. Information and advice will be provided by the Key Worker and Centre for Independent Living
3. From 1 July 2015 Merton will take over ILF responsibilities for all ILF Users
4. A full reassessment of need for each ILF User will be completed by December 2015
5. A new Support Plan and Personal Budget will be allocated to all ILF Users by June 2016
6. In partnership with individual ILF Users, potential negative impact of any changes will be minimised by exploring different ways of utilising care hours, using more cost effective provision and maximising use of community services and social capital.

In addition our mitigation plan is an integral part of the overarching mitigation plan for the ASC Savings Programme and we would ensure that any activity specific to ILF users is linked to wider redesign work. The following principles will support this work:

Service Redesign - it is recognised that there is an unprecedented level of change needing to be delivered, arising from three main drivers: the need to make the required savings, the new duties of the Care Act, the requirements and plans to achieve greater integration with NHS services and for existing ILF users, the transfer of funds and responsibilities to the local authority. The department has established a redesign programme and amended its senior management structure to have a time limited role for a Head of Redesign who took up post at the beginning of January 2015. The objective of the redesign programme is to ensure that these changes are designed and implemented in a thoughtful and properly planned way, that all the inter-dependencies of actions are recognised and addressed, that we use transformative and innovative ways to redesign to maximise positive impact and minimise negative impact, that we have robust processes in place to ensure delivery and that we continue to listen to stakeholders and follow principles of co-production where we can. The change to the current ILF arrangements will be managed under the redesign programme.

Communication and engagement - a consultation exercise took place in February 2015 with ILF users and carers about the potential changes and to understand their reaction to the options. The council is committed to maintaining our statutory duties and design our social care services around promoting independence for our service users.

However, it is clear from the consultation that any change in the way that our service provision is structured will mean that we are introducing uncertainty to our service users and their carers. This could lead to anxiety and therefore any service redesign will be done carefully.

As such, we recognise that the implementation of these changes will need to be handled sensitively and changes made in continued and on-going consultation with all relevant stakeholders.

A clear communication and engagement plan will be developed to ensure ILF users understand the shift in council policy around promoting greater independence and the potential of a reduced service offer. This will not necessarily undermine the outcomes users will want to achieve. A clear understanding of the utilisation of partnership working with both the health and voluntary sector will ensure a much more holistic and joined up approach to developing support solutions. The service user will remain at the heart of the process and a much greater sense of

independence enabled where this is possible.

This communication and engagement will include:

- Continued 1-2-1 engagement with ILF users and carers as part of our assessment and review process
- A robust feedback mechanism to enable ILF users and carers to feedback to the council about the process and outcomes
- The existing channels for involvement with the voluntary sector and with providers
- Access to the forum where stakeholders can discuss the overall required outcome of savings with a view to finding any different solutions where possible which reduce any negative impact
- Access to regular meetings with service users and carers and their representatives for each of the main care groups

Principle of promoting independence - the evidence nationally is that this offers some opportunity for reducing overall service volumes whilst retaining a service user focused approach.

We have set out what we mean by this principle in our ASC savings consultation document. Broadly it means that we seek to use the strengths and assets of individuals, families and communities to help them be resilient in finding solutions for their lives, as well as support people to regain independence following any crisis or event in their lives and that we use the most practical and least expensive solutions which meet people's needs. We will apply these principles in all stages of our interaction: first contact, assessments, reviews, and in how we commission providers to work with our service users. We will continue to work with the voluntary sector in sharing these principles.

Reviews of Service Users Support Plans - Practice - the person centred reviews will be genuine objective assessments of on-going needs and of the most cost effective way to meet those needs. The objective of the reviews is to check support is a) still needed and b) provided in the most cost effective way. It is not to take away support where it is still needed, though people could fear this.

The mitigating plan will include providing enhanced guidance and training for practitioners on how to conduct 'person centred' reviews, building on the learning from a 'Reviews' project implemented back in 2012-13. This will ensure that practitioners whilst working towards the 'promoting greater independence' agenda will ensure that all service user needs are adequately met, but enabling their independence to live as they desire where this is possible.

We will also ensure that any identified changes to support solutions are put in place swiftly. Regular service user contact will be used as a mechanism to ensure that any changes made to support solutions around promoting greater independence enhances the service user's quality of life and does not put them at risk.

To reiterate, 'person-centred' reviews are about promoting independence for the service user.

Fair allocation of resources - with diminishing resources it will be all the more important that they are allocated fairly and to best effect. This is through the following mechanisms:

- The supervisory process where all front line staff receive oversight of their practice
- Early response assessments, including financial assessments
- Resource panels for all packages over a certain threshold, to ensure that support plans and packages meet statutory needs, follow promoting independence principles, and look for the best value alternatives to meet needs
- Within day services reviewing the support packages that people get and looking overall at day care, respite care and community based support
- A performance framework which looks at how individuals and teams compare in their use of resources and in the support packages put in place.

Integration with health services - our belief is that integrated services offer a better opportunity for service users to make better use of

resources when well designed. We have had in place for several years' integrated teams for mental health and learning disabilities. Since 2013 we have embarked on a project to create integrated teams for older people and those with long term conditions, based in three localities across Merton. With our health partners we are committed to the continuation of this process and will continue to solicit feedback around the impact on service users.

Monitoring – we will design a carefully structured monitoring process to ensure that we have a clear sense of what the outcomes are being achieved such as looking at the outcomes of reviews and assessments across different groups of service users, reviewing the impact on service users of certain services being decommissioned and the impact of the Care Act reforms. This monitoring will be used to adjust service provision and ensure that our processes are as robust as they need to be. We will also use this process to ensure we continue to meet our statutory obligations. Monitoring will take place within the overall quality framework introduced during 2014.

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have 'due regard' and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Plan

9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? E.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
Transition plan for ILF users delivered	<p>Detail actions in action plan to be delivered over 10 month period:</p> <p>Action 1: Allocated Key Worker by end of April 15</p> <p>Action 2: Advice and Information given throughout transitional period April 15 – June 16</p> <p>Action 3: Reassessment of Need by December 15</p> <p>Action 4 :Support Plan and Personal Budget allocated by June 16</p> <p>Action 5: Individualised use of Personal Budget explored to minimise negative impact by June 16</p>	We will have met this when every recipient of ILF has been supported through the process as detailed here	<p>Apr '15</p> <p>Apr '15 – Jun '16</p> <p>Dec '15</p> <p>Jun '16</p> <p>Jun '16</p>	Existing	Jenny Rees	Yes
Potential impact of change – changes common to the ASC redesign programme but relevant to support for ILF users.	<p>Service redesign - the department has established a redesign programme and the objective is to ensure all changes, including changes to the current ILF arrangements, are designed and implemented in a thoughtful and properly planned way</p> <p>Communication and engagement - establishment of a clear plan to ensure continued engagement with ILF users facilitating a continued joint approach to the development of solutions</p> <p>Principle of promoting</p>	<p>Monitoring by ASC Redesign Programme Board & Merton Improvement Board</p> <p>Monitoring by ASC Redesign Programme Board & Merton Improvement Board</p>	<p>April 2015</p> <p>Plan April 2015 Then on-going</p>	<p>Established</p> <p>Established</p>	<p>Dan Short</p> <p>Dan Short</p>	<p>Yes</p> <p>Yes</p>

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? E.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
	<p>independence - we will apply this principle (use the strengths and assets of individuals, families and communities to help them be resilient in finding solutions for their lives, as well as support people to regain independence following any crisis or event in their lives and the we will use the most practical and least expensive solutions which meet people's needs) in the development of support solutions across all service user groups</p>	Monitoring by Adult Social Care Senior Management Team (ASSM)	On-going	Established	ASC Service Heads	Yes
	<p>Reviews of Services Users Support Plans - Practice - develop an enhanced protocol and training for an on-going programme of person centred reviews promoting greater independence where possible</p>	Monitoring by ASSM & Partners	On-going	Established & additional	ASC Service Heads & Partners	Yes
	<p>Fair allocation of resources – early responsive assessments, including financial assessments, resource panels, guidance and training for frontline staff</p>	Monitoring by ASSM	On-going	Established	ASC Service Heads	Yes
	<p>Integration with health</p>	Monitoring by ASSM &		Established & additional		Yes

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? E.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?
	services - progress agreed plans for integration project Monitoring - design carefully structured monitoring process to provide a clear sense of outcome of the savings	Integration Project Board Monitoring by ASSM	On-going On-going	Established	ASC Service Heads ASC Service Heads	Yes
<i>Negative impact/ gap in information identified in the Equality Analysis</i>	Action required to mitigate	How will you know this is achieved? E.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 6: Reporting outcomes

10. Summary of the equality analysis

This section can also be used in your decision making reports (CMT/Cabinet/etc) but you must also attach the assessment to the report, or provide a hyperlink

This Equality Analysis has resulted in an Outcome 3 Assessment
<p>The key findings of this initial assessment are:</p> <ul style="list-style-type: none"> • Merton's vulnerable residents are affected, in particular 20 people with disabilities (learning and physical) • Despite any reduction or cessation of services the council will still continue to meet its statutory duties minimizing any adverse impact on service users and carers • The council will promote the ethos of greater independence for service users (where possible), maintaining the 'person-centred' approach working together with partners from the health and voluntary sectors, as well as tapping into existing social capital. <p>The potential negative impact of these proposals have been clearly identified and communicated with a clear mitigation plan developed as detailed in section 9 above.</p>

Stage 7: Sign off by Director/ Head of Service

Assessment completed by	Jenny Rees	Signature:	Date: 20.2.15
Improvement action plan signed off by Director/ Head of Service	Simon Williams	Signature:	Date: 20.2.15

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Committee: Cabinet

Date: 9th March 2015

Subject: PROPOSED CHANGES TO THE NON RESIDENTIAL ADULT SOCIAL CARE FAIRER CONTRIBUTIONS POLICY

Lead officer: Simon Williams, Director of Community & Housing

Lead member: Councillor Caroline Cooper-Marbiah

Contact officers: Andy Ottaway-Searle and Sue Robertson

Tel: 020 8545 4500/3746

Email: Andy.Ottaway-Searle@merton.gov.uk / Sue.Robertson@merton.gov.uk

Recommendations:

- A. That charges for MASCOT, for those customers for whom the council arranges support, become part of the council's overall Fairer Contributions Policy.
-

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1 MASCOT is an in-house service which provides assistive technology to over 1000 Merton residents and to organisations within and outside Merton. Assistive technology (also known as telecare) is technology which enhances people's safety and independence. It includes simple pendant alarms, devices which monitor activity and risk such as falls detectors, devices which monitor the safety of the environment such as smoke alarms or temperature sensors, and some GPS devices which can work outside the home. It is an effective way of meeting the care and health needs of Merton's growing population of older and disabled people.

Assistive technology helps people maintain their independence by enabling them to remain at home and also reduces the need for people to receive ongoing social care funded support based on home care or residential care.

The service currently has a separate charging policy to the council's overall Fairer Contributions policy. It means that some people may be falling below basic income levels once they have paid the charges, and also that it can be cheaper to some people (but more expensive to the council) to receive home care compared to assistive technology .

The report sets out five options of continuing with the current policy, charging everyone full cost, making it a free service to everyone, moving the service into a means tested charge for eligible customers and charging full cost to everyone else, or moving the service into a means tested charge for eligible customers but still offering a subsidised service to those on Pension Credit, in line with other adult social care services. The fifth of these options is recommended.

1.2 This report sets out the options available.

2 DETAILS

2.1 With the introduction of self directed support and Personal Budgets the Department of Health issued new guidance to local authorities on the assessment of financial contributions towards the costs of care services. The London Borough of Merton introduced a Fairer Contributions Policy in April 2011. The Fairer Contributions Policy applies to those who receive non-residential care services from the London Borough of Merton either directly or through a Personal Budget. Non residential care services include home care, day care and direct payments. Under this policy service users are financially assessed to make a fair contribution according to their means to the whole package of support received. Assistive technology and Meals on Wheels are not included in the policy

2.2 All service users who are eligible under FACS (the council's eligibility criteria for services or Fair Access to Care Services) have a financial assessment carried out by the Financial Assessment Team. The service users provide details of income such as any pensions, benefits, maintenance, assets or other payments they receive in order to work out the amount they will contribute towards their care. Once the amount of contribution has been set, the customer will not pay more if the amount of services they receive increases, and it ensures that no one falls below a floor level of net income to live on. The net council contribution (the difference between the full cost of support and what the service user contributes) is defined as the service user's personal budget. The service user then has the choice of either the council managing their personal budget to arrange all the care and support they need, or of making their own arrangements for this care and support through taking the personal budget as a "direct payment" to them.

2.3 MASCOT provides telecare to 1,311 residents of Merton, 286 of these residents also receive services from Merton under the FACs criteria. The rest either pay the full cost of the service direct to MASCOT, or pay a discounted rate as set out below. Telecare is also provided to 8 Registered Social Landlords Housing Schemes and 145 people living in other boroughs who pay for the service directly. MASCOT has a pricing schedule that charges out of borough customers a higher rate than Merton clients in order to cover additional overheads for the delivery of the service. Appendix 1 sets out this schedule.

2.4 MASCOT carries out an independent financial assessment for all customers. If a customer wishes to pay the full charge they do not have to have a financial assessment. MASCOT customers who pay the full cost pay between £4.38 and £10.59 per week based on the service they receive as set out in appendix 1.

Those on pension credit are assessed to pay £2.00 per week. MASCOT customers who also receive other non-residential care services from Merton

are subject to financial assessments by both the adult social care Financial Assessment team and MASCOT. This has two problematic consequences in some cases:

- Some MASCOT customers, in receipt of both MASCOT and other non residential social care services, may be charged by both MASCOT and by the rest of adult social care. This could result in a customer's net income being below the Government's "Minimum Income Guarantee".
- In some cases a customer may be assessed to receive home care or residential care with no contribution from the customer, but has to pay the £2 per week minimum charge for MASCOT. This can lead to their being reluctant to accept MASCOT as an alternative to these other services.

2.5 An investigation regarding charges shows that most other local authorities include Assistive Technology in their 'Fairer Contributions Policies'.

2.7 It is not intended to include Meals on Wheels in the Fairer Charging Policy as this is an essential cost of living and so it is reasonable to ask everyone to make a basic contribution to this cost.

3 OPTIONS

1) No Change

To take no action would mean that the 'Fairer Contributions Policy' would not be applied equitably across services provided by Merton and there would be the problems highlighted above.

Appendix 2 offers an example of how the current charging policy has this impact.

2) Charge all MASCOT customers Full Cost

MASCOT would apply the full charge (£4.38 to £10.59) to all 1,311 Merton customers. This would increase income by approximately £147k per annum, but only if all 1,311 customers continued with the service. It was found that 96 customers stopped using the service when the charge for those on 'Pension Credit' was raised from no charge to £2.00 per week in April 2011. Therefore, it is unlikely that if a full charge was applied to all customers that they would continue to use MASCOT telecare and therefore the increased income would be reduced. It is extremely unlikely that the customers on pension credit will continue to pay the full cost, therefore the figures in the table below reflects this. If customers decide to cancel because of the increase in costs we may be putting the most vulnerable people in the borough at risk of having no contact with the outside world.

Description	Number of Customers	Current Charge per week	New Charge per week	Current Income	Notional Increase in Income if full charge applied	Expected Increase in Customer Income	Adjusted Projected Income
				a	b	c	= a + c
Full Payers	703	£4.38 to £10.59	No change	£277,544	£0	£0	£277,544
Part Payers	133	£2.26 to £7.17	£4.38 to £10.59	£21,954	£8,553	£7,099	£29,053
Out of Borough	141	£4.98 to £12.12	No change	£39,757	£0	£0	£39,757
Pension Credit	475	£2.00	(a) £7.59 to £10.59	£46,922	£138,452	-£46,922	£0
Total	1452			£386,177	£147,005	-£39,823	£346,354

(a) All customers who are on pension credit receive the full mobile response service

If customers also receive FACS eligible care services from Merton, they would be required to pay the full cost of MASCOT on top of their assessed contribution for care. This may put some customer's income under the "Minimum Income Guarantee". It is likely that some customers would cancel their MASCOT package and then need more expensive interventions.

3) Free service to residents over 85

Other local authorities are offering free telecare to residents over 85 years, on the grounds that it helps prevent escalation to more costly services.

The UK population is ageing, and in the London Borough of Merton the number of people over 85 is 3,400 projected to increase by 17.6% to 4,000 over the next five years.

MASCOT would offer free telecare to residents that are new to the service and do not have access to another community alarm or warden service. MASCOT currently has 620 service users that are over 85 years old. The income collected per annum from service users over 85 is £160k, so this would be foregone.

We are uncertain of the potential uptake of the free service. If all residents who were not living in a care home or have access to another community alarm or warden service decided to take up the offer the initial cost of providing a free telecare service to the remaining 3,000 residents would amount to approximately £1.044m. MASCOT would also need to employ an additional 9.66fte Mobile Response Officers in order to respond to the additional calls at a cost of £369k per annum and would lose the income of £160k per annum from over 85's.

Cost of Installation of Typical Telecare Package - 2015	
Description	Cost £
Initial Assessment	50.55
Lifeline connect Box plus Amie Pendant	99.00
Smoke Detector	40.80
Bed/Chair Occupancy Sensor Mat	78.00
Temperature Extreme Sensor	46.96
Installation of Equipment	32.81
Total	348.12

Cost of Installation of Telecare for 3,000 residents

£1,044,359

Ongoing costs	£
9.66 Mobile Response Officers	369,000.00
Loss of income	160,000.00
Total per annum	529,000.00

4) Include MASCOT within FACS for customers eligible for support and charge the full cost to those not eligible

Customers who meet the council's eligibility criteria and are in receipt of non-residential services will be financially assessed and contribute towards their care for all services as a whole support package, including MASCOT. There is a projected decrease in income from FACS eligible customers of £14k per annum. For FACS eligible customers this addresses the issues described above in that no one will have less income than the basic income guarantee as a result of the council's charging policy, and it removes the perverse incentive for some service users to refuse a more cost effective way of meeting their needs. However for non FACS eligible customers there will be the same issues of affordability and likely take up as described in Option 2 above.

Description	No of Customers	Current Charge per week	New Charge per week	Current Income	Notional Increase in Income if full charge applied to non FACs	Expected Increase in Income for non FACs	Decrease in Income for FACs criteria customers	Adjusted Projected Income
				a	b	c	d	=a+c+d
Full Payers	703	£4.38 to £10.59	No change	£277,544	£0	£0	£637	£276,907
Part Payers	133	£2.26 to £7.17	£4.38 to £10.59	£21,954	£7,613	£6,331	£11,866	£16,419
Out of Borough	141	£4.98 to £12.12	No change	£39,757	£0	£0	£0	£39,757
Pension Credit	475	£2.00	(b) £7.59 to £10.59	£46,922	£104,349	£44,493	£2,429	£0
Total	1452			£386,177	£111,962	£6,331	£14,932	£333,083

(b) All customers who are on pension credit receive the full mobile response service

5) Include MASCOT within FACS for customers eligible for support and continue to offer a means tested and subsidised service for those not eligible.

This will offer the same benefits as Option 4 and also encourage continued wider take up of the service from those not eligible, thus encouraging a preventive approach. There is a projected decrease income for FACS eligible customers of £14k per annum. However it is estimated that this will be more than offset by a decrease in home care costs if more customers are enabled to use MASCOT more. Furthermore, any loss of income is also offset by the fact that the MASCOT service is continuing to grow at a net rate of 9 customers per month increasing income by £18k per annum.

Description	No of Customers	Current Charge per week	Current Income	Decrease in Income for FACs criteria customers	Total Income 15/16
			a	b	=a+b
Full Payers	703	£4.38 to £10.59	£277,544	£637	£276,907
Part Payers	133	£2.26 to £7.17	£21,954	£11,866	£10,088
Out of Borough	141	£4.98 to £12.12	£39,757	£0	£39,757
Pension Credit	475	£2.00	£46,922	£2,429	£44,493
Total	1,452		£386,177	£14,932	£371,245

4 CONSULTATION UNDERTAKEN

4.1. Charging Policy Group – 31st July 2013

5 TIMETABLE

5.1. Cabinet 9th March 2015

If the policy amendment is agreed the change would be made from 6th April 2015.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1 Any financial evaluation has to weigh up the impact on income and the impact on expenditure. Overall Options 2, 3, 4 and 5 all see some loss of income but in the case of option 5 the loss is more limited and it is expected that this will be offset by a reduction in gross expenditure as more FACS eligible customers use assistive technology instead of home care or residential care. For 2014/15 there is a target saving of £70k. This option also most enables continued growth of the service to take place with an associated growth in income.

Options	Description	Current Income per annum	Change in Income Received per annum	Projected Income per annum
1	No Change	£386,177	£0	£386,177
2	Charge all MASCOT customers 'Full Cost'	£386,177	-£39,823	£346,354
3	Free Service to residents over 85	£386,177	-£160,000	£226,177
4	Include MASCOT within FACS for customers eligible for support and charge full cost to those not eligible	£386,177	-£53,094	£333,083
5	Include MASCOT within FACS for customers eligible for support and continue to offer a means tested and subsidised service for those not eligible.	£386,177	-£14,932	£371,245

6.2 There are 286 MASCOT customers who are FACS eligible and receive non-residential care through Merton. A reconciliation of FACS eligible MASCOT customers was undertaken by the Social Services Financial Assessments team. It was found that MASCOT would lose income of £14,932.64 per annum if their customers were included in the Fairer Contributions Policy.

MASCOT customers who also receive a community care service as at 1st Dec 2014		
Number of Customers who pay full/part cost	169	£12,503.47
Number of Customers who pay reduced cost	117	£2,429.17
Projected Loss of Income		£14,932.64

There are 638 customers who are currently receiving homecare with a total of 457,719 hours at £12.50ph provided per annum, costing Merton £5.7m. Adult Social Care would need to reduce at least 1,195 homecare hours in order to supplement the loss of £14,932.64 and a further 5,560 to achieve the savings of £70k.

6.3 There are no resource or property implications

7 LEGAL AND STATUTORY IMPLICATIONS

7.1 Section 17 of the Health and Social Services and Social Security Adjudications Act 1983 gives local authorities discretion to make charges for certain community care services as are reasonable, subject to the right of an individual satisfying the local authority that he or she should not pay more than it is reasonably practicable to pay.

7.2. Non residential home care services are provided under s29 National Assistance Act 1948. The power to charge for home care services is provided by s17 Health Services Social Security Adjudication Act 1983, which states that an authority providing a service to which the section applies may recover such charge for it, if any, as they consider reasonable.

7.3. Guidance has been issued under s7 Local Authority Social Services Act 1970 to which the Council must have regard when exercising these statutory functions, the Fairer Charging Policies for Home Care and other non-residential Social Services. Fairer Charging provides guidance on the way in which local authorities should deal with capital and income when assessing a person's ability to contribute to their care costs. It advises that charges for different types of non-residential social service, and allied services, and how they affect individuals should be considered together, not in isolation. Regard should be paid to the effect of any charge on a user's net income; net incomes should not be reduced below defined basic levels of Income Support or the Guaranteed Credit of Pension Credit, plus 25%. Charging policies which reduce users' net incomes below these defined basic levels are not acceptable and undermine policies for social inclusion and the promotion of independence.

7.4 Before making changes to charges the council should consult service users and consider the responses to consultation. The Council must have regard to its Public Sector Equality Duty to have due regard to the need to eliminate discrimination, foster good relations and advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to: (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and (c) encourage persons who share a relevant

protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low. Relevant protected characteristics are: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1 The proposals contained within this report will assist the Community and Housing Department to provide telecare and response services that prioritise future need and meet requirements of all diverse sections of the community.

8.2 There is an Equalities Analysis attached.

9 CRIME AND DISORDER IMPLICATIONS

9.1. None directly relating to this report.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. None directly relating to this report.

11 BACKGROUND PAPERS USED TO COMPILE THIS REPORT

11.1 Fairer Contributions Guidance – Calculating an Individual’s Contribution to their Personal Budget – Department of Health July 2010


11.2 http://www.merton.gov.uk/health-social-care/adult-social-care/financialassessment/fairer_contributions_policy


11.3 Charging for Residential Accommodation Guidelines – Department of Health

11.4 POPPI - Projecting Older People Population Information System, Sep 2012

<http://www.tunstall.co.uk/Uploads/Documents/Telehealth%20Times%20Issue%2039%20web.pdf>

Appendix 1

PRICES FOR MERTON RESIDENTS 2014/15						
Service	Monitor Only			Mobile Response		
	Green	Yellow	Orange	Red	Blue	Purple
Equipment Provided	<i>alarm</i>	<i>alarm</i>	<i>alarm</i>	<i>alarm</i>	<i>alarm</i>	<i>alarm</i>
	<i>pendant</i>	<i>pendant</i>	<i>pendant</i>	<i>pendant</i>	<i>pendant</i>	<i>pendant</i>
	<i>smoke detector</i>	<i>smoke detector</i>	<i>smoke detector</i>	<i>smoke detector</i>	<i>smoke detector</i>	<i>smoke detector</i>
	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>
		<i>1 sensor</i>	<i>2 or more sensors</i>		<i>1 sensor</i>	<i>2 or more sensors</i>
Price per week	£4.38	£5.88	£7.38	£7.59	£9.09	£10.59
Residents on Pension Credit	£2.00	£2.00	£2.00	£2.00	£2.00	£2.00

PRICES FOR PEOPLE WHO DO <u>NOT</u> LIVE IN MERTON 2014/15						
Service	Monitor Only			Mobile Response		
	Green	Yellow	Orange	Red	Blue	Purple
Equipment Provided	<i>alarm</i>	<i>alarm</i>	<i>alarm</i>	<i>alarm</i>	<i>alarm</i>	<i>alarm</i>
	<i>pendant</i>	<i>pendant</i>	<i>pendant</i>	<i>pendant</i>	<i>pendant</i>	<i>pendant</i>
	<i>smoke detector</i>	<i>smoke detector</i>	<i>smoke detector</i>	<i>smoke detector</i>	<i>smoke detector</i>	<i>smoke detector</i>
	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>	<i>carbon monoxide sensor</i>
		<i>1 sensor</i>	<i>2 or more sensors</i>		<i>1 sensor</i>	<i>2 or more sensors</i>
Price per week	£4.98	£6.92	£8.86	£8.24	£10.18	£12.12

Appendix 2

The following is an actual example of where savings could have been made, but because MASCOT was not in Merton's Fairer Contributions policy the savings were not achieved.

A customer who received homecare under FACs was financially assessed as contributing £90.54 per week. In addition, the customer paid £7.59 per week to MASCOT for their mobile response service (a). The customer wanted to cancel the homecare afternoon call and have assisted technology in the form of a medication and inhaler prompt through MASCOT. In order to have the assisted technology the customer would be required to pay an additional £3.00 per week to MASCOT (b). The most that the customer would pay towards her home care would be £90.54; therefore it was preferable for the customer to keep the homecare provided than pay £3.00 more for assistive technology.

(a) MASCOT not in FAC's	
Homecare	£90.54
MASCOT	£7.59
Charge to Customer for Homecare and MASCOT per week	£98.13

(b) MASCOT not in FAC's	
Homecare	£90.54
MASCOT to include medication prompt	£10.59
Charge to Customer for Homecare and MASCOT per week	£101.13

The actual cost to Merton for providing afternoon homecare for the customer was £56.09 per week. The cost to Merton to provide the medication and inhaler prompt would have been a 'one off' cost of approximately £150.00.

Actual cost of Evening Homecare Calls per week	£56.09
Cost of MemRabel and Med Dispenser split per week	-£2.88
Possible Savings per week	£53.21

The evening homecare calls would have been stopped with a saving of £2,774.52 per annum.

If MASCOT had been included in the policy the customer would not have been required to pay MASCOT the sum of £7.59, plus an additional cost of £3.00 per week and would have been happy to have the medication prompt installed. MASCOT would not continue to receive the income of £7.59 per week because the customer would not be expected to pay the additional amount.

MASCOT in FAC's	
Homecare	£90.54
MASCOT to include medication prompt	£0.00
Charge to Customer for Homecare and MASCOT per week	£90.54

Actual cost of Evening Homecare Calls per week	£56.09
Loss of MASCOT Income per week	-£7.59
Cost of MemRabel and Med Dispenser split per week	-£2.88
Possible Net Savings per week	£45.62

Therefore, the net saving for cancelling the evening homecare calls would have been £45.62 per week, equal to £2,378.56 per annum.

Equality Analysis



Please refer to the guidance for carrying out an [Equality Analysis](#).
Text in blue is intended to provide guidance – you can delete this from your final version.

What are the proposals being assessed?	Proposed Change to the non-residential Adult Social Care Fairer Contributions Policy
Which Department/ Division has the responsibility for this?	Adult Social Services/Service Provision

Stage 1: Overview	
Name and job title of lead officer	Andy Ottaway-Searle, Head of Service Provision
1. What are the aims, objectives and desired outcomes of your proposal? (Also explain proposals e.g. reduction/removal of service, deletion of posts, changing criteria etc)	To enable MASCOT telecare services to be part of the Fairer Contributions policy.
2. How does this contribute to the council's corporate priorities?	The Adult Social Care Service plan contributes to the Council's Merton 2015 priorities and will ensure that the savings targets are achieved in line with the Corporate Business Plan and Medium Term Financial Strategy.
3. Who will be affected by this proposal? For example who are the external/internal customers, communities, partners, stakeholders, the workforce etc.	Existing MASCOT customers plus a wider group of Adult Social Care customers.
4. Is the responsibility shared with another department, authority or organisation? If so, who are the partners and who has overall responsibility?	Adult Social Care will take overall responsibility for its savings.

Stage 2: Collecting evidence/ data

5. What evidence have you considered as part of this assessment?

Provide details of the information you have reviewed to determine the impact your proposal would have on the protected characteristics (equality groups).

We have consulted with the Charging Policy Group in July 2013 and used the following to support our decisions:

- Benchmarking across London and South West London
- In-house data analysis and performance indicators
- Demographic data.
- Information from the Office of National Statistics

Our view is that Telecare could be made more widely available and benefit more Adult Social customers if part of the Fairer Charging Contributions Policy.

Stage 3: Assessing impact and analysis

6. From the evidence you have considered, what areas of concern have you identified regarding the potential negative and positive impact on one or more protected characteristics (equality groups)?

Protected characteristic (equality group)	Tick which applies		Tick which applies		Reason Briefly explain what positive or negative impact has been identified
	Positive impact		Potential negative impact		
	Yes	No	Yes	No	
Age	*				We feel that we will reach a wider group of Adult Social Care customers
Disability	*				We feel that we will reach a wider group of Adult Social Care customers
Gender Reassignment				*	
Marriage and Civil Partnership				*	
Pregnancy and Maternity				*	
Race				*	
Religion/ belief				*	

Sex (Gender)				*	
Sexual orientation				*	
Socio-economic status				*	

7. If you have identified a negative impact, how do you plan to mitigate it?

n/a

Stage 4: Conclusion of the Equality Analysis

8. Which of the following statements best describe the outcome of the EA (Tick one box only)

Please refer to the guidance for carrying out Equality Impact Assessments is available on the intranet for further information about these outcomes and what they mean for your proposal

- Outcome 1** – The EA has not identified any potential for discrimination or negative impact and all opportunities to promote equality are being addressed. **No changes are required.**
- Outcome 2** – The EA has identified adjustments to remove negative impact or to better promote equality. **Actions you propose to take to do this should be included in the Action Plan.**
- Outcome 3** – The EA has identified some potential for negative impact or some missed opportunities to promote equality and it may not be possible to mitigate this fully. **If you propose to continue with proposals you must include the justification for this in Section 10 below, and include actions you propose to take to remove negative impact or to better promote equality in the Action Plan. You must ensure that your proposed action is in line with the PSED to have ‘due regard’ and you are advised to seek Legal Advice.**
- Outcome 4** – The EA shows actual or potential unlawful discrimination. **Stop and rethink your proposals.**

Stage 5: Improvement Action Pan

9. Equality Analysis Improvement Action Plan template – Making adjustments for negative impact

This action plan should be completed after the analysis and should outline action(s) to be taken to mitigate the potential negative impact identified (expanding on information provided in Section 7 above).

Negative impact/ gap in information identified in the Equality Analysis	Action required to mitigate	How will you know this is achieved? e.g. performance measure/ target)	By when	Existing or additional resources?	Lead Officer	Action added to divisional/ team plan?

Note that the full impact of the decision may only be known after the proposals have been implemented; therefore it is important the effective monitoring is in place to assess the impact.

Stage 6: Reporting outcomes

10. Summary of the equality analysis

This section can also be used in your decision making reports (CMT/Cabinet/etc) but you must also attach the assessment to the report, or provide a hyperlink

This Equality Analysis has resulted in an Outcome 1 Assessment
Positive key impacts – Will help MASCOT customers maintain their independence by enabling them to remain at home.

Stage 7: Sign off by Director/ Head of Service			
Assessment completed by	Sue Robertson	Signature:	Date:
Improvement action plan signed off by Director/ Head of Service	Andy Ottaway-Searle	Signature:	Date:

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Committee: Cabinet

Date: 9 March 2015

Agenda item: Customer Contact Programme Contract Award

Wards: All

Subject:

Lead officer: Caroline Holland, Director of Corporate Resources

Lead member: Cllr Mark Allison, Deputy Leader and Cabinet Member for Finance

Contact officer: Sophie Ellis, Assistant Director of Business Improvement

Recommendations:

- A) That Cabinet approves the award of a contract to Organisation A for the provision of:
- a. technology and associated services for the Customer Contact Programme, incorporating:
 - i. a refreshed website and content management system that facilitates an increase in online self-service transactions;
 - ii. a customer account facility that facilitates easier online, face to face and telephone interaction between customers and the Council;
 - iii. an upgraded contact management solution, including appropriate integration with existing line-of-business systems, to allow more customers to complete their transaction in a single visit and reduce avoidable contact.
 - b. a replacement electronic document management system and associated services.

The contract will commence on the 2 April 2015 and be for a period of three years with the option to extend (exercisable at the Council's sole discretion) by three further increments of 12 months each. The maximum possible contract period would be no more than six years.

- B) That Cabinet delegates authority to the Director of Corporate Services to procure additional services offered within the contract.
- C) That Cabinet delegates authority to the Director of Corporate Services to approve any final amendments to the Customer Contact contract as may be agreed during the Preferred Bidder stage.
- D) That Cabinet delegates to the council's Director of Corporate Services the decision to extend the contract by three further increments of 12 months each as detailed in recommendation A.

- E) That Cabinet approves the procurement of scanners in accordance with the council's Contract Standing Orders as part of the programme as set out in item 10.10.
 - F) That Cabinet approves the procurement of system integrators (APIs) in accordance with the council's Contract Standing Orders as part of the programme as set out in item 10.11.
-

1. Purpose of report

- 1.1 The purpose of this report is to seek the approval of Cabinet to award a contract for the provision of technology and associated services as part of the Customer Contact Programme.
- 1.2 The contract comprises two overarching elements:
 - a) Technology and associated services that enable the council to realise the aims of the **Customer Contact programme**, namely:
 - i. increase the potential for customers to request and pay for services through a refreshed website;
 - ii. allow customers to have their own online 'account' so they can track their queries and interactions in a single place; and
 - iii. permit staff to manage and process queries and requests quickly and easily.
 - b) A replacement for the Council's current **electronic document management system** (EDMS), SMART, and associated implementation and data migration services.
- 1.3 This report makes a recommendation that Cabinet agrees to the award of contract to Organisation A.

2. Executive summary

- 2.1 In July 2012 Cabinet approved a programme of work to pursue a channel shift strategy and implement and promote customer self-service.
- 2.2 In March 2013 Cabinet approved Merton's Customer Contact Strategy which articulates the council's intention to increase online access to services, encouraging customers to self-serve where possible, and reduce avoidable and repeat contact by responding to as many customer queries as possible at the first point of contact. This will not only improve customer experience, it will allow the organisation to operate more efficiently – critical in the face of a reducing financial envelope.

- 2.3 In February 2013 Cabinet approved a project to replace the council's existing electronic document management solution as the existing legacy system is not fit for purpose. The aim of the replacement system is to ensure the council meets its requirements under the Data Protection and Freedom of Information Acts, reduce the risk of data loss and misuse (and thus fines from the Information Commissioner), to support shared working and remote working initiatives by making data and documentation available virtually, and to automate business processes to increase efficiency.
- 2.4 It was agreed that both solutions should be jointly procured; the council's Procurement Board determined that a competitive dialogue procurement exercise would be appropriate given the complexity of the solution and the maturity of the market. This procurement procedure comprises of a number of stages whereby bidders put forward increasingly detailed submissions for evaluation following meetings (or 'dialogue') with the procuring agent to refine their understanding of the requirements. Bidders are deselected through the process at each stage.
- 2.5 Whilst this is a longer procurement process than others it ensures that the procuring agent benefits from market intelligence and expertise in the refinement and development of their requirements and for bidders to fully understand the outcomes that the procuring agent is looking to achieve.
- 2.6 The competitive dialogue process began with an advert in the Official Journal of the European Union in July 2013 and concluded with the submission of two final tenders on 10 February 2015. The evaluation at each stage is set out in this report.
- 2.7 Approval from Cabinet is sought to proceed to Preferred Bidder stage and award a three-year contract to Organisation A.
- 2.8 The contract will provide the council with a refreshed website that increases the potential for customers to request and pay for services online; the ability for customers to have an 'account' that allows them to track their queries and interactions in a single place online; and a contact management solution that allows staff to manage and process queries and requests quickly and easily and which is integrated with the relevant back office systems.
- 2.9 The contract will also introduce a replacement corporate electronic document management solution to be implemented in the service areas set out in item 4.6 of this report.
- 2.10 This is recognised as a significant investment for the council.
- 2.11 Research undertaken in 2014 into the preferences of Merton's service users indicates that Merton residents have a high propensity for online access and self-service and a preference for online transactions. The introduction of the technology incorporated in this contract, therefore, responds to the desire of many Merton residents to access services via the internet. For those who still wish to use other forms of contact, the ability to have their query dealt with at the first point of contact will improve their experience of public services.

2.12 Equally importantly, the technology and services this contract procures are important enablers for achieving the ambitions set out in service target operating models (TOMs) and underpin a number of savings already set out in the Medium Term Financial Strategy. These are set out in more detail in Appendix A of this report.

3. Background and context

3.1 The way in which Merton borough residents and service users want to access services is changing. People who routinely buy services and goods over the internet and by phone, and who communicate via SMS (text messaging), Facebook and Twitter increasingly expect the same sort of flexibility when accessing public services.

3.2 Our residents' survey demonstrates that Merton's residents already use a range of different access routes into council services and the preference for online access is increasing year-on-year. Younger residents in particular no longer want to come to council offices but instead prefer to use the web, e-mail and SMS when contacting the council.

3.3 People are also increasingly expecting public services to be delivered in an holistic way and that the council is proactive in interpreting their requirements and responding to them swiftly. When someone contacts the council they expect that there is a coherent and complete 'view' of them within the organisation – this is their experience of other organisations so why not the council? Customers do not want to speak to several different departments and service teams about the same issue, which means that services can no longer afford for their business systems and their relationships with customers to exist in isolation. For the sake of good customer experience, and effective and efficient services, a single, comprehensive view of customers across the organisation is needed.

3.4 In parallel with this, and in the context of a very difficult financial climate, local authorities in general are having to find ways to spend less money on service delivery and be more efficient – especially at the point of contact with the customer. Two effective ways to reduce the cost of services are firstly to resolve queries and requests from service users first time round (to reduce unnecessary officer time spent revisiting the same query); and secondly to help people do what they need to do quickly online or, if they have one, through their smartphone so they don't have to contact the council at all.

3.5 It is in this context that Cabinet approved, in July 2012, a programme of work to pursue a channel shift strategy and implement and promote self-service.

3.6 The report that Cabinet considered in 2012 and which proposed the programme of work included a recommendation to procure and implement a specific Customer Relationship Management product. A number of factors subsequently led officers to revisit this particular recommendation, having concluded that the stated product would not meet the council's needs.

- 3.7 The Overview and Scrutiny Commission met and considered the proposal shortly after the Cabinet decision and raised a number of concerns, including that there was insufficient justification for moving to the product proposed in the report and that it would be inappropriate to use a sole supplier without a formal tender exercise. The Commission also asked officers to ensure adequate attention was given to managing the cultural change that the programme of work entailed.
- 3.8 In response to the concerns raised by the Commission, the Procurement Board reviewed the proposed approach and, in October 2012, determined that a full OJEU procurement process would be required. Following a period of market engagement the procurement board agreed, in February 2013, that a competitive dialogue process should be undertaken, with a gateway review after an initial market engagement day in order to validate the approach.
- 3.9 This change in procurement approach required that the council articulate in much finer detail its requirements in terms of technology (i.e. produce a tender specification). This provided the council with a welcome opportunity to test the outcomes it wished to achieve through any new technical solution and avoid the inherent danger of being IT-solution-led in its approach to what is, in effect, a cultural and service transformation programme. One of the outputs of this work was the development of the Merton's Customer Contact Strategy, approved by Cabinet in March 2013.
- 3.10 The Customer Contact Strategy cements the council's approach to meeting the changing needs of residents and service users. It focuses on increasing online access to services, encouraging customers to self-serve where possible, and reducing avoidable and repeat contact by responding to as many customer queries as possible at the first point of contact. This will not only improve customer experience, it will allow the organisation to operate more efficiently – critical in the face of a reducing financial envelope.
- 3.11 The strategy provides a set of clear outcomes and it is these that underpin the requirements that the technology to be delivered through this contract will meet. As noted above, this incorporates a refreshed website that increases the potential for customers to request and pay for services online; the ability for customers to have an 'account' that allows them to track their queries and interactions in a single place online; and a contact management solution that allows staff to manage and process queries and requests quickly and easily and which is integrated with the relevant back office systems.
- 3.12 For clarity, Cabinet will want to note that the technology and services this contract will secure are critical to the realisation of its Customer Contact Strategy.

4. Electronic document management (EDM)

- 4.1 In February 2013 Cabinet approved a budget of £1.2m for a replacement electronic document management system (EDMS) and agreed that it would be procured as part of the Customer Contact competitive dialogue exercise. This was felt to offer a procurement route that would ensure best value to the authority.

- 4.2 The EDMS currently used by the council (SMART) fails to meet business need due to a number of chronic issues relating to functionality, compliance with relevant legislation and ease of use. Whilst the council has the option to upgrade to a later version, there is no indication that this would resolve these issues and the upgrade would be more costly than the replacement solution that is proposed as part of this contract award.
- 4.3 In making the decision to replace the current solution (rather than simply retire the existing solution and operate without any corporate EDMS) Cabinet will recall that they took account of the following business benefits a corporate EDMS brings to the authority:
- 4.3.1. More responsible ownership of information: reducing the risk of lost and mislaid documents – and the consequent likelihood of a fine from the Information Commissioner – and enabling the organisation to meet its requirements under the Data Protection and Freedom of Information Acts.
 - 4.3.2. Improved version control and automated document deletion/retention: reducing the level of duplicated documentation currently stored on the Councils servers and in storage facilities and office space (and costs associated with these).
 - 4.3.3. Automatic redaction functionality ensuring personal data is not displayed publicly and thereby protecting the council from a fine by the Information Commissioner.
 - 4.3.4. Improved e-mail management: making visible a wealth of council owned data that is currently stored in, what are effectively, stand-alone Outlook folders to which only individuals have ready access. This is a critical consideration in relation to data transparency and evidence-led business execution.
 - 4.3.5. Improved support for collaborative working and multi-location initiatives, such as shared services: by allowing documentation to be accessed from any physical location.
 - 4.3.6. Quicker identification, location and retrieval of documents, ensuring that the council makes full use of data as assets to enable sound business execution and decision making.
 - 4.3.7. Automated workflow management to speed up business processes and enable cost efficiencies to be realised.
- 4.4 Perhaps even more critically, however, the absence of document imaging and electronic storage would inhibit the ability of the council to transform its services and deliver the necessary efficiencies and financial savings that it needs to achieve in the future. An EDMS is a critical dependency to at least two of the council's highest priority improvement programmes:
- 4.4.1. Flexible and mobile or remote working: alongside the planned changes to equipment and working culture, it will be necessary to implement the technology needed to enable officers to access and update information necessary to their function from any location electronically.
 - 4.4.2. Customer Contact: enabling resolution to customer issues at the first point of contact will require quick and easy access to a range of documentation across a range of services. Migration to self-serve will demand that customers themselves also have similar access.

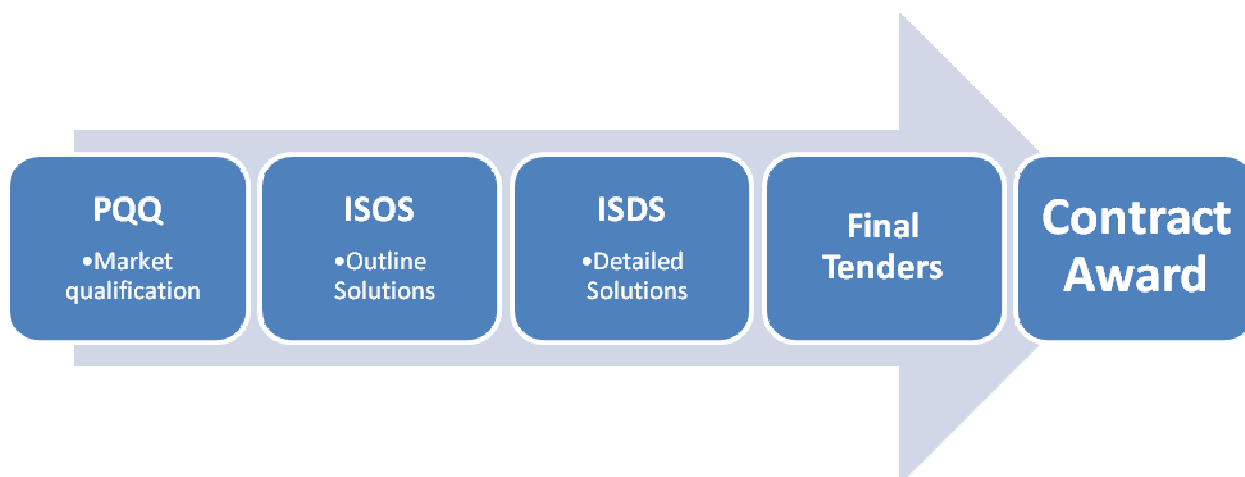
- 4.5 Finally, but significantly, the availability of EDMS is an important factor in the overarching transformation of the organisation as part of the Outstanding Council Programme. There is a clear commitment to a high standard of professionalism and the streamlining of work processes so that they are efficient and not unnecessarily bureaucratic. It is essential that officers are supported to make this transition and enabled to continue providing high quality services to customers in a constrained economic environment. It is also essential that the organisation is able to respond effectively to the changing needs of service users.
- 4.6 The proposed contract therefore incorporates the technology and associated services to implement a replacement EDMS (MS Sharepoint) that meets the council's requirements. The scope of implementation of the new solution under this contract will extend to the following service areas:
- All services currently using the existing SMART system:
 - HR
 - Pensions
 - Post Room
 - Transport and Infrastructure (i.e. Parking)
 - Ad hoc improvement projects(Note that SMART also holds CSF social care documents but these are to be migrated to the new social care information system).
 - Service areas that are within scope for implementation of the Customer Contact solution where this is required for self-service.
 - Housing
 - Planning
 - IT support and service teams
- 4.7 Wider implementation of the solution into other service areas will be undertaken on a case-by-case basis and based on robust business cases that demonstrate measurable financial and business benefits.

5. Procurement Process

- 5.1 As noted in item 3.8 above, the council's Procurement Board determined that the most appropriate procurement approach was competitive dialogue.
- 5.2 The tendering process was carried out strictly in accordance with the council's Contract Standing Orders and in accordance with the Public Contracts Regulations 2006 and the EU Procurement Directive 2004/18/EC, using the competitive dialogue procedure. This process focuses on intense engagement with providers, i.e. "dialogue". There is a policy of reducing the number of providers through the various stages of procurement.
- 5.3 Whilst this is a longer procurement process than others it provides a framework for the procuring organisation to enter into dialogue with a small number of providers who qualify to provide the relevant services. This enabled the council to develop their requirements iteratively in consultation with these specialist bidders, resulting in a solution that delivers well developed outcomes for the council and benefits from the expertise and experience of market experts.

5.4 The tender was managed via the council's web based Electronic Tendering System Pro-Contract. The exercise was carried out and supported throughout by the Corporate Procurement Team with additional external expert support and advice to ensure a robust approach that adopted good practice. Advice was also provided by the Council's Legal Services as needed.

5.5 The competitive dialogue process is comprised of the following stages:



5.6 **Stage 1 (Pre –Qualification Questionnaire):** Organisations who express an interest are invited to submit a completed Pre-Qualification Questionnaire and supporting documents. Evaluation selects an agreed number of candidates (the highest scoring) to proceed to the next stage.

5.7 **Stage 2 (Invitation to Submit Outline Solutions):** The organisations selected at stage 1 are invited to submit an outline proposal for the service which is subsequently evaluated against pre-determined method statement questions. There is no financial evaluation apart from a requirement that bidders confirm they are able to meet the specified affordability requirement. Evaluation selects an agreed number of candidates (the highest scoring) to proceed to the next stage.

5.8 **Stage 3 (Invitation to Submit Detailed Solutions):** The organisations selected at stage 2 are invited to submit detailed solutions, including financial information for evaluation. Evaluation selects an agreed number of candidates (the highest scoring) to proceed to the next stage.

5.9 **Stage 4 (Call for Final Tenders (CFT)):** This is the final stage of the process and is the point at which the Council receives tenders which are capable of acceptance. All legal, technical & financial matters have been dealt with.

5.10 **Stage 5 (Contract Award):** A preferred bidder is appointed to deliver the Services.

5.11 In between stages two and five, bidders within the process engage in dialogue with the procuring agent. This takes the form of pre-arranged, confidential meetings between individual bidders and the procuring agent to discuss both the requirements and the solutions that bidders are developing. The outcome is that the requirements are refined and clarified through these discussions (in the context of current market developments) and bidders' proposals are more responsive.

6. Evaluation of Customer Contact bids

6.1 See additional information in Confidential Appendix C.

7. Alternative Options

7.1 This procurement exercise followed an independent appraisal of options and technology review undertaken by BDO Ltd upon which the Cabinet report in July 2012 was based, and therefore the decision by Cabinet to pursue a channel shift and self-service strategy.

7.2 Feasible and cost-effective alternatives for the technology have been explored as part of the competitive dialogue procurement process, ensuring the council is able to identify the solution which best meets its requirements in terms of cost and quality.

7.3 Should Cabinet decide not to award the contract, the implications are as follows.

7.4 Firstly the ambitions of the Customer Strategy agreed by Cabinet in March 2013 could not be realised.

7.5 Secondly, the issues relating to the management of documents as set out in item 4 above would not be addressed, and this would have further implications for the Council's Flexible Working programme and associated savings, since this relies on the availability of data and documents for remote staff working. The council would need to explore an alternative document management solution as upgrading the current SMART solution would not meet its requirements.

7.6 Thirdly, the realisation of a number of service target operating models (TOM) are dependent upon the availability of the technology and services offered through this contract – in particular those in Environment and Regeneration and the customer facing elements of Corporate Services where channel shift is a significant element of the future operating mode. In other areas of the council, this relates more to mobile and flexible working, which will be enabled through mobile technology and electronic document management.

7.7 Finally, and linked to the previous point, the technology and services offered underpin the Medium Term Financial Strategy since a number of agreed savings are either directly or indirectly dependent upon the infrastructure it offers. For clarity Appendix A identifies some of these.

8. Consultation undertaken or proposed

- 8.1 Comprehensive research was undertaken in 2014 into customer interaction and preferences in Merton in order to determine the appetite amongst Merton residents and service users for self-service.
- 8.2 The results of this research indicates that Merton residents have a high propensity for online access and self-service, with 66% of the local population having a high likelihood to self-service which can be contrasted with only 5.9% stating they are actively non-receptive to the internet. The analysis pointed towards a preference for transactions online as opposed to face to face, with 24.3% of Merton's residents actively preferring the internet as a service channel.
- 8.3 The preferred bidder has undertaken within their tender to ensure that residents and end users continue to shape and influence the development of the technology.
- 8.4 The governance arrangements for the programme are designed to ensure that services across the organisation are fully engaged in the development of the approach.
- 8.5 Governance for the programme consists of a Programme Board (management and control focus) chaired by Caroline Holland, Corporate Services Director (programme sponsor) and including representation from each of the departments. The programme also reports monthly to the Merton 2015 board which draws its membership from across the organisation.
- 8.6 A draft ownership and communication plan has been developed and service and customer groups will be engaged as part of the programme using a phased approach to ensure any necessary change is well planned, communicated and embedded.
- 8.7 It may be necessary to undertake formal consultation to reflect specific changes to how services are delivered via specific access channels as the programme progresses and the programme will provide regular updates in this regard.
- 8.8 The Overview and Scrutiny Commission asked to be kept closely involved in the programme. Following the call-in of the original Cabinet decision on 25 July 2012, further update reports were presented to the Commission on 20 January 2013, 16 July 2013, 11 March 2014, 7 October 2014 and 29 January 2015; and the draft Customer Contact Strategy was presented to the Commission for consultation on 28 February 2013. The programme is next expected to report to the Commission on progress in March 2015.

9. Timetable

- 9.1 The timetable for contract signature (which is subject to democratic procedures) is as follows:

Cabinet Decision	9 th March 2015
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Call-In deadline	17 th March 2015
Notification of Preferred Bidder	17 th March 2015
End of 10 day stand still period	27 th March 2015
Contract Signature	2 nd April 2015

9.2 The preferred provider has submitted as part of their bid a detailed implementation plan and timetable, but this will need to be ratified as part of contract initiation and is therefore not included in this report.

10. Financial, resource and property implications

10.1 In July 2012 Cabinet awarded £1.589m investment costs to pursue channel shift funded from the Outstanding Council Programme, plus the following running costs that were built into the MTFS:

Annual Running Costs

	£
2012/13	39,750
2013/14	159,000
2014/15	205,250
2015/16 onwards	344,000

10.2 Cabinet should note that these costs were based on the purchase of the technology solution recommended within the report and prior to the decision to undertake a full competitive OJEU procurement process against more detailed requirements.

10.3 In February 2013 Cabinet awarded £1.3m from earmarked reserves for an electronic document management system to replace the existing solution and this has been built into the budget for this project.

10.4 Officers have been cautious in articulating anticipated savings against the Customer Contact programme; this is for two principal reasons.

10.5 Firstly, it has been difficult to state with certainty the nature and extent of savings until the nature of the chosen solution and scope of implementation was clear. Now that a detailed description of the solution is available and the pathfinder services in which it will be implemented defined, officers can begin to baseline the cost of contact in these service areas in order to both estimate and track realistic savings.

- 10.6 Secondly, and perhaps most importantly, the savings that the programme will enable will be delivered by the service areas that deploy the technology to bring about a shift in customer contact to online channels and thus realise staff efficiencies through a reduction in customer contact. This presents a real threat of double counting savings, that is to say that a single expected saving is counted within the budget twice: once for the relevant service area and once by the programme, but only realised once.
- 10.7 The programme is therefore better understood as an enabler that underpins a new way of operating across the authority that will allow individual service areas to realise efficiencies that enable them to achieve savings. The savings already agreed that will be enabled by the technology and associated services that this contract secures have been identified in Appendix A of this report. The appendix gives a sense of the extent to which the Council's Medium Term Financial Strategy is dependent upon this technology and the level of savings that would be put at risk should Cabinet decide not to award the contract.
- 10.8 The anticipated expenditure associated with both the contract award and associated internal implementation can be contained within the available budget.
- 10.9 The replacement of existing scanners was agreed by Cabinet as part of the EDMS project approved in February 2013. During the early stages of dialogue, bidders indicated that it would present better value for the council to secure these through a separate procurement exercise. This report therefore requests approval to undertake an appropriate procurement exercise to secure this equipment; the costs to be met from the agreed programme budget. Cabinet will want to note that as part of the contract, the preferred bidder has undertaken to integrate and support the scanning hardware to ensure there is alignment and any interdependencies are effectively managed.
- 10.10 In order to integrate both the customer contact and electronic document management elements of the solution to the council's existing back-office systems, system integrators – or APIs – will be required. An API (**application programming interface**) is code that allows two software programmes to communicate with each other. The preferred bidder has included within their Tender the cost of the API for their solution; however APIs will also be needed for the council's existing line-of-business systems. Through dialogue with bidders it has become apparent that it is most cost effective for the council to purchase these separately with existing suppliers, albeit with the support and advice of the preferred bidder. It is therefore a recommendation of this report that Cabinet authorise the purchase of APIs as required through appropriate procurement procedures; the costs to be met from the agreed programme budget.
- 10.11 A number of existing systems will be decommissioned by this project. The preferred bidder has undertaken to work with officers to maximise these in line with the council's IT Strategy. Based on an initial review, the systems that will be decommissioned currently attract annual costs in the region of £121.86k. This will be reviewed and confirmed during project inception.

- 10.12 There are likely to be further phases of roll out, especially in the case of EDRMS. These will need to be justified on a case by case basis.
- 10.13 Further information is contained within Confidential Appendix D.

11. Legal and Statutory Implications

- 11.1 The procurement process has been undertaken in accordance with the council's Contract Standing Orders, the council's Procurement Strategy, the Public Contracts Regulations 2006 and the EU Procurement Directive 2004/18/EC.
- 11.2 In accordance with Regulation 18(24) of the Public Contracts Regulations the council concluded dialogue on the basis that it had identified one or more solutions capable of meeting its needs. The Call for Final Tender ("CFT") was issued on 26 January 2015 and final tenders received on 10 February 2015. The council proceeded to assess the tenders received and identified the bidder who had submitted the most economically advantageous tender on the basis of the award criteria specified.
- 11.3 As stated in paragraph 6.30 of this report the council will issue an Alcatel letter to the unsuccessful Bidder to commence the Alcatel standstill period.
- 11.4 The legal submission was evaluated as very good.
- 11.5 The council is proceeding in line with Regulation 18(28) to clarify, where necessary, aspects of the preferred bidder's tender and confirm commitments contained in the tender.
- 11.6 Legal Services have been consulted and provided advice and assistance, where necessary, throughout the tendering process.
- 11.7 There are no TUPE implications relating to this service.

12. Risk Management and Health and Safety implications

- 12.1 All risks, assumptions, issues and dependencies are being actively managed as part of the programme.
- 12.2 There are not expected to be any Health and Safety implications.

13. Human rights, equalities and community cohesion implications

- 13.1 There are not expected to be any human rights issues from the programme.
- 13.2 An Equality Analysis has been undertaken for the programme and was presented to the Corporate Equalities Steering Group on 12 February. The analysis will be continually revisited and updated throughout the programme and especially at suitable decision points.

- 13.3 Community and other key stakeholder groups will continue to be engaged as part of the programme and any implications will be managed with the relevant officers in the Council.

Background Papers – the following documents have been relied on in drawing up this report but do not form part of the report

- The Council's Contract Standing Orders
- The Council's Procurement Strategy
- Merton Customer Contact Strategy
- Customer Contact Strategy report to Cabinet 11 March 2013
- Customer Contact Options Appraisal report to Cabinet 12 July 2012
- Electronic Document Management System report to Cabinet 18 February 2013
- Merton Customer Insight Programme Board presentation 9 January 2014 by Red Quadrant
- Customer Contact Programme Equalities Analysis
- Evaluation criteria

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15. Useful links

- 15.1 Merton Council's Web site: <http://www.merton.gov.uk>

15.2 Readers should note the terms of the legal information (disclaimer) regarding information on Merton Council's and third party linked websites.
<http://www.merton.gov.uk/legal.htm>

15.3 This disclaimer also applies to any links provided here.

16. Appendices

A. Agreed Savings Associated with Customer Contact/EDMS.

17. Confidential Appendices – the following documents are to be published with this report and form part of the report.

B. Organisation to whom it is recommended to award the contract

C. Evaluation of Customer Contact bids

D. Financial implications

Appendix A – Agreed Savings Associated with Customer Contact/EDMS

Ref	Description of Saving	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
2013/17 Budget					
CH04	Staffing restructure to deliver efficient processes, and building on planned shift of some customers to manage their own processes	148	0	100	
CS17	Reduction in paper invoices through scanning and deletion of scanning role		30		
CS35	Closure of cash office and resulting staff savings	30			
CS39	Implementation of Channel shift strategy and customer services review	30	30	30	
EN14	Mobile technology delivering efficiencies through reduced paperwork		100		
2014/17 Budget					
CS63	Reorganisation of systems development and support arrangements			88	74
2015/18 Budget					
CSD3	Rationalise IT support and delivery			86	
CSD5	Increased external bookings at Chaucer Centre			40	
CSD7	Restructure Post and Print Section			40	
CSD8	Restructure IT Service Delivery			40	
CSD13	Reduce Customer Access Points		15		
CSD14	Further automation to reduce need for Revenues Officer			30	
CSD36	Business Systems re-structure following rationalisation of IT systems Phase 1		10		
CSD39	Business Systems re-structure following rationalisation of IT systems Phase 2			50	
CSD41	Consolidation of Systems Support			20	
CSD43	Shared service for FoI and Information Governance			40	40

Ref	Description of Saving	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
E&R 3	Improve on-line Booking functions				16
E&R10	Back-office re-organisation			80	
E&r34	Alternative delivery model of Highways Inspection Team				30

