



## **PORTFOLIO HOLDER DECISION NOTICE**

### **INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR ECONOMIC DEVELOPMENT**

### **TOPIC – PROCUREMENT OF VOLUNTARY SECTOR SUPPORT SERVICE FOR THE WINCHESTER DISTRICT**

### **PROCEDURAL INFORMATION**

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Chief Operating Officer, the Chief Executive and the Chief Finance Officer are consulted together with Chairman and Vice Chairman of The Overview and Scrutiny Committee and any other relevant overview and scrutiny committee. In addition, all Members are notified.

If five or more Members from those informed so request, the Leader may require the matter to be referred to Cabinet for determination.

### **Contact Officers:**

**Case Officer:** Eloise Appleby, Assistant Director (Economy and Communities), tel 01962 848 181, email: eappleby@winchester.gov.uk

**Democratic Services Officer:** Nancy Graham, Tel: 01962 848 235, email: ngraham@winchester.gov.uk

### **SUMMARY**

- At its December meeting, Cabinet approved the decision to cease its traditional core funding arrangement to Winchester Area Community Action (<http://www.winchester.gov.uk/assets/files/18901/CAB2522.pdf> refers), the Council for the Voluntary Sector (CVS) for the Winchester District.
- In line with the Council's ongoing examination of service delivery options, it was agreed that there may be other, innovative and cost-effective models for providing support to the voluntary and community sector, and that this potential should be tested with the commissioning of a procured service over a one year pilot period.
- A commissioning specification has now been drafted, in preparation for advertising the procurement opportunity on the South East Business Portal

and through local networks, in line with the Council's usual practice. It focuses on three outcomes, as follows:

- a) *Voluntary and not-for-profit organisations across the Winchester District – and especially those representing minority groups identified in Equalities Law - feel supported, well networked and easily able to access the advice and information they most need;*
  - b) *The voluntary and community sector is resilient and ambitious, and evolving confidently to meet future challenges and opportunities.*
  - c) *Voluntary and not-for-profit organisations embrace the priorities of the Winchester District Community Strategy and are keen to respond to these through their own work.*
- The style of the specification is in keeping with previous commissions, the presentation of which has been complimented by those individuals and organisations bidding for work with the Council. It can be found, along with the proposed evaluation criteria, at Appendix 1.
  - Because a fixed fee is offered for the contract, the evaluation criteria focus on the quality of the service. Consequently, the scoring varies from the Council's usual 60:40 price:quality evaluation weighting.
  - A six week bidding window is built into the evaluation process set out within the Specification, in order to allow time for voluntary and community organisations to develop bids whilst still meeting a start date for the new service of early April 2014.
  - Specific elements have been incorporated into the bidding and evaluation process to mitigate the potential equalities impacts associated with a change of approach in providing this service. These are in line with the recommendations of the validation panel reviewing the equalities impact assessment which informed the Cabinet report in December.
  - Discussions have been held with the County Council concerning the opportunity for a joint commissioning process. This has not been possible for a number of practical reasons, including the timescale for commissioning and the role of the existing organisation as the service provider for the Community Transport service. The County Council's position is that it will consider joint commissioning within twelve months in light of the outcomes of the pilot.
  - The December report proposed that the City Council maintain its core funding for WACA for the first quarter of 2014/15 to allow for a transition period, should WACA not be successful in winning the new contract. This was based on the understanding that WACA would not be in receipt of any other core funding. In view of the County Council's position, it is now proposed that the amount of Core Funding paid by the City Council to WACA during the first

quarter be reduced by £15,000 and this be diverted to the commissioning budget to increase the attractiveness of the procurement opportunity.

- Following discussions earlier this month with the County Council, officers propose that there is good potential to work with the County and the CVS network in reviewing support for volunteering. It is proposed, therefore, to let a commission for £50,000 for the voluntary sector support service which was the subject of extensive consultation over the last two years, and to reserve the remaining £15,000 for a separate commission – potentially with the County Council later in the year – to support volunteering as a key to employment and wellbeing. This is in line with the consultants' recommendations to the Council.
- The procured service would be for a one year period, to provide an opportunity later in the year to develop a joint commission for subsequent years with the County Council and based on the early experience of the chosen service delivery partner.
- The testing of the market for a voluntary sector support service supports the Council's wish to be efficient and effective, and will generate savings over the longer term.

## **DECISION**

- a) That authority be delegated to the Assistant Director (Economy and Communities) to make any minor amendments to the Specification in consultation with the Portfolio Holder for Economic Development prior to it being issued;
- b) That subject to a) above, approval be given for the invitation of bids for provision of a Voluntary Sector Support Service, incorporating the requirements of the Specification at Appendix 1 to the Decision Notice, by advertising on the South East Business Portal with immediate effect.
- c) That, subject to final confirmation of the budget in February, the WACA grant allocation and the procurement budget be revised as proposed in the Resources section of this Notice in view of the change in the co-commissioning timetable with the County Council.
- d) That the evaluation criteria set out in the Specification be approved and authority be delegated to the Assistant Director (Economy and Communities), in consultation with the Portfolio Holder for Economic Development, to evaluate bids and award the commission.

**REASON FOR THE DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

Members have already approved the decision to move to a procured service, and the service would be shaped by the research work that has been carried out over the last two financial years.

The decision to review the funding allocations linked to this commission has been prompted by the decision by the County not to co-commission with the City Council at this stage.

The aim is to provide a realistic budget with which to procure a sector support service and also – at a later stage – a focussed volunteering support service which has been identified by local voluntary organisations as essential.

**RESOURCE IMPLICATIONS:**

Subject to approval of the Council's budget in February and in line with the recommendations of the December Cabinet paper (CAB2522), Table 1 shows the amounts identified in the 2014/15 grants allocations.

The County Council's annual Core Funding for WACA is in the order of £50,000, with around £18,500 ring-fenced for volunteering initiatives. Next year will see a reduction of 2% on grants, reducing the totals to £49,000 and £18,100 respectively – leaving around £31,000 in non ring-fenced Core Funding. Over the guaranteed six month period, therefore, the County's Core Funding would amount to around £15,000.

Consequently, it is proposed that £15,000 be used to fund the procured services, bringing the 2014/15 budget to £65,000 (and remaining at £50,000 per annum from 2015/16 onwards). The remaining £6,125 would then be allocated to WACA as originally proposed, in the event that it did not secure the commission.

**TABLE 1**

	2013/14	2014/15		2015/16
		per	Updated	
	£	CAB2522	Proposal	£
		£	£	
Current Core Grant	84,500			
Proposed contracts value (WCC element)		50,000	65,000	50,000
(Maximum) first quarter transition payment to WACA		21,125	6,125	0
Rental Income (Colebrook Street)	-24,320	0		0
	60,180	71,125	71,125	50,000
Net Increase / (Decrease) in cost		10,945	10,945	-10,180

## **CONSULTATION UNDERTAKEN ON THE DECISION**

Extensive consultation was undertaken prior to the December Cabinet report. It is set out as background documentation on item 16 of the agenda, which can be found at [www.winchester.gov.uk/meetings/details/1189](http://www.winchester.gov.uk/meetings/details/1189)

## **FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE**

### Notes for clarification, added in response to Member queries

*Measuring progress/success:* two or three voluntary organisations will be invited to participate in the evaluation process, and on a steering group for the commission over the longer term. They will have the chance to ensure that the performance indicators chosen are 'real' measures which have value in their eyes. Due to the change to a one year contract, some caution will need to be exercised about what is possible during that period, so the focus will be more on what can be learnt from this commission in preparation for a longer term future contract. Offices have some similar experience of this with the Arts Advisory Commission which is in its third year.

*Measuring value:* officers will look for value through the evaluation process and will continue to monitor this through feedback from the organisations that are supported by the new service, and through the agreed performance indicators for the contract.

*Impact on nascent voluntary organisations during any transition period:* a transition period has been allowed for in the way that Hampshire County Council and Winchester City Council core funding has been allocated for three months from April if WACA is not awarded the contract. Council officers are also committed to supporting WACA – and its dependent services – through any transition.

*Impact on smaller equalities groups:* much of the past year has been dedicated to working with the Council's Equalities Advisor on determining potential impacts from a change to commissioning. A full Impact Assessment was carried out (December Cabinet report refers), including focus groups and interviews which specifically targeted organisations working with vulnerable groups in the District. The verification group also built some clear equalities requirements into the Specification and the evaluation criteria. The commissioned service is tasked particularly with working with the smaller organisations (as opposed to the bigger ones that have 'head office' type support), and it is hoped that the evaluation panel will include a representation from an organisation which works with a minority group too.

*Suitability of bidders:* the Council is committed to widening its supplier base, both from the not-for-profit sector and for local businesses. 'Value for money' is taken into account at evaluation, however, and this would include operational costs, extra benefits or features included in the bid, ease of access etc.

**DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED**

None.

**DISPENSATION GRANTED BY THE STANDARDS COMMITTEE**

None.

**Approved by: (signature)**

**Date of Decision 28/1/14**

**Councillor Rob Humby – Portfolio Holder for Economic Development**

## Appendix 1: Draft Specification

# Winchester City Council Commission

## Specification V3

### Voluntary Sector Support Service for the Winchester District

**Summary:** Winchester City Council celebrates the role of the voluntary sector in delivering the outcomes of the Winchester District Community Strategy. It seeks to build the capacity, resilience, reach and ambition of the sector, in order to make the most effective contribution to improving the quality of life for everyone in our District. As such, the City Council is piloting the introduction of a new, commissioned support service for a two year period from 1 April 2014.

**Deadline for bids:** Bids from appropriate organisations and individuals should be submitted by **noon on 12 March 2014**, in accordance with the requirements set out in section 3 of this specification.

#### 1) Background Information

##### 1.1 Introduction

In line with its established commissioning approach, Winchester City Council continuously reviews the services it provides and looks for opportunities to identify different ways of working which are likely to deliver innovative, effective and cost-effective responses to local needs.

Winchester City Council has delivered work for many years through a variety of partner organisations, businesses and community groups. However, some of these arrangements were put in place under very different economic, funding and political regimes. They have evolved over time, but while some are regularly re-examined and tested (eg waste management contracts), others may not have been.

This specification seeks to test a long-standing arrangement to provide support services for the voluntary and community sector in the Winchester District by changing the commissioning model from core funding to more commercial procurement.

##### 1.2 The Policy Context

The revised Winchester District Community Strategy (2010 to 2020) sets out four overarching outcome areas in which the Council is committed to delivering real change for local people. These are: Active Communities, a Prosperous Economy and a High Quality Environment, alongside its own ambition to be an Efficient and Effective Council.

Each commission issued by the City Council is designed to support the delivery of one or more of the outcomes of the Community Strategy, and – more specifically – at least one of the objectives identified as a means to do this.

Because voluntary and not-for-profit organisations are engaged in activities which make significant impact in all of the outcome areas, this commission will effectively underpin the delivery of the whole Community Strategy.

Service level agreements with local partner organisations reflect the breadth of work across these outcome areas, such as;

- helping people into paid employment through volunteering and personal development opportunities (economic prosperity);
- providing practical support and advice for communities wishing to become greener and more sustainable (high quality environment);
- supporting older people to live at home longer and more independently (active communities)
- delivering front line services to vulnerable people which add value to the Council's own work, such as money advice for those on benefits, shelter for the homeless and support for carers (efficient and effective).

There is a real desire to develop the sector in a way that helps it to thrive and grow, evidenced by the year-on-year commitment to protecting community grants budgets. At a time when public spending is under severe pressure, this needs to be done in a way that is

- a) cost-effective
- b) tailored to current and emerging needs of the sector
- c) targeted
- d) accessible
- e) responsive to the particular needs of minority groups, and
- f) pro-active.

### 1.3 The Voluntary Sector in the Winchester District

In reaching the decision to move to a procured service, much has been written about the sector.

***A comprehensive set of documents can be found in Section 5 Background Documents, and any bid should be based on a thorough examination of this information.***

The June Cabinet report included in Section 5 incorporates a brief overview of the sector at paragraph 2 is therefore not replicated here.

### 1.4 Supporting the Voluntary Sector

Again, this information can be found in Section 5, notably:

- a) an overview of the existing matrix of support provided to the sector in sections 3 and 4 of the June Cabinet report;
- b) the county-wide survey of sector support needs carried out in 2012;



- c) the report of consultants commissioned by the City Council to explore in more depth what these needs were, how they might change over time and what kind of service would best meet them (hyperlinked as a background document at the end of the December Cabinet report).

The Council has for many years provided core funding to Winchester Area Community Action (WACA) which is the Council for Voluntary Services (CVS) for the Winchester District. It provides support and development for the sector, and it has a good record of using the core funding it receives from both the City and the County Councils by bidding for other grants, contracts and income-generating opportunities which align with its charitable objects.

There are CVS organisations in each of the Hampshire Districts, although their line-up of services vary in range and scope. In addition, Hampshire County Council provides core funding for Community Action Hampshire which is the Rural Community Council for Hampshire and also has a role supporting county-wide organisations.

Recent years have seen numerous discussions about the need for so many CVS organisations in Hampshire, all supported by the County Council and each supported by its own local district council. From May to July 2012, the County co-ordinated a survey of voluntary organisations to build a picture of the support provided now and the provision required in future.

At the same time, Winchester City Council began to consider the potential for different ways of providing support to the sector. In line with the Council's own approach to service redesign, this would potentially see Council funding supporting a good service that would support a more focussed set of sector needs, and potentially a more targeted group of voluntary organisations, without necessarily aiming to provide a 'gold-plated service' for all-comers.

There is further support provided by a number of City Council functions, including the Funding and Support Officer who oversees the grants programmes; the community development team, the Council's commissioned arts advisor, the sports and physical activity team and -the externally-funded [LEADER](#) team which delivers Defra's rural funding programme for the area. Hampshire County Council also provides advice and support directly to community associations and village halls, and indirectly to rural areas through Community Action Hampshire, countywide support to village hall and rural areas.

The City Council feels that the commissioning of a procured service would help to drive change – not only in terms of the look and feel of the service, but in terms of the way it is integrated with the local authorities and indeed with local CVS organisations. A pilot based on the Winchester District may in future be mirrored by other districts, and/or expanded over time as a pan-district service.

## 2) The Commission

### 2.1 The Brief

The Council seeks to commission by broad outcomes, progress towards which can be measured using a thoughtful and succinct list of performance indicators. This commission seeks to achieve the following outcomes:

- a) *Voluntary and not-for-profit organisations across the Winchester District – and especially those representing minority groups identified in Equalities Law - feel supported, well networked and easily able to access the advice and information they most need;***
- b) *The voluntary and community sector is resilient and ambitious, and evolving confidently to meet future challenges and opportunities.***
- c) *Voluntary and not-for-profit organisations embrace the priorities of the Winchester District Community Strategy and are keen to respond to these through their own work.***

This brief sets out the nature of the commission, and provides further details about submitting a bid, the evaluation process and contractual arrangements.

Bids are invited from any individual or organisation in the private, public or voluntary sector with the appropriate expertise and capacity to deliver the commissioned work, as outlined below.

### 2.2. Core Programmes

The Council's core funding is considered to underpin three main strands of work under the current grant agreement with WACA as follows:

- a) sector support and development (networking, training, advice, information etc);
- b) volunteering, and
- c) advocacy for voluntary and community organisations (sector voice).

This service is aimed primarily at the first of these strands. However, there is an obvious overlap between all three and the Council will expect the successful bidder to integrate these areas of work wherever possible. This should be done in a way that avoids duplication with other existing agencies.

The Council will expect the successful bidder to draw on local experience and speak on behalf of the sector in informing local policy, projects etc.

The Council's interests in volunteering are multiple, but for the sake of this commission are focussed on volunteering as a route to employment. .

### 2.2 Expectations and Assumptions

Whilst the Council is interested in hearing from a range of potential providers, all of whom may approach this commission in different ways, there are some key expectations:

- a) this commission provides a trial period of two financial years to test new approaches, and an end-of-commission report will help to shape future provision in this area;
- b) potential providers could helpfully harness existing skills and capacity within the sector – including volunteer power - in delivering this commission, in line with the Council's Active Communities outcome;
- c) the Council is keen to encourage the continued development of voluntary sector support services in Hampshire, and would expect the successful bidder to play an active part in this.

### 2.3 Anticipated Characteristics of the Successful Bidder

The Council has no preconceived view about the type of provider suitable for this commission, but expects the work to be completed to a high professional standard. To this end, it is anticipated that the successful bidder will have knowledge, skills and capacity in *some or all* of the following areas:

- an excellent and current knowledge of and influence in the voluntary sector
- a broad understanding of current supporting sector development opportunities and trends
- a thorough knowledge of volunteering practice and protocols
- access to relevant statistics/evidence to provide a sound evidence base for the project
- excellent communications and interpersonal skills
- coaching, training and/or teaching skills
- thorough knowledge of equalities and safeguarding (law and practice)
- excellent organisational skills
- expertise in the delivery of web based solutions and supporting organisations with specific communications needs
- a track record of innovation in similar contexts
- evidenced success in applying for a range of funds

### 2.4 Fee

The maximum fee for this commission is £50,000 pa (exc VAT), payable in quarters. The first tranche will be issued on inception, following receipt of a purchase order from the Council.

Other tranches will be paid according to agreed milestones, including the production of a short mid-term project report. This should include early lessons learnt and recommendations for the future. This will help to shape the Council's decisions about future commissioning of the service.

The final payment will be available on satisfactory completion of the contract, including the production of an updated project report with full PIs for the year. There are no additional travel or other expenses, unless the Council specifically chooses to fund – on a one-off basis - goods or works (eg printing, venue hire) that are deemed to be required to fulfil the brief effectively and which are agreed in writing in advance.

It is unlikely that this contract will be extended in its current form. It is hoped that the County Council will co-commission the service from 2015/16, which will require a full review of the specification and potentially a full tendering exercise during 2014/15.

### 2.5 Monitoring Arrangements

The successful provider will attend a contract inception meeting to agree milestones and performance indicators. This will be followed by quarterly contract monitoring meetings, led by Winchester City Council's Assistant Director (Economy and Communities).

Short, emailed updates will also be required each month by the Assistant Director. These should also be based on a set of pre-agreed performance indicators which demonstrate direction of travel in delivering the outcome for the commission specified above.

See 2.4 above in relation to project summary report.

## 3) Making a Bid

### 3.1 Eligibility to Bid

This commission has been advertised on the South East Business Portal and via local and regional networks. Bids may be submitted by any organisation (private, public, voluntary sector) which considers itself able to fulfil the brief effectively, or indeed by an individual on the same basis. Where individuals or organisations feel they would benefit from working together to deliver this project, the Council will accept bids from a combination of partners. However, the contract will only be with one lead individual or organisation and this lead partner must be made clear on the submission.

### 3.2 Timing

<b>Action</b>	<b>Deadline (all dates 2014)</b>
Bids to be submitted	Noon on Wednesday 12 March
Evaluation panel meeting	Wednesday 19 March
Presentations to the panel by shortlisted bidders	Thursday 27 March
Inception meeting	2pm on Thursday 3 April

A shortlist of 3 bidders (maximum 4) will be invited to make presentations to the panel. Please note these dates in your diary as they cannot be changed to accommodate individual bidders. The panel will expect to meet the personnel who will actually be delivering the commission at interview.

### 3.3 Content of a Bid

There is no set format for a bid, but you must include the following information:

- Full description of the organisation(s) including governance arrangements, or – for individuals – a current cv
- A clear description of around 3 A4 pages of how you propose to deliver the commission, describing the expertise available for delivery and a set of possible performance indicators relevant to the commission outcomes set out in 2.1 above. *(Additional pages may actually diminish your chances to secure this commission, so please do not submit in your standard company format at the expense of the information we most require, and please avoid jargons or acronyms that may not be understood by all the panel.)*
- For lead organisations, a copy of the most recent annual accounts, latest management accounts and an up to date balance sheet
- A break down of costs (exc VAT); please also state whether you are VAT-registered
- A simple project plan and risk assessment
- A general statement explaining how you meet the evaluation criteria for the commission set out below
- Two referees for work of a relevant or comparable nature

### 3.4 Evaluation Process and Criteria

*Process:* All bids will be evaluated in the following sequence:

- Shortlisting by a panel, which will include the Assistant Director (Economy and Communities); representatives from two or three local voluntary organisations, and the Council's Funding and Development Officer;
- Checks on shortlisted organisations by the Councils Chief Finance Officer;
- Take-up of references;
- Presentations by up to three individuals/organisations to the panel;
- Second interviews may be arranged if required.

**Please note** that if it is considered by the Council's Chief Finance Officer that there are serious financial weaknesses or risks associated with any bid, the Council is free to reject that bid at any stage in the process regardless of its overall evaluation score. However, this would not be done without reference to the bidder and a request, where appropriate, for further information.

*Criteria:* The evaluation criteria which will be applied to all bids are as follows:

- a. the ability and capacity of the bidder(s) to deliver the commission, based on:
  - approach to delivery of the commission (methodology, proposed PIs, familiarity with issues presented in the Background Reading section of this specification)
  - relevant skills and experience (including skills mix)

- response to the brief, and to the commissioning approach more broadly (understanding of issues and opportunities)  
*max 35 marks*
- b. recognition of and provision for the support needs of minority organisations as identified by Equalities Law (including safeguarding and equalities qualifications/policies, proposed access arrangements)  
*max 20 marks*
- c. the capacity of the bidder(s) to deliver the commission, combined with the requirement for any lead-in time and the credibility of the method statement proposed  
*max 15 marks*
- d. the stability and reliability of the bidder (track record, financial status)  
*max 10 marks*
- e. value for money of the bid (day rates, enhancements, match funding etc)  
*max 20 marks*

### 3.5 Contracting Arrangements

Following the selection of the preferred bidder, a follow-up meeting may be arranged for further information or clarification. Assuming this is satisfactory, there will be an inception meeting at which contractual details can be finalised, performance indicators agreed and project milestones defined.

A service order will then be issued, and must be accepted within two weeks in order for the contract to begin.

## 4) Making a Bid

Please submit your bid electronically by noon on Wednesday 12 March to:  
Eloise Appleby  
Assistant Director (Economy and Communities)  
Winchester City Council

at [eappleby@winchester.gov.uk](mailto:eappleby@winchester.gov.uk)

Please mark the email 'Voluntary Sector Support Commission - confidential' and do not exceed a file size of 5MB. Eloise can be reached by phone on 01962 848 181, or you can leave messages with support officer Rosie Clayton on 01962 848 269 (mornings only).

For an informal discussion about the commission, contact Eloise as above.

## 5) Background Documents:

- Winchester District Community Strategy 2010 – 2020 (revised):  
<http://www.winchester.gov.uk/assets/files/18898/CAB2533.pdf>
- A series of Informal Scrutiny Group meetings at the City Council considered the topic of Commissioning and the Voluntary Sector: the final report can be found at  
[www.winchester.gov.uk/assets/files/18747/OS034.pdf](http://www.winchester.gov.uk/assets/files/18747/OS034.pdf)
- A full copy of the report on the Hampshire-wide survey of voluntary sector support needs quoted in this report can be found at:  
<http://documents.hants.gov.uk/community-support/SupportneedsoftheVoluntaryandcommunitySector-SurveyResults2012724.doc>
- A copy of the report of the consultants engaged to explore local support needs in the Winchester District can be found at:  
<http://www.winchester.gov.uk/assets/files/18903/CAB2522-BackgroundDoc1.pdf>
- Cabinet papers leading to the Council's decision to procure the support service:
  - a) Support for the Voluntary Sector, 26 June 2013  
<http://www.winchester.gov.uk/assets/files/17584/CAB2470.pdf>
  - b) Funding for Voluntary Sector Support, 4 December 2013  
<http://www.winchester.gov.uk/assets/files/18901/CAB2522.pdf>
- Map of the Winchester District -  
<http://www.winchester.gov.uk/about/ward-map/>

*Ends*