

AGENDA
SCRUTINY BOARD

Date: Thursday, 30 May 2013

Time: 6:00 pm

Venue: Collingwood Room - Civic Offices

Members:

Councillor D C S Swanbrow (Chairman)

Councillor Mrs K Mandry (Vice-Chairman)

Councillors Miss S M Bell
J V Bryant
Mrs M E Ellerton
J S Forrest
N R Gregory
Miss T G Harper
P W Whittle, JP

Deputies: M J Ford, JP
T J Howard
T G Knight
D J Norris
Mrs S Pankhurst
R H Price, JP
D L Steadman
D M Whittingham



1. Apologies for Absence

2. Minutes (Pages 1 - 6)

To confirm as a correct record the minutes of the Scrutiny Board meeting held on 21 March 2013.

3. Chairman's Announcements

4. Declarations of Interest and Disclosures of Advice or Directions

To receive any declarations of interest from members in accordance with Standing Orders and the Council's Code of Conduct and disclosures of advice or directions received from Group Leaders or Political Groups, in accordance with the Council's Constitution.

5. Deputations

To receive any deputations of which notice has been lodged.

6. Call-in of Executive Decision 2013/14-6: Improving Customer Satisfaction (Pages 7 - 12)

To consider a report by the Director of Regulatory and Democratic Services which advises of a call-in relating to a decision made at the meeting of the Executive on 13 May 2013 regarding the decision to waive contract procedure rules and approve the appointment of Vanguard Consultancy to provide guidance, expertise and support in implementing a fundamental change to the way the Council delivers its services to customers.

7. Question and Answer Session with Representatives of the Environment Agency

To participate in a question and answer session with representatives of the Environment Agency.

8. Scrutiny Board Work Programme 2013/14 (Pages 13 - 22)

To consider a report by the Director of Finance and Resources which invites members to review the Board's work programme for 2013/14.

9. Executive Business

If requested by a member, to consider any item of business dealt with by the Executive, since the last meeting of the Board. The relevant Executive meetings are 15 April and 13 May 2013. (This will also include any decisions taken by individual Executive members during the same time period).

P GRIMWOOD
Chief Executive Officer

Civic Offices
www.fareham.gov.uk
21 May 2013

**For further information please contact:
Democratic Services, Civic Offices, Fareham, PO16 7AZ
Tel:01329 236100
democraticservices@fareham.gov.uk**

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FAREHAM

BOROUGH COUNCIL

Minutes of the Scrutiny Board

(to be confirmed at the next meeting)

Date: Thursday, 21 March 2013

Venue: Collingwood Room - Civic Offices

PRESENT:

D C S Swanbrow (Chairman)

Mrs K Mandry (Vice-Chairman)

Councillors: Miss S M Bell, J V Bryant, J S Forrest, N R Gregory,
Miss T G Harper and P W Whittle, JP

Also Present: Councillor Mrs C L A Hockley, Executive Member for Leisure
and Community; Councillor P J Davies (minute 6); Councillor G
Fazackarley (minute 6); and Councillor R H Price, JP (minute 6).



1. APOLOGY FOR ABSENCE

An apology for absence was received from Councillor Mrs M E Ellerton.

2. MINUTES

It was AGREED that the minutes of the meeting of the Scrutiny Board held on 23 January 2013 be confirmed and signed as a correct record.

3. CHAIRMAN'S ANNOUNCEMENTS

There were no Chairman's announcements.

4. DECLARATIONS OF INTEREST AND DISCLOSURES OF ADVICE OR DIRECTIONS

There were no declarations of interest or disclosures of advice or directions made at this meeting.

5. DEPUTATIONS

There were no deputations made at this meeting.

6. QUESTION AND ANSWER SESSION WITH REPRESENTATIVES OF FIRST BUS

At the invitation of the Chairman, Councillor P J Davies joined the Board during the consideration of this item.

The Board received a presentation on Bus Services in the Fareham Area from Marc Reddy and Chrissie Bainbridge of First Bus. A list of members' [questions](#) had been compiled and forwarded to First Bus in advance of the meeting and some of these were addressed during the presentation and others in the question and answer session following the presentation.

The presentation included details of: how the bus industry works; the Solent Business Unit (Hoeford and Hilsea); challenges facing the industry; tendered services; commercial network; Eclipse BRT; customer engagement; investment; Fareham Rail Station Interchange; Fareham Community Hospital; the transport needs of young people; and further initiatives.

At the invitation of the Chairman, Councillors R H Price and G Fazackarley participated in the question and answer session.

In response to members' questions, it was noted that:

of the 59 brand new vehicles due in Hampshire and Dorset in the next twelve months, at least 16 of them would go to Hoeford;

a further 64 vehicles would be refurbished;

all single-decker buses would have to comply with legislation concerning low floor requirements by 2015 (and double-deckers by 2017) and so Volvo Olympians from 1996 and SLF Darts from 1997 currently in use in Fareham would be replaced by then;

50 - 60% of buses based at Hoeford operated on Portsmouth routes;

the local management team would be reminded of the importance of liaison with councillors;

the introduction of the trial bus lane in Western Way was a solution reached as a result of a partnership between Hampshire County Council and First Bus;

details of any bus changing from its official route, unless at the instruction of the police or management, should be reported to First Bus;

a town centre terminus was fundamental to the operation of the service;

consultation on proposed service changes was difficult because making information available too soon could enable competitors to react to them; a customer panel for Fareham and Gosport had been set up and the minutes of the meetings were available on the First Bus website; Councillor Davies was invited to become a member of the customer panel for Fareham and Gosport; information on social media had greatly increased;

consideration was being given to producing leaflets with individual service timetables on in addition to the composite timetables showing all the services in Fareham and Gosport;

as a general rule, a spare driver was available at each depot first thing in the morning and in the afternoon to cover any unforeseen absence and, in addition, a list of further drivers that could be called in was available;

the 14% modal shift from car to Eclipse reported equated to approximately 200,000 journeys a year;

First Bus found it difficult to support the use of the Western Way bus lane by taxis and private hire vehicles because the appearance of some of them was similar enough to normal cars to mislead other motorists and lead to them also using the bus lane, thus impacting severely on one of the four key aspects of the Eclipse service - speed of journey.

It was AGREED that:-

- (a) Marc Reddy and Chrissie Bainbridge be thanked for their presentation and for answering members' questions; and
- (b) a copy of the presentation be circulated to members of the Board.

7. PRESENTATION BY THE CHAIRMAN OF THE GENESIS CENTRE EXECUTIVE COMMITTEE

The Board received a presentation from the Chairman of the Genesis Centre Executive Committee, Councillor S D T Woodward. The presentation included details of the development of the Genesis young people's centre at Locks Heath, the Genesis Management Committee, accommodation offered, operational information, current usage information, the Monday Night Project - 'Identity' and issues for consideration. The presentation sought to give answers to members' questions agreed at the meeting of the Scrutiny Board on 27 September 2012 (minute 7 refers).

It was AGREED that Councillor Woodward be thanked for his presentation and for answering members' subsequent questions.

8. SAFEGUARDING POLICY

The Board considered a report by the Director of Community on the Council's Safeguarding Policy (copy of report [sb-130321-r03-jmi](#) circulated with agenda). The report proposed several changes to the Policy, including taking account of national changes and revised guidance and extending the Council's safeguarding responsibilities to also include the needs of vulnerable adults.

It was noted that a related report concerning Disclosure and Barring Checks would be submitted to a future meeting of the Board following further legal advice.

(Councillor Forrest left the meeting at 8.03pm).

It was AGREED that:-

- (a) the widening of the Council's Safeguarding Policy to include vulnerable adults in addition to children and young people be supported; and
- (b) the revised Safeguarding Policy, as shown in Appendix A to the report, be supported and forwarded to the Executive for approval and implementation

9. REVIEW OF THE BOARD'S WORK PROGRAMME

The Board considered a report by the Director of Finance and Resources reviewing the Board's work programme for 2012/13 and considering the draft work programme for 2013/14 (copy of report [sb-130321-r04-awa](#) circulated with agenda).

It was AGREED that:-

- (a) the outcome of the Board's work programme for 2012/13, as shown in Appendix A to the report, be noted;

- (b) the Council be informed that the Board considers that the call-in procedure is operating satisfactorily and that there are no reasons to suggest that the arrangements should be amended for 2013/14;
- (c) the officers be requested to liaise with the three agreed external organisations and the Executive members to arrange for a presentation at each of the six meetings in 2013/14;
- (d) subject to (c) above and to the updating of the items for the meeting on 21 November 2013, the provisional work programme for 2013/14, as shown in Appendix B to the report, be approved; and
- (e) the provisional work programme for 2013/14, attached as Appendix A to these minutes, be submitted to the Council.

10. EXECUTIVE BUSINESS

There were no items of Executive business considered.

(The meeting started at 6.00pm
and ended at 8.10pm).

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FAREHAM

BOROUGH COUNCIL

Report to Scrutiny Board

Date: **30 May 2013**

Report of: **Monitoring Officer**

Subject: **Call-In of Executive decision 2013/14-6: Improving Customer Satisfaction.**

SUMMARY

Call-in can be triggered by three members giving due notice to the Chief Executive Officer before the end of a call-in period following an Executive decision. A call-in was received on Monday 20 May 2013 relating to the decision made at the meeting of the Executive on Monday 13 May 2013. The call-in relates to the decision of the Executive in respect of Improving Customer Satisfaction and the appointment of Vanguard Consultancy to provide guidance, expertise and support in implementing changes to the way the Council delivers services to its customers.

This matter is now referred to the Scrutiny Board to determine. The options open to the Scrutiny Board are:-

- (a) to accept the decision made by the Executive, in which case the decision can be implemented; or
- (b) to request that the Executive reconsiders the decision, giving reasons for such a request.

INTRODUCTION

1. At the meeting held on 13 May 2013, it was resolved that the Executive waives contract procedure rules and approves the appointment of Vanguard Consultancy to provide guidance, expertise and support in implementing a fundamental change to the way the Council delivers its services to customers.
2. On Monday 20 May 2013, the Chief Executive Officer received a notice of call-in letter signed by Councillors J S Forrest, R H Price, JP, and P W Whittle. The reasons for the call-in are contained within the notice and state that the grounds of the call-in are that the decision is contrary to the Council's Policy Framework and contrary to, or not wholly in accordance with the Council's budget. A copy of the call-in notice is included at Appendix A.
3. As a notice of call-in has been received, the implementation of the decision stands suspended until the matter has been reviewed by the Scrutiny Board.
4. The information contained within the call-in notification now needs to be considered by the Scrutiny Board.

MATTERS FOR CONSIDERATION

5. The reasons given within the call-in notice are as follows:-
 - i. The Council has high levels of customer satisfaction and therefore the justification is not sufficiently proven for the levels of expenditure for small incremental improvements.
 - ii. The methodology proposed has not been adequately demonstrated to be the best solution in the circumstances.
 - iii. The grounds for waiver of Council Contract Procedure Rules have not been evidenced and the circumvention of open competitive tendering process is unsound for use of public funds.
 - iv. The funds are not available without forward commitment of future unapproved budgets.
6. To assist the Scrutiny Board in its review of the decision, a copy of the report considered by the Executive in relation to this matter is included at Appendix B (reference [xps-130513-r02-lan](#)), together with a copy of the record of the Executive decision 2013/14-6 at Appendix C.

POLICY FRAMEWORK

7. It is the opinion of the Monitoring Officer that the Executive decision is not contrary to the Council's Policy Framework.
8. The call in makes reference to the Council's Policy Framework and that the decision made by the Executive is contrary to what is contained in the Corporate Vision and Priority Actions. This is in effect the Corporate Strategy 2011- 2017 that was approved by Council on 23 June 2011.
9. To further assist the Scrutiny Board in its review of the decision, a copy of the Corporate Strategy approved by Council is provided to members of the Scrutiny Board at Appendix D. (http://www.fareham.gov.uk/pdf/about_the_council/vision.pdf refers).

10. The strategy sets out the Council's priorities for 2011 to 2017 and emphasises our determination and commitment to ensure that Fareham remains a prosperous, safe and attractive place to live and work. The Council has a set of values which include listening to and being responsive to our customers as well as being efficient and effective in providing value for money.
11. Customer satisfaction surveys show that residents are satisfied with the way the Council runs things and that it provides good value for money. It performs well and is good at keeping Fareham an attractive and prosperous place to live, work and visit.
12. The strategy sets out the Council's priorities, one of which is to be a **dynamic, prudent and progressive council**. Within this context our overall priority is to ensure the Council offer good value for money by providing high quality services and maintaining high levels of customer satisfaction whilst keeping Council tax levels low. In order to achieve this, the Council needs to focus on customer needs and satisfaction.
13. As such and as highlighted in the report that was presented to the Executive our services, systems and procedures should be designed from a customer's perspective. Whilst there are many examples of good customer service it is accepted that there are also areas that need to improve and there are many opportunities where improvements can be made. To this effect it is important that we do not become complacent.
14. The report that was presented to the Executive highlights there is room for significant improvement and as customers become more demanding and discerning it will be necessary to look at how our services are delivered from their perspective in order to maintain or increase levels of satisfaction. Put simply the Council cannot afford to 'stand still' but we need to regularly challenge ways of working.
15. This is very much about delivering one of our corporate priorities of **being a dynamic, prudent and progressive Council** and as such the decision of the Executive is not contrary to the Corporate Strategy that contains the Corporate Vision and Priority Actions referred to in the Notice of Call-In which is part of the Council's Policy Framework.
16. In addition through this process the costs of providing services are normally reduced in the long term and whilst this is not the main purpose of such an approach any savings achieved will be captured as part of the Council's efficiency programme, an outcome that also contributes to this priority.
17. The reason for the Vanguard approach being recommended is clearly set out in the report that was considered by the Executive (Appendix B). It explained that there were a number of methods that drive improvements in the public sector and alternative service providers have been considered and investigated by officers. However none met the long standing approach of the Council in putting the customer at the centre of everything we do. The Vanguard method contained key differences as set out in the report that enables a more tailored approach to be developed that fitted in with what the Council see as the way forward.
18. The report to the Executive explained that Directors and Heads of Service have all had familiarisation sessions on the Vanguard approach and it highlighted many

opportunities were customer service and satisfaction could be improved. The Trade Union, UNISON have also been consulted on the approach and have responded formally in support of the approach. A copy of the letter of endorsement from UNISON is included at Appendix F.

19. Therefore the work that has been undertaken to date highlights that the methodology proposed has been adequately considered and demonstrated to be the best solution and fit for the Council in improving customer satisfaction.

COUNCIL'S BUDGET

20. Within the call-in notice the grounds for the call-in are identified as being contrary to, or not wholly in accordance with the Council's budget. The specific areas listed in the notice of call-in are:
 - i. That the decision contravenes Financial Regulations; and
 - ii. That the budget has not been fully identified with approvals.

Contracting Arrangement

21. The proposed contracting relationship with Vanguard would be a call-off arrangement. This means that the extent to which services are procured from Vanguard rests wholly with the Council. The decision made by the Executive was to commit a maximum of £300,000 over 3 financial years. However, it is possible that this cost could be less, depending upon the speed of engagement and subsequent improvement across the organisation.
22. Funding for expenditure in year 1 was wholly identified within previously earmarked cash-backed reserves. Expenditure for subsequent years is to be identified in the budgeting process for the respective period, or when considering any underspending from 2012/13 (in July 2013). However, as the arrangement would be on a "call-off" basis, the Council would not be committing expenditure in the absence of a budget. If, during the budget setting process, it was not possible to secure funds for the latter phases of the work, then the arrangement with Vanguard could be immediately curtailed without financial recourse to the Council. If it becomes apparent that the maximum level of spending is not required, then the earmarked funds would be returned to the revenue reserve.

The Council's Contract Procedure Rules

23. To assist the Scrutiny Board in its review of the decision, a copy of the Contract Procedure Rules from the Financial Regulations contained within the Council's constitution is provided to members of the Scrutiny Board at Appendix E.
24. Section 9.1 (Contracts with a value in excess of the EU public procurement thresholds) states "Where the estimated contract value exceeds the relevant EU public procurement threshold any contract must be let in compliance with the relevant legal requirements, in particular the Public Contracts Regulations 2006 (as amended) and these Rules."
25. Section 18 (Waivers of Contract Procedure Rules) states "Where a contract has an estimated value of £50,000 or more, the Executive, relevant Executive Member or

Committee as appropriate may agree to waive the provisions of these Rules provided that no such waiver shall permit a breach of any relevant domestic or European legislation.”

Financial Regulation 15: Contracts and Procurement Procedures

26. Section 15.3.7 states “Limited Suppliers: Where there are limited suppliers of the required quality available for goods and services (e.g. use of specialists), less than the required number of price comparisons can be sought, on agreement with the Monitoring Officer or the appropriate Director/Chief Officer that a limited supply exists.”
27. Section 15.3.8 states “Single Suppliers: In the cases of only a single supplier being available, or to ensure continuity of a specialist supply, attempts should be made to demonstrate that use of the supplier is still offering the Council value for money (e.g. comparison to previous years, other local authorities etc.)

Requirement of the EU Public Contracts Regulations 2006

28. The EU Regulations require contracting authorities to adhere to the overriding EU principles of transparency and equal, non-discriminatory treatment of suppliers. The default position for public contracting bodies is that the services above the EU threshold (£173,934), one of the following competitive procurement methods should be adopted
 - a) Open tender (where an open invite to tender is advertised, and all suppliers that submit by the due date must be considered)
 - b) Restricted tender (where, following an open invite seeking expressions of interest, a limited number of suppliers are invited to submit a tender for the supply)
 - c) Competitive Dialogue (this is similar to the restricted procedure, but the public body conducts dialogue with the shortlisted suppliers to develop their proposed solutions to its requirements before seeking formal tenders from them)
 - d) Competitive Negotiated (a limited number of suppliers are selected in the same way as the restricted procedure, then the contracting authority negotiates with those suppliers to select the winning bidder).
29. The regulation also allows for public authorities is to contract for the supply of services without conducting an OJEU competitive process. This is set out in Regulation 14(1)(a)(iii), which states that “when, for technical or artistic reasons, or for reasons connected with the protection of exclusive rights, the public contract may be awarded only to a particular economic operator”.
30. Where public bodies apply Regulation 14 (1)(a)(iii), it is incumbent upon the public authority to demonstrate that the test applies. This is often a judgement based on subjective evidence, and in order to test the assumptions made, the regulations allow for public bodies to publish a “Voluntary ex ante transparency notice”. This is a public notice advising of the intention to award a contract without prior publication of a contract notice in the Official Journal of the EU. On publication, all suppliers within the EU are given the opportunity to challenge the rationale for a limited period. The outcome of this exercise will either support the view of the public body or it will identify

other suppliers that have an interest in the supply.

CONCLUSION

31. In the opinion of both the Monitoring Officer and the Section 151 Officer, the decision was not a departure from approved policies or budget.
32. On considering this matter, the Scrutiny Board will need to decide if it wishes to accept the decision made by the Executive, in which case the decision can be implemented; or request that the Executive reconsiders the decision, giving reasons for such a request.

Appendices:

A: Call-in notice - setting out reasons for call-in,

B: Report to Executive 13 May 2013 – Improving Customer Satisfaction (reference [xps-130513-r02-lan](#))

C: Record of the Executive decision 2013/14-6

D: Corporate Strategy 2011-2017

E: Contract Procedure Rules

F: Letter of endorsement from UNISON

Enquiries:

For further information on this report please contact Garry White (Ext 4395).

FAREHAM BOROUGH COUNCIL

NOTICE OF CALL-IN

(See notes overleaf)

To: The Chief Executive Officer,
c/o the Head of Democratic Services, Fareham Borough Council.

We, the undersigned, require the following Decision of the Executive (or an individual member of the Executive) to be called-in for review under Part 43 (Chapter 10) of the Fareham Borough Council Constitution.

Date of Decision:	MONDAY 13TH MAY 2013	
Minute Number:	13 (2)	
Decision Title and Brief Description:	IMPROVING CUSTOMER SATISFACTION THE EXECUTIVE HAS DECIDED TO APPOINT VANGUARD CONSULTANCY AND WAIVE CONTRACT PROCEDURE RULES.	
Reasons for Call-in:	<p>1) THE COUNCIL HAS HIGH LEVELS OF CUSTOMER SATISFACTION AND THEREFORE THE JUSTIFICATION IS NOT SUFFICIENTLY PROVEN FOR THE LEVELS OF EXPENDITURE FOR SMALL INCREMENTAL IMPROVEMENTS.</p> <p>2) THE METHODOLOGY PROPOSED HAS NOT BEEN ADEQUATELY DEMONSTRATED TO BE THE BEST SOLUTION IN THE CIRCUMSTANCES</p> <p>3) THE GROUNDS FOR WAIVER OF COUNCIL CONTRACT PROCEDURE RULES HAVE NOT BEEN EVIDENCED AND THE CIRCUMVENTION</p>	
Is the Call-in of this decision made on either of the following grounds:	<p>OF OPEN COMPETITIVE TENDERING PROCESS IS UN-SOUND FOR USE OF PUBLIC FUNDS.</p> <p>4) THE FUNDS ARE NOT AVAILABLE WITHOUT FORWARD COMMITMENT OF FUTURE UNAPPROVED BUDGETS.</p>	
(i) Contrary to the Council's Policy Framework (see over);	(i)	<p><u>YES</u> / NO / N/A*</p> <p>CORPORATE VISION + PRIORITY ACTION</p>
(ii) Contrary to, or not wholly in accordance with the Council's budget.	(ii)	<p><u>YES</u> / NO / N/A*</p> <p>a) CONTRAVENES FINANCIAL REGULATIONS</p> <p>b) BUDGET HAS NOT BEEN FULLY IDENTIFIED WITH APPROXIMS.</p>
(if yes, a report will be required from the Monitoring Officer. Please therefore state the relevant plan or strategy from the policy framework or the budget concerned).	* delete as appropriate	
Councillors' Names (Please Print)	Signature	Date
JIM FORREST	James Forrest	12/5/2013
ROGER PRICE	Roger Price	17/5/2013
PAUL WHITTLE	Paul L. Whittle	17 MAY 2013.

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Report to the Executive for Decision

13 May 2013

Portfolio:	Policy, Strategy and Finance
Subject:	Improving Customer Satisfaction
Report of:	Chief Executive Officer
Strategy/Policy:	Efficiency Plan
Corporate Objective:	Dynamic, prudent and progressive council

Purpose:

To outline a new management approach to improving services to the Council's customers, using the "Vanguard method."

Executive summary:

The Chief Executive Officer has recently been exploring methods of improving the customer experience when dealing with the Council, and has been particularly impressed by the work of a company called Vanguard. At the core of the Vanguard approach to 'systems thinking' is the belief that all services and procedures should be designed from a customer's perspective.

A number of informal discussions were held with representatives from the Vanguard Consultancy, and Executive Members were briefed accordingly. It was felt that if the Chief Executive and Senior Managers were to fully understand the 'systems thinking approach' known as the "Vanguard method" then it would be necessary to participate in a three day familiarisation session.

This took place in the Civic Offices from 18 to 20 March 2013 and involved all senior managers experiencing customer transactions on the 'front line', learning how customers felt in their dealings with the Council, and identifying areas for improvement.

It was clear from this brief exercise that there are many opportunities where customer transactions could be improved. It is therefore recommended that the Vanguard Consultancy be appointed to lead managers and employees through a longer term approach to transformational change.

Recommendation:

That the Executive waives contract procedure rules and approves the appointment of Vanguard Consultancy to provide guidance, expertise and support in implementing a fundamental change to the way the Council delivers its services to customers.



Reason:

Whilst the Council's customer satisfaction levels are high, there is still room for significant levels of improvement, and as customers become both more demanding and discerning, it will be necessary to work harder to maintain or increase levels of satisfaction.

Cost of proposals:

In 2013/14, the cost will be £190,000. In 2014/15 the cost will be £90,000, and in 2015/16 the cost will be £20,000.

The funding for the first phase of work during 2013/14 will be met from the funds earmarked for "Improving the Customer Experience" (£100,000), and "Invest to Save" (£100,000). This was approved by the Executive on 16 July 2012. The balance of funding required will be considered as part of the budget setting cycle for 2014/15, and when the outturn position for the last financial year is considered, in July.

Costs reduce year on year, as the organisation becomes more self-reliant in its ability to use the Vanguard method independently of consultants.

Appendix A: Key stages of the Vanguard method

Background papers: Costed proposal from Vanguard

FAREHAM

BOROUGH COUNCIL

Item 13(2)

Executive Briefing Paper

Date: 13 May 2013

Subject: Improving Customer Satisfaction

Briefing by: Chief Executive Officer

Portfolio: Policy, Strategy and Finance

INTRODUCTION

1. The purpose of this report is to outline a new management approach to improving services to the Council's customers.
2. In order to implement the new approach it will be necessary to appoint specialist consultants to work alongside managers and employees to provide guidance and support throughout the period of change.

BACKGROUND

3. The Council has a good track record of providing high quality services. Customer satisfaction levels were last measured in 2011, through a postal survey, with 92% of respondents indicating that they were happy with the way in which the Council runs things.
4. This was an excellent result, and a reflection of all the hard work and commitment of both members and officers in delivering a wide range of services to Borough residents. It is important, however, that complacency is avoided. There is still room for significant levels of improvement and as customers become both more demanding and discerning, it will be necessary to work harder to maintain or increase levels of satisfaction.
5. With this in mind, the Chief Executive Officer has been investigating different approaches to the way services are designed and delivered, specifically aimed at improving levels of customer satisfaction.
6. As a result of this investigation, the Vanguard method, which is loosely based on a systems thinking approach to service redesign, appears to provide an appropriate framework to help managers and employees to implement the necessary changes to improve service provision and customer satisfaction.

THE VANGUARD METHOD

7. At the core of the Vanguard approach to 'systems thinking' is the belief that all services and procedures should be designed from a customer's perspective.
8. By its very nature, the Council is a bureaucracy. It provides a wide range of services supported by structures, systems and processes which have been built up over many years. It is very easy to lose sight of the customer's needs. Often, when asked why we follow a process in a specific way, the answer will be "because we have always done it that way". This fails to recognise that the working environment and customer expectations are constantly changing and that there is a need to regularly challenge ways of working.
9. It is important to recognise that the Vanguard method is not just a traditional process improvement exercise that focuses on 'doing things better'. Council Officers have been using different business transformation techniques for many years.
10. Instead, it is a fundamental rethink of service provision through the eyes of the customer which leads to doing "better things". As well as creating better processes, the adoption of 'systems thinking' can lead to changes to measures, costs, structure and the role of support functions such as ICT, Finance and Human Resources.
11. The Vanguard method is not based on a traditional approach where the consultants come in and tell managers the answer. Instead, Vanguard representatives will work alongside managers and employees as a coach, guide, and facilitator so that officers are able to make changes themselves based on the knowledge and understanding gained from taking a different perspective.
12. The key to success is to design services "outside in" from the customer's point of view, rather than "inside out" for the benefit of the organisation.
13. Such a logical approach appears to be simple but this will require a step change in thinking by managers, employees and members who have been involved in designing and operating current systems and processes for many years. The role of consultants is essential in providing a new perspective.
14. Vanguard Consultants have worked with a number of local authorities. More recently this includes councils at Exeter, East Devon, Portsmouth, Stoke on Trent and Bracknell Forest. They have also worked with significant clients in the private sector such as Glasgow Housing Association, Aviva Insurance and O2, as well as Cheshire, Manchester and West Midlands Police.
15. Evidence suggests that where the 'systems thinking' approach has been used there are tangible improvements in both customer satisfaction levels and the morale of the workforce. The latter benefit stems from the fact that, following implementation, front line employees feel more empowered to solve a customer's problem.

16. An added benefit of adopting the 'Vanguard Method' is that the costs of providing services are normally reduced in the long term. It is important to stress that this is not the main purpose of introducing such an approach, but any savings achieved will be captured as part of the Council's efficiency programme.
17. The key stages of the Vanguard method are described in Appendix A.

WHY VANGUARD?

18. There are many methods used to drive improvement in the public sector. These include, for example, lean thinking, Six Sigma, business process re-engineering (BPR), PRINCE2, total quality management (TQM) and the theory of constraints (TOC).
19. These methods have been investigated by officers but it is felt that the Vanguard methodology is unique in that it gives an easy to follow framework for understanding the true nature of the Council's current performance (which will be quite different to current perceptions).
20. Managing by targets has the unintended consequences of poorer service to customers, unnecessary extra work and a disrupted work flow preventing employees from acting on what matters to the customer. By focussing on the customers, and how the processes flow, it is possible to deliver dramatically better results.
21. The 'Vanguard method' emphasises the need for the thinking of managers and employees to change before acting on a system and being able to improve performance in a 'Check-Plan-Do' cycle.
22. At first glance, other consultancies using terms like 'systems thinking' and 'lean thinking' appear to do similar things to Vanguard. In bringing forward proposals to adopt the 'Vanguard method', officers have given consideration to alternative service providers, but concluded that there was not a direct comparison which met the needs of the organisation, for the following reasons.
23. Most other companies tend to use an off the shelf set of tools, designed as a "one size fits all" solution, rather than delivering a more tailored approach to the client's needs. With other companies, the emphasis appears to concentrate more on turning a businesses finances around than effectively meeting customers' needs.
24. Some companies takes a holistic approach combining both hard and soft 'systems principles' to design highly effective services and to support employees through the necessary change process. They place great emphasis on the people issues inherent in developing a successful and sustainable lean thinking approach with the prime purpose of achieving cost savings.
25. On closer inspection, the Vanguard method contains key differences that make it unique in helping organisations change from command and control to a 'systems thinking' approach.

26. Methods developed for manufacturing systems do not easily translate into people-based systems. The language and approach of the Vanguard method is more closely aligned to public service design thinking than traditional management approaches.
27. The Vanguard method has its roots in lean thinking but uniquely emphasises particular approaches in improving public services such as a profound understanding of the purpose and demand in service delivery.
28. In contrast to other systems, there is no toolkit to be applied and no training course for managers or employees to attend. Participants are engaged in the study of their service in a systematic way. A key feature is the emphasis placed on 'effectiveness thinking' as opposed to 'efficiency thinking'. Becoming closely familiar with the customers and their demands is at the heart of the approach.
29. The Chief Executive has had a number of informal discussions with representatives from the Vanguard Consultancy, and a briefing session was held with Executive Members. It was felt that if the Chief Executive and Senior Managers were to fully understand the 'systems thinking approach' then it would be necessary to participate in a three day familiarisation session.
30. This took place in the Civic Offices from 18 to 20 March 2013 and involved all senior managers experiencing customer transactions on the 'front line', learning how customers felt in their dealings with the Council, and identifying areas for improvement.
31. It was clear from this brief exercise that there are many opportunities where customer transactions could be improved. It is therefore recommended that the Vanguard Consultancy be appointed to lead managers and employees through a longer term approach to transformational change.
32. In addition to the above, the Deputy Executive Leader agreed to champion the introduction of the Vanguard method, and has been fully involved in discussions with the Chief Executive Officer, who he meets with regularly. Such meetings will continue to take place, should the proposed recommendations be agreed, and members will be kept up to date with progress within the Council.

RISK ASSESSMENT

33. An assessment of the risks and opportunities associated with this decision has been undertaken.
34. The key risk to be managed is a possible decline in employee morale as significant changes to methods of service provision are introduced. This risk can be mitigated through clear and regular communication, employee involvement in reviewing services and proposing changes, and regular opportunities to discuss progress with senior management.
35. This has already commenced with details of the scheme being shared with employees via the Chief Executive Officer's monthly newsletter, plus workshops with senior managers and Trade Union discussions.

36. There is a low risk of challenge from third parties, as to the Council's interpretation of market providers and therefore the approach to procuring the services of Vanguard. The consequences, if this were to happen, would be to put the Vanguard appointment on hold, take legal advice and, if necessary, invite expressions of interest to supply the Council. Once the successful consultancy was appointed, then the work would recommence, but it would give rise to a delay in the work programme.

FINANCIAL IMPLICATIONS

37. The maximum costs of appointing the Vanguard Consultancy would be as follows:-

Year	Estimated Cost £	Focus of the Work
2013	190,000	<ul style="list-style-type: none">• Fundamentals of the Vanguard method with senior managers• Workshops as required with Members and managers• Diagnostics and scoping of priority service areas• 2 x in depth service interventions
2014	90,000	<ul style="list-style-type: none">• 3 x in depth service interventions• Workshops as required with Members and managers
2015	20,000	<ul style="list-style-type: none">• Vanguard consultant on 'pull' to advise as required by Senior Management

38. It is important to note that these would be the maximum costs. The faster Fareham Borough Council officers become familiar with, and self-sufficient in, the Vanguard method, the lower will be the costs associated with support from the consultants.
39. Since the approach is based on informed choice, the Chief Executive Officer would be making decisions on further spend, within the budget outlined above, based on the demonstrated value at the time.
40. To this end, the funding for the first phase of work during 2013/14 would be met from the funds earmarked for "Improving the Customer Experience" (£100,000), and "Invest to Save" (£100,000). This was approved by the Executive on 16 July 2012. The balance of funding required would be considered as part of the budget setting cycle for 2014/15, and when the outturn position for the last financial year is considered, in July.

CONSULTATIONS

41. All Directors and Heads of Service have been consulted on the proposed implementation of the Vanguard method of 'systems thinking' and are supportive of using such an approach.
42. Trade Union representatives will also receive an overview of the methodology prior to the Executive meeting and their views will be made available to members prior to any decision being taken.

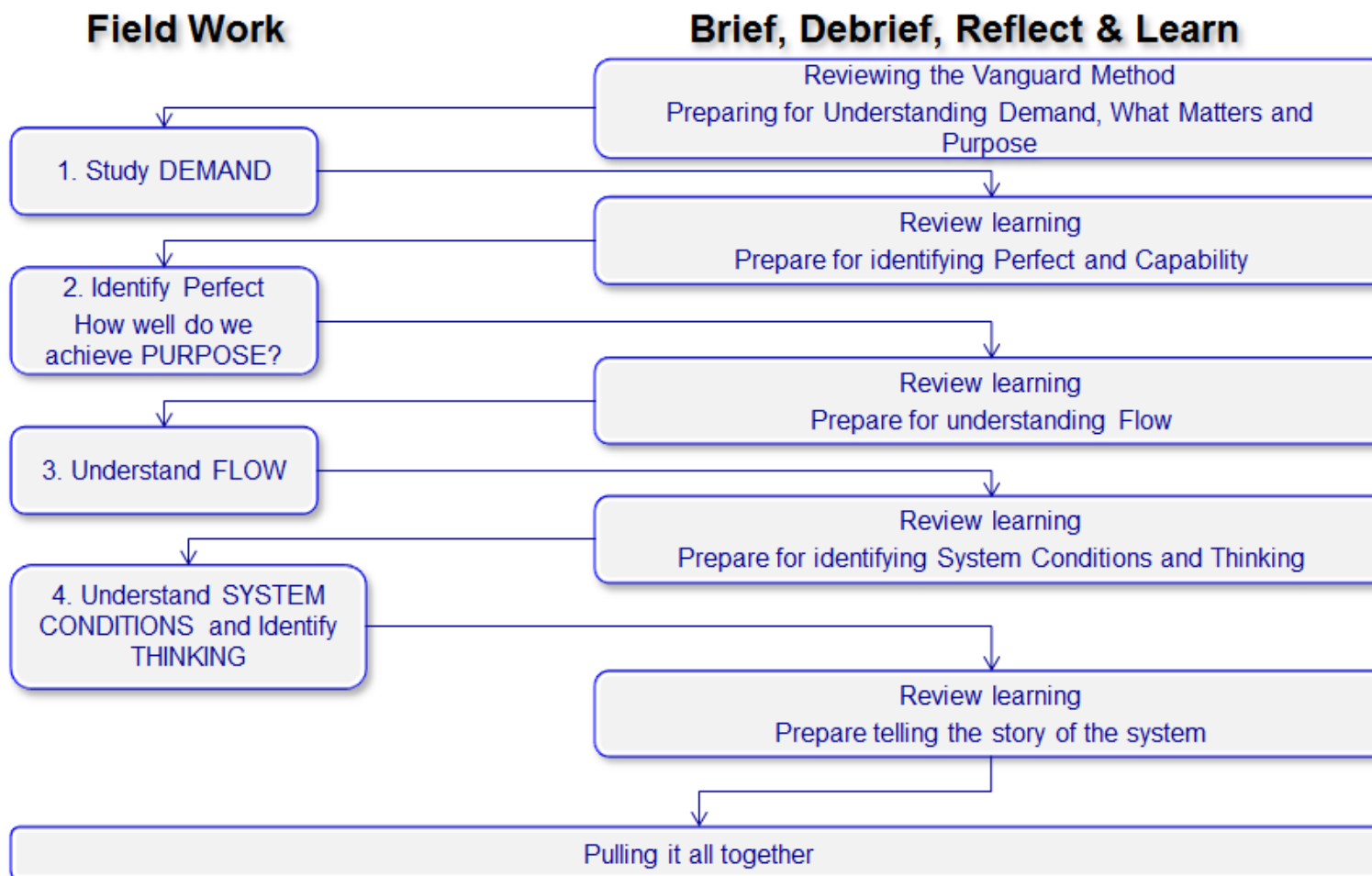
CONCLUSION

43. According to the 2011 Residents' survey, customer satisfaction levels with the Council are high. In order to maintain and/or increase these levels it is considered necessary to undertake a fundamental review of services, roles and structures. The Vanguard method of 'systems thinking' appears to provide an appropriate framework to help managers and employees to implement the necessary changes to service provision.

Reference Papers:

Report to the Executive on 16 July 2012 - Actual General Fund Revenue Expenditure 2011/12

The Vanguard Method



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Record of Executive Decision

13 May 2013 – [xps-130513-r02-lan](#)

Portfolio:	Policy, Strategy and Finance
Subject:	Improving Customer Satisfaction
Report of:	Chief Executive Officer
Strategy/Policy	Efficiency Plan
Corporate Objectives:	Dynamic, prudent and progressive council

Purpose:

To outline a new management approach to improving services to the Council's customers, using the "Vanguard method."

The Chief Executive Officer has recently been exploring methods of improving the customer experience when dealing with the Council, and has been particularly impressed by the work of a company called Vanguard. At the core of the Vanguard approach to 'systems thinking' is the belief that all services and procedures should be designed from a customer's perspective.

A number of informal discussions were held with representatives from the Vanguard Consultancy, and Executive Members were briefed accordingly. It was felt that if the Chief Executive and Senior Managers were to fully understand the 'systems thinking approach' known as the "Vanguard method" then it would be necessary to participate in a three day familiarisation session.

This took place in the Civic Offices from 18 to 20 March 2013 and involved all senior managers experiencing customer transactions on the 'front line', learning how customers felt in their dealings with the Council, and identifying areas for improvement.

It was clear from this brief exercise that there are many opportunities where customer transactions could be improved. It is therefore recommended that the Vanguard Consultancy be appointed to lead managers and employees through a longer term approach to transformational change.

Options Considered:

As recommendation.

Decision:

That the Executive waives contract procedure rules and approves the appointment of Vanguard Consultancy to provide guidance, expertise and support in implementing a fundamental change to the way the Council delivers its services to customers.

Contact: Lindsey Ansell, Head of Corporate Services
E-mail – lanzell@fareham.gov.uk (Tel: 01329 824567)

x-130513-2013-14-6

Reason:

Whilst the Council's customer satisfaction levels are high, there is still room for significant levels of improvement, and as customers become both more demanding and discerning, it will be necessary to work harder to maintain or increase levels of satisfaction.

Confirmed as a true record:

Date: 15 May 2013

Councillor S D T Woodward
(Executive Leader)

Note: this decision will come into force at the expiration of 7 working days from the date of publication, subject to any review under the Council's 'call-in' provisions.

Civic Offices
Civic Way
Fareham
PO16 7AZ

www.fareham.gov.uk

Fareham

The prosperous, safe and attractive place to be

Corporate Strategy 2011–2017



FAREHAM BOROUGH
COUNCIL

www.fareham.gov.uk

Further Information and Contacts

You can view Fareham Borough Council's corporate strategy at:

<http://www.fareham.gov.uk/council/intro.aspx>

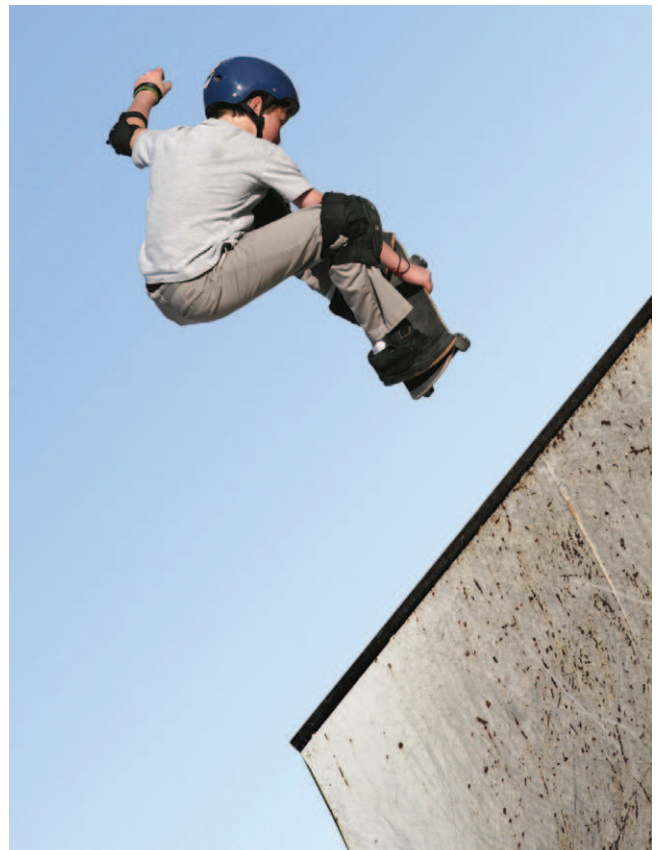
If you have any questions regarding this document, please contact a member of the Corporate Services Team at:

Tel: 01329 236100

Email: corporateservices@fareham.gov.uk

Address: Corporate Services
Fareham Borough Council
Civic Offices
Civic Way
Fareham
PO16 7AZ

If you require this document in another format or language please contact the Corporate Services Team.



Corporate Strategy 2011–2017

Welcome to our corporate strategy for Fareham Borough Council. This document sets out our strategic priorities for 2011 to 2017 and emphasises our determination and commitment to ensure that Fareham remains a prosperous, safe and attractive place to live and work.

The previous strategy was approved in 2006 and included an extensive list of improvement actions that have served the Council well. In reviewing our strategy for the next six years we have considered carefully what residents, service users, partners and others say is important to them and we have looked at how our performance and service delivery compares with other similar Councils.

Over the period of the strategy we will face unprecedented reductions in available resources. We will need to ensure that these resources are directed towards our declared priorities and we will continue to use feedback from residents and from surveys to inform our decisions about which services and initiatives are the most important.

This strategy contains a reduced number of priorities that will provide a clear focus on the most important issues that need to be addressed by the Council over the next six years.



Profile of Fareham

Fareham is located in an area of some 30 square miles along the south coast of Hampshire between Portsmouth and Southampton. It is well connected to the M27 motorway, has good rail links to London and other major centres and easy access to the ferry ports and Southampton international airport. The population of 111,600 is expected to grow by 5.4% over the next 20 years with a growing number in the population aged 45 or more. Black and minority ethnic groups make up a small proportion of the population in comparison to the rest of the south east region. A new development of around 7,000 homes, commercial buildings and community facilities is due to start in 2016 in the new community to the north of Fareham. Considerable effort will be required to ensure that the appropriate infrastructure is provided to support a sustainable community whilst maintaining a balance between the natural and built environments.

Fareham is a popular and attractive place to live and has a good record regarding environmental sustainability. Within Fareham's boundaries there are 6 nationally important sites of special scientific interest, 92 sites of importance for nature conservation and 4 nature reserves. The Borough has many historic buildings, 13 conservation areas, nearly 600 listed buildings plus 7 historic parks and gardens of regional or local importance. Residents have said consistently in national and local surveys that they are satisfied with the local area as a place to live.

Fareham is a thriving business area with low unemployment. Many of Fareham's businesses are of local origin with a high survival rate from start-up. The growth in jobs at Whiteley, Segensworth and the Solent Business Park has reduced the number of residents commuting to work elsewhere. The proportion of Fareham's working age population that are in work is higher than both the regional and national rates and the average annual salary for a full time worker living in Fareham is significantly higher than national average earnings.

Fareham is a safe and healthy place compared to many other parts of the country. The total number of recorded crimes in Fareham has been falling in recent years. Based upon the number of crimes recorded, Fareham's Community Safety Partnership is in the top quartile when compared to other similar authorities. The health of people living in Fareham is generally good when compared to other areas. Life expectancy is higher than the national average for men and women and over the last 10 years, the rate of death from all causes, and early death rates from cancer and from heart disease and stroke, have all fallen and remain lower than the national average. Deprivation levels across the Borough are generally very low, but there are pockets of deprivation where unemployment is much higher and educational achievement is much lower when compared to other parts of the Borough.



The Council continues to invest in leisure activities, opening new football facilities, seeking to achieve a new swimming pool in the west of the Borough and increasing the number of sell-out shows at Ferneham Hall.

On the whole, Fareham's residents are well housed; with 9 out of 10 houses being owner occupied which is the highest in the region and fourth highest in England. In contrast, the proportion of social and private rented housing is very low. The housing stock generally is in good condition with few properties needing major repairs or lacking standard amenities and it is also energy efficient. Average house prices are significantly higher than for neighbouring local authorities in south east Hampshire, but lower than in Hampshire as a whole. First-time buyers in Fareham struggle to get into the housing market as the ratio between average house prices and earnings is significantly higher than the level for other areas in south east Hampshire.

Community Action Teams (CATs) meet in five areas in the Borough for residents to talk to the Council about developments, suggestions and requirements for their areas. An online Customer Engagement Panel has been formed and work is ongoing to develop an equalities forum. The Council also has a commitment to being open and transparent to help customers to better understand its business.

The Council is considered to manage its resources well, has good leadership, a flexible and adaptable workforce and a strong awareness of its financial position. Each year the Council sets its proportion of the Council Tax at or below the rate of inflation.

Surveys show that residents are satisfied with the way the Council runs things and that it provides good value for money. It performs well and is good at keeping Fareham as an attractive and prosperous place to live, work and visit.

Our Vision

Fareham is a 'prosperous, safe and attractive place to live and work'. This has not happened by accident but by careful management and development, and constant attention to our environment and the needs of our communities. Our vision for Fareham's future is based upon the assumption that residents want to preserve all that is good about Fareham, whilst increasing prosperity and making it an even more inclusive and attractive place to live and work.

Our Values

Everything we do is guided by a set of values which are shared by all elected members and employees. These are:

- Listening and being responsive to our customers.
- Recognising and protecting the identity of existing settlements.
- Enhancing prosperity and conserving all that is good.
- Being efficient and effective and providing value for money.
- Leading our communities and achieving beneficial change.



Our Priorities

To achieve this vision we will focus our efforts and resources on achieving seven corporate priorities.

These are:

- To **protect and enhance the environment** by ensuring that Fareham remains a clean and attractive place to live and work. We will make sure that the built heritage and natural environment are conserved and enhanced for future generations and ensure that we minimise the impact on the environment by reducing our use of natural resources; minimising the generation of waste; whilst maximising the collection of recyclable materials. The key challenge in the foreseeable future will be to plan a new sustainable community to the north of Fareham.
- To **maintain and extend prosperity** by working with others to continue to support and promote the economic vitality of the Borough. Developing and improving vibrant town and district centres offering a range of shopping, leisure and employment opportunities will be vital to achieving this priority.
- To ensure that Fareham remains a **safe and healthy place to live and work** by working with others to provide an environment where people of all ages feel safe. We will also ensure that measures are in place to protect the health and safety of people who live, work or visit the Borough.
- To provide a reasonable range of **leisure opportunities for health and fun** so that residents and visitors of all ages can socialise with other members of our communities; participate in arts and entertainment activities; and improve their fitness and health.
- To work with our key partners to enable and support a **balanced housing market** so that residents of Fareham have access to good quality housing that is affordable, within their means and offers a choice of tenures. We will also take positive steps to prevent homelessness and assist individuals and families in securing good quality accommodation. We will support vulnerable people to help them access and sustain housing that is appropriate to their need and provide existing and future tenants of the Council with access to suitable and affordable rented accommodation.



- To build **strong and inclusive communities** by providing strategic leadership to help bring together key partners and encourage them to improve services and provide opportunities for residents of the Borough. We will also give people greater influence and power over the decisions that affect their lives and build more inclusive communities by providing easy and affordable access to information and services provided by the Council.
- To be a **dynamic, prudent and progressive council** by making sure that the decisions we make are transparent and that arrangements are in place to secure ongoing improvement. Our overall priority is to ensure that we offer good value for money by providing high quality services and maintaining high levels of resident satisfaction, whilst keeping council tax levels low when compared to other district councils.



Our Priorities for Improvement

The following paragraphs describe the improvement actions that we will aim to achieve by 2017. They are organised around the seven corporate priorities, except the first action, which will have a direct impact on each priority.

Detailed action plans showing the key milestones and targets for the year ahead will be developed on an annual basis as part of the service and financial planning process. These plans will be based on the resources that are available at the time and will be incorporated into service plans.

Priorities for improvement will be reviewed annually and progress will be monitored regularly.

Affecting All Priorities

- 1) Plan for a new sustainable community to the north of Fareham which achieves high environmental and design standards and provides a wide range of transport choices.



Corporate Priorities

Protect and Enhance the Environment

- 2) Reduce the quantity of household waste and maximise the amount that is reused or recycled.
- 3) Provide leadership to residents and businesses in the borough to reduce energy usage, conserve natural resources and save money.

Maintain and Extend Prosperity

- 4) Work with government and developers to deliver a thriving aviation-led employment area at Daedalus that is supported by a viable airfield.
- 5) Further improve Fareham town centre to provide enhanced shopping and public facilities, with improved access and parking.
 - 5a) Development of the Locks Heath District Centre to meet the needs of local residents for shopping, community and leisure facilities and to complement neighbouring shopping centres and Fareham Town Centre.
- 6) Work to support economic growth and improved skills through the Partnership for Urban South Hampshire (PUSH) and the Solent Local Enterprise Partnership.

A Safe and Healthy Place to Live and Work

- 7) Work with our Community Safety Partnership to continue to reduce anti-social behaviour and crime in Fareham.



Leisure for Health and Fun

- 8) Provide community facilities at the Coldeast site to include a swimming pool, cemetery, allotments, parkland and sports pitches.
- 9) Implement the findings of our review of community centres and sports pavilions and modernise buildings as appropriate, with the replacement of Portchester Community Centre being a high priority.
- 10) Develop new and improved parks, play areas and sports facilities using developers' contributions and external funding.

A Balanced Housing Market

- 11) Enable the provision of 500 new affordable homes by 2017.
- 12) Modernise and improve sheltered accommodation across the Borough.

Strong and Inclusive Communities

- 13) Tackle the underlying causes of deprivation through projects such as the Fareham Park 'Gateway' Project.
- 14) Focus on customer needs and satisfaction through improved communications and targeted service delivery.

Dynamic, Prudent and Progressive Council

- 15) Maximise the value gained from assets that are owned by the Council.
- 16) Saving money, raising income and working in partnership with others to achieve more for less and continue to minimise council tax increases.



Strategic Framework

The strategic framework (set out in the diagram on the back cover) describes the links between the key financial and planning documents which cascade down through the Council, from the sustainable community strategy to the objectives agreed by individual members of staff at their annual performance appraisals.

The **Sustainable Community Strategy** – Your Future, Your Fareham – is the high level strategic document which sets out a shared long-term vision for the Borough. This strategy was developed by the Local Strategic Partnership – networkfareham – in which the Council played a key role.

The Council's **Corporate Strategy** sets out our vision and priorities for the medium-term (i.e. six years). It also includes a set of improvement actions that describe the key projects and initiatives that we will focus on over this period.

A range of other key Council strategies and plans also link into the framework. They include:

- The **Local Development Framework (LDF) Core Strategy** which sets out the policies that will determine future land use to meet the needs of the sustainable community and corporate strategies.
- Other **strategies and plans** that relate to specific themes (e.g. housing, economic development and leisure etc.) also link into the sustainable community and corporate strategies.

- The **Medium Term Financial Strategy** and **Annual Budget**, which address the financial implications of all the Council's strategies and plans.



The corporate strategy and other strategies and plans are supported by **local service agreements** that bring together and describe the key activities and actions that will be delivered by individual service areas within the Council over the short-term (i.e. three years). They also include a range of performance indicators that demonstrate the degree of success of the Council in meeting the corporate vision and priorities.

Strategic Framework





CONTRACT PROCEDURE RULES

January 2013

CONTRACT PROCEDURE RULES

Compliance

- 1.1. Every Member of the Council and every officer and employee of the Council must comply with these Contract Procedure Rules.
- 1.2. Any other person who is engaged in the letting, management or supervision of a contract on behalf of the Council must comply with these Rules as if s/he were an officer of the Council.
- 1.3. These Rules apply to all procurement decisions, regardless of the source of funding, or the status of the contractor (i.e. they apply equally to selection of both main contractors and nominated sub-contractors or suppliers).
- 1.4. Every contract must be let in compliance with all applicable European and domestic legal requirements.
- 1.5. Failure to comply with these Rules is a breach of the Council's Disciplinary Code of Practice and will generally result in the application of the Council's disciplinary procedures.
- 1.6. These Rules are supplemented by and should be read in conjunction with the Council's Financial Regulations and the Procurement Thresholds and Sourcing Procedures.
- 1.7. A glossary of key types of contract referred to in these Rules is provided in [Appendix 2](#).

Exemptions

- 2.1 The following contracts are exempt from the requirements of these Rules:
 - Orders to be placed through a framework agreement¹ access to which is available to this Council;
 - Orders placed through a central purchasing body within the meaning of the Public Contracts Regulations 2006;
 - Employment contracts;
 - Contracts for the disposal or acquisition of an interest in land;
 - Grants to external organisations.

Contract Value

- 3.1 All monetary values referred to in these Rules are total contract values, not annual values, and exclude VAT unless otherwise stated. They cover expenditure contracts and income generating contracts.
- 3.2 Guidance on valuing a contract will be maintained as part of the Procurement Thresholds and Sourcing Procedures.
- 3.3 Contracts must be packaged appropriately to achieve maximum value for the Council. They should not be split in order to avoid quotation or tendering

limits in these Rules or EU procurement thresholds, or packaged in a way to reduce the potential for fair and open competition.

Contracts valued below £20,000

- 4.1 These Rules shall not apply to contracts with an estimated value of less than £20,000. These contracts are governed by the Council's Financial Regulations.

Contracts with a value between £20,000 and £50,000

- 5.1 Where the estimated value of a contract is between £20,000 and £50,000 a minimum of three tenders must be invited for a works¹ contract and a minimum of three written quotations must be invited for a contract for goods¹ or services¹ or concessions¹.

Contracts with a value in excess of £50,000 but not exceeding the EU public procurement thresholds

- 6.1 Where the estimated contract value exceeds £50,000 but does not exceed the relevant EU public procurement threshold (or does not fall within a category subject to the EU public procurement rules) a minimum of three tenders must be invited.

Transparency

- 7.1 All contract opportunities with an estimated value of £20,000 or more must be advertised on the Council's Business Portal (the South East Business Portal) to seek expressions of interest from suitably qualified suppliers.

Selection of Persons to be invited to tender or quote

- 8.1 Except where the estimated contract value exceeds the relevant EU public procurement threshold, tenders or quotations should be sought from an appropriate number of suitably qualified suppliers who have achieved a business accreditation standard recognised by the Council.
- 8.2 Suppliers will be considered as accredited to a recognised standard if they are accredited by EXOR for all contracts, Constructionline for works¹ contracts, by BiP Select Accredited for contracts for goods¹ or services¹ or accreditations with a similar status.

Contracts with a value in excess of the EU public procurement thresholds

- 9.1 Where the estimated contract value exceeds the relevant EU public procurement threshold any contract must be let in compliance with the relevant legal requirements, in particular the Public Contracts Regulations 2006 (as amended) and these Rules.
- 9.2 Where there is a conflict between legislation and these Rules the legislation will prevail.

Invitations to tender or submit quotations

- 10.1 An invitation to tender or submit a quotation shall include:
- A description of the works¹, goods¹ or services¹ being procured.
 - A specification indicating whether variants are permissible.
 - The Council's terms and conditions of contract.
 - The evaluation criteria including any weightings.
 - The pricing mechanism and instructions for completing the tender sum.
 - Where there is a potential transfer of employees, the Council's view on whether TUPE will apply.
 - The form and content of method statements to be provided.
- 10.2 Invitations to tender or quote shall be sent electronically and tenders and quotations shall be received electronically unless the relevant Director agrees otherwise.

Collaborative procurement

- 11.1 Where procurement is undertaken in collaboration with one or more other public authorities the Contract Procedure Rules of one of the other authorities may be used in place of these Rules.
- 11.2 An invitation to tender or to submit quotations may be made for supply to other authorities in addition to Fareham Borough Council on similar terms.

Budgetary Provision

- 12.1 No order shall be placed or quotation or tender invited unless there is sufficient budgetary provision.

Submission and Opening of Tenders and Quotations

- 13.1 All invitations to tender or submit a quotation must specify requirements for their submission. Such requirements shall include a time by which tenders or quotations must be received by the Council.

Tender opening and Award of Contracts

- 14.1 All tenders with an estimated value in excess of £50,000 must be opened in the presence of an Executive member or chairman of the appropriate Committee. All contracts must be awarded by officers and members in accordance with the thresholds set out in [Appendix 1](#).

Form and contents of contracts

- 15.1 For contracts with a value of £20,000 or more:

- a) where it is of a lower value and/or lower risk it will be signed under hand by a relevant authorised officer as per paragraph 15.5;
- b) where it is of a higher value and/or higher risk it will be executed as a deed and sealed, thus giving the Council greater protection.
- 15.2 The question whether the contract should be a deed and sealed or simply signed under hand in accordance with Rule 15.1 above, should be decided at the start of the process when legal advice should also be sort as to the terms and conditions to be included.
- 15.3 The following types of contract must be entered into as a deed:
- a) Any contract which relates to the acquisition, disposal, or lease of land and property.
- b) Any contract for works¹ of a value of £20,000 or more.
- c) Any contracts for works¹ which relate to the structural alteration of a property irrespective of the value, on advice of legal services.
- d) Any contract for goods¹ or services¹ of a value of £50,000 or more.
- 15.4 Contracts not listed in Rule 15.3 do not need to be entered into as a deed, unless there is an appropriate reason to do so.
- 15.5 Contracts to be signed under hand should be signed by an officer nominated with that level of responsibility as set out in [Appendix 1](#). No officer below the level of Head of Service can sign contracts on behalf of the Council.
- 15.6 Any contract to be entered into as a deed should be sealed. The officers authorised to attest the seal are identified in part 1 Chapter 13 of the constitution. In exceptional circumstances where the seal is not available the deed can be signed by 2 officers who are authorised to attest the seal.

Maintenance of the Contract Register

- 16.1 The Council must maintain a Central Register of all contracts that it has entered into.
- 16.2 All original and signed copies of a contract, must be held centrally in a secure location for the term of the contract (including any agreed extension periods), plus the statutory limitation period (6 years for contracts under hand, 12 years for deeds) plus two years. They must be referenced back to the Central Register.
- 16.3 Heads of Service are responsible for ensuring that:
- summary details of any contract that has been entered into, that binds the Council to the terms and conditions of the contract, have been entered on the Central Register;

- the original signed/sealed copies of the contract and any subsequent signed variations, have been stored in the central secure location;
- an electronic copy of the contract and any subsequent variations to the contract that are entered into during its lifetime are stored in their service filing areas.

Conflicts of Interest, Bribery and Corruption

- 17.1 All officers involved with the award of contracts must comply with the Council's Anti-Fraud and Corruption Policy, Anti-Bribery Policy, Guidelines on Gifts and Hospitality and Guidelines on Registering Interests.
- 17.2 In addition the following rules apply:
- No gifts or hospitality, other than simple refreshments, shall be accepted by Officers or members from any bidders to any contract being let by the Council until the time that the contract has been awarded.
 - No contract can be wholly awarded or managed by an officer or member who has other interests in the arrangement.
- 17.3 If it comes to the knowledge of a member or an officer of the Council that a contract in which s/he has a pecuniary interest has been or is proposed to be entered into by the Council, s/he shall immediately inform the Monitoring Officer (in the case of members) or their director (in the case of officers).
- 17.4 Each contract which the Council enters into shall include a provision which entitles the Council to terminate the contract and recover losses from the contractor resulting from such termination if the contractor or anyone acting on the contractor's behalf has committed or attempts to commit an offence under the Bribery Act 2010, the Local Government Act 1972 or any other relevant prevention of corruption legislation.

Waivers of Contract Procedure Rules

- 18.1 Where a contract has an estimated value of £50,000 or more, the Executive, relevant Executive Member or Committee as appropriate may agree to waive the provisions of these Rules provided that no such waiver shall permit a breach of any relevant domestic or European legislation.
- 18.2 Where a contract has an estimated value of less than £50,000, a waiver of the provisions of these Rules may be agreed by the Director of Finance and Resources in consultation with the Monitoring Officer.

Emergencies

- 19.1 In an unforeseen situation where a Director considers that it would not be in the Council's interests to apply the provisions of these Rules the Chief Executive Officer or in his absence another Director may authorise such a course of action in respect of a procurement which would protect the Council's

interests in relation to that emergency. Any action taken under this provision must be reported to the next meeting of the Executive or appropriate Committee. Nothing in this provision authorises the breach of any legal requirements.

Officers' and Members' Powers in Relation to Contracts

	Covers	Additional Rules	Executive Portfolio Holder	Member of CXMT	Head of Service
Award Contract	Choose supplier with whom orders can be placed (in accordance with procurement rules). Select the winning tender from a procurement exercise.	Tenders over £150,000 must be awarded by the Executive or appropriate Committee. All tenders awarded for £50,000 or more must be included in the 6 monthly reports to the Executive.	£150,000	£50,000	£20,000
Sign Contract	Sign under hand a contract awarded under a request for quotes, tenders or sealed bids process. Sign up to an agreement which ties the council into expenditure (e.g. maintenance agreement). Sign up to an agreement which ties the council into a set of terms and conditions (e.g. grant agreement, IT facility agreement).	All contracts for £50,000 or more must be executed as a deed. In addition works¹ contracts over £20,000 should be executed as a deed and any which involve a structural alteration to a property. All contracts involving the acquisition, disposal or lease of land and property should be executed as a deed.	Not permitted	£50,000	£20,000
Attest Seal on a Deed	Signing the seal affixed to a document or deed. Execute a deed if the seal is not available	This authority is set out in Part 1 Chapter 13.8 of the Constitution. As at August 2011 this permits the following persons to attest the seal: Chief Executive Officer; the Solicitor to the Council; the Director of Finance and Resources; the Director of Regulatory and Democratic Services. In exceptional circumstances where the seal is not available the deed can be signed by 2 of the officers who are authorised to attest the seal.			

Notes

1. These limits relate to expenditure or Income, excluding VAT.
2. The limits relate to the Contract Value defined as the whole life costs of the works¹, goods and services being procured. It is NOT the annual value.
3. The authorisation rules in relation to approving orders or signing invoices are laid out in Financial Regulation 4.
4. A manual signature must be provided for all post holders who are nominated to be able to sign an agreement.

Glossary of Key Types of Contract

Concessions

These contracts relate to arrangements where the contractor bears the risk of being rewarded for the works, goods and services which it provides rather than involving an obligation on the Council to pay the contractor for them. It could involve a right for the Council to receive income in relation to or generated by the provision of the works, goods and services provided by the contractor.

For example: Agreement to allow car washing franchise to operate from our car parks, agreement to allow an ice cream seller to operate on our land.

Framework Agreement

A Framework Agreement is an agreement between one or more contracting authorities and one or more potential suppliers for the supply of goods, services or works which the procuring authority can avail themselves of by issuing a purchase order. The maximum duration for a Framework Agreement is four (4) years (except for certain specified areas of activity). Framework Agreements may be structured as single supplier or multi-supplier agreements.

A Framework Agreement does not guarantee that contracting authorities will place any specific £value or volume of business with the awarded framework suppliers. However, where operational demand exists framework suppliers will be used.

Framework Agreements are commonly used in the case of repetitive purchases where the authority knows it will have a requirement but does not know the precise quantity or quantities which it will require. It therefore is designed to choose suppliers who, when the time comes, will be able to meet the Council's needs.

Framework Agreements may be set up by Central Purchasing Bodies (e.g. Government Procurement Service (GPS), Pro5 procurement organisations, regional buying consortiums) to allow other contracting authorities to benefit from using them.

Goods / Supplies

These contracts relate to the purchase, hire, siting or installation of goods, but not their maintenance.

For example: equipment, clothing, vehicles & spare parts, office stationery, consumables, gas.

Services

These contracts relate to the provision by a person or other entity to provide services.

For example: consultancy agreements, provision of maintenance services, provision of professional services, cleaning services.

Works

These contracts relate to construction, demolition, building and civil engineering work and completion work such as joinery, plastering and decoration. It includes major repairs or complete refurbishment.

For example: building a sports pavilion, resurfacing a road, repairing a roof, installing a heating system.



Civic Offices
Civic Way
Fareham
PO16 7AZ

7th May 2013

Paul Doran
Director of Streetscene

Dear Paul,

Vanguard – Systems Thinking

Thank you for giving UNISON the overview of the methodology for Vanguard and asking for comment on the proposal to use this to improve the service for customers. The presentation was very interesting.

UNISON are satisfied with the assurances made that the finances put aside for this project will not affect the employee budget.

It has been noted from the presentation, that following Vanguard's input in other organisations, their staff have reported positively and experienced an increase in morale along with the improvements to customer service. It is hoped that there is a similar outcome here at Fareham, with members receiving support when adapting to change.

UNISON fully supports the ideology of customer focus and improving the customer's experience and hold no objection to employing Vanguard.

Yours sincerely,

A handwritten signature in black ink that reads "Saunders". The signature is written in a cursive style with a long horizontal stroke extending to the right.

James Saunders
Branch Secretary
Fareham UNISON Branch

CC: Sarah Robinson, Head of Personnel

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FAREHAM
BOROUGH COUNCIL

**Report to
Scrutiny Board**

Date **30 May 2013**

Report of: **Director of Finance and Resources**

Subject: **SCRUTINY BOARD WORK PROGRAMME 2013/14**

SUMMARY

This is the first meeting of the Board in the municipal year 2013/14. Items for the draft work programme of the Board for the year were agreed by the Board at its meeting on 21 March 2013 and confirmed by the Council at its meeting on 25 April 2013.

RECOMMENDATION

The Board is now invited to further review the work programme for 2013/14.

INTRODUCTION

1. At the meeting of the Board on 21 March 2013, members agreed items for the draft work programme of the Board for the current year, 2013/14. The work programme was subsequently confirmed by the Council at its meeting on 25 April 2013. The Board's work programme is set out in Appendix A to this report.

RISK ASSESSMENT

2. There are no significant risk considerations in relation to this report.

CONCLUSION

3. The Board is now invited to review its work programme for 2013/14.

Background Papers:

None.

Reference Papers:

None.

Enquiries:

For further information on this report please contact Andrew Wannell (Ext 4620).

SCRUTINY BOARD –WORK PROGRAMME 2013/14

DATE	SCRUTINY BOARD ITEM
30 May 2013	Review of the work programme 2013/14 Question and answer session with representatives of the Environment Agency
4 July 2013	Review of the work programme 2013/14 Annual Report on the Performance of the Community Safety Partnership
26 September 2013	Medium Term Finance Strategy 2013/14 Review of the work programme 2013/14
21 November 2013	Review of the work programme 2013/14
23 January 2014	Preliminary overall review of work programme 2013/14 and draft programme for 20413/15 Finance Strategy, Capital Programme, Revenue Budget and Council Tax 2014/15 Housing Revenue Account Budget and Capital Plans 2014/15
20 March 2014	Final review of work programme for 2013/14 and draft for 2014/15

Items to be assigned:

- Question and answer session with Fareham Community Savers - The Credit Union
- Question and answer session with Solent Local Enterprise Partnership
- Presentation and question and answer sessions with individual Portfolio holders (three in 2013/14)

<u>SCRUTINY BOARD WORK PROGRAMME - PROGRESS SINCE LAST MEETING</u>				APPENDIX B	
Date of Meeting	Subject	Type of Item	Action by Board	Outcome	Link Officer
21 March 2013	Question and Answer Session with Representatives of First Bus	Review	<p>At the invitation of the Chairman, Councillor P J Davies joined the Board during the consideration of this item.</p> <p>The Board received a presentation on Bus Services in the Fareham Area from Marc Reddy and Chrissie Bainbridge of First Bus. A list of members' questions had been compiled and forwarded to First Bus in advance of the meeting and some of these were addressed during the presentation and others in the question and answer session following the presentation.</p> <p>The presentation included details of: how the bus industry works; the Solent Business Unit (Hoeford and Hilsea); challenges facing the industry; tendered services; commercial network; Eclipse BRT; customer engagement; investment; Fareham Rail Station Interchange; Fareham Community Hospital; the transport needs of young people; and further initiatives.</p> <p>At the invitation of the Chairman, Councillors R H Price and G Fazackarley participated in the question and answer session.</p>		Richard Jolley

			<p>In response to members' questions, it was noted that:</p> <p>of the 59 brand new vehicles due in Hampshire and Dorset in the next twelve months, at least 16 of them would go to Hoeford;</p> <p>a further 64 vehicles would be refurbished;</p> <p>all single-decker buses would have to comply with legislation concerning low floor requirements by 2015 (and double-deckers by 2017) and so Volvo Olympians from 1996 and SLF Darts from 1997 currently in use in Fareham would be replaced by then;</p> <p>50 - 60% of buses based at Hoeford operated on Portsmouth routes;</p> <p>the local management team would be reminded of the importance of liaison with councillors;</p> <p>the introduction of the trial bus lane in Western Way was a solution reached as a result of a partnership between Hampshire County Council and First Bus;</p> <p>details of any bus changing from its official route, unless at the instruction of the police or management, should be reported to First Bus;</p> <p>a town centre terminus was fundamental to the operation of the service;</p>		
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			<p>consultation on proposed service changes was difficult because making information available too soon could enable competitors to react to them; a customer panel for Fareham and Gosport had been set up and the minutes of the meetings were available on the First Bus website; Councillor Davies was invited to become a member of the customer panel for Fareham and Gosport; information on social media had greatly increased;</p> <p>consideration was being given to producing leaflets with individual service timetables on in addition to the composite timetables showing all the services in Fareham and Gosport;</p> <p>as a general rule, a spare driver was available at each depot first thing in the morning and in the afternoon to cover any unforeseen absence and, in addition, a list of further drivers that could be called in was available;</p> <p>the 14% modal shift from car to Eclipse reported equated to approximately 200,000 journeys a year;</p> <p>First Bus found it difficult to support the use of the Western Way bus lane by taxis and private hire vehicles because the appearance of some of them was similar enough to normal cars to mislead other motorists and lead to them also using the bus lane, thus impacting severely on</p>		
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			<p>one of the four key aspects of the Eclipse service - speed of journey.</p> <p>It was AGREED that:-</p> <p>(a) Marc Reddy and Chrissie Bainbridge be thanked for their presentation and for answering members' questions; and</p> <p>(b) a copy of the presentation be circulated to members of the Board.</p>	<p>Presentation sent to all members of the Council on 2 April 2013.</p>	
	<p>Presentation By the Chairman of the Genesis Centre Executive Committee</p>	<p>Review</p>	<p>The Board received a presentation from the Chairman of the Genesis Centre Executive Committee, Councillor S D T Woodward. The presentation included details of the development of the Genesis young people's centre at Locks Heath, the Genesis Management Committee, accommodation offered, operational information, current usage information, the Monday Night Project - 'Identity' and issues for consideration. The presentation sought to give answers to members' questions agreed at the meeting of the Scrutiny Board on 27 September 2012 (minute 7 refers).</p> <p>It was AGREED that Councillor Woodward be thanked for his presentation and for answering members' subsequent questions.</p>	<p>.</p>	<p>Martyn George</p>

	Safeguarding Policy		<p>The Board considered a report by the Director of Community on the Council's Safeguarding Policy (copy of report sb-130321-r03-jmi circulated with agenda). The report proposed several changes to the Policy, including taking account of national changes and revised guidance and extending the Council's safeguarding responsibilities to also include the needs of vulnerable adults.</p> <p>It was noted that a related report concerning Disclosure and Barring Checks would be submitted to a future meeting of the Board following further legal advice.</p> <p>It was AGREED that:-</p> <ul style="list-style-type: none">(a) the widening of the Council's Safeguarding Policy to include vulnerable adults in addition to children and young people be supported; and(b) the revised Safeguarding Policy, as shown in Appendix A to the report, be supported and forwarded to the Executive for approval and implementation.	<p>The Executive considered the matter at its meeting on 15 April 2013 and resolved that the new Safeguarding Policy be approved and implemented.</p>	
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Date of Meeting	Subject	Type of Item	Action by Board	Outcome	Link Officer
	Final Review of Work Programme for 2012/13 and Draft for 2013/14	Programming	<p>The Board considered a report by the Director of Finance and Resources reviewing the Board's work programme for 2012/13 and considering the draft work programme for 2013/14 (copy of report sb-130321-r04-awa circulated with agenda).</p> <p>It was AGREED that:-</p> <p>(a) the outcome of the Board's work programme for 2012/13, as shown in Appendix A to the report, be noted;</p> <p>(b) the Council be informed that the Board considers that the call-in procedure is operating satisfactorily and that there are no reasons to suggest that the arrangements should be amended for 2013/14;</p> <p>(c) the officers be requested to liaise with the three agreed external organisations and the Executive members to arrange for a presentation at each of the six meetings in 2013/14;</p> <p>(d) subject to (c) above and to the updating of the items for the meeting on 21 November 2013, the provisional work programme for</p>	<p>Reported to the Council on 25 April 2013.</p> <p>In progress.</p>	Andrew Wannell

			2013/14, as shown in Appendix B to the report, be approved; and (e) the provisional work programme for 2013/14, attached as Appendix A to these minutes, be submitted to the Council.	Submitted to the Council on 25 April 2013 and confirmed.	