

 Warwick District Council Executive 11th February 2015		Agenda Item No. <div style="font-size: 2em; text-align: center;">8</div>
Title		Allocation of budget to deliver voluntary sector services in Warwick District, 2015 - 2018
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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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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 and meeting when issue was last considered and relevant minute number		Executive 11-Jun-14 – Procurement of Services from the Voluntary and Community Sector 2015 - 2018 – minute
Background Papers		Executive 10-Jul-13 – Procurement of Services from the Voluntary and Community Sector – summary of year 1
Contrary to the policy framework:		No
Contrary to the budgetary framework:		No
Key Decision?		Yes
Included within the Forward Plan? (If yes include reference number)		Yes: Ref 585
Equality & Sustainability Impact Assessment Undertaken		Yes
Attached at Appendix 2		
Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	09.01.15	Andrew Jones
Head of Service	09.01.15	Richard Hall
CMT	19.01.15	Chris Elliott, Bill Hunt
Section 151 Officer	15.01.15	Mike Snow
Monitoring Officer	15.01.15	Andrew Jones
Finance	15.01.15	Jenny Clayton/Susan Simmonds
Portfolio Holder(s)	21.01.15	Cllr Michael Coker
Consultation & Community Engagement		
Consultation with members of the public and voluntary sector organisations was undertaken at earlier stages of the process, and detailed in previous Executive reports.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 This report explains the reasons for amending the process for the evaluation and scoring of bids submitted for the delivery of voluntary and community sector services (2015 – 2018), following an open tendering process during September and October 2014.
- 1.2 The report also seeks to clarify the role of the Elected Member Grant Review Panel in relation to the future commissioning and monitoring of voluntary and community sector service contracts.
- 1.3 The report references guidance on Members' involvement with outside bodies following changes in the Code of Conduct.
- 1.4 The report provides information on the successful bidders and the allocation of the commissioning budget for 2015 - 2018.
- 1.5 Further information about the scoring process is also provided, along with a summary of the next steps for both successful and unsuccessful bidders, and service providers currently delivering service level agreements whose contracts will end on 31st March 2015.

2. **Recommendations**

- 2.1 That Executive notes the reasons for the changes to the 2015-2018 voluntary sector services tender evaluation and scoring process.
- 2.2 That Executive agrees the revised decision making process as described in paragraphs 3.6 to 3.12 in respect of voluntary and community sector service commissioning whereby future tenders are evaluated by an officer panel prior to being submitted to Deputy Chief Executive (AJ) in consultation with the Chair of the Member Grant Review Panel for final approval.
- 2.3 The Executive to note that a briefing note will be provided for all Councillors, after the election, on their work on outside bodies (when they are formally appointed as a District Councillor and those where they end up involved because they are a Councillor).
- 2.4 That Executive notes the outcomes of the tender award process for the delivery of voluntary and community sector services in Warwick District for 2015 – 2018 commencing 1st April 2015 as detailed in Appendix 1.
- 2.5 That Executive notes that as a result of the bid from the current service provider being unsuccessful, and in accordance with Procurement policy, Lot 3 - Targeted Service Delivery in Crown Ward will be put through a full, open procurement process again in April with a contract commencement date of 1st July 2015.

3. **Reasons for Recommendations**

- 3.1 When the tender process for voluntary and community sector services first took place in 2011, the Elected Member Grant Review Panel evaluated and scored the bids, supported and advised by officers from the Community Partnership Team and Procurement Services.

- 3.2 A list of each Member's declarations of interest was kept throughout the scoring sessions. Where Members had an interest in a bidding organisation the level of interest was assessed to decide whether or not they should score a bid.
- 3.3 During the recent tendering process (September & October 2014) for the new 3 year contracts, concerns were raised by a number of current contract deliverers and new potential bidders regarding potential conflicts of interest of Members in the voluntary and community sector commissioning process.
- 3.4 Procurement officers also voiced similar concerns with the Council's Monitoring Officer (Deputy Chief Executive (AJ)). Nearly all other tenders the Council receives are evaluated by officers and, if necessary, awards are ultimately made by Executive. In this case, whilst technically the Executive has delegated the decision to an officer (Deputy Chief Executive), it is highly unlikely that the decision would be contrary to the Member Grant Review Panel's recommendations. Hence there was a distinct anomaly in the Council's tendering process that needed to be addressed.
- 3.5 As a consequence, Members of the Panel were once again asked to complete a 'Conflict of Interest Declaration'. Having reviewed their submissions, the Council's Monitoring Officer decided that there were clear conflicts of interest which would require at least one Member to take no part in the tender evaluation process. The Monitoring Officer was concerned that the decision making process could leave the Council open to legal challenge due to allegations of bias.
- 3.6 The Monitoring Officer met with the Elected Member Grant Review Panel on 5 November 2014 and the next steps were agreed and implemented:
- Those Members with a clear conflict of interest withdraw from the Panel
 - Those Members who have withdrawn are substituted by a Member from the same Group who does not have a conflict of interest – a "Conflict of Interest Declaration" would need to be completed by the Substitute Member
 - Officers (Naomi Nortey, Liz Young, Jenny Murray and Jon Dawson) will score the bids. These evaluations are intended as an aid to impartial and defensible decision-making, however, it remains open to the Panel to add its own advice to the Deputy Chief Executive (AJ) which may differ from the officer scores provided that it is supported by sound reasoning
 - The outcome of the officer evaluations and Member deliberations are then formally reported to Deputy Chief Executive (AJ) to make the ultimate decision (as agreed by Executive) in consultation with the Member Grant Panel Chairman
- 3.7 Although Members agreed to this process they were most unhappy with the turn of events. They unanimously felt as though their role had been compromised and it called into question the very purpose behind them becoming Councillors.
- 3.8 Whilst being very sympathetic to the Councillors' position, the clear advice from the Council's Monitoring Officer, having taken advice from Warwickshire County Council Legal Services, was that we are in an increasingly litigious environment, where challenges are frequently made to contract awards and any potential deficit in process is seized upon for challenge.
- 3.9 Therefore to avoid the risk of challenge it is prudent to have officers evaluate the tenders as is the case in nearly all other Council tender opportunities so there can be no argument of bias or lack of suitable training.

- 3.10 This is not to say that there is not an essential role for Councillors in the overall contract process. It is the responsibility of Councillors to work with officers to determine what it is they want to see delivered in their communities i.e. a service specification. Councillors are best positioned to understand the needs and wants of a community and officers rely on this expertise.
- 3.11 Consequently the Elected Member Grant Review Panel, to be renamed the **VCS Commissioning Panel** from hereon in, will continue to meet regularly to carry out the following key functions:
- Oversee and input into the performance monitoring and review of the current and new contracts
 - Input into the development of future voluntary and community sector commissioning priorities for 2018 and beyond
- 3.12 Going forward it is therefore recommended that the scoring and evaluation process is undertaken by officers with final approval given by the Deputy Chief Executive (AJ) in consultation with the Chair of the VCS Commissioning Panel.
- 3.13 Recommendation 2.3 is included because it has already been recognised that this guidance needs to be provided for Councillors regarding their work with outside bodies taking into consideration the current code of conduct and any potential revisions to this by the Council as well as relevant legislation.
4. The Council received 9 bids in total, 6 of which were current contract deliverers. 2 of the current contract deliverers, Coventry and Warwickshire Cooperative Development Agency and Warwickshire Welfare Rights, did not re-tender. The Contract Awards for 2015 - 2018 are listed in Appendix 1.
- 4.1 Applicants were asked to submit their proposals to deliver 7 service specifications issued by Warwick District Council. The service specifications were outcomes- focused to enable bidders a considerable amount of flexibility in their proposals.
- 4.2 The tendering process for the VCS contracts was done completely online for the first time through the Coventry and Warwickshire JETS system. All bidders were given the opportunity to attend training sessions on the use of JETS in the lead up to the tendering process and these were well attended by a wide range of VCS organisations.
- 4.3 The officer scoring panel comprised the Manager of the Community Partnership Team, the Lead Officer for VCS Commissioning, a Procurement Officer and the Finance and Admin Team Manager.
- 4.4 The role of the scoring panel was to:
- To use the scoring matrix within the Warwick District Council procurement framework as part of the evaluation process (Appendix 2)
 - To focus the scoring on the service specification for each of the Delivery Programmes and Lots
 - To flag up inconsistencies and/or short-falls between bids and the service specification for each of the delivery programmes
 - To seek input from the VCS Commissioning Panel on the final results of the evaluation prior to approval and sign off by the Deputy Chief Executive (AJ) (who was granted delegated authority by this committee in June 2014) in consultation with the Chair of the Elected Member Grant Review Panel, Councillor Moira-Ann Grainger.

- 4.5 Tenders have been awarded to successful bidders, and meetings are scheduled to take place between January and March to negotiate service level agreements and specific outcomes with each provider.
- 4.6 The Crown Routes Consortium was unsuccessful in re-tendering for Lot 3 Targeted Service Delivery in Crown Ward. Hybrid Arts was the second organisation who tendered for this Lot and they were also unsuccessful. In accordance with Procurement Policy the Council is now required to go out to open tender again for this Lot only with a delayed start date of 1st October 2015.
- 4.7 Discussions are taking place with Crown Routes to ascertain what support they will need leading up to the submission of the second tender. It is proposed that their current contract is extended for 6 months whereby they will continue to provide the existing level of service provision. This is clearly a preferable option to terminating the contract on 31st March which would have a detrimental impact on local people and groups accessing and depending on the services and activities they provide as well as those employed to deliver those services.
- 4.8 The procurement process will continue to follow a strict timetable to ensure that service delivery by voluntary and community sector groups will commence on 1st April 2015.

The new contracts will be monitored for the first time using the Coventry and Warwickshire JETS online procurement system.

The timetable is as follows:

January to March 2015	<ul style="list-style-type: none"> Negotiate monitoring arrangements and service delivery details with successful bidders Finalise any consortia arrangements Meet with Crown Routes to discuss implications and next steps
1 April 2015	Service delivery commences
1 April 2015	Tendering window opens for bidding for Lot 3 Targeted Service Delivery in Crown Ward only
30 April 2015	Tendering deadline for Lot 3 bid submissions
May 2015	Lot 3 evaluation
1 June 2015	Award of contract for Lot 3
1 July 2015	Commencement of contract for Lot 3
First 6 months of delivery	Schedule Elected Member/ officer visits to all groups for the year
Month 7 of delivery	Submission of first round of monitoring information (and then half-yearly at 6 month intervals)
31 March 2018	End date of all contracts
30 June 2019	Final evaluation reports received from all contracted service deliverers

5. **Policy Framework**

5.1 **Policy Framework** – 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

5.2 **Fit for the Future** – Continued delivery of the voluntary and community sector services procured will support the vision of making Warwick District a great place to live work and visit as set out in the refreshed

The framework and commissioning priorities for delivery of voluntary and community sector services are closely aligned with FFF and will be a key mechanism that enables the Council to deploy its resources where it can have the most influence and be of maximum benefit to communities.

6. **Budgetary Framework**

6.1 The total revenue budget for the funding of the voluntary and community sector is £329,700 for 2014/15 and £330,000 for 2015/16. This level of funding over a three year period (1.4.15 to 31.3.18) would total £990,000. The contracts awarded to date can be accommodated within this.

6.2 The process for procuring services from the voluntary and community sector is in accordance with the Council's Code of Conduct Practice & the Procurement Practice. This is being used to ensure best value.

6.3 Applications for funding for emergency requests from voluntary and community sector groups who are not under a contract agreement, (and therefore unbudgeted for) to deliver services on behalf of the Council would have to be financed from an alternative resource. Should the Service Area be unable to find savings to cover these costs, this would be considered in line with the Code of Financial Practice.

7. **Risks**

7.1 Possible risks associated with the delivery of the VCS contracts are: The contractor fails to deliver on the requirements of the agreed service level agreement The contractor fails to get other expected sources of income to sustain their organization A dip in service due to staff turnover part way through the contract

7.2 These risks will be mitigated through robust contract performance management via the JETS online system and through regular dialogue and meetings with each of the contractors.

8. **Alternative Options Considered**

8.1 There are no alternative options to be considered

**Contract Awards to Deliver Voluntary and Community Sector Services in
Warwick District 2015 – 2018: Total Yearly Budget = £330,000**

Lots	Type of Service	Service Provider	Yearly Value of Contract
Lot 1. Third Sector Support	Ensuring that local third sector organisations get the advice, support and representation they need to improve the circumstances of the people and communities they work with	Warwickshire Community and Voluntary Action (WCAVA)	£55,000
Lot 2. Services in Targeted Geographic Areas – Brunswick	To target those people living in disadvantaged areas within Brunswick, Crown, West Warwick and Sydenham who are feeling socially excluded due to lack of resources, rights, services and the inability to participate in the normal relationships and activities available to the majority of people in a community, whether those are of an economic, social or cultural nature	Brunswick Healthy Living Centre	£50,000
Lot 3. Services in Targeted Geographic Areas – Crown		Not Awarded	£30,000
Lot 4. Services in Targeted Geographic Areas – West Warwick		The Gap Warwick Percy Estate Community Projects Ltd.	£35,000
Lot 5. Services in Targeted Geographic Areas – Sydenham		Sydni Sydenham Neighbourhood Initiatives	£20,000
Lot 6. Financial Inclusion	To minimise the likelihood and impact of financial exclusion in Warwick District through the	Warwick District Citizens Advice Bureau	£100,000

Lots	Type of Service	Service Provider	Yearly Value of Contract
	provision of advice, support and services at the point of need in a coordinated and collaborative manner		
Lot 7. Delivery of Employment Clubs	To manage the three Employment Clubs currently operating from the Brunswick Healthy Living Centre, Lillington Youth Centre and The Gap Community Centre	Brunswick Healthy Living Centre	£40,000

APPENDIX

The process used to score bids

The table below shows:

- the percentage allocated to the 4 areas comprising the bid
- responsibility for scoring the area
- method used to calculate the score

Percentage of total score		Area	Responsible for scoring	Method
5%		Policies and procedures	Officers	<ol style="list-style-type: none"> 1. Submission of specified policies, procedures and insurance cover requested during the bid process. 2. Submitted documentation ticked off against checklist and checked for 'fit for purpose' 3. Scores totalled and rounded to the nearest 0.5%.
10%		References	Officers	<ol style="list-style-type: none"> 1. Submission of 2 professional and 1 service user referees requested during the bid process. 2. Standardised reference templates used for each category of referee. 3. References collected by phone and email. 4. Scores totalled, aggregated, and rounded to the nearest 0.5%
25%	12.5%	Assessment of financial stability	Officers	<ol style="list-style-type: none"> 1. Submission of 3 years' management accounts (or less for new groups) requested during the bid process. 2. Accounts analysed, taking note of the levels of profit, loss, and reserves. 3. Score allocated by WDC Finance.
	12.5%	Value for money	Officers	<ol style="list-style-type: none"> 1. Breakdown of costs of bid against the service to be delivered requested during the bid process. 2. Individual assessment made of the value for money of each bid (Q4.12). 3. Panel scores totalled, aggregated, and rounded to the nearest 0.5%
60%		Service description	Officers	<ol style="list-style-type: none"> 1. Information on service to be delivered requested during the bid process (Q4.1 to 4.14 excluding 4.12). 2. Individual assessment made of each question against a pre-set scoring matrix (below). 3. Panel scores totalled, aggregated, and rounded to the nearest 0.5%

EVALUATION MATRIX

Criteria	POOR Score 0	WEAK Score 1-3	AVERAGE Score 4-6	EXCELLENT Score 7-10
Cost (funding amount per annum for all 3 years, section 4, question 4.12) including an appraisal of financial stability (Section 3 question C.2) 25%	No information on cost supplied. Financial information from the lead organisation not submitted.	Cost proposal received but lacking key information in respect of expenditure and partner organisations and the 3 year plans. And/or: Financial information on organisation of concern.	Cost proposal received including a breakdown of all expenditure and partner organisations but further clarification required in some areas. And/or the 3 year plan. And/or: Financial information on organisation requiring further clarification.	Full cost proposal received including a breakdown of all expenditure and partner organisations. Information on how the funds will be used to deliver the services. Clear 3 year plan for the funding/expenditure showing detail for all services. Financial information on organisation acceptable.
References (Section 3 question D.4) 10%	No references given.	References are less than positive.	Majority of references are positive but some concerns noted.	All references have positive feedback and would recommend the organisation.
Policies and Procedures (Section 3 part E) 5%	No policies and procedures provided.	Policies and procedures information provided in part.	Policies and procedures information provided but further clarification required.	Policies and procedures information provided in full.
Proposal (Section 4) 60%	<p>Each question carries a different weighting. The weighting is shown in bold under the question number.</p> <p>The Council has chosen these weightings according to the importance of each question.</p>			
4.1 2%	No information received or response not connected to the question.	Some information on intended users provided but fundamental information missing or unclear.	Information on intended users provided in the main but some points of clarification still required.	Intended users clearly defined.
4.3 3%	No information received or response not connected to the question.	Partial information on resources and delivery of the proposed service.	Information on the delivery of the service and resource usage in part but more in depth	Clear and detailed information on the delivery of the service. Including resources (staff, volunteers,

		Information is insufficient or raises concerns about the ability to deliver the proposal.	information needed to assess in full.	premises, frequencies, milestones etc).
4.4 3%	No information received or response not connected to the question.	Some information on geographical location and distance/time to be travelled by service users provided, but fundamental information missing or unclear.	Information on geographical location and distance/time to be travelled by service users provided in the main, but some points of clarification still required.	Information on geographical location and distance/time to be travelled by service users clearly defined.
4.5 3%	No information received or response not connected to the question.	Partial information on how the needs of service users will be met and assessed but fundamentally lacking detail. Long term strategies for change unclear or omitted.	Information on how the needs of service users will be met and assessed submitted in part. Some further information required around this and/or how the services will develop and change.	In depth information on how the needs of service users will be met and assessed. Proposals for change mechanism and re-assessment of the services included.
4.6 3%	No information received or response not connected to the question.	Some information submitted but of insufficient detail to allow a full assessment of the monitoring methods. Some information on how user satisfaction will be measured. Method for measurement is weak, not focussed and/ lacking in	Proposals for monitoring submitted but requiring clarification and/or not supported by documentation. Measures for user satisfaction available in part but require further information in terms of use of the information and strategy for action.	Proposed monitoring methods are clear. Templates, pro-forma, mock documents submitted to demonstrate the mechanisms to be used. Measures for user satisfaction clear and robust. Information gathering and appropriate action planned. Template documentation submitted.

		strategy for action.		
4.7 3%	No information received or response not connected to the question.	Methods for marketing and publicity sketchy and unclear. No strategy demonstrated.	Methods for marketing and publicity available. Further clarification required around choice of media, costs, times and /or ideas, in order to fully assess the question.	Methods for publicity and marketing clear and relevant to the target groups. Frequency and budget allocation shown. Ideas included in the submission to support this question.
4.8 20%	No information received or response not connected to the question.	Weak and/or sketchy proposals for how the proposed service will meet the Service Outlines.	Proposals for how the proposed service will meet the Service Outlines received but lacking in detail and requiring further clarification.	Clear and detailed proposals for how the proposed service will meet the Service Outlines.
4.9 4%	No information received or response not connected to the question.	Some details submitted of how the proposal supports WDC strategies. Poor knowledge of Council priorities demonstrated. Key information omitted.	Some details submitted of how the proposal supports WDC strategies. Knowledge of Council priorities partially demonstrated. Further clarification required.	Details submitted of how the proposal supports WDC strategies. Excellent knowledge of Council priorities demonstrated.
4.10 7%	No information received or response not connected to the question.	Partial and incomplete information on complementing and supplementing services. No understanding of existing service provisions.	Information on complementing and supplementing existing services provided. An understanding of existing service provisions but no in any	Information on complementing and supplementing existing services clear. Excellent demonstration of understanding of existing service provisions.

			depth and/or poor understanding of the linkages.	
4.11 8%	No information received or response not connected to the question.	Poor information on stakeholder engagement and cross organisation linkages in the design of the services to be offered. Evidence lacking or only available at a very sketchy level.	Some evidence of stakeholder engagement and cross organisation linkages in the design of the services to be offered. However, further clarification required.	Detailed evidence of stakeholder engagement and cross organisation linkages in the design of the services to be offered.
4.13 2%	No information received or response not connected to the question.	Partial information on additional funding, income, assumptions and projections. All or some of which require further clarification.	Information on additional funding and income but further clarification required. Assumptions and projections included but further clarification required.	Comprehensive information on additional funding and income. All assumptions and projections clearly demonstrated.
4.14 2%	No information received or response not connected to the question.	Partial information on additional resources. Significant clarification required in order to fully understand the resources and how they will be used	Information on resources provided but detail in terms of how and when they will be used is missing or not specific and requires clarification.	Full information on the resources to be used including when and how they will be used.