

Engaging Communities Scrutiny Review – Final Report September 2012

1. Introduction

The Engaging Communities scrutiny review was approved as a part of the council's scrutiny programme for 2012. It began in January 2012 and produced its final report and guidance in September 2012. The review was overseen and reported to the Scrutiny Committee which is responsible for the scrutiny programme.

The review has been undertaken by a panel of elected Members supported by an officer team. The review panel consisted of:

Scrutiny Review Members

- Councillor Harry Cragg (Chairman)
- Councillor Simon Cook¹
- Councillor Georgina Glover
- Councillor Charlotte MacCaul
- Councillor Alison O'Dea

Scrutiny Review Officers

- Suzi Wakeham (Lead Officer)
- Mark Bursnell
- Dan Hamlin

Other council officers also gave their time as witnesses and provided data for the review. The witnesses who gave evidence to the panel are set out at the end of the report. Information was also gathered outside of the panel's formal meetings and written evidence provided.

2. Reason for review

Background

The council has developed strong relationships with community based organisations that provide services on its behalf and help it achieve the corporate plan priorities. The management of these relationships and the development of new ones in future is a critical

¹ Councillor Cook stepped down from the panel in May, after taking a position on the council Executive.

issue for the council. As well as clarifying the policy position, the council also needs to take into account the Government’s policy around the Big Society and the new Localism Act.

Task

To conduct this work the council commissioned a scrutiny review which was tasked to address the concern that the council needed to develop a policy to guide how it should respond to the community involvement in services, assess the capacity of community organisations to do so and in what circumstances it should be applied.

The review panel held a number of witness sessions and took evidence from officers, Members and community group representatives. The panel also conducted a community stakeholder consultation day to develop the policy and supporting documentation. All witness cited the value of council officer support for their organisation and assistance in helping deliver their organisations objectives.

The policy and detailed appendices developed by the review are attached and set out below together with the main recommendations at the end of the report.

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Canterbury City Council - Engaging Communities policy

Introduction

1. Over several years the council has developed strong relationships with many community based organisations that provide services on our behalf, or run services which benefit the communities they serve, which helps the council achieve its Corporate Plan priorities. How we manage these relationships and develop new ones in future is emerging as a critical issue facing the council. As well as clarifying our policy position in working with community bodies who provide services we need to also take into account the Government's policy around the "Big Society" and the new Localism Act. The former has the ambition of putting more power, opportunity and responsibility into the hands of local people. The Government wants to give citizens, communities and local government the power and information they need to come together, solve the problems they face and build sustainable local communities.
2. One of the key aspirations behind the Big Society is that local people and community groups will become more empowered to run and improve local services themselves. Similarly, the new Localism Act gives community based organisations new rights to bid to run council services where they can demonstrate they have the capacity to do so. In future the council needs to be clear on what grounds it will continue to deliver services directly itself and in which areas that we need to take a step back from service provision in order to allow communities to take on a more active role themselves. This means making it easier for local people to volunteer, to take community ownership of council buildings and services and to support each other.
3. In developing our Engaging with Communities policy the council is committed to delivering relevant pledges set out in the new Corporate Plan 2011 – 2016. These are: Pledge 8 "Tackling disadvantage within our district" and the action under this pledge to "support the voluntary and community sector, with funding and advice, to maintain services to vulnerable and older people"; and Pledge 9 "Encouraging greater involvement for local people" and the actions under this pledge to "Encourage more people to get involved and influence council decisions that affect them" and "Promote opportunities for community groups, the voluntary sector, parish councils and the private sector to take on responsibility for some council services and building their capacity to do so".
4. Unlike many local authorities the council over many years has developed several strong service delivery or facility management arrangements with a broad variety of partners. The value to the council of this approach is to develop capacity within organisations, many of whom have roots with specific local communities, to deliver services where there is strong local need and to make the councils resources stretch further so more communities can be supported.
5. These partnerships have developed piecemeal across many service areas and have been created as a pragmatic response to specific circumstances, as the council has sought to maintain or expand services for local residents as flexibly and cost effectively as possible.

Existing examples of where the council involves partners in delivery is already very broad and cover a wide variety of service provision. These examples are set out in the table below.

Level of involvement			
Council management with input from volunteers (council directly runs service or facility, but volunteers give practical support to run the service)	Joint management (shared responsibility for the day to day running of a service/facility)	Direct management – not for profit (where a service or building is directly run by a partner, but council provides grant, concessions or in kind support)	Direct management – for profit (where the council provides limited support to a service or building managed by a partner)
Greenhill Residents Association	Duncan Down Village Green	Seasalter Levels (RSPB)	Reculver Caravan Park (Caravan Club)
Neighbourhood Watch	Neighbourhood centres	Whitstable Castle Trust	CDESC ¹ (Serco)
Street monitors		Rural Street Runner (Parish Councils)	Whitstable Biennale
		Leisure Centres (Active Life Trust)	
		Horsebridge Arts and Community Centre	
		Herne Bay Festival	

How we will assess the ability of organisations to deliver services on our behalf?

6. In the context that in the future the council could commission external partners to provide services or run facilities on its behalf, we need to develop a common framework of understanding in how we work with charitable trusts, voluntary sector organisations, potential private sector organisations, etc who wish to run services we currently manage ourselves.

¹ CDESSC: Canterbury District Environmental Services Contract

For the purposes of the policy, the following definitions apply:

Commissioning²	The process which establishes what services are required, now and in the future, to meet the needs of local people, and to ensure that they are planned and delivered in a way which meets any statutory duties.
Procurement²	Ensures those services are purchased, delivered and managed in a way which secures best value from public resources and ensures legal compliance.
Partnership³	An agreement between two or more independent bodies to work collectively to achieve an objective but which is not normally a formally constituted partnership.

7. This framework will ensure the council has the means to assess potential providers against set criteria and then to have an assurance they are fit and proper providers of our services. It is recognised that there is great diversity in the size and experience of external providers which will affect how we will apply these criteria. But the most important consideration is that we adopt a model that gives the council:
- A standard way of making decisions about what services or facilities it wishes to see provided by an external organisation;
 - On what basis these are provided;
 - The level of ongoing involvement the council retains with that provider;
 - And how the council will gauge success through monitoring the outcomes external organisations achieve

This approach will give Members, service users and the general public confidence that the council is open to new ways of delivering services, but has put sufficient checks and controls in place to guarantee the maintenance of high quality services, regardless of who provides them. In all cases however, the council will ensure that external organisations who wish to run our services are able to demonstrate they can provide a better or at least an equivalent service to what we currently provide and; that is to the council's financial advantage in that it can reduce the costs of running that service. Thus in evaluating any option for delivering services by outsourcing the Council must consider whether that option will deliver best value, both in terms of any land or buildings involved, as well as the whole life cost of the service.

8. There are three options for delivering services:
- i. Maintaining in-house provision,
 - ii. Devolving services to established or new partners through feasibility check or;
 - iii. Commissioning services through following a formal procurement exercise.

For the last two of the three options there will be a need to follow an evaluation/feasibility exercise to establish the ability of potential other providers to run

² Source: ACEVO - Association of Chief Executives of Voluntary Organisations: Commissioning Support Service

³ Audit Commission: 'Governing Partnerships' 2005

council services and satisfy Members that potential risks associated with this are properly assessed and taken into account. Under these circumstances partnering may be the best option.

9. The council welcomes interests through the 'Right to Challenge' and will consider all expressions of interest for that service from potential external providers. An Expression of Interest (EoI) will be considered by the officer group who will make a recommendation to the Executive/Full Council (see part 2, Process Overview flow chart).

To ensure there is a fair, efficient and effective process in place it is necessary to restrict the time in which Expressions of Interest are submitted to the council. The council will accept EoIs for any of its relevant services for the period 1 March to 30 April. The only exceptions to this policy are those services where the council already has a contractual obligation in place. An EoI will form part of the council's budget setting process. Therefore the council will be unable to provide a final decision on whether an EoI is accepted until June. The timelines for the EoI are set out below:

How will this process be managed?

External approaches

10. An officer group, consisting of officers with different professional backgrounds, will be established to evaluate expressions of interest from external bidders against the criteria set out in the Localism Act and accompanying guidance. This officer group will be chaired by the Director of Resources and include officers with a professional background in property, finance, legal, procurement and human resources.

A key role for the group would be to ensure that the proposal route meets all legitimate requirements and so may alter the route a proposal takes.

A report for the Executive with a recommendation on whether the criteria are met and a procurement exercise is triggered will be needed.

These are the groups that are allowed to submit an expression of interest. The Government have currently limited this to:

- A voluntary or community body;
- A body of persons or a trust which is established for charitable purposes only;
- A Town or Parish council; or
- Two or more employees of the local authority

Services that relevant bodies can express an interest in operating are defined as a service provided by or on behalf of a local authority in the exercise of its functions.

Timescales: Expressions of interest that are received will be responded to within 30 working days of the specified period chosen by the council. This is through a timetable set out below:

March	<i>Expression of Interest Window opens</i>
April	<i>Expression of Interest Window Closes</i>
May	<i>All Expressions of Interest considered</i>
June	<i>Executive/Council decision – accept or reject Expression of Interest</i>

The acceptance of an Expression of Interest triggers a procurement exercise which is appropriate to the value and nature of the project;

August - September	<i>Tender period open</i>
October - December	<i>Contract evaluation and decision</i>
January – March	<i>Preparation for new contract to commence</i>
April	<i>Contract start date</i>

Excluded Services

By law the council must retain the responsibility for some functions. For example, the making of planning decisions is a council function that is not subject to the community right to challenge but the processing of the planning applications themselves is.

The following services are excluded from the right to challenge either for a limited period or permanently:

- Until 1 April 2014, a relevant service commissioned in conjunction with one or more health services by a relevant authority or by a Primary Care Trust, NHS trust or NHS foundation trust under a partnership arrangement or by a relevant authority and an NHS body or a Strategic Health Authority, acting jointly;
- Until 1 April 2014, a relevant service commissioned by an NHS body on behalf of a relevant authority;
- A relevant service commissioned or provided by a relevant authority in respect of a named person with complex individual health or social care needs.

Services in Exclusions 1 & 2 are excluded temporarily until 1 April 2014 to enable the NHS commissioners (the NHS Commissioning Board and local clinical commissioning groups) established by the Health and Social Care Act 2012, to have sufficient time to become fully operational, consider the contractual arrangements they have inherited from their predecessor commissioners (primary Primary Care Trusts) and develop new commissioning relationships with relevant authorities in the period up to April 2014.

Information required in an Expression of Interest⁴

1. Where the relevant body proposes to deliver the relevant service as part of a consortium or to use a sub-contractor for delivery of any part of the relevant service, the information in paragraphs 2 and 3 must be given in respect of each member of the consortium and each sub-contractor as appropriate.
2. Information about the financial resources of the relevant body submitting the expression of interest.
3. Evidence that demonstrates that by the time of any procurement exercise the relevant body submitting the expression of interest will be capable of providing or assisting in providing the relevant service.
4. Information about the relevant service sufficient to identify it and the geographical area to which the expression of interest relates.
5. Information about the outcomes to be achieved by the relevant body or, where appropriate, the consortium of which it is a part, in providing or assisting in the provision of the relevant service, in particular:
 - (a) How the provision or assistance will promote or improve the social, economic or environmental well-being of the relevant authority's area⁵; and
 - (b) How it will meet the needs of the users of the relevant service.

Grounds whereby an Expression of Interest may be rejected

1. The expression of interest does not comply with any of the requirements specified in the Act or in the regulations.
2. The relevant body provides information in the expression of interest which in the opinion of the relevant authority, is in a material particular inadequate or inaccurate.
3. The relevant authority considers, based on the information in the expression of interest, that the relevant body or, where applicable –
 - (a) Any member of the consortium of which it is part, or
 - (b) Any sub-contractor referred to in the expression of interest is not suitable to provide or assist in providing the relevant service.
4. The expression of interest relates to a relevant service where a decision, evidenced in writing, has been taken by the relevant authority to stop providing that service.
5. The expression of interest relates to a relevant service –
 - (a) Provided, in whole or in part, by or on behalf of the relevant authority to persons who are also in receipt of a service provided or arranged by an NHS body which is integrated with the relevant service; and
 - (b) The continued integration of such services is, in the opinion of the relevant authority, critical to the well-being of those persons.

⁴ Community Right to Challenge – Statutory Guidance (Department for Communities and Local Government)

⁵ This could include creating local jobs, improving local skills, increasing local volunteering opportunities, or improving environmental conditions.

Service Identified opportunities

11. Any proposals to outsource specific services identified through particular CFR reviews, once they have the support of the officer group, will need to be considered by the CFR Member Reference Group through the final report for that CFR. If the favoured option is to transfer the service to a preferred partner through a partnership arrangement, a feasibility check process will take place (also through the officer group) where procurement rules will be applied. However, the actual procurement process is not triggered as this is a partnership venture.

If the favoured option is to commission that service from a third party on a commercial basis, then the procurement process will be followed in the same way as a successful expression of interest. Any decisions to procure services through this route will require an Executive decision. Both the feasibility check process and real procurement processes will use identified best practice to develop relevant procurement documentation.

Developing partnership arrangements

12. The option of working with community organisations in partnership to deliver services will depend on them having the capacity and competence to do so and where they can add value to running services or managing facilities at less or no additional cost to the council. The council will need to have assurance of continuity of service for an agreed period and a formal contract or Service Level Agreement (SLA).
13. CFR final reports will set out the options and the preferred choice for delivering services within the remit of each Head of Service in future. The officer Strategic Challenge Group and the Member Reference Group will add a strong element of quality control and reality checking to any proposals.

Where these service delivery options means variations to current service levels or involve providing services in new ways then Member approval will be required, through an Executive and Full Council decision where appropriate.

14. As part of the feasibility check process, the council will need to ensure it has identified any actions it needs to take to build capacity, resilience and competence in preferred partner organisations to run services or facilities. The council also needs to identify services for which it will provide a safety net if the new provider fails to honour agreed commitments, or for which services a safety net will not be provided which means effectively that service will be decommissioned if the provider folds.

Ongoing monitoring and involvement

15. In principle, where services or facilities are transferred to the direct management of third parties, the council (officers/councillors) may be represented on the management board or equivalent based on the scale of the operation and the risks involved. Representation may need to be agreed on a case by case basis and will include issues around whether officers or Members represent the council, the number of representatives nominated and their remit.

16. What type of contract, SLA or informal agreement will be established where a service is provided externally to ensure performance standards are maintained and the councils investment and reputation do not suffer as a result of any service breakdown will need to be agreed. The level of monitoring put in place and the frequency and detail of the performance information needed from external providers will be proportionate to the level of risk presented. This will be determined through the risk assessment matrix methodology developed through the scrutiny review
17. In some circumstances the council will have an ongoing client role where services/facilities are transferred. There needs to be absolute clarity where the council will retain some control and responsibility (which assumes some client role) or where it relinquishes control completely. In the latter case the council would have no residual responsibility to be a provider of last resort, if external organisations running services or managing facilities fold or can no longer discharge their responsibilities.

Risk assessment:

18. A risk assessment⁶ has been carried out to assess the impact on the council and on the community of each organisation who are currently involved in providing services in partnership with the council, if they ceased operating:

The following factors were assessed:

- 1. Level of financial risk to the council**
- 2. Reputational risk to the council**
- 3. Impact on the local community**
- 4. Environmental impact**
- 5. Social impact**
- 6. Impact on the delivery of council priorities**

19. The impact of these risks has been scored out of a possible 5 (along with a score given to the likelihood of the organisation ceasing operation), and used to populate a risk diagram for all our existing partnerships. This diagram illustrates which organisations fall into the four different risk quartiles. It is recommended that in future the council concentrates its monitoring activities and level of ongoing involvement proportionately, based on the level of risk indicated by the analysis.

⁶ Set out at Appendix two, parts 1 and 2

Glossary

Localism Act – The 2011 Localism Act is an Act of Parliament that changes the powers of local government in England. Amongst other things the act gives charitable trusts, voluntary bodies and others the right to apply to councils to carry out services provided by the council. It also allows lists to be compiled of assets, such as playing fields, which are privately owned, but which are of value to the community. If the asset is later sold, the act makes it easier for the community to bid for and take over the asset.

Right to Challenge – The 'Community Right to Challenge' Set out in the Localism Act will allow groups of citizens, community groups and voluntary organisations to identify local public services which could be improved, and to suggest ways of doing so. These groups (excluding private companies) will be able to submit an 'Expression of Interest' to the council.

Expression of Interest (EoI) – An approach from the community setting out how they could run local services more effectively. The council would then be required to give the EoI due consideration, and could either accept it, reject it in certain defined circumstances, or suggest changes to improve the proposals. When an EoI is accepted, the council would begin a procurement exercise for the service in question.

Customer Focus Reviews (CFR) - A programme of thorough reviews for all council services running until 2013. CFRs look at of the most effective way of delivering council services using 'Lean' principles to promote Maximum access by the public (customers) through our website or the Contact Centre together with expenditure reductions.

CFR Strategic Challenge Group – The officer group chaired by the Chief Executive setting direction, targets and overall implementation and keeping the process on track.

CFR Member Reference Group – The councillor group overseeing the CFR Programme Plan and changes to service delivery in terms of the quantity, and quality of the service offered, based on the conclusions reached at the end of each CFR.

Service Level Agreement - A service-level agreement is a negotiated agreement between two parties, where one is the customer and the other is the service provider. This can be a legally binding formal or an informal contract. The SLA records a common understanding about performance, priorities, responsibilities, guarantees and levels of service.

Transfer of Undertakings (Protection of Employment) Regulations (TUPE) – TUPE is part of the law, protecting employees whose business is being transferred to another business. The regulations' main aims are to ensure that just because of the transfer, employees are not dismissed before or after a transfer, their important terms and conditions of contracts are not worsened before or after a transfer and that affected employees are informed and consulted through representatives.

Engaging communities policy – part 2

Process overview

The following table summarises the internal process for all three routes to outsourcing council services – each route has been allocated a different colour, for ease of reference.

Purple route: the council **enters into partnering arrangements** with a third party organisation for the delivery of a service (sections 12-14 of the policy document)

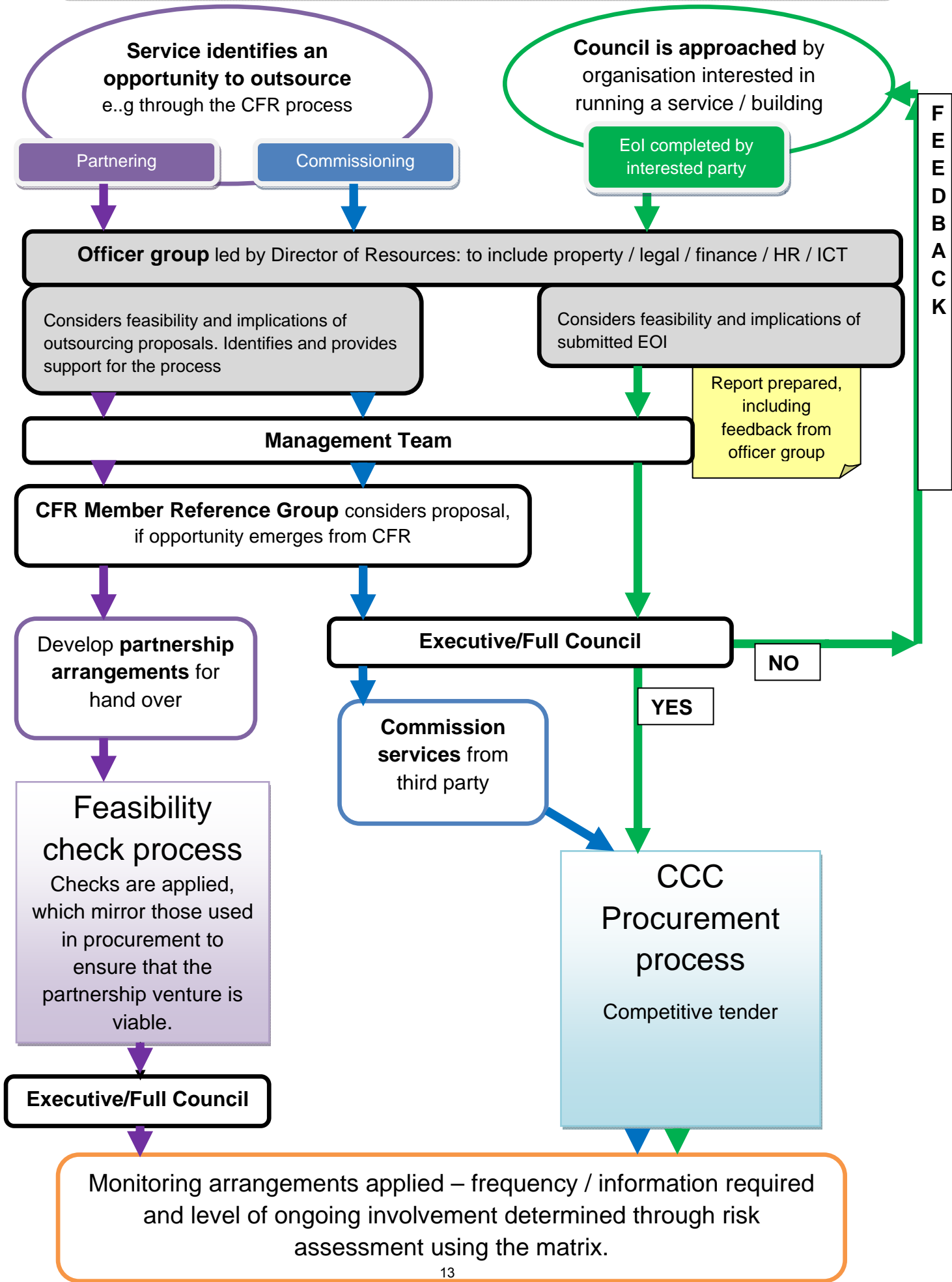
Blue route: the **council identifies an opportunity to commission** service delivery from a third party on a commercial basis (section 11 of the policy document)

Green route: the **council receives an expression of interest** from a third party interested in taking on delivery of a service (section 10 of the policy document)

In all cases, an officer group will consider the feasibility and implications of the proposal, before it is further considered by senior managers and subsequent permission is sought to proceed from elected members.

Ongoing monitoring arrangements will then be put in place, according to the level of risk posed by the new service delivery model (see appendix 2.2 for details on how risk is assessed).

Outsourcing council services – process overview



Community right to challenge: Expression of Interest (Eol) guidance notes



Please read these notes before completing the form.

The expression of interest (Eol) form is intended to help you ensure that your Eol contains all the necessary information which, in law, must be provided for the Eol to be acceptable, and therefore to minimise the risk of rejection. You are not obliged to use the form to make an Eol, but its use is recommended. You are strongly encouraged to discuss your interest in taking over a service with us on an informal basis before submitting a formal expression of interest. Please see below for contact details.

Section 1

Type of organisation

In order for your Eol to be valid in law, your organisation **must** be a 'relevant body' as defined in section 81(6) of the Localism Act 2011. It is not necessary for all partners in a consortium to be 'relevant bodies', but the lead organisation submitting the Eol must be. If the lead organisation does not fall into one of the three categories listed on the form, your Eol will not be valid and will be rejected. The definitions of voluntary and community bodies provided in secondary legislation are broad and reflect their general characteristics rather than specific structures:

- A voluntary body is a non-public body whose activities are not carried on for profit. It can generate a surplus provided it is used for the purposes of its activities or invested in the community.
- A community body is a non-public body whose activities are primarily for the benefit of the community.

Evidence that you are a voluntary, community or charitable body

The form of this evidence will depend on the type of organisation, but could include excerpts from your organisation's rules and character as registered with the Financial Services Authority, or from any clauses on aims and purposes in your articles of association. Please contact the council prior to submission of your Eol if you are in any doubt about this section.

Consortium partners and subcontractors

The question on your consortium partners' and subcontractors' organisation type is optional and will not form part of the assessment of your Eol.

Section 3

How can you evidence capability?

This may be by reference to your resources or your experience, including any services you already run or have run. You could also make reference to plans and the capacity you are putting in place. If you are leading an expression of interest on behalf of a consortium, or if, in the event of a successful bid, you expect delivery of the service to involve subcontractors, you **must** answer this question, providing separate evidence of capability, for each of the organisations listed in Section 1 of the form.

How will you meet the needs of service users?

Please use this section to demonstrate that you understand service users' needs and show how you will deliver outcomes that meet them. You could, for example, refer to survey results, needs assessments and other forms of evidence prepared either by your own organisation, the council or any other party.

What outcomes would you expect to achieve?

Please use this section to demonstrate the broader social, economic or environmental benefits of your proposal, which could include, for example, creating local jobs, improving skills, increasing volunteering opportunities or improving environmental conditions. You should try to show how your proposal would achieve better overall outcomes, either for service users and/or for the borough as a whole, than if the council was to keep the service in-house.

Submitting your EoI

In order for your expression of interest to be valid in law, you **must** provide details of your financial circumstances. To do this, please ensure that a copy of your latest audited accounts (or, if no audited accounts are available, a current balance sheet) is submitted with your EoI. If you are leading an EoI on behalf of a consortium, or if, in the event of a successful bid, you expect delivery of the service to involve subcontractors, you must submit a copy of the latest audited accounts (or a current balance sheet) for **every** organisation listed in Section 1 of the form.

You can submit your form electronically to mark.burnnell@canterbury.gov.uk or by post to:

Mark Burnnell
Head of Policy and Improvement
Canterbury City Council
Military Road
Canterbury
Kent
CT1 1YW

Engaging Communities Policy – Appendix 1

You are strongly encouraged to discuss your interest in taking over a service with us on an informal basis before submitting a formal expression of interest. Please see below for contact details.

What happens next?

Eols received will be responded to in writing within 30 working days. Where we receive all the information necessary for a decision, we will inform you of our decision in due course. Where data is missing or unclear, we will contact you to request that information. Acceptance of an Expression of Interest triggers a procurement exercise which is appropriate to the value and nature of the contract that may be awarded as a result of the exercise – it does not result in the simple handing over of a service.

Contact for advice and information

Mark Bursnell
Head of Policy & Improvement
Canterbury City Council
Military Road
Canterbury
Kent
CT1 1YW
Telephone: 01227 862056
Email: mark.bursnell@canterbury.gov.uk

Community right to challenge:



Expression of Interest (Eoi) Form

Please refer to the accompanying guidance notes when completing this form. You are strongly encouraged to discuss your interest in taking over a service with us on an informal basis before submitting a formal expression of interest.

Section 1: About your organisation	
Please provide details of the organisation which is leading on your Eoi.	
Organisation name:	
Registered address:	
Contact name:	
Contact position/job title:	
Telephone:	
Email:	
Website:	
Type of organisation:	<p><i>Please select one option only.</i></p> <p><input type="checkbox"/> Town or parish council</p> <p><input type="checkbox"/> Voluntary or community body</p> <p><input type="checkbox"/> Charitable body or trust</p>
Please provide evidence below that you are a voluntary, community or charitable body. Town and parish councils do not need to provide this evidence and should leave this section blank.	
Please provide evidence that the current financial resources of your organisation means that you are solvent and will be able to run any council services you bid for?	

Engaging Communities Policy – Appendix 1

If you are leading an Eol on behalf of a consortium, or if, in the event of a successful bid, you expect delivery of the service to involve subcontractors, please provide details of all involved organisations below.	
<i>Organisation 1</i>	
Organisation name:	
Registered address:	
Telephone:	
Email:	
Website:	
Type of organisation:	<p><i>Please select one option only.</i></p> <input type="checkbox"/> Town or parish council <input type="checkbox"/> Voluntary or community body <input type="checkbox"/> Charitable body or trust <input type="checkbox"/> For-profit organisation <input type="checkbox"/> Other
Relationship to this Eol:	<p><i>Please select one option only.</i></p> <input type="checkbox"/> Consortium member <input type="checkbox"/> Anticipated subcontractor <input type="checkbox"/> Other (please define)
<i>Organisation 2</i>	
Organisation name:	
Registered address:	
Telephone:	
Email:	
Website:	
Type of organisation:	<p><i>Please select one option only.</i></p> <input type="checkbox"/> Town or parish council <input type="checkbox"/> Voluntary or community body <input type="checkbox"/> Charitable body or trust <input type="checkbox"/> For-profit organisation <input type="checkbox"/> Other
Relationship to this Eol:	<p><i>Please select one option only.</i></p> <input type="checkbox"/> Consortium member <input type="checkbox"/> Anticipated subcontractor <input type="checkbox"/> Other (please define)
Please provide the same details of any further consortium members or anticipated subcontractors on a separate sheet.	

Section 2: About the service you want to run

Please describe the service you want to run.

Do you want to run this service... Throughout the Canterbury district?
 In one or more geographical areas only?

If you want to run the service in one or more geographical areas only, please state which areas.

Do you want to... Run the service on behalf of the council?
 Assist the council to run the service?

If you want to assist the council to run the service, please describe which elements of the service you want to run and how you envisage the split of responsibilities working.

Section 3: About how you want to run the service

How can you evidence that by the time of any procurement exercise you (and your consortium partners and subcontractors if applicable) will be capable of providing the service?

Please list all members of your committee, their roles and any of their relevant experience, which demonstrates that your organisation is capable of delivering the proposal.

Please list all volunteers and staff, their roles and any of their relevant experience which demonstrates that your organisation is capable of delivering the proposal.

How will you meet the needs of service users? E.g. have you carried out a consultation exercise with potential users or profiled their likely needs?

How will you deliver good value for money for service users?

What outcomes would you expect to achieve in providing the service? For example, creating jobs for local people, improving local skills, increasing local volunteering opportunities, or improving environmental conditions

You can submit your form electronically to mark.burnsnell@canterbury.gov.uk or by post to:

Mark Burnsnell
Head of Policy and Improvement
Canterbury City Council
Military Road
Canterbury
Kent
CT1 1YW

You are strongly encouraged to discuss your interest in taking over a service with us on an informal basis before submitting a formal expression of interest.

**Relationships with key voluntary sector organisations
Risk assessment methodology**

The council has an interest in a number of key voluntary sector organisations, which are involved in the delivery of council services, or which deliver services which are critical to the delivery of council priorities.

To date, the relationship the council has with these organisations has been developed on a case-by-case basis. However, particularly in the light of the Localism Act, there is a need to develop a logical and proportionate approach to these relationships – predominantly so that any associated risks to the council can be managed effectively.

Definitions

There are two distinct types of organisations operating in the voluntary sector:

- Charitable Trusts – if registered with the charity commission
- Voluntary (sector) organisations – if not registered with the charity commission, due to a low annual turnover

The council is involved with a number of different organisations, which are known as trusts by name, but which may not be charitable trusts – if, for example, their income is below the threshold for registering. (E.g. the Pier Trust)

Similarly, there are a number of organisations which are not called trusts by name, but are, in fact, charitable trusts. Some are involved in council-related business in the same way as those organisations we recognise as trusts (e.g. Northgate Ward Development Group).

Scope

The key organisations this assessment is concerned with are:

- organisations running council services, or services from council-owned buildings
- organisations the council has set up with a view to running council services or services from council-owned buildings
- grant funded/commissioned organisations
- organisations which have nominated member representation on their boards

Aim

To develop a clear and consistent approach to the council’s involvement with key voluntary sector organisations – based on an assessment of risk.

Process

A list of key voluntary sector organisations has been drawn from:

- the register of outside bodies

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- Single Grants Gateway funding recipients
- Culture and Enterprise commissioned organisations

Information about each organisation has been collated to provide a clear picture of their position, including:

1. **Status** – charitable trust or voluntary organisation
2. **Current role** – providing services on behalf of the council; or providing services independently of the council; or a lobbying/consultative group
3. **The contractual arrangements** we have with them
4. **The existing influence the council has** – e.g. members with voting rights
5. **Whether the council would be provider of last resort**, if the organisation ceased operating

Risk assessment

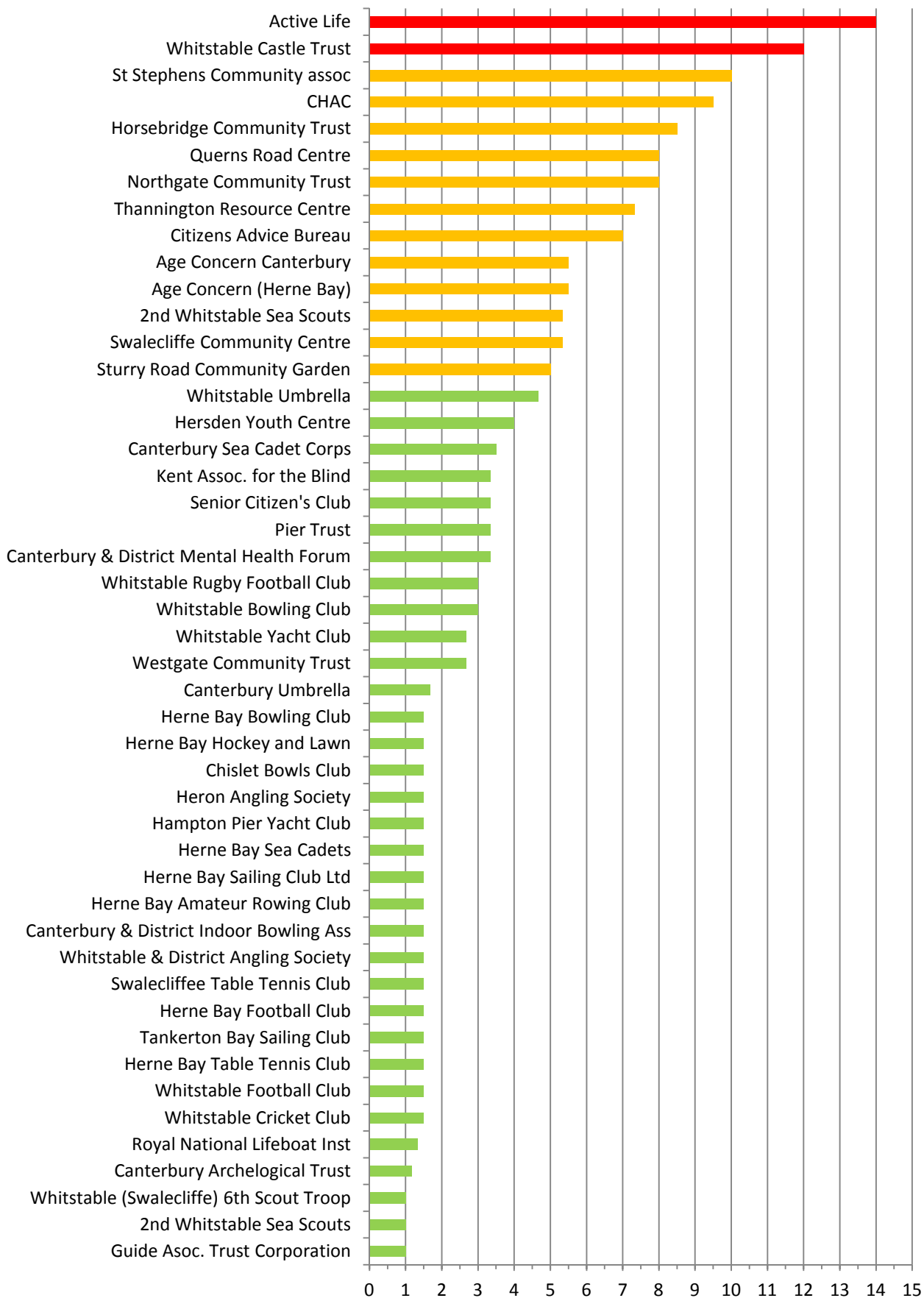
A risk assessment has been carried out to assess the impact on the council and on the community of each organisation ceasing operation, which considered:

1. **Level of financial risk to the council**
2. **Reputational risk to the council**
3. **Impact on the local community**
4. **Environmental impact**
5. **Social impact**
6. **Impact on the delivery of council priorities/co-dependent projects**

Each of these risks have been scored out of a possible 5 and, along with a score given to the likelihood of the organisation ceasing operation, used to populate a risk graph.

The collated scores are set out in the attached graph. The underlying data is available on request

Organisation Risk Assessment



Risk category: High: 10-15, Medium: 5 - 10, Low: 0 - 5

Risk score: Total of 'likelihood' score (1 to 5) x 'impact' score (1 to 5)

Assessment graph

date: July 2012

Review evidence and fit to policy

The scrutiny review panel met a total of 7 times and heard evidence from a variety of witnesses. The panel also conducted a community workshop with representatives from voluntary groups, trust organisations and community centres.

A number of points were made and questions posed throughout the review and the comments of witnesses are set out below, together with the response of the panel through the scrutiny process and subsequent policy.

A list of witnesses and community workshop participants is set out in Appendix 5.

Review Witness Sessions

How will the council ensure that what was being delivered continued to be right for the Council and the Community?

- ***The policy will develop a common framework for evaluating expressions of interest against criteria set out in the Localism Act and accompanying regulations***

The basis and terms of engagement with external providers is important. Will the ongoing relationship with the council be proportionate to the level of risk?

- ***This will be through the risk assessment which considered a number of factors and ranked the organisations accordingly.***

How would trusts be handled? Could their agreements be negated?

- ***The policy will look to see that where partnerships with external bodies are used to deliver services there will be obligations set out in an agreed service Level Agreement***

Could all services be considered for outsourcing/alternative delivery arrangements?

- ***All services can but the main work will largely be driven through the feasibility checking process. Also see flow chart.***

How would we evaluate the ability of others to provide services on our behalf?

- ***The officer group will use the guidance set out in the Localism Act for the right to challenge. There will be a clear recommendation to the Executive.***

Would sections of services be considered or would it be the whole service that groups could make a bid to run on behalf of the council?

- ***Within the Right to Challenge Guidance the council can package services in a way that makes sense commercially, but still meet its obligations to secure best value for local people.***

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How would the CFR process be included in the outcomes?

- ***Officers through their Customer Focus Reviews (CFR) will develop service delivery options that will be considered through the Member reference group which is set out in the proposed policy and flowchart (paragraph 12) & flowchart.***

How would the council assess the viability of groups and provide support for the most viable ones?

- ***The council will play a support role through training and advice for groups providing services in partnership. The scale of this support will depend on the size of the service and the risks involved.***

How services would be considered for outsourcing and the potential issues related to that e.g. TUPE?

What about enquiries from the private sector?

- ***Included in flow chart***
- ***Covered under the external approaches section and Expressions of Interest will be dealt with by the officer group***

How will the policy reflect the differing ability of groups to run sustainable services?

- ***The policy will look to risk assess each approach to run services to determine if the organisation has the ability to deliver the selected service and what the risk in terms of residual responsibility to the council would be if the organisation was unable to continue.***

Witnesses cited the support given by the council to organisation already looking to run council services and strongly supported this continuing in the future

Will the policy take account of the need for some groups to change their constitutional basis to take on council services?

- ***Yes, The council will work flexibly with likely providers to ensure their arrangements fit the requirements of the service***

Community Day

The panel held a community consultation event at the Thanington Resource centre Canterbury. Representatives of voluntary groups, trust organisations and community centres were invited to hear case studies of community delivery and how the Localism Act will affect the district. Participants also contributed to the review by considering what the barriers to organisations taking over delivery of council services, what needed be in place to enable them and what the potential risks to service delivery were.

Barriers

Capacity and sustainability issues for the community sector

How will accountability be ensured?

Engaging Communities Policy – Appendix 3

- **Monitoring would be carried out against agreed criteria incorporated in a Service Level Agreement, contract or similar arrangement. Depending on the body there could also be officer or Member representation on the board.**

The long –term commitment of funds and resources must be linked to Council goals?

- **Yes, very much so. These will be reflected in the agreement**

How is the transfer of services managed and the community kept informed of progress?

- **This will be on a case by case basis. There will be dedicated information on the council's website and as the decisions to change the delivery of a service through the policy will be publicly ratified by the Executive through the committee process**

Enablers

Clarity is required from council on what was required in terms of VAT liabilities, insurance requirements and other supporting services, e.g. payroll

- **This will be considered by the assessment framework proposed in the policy via the officer group who will contain expertise in these areas and advise the council on these matters and which option represents the best value for money for the council.**

Risks

There may be background risks and liabilities. Will there be mechanisms for the council to step in as provider of last resort?

- **This will depend on the size of the service, its profile with communities and councillors and the cost to the council if the service folds. This is set out in the risk assessment.**

Will the council provide advice workshops/surgeries/advice for potential external providers?

- **Yes this will be tailored to reflect the service in question.**

Instead of the community being involved by 'objection' can they be consulted when the decisions are taken to close/externalise/manage differently?

- **Yes, but much will depend on the service and what is being prepared. The frame of the consultation will vary based on what is being proposed.**

The decision to develop alternative arrangements for managing assets will be considered through the council's CFR process and follow the process set out in the flow chart through the officer and Member groups

Appendix 4: Engaging Communities - Management Team advice for Executive on the Action Plan.

Rec. no.	Recommendation	Estimated Cost	Management Team advice
1	The council will assess the ability of organisations to deliver services on its behalf through the development of a common framework of understanding in how we work with charitable trusts, voluntary sector organisations, potential private sector organisations, etc who wish to run services we currently manage ourselves.	Within existing resources	Accept. The policy sets out a standard way of making decisions about what services or facilities it wishes to see provided by an external organisation; This framework will ensure the council has the means to assess potential providers against set criteria and then to have an assurance they are fit and proper providers of our services.
2	The council will ensure that external organisations are able to demonstrate they can provide a better or at least an equivalent service to what we currently provide and; that is to the council's financial advantage in that it can reduce the costs of running that service.	Within existing staff resources	Accept. The policy guidance sets out the tests that external organisations will need to pass in order to undertake delivery of council services.
3	The risks of maintaining or changing the way a council service is delivered will be established through an evaluation exercise to establish the ability of potential other providers and satisfy Members that potential risks are properly assessed and taken into account.	Within existing staff and Member resources	Accept. The policy looks to provide a clear process by which external providers can demonstrate that they deliver the service and the risks to the council are minimised.
4	Where an appropriate partner in service delivery has been identified, an officer group will be established to evaluate expressions of interest from external bidders. Where the proposal arises from an internal change the officer group will undertake a feasibility check process that uses similar criteria to the procurement process that tests an external Expression of Interest. A report for the Executive with a recommendation on whether the criteria are met and a procurement exercise is triggered will be needed.	Within existing staff resources	Accept. The policy looks to provide a clear process by which external providers can demonstrate that they deliver the service and the risks to the council are minimised.

5	If the favoured option is to commission that service from a third party on a commercial basis, then the procurement process will be followed.	Within existing staff resources	Accept The council has a clear procurement process which ensures that all the safeguards for continued service are met.
6	Where variations to current service levels or involve providing services in new ways then Member approval will be required, through an Executive and Full Council decision where appropriate.	Within existing staff and Member resources	Accept The policy ensures that the council will formally approve any changes to service delivery that involve commissioning.
7	To ensure there is a fair, efficient and effective process in place it is necessary to restrict the time in which Expressions of Interest are submitted to the council. The council will accept Eols for any of its relevant services for the period 1 March to 30 April. The only exceptions to this policy are those services where the council already has a contractual obligation in place. An Eol will form part of the council's budget setting process.	Within existing staff and Member resources	Accept This will give structure to the policy. The notice period will give relevant bodies considering potential Expressions of Interest (EOI) a clear timetable from which to make planning assumptions and time for the council to assemble the resources that will process any EOI.

Appendix 5 - List of witnesses

- Alex Krutnik - Canterbury District Community Alliance
- Councillor Ashley Clark
- Imogen Morizet - Westgate Community Trust
- Liz Daone - Horsebridge Arts and Community Centre
- Eileen Hargreaves - Whitstable Castle Trust
- Bob Jones - Canterbury City Partnership
- Janice McGuinness – Head of Culture & Enterprise

Community Workshop Participants

- Imogen Morizet - Westgate Community Trust
- Neil West – Active Life
- Jan Phal – Canterbury Society
- Roger Seijo – Whitstable Improvement Trust
- Hazel Brackley – Hersden community Centre
- Emily Upfield – Porchlight
- Bev Russell – Porchlight
- Sue Tucker – CADVAS
- Paula Spencer – Thannington Resource Centre