

**AGENDA MANAGEMENT SHEET**

**Name of Committee** Resources, Performance And Development Overview And Scrutiny Committee

**Date of Committee** 29th April 2008

**Report Title** Review of Procurement and Commissioning of Two Rural Outreach Vehicles for the Youth Service

**Summary** The County Youth Service operates two specialist vehicles for the provision of rural outreach work. From the recognition that these vehicles were required to their commissioning took over two years. This report, commissioned by the Children, Young People and Families Overview and Scrutiny Committee, considers the process followed and recommends changes to help expedite the procurement of similar vehicles in the future.

**For further information please contact:**

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**Would the recommended decision be contrary to the Budget and Policy Framework?** No.

**Background papers** None

**CONSULTATION ALREADY UNDERTAKEN:-** Details to be specified

- Other Committees  .....
- Local Member(s)  Applies to all members of the committee
- Other Elected Members  .....
- Cabinet Member  .....
- Chief Executive  .....
- Legal  Sarah Duxbury – Comments received and changes incorporated
- Finance  .....

- Other Chief Officers  Strategic Director, Performance and Development – Agreed  
 Strategic Director, Resources,  
 Strategic Director, Environment and Economy,  
 Strategic Director, Children Young People and Families – Comments received and changes incorporated
- District Councils  .....
- Health Authority  .....
- Police  .....
- Other Bodies/Individuals  .....

**FINAL DECISION NO**

**SUGGESTED NEXT STEPS:**

Details to be specified

- Further consideration by this Committee  .....
- To Council  .....
- To Cabinet  .....
- To an O & S Committee  Children, Young People and Families
- To an Area Committee  .....
- Further Consultation  .....

## Agenda No

# Resources, Performance and Development Overview and Scrutiny Committee - 29th April 2008.

## Review of Procurement and Commissioning of Two Rural Outreach Vehicles for the Youth Service

### Report of the Chair of Resources, Performance and Development Overview and Scrutiny Committee

#### Recommendation

That the Resources, Performance and Development Overview and Scrutiny Committee endorses the recommendations contained within this report and conveys them to the Children, Young People and Families Overview and Scrutiny Committee for consideration.

#### 1.0 Introduction

- 1.1 Arising from the May 2005 Ofsted inspection on the Warwickshire County Youth Service it was agreed by Council that £130,000 should be provided for the provision of two brand new motor vehicles to be used for the delivery of services for young people in the rural areas of the County. At its meeting of 23<sup>rd</sup> January 2008 the Children, Young People and Families Overview and Scrutiny Committee considered a report updating Members on progress with the action plan resulting from the Ofsted inspection. During that meeting it was noted that well over two years had elapsed between the need for the vehicles being acknowledged and their full commissioning. Because this was a matter of some concern to the committee it was resolved that “the Resources, Performance and Development Overview and Scrutiny Committee be asked to consider the processes and procedures in place that led to the long delays in implementing the rural vehicle project and to revert to this Committee with any findings”.
- 1.2 This report sets out the background to the issue before analyzing the process that was followed and recommending changes that would enhance the process for the future. It has been produced following discussions with Peter Hatcher, the council’s Principal Youth Officer and Richard Bedding who was, until his retirement in March, the County Fleet Transport Manager. Further information was provided by Rob McCluskey the Area Youth and Community Manager (Stratford Area).

## 2.0 Background

- 2.1 As noted above, in May 2005 Warwickshire's County Youth Service was subject to an inspection by Ofsted. Whilst the overall conclusion from the inspection was that "Warwickshire Youth Service provides an adequate service which represents satisfactory value for money" some areas for improvement were identified by the inspector. One of the inspectors observations was that there was, " little differentiation of models of delivery to meet the needs of different types of area". In response to the inspector's report an action plan was prepared by the County Council by the end of September 2005. The comments concerning the need to differentiate services to meet different needs prompted the decision that a rural strategy should be developed. Early work on the rural strategy produced the idea that in order to effectively deliver youth services across rural Warwickshire two mobile youth centres should be procured.
- 2.2 All vehicles owned and operated by the County Council are purchased by the County Fleet Management section of the Environment and Economy Directorate via ESPO. The benefits of using a single purchasing team such as County Fleet Management is that as well as being able to draw on its knowledge the County Council can benefit from generous discounts provided by the main vehicle dealers. Some of the vehicles that the council buys come more or less off the shelf. Others such as the two vehicles discussed here require the matching of cabs, chasses and bespoke bodywork. It is the complex nature of the two youth service vehicles, which to some extent led to the delay in their completion. Nevertheless as will be discussed later on, actions can be taken to ensure that complexity need not of itself be responsible for delays.

## 3.0 The Process

- 3.1 Table 1 below summarises in very broad terms the timeframe for the purchase of the buses. On first acquaintance the process appears straightforward albeit lengthy. However, within that timeframe a number of issues arose that served not only to delay the process but also to cost the local authority some unnecessary expenditure. Those issues (headed 1 – 4) are set out subsequent to table 1.

Table 1.

Date	Event
23 <sup>rd</sup> to 26 <sup>th</sup> May 2005	Ofsted inspection of the Warwickshire Youth Service
8 <sup>th</sup> September 2005	Action Plan resulting from inspection presented to Children and Young People's Overview and Scrutiny Committee
7 <sup>th</sup> February 2006	County Council agrees budget with funding of £130,000 for Youth Service outreach vehicles
February to August 2006	Two officers from the Youth Service

	undertake research to establish the specification for the vehicles and identify a constructor that can build them
31 <sup>st</sup> January 2007	Order for two vehicles placed via ESPO and Listers Van Centre for two VW cabs and chasses.
March 2007	"Final" specification agreed with Bluebird Vehicles (Coachbuilders)
Late May 2007	Coachwork completed by Bluebird. Vehicles delivered to Listers of Coventry.
20 <sup>th</sup> June 2007	Snagging problems identified
9 <sup>th</sup> July 2007	One vehicle returned to Scarborough due to problems with batteries needed to start auxiliary generator.
9 <sup>th</sup> July 2007 to January 2008	Continuing problems with one vehicle

#### 4.0 Issue 1 – Project Management

4.1 Shortly after the February 2006 meeting of County Council the County Youth Service approached County Fleet Management to commission the purchase of the two vehicles. Because of the unusual nature of the vehicles lead officers from the Youth Service were advised to undertake their own research to establish a specification for a vehicle that would meet their needs. The research undertaken involved visiting and speaking to officers from other local authorities that operate similar vehicles. In addition specialist companies were approached and general discussions held to established what could be provided within the agreed budget. During this research period a company called Blackpool Design Associates Limited was identified as a potential suitable supplier. The research period took over six months to complete. However, when the Youth Service put its findings to County Fleet Management in August 2006 it was informed that as Blackpool Design Associates was not an ESPO "preferred supplier" it could not be considered. Only suppliers on the list would be considered eligible. Thus time and effort had been wasted by officers in discussions with a company that would not be used. It should be noted that whilst it is acknowledged that six months to research the vehicles does appear a little long. It is considered to have resulted in a vehicle that is fit for purpose in design terms.

#### 4.2 Issue 1 - Conclusion

4.3 Given the cost and scale of this project I would have expected to have seen some evidence of a project brief setting out timescales, aims, objectives, roles and responsibilities. No such brief was used. I believe that a brief would have given clarity to the work of all parties. It would have helped to develop the client /agent dynamic and potentially facilitated good and timely communication between officers.

4.4 As well as furnishing the client with as much information regarding likely specification and potential suppliers for the vehicles the enhanced

communication stemming from the brief's development would have avoided the confusion over ESPO's preferred suppliers list.

- 4.5 I would conclude, therefore, that in future County Fleet Management should undertake to develop project plans with their clients.

## **5.0 Issue 2 - Timeliness**

- 5.1 The County Youth Service was informed that Bluebird Vehicles was the preferred supplier in August 2006. The quote for the project was not secured from Bluebird until December 2006 a period of four months having elapsed. This delay may have been due to Bluebird but whatever the cause it is regrettable. It is also indicative of an apparent lack of any sense of urgency displayed at various times throughout the procurement process.

## **5.2 Issue 2 - Conclusion**

- 5.3 Whilst I acknowledge that it is almost inevitable that when vehicles are being built to order some delays will be encountered there is evidence that at certain periods during this process matters were left in abeyance for longer than was desirable. Six months was spent researching the specification of the vehicles whilst (as will be discussed later) the rectification of problems with at least one of the vehicles also took six months.
- 5.4 Given that the need for enhancements to rural outreach work were identified by Ofsted I would have expected the resulting vehicle project to have been pursued with a greater degree of urgency.

## **6.0 Issue 3 - Amendments**

- 6.1 Having narrowed the field of suppliers an order was placed with Bluebird Vehicles in Scarborough towards the end of January 2007. By July 2007 the vehicles were approaching completion. However during a visit made to the factory by representatives of the Youth Service significant alterations were requested to the specification. Because some of the work already undertaken had to be undone to make the alterations the cost increased. These changes included notice boards, leaflet holders, an awning and revisions to cupboard doors (these latter changes being needed for safety reason and possibly attributable to an oversight by the contractors. They added £2780 to the final bill. The issue is whether these late changes and extra costs could have been avoided.

## **6.2 Issue 3 - Conclusion**

- 6.3 It would be naïve to expect that any project such as this will not throw up some refinements or changes as it proceeds. Nevertheless as I alluded to under issue 1 good management and investment in planning at the front end of the project can help to avoid problems later on. However, there may be a temptation for some clients to not give sufficient thought to the detail early on in the process preferring rather to leave it until the end. To discourage this I

would suggest that a cut off point should be agreed after which changes will not be permitted unless in exceptional circumstances.

## **7.0 Issue 4 – Quality .**

- 7.1 When in late May 2007 the two vehicles were reportedly ready for delivery they were found to have a number of problems (snags) with them. These were picked up on by officers of the youth service who rightly refused to sign for them. A recurring problem was encountered with one of the vehicles in that the battery required to start the auxiliary generator kept failing. On 9<sup>th</sup> July the decision was taken by Listers to send the vehicle back to Scarborough for repair. This delayed further its commissioning and took until January 2008 to resolve.
- 7.2 The issue is one of quality. Because Bluebird Vehicles was a preferred supplier it was understood by the client that the quality of the product was be high. There were clearly some issues around the quality of the vehicle although Bluebird did work to rectify the issues of concern.

## **7.3 Issue 4 - Conclusion**

- 7.4 The combined cost of the two vehicles was £150,000. Whilst I will concede that the problems with the vehicles have been resolved the delays in their commissioning has been regrettable. This raises three points. The first relates to the pressure that the County Council apparently failed to place on the suppliers to satisfactorily complete the job in a suitable timescale (See issue 2 above regarding timeliness). The second concerns the fact that there do not appear to have been any penalties applied to the suppliers when their service was found wanting. Finally, there is the question over whether by selecting a contractor that was located closer to Warwickshire time, effort and expense might have been avoided with traveling etc.
- 7.5 Where delays such as this occur in the future I would like to see more use of the Overview and Scrutiny function to identify where problems have arisen and seek ways to avoid them.

## **8.1 Recommendations**

- 8.2 The Children, Young People and Families Overview and Scrutiny Committee was right to question the length of time that elapsed before the two vehicles in question were brought on line. The delays encountered cannot be attributed to any one facet of the process followed. Rather they resulted from a combination of circumstances most of which could have been avoided. In order to see enhancements to the vehicle procurement system in the future I would make the following recommendations.

### **Recommendation 1.**

That on being commissioned by a client to procure a vehicle or vehicles, County Fleet Management undertakes to meet with the client to discuss in detail their requirements and to agree a project brief that sets out the process

to be followed. Issues such as lines of communication, responsibility for establishing the specification, suppliers and timescales should all be addressed.

### **Recommendation 2.**

All parties (clients and agents) engaged in the procurement of vehicles for the county council should undertake to do this expeditiously whilst not compromising the quality of the resulting product. Where avoidable delays do occur officers of the council and suppliers be prepared to explain these to the relevant Overview and Scrutiny Committee so that they can be avoided in the future.

### **Recommendation 3**

As part of the project design County Fleet Management should agree with clients a cut off date or stage of construction after which no further changes will be made to the specification unless in exceptional circumstances.

### **Recommendation 4**

County Fleet Management be requested to liaise with relevant officers of the council and ESPO to establish whether penalties can be imposed on suppliers for late delivery or poor quality construction of vehicles.

DAVID BOOTH  
Chair of Resources,  
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Development Overview and  
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02 April 2008