


11 March 2020

Report of	Chief Operating Officer	Author	Dan Gascoyne 
Title	Final Report of the Alternative Methods of Service Delivery Task and Finish Group		
Wards affected	Not applicable		

1. Executive Summary

- 1.1 This report sets out the conclusions of the Task and Finish Group following the work it has undertaken between 2018 and 2020 in respect of achieving greater Social Value from procurement and from exploring options for mutual and cooperative services. It makes a number of recommendations to Cabinet and recommends that the work to continue reviewing options for alternative service delivery continues through new governance arrangements, such as a Policy Development Panel, in the 2020/21 Municipal Year.

2. Recommended Decision

To recommend that Cabinet:

- 2.1 Actively promotes community transport options as part of Colchester Borough Council's contribution to the development of the Colchester Transport Strategy.
- 2.2 Agrees that proposals for community transport should be community led, in response to unmet local transport needs, to ensure they are well-used and viable. Cabinet agrees to review the lessons learnt from community transport services that have been promoted by the Council previously e.g. Greenstead Hopper and Stanway Hopper projects, to inform future policy development. Any future schemes should complement, not compete with, existing commercial services, including opportunities to promote the use of low emissions vehicles.
- 2.3 The Council should seek to work with Community 360, Essex County Council and community groups to identify opportunities to secure greater cooperative or mutual governance arrangements alongside securing opportunities to provide additional rural and urban community transport services in accordance with the new strategic priorities.
- 2.4 Notes the progress being made to integrate Social Value into the Council's procurement process.
- 2.5 Amends the Council's Contract Procedure Rules to reflect Social Value commitments, for example in clarifying expectations about social value proportionate to different contract values/types; tender evaluation criteria; and supporting Small and Medium-size Enterprises.
- 2.6 Looks at opportunities to share summary information about tender opportunities arising from the Council's pipeline of major projects, at an early stage to help build capacity amongst local and smaller organisations who may hope to supply the Council.
- 2.7 Tasks a Policy Development Panel (or equivalent) with looking at ongoing opportunities for alternative models of service delivery, including mutuals and cooperatives, with a

specific review of the grounds maintenance contract in good time prior to contract renewal.

- 2.8 Agrees that the Alternative Methods of Service Delivery Task and Finish Group has concluded its work in line with its original terms of reference.

3. Reason for Recommended Decision

- 3.1 At its meeting on 13 March 2019, Cabinet agreed a number of recommendations on Social Value from the Alternative Methods of Service Delivery Group and agreed that the group would continue its work by further exploring the options for mutual and cooperative services and returning to a future Cabinet meeting with recommendations about alternative service delivery models.
- 3.2 This paper provides an update on the work of the Group during 2019/20 and provides a series of further recommendations that will enable Cabinet to discharge that commitment.

4. Alternative Options

- 4.1 No alternative options are proposed

5. Background Information

- 5.1 At its meeting on 6 June 2018, Cabinet approved the establishment of the Alternative methods of Service Delivery Task and Finish Group:
- To explore alternative methods of service delivery and contracting of services. To provide alternative business plan options for delivery through mutual or cooperative services.
 - The Group may use other Local Authority examples to examine models of service delivery and carry out peer reviews of services where appropriate.
- 5.2 The current membership of the Group is Councillors Martyn Warnes (Chair), David King, Cyril Liddy, Sue Lissimore, Sam McCarthy, Beverley Oxford and Dennis Willetts. Three meetings have taken place to date this municipal year.
- 5.3 The initial scoping stages identified two elements to focus on:
- The Council's approach to delivering Social Value through procurement (2018/19)
 - Options for alternative service delivery to be explored as part of the Council's overall approach to service improvement (2019/20)

This would enable the Council to deliver community benefits through its procurement processes in the short term, and then consider the potential in the longer term for alternative service delivery models, such as public sector mutual or cooperatives.

6. Task and Finish Group Activity in 2019/20

Social Value

- 6.1 During 2018/19 the Group agreed it would concentrate its work on issues relating to Social Value and how the Council could use its procurement processes to maximise the Social Value it obtained. Recommendations were made to Cabinet in February 2019.
- 6.2 Procurement projects in the last year have yielded a variety of Social Value outcomes including donations to local charities, several contracts that make use of local suppliers and with local employment, as well as delivering waste management and carbon reduction initiatives.

- 6.3 During 2019/20 the Council has commissioned the Social Value Portal to develop the Colchester version of the TOMs (Themes, Outcomes, Measures) and how these should be prioritised, building on the recommendations of the Task and Finish Group.
- 6.4 Given the declaration of a Climate Emergency in July 2019, and additional significant focus on developing New Strategic Priorities during this year, the Colchester TOMs are being designed to reflect this evolving context. The national SVP TOMs framework has also been reviewed during 2019 and the 2020 version is due to be published at the end of January.
- 6.5 An officer workshop, run by the SVP, is planned on 24 March to make recommendations for the Colchester version of the TOMS framework (using the 2020 version which was published by the Social Value Portal at the end of January). This will allow the Council to record and monitor delivery of the social value offers made through bid processes more systematically and in line with Council priorities.
- 6.6 Working alongside CBH and CCHL to ensure they also engage in and adopt the approach for Council contracts.
- 6.7 CBH currently use the Wellbeing Valuation tool from the Housing Associations' Charitable Trust (HACT) to measure their social impact on tenants and residents living in our social housing stock. It is anticipated that the work with the SVP will strengthen their approach to include the social value benefits derived from third party contracts.
- 6.8 As part of the roll-out of the Colchester TOMs, it is envisaged that workshops will be held for both internal and external stakeholders and suppliers.
- 6.9 The Social Value Portal will begin to support individual procurement projects to ensure bidders provide their SV offer as part of their bid submission and evaluation, in response to a clear set of Colchester TOMs.
- 6.10 Following contract award, the SVP will be providing contract management support to ensure that the winning bidder delivers on their social value offer. This will include reporting back to CBC on the outcomes being delivered and (should a particular supplier be unable to deliver in the manner submitted) how their offer can be amended to deliver the same value of benefit

Mutual and Cooperatives

- 6.11 For the 2019/20 Municipal Year Cabinet agreed that the Group continued its work by 'further exploring the options for mutual and co-operative services and returning to a future Cabinet meeting with recommendations about alternative service delivery models.'
- 6.12 At the Group's meeting in July, a paper reviewing the opportunities generally for cooperatives / mutuals was received with additional information about contracts of significant value (which might present opportunities to consider new models of service delivery). The Group considered that the only Council contract with potential was the grounds maintenance contract which runs until 2023 with options to extend to 2026.
- 6.13 This was in the context of the Cabinet decision as part of its 2020/21 budget strategy: 'There has been a widespread and effective programme of service reviews in recent years with new working arrangements and management structures in place. To allow these new ways of working to stabilise, a repeat of this process is not considered

appropriate to deliver the required savings. Savings and income proposals will therefore be delivered through specific opportunities and business cases'

- 6.14 Other public services were considered, with a request to look at Community Transport which can be either demand responsive (like the DaRT service in north west Essex/Dengie peninsula) or can be a scheduled service, along fixed routes not served by conventional bus services.
- 6.15 At the October 2019 meeting, evidence was received from Community 360 about their not-for-profit community transport provision dedicated to helping those who cannot access public transportation. Community 360 also provides the EAG hopper service from Eight Ash Green / Fordham Heath into Tollgate on Monday mornings which is self-funded by members.
- 6.16 The Group suggested that, going forward, further information would need to be sought, looking at options for how a community transport scheme could be delivered through an alternative method of service delivery.

7. Task and Finish Group Conclusions

Social Value

- 7.1 Contract Procedure Rules (CPRs) govern the procurement approach utilised by the Council and Colchester Borough Homes. Based on the additional work undertaken during 2019/20, it is recommended that the Council's CPRs be amended to reflect the authority's clearly stated commitment and approach to delivering Social Value. This could include greater clarity about the degrees of social value expected, proportionate to different contract values and types and specifying the use of tender evaluation criteria weightings. Work is already underway to refine the CPRs given changes required from the recent procurement audit and other implications arising from the UK leaving the EU.
- 7.2 For some smaller, local, enterprises (SMEs) it may be that they lack the financial scale or technical requirements to successfully tender for larger Council contracts. The time required to respond to Invitations to Tender (ITTs) may make it difficult for SMEs, cooperative or charitable organisations to enter into consortia arrangements that could help them exploit such opportunities. The Council should consider sharing information, earlier, for example about forthcoming tender opportunities likely to arise from the pipeline of major projects, to help build capacity amongst local and smaller organisations hoping to supply the Council.

Mutual and Cooperatives

- 7.3 The presentation from Community 360 at the Group's October meeting demonstrated that, for community transport options to be successful, they should be community led and in response to unmet local transport needs, to ensure they are well-used and viable. Community Transport plays a vital role in promoting independence amongst older and more vulnerable people, helping them to access essential healthcare and shopping facilities. Some community transport schemes have been supported by the Council previously, for example through the use of locality budgets and section 106 funding, including the Greenstead Hopper and Stanway Hopper projects.

Lessons should be learnt from these experiences, and to inform future policy development, before any additional services are put forward for investment. Any new services would need to complement but not compete with existing commercial services. Opportunities to promote the use of low emissions vehicles should be actively explored in line with the Council's commitment to tackle climate change and improve air quality.

- 7.4 Where community transport is identified as a potentially viable solution, the Council should seek to work with Community 360, ECC and community groups to identify and secure opportunities for greater cooperative or mutual governance arrangements.
- 7.5 The Colchester Transport Strategy is currently in development, with the following draft objectives:
- Providing Attractive and Healthy Environments
 - Improving Sustainable Transport Modes
 - Supporting Economic Growth and Connectivity
 - Improve safety and the perception of safety
 - Managing Demand
 - Managing Assets

Community transport options may form part of the solution to a number of these objectives and should be actively considered as part of Colchester Borough Council's contribution to the development of the Colchester Transport Strategy.

- 7.6 The work of the task and finish group has begun to review several opportunities for alternative methods of service delivery, with certain services 'out of scope' at this stage and others likely to be relevant for consideration at later dates.

As discussed at the 5 February 2020 Scrutiny Panel meeting, the investigation into alternative service delivery options should remain under consideration going forward, but not necessarily led by a dedicated Task and Finish Group. From the 2020/21 Municipal Year onwards, a Policy Development Panel (or equivalent) should be tasked with looking at opportunities for alternative models of service delivery, including mutuals and cooperatives, with a specific review of the grounds maintenance contract prior to contract renewal

- 7.7 This report constitutes the final report of the Alternative Methods of Service Delivery Task and Finish Group.

8. Equality, Diversity and Human Rights implications

- 8.1 The relevant Equality Impact Assessment for the Council's Procurement Strategy can be found [here](#) or via: www.colchester.gov.uk > Your Council > How the Council Works > Equality and Diversity > Equality Impact Assessments > Commercial Services >

9. Strategic Plan References

- 9.1 Social Value has strong links to the vision, themes and objectives of the [Strategic Plan 2018-21](#), in particular, the four themes shown below:

Growth - Ensuring all residents benefit from the growth of the borough

Responsibility - Encouraging everyone to do their bit to making our borough even better

Opportunity - Promoting and improving Colchester and its environment

Wellbeing - Making Colchester an even better place to live and supporting those who need most help.

10. Consultation

- 10.1 There are no particular references at this point, but the Group is mindful of the need to actively engage with relevant stakeholders to maximise the potential outcomes.

11. Publicity Considerations

- 11.1 The Council launched a [Social Value webpage](#) in 2013 when the Act came into force, with connections made to [Supplying the Council](#) and [Modern Slavery](#) elsewhere on the Council's website.

12. Environmental and Climate Change Implications

- 12.1 The recommendations in this report directly support the Council's commitment to tackling the climate emergency by ensuring that environmental benefits are actively sought, and the outcomes monitored through the entirety of the Council's procurement activity. The newly appointed Climate Change Project Officer will be supporting the Procurement Team and service area contract managers to this effect.
- 12.2 The recommendations on community transport support the Council's commitment to sustainable development, balancing social, financial and environmental considerations and supporting the move to decarbonise, and reduce the impact on air quality from, transportation.

13. Financial implications

- 13.1 There are no immediate financial implications from this report.

14. Health, Wellbeing and Community Safety Implications

- 14.1 Social Value benefits, outcomes and impacts derived from contracts awarded to contractors and suppliers will deliver a range of improvements for the local community. Examples of possible Social Value benefits could include:
- access to work placements
 - increased opportunities for local employment
 - a commitment to spend with local suppliers where possible
 - contributions of time, money or equipment towards community projects
 - environmental considerations.

15. Health and Safety Implications

- 15.1 None

16. Risk Management Implications

- 16.1 The risk is that without a range of standard measurements that can be quantified and used by all suppliers, the Council will not be able to objectively define the benefits.