

Public Document Pack

Tony Kershaw

Director of Law and Assurance

If calling please ask for:

Lisa Etchell on 033 022 23597

Email: lisa.etchell@westsussex.gov.uk

www.westsussex.gov.uk

County Hall
Chichester
West Sussex
PO19 1RQ
Switchboard
Tel no (01243) 777100



11 January 2019

Dear Member,

Environment, Communities and Fire Select Committee - Monday, 14 January 2019

Please find enclosed the following documents for consideration at the meeting of the Environment, Communities and Fire Select Committee on Monday, 14 January 2019 which were unavailable when the agenda was published.

Agenda Item No. 7

7. Savings Proposals - Reduction to the Community Initiative Fund Appendix B (Pages 3 - 4)

Members had the opportunity to comment on the proposals in the report and were given a deadline of Thursday 10 January to enable sufficient time for them to comment. This appendix summarizes the comments received.

Agenda Item No. 13

13. Call-in: Highways Maintenance Term Contract (HMC) Procurement - HI22 18.19 and Highways Maintenance Term Contract - Options Appraisal Appendix A (Pages 5 - 6)

This appendix was excluded from the original agenda pack in error. I apologise for the delay in circulating this appendix.

Yours sincerely

Tony Kershaw
Director of Law and Assurance

To all members of the Environment, Communities and Fire Select Committee

This page is intentionally left blank

Proposed Reduction to Community Initiative Fund (CIF) Budget: Feedback from Members of the Council

All 70 members of the Council were invited to submit comments to the Cabinet Member for Safer, Stronger Communities on the proposed reduction to the CIF budget. The deadline for this was 10 January and this paper summarises the responses received. Any comments relating to the crowdfunding approach will also be considered as part of the review of the West Sussex Crowd in Spring 2019.

1. Responses received

A total of 17 responses were received, equating to a low (24%) response rate. The spread of these based on County Local Committees (CLCs) is as follows:

Adur	2
Arun (Eastern)	1
Arun (Western)	0
Chichester (North)	0
Chichester (South)	1
Crawley	4
Horsham (Chanctonbury)	1
Horsham (North)	2
Mid Sussex (Central and South)	4
Mid Sussex (North)	1
Worthing	1

2. Summary of responses – key themes

Of the seventeen responses, there were three members who accepted the reduction and thirteen who did not. Most of these thirteen raised concerns regarding the crowdfunding approach, suggesting that it is too rigid and complex to use for applicants, and that this has led to a reduction in applications for funding. Several members felt that the West Sussex Crowd is “one-size fits all” approach which is particularly difficult for the smaller community organisations reliant on volunteers, and requested a more mixed approach, using both crowdfunding and (for smaller groups and projects) a return to the previous approach to CIF allocation.

a) Acceptance of the proposed budget reduction: three members supported the reduction of the CIF budget in view of the pressures on the Council’s budget, with one commenting that “the current funding is more than adequate for the applications we have been receiving” and that “given the financial pressures we have, this reduction feels logical”.

b) Concerns raised: issues and concerns raised by the thirteen members who did not support the reduction in the CIF budget are set out below:

- The process for making applications is difficult and time-consuming, particularly for small local organisations which do not have the resources to complete the application process. Many rely on







volunteers, who may not have the necessary skills or capacity. Several members suggested that the crowdfunding approach has led to a reduction in applications.

- Not all CLCs regularly fail to allocate their CIF budget – with one member commenting that their CLC “always managed to allocate all of our CIF funds and have always been over-subscribed with applications”.
- Concern regarding the commission paid to Spacehive (the crowdfunding provider) reducing funds available to the applicant.
- That the proposed reduction is the precursor to getting rid of CLCs.
- It is too soon to be looking to reduce the CIF budget as the crowdfunding approach has been in place for less than a year and has not yet been reviewed.
- That the proposed reduction in CIF would impact most on support for vulnerable residents and the voluntary sector.

c) Alternative options: a number of suggestions were put forward, including:

- Wait until crowdfunding has been in place for a full year, and review this approach fully before considering any reduction to the CIF budget.
- Look to make staff savings in other areas of the Council to avoid any reductions to the CIF budget.
- £2,000 could be given direct to members to allocate, rather than pooling through CLCs.
- To make the original CIF application process available for smaller organisations, meaning a mixed approach, still using crowdfunding for appropriate projects.
- Allocate an equal amount to each local member to spend on community projects in their divisions, without going through the crowdfunding process, with simple criteria for smaller groups run by volunteers to apply to.

APPENDIX A - Contract Model Appraisal against Suitability Drivers
Assessment Matrix

	West Sussex County Council DELIVERY MODEL OPTIONS	Provider(s)	Suitability						
									Further Detailed Appraisal required
			Objectives	Time	Affordability	People	Political	Future Application	
			Does this option satisfy the WSCC objectives that have been identified and agreed to be achieved within this Procurement?	Does this option fit with and suit the existing planned WSCC timeline of Summer 2019 for delivery of this Procurement?	Does the likely cost of this option fit with the existing planned WSCC budget for service delivery?	Does WSCC have the resources, capabilities, knowledge and experience to manage this option model?	How well does this option satisfy the needs and expectations of WSCC members, stakeholders and customers ?	Would the Contract Model be appropriate for a future West Sussex ?	
Single	Private Finance	Single	Unlikely due to reduced ownership and decision making	No not sufficient time required for Lenders and due diligence	No as expensive and lack of budget certainty	Yes as existing staff would transfer and small client team would be retained	No as limited ability to influence and determine budget allocation	No as would need to run for a significant period of time ie 25yrs to be effective	No
Single	JV / Managing Agent	Single	Removes control from WSCC and still reliant on wide Supply Chain with significant up-front charges	Yes but requires significant supply chain engagement and clear structure and financing	Unlikely to deliver short term benefits and requires complete organisational realignment	Staff would transfer across to MA, or into individual contracts. Needs a smaller Client team	Additional layer of control and management reducing ability to influence and easily change service requirements	could drive down supply chain costs and scope wide enough to include other contracts and services - ie Waste / Environmental	No
Single	Single Supplier Commissioning Model	Single	Yes but reservations around this is not the norm for WSCC	Yes but would require a shorter Mobilisation period 3-months	Yes but requires significant re-modelling to ensure costs, overhead and fee are more transparent	Requires full review of Client / Commissioning structure to provide the right level of assurance	Reasonably well but requires longer term contract period for commitment	Yes could be added to and delivery future significant efficiencies	Maybe
Single	Single Supplier Traditional TMC Contract	Single	Yes	Yes	Maybe not but would need detailed review of individual service areas	Yes but with changes and in-house delivery for Design Services and Transport	Reasonable but only for service areas that are a natural fit with market supply - ie small works and maintenance	Yes could be added to and also novated to future Unitary bodies	Yes
Multi	Mixed Economy Single Provider Frameworks	Multi	Yes	Yes. Could be phased with simpler service areas tendered immediately	Yes although contract packages would need to be sizeable to achieve value in OH and Fee	Yes. Suitable and additional contract management resources may be required	May suffer from lack of identity and numerous providers unless community is established	Yes but may need to limit how many lots each organisation can secure, so it doesn't become a single supplier TMC	Yes
Multi	Mixed Economy Multiple Provider Frameworks	Multi	Yes but reliant on strong Client team to ensure standards and consistency	Yes but would need to run parallel "Lots" as part of any procurement	Yes but with changes to service scope and keep separate delivery of Professional Services	Yes. Suitable and additional contract management resources may be required	May suffer from lack of identity and numerous providers unless community is established	Yes could be shorter term to allow new market entrants and ideas to come forward on a regular basis	Yes
Multi	In House - with Top-Up delivery	Self + Multi	Yes as standards and delivery performance set by WSCC as key provider and suppliers on call-off arrangement	Yes but would be significant risk given skills required to be recruited	No. Medium Term Financial Plan unlikely to realise any savings due to significant set-up costs	No. Existing staff have limited experience of managing works + framework contracts and may need to upskill / recruit external capability	Yes. But only applies for certain services and may not support savings MTFP challenges	Possibly ok as it provides greater control initially over service policy and budget allocation	Maybe
Self	In House	Self	Would deliver immediate control, and short term savings excluding Pension liability	Requires planning and TUPE of staff possibly recruitment so 2yr to deliver is tight	Significant Pension liability and set-up costs for systems etc	Staff could be TUPE'd across but some skills could be lost and require market supplement	Initial goodwill and localism but not able to radically commercialise and offer savings in future years and would soon lose support	Allows services to be re-offered to market at later stage and provides broad service scope	Maybe
Self	TECKAL Public Provider Model	Self	Reduced option for localism and communities as commercial entity will have different drivers than in-house option	May be difficult to secure Legal entities within a 2yr period and systems, governance and liabilities	Investment and capitalisation of costs could be removed off-balance sheet so provides immediate benefit	Employment liabilities sit with in-House Company, including Pension transfer	Challenging Liabilities and ownership including split party Board membership and definition around liabilities	Provides future options to go to market, but often limited innovation, lack of productivity and commercialisation	No
Self +	Regional Frameworks inc Southern (SE7) and HE	Self + Multi	Unlikely due to heavy reliance on others	Yes and could easily be co-opted onto Frameworks	Costs have been well market tested but not focused around LA delivery	Significant cost of re deployment and or in-housing / TUPE liability which HE and providers unlikely to accept	Unlikely to work as control is limited and contracts retained by other public bodies	Yes as would be call-off arrangement so ultimate budget and scope flexibility	No

This page is intentionally left blank