WARWICK DISTRICT COUNCIL	**Overview and Scrutiny Committee 11th December 2012**	**Agenda Item No. 7**

Title	**Learning from the Procurement of voluntary sector services Part A**
For further information about this report please contact	**Susie Drummond** Head of Corporate & Community Services Susie.drummond@warwickdc.gov.uk **Jane Coates** Localities and Communities Officer janecoates@warwickshire.gov.uk
Wards of the District directly affected	All wards
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No
Date & meeting when issue was last considered & relevant minute number	Overview and Scrutiny 13-DEC-11 – minute 69
Background Papers	Executive 14-DEC-11: Allocation of budget to deliver voluntary sector services in Warwick District, 2012-2015 – minute 103. Executive 10-AUG-11: Procurement of services from the voluntary and community sector, 2012-2015; minute 41.

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan?	No
Equality & Sustainability Impact Assessment Undertaken	Yes

Officer/Councillor Approval		
Officer Approval	**Date**	**Name**
Deputy Chief Executive	28/11/12	Andrew Jones
Head of Service	28/11/12	Susie Drummond
Monitoring Officer	28/11/12	Andrew Jones
Finance	28/11/12	Jenny Clayton
Portfolio Holder(s)	28/11/12	Cllr Moira-Ann Grainger
Consultation & Community Engagement		
Views of the cross-party Elected Members involved in the procurement process are incorporated. Successful and unsuccessful bidders have been encouraged to provide feedback on their experience of the process.		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1. SUMMARY

1.1 At its meeting on 13th December 2011, Overview and Scrutiny Committee requested that a review of the Voluntary and Community Sector (VCS) services procured for the period 1/4/12 to 31/3/15 be included in its Work Plan for December 2012. The purpose of this review is to "assess the process and monitor how the contracts were operating".

1.2 This report contains a number of recommendations for improving the process in subsequent rounds, and provides an update on the services being delivered (based on the performance monitoring information submitted by all groups for the period April to September 2012).

1.3 The report is presented in two parts. The Part A incorporates all of the information that is considered appropriate to place in the public domain in order to inform the decision of Members in relation to the recommendations

1.4 The Part B report, elsewhere on the Overview & Scrutiny agenda, includes those elements which it is considered necessary to deal with on a confidential basis in order to maintain commercial confidentiality. This information contained in the Part B report is considered to be the minimum necessary to meet such requirements, and that report contains no recommendations. In considering the recommendations set out in this report it will be necessary for Members to have regard to information contained in both the public domain (Part A) and the private and confidential (Part B) elements of the report in order to arrive at their conclusions.

2. RECOMMENDATIONS

2.1 That Overview and Scrutiny notes the comments made by the cross-party Elected Member Grant Review Panel on the process of tendering for voluntary sector services (Section 3.1)

2.2 That Overview and Scrutiny notes the recommendations made by the cross-party Elected Member Grant Review Panel to improve future processes of tendering for voluntary sector services (Section 3.2)

2.3 That Overview and Scrutiny notes both the progress of voluntary sector groups during the first six months of the new service level agreements, and issues for further consideration (Section 3.3) and Section 1 of the Part B report.

3. REASONS FOR THE RECOMMENDATIONS

3.1 Comments on the tendering process to procure voluntary sector groups to deliver services to the people of Warwick District.

3.1a The Grant Review Panel has continued to meet subsequent to the start of service delivery on 1st April 2012, and has considered in some detail how best to improve future procurement exercises. Briefly, the following issues have been commented upon:

- Timescales – 12 months was not an adequate time allowance to go from public consultation on service needs to commencement of service delivery;

- Reporting deadlines – timescales for submitting reports to Executive for approval did not always sit comfortably with the time needed to complete parts of the process, and led to pinch points, where a great deal of work needed to be done in a very short amount of time (such as scoring);
- Encouraging voluntary sector groups to bid – the tendering of these services was not wholly popular with the voluntary sector, although it is reflective of national trends. More needs to be done to help get the sector prepared for tenders as they become more prevalent;
- Consortium and partnership arrangements between voluntary sector groups – the timescale allowed during the tendering process was not enough to allow groups to properly consider whether a consortium or a partnership was the best way forward for them. Consortium arrangements in particular require a lot of thought, and this should be an area of work delivered by Warwickshire Community and Voluntary Action (WCAVA) between now and the next tendering process;
- Scoring bids – Elected Members would have preferred a higher level of training and support around how to score bids against the service specifications. This part of the process was very time consuming due to the number of bids submitted;
- Housing and Benefits and Revenue – it was noted that these departments, whose staff and clients were impacted by the procurement process, should have been more involved in the detailed design of service specifications;
- Sustainability – the Panel were concerned that the current financial climate places a greater risk on the voluntary sector in terms of its ability to survive cuts in the range of funding sources to which they can apply;
- Performance and impact – evidence received thus far suggests that voluntary groups as a whole are not quite ready to work as equal partners in identifying their own methods of demonstrating performance against outcomes. Some groups have been reluctant to suggest how they might best measure impact, and the Council's request for groups to lead their own setting of performance measures was not, on the whole, met;
- Communication with voluntary sector groups during delivery – the Grant Review Panel wishes to meet with those groups delivering services to maintain an ongoing dialogue and to get the opportunity to hear and respond to concerns;
- Planning for April 2015 – the need to gather information to support the next round of procurement for April 2015 is recognised.

3.2 **Recommendations of the cross-party Elected Member Grant Review Panel to improve future procurement of voluntary sector services.**

3.2a Where services to the community are proposed to change, adequate resources and time to consult with local people (12-week consultation period) should be a key feature within the timescale, and should seek to identify what services local people need.

3.2b Seek a solution to the timing constraints placed by WDC Executive reporting deadlines on the process of voluntary sector service procurement. This could be managed by delegating decision-making on service specifications and service level agreement awards by Executive to the cross-party Elected Member Grant Review Panel.

3.2c The Community Partnership Team should continue to work closely with Warwickshire Community and Voluntary Action and other key local

infrastructure organisations to identify ways of encouraging local groups to bid, and to offer training that increases the quality of bids.

3.2d Consider a range of training and support options to support help successful bidders that are now working in consortiums, to improve the effectiveness and efficiency of the consortium arrangements.

3.2e Ensure that all Elected Members receive training on procurement including the scoring of bids and the related legal requirements.

3.2f Future service specifications must be prepared in partnership with relevant Warwick District Council departments to ensure that they encompass the service requirements of those departments.

3.2g Retain and strengthen the cross-party Elected Member Grant Review Panel as the overseer and decision making body for voluntary sector funding.

3.2h Ensure that all service level agreements include a clause relating to organisational sustainability, to protect the Council against loss of funding should an organisation close.

3.3 **The progress of voluntary sector groups during the first six months of the new service level agreements, and issues for further consideration.**

3.3a The performance of the successful bidders during the first six months of the funded period has met expectations, and payments for period 2 have been authorised. Where completely 'new' projects were funded, the first six months has been used to establish staffing, facilities, and working mechanisms. It is expected that 'normal' reporting will commence for the period 1/10/12 to 31/3/13 (period 2).

3.3b Warwickshire Community and Voluntary Action (WCAVA) reports noteworthy increases in the following areas:

- Support and training for voluntary sector groups wishing to bid for public sector contracts
- Voluntary sector groups seeking funding for running costs (salaries, rent, utilities etc.) to keep them going. Running costs are currently excluded in the WDC small grants scheme, and the Grant Review Panel has considered whether the criteria for the fund should be changed to support this growing need
- The demand for volunteering places is very high, in part due to changes in the way Job Centre Plus works. Demand currently outstrips the supply of volunteering opportunities.
- Funding requests from individuals, particularly to support further and higher education costs. (These people cannot be supported by WCAVA.)

3.3c The WCAVA consortium, which develops the Council's engagement with communities of interest, has almost completed its recruitment of additional members, with the exception of a group or consortium linking to Lesbian, Gay, Bisexual and Transgendered people. The Community Partnership Team continues to work with WCAVA to develop the capacity of an organisation to meet this need, and it is hoped that by the end of the next reporting period this will have been addressed. A form has been created that can be used by voluntary sector groups to report issues, suggestions, or comments to the Council. These forms are forwarded by the Community Partnership Team for a

response by the relevant department, and the response is sent back to the original correspondent, thus ensuring that people feel 'heard'.

3.3d The Gap has been kept informed of Cultural Services' current tendering opportunity for voluntary sector groups to deliver sports and arts activities on the 'Forbes Estate and St. Mary's Land' part of Warwick West ward. The current tender makes it a condition of application that the successful bidder must work with The Gap to avoid duplication and increase the benefit to the residents of Warwick West Ward. The Community Partnership Team has supported the tendering process for sports and arts activities to enact some of the learning from the voluntary sector services tendering exercise.

3.3e The partnership delivering the 'debt and financial welfare advice' service is meeting its targets, and exceeding them in engaging with residents of the three target wards. Coventry and Warwickshire Cooperative Development Agency are due to start running their first school bank, at Newburgh Primary School, Warwick West ward, in November 2012.

4. POLICY FRAMEWORK

4.1 There are no changes to the policies listed below:

- Development Plan Documents
- Fit for the Future
- Food Law Enforcement Service Plan
- The plan and strategy which comprise the Housing Investment Programme

4.2 **Fit for the future** – the procurement of voluntary sector services from 2012-2015 based on the cross-cutting themes of the Warwick District Sustainable Community Strategy supports the vision of making Warwick district a great place to live, work and visit. By consulting with local residents and community groups we have worked to ensure that the procured services are the ones that people need. By awarding 3-years' funding, successful bidders have benefited from a degree of funding stability and the Council has shown its support for the valuable work that voluntary sector groups do.

5. BUDGETARY FRAMEWORK

5.1 The total revenue budget for the funding of the voluntary and community sector is £280,000 for 2011-12. This is the same amount as is in the Community Partnership team budgets. This is also reflected in the Medium Term Financial Strategy for 2012-13 as this assumes a nil inflation increase for the next Financial Year. The latest financial projections are based upon a nil inflationary increase the following year (2013-14, year 3 of the SLAs).

5.2 The process for procuring future services from the voluntary and community sector is in accordance with the Council's Code of Contract Practice & the Procurement Strategy. This is being used to ensure best value and the right service for the community.

6. ALTERNATIVE OPTION(S) CONSIDERED

6.1 As Overview & Scrutiny requested the report, no alternative options have been considered.

7. BACKGROUND

7.1 The Executive asked the then Social Overview and Scrutiny Committee to carry out a review of grants to voluntary organisations in 2003/4. As a result of this request a small sub-group known as the Members' Grant Review Panel was formed to carry out the review. The panel is made up of the following Elected Members:

- Cllr Moira-Ann Grainger (Chair and new panel member since May 2011)
- Cllr Les Caborn (Chair until May 2011)
- Cllr Ann Blacklock
- Cllr Judy Falp
- Cllr Alan Wilkinson (replaced Cllr Misan McFarland in March 2011)
- Cllr Michael Coker

7.2 The panel made a recommendation to defer the review of the 'large grants' to allow at least one year's performance monitoring to be considered. The recommendation was supported and as a result a new panel was formed on 2005/6 to review the 'large grants'.

7.3 The panel also recommended that the grants were awarded on the basis of 3 year Service Level Agreements as from April 2008 with reviews in time for the financial year 2011/12. There is no inflation provision during the 3 year period.

7.4 The scope of the review was broadened to include the full range of grants to the voluntary and community sector including the community bidding pots that the Council provides. A report outlining the Grant Review Panel's recommendations on the future allocation of all funding to the voluntary and community sector was approved by Executive in January 2011. It was agreed that the procurement of services from the voluntary and community sector would be aligned to the cross-cutting themes of the Warwick District Sustainable Community Strategy.

7.5 A consultation process has allowed the Grant Review Panel to meet with voluntary and community sector groups to hear their views, and also to engage members of the public in expressing their views on what services they would like and how they would like to receive them.

7.6 The Grant Review Panel has continued to meet regularly to oversee the development of the procurement package contained in this report, and to steer the subsequent stages of scoring, contract awards, and monitoring arrangements.

7.7 The Grants Review Panel has carried out a number of Equality Impact Assessments on the relevant stages of the process