

Title: Voluntary and Community Sector Contract Extension

Lead Officer: Bernadette Allen

Portfolio Holder: Councillor Judy Falp

Wards of the District directly affected: All

Summary

The purpose of the report is to ask the Council's Cabinet approval to change from the existing funding arrangements via contracts to providing the investment in the voluntary and community sector through grant aid/ service level agreements. In addition to seek approval to allow an exemption from public contract regulations to enable a variation of the Voluntary and Community Sector (VCS) Contracts so they can be extended for a further 3 months.

Recommendation(s)

- (1)** That Cabinet approves the proposal to transfer from providing its investment in the voluntary and community sector from contracts to grant aid/ service level agreements.
 - (2)** That Cabinet agrees to an exemption of the public contract regulations to enable the extension of contracts with the voluntary and community sector for a further 3 months. This will allow time of the new funding arrangements, to be put in place.
 - (3)** That Cabinet agrees that £70,000 is included in the Medium Term Financial Strategy so that the cost of the extension can be reflected in the 2023/2024 Budget.
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1 Background/Information

- 1.1** Warwick District Council has made a longstanding commitment to helping its most vulnerable residents to improve their lives and circumstances. Following on from the then Sustainable Community Strategy, the Council has reaffirmed this commitment in its Corporate Strategy 'Fit for the Future'. Although there is no statutory requirement to provide this type of support, the rationale for supporting the voluntary and community sector is that, in addition to improving the quality of life of its residents, the investment allows the delivery of social and financial inclusion services for the most vulnerable members the communities we serve. This can improve the capacity and resilience of communities and helps to reduce the pressure on other public services provided by the Council and its partners, not least by expanding the capacity of voluntary and community sector (VCS) organisations and improving the wellbeing and self-reliance of individuals.
- 1.2** The Council has continued its investment into the VCS approved in February 2018 by the then Executive through a 3 year contract with the ability to extend

for 2 years conditional on satisfactory performance. In addition to the approval to continue the investment in the VCS, it was agreed at the end of the contract period to undertake a review of the funding arrangements to ensure that providing funding by contracts was the most appropriate and effective way to provide our investment in the voluntary and community sector.

- 1.3** A review of future funding arrangements was undertaken in 2021-22 in conjunction with Procurement and it was concluded that the time and expense in undertaking a full procurement exercise was not advisable due to the limited number of organisations we have or would potentially attract to apply to deliver contracts of this nature. In addition, to respond to unforeseen events such as COVID-19 or the Cost of Living Crisis, the arrangements with the VCS require some flexibility to enable a more timely response to local community need and therefore it is no longer appropriate to issue funding via contracts.
- 1.4** The outcomes of the review were reported to the Community Protection Programme Advisory Board in February 2022 who were tasked with overseeing the performance monitoring the contracts.
- 1.5** To allow the time to undertake work to transfer the funding arrangements from contracts to grants with Service Level Agreements it is proposed to extend the current contracts for a period of 3 months.

2 Alternative Options available to (name of Committee/Cabinet etc.)

- 2.1** The contracts could cease. However, this would affect the ability of WDC to provide specific services to the deprived communities, which have been identified as priority neighbourhoods.
- 2.2** The Council would have to 'pick up the tab' if there were no VCS provision and the impact would be that, the Council will be unable to deliver its commitment to social value. The Council would be unable to demonstrate its recognition of the value of volunteering and the important contributions it makes to developing and supporting communities and potentially there could be a loss of services.
- 2.3** The perception of Council if funding was to be withdrawn particularly post Covid; its ability to deliver its social responsibility; its partnership reputation; and its support to the most vulnerable members of our community would all suffer.
- 2.4** The Council could retender the work and draw up contracts, however this has proven to not deliver the optimum benefit for the authority.

3 Consultation and Member's comments

- 3.1** A report went to the meeting of the Safer Communities, Leisure and Environment Programme Advisory Board on 22nd November 2022, who are supportive of the proposal to transfer from contracts to grants/ Service Level Agreements.

4 Implications of the proposal

4.1 Legal/Human Rights Implications

4.1.1 The proposal to transfer our investment in the voluntary and community sector from commissioned contracts to grant aid/ service level agreements was discussed at length with the Procurement Team. It was agreed that due to the nature of the service provision that the proposal provides the best option for delivering on our investment.

4.2 Financial

4.2.1 The current budget for VCS contracts has been set for 2022/23 at £282,000.

4.2.2 The proposal is to extend the current contracts from the 1st April 2023 until 30th June at a cost of £70,000 to enable work to be undertaken to make the transfer from contracts to grants.

4.2.3 For the new Grant Aid/Service Level Agreements there is a proposed start date of 1st July 2023, which means that the new funding arrangements will run for a period of 2 years and 9 months at a total cost of £658,000 based on the current level of funding. This is subject to Council's approval of the 2023/2024 Budget.

4.3 Council Plan

4.3.1 External impacts of proposal

People - Health, Homes, Communities – The recommendations seek to deliver interventions that will have a positive impact on outcomes relating to Improved health for all and cohesive and active communities.

Services - Green, Clean, and Safe – None identified

Money- Infrastructure, Enterprise, Employment – The recommendations seek to deliver interventions that support a positive impact on our local economy and deliver outcomes which support the needs of our communities including returning to the work environment.

4.3.2 Internal impacts of the proposal

People - Effective Staff – None identified

Services - Maintain or Improve Services - The recommendations seek to ensure that contracted voluntary support services are targeted in the correct manner to ensure that they are fit for the demands of those whom they support and who may require access to them.

Money - Firm Financial Footing over the Longer Term - The recommendations seek to ensure that the VCs contracts are robustly evaluated to ensure the ongoing value of the investment.

4.4 Environmental/Climate Change Implications

4.4.1 There are no identified implications in relation to the environment/ climate change.

4.5 Analysis of the effects on Equality

4.5.1 An Equality Impact Assessment has been undertaken as part of the review and no negative impacts were identified.

4.6 Data Protection

4.6.1 There are no implications on data protection of the proposal.

4.7 Health and Wellbeing

4.7.1 The rationale for the Council commissioning the contracts with the VCS is to improve the quality of life of its residents. This investment in social and financial inclusion services can improve the capacity and resilience of communities and helps to reduce the pressure on other public services provided by the Council and its partners. The investment also helps expand the capacity of VCS organisations and improve the wellbeing and self-reliance of individuals

5 Risk Assessment

5.1 Without a review of the outcomes required by the contracts, there is a risk that the changing needs of vulnerable residents are not addressed by the service provision. In the development of the contract specifications the needs were carefully considered through research and consultation. The contracts provide flexibility to enable service providers to tailor provision to the needs of their clients. The proposed approach ensures that there is sufficient flexibility and outcome measures to tackle the additional COVID impacts experienced by clients.

5.2 In not extending the contracts there is a risk that the reduced support for vulnerable communities at this current time would be perceived unfavourably and detrimentally affect the Council's reputation. Care has been taken to ensure that the contracts focus resources where they are most needed, including addressing issues that are of increasing importance. With the COVID pandemic service providers have continued to focus their resources to support the areas of greatest need

5.3 Service providers as part of the contracts provide evidence of the positive impact they achieve for residents and as with the review of outcomes, the Council can be reassured of evidenced positive impacts in the current climate.

6 Conclusion/Reasons for the Recommendation

6.1 Built into the original decision by the Council Executive on 7th February 2018 was the ability to extend the contracts for a period of 2 years.

6.2 In order to develop the new funding arrangements, transferring from contracts to grants and service level agreements and to consider the TUPE implications for the current contract holders approval is sought from the Cabinet to extend the contracts by 3 months.

7. Background papers:

- Executive VCS Commissioning report, 8th February 2018
- Executive Contract Extension to the VCS, 10th December 2021

Report Information Sheet

Please complete and submit to Democratic Services with draft report

Committee/Date	Cabinet – 7 th December 2022	
Title of report	VCS Contracts Extension	
Consultations undertaken		
Consultee *required	Date	Details of consultation /comments received
Ward Member(s)		All
Portfolio Holder*	16.11.22	Cllr Judy Falp
Financial Services *		Andrew Rollins
Legal Services *		
Other Services	16.11.22	Rebecca Reading
Chief Executive(s)		Chris Elliott
Head of Service(s)	15.11.22	Lisa Barker, Head of Housing Services
Section 151 Officer		Andrew Rollins
Monitoring Officer	16.11.22	Andrew Jones
CMT	16.11.22	Chris Elliott, Andrew Jones
Leadership Co-ordination Group		
Other organisations		
Final decision by this Committee or rec to another Ctte/Council?		Recommendation to :Cabinet / CouncilCommittee
Contrary to Policy/Budget framework		No
Does this report contain exempt info/Confidential? If so, which paragraph(s)?		No
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?		No

Accessibility Checked?		File/Info/Inspect Document/Check Accessibility
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