

Schedule 4

Guidance on Completion of the Value for Money (VFM) Spreadsheet

1. Introduction

It's extremely important that the VFM spreadsheet is completed correctly to ensure that the contract price is accurate and reflects the costs for the duration of the contract.

The spreadsheet consists of four worksheets and each one needs to be completed to ensure that the calculation of the summary costs is accurate. Many of the cells throughout this VfM workbook contain formulae for the calculations and therefore these cells are locked to prevent deletion or alteration.

2. Sections

The four worksheet tabs are:

1. **Tab 1** - Service Information
2. **Tab 2** - VFM staffing details
3. **Tab 3** - Non staff service costs
4. **Tab 4** - Summary costs*

*Please note that the worksheet for Tab 4 does not require any input of data as all the cells will automatically populate as Tabs 2 and 3 are completed.

3. Completion of the VFM Workbook

The VFM workbook has comments boxes throughout to assist completion of the workbook, and these are also indicated by a red triangle in the corner of the cell that the comments relate to. Please also refer to the guidance below to ensure that the workbook is completed correctly.

Providers are only required to complete those cells highlighted in **yellow**. The cells containing formulae are coloured in lilac and red and cannot be altered.

3.1 Tab 1 – Service Information

Actions:

- Insert into cell B4 your organisation/s name and list each service in column B together with the unit capacity in column C.

3.2 Tab 2 – VFM Staffing Details

Actions:

- **Column B:** Please list the title of each post/ job.
- **Column C:** List the names of all employees who will be involved in delivering frontline support and management to staff within the service(s).
- **Column E:** Please list the contracted weekly hours for each employee named in column C. This should be the total contracted hours with the organisation and not just for this specific contract in Southend.
Note: For example, if a support worker is paid to work 37 hours per week, and these hours are split between Southend and Thurrock, **the total hours for the week** need to be inserted, not just the portion worked in Southend).
- **Column F:** In the yellow cells please insert the number of hours that each employee named in column C works **only** in the Southend services.
- **Column H:** For each employee named in column C please enter the percentage of the hours worked in the Southend services that is dedicated to the provision of housing related support.
Note: Where a support worker provides housing related support to clients **and** also delivers housing management or landlord functions such as managing rents, maintenance, housing benefit applications, referrals into the service, void management, tenancy related matters such as behaviour and eviction related matters, the percentage of the time spent on these management duties should not be included. Generally, support workers tend to spend approximately 90% of their time on providing housing related support and, as management staff provide the greater amount of the housing management function, the percentage of time spent on providing housing related support tends to be much lower.
- **Column L:** For each employee named in column C please list the annual salary, inclusive of pension and national insurance costs. In this column the figure will need to be sufficient to ensure that staffing costs are covered for the duration of the contract and therefore should take into consideration staff turnover, salary scales increments, terms and conditions etc.
- **Column P:** For each employee named in column C please insert annual leave entitlements, taking into consideration any variation over the duration of the contract.
- **Column T:** For each employee named in column C please insert other absence entitlements. The assumption is that all employees have

eight days of Bank Holidays and seven days sickness absence per annum but if the organisation average differs from this, the correct figure should be inserted. Use a pro-rata absence allowance for any staff not based at the service full time

Further Information

A number of columns in this worksheet contain formulae, and below is a brief summary of the calculations:

Column J: calculates the gross number of housing related support hours delivered by each employee listed in column C before annual leave and other absences are deducted.

Column N: The actual salary cost for each employee is automatically populated from the information manually inserted in the previous columns to show the percentage of salary for the housing related support being provided – this is the element which the Supporting People contract funds.

Column U: The data in this column is automatically populated from the information manually inserted in the previous columns to show the gross number of days that each employee is contracted to provide housing related support. The calculation includes the average for Bank Holidays and other absences such as sickness/compassionate leave etc. If this figure is considered to be inaccurate then this must be discussed with Supporting People with a justification for increasing or reducing the figure.

Column V: The data in this column is automatically populated from the information manually inserted or calculated by formulae in the previous columns to show the actual number of days that each employee is contracted to provide housing related support.

Column W: The data in this column is automatically populated from the information manually inserted or calculated by formulae in the previous columns to calculate the actual number of hours an employee provides housing related support per week, taking into account the allowance for absences for annual leave and other absences.

Column Y: Calculates the funding that is required from rental income to cover the percentage of the salaries for each employee detailed in column C dedicated to the provision of the housing management function.

Red Cell Totals:

Column F: Shows the total number of staffing hours available for both housing management and housing related support for the contracted services. Staff rotas should be based on these hours to deliver both housing related support and housing management functions across the services within the contract.

Column J: Shows the gross total of staff hours contracted per week for housing related support provision.

Column N: Shows the total annual cost of staffing for the contract. This figure is picked up by formula for Direct Staff Costs in cell B2 in Summary Costs (Tab 4)

Column W: Shows the total number of housing related support hours funded per week within the contract, and this is used to calculate the hourly rate in cell B6 in Summary Costs (Tab 4). Please note that the red cell totals in columns F and J provide actual details of the staffing hours available for the staff rotas.

Column Y: Shows the total cost of the provision of housing management across all the services within this contract**

**** Providers must note that for accommodation based services this cost will need to be met from estimated housing management income obtained through rents.**

3.3 Tab 3 – Non-staff service costs

Please note that annual non-staff service costs should be provided that take into account that the term of the initial contract will be for **FIVE YEARS** and that there will **not** be any inflationary uplifts during this period.

Annual Direct staff costs (rows 6 – 15)

Actions

- All yellow cells need to be completed in column D
- Column G should be used to provide further information where relevant
- Cell D8 – please add notes in column G to outline what services and costs pertaining to sleep-ins (if relevant) would be expected to remain from year 2 onwards, particularly if there is an intention to re-model services and either remove the sleep-in function or deliver it by other means such as Tele-care services

Annual Indirect costs (rows 18 – 32)

Actions

- All yellow cells need to be completed in column D
- Column G should be used to provide further information where relevant

Year one start up costs (rows 35 – 39)

Actions

- In rows 37 and 39 please insert figures for the additional costs expected to be incurred for starting up the service(s) during year 1 of

the contract period. Please note that these will only be funded during the first year of the contract.

3.4 Tab 4 – Summary Costs

Please note that the cells in this worksheet are automatically populated by formulae as the data is inserted into the relevant cells in the worksheets for Tabs 2 and 3. The purpose of this worksheet is for reference to ensure that:

- The contract value is correct and within the limits as set out in the tender
- That year 1 additional costs are listed
- That indirect costs do not exceed 20% of the full contract price and
- That an hourly rate of £20 is not exceeded.

Should the hourly rate or indirect costs exceed these limits then the tender submission cannot be accepted.