

## **Big Local North East Hastings - Procurement**

### **Policy Introduction**

1. Big Local North East Hastings Resident-led Partnership, following consultation with HVA (Hastings Voluntary Action) has agreed an approach to procuring goods and services. This policy was adopted by the partnership on 4<sup>th</sup> March 2015 and is intended to ensure:-

1.1 That spending decisions taken as part of the Big Local North East Hastings programme are compliant with the terms and conditions of Local Trust and can be supported by Orbit Housing Association in their role as Locally Trusted Organisation.

1.2 That investment decisions pay due regard to the partnership's stated aim of building capacity and supporting local organisations within their area of benefit.

1.3 That processes are in place to demonstrate that the partnership is seeking value for money from any spending or investment decisions it takes.

1.4 That there is a proportionate approach to procurement, in which levels of monitoring and the procurement process is linked to the amounts of money involved.

1.5 That relationships with organisations who may wish to bring forward ideas or be considered for funding are managed consistently.

1.6 That procurement is efficient, a good use of the partnerships time, and is user friendly taking into account that many organisations operating in the local area are small.

### **Background**

**2.0** The published Action Plan for Big Local North East Hastings sets out a number of principles which will guide and inform any procurement processes. It is worth summarising them as they provide useful background to the recommendations.

- Except for the small grants scheme and unless otherwise stated, services and activities outlined in this plan will be obtained using a commissioning process in which the resident-led partnership will set out the outcomes it wants and why, the timescale in which the services and activities are to be delivered, and the amount of money that is available to pay for them. The commissions will be advertised locally, e.g. through Hastings Voluntary Action, HBC and on the BLNEH website, and will be a competitive process in which a panel from the resident-led partnership will judge applications against quality, innovation, delivery and cost. If competition is impractical or undesirable in the view of the resident-led partnership, the service and activity may be obtained directly from a single supplier.

- Terms and conditions for grants that are not subject to the commissioning process will be set out separately. A detailed project plan acceptable to the resident-led partnership will be required from organisations wanting amounts over £1,000.
- We will buy services and materials from people and organisations in the Big Local area whenever possible and appropriate.
- We will build on services and initiatives being provided by other groups, agencies and organisations where that is appropriate.
- Professionals delivering services on behalf of the resident-led partnership will be expected to include an element of skills or knowledge transfer to local residents, groups or businesses as part of the service.
- Services commissioned by Big Local North East Hastings will be designed around the needs of individuals and the resident-led partnership rather than for the convenience of the service provider.
- We will only invest in projects which can:
  - be supported by the views of the community
  - be supported by clear evidence of need
  - make a tangible difference to the issue at hand
  - be effectively delivered within the lifetime of the plan in a way which makes a positive contribution to life in North East Hastings
  - be monitored effectively
  - contribute to achieving one or more of Big Local's four outcomes, which are:
    - communities will be better able to identify local needs and take action in response to them;
    - people will have increased skills and confidence so that they can continue to identify and respond to local needs in the future;
    - the community will make a difference to the needs it prioritises;
    - people will feel that their area is an even better place to live.
- We will contribute funding for feasibility studies to look at options and cost-effectiveness but we will not be under an obligation to contribute funding to any follow-on projects. We will not put money into any follow-on projects which will depend solely on continued longterm funding from Big Local to survive.

### **The Need for an Area Focused Approach**

3. Based on the above principles it is clear that the "default" position when the partnership is making procurement decisions is to look to provide services by utilising, wherever possible, organisations who are either based within the area of benefit or have a strong track record of

serving residents of the area. The Partnership will have an open and clear registration scheme to engage with appropriate organisations, and Appendix A sets this out.

This will have the following benefits:-

3.1 It will help the partnership to understand the organisations active within their local area and understand the "infrastructure" available for future delivery around key themes like education, youth, early years or employability

3.2 It will act as a "safety valve" by developing a systematic process via which organisations can register with Big Local North East Hastings.

3.3 It will enable initial eligibility checking to be undertaken to confirm that a group may be eligible to receive funding or to identify the need for infrastructure support to enable them to become eligible. This will help smaller organisations to develop, and help the Partnership satisfy that it has undertaken due diligence and managed its risks appropriately.

3.4 It is also a process which captures information in order to have systematic dialogues where the partnership wishes to "co-design" a particular piece of work. Local examples have included East Sussex Community Voice who manage the local HEALTHWATCH service who have managed their relationships with voluntary and community sector organisations in this way for some time.

#### **The need for a "Tiered" approach to procurement**

4. It is clear that the principles set out in the Big Local vision and action plan are not all compatible and so the Partnership aims to deliver a process which is accessible to local groups as well as managing risk and demonstrating that it has the checks and balances in place to manage large amounts of public money. No single or "one size fits all" procurement process can embrace all these questions and therefore a tiered approach will be developed. This will enable the partnership to:-

4.1 Create a relationship between the procurement process and the amount of money being administered

4.2 Use the capacity of the Partnership by directing most attention on projects which carry higher levels of risk or involve larger expenditure

5. The Partnership will use the following tiered approach:

| Community Grants       | Process  |
|------------------------|--|
| Grants of up to £5,000 | Open access, simple application process, partnership panel supported by advisors if necessary. Simple funding agreement, "light touch" monitoring focusing on learning and |

|   |  |
|---|--|
|   | innovation. Capable of taking risks or innovating new approaches. Light touch value for money appraisal,with more detail required over £1000.  |
| Commissioning Grants Activity up to £50,000 | More in depth applications invited from at least 3 suppliers, due diligence and risk management tests, specialist panel to determine applications, in depth grant award arrangements, in depth monitoring process and evaluation, social impact process agreed as part of process. Tranched payments. Structured VFM appraisal |
| Tendering (£50,000 and above)               | Open (advertised) tender with detailed specification with specialist procurement support being bought in by the Partnership to ensure a robust and effective process.  |
| Preferred Partner "co-design" activity      | Identified partner organisation, detailed award or contractual arrangements , match funding with steering group or regular review mechanism. Activities such as the work with Sussex Community Foundation fall into this category  |
| Internal procurement of goods and services  | Administrative expenditure linked to the day to day running of the partnership and linked to the financial regulations of the partnership + compatibility with the financial procedures of Orbit as Trusted Local Organisation (TLO)   |

### **The Need for an approach linked to the Action Plan**

6. Having invested heavily in wide community consultation (the "getting started phase" and the construction of a detailed action plan) it is essential that this provides the core framework for commissioning activity. It is therefore anticipated that the Partnership will be publishing the key investment themes based on the priorities of the Action Plan. This will involve the Partnership in making some key strategic choices given that it is unlikely that all the aspirations within the Action Plan can be met within the available resources.

7. These decisions will identify a number of key themes which will form a mini prospectus which will be published and presented to registered groups. This will make it clear what the partnership's priorities are and inform its dialogue with organisations. Normally the way in which the commissioning grants process is presented will make clear the activity without proscribing the activity in so much detail that it precludes the innovation and creativity of possible delivery organisations.

8. This policy will be reviewed periodically as determined by the resident-led partnership for Big Local North East Hastings.

## **Appendix A**

### **Big Local North East Hastings Registration Scheme**

All organisations wishing to be considered for commissions are required to first register with BLNEH by providing the following information:

1. Name and address of organisation
2. Outline of organisations legal structure ( a full constitution may be required during any commissioning process)
3. Date organisation formed
4. Outline of management committee/trustees
5. Outline of staff
6. Track record in delivering relevant services
7. Any particular areas of expertise
8. Contact details

**March 2015**