

Southend-on-Sea City Council

Agenda
Item No.

Report of Executive Director (Adults & Communities)

to
Cabinet

on

29 September 2022

Report prepared by: Tracy Harris – Head of Communities,
Adults & Communities

Options for the Procurement of the Voluntary Sector Infrastructure Contract

Relevant Scrutiny Committee(s): People
Executive Councillor: Councillor Kay Mitchell
Part 1 (Public Agenda Item)

1 Purpose of Report

- 1.1 The report covers the infrastructure contract – and options related to re-procurement. The purpose of the report is to detail the requirement for an ongoing infrastructure contract due to what it brings to the City and its residents.
- 1.2 The City of Southend needs mutually supportive communities and a thriving community and voluntary sector to support its residents. One of our means of ensuring this is supporting the core infrastructure that enables people, communities, and voluntary organisations to deliver what is needed.
- 1.3 This report recommends funding an infrastructure organisation for Southend that will deliver
 - communities within the city that are resilient and thriving;
 - a robust and thriving network of local voluntary and community organisations;
 - support for people to volunteer and contribute back to the community.
- 1.4 An infrastructure organisation will have a role to be the voice of, support and grow the voluntary and community sector for the city at, a time when there are greater pressures on funding alongside an increased cost of living. It will enable the Council to build a good relationship with the voluntary and community who deliver services and support in Southend.
- 1.5 The report seeks agreement to three main areas:
 - Outcomes for the voluntary sector infrastructure contract.
 - Financial envelope for the voluntary sector infrastructure contract.
 - The method of procurement for the voluntary sector infrastructure contract.

2 Recommendations

- 2.1 **That Cabinet approve the outcomes (section 5), the financial envelope (£100,000) and the recommended procurement option (to go to tender for a Southend infrastructure service).**

3 Background

- 3.1 Local infrastructure services exist to give support to local voluntary, faith and community groups, foster contacts between them and provide them with a voice. Often these are known as councils of voluntary service, voluntary action or volunteer centres. When provided by a local charity the charitable purpose, local footprint, universal offer and accountability to their users give them a unique sense of place, local network connections, good will, understanding and expertise.
- 3.2 In the age of austerity, as funding tightens and demand for services rise, the statutory and public sector needs more than ever to work in collaboration with the voluntary sector who can reduce demand on the public sector, saving money while delivering services. To help this sector thrive and grow there is even more of a need for an infrastructure organisation to bring support, coordination and growth to this sector.
- 3.3 Southend Association for Voluntary Services (SAVS) have been operating as the infrastructure organisation within the City, established in September 1980. They have been funded through the Council's community grants over reoccurring 3-year periods. The current grant has been extended from October 2021 until March 2023 to allow for the procurement process to be undertaken. SAVS, up until September 2019 held the volunteer bureau as part of their service, this was later given to South Essex Community Hubs (SECH) in the last grant round held by Southend City Council. There is now no volunteer bureau within the city as these grants ceased and there is a recognised need for this service in the City.
- 3.4 The Council agreed at Cabinet on 3rd November 2021, to transfer the funding from the Community Grants to Community members themselves through the Community Investment Board. This has been set up and facilitated through SAVS with Southend residents volunteering to be board members. In order to facilitate the Community Investment Fund SAVS were given additional funding of £37,000 per annum.
- 3.5 In addition to being the infrastructure body for the voluntary, community and faith sector, SAVS also have additional contracts as a service provider with several organisations such as "A Better Start Southend" and the National Lottery. The funding from the Council represents only 10% of their income.
- 3.6 On behalf of the Council, SAVS facilitates a contract to build capacity in the community, in addition to the Community Investment Board and this is funded over two years at £100,000 per annum. This is one-off funding that will cease in December 2023 and can therefore not be added into the new procurement contract sum.

4 Reasons for Recommendations

- 4.1 This paper recommends that we go to market for a new infrastructure service for Southend.
- 4.2 We are recommending ongoing funding for an infrastructure service because they provide a value for money coordination, networking, growth and support service

to the valuable voluntary and community sector of the City of Southend. This support enables community resilience and support to residents.

4.3 The recommendation to go out to the market for a Southend contract is so that it may attract different providers with new ideas and the City can benefit from economies of scale. It will also allow Southend City Council to clearly specify what they want from the new contract.

4.4 In the event we did not have an infrastructure body some of the functions would need to be replaced at additional cost to the authority. These include:

- Coordination of all Council communications out to the voluntary and Community sector;
- Organising representation for the voluntary and community sector at strategic Boards providing them with a voice and then coordination of feedback on key strategies affecting the City.
- An Officer or team with the responsibility for building relationships with all voluntary and community sector organisations
- We would need Officers to spend more time with voluntary and community organisations mapping gaps and building greater relationships with the community

4.5 We are not recommending shared procurement with Essex County Council because Southend as a coastal city has its own unique challenges that vary greatly from the needs of Essex as a large county. By partnering with Essex there is a risk we lose our unique identity within a larger service that is not in the heart of our community and does not support the needs of the City as its main priority.

4.6 The recommendation to go out to the market for a Southend contract is so that it may attract different providers with new ideas and the city may benefit from economies of scale. It will also allow Southend City Council to clearly specify what they want from the new contract.

5 Outcomes included in the new contract

5.1 The VCS infrastructure contract will deliver the following outcomes:

5.1.1 Primary Outcomes

- communities within the City that are resilient and thriving;
- there is a robust and thriving network of local voluntary and community organisations
- there is support for people to volunteer and contribute back to the community.

5.1.2 Secondary Outcomes

- The third sector (VCFSE) are actively engaged in decisions/policy/direction of the City and attend Council and key partner meetings to inform and influence;
- There is increased income into Southend's third sector (VCFSE) to support growth and sustainability;
- There is a strong network amongst the third sector members (VCFSE) in the City with evidence of collaboration and asset sharing;

- The third sector (VCFSE) receive quality communication about Council, and other key partner activities in Southend;
- There are clear and diverse volunteering opportunities across the City that residents are matched to and if needed supported in;
- The third sector (VCFSE) has good governance in place;
- There is evidence that funding invested through the Community Investment Fund improves the capacity and resilience of the City.

6 Other Options

6.1 There are three possible options that will enable this to go forward with a new contract for an infrastructure organisation these are:

- To cease funding an infrastructure contract;
- To go out to tender with Essex County Council as part of a larger contract;
- To go out to tender for an infrastructure contract for Southend City (recommended option).

A fourth option to direct award the contract to the existing provider Southend Action for Voluntary Services (SAVS) was discussed and ruled out as it doesn't follow the public contract regulations and so there is a legal and reputational risk in doing so.

6.2 *Option One: To cease funding an infrastructure contract*

6.2.1 The advantage of ceasing to fund the contract for an infrastructure organisation would be a recognised saving to the Council's budget.

6.2.2 The disadvantages of ceasing to fund the contract are many. Whilst only a small contract the infrastructure organisation provides representation, support and stability to the voluntary and community sector. By ending this contract smaller organisations will lack support and representation which could lead to their closure. The Council will also lose contact and the sector and collaborative working will be lost. There will no organisation to facilitate the Community Investment Board and support its volunteers in their mission to provide funding to the sector. There will also be no organisation to support residents to access opportunities to volunteer, this was highlighted as a need during recent coproduction for the Living Well Adult Social Care strategy and without this organisation and support residents will be less likely to volunteer to support their community and gain employment.

6.3 *Option Two: Go out to tender with Essex County Council who are also looking to procure an infrastructure model across the County.*

6.3.1 The advantages of this option is that we would gain from the economies of scale realised by one large contract.

6.3.2 The disadvantages of this model would be the lack of time available to organise this for October 2022. Essex have delayed going out to the market several times already and communication has been challenging. There is also the potential for such a large contract to lack localism with a substantial difference between Southend and other areas of Essex. One larger contract/ contractor could risk Southend losing a local presence and knowledge.

6.4 *Option Three: Go out to tender on the open market for a new infrastructure contract to include the above suggestions.*

6.4.1 The advantages of going out to the market is that it may attract different providers with new ideas and the city may benefit from economies of scale. It will also allow SCC to clearly specify what they want from the new contract.

6.4.2 The disadvantages of this are the time and cost involved with a tender exercise and the risk that it may not attract much interest. These disadvantages are heavily outweighed by the advantages as a market testing event would take place in late September 2022.

7 Consultation

7.1 A workshop, advertised by SAVS to all their members, and attended by 36 people was undertaken with the voluntary and community sector to ascertain what they would want from infrastructure support. The following have been identified as the priorities:

a) **Roles, responsibilities and relationships**

- Representing the voluntary, community and faith sector at a strategic level.
- Facilitate the Community investment fund for the City.
- Embedding community development and spirit, strengthening spaces and opportunities for people to come together.
- Building relationships and providing networking opportunities.
- Cascading opportunities for funding and joint working.

b) **Coaching and Training**

- Free training and peer support to organisations to skill up and therefore strengthen the sector.
- Providing one to one support to small organisations with running and meetings, this should be limited.
- Support with bid writing and demonstrating impact.

c) **Volunteering**

- Relationship building and the development of a volunteer passport to allow volunteers to have required checks needed once and move between placements.
- Developing and supporting volunteers in their placements,
- Matching and brokerage service to build a thriving volunteering offer for the city which should be both face to face and digital.

d) **Digital**

- Supporting one clear database of information held across the City.
- Development of ways organisations can come together digitally to show case and share their work.
- Reducing digital poverty across the city.

8 Corporate Implications

8.1 Contribution to Council's Vision & Corporate Priorities.

8.1.1 Connected and Smart

Southend is a leading Smart City, using technology in smart ways to enable improved resident services, and ensure digital inclusion. Our connectivity, data and principles approach to digital enable us to facilitate better decision making, automated services and digital experiences for those across the City.

8.1.2 Active and involved

Enable inclusive community projects which provide opportunities for people of all ages to participate, grow skills, confidence and social connection and make a positive contribution to tackling inequalities.

More Southender's agree that people from different backgrounds are valued and get on well together.

Residents know how to get involved to improve local services.

8.2 Financial Implications

8.2.1 Current contracts whose activities will be rolled into the new contract are listed below

- Core Service £84,667
- Community Investment Board £37,000

8.2.2 This is a total value of £121,667. We aim to go out to tender with a financial envelope of £100,000. This will provide the authority with a saving of £21,667 (20%).

8.2.3 The saving of £21,667 may require the provider to cut back on officer time or restructure the way the service is delivered which may reduce some of the support that can be provided to the voluntary and community sector.

8.3 Legal Implications

8.3.1 There are no legal implications associated with this report.

8.4 People Implications

8.4.1 There are no people implications associated with this report.

8.5 Property Implications

8.5.1 The current organisation, SAVS, who currently holds the contract for infrastructure support rent a property from the Council in Alexander Street Southend for a peppercorn rent, they have a lease until 2029 which does not cover the contract period should they be successful at tender, as this is potentially up to 2034.

Therefore, they would have to negotiate a new lease or find alternative accommodation in the City for the remainder of the contract period.

- 8.5.2 If they were to lose the tender, they could continue to remain in this building to deliver their remaining contracts if they chose to and the new provider would have to source other accommodation within the City.

8.6 Equalities and Diversity Implications

- 8.6.1 Further to undertaking an equality impact assessment there are no Equalities and Diversity Implications associated with the recommendations made in this report.

8.7 Risk Assessment

- 8.7.1 Risks have been identified for all three procurement options as detailed above.
- 8.7.2 The greatest risk remains that to end support and not to procure an infrastructure organisation would be detrimental to the stability of the voluntary and community sector, this would also pose as a political risk as well as a risk to the Council's relationship with this sector at a time when collaboration is key.
- 8.7.3 Other risks identified are a reduction in the contract sum leading to a loss of some service and a loss of local staff during the process leading to a loss of knowledge in the sector.

8.8 Value for Money

- 8.8.1 Value for money has been identified by delivering a 20% saving to the contract sum by reducing it from £121,667 to £100,000.
- 8.8.2 There is evidence that by having an infrastructure organisation this supports stronger and more resilient organisations and communities. This reduces demand for Social Care Services for Adults and Children.

8.9 Community Safety Implications

- 8.9.1 There is evidence that by having an infrastructure organisation this supports stronger and more resilient organisations and communities which significantly improves community safety.

8.10 Environmental Impact

- 8.10.1 There is evidence that by having an infrastructure organisation this supports stronger and more resilient organisations, and where those organisations are focused on improving the local environment this can have a beneficial environmental impact.

9 Background Papers

- 9.1 There are no background papers associated with this report.

10 Appendices

10.1 None.