

	<b>EXECUTIVE – 7 FEBRUARY 2018</b>	<b>Agenda Item No.</b>  <b>8</b>
<b>Title</b> <u>Recommendations for the Commissioning of Voluntary and Community Sector services for 2018 – 2021</u>		
<b>For further information about this report please contact</b>	Liz Young <a href="mailto:Liz.young@warwickdc.gov.uk">Liz.young@warwickdc.gov.uk</a> 01926 456019  Marianne Rolfe <a href="mailto:Marianne.rolfe@warwickdc.gov.uk">Marianne.rolfe@warwickdc.gov.uk</a> 01926 456700  Andrew Jones <a href="mailto:Andrew.jones@warwickdc.gov.uk">Andrew.jones@warwickdc.gov.uk</a> 01926 456114	
<b>Wards of the District directly affected</b>	All	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	Executive – 08 March 2017 Item 08: Community Forum and VCS Spending Review  Minute 105	
<b>Background Papers</b>		

<b>Contrary to the policy framework</b>	No
<b>Contrary to the budgetary framework</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes Ref 884
<b>Equality Impact Assessment Undertaken</b>	Yes

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Deputy Chief Executive	22/01/18	Andrew Jones
Head of Service	11/01/18	Marianne Rolfe
CMT	16/01/18	
Section 151 Officer	11/01/18	Mike Snow
Monitoring Officer	11/01/18	Andrew Jones
Finance	11/01/18	Mike Snow
Portfolio Holder(s)	23/01/18	Councillor Andrew Thompson

<b>Consultation &amp; Community Engagement</b>				
<p>A programme of direct consultation with various stakeholders has taken place:</p> <ol style="list-style-type: none"><li>1. Current Contract Holders (4<sup>th</sup> September 2017)</li><li>2. WDC Managers Forum (7<sup>th</sup> September)</li><li>3. Third Sector network event (12<sup>th</sup> September)</li><li>4. WDC Elected Member VCS Commissioning and Grants Panel (2 meetings – 19<sup>th</sup> September and 13<sup>th</sup> December)</li><li>5. Partner agencies (26<sup>th</sup> September)</li><li>6. WDC/WCC Joint Member Seminar (2<sup>nd</sup> October)</li><li>7. WDC Financial Inclusion and Housing Officers (17<sup>th</sup> October)</li><li>8. WDC Senior Planning Officer (23<sup>rd</sup> October)</li><li>9. SMT (25<sup>th</sup> October)</li><li>10. Pre-market engagement event prior to release of invitation to tender (26<sup>th</sup> October)</li><li>11. WDC Head of Housing (20<sup>th</sup> November).</li></ol> <p>The specific proposals contained in this report were presented to the Council's VCS COMMISSIONING AND GRANTS PANEL on 13<sup>th</sup> December and were approved for presentation to Council Executive.</p>				
<table border="1"><tr><td><b>Final Decision?</b></td><td>Yes</td></tr><tr><td colspan="2"><b>Suggested next steps (if not final decision please set out below)</b></td></tr></table>	<b>Final Decision?</b>	Yes	<b>Suggested next steps (if not final decision please set out below)</b>	
<b>Final Decision?</b>	Yes			
<b>Suggested next steps (if not final decision please set out below)</b>				

## 1. **Summary**

The purpose of the report is to:

Describe the proposed changes to the community grants held within the Health and Community Protection budget and the Voluntary and Community Sector (VCS) commissioned services programme that will take effect in 2018/19.

## 2. **Recommendations**

- 2.1 That Executive agrees the proposals for funding community support services as depicted in Appendix 1 (financial spreadsheet);
- 2.2 That Executive agrees to maintain the level of funding over the life of contracts as depicted in Appendix 1;
- 2.3 That Executive agrees the commissioning priorities as outlined in this report upon which the detailed specifications for each lot will be developed as depicted in Appendix 2 (service templates).

## 3. **Reasons for the Recommendations**

### 3.1 **That Executive agrees the proposals for funding community support services as depicted in Appendix 1 (financial spreadsheet)**

3.1.1 Funding to continue community support services has been agreed with a full year annual reduction of £50k, when compared to 2017/18, factored into the Council's financial planning. A comprehensive review process has resulted in a reallocation of funding that achieves the necessary savings, as described in Section 5 of this report and Appendix 1.

3.1.2 In summary, the proposed savings have been made by:

- Deleting a Small Grants scheme that is undersubscribed;
- Reducing the annual allocation to the Community Forum grants, which are not always deployed to meet the Council's priorities and for which other funds are available;
- Reducing the funds spent on infrastructure support;
- Reducing funding over Years 2 and 3 to be spent on social and financial inclusion services.

### 3.2 **That Executive agrees to maintain the level of funding over the life of contracts as depicted in Appendix 1**

3.2.1 It is proposed that the next commissioning round and the decisions that support it will last for a three-year period. For commissioned services, this means that contracts will be awarded for a 2 year 9 month period from 2018 – 2021, so the Council will need to commit to the funding levels that are to be enshrined in those contracts.

3.2.2 The in-year totals for each service and grant are absolute, so service providers/grant applicants will need to absorb price rises caused by inflation.

### 3.3 That Executive agrees the commissioning priorities as outlined in this report upon which the detailed specifications for each lot will be developed.

- 3.3.1 A comprehensive process of review, including extensive stakeholder consultation has been used to produce the proposed commissioning priorities detailed in Appendix 2.
- 3.3.2 The existing programme of services remains broadly intact but has increased emphasis on achieving positive measurable outcomes that will make it easier to understand the benefit of each intervention to the recipient and the return on investment for the Council.

## 4. Policy Framework

### 4.1 Fit for the Future (FFF)

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end, amongst other things, the FFF Strategy contains several Key projects. This report shows the way forward for implementing a significant part of one of the Council's Key projects.

The FFF Strategy has 3 strands: People, Services and Money – and each has an external and internal element to it. The table below illustrates the impact of this proposal, if any, in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
<b>External</b>		
<b>Health, Homes, Communities</b>	<b>Green, Clean, Safe</b>	<b>Infrastructure, Enterprise, Employment</b>
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
<b>Impact of Proposals</b>		
The recommendations seek to deliver interventions that will have a positive impact on health, homes and communities	The recommendations seek to deliver interventions that will have a positive impact on our environment	The recommendations seek to deliver interventions that will have a positive impact on our local economy
<b>Internal</b>		
<b>Effective Staff</b>	<b>Maintain or Improve</b>	<b>Firm Financial Footing</b>

	<b>Services</b>	<b>over the Longer Term</b>
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
<b>Impact of Proposals</b>		
The recommendations seek to deliver interventions that will improve the effectiveness of our staff.	The recommendations seek to target services in the correct manner to ensure that they are fit for the future demands of those who live, work and visit.	The recommendations seek to ensure services are delivered to budget and help keep the Council on a firm financial footing.

## 4.2 Supporting Strategies

Each strand of the FFF Strategy has several supporting approaches; the relevant ones for this proposal include Health and Wellbeing and Sustainability. The proposals are in line with the Council's approaches and seek to underpin the Council's commitment as outlined in the FFF.

## 4.3 Changes to Existing Policies

There are no proposed changes to existing policies.

## 4.4 Impact Assessments

An Equality Impact Assessment has been undertaken and no negative impacts have been identified.

## 5. Budgetary Framework

- 5.1 The proposals achieve the required savings of £37.5K in Year One (1 July 2018 – 31 March 2019 due to current contracts 3 month rollover) and £50K per annum for each of the years 2019/20 and 2020/21 as previously agreed by members included in the Medium Term Financial Strategy. The detailed savings are described in the table at 5.9 and in Appendix 1. The contracts are now due to run from 1 July 2018 to 31 March 2021.
- 5.2 Overall, the review has attempted to use an evidence-based approach to decide how best to use the available funds.
- 5.3 A review of the performance monitoring figures for current commissioned services demonstrated that there is ongoing high demand for services, so achieving the necessary savings while maintaining the integrity of the service provision was central to the process of allocating funds.

- 5.4 At the same time, one of the prime aims of the review was to improve the Council's return on investment, so applying the funds where they achieve the most impact for WDC residents has also been a prime consideration. Practical measures are proposed to make this a reality: for example, infrastructure funds have been reduced and simple eligibility criteria for financial inclusion support in particular will be introduced to ensure funding is only spent on WDC residents in need of help.
- 5.5 Value for money has also been considered, with service specifications being amended so that service providers are expected to support individuals to develop their own skills, in a bid to reduce repeat requests for support e.g. in relation to financial crises.
- 5.6 Demographic analysis has been undertaken to better understand how many people in each priority area may potentially need support and to ensure that funding allocations across different geographic catchments appear fair.
- 5.7 A review of the current grants programmes showed some year on year underspending. The Council offers other grant programmes e.g. sports and arts, which overlap with these, so the available funding has been allocated to the areas of highest need rather than allocate it to a grant pot where it may remain unspent.
- 5.8 Positive discussions have been held with partner organisations regarding leveraging additional funds for services to vulnerable communities. It is expected that Orbit Housing will again issue additional contracts for complementary services. The Council's continued investment in community hubs will strengthen the likelihood of the CCG and Public Health using the hubs for service provision.

5.9 SAVINGS RATIONALE							
	Service	Comment	Current per annum budget	Proposed per annum budget	Rationale	1-year saving	3-year saving
1.	Community Forum Grants	Maintained across all 7 forums	£5,000	£3,000	Some budgets are under-utilised and not always focused on the most vulnerable communities. Other funding schemes exist, including within WDC. Albeit reduced, these grants are recognised to be important to communities and are retained for this reason.	£14,000	£42,000
2.	Small Grants Scheme	Ceases	£11,200	£0	Under-utilised and not always used for most vulnerable communities. Other funding schemes exist including within WDC.	£11,200	£33,600
3.	Grant to Joint Healthy Warwickshire Partnership	Ceases	£10,000	£0	Not delivering defined benefits to meet Council priorities.	£10,000	£30,000
4.	Energy Advice Contract	Reduced	£8,375	£5,500	Reductions will not significantly affect service delivery	£2,875	£8,625
5.	Financial Inclusion commissioned services	Reduction in Years Two and Three	£100,000	Yr.1 = £100,000 Yr.2 = £90,000 Yr.3 = £80,000	Value maintained in Yr. 1 to meet demand caused by Universal Credit. Reductions reflects tightened eligibility criteria. Providers will be encouraged to reduce reliance on Council funds by accessing other sources of finance.	£10,000 rising to £20,000	£30,000
6.	Infrastructure Support – VCS organisations	Reduction	£55,000	Yr.1 = £43,750 Yr.2 = £40,000 Yr.3 = £40,000	Reduction reflects need to concentrate funds on direct service delivery	£11,250 rising to £15,000	£41,250
7	Infrastructure Support - overcome rural isolation	New	£0	Yr.1 = £12,500 Yr.2 = £10,000 Yr.3 = £10,000	Introduced to recognise rural deprivation and encourage capacity building in rural areas	-£12,500 reducing to -£10,000	-£32,500
8	Social Inclusion commissioned services	Marginal increase, then reduction by Yr. 3	£135,000	Yr.1 = £140,000 Yr.2 = £142,000 Yr.3 = £122,000	Some reallocation of funding and slight increases to reflect demographics and individual circumstances. Funding reduces in Yr. 3 to reduce reliance on Council funds	-£5,000 rising to £13,000	£1,000
9.	Employment Support	Reduction	£40,000	Yr.1 = £32,000 Yr.2 = £30,000 Yr.3 = £30,000	Unemployment is reducing but ESA or former ESA clients may need help to find work plus brokerage with employers	£8,000 rising to £10,000	£28,000

## 6. Risks

### 6.1 Risk: **Vulnerable residents' changing needs are not addressed by service provision**

Likelihood: Low

Impact: High

Mitigation: Changing needs have been carefully considered through research and consultation. There will be sufficient flexibility in the contracts to enable service providers to tailor provision to the needs of their clients.

### 6.2 Risk: **VCS organisations' sustainability is threatened by contract value reductions**

Likelihood: Medium

Impact: Low

Mitigation: Plenty of notice has been given of the Council's decision to save money on these contracts. Contract values remain substantial. The Council always seeks to support the VCS sector but is not responsible for the survival of individual organisations.

### 6.3 Risk: **Reduced support for vulnerable communities attracts unfavourable comments and damages the Council's reputation**

Likelihood: Medium

Impact: Low

Mitigation: Care has been taken to focus resources where they are most needed, including addressing issues that are increasing in importance. Service providers will be required to provide greater evidence of the positive impact they achieve for residents. Despite the budget reduction, the Council is still committing substantial funds to support for vulnerable communities.

### 6.4 Risk: **VCS organisations dislike revised emphasis of new services and do not bid to provide services**

Likelihood: Low

Impact: High

Mitigation: The proposed changes have been widely consulted upon and there was good attendance at a pre-market engagement event to publicise the impending contract opportunities.

### 6.5 Risk: **The intended improvement in impact is not achieved**

Likelihood: Medium

Impact: High

Mitigation: Working alongside the successful service providers, new and more robust reporting and monitoring arrangements are to be introduced that will more effectively produce evidence of the impact of services on clients.

## 7. Alternative Option(s) considered

### Options for Restructuring the Programme

7.1 Completely remove all grant programmes – rejected: felt to be unfair to deprived communities that are not identified as a Council priority.

7.2 Improve access to services by introducing a new project to improve community transport – rejected: needs a more holistic approach with significant investment that includes other partners.

7.3 Make savings by reducing allocations for commissioned services only – rejected: would reduce some contract values to point where individual contracts become unsustainable.



- 7.4 Maintain focus on urban priority areas exclusively – rejected: legitimate concerns about rural isolation and poverty have been expressed repeatedly in recent years and in consultation; these need to be addressed.
- 7.5 A lot of consideration has been given to the respective geographic allocations for social inclusion services delivered via each of the community hubs. Financial modelling has been used to reflect different aspects of deprivation. The recommended proposal is felt to be the best compromise that recognises the needs of different communities and the capacity of local community support infrastructure.

### **Options for Executive**

- 7.6 Approve proposed savings without changing service specifications – not recommended: changes in operating environment and people's needs would not be addressed.
- 7.7 Approve savings and service specifications without changing emphasis towards outcomes and return on investment – not recommended: Reporting on outputs rather than outcomes linked to Council funding would continue; the Council's requirement for greater emphasis on and reporting about the return achieved on its investment will not be secured.

## **8. Background**

### **Introduction and Rationale**

- 8.1 Warwick District Council has made a longstanding commitment to helping its most vulnerable residents to improve their lives and circumstances. Following on from its 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 Council's clear rationale is that, in addition to improving the quality of life of its residents, 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, not least by expanding the capacity of VCS organisations and improving the wellbeing and self-reliance of individuals.
- 8.2 The Council has decided to continue its investment via a further three-year round (two years nine months in real terms) of commissioned services and grants. In order to balance its budget, a full year reduction of £50,000 per annum needs to be achieved so that expenditure over the three-year period does not exceed £1,046,225. In practice, the total achieved by applying these proposals is substantially below this maximum.
- 8.3 In addition, the Council wishes to ensure that its investment makes a measurable improvement to the residents and organisations assisted, leverages financial contributions from other partners and equips VCS organisations to access funding from other sources.

### **Review Process**

- 8.4 To ensure that the funds are targeted where they can achieve most benefit and to identify the necessary budget savings, a review process has taken place over the summer and autumn of 2017. The review methodology has focused on:

- What has been achieved by the current commissioning;
- Whether the services are still broadly relevant and needed;
- Whether services need to change in anyway to reflect the current environment and policy direction, local and national;
- How to make sure that the services commissioned make a real difference to people and organisations;
- How partners and stakeholders would like to see the funds used;
- Where and how the available, reduced budget should be targeted to help those in most need.

The review methodology has combined desk research with extensive consultation and workshop sessions with staff, partners, current contractors and other stakeholders.

## **Findings from the Review Process**

8.5 The service specification templates at the end of this report provide more detailed review findings and proposals but here is a summary:

### **8.5.1 Current commissioning**

Over the three-year period, the contract holders have each engaged with hundreds of individuals (thousands, in the case of financial inclusion services) to help them address household problems, claim benefits for which they are eligible, reduce debts and manage their finances better, engage with public services, improve their chances of finding work, engage with their local communities, improve their physical and mental wellbeing.

Whilst services are open to everyone in the District, the management information supplied indicates a strong emphasis on assisting people in deprived communities and, in particular in the Council's four target areas – Brunswick, Sydenham, Crown and West Warwick. The community hubs in these locations have provided a focus for the delivery of information, advice, signposting, services and outreach facilities for both VCS and public sector organisations to interface with the public. The contracts awarded have helped to cement this position in three of the areas. At the time of writing, the position in Crown seems more fluid and it appears likely that some restructuring of community facilities will take place, which has been taken into account in the review.

Contract holders were encouraged to tailor support to suit local demographics and the range of activities undertaken confirms this approach has been implemented.

Through the infrastructure support contract, local VCS organisations have been able to access help with recruiting new volunteers and generally strengthening their operations.

### **8.5.2 Developing services**

The long-term objective of this investment is that, ultimately, the services provided should make residents more independent and less reliant on external intervention. Whilst this type of support is not a precise science, we propose to commission a slightly more structured approach to achieving these changes in peoples' lives. This would include identifying the challenges individuals face, devising and then delivering packages of support to address the challenges and then checking that the individual feels an improvement in their circumstances has been achieved. This approach

should reduce the likelihood of the same individuals being supported by these contracts month in, month out and should extend the reach of the services. The concept of the package of services as originally conceived is a powerful combination of support to address the causes as well as the symptoms of deprivation. The service providers should take a more holistic view of the needs of individuals, so that financial and social inclusion support work in harmony and service providers work together to achieve that seamless integration.

In effect, whilst continuing to provide information, advice and signposting, contractors will be encouraged to identify those residents that would benefit from a package of support and then take a more 'case management' approach to delivery.

This is likely to mean that activity levels will drop but should translate into better outcomes and better information about the improvements to people's lives. The likelihood that residents will need support that goes beyond the scope of these commissioned services is recognised, so we would like to see other local services kicking in to continue support when the WDC package is complete. This might take the form of mainstream services, services funded by other routes and/or volunteer- and community group-based support that help to maintain the benefits gained from the Council's intervention.

Pilot work on pre-engagement activity to contact the hardest-to-reach has produced positive results, so we propose that this type of approach should be integrated into the new commissioned services.

### **8.5.3 Keeping services relevant**

All available data and local intelligence suggests that deprivation, social and financial exclusion still exist in the priority wards and in pockets elsewhere in the District. The hubs report high demand for their services, as do other service providers. Government welfare reforms mean people are having to deal with changes to their circumstances and need help to plan and make good decisions. Poor mental health continues to be a strong contributory factor. Building the capacity of the VCS organisations to support people is a cost-effective way to relieve some of the pressure on services delivered by the public sector.

The requirement for good digital skills is increasing, driven by government and, potentially, by changing ways of accessing healthcare, so computer skills training in all its forms will need to be readily available and suitable for an audience who are likely to lack confidence and access to equipment. As a minimum, we want to see strong referral routes in place to get people the support and training they need.

Although unemployment has dropped, there is a bank of people on ESA, who are either being transferred to the 'employment group' of ESA or to JSA. In both cases, this means they are expected to find some work. Whilst continuing to provide basic job search support, we think the development of employment brokerage would be the most beneficial way of investing these funds, to help identify suitable employers and models of supported employment.

We propose that infrastructure support could be better targeted to make material improvements to the sustainability of VCS organisations and, in line with the Council's priorities, to focus support on organisations that are active in the most deprived wards.

Small grants have formed part of the portfolio of services in the past. These are delivered in two ways:

- Grants available to community forums
- Small grants scheme

Both schemes are under-utilised, resulting in part of the 'pot' being unspent at the end of the financial year. We think this is because the Council operates other grant schemes and groups have access to funds from other sources. Accordingly, we propose to reduce the grants available via community forums and close the small grants scheme completely.

#### **8.5.4 Responding to the changing context**

Locally, the Council's Corporate Strategy priority themes include employment and skills, safer communities and health and wellbeing. The current range of commissioned services is already contributing to improvements in these areas and the core provision planned in the new commissioning round will continue that work.

In terms of national policy, as mentioned before, the changes brought about by welfare reform are continuing to affect individuals; transfer to Universal Credit is likely to increase demand for support services. Where UC is already rolled out there have been some major problems because benefit payments halt for a period of several weeks. It is hoped that government announcements in the Autumn 17 Budget will carry through to resolve this hardship but there are other implications, such as financial management skills, a mandatory online application process and an incentive to find work that may strengthen demand for services.

There are some interesting developments locally and in other parts of the country that also appear to underline that the Warwick District place-based approach could provide firm foundations going forward. Greater Manchester has recently published a new health and wellbeing strategy that details their plans for so-called 'Local Care Organisations' that are based on GP patient lists and take an integrated, holistic approach to the health, social care and social inclusion needs of individuals, with tracking at the level of the individual and VCS and public sector working together to deliver support. The NHS has numerous 'vanguard' programmes in place that are trying out different models of increasing community resilience. There is a joint pilot between NHS and LGA to develop volunteer peer mentoring at the community level to support isolated individuals. All of these initiatives suggest WDC's approach is in tune with and proactively moving in the direction of national travel on these issues.

During consultation in the District, it was reported that the CCG and Public Health England are increasingly interested in community hubs as delivery mechanisms for local support; social prescribing with two GP surgeries already forms part of the current social inclusion service delivery and we hope to see that expand in the next three years. This sets the scene for other partners to strengthen their respective investment in the hubs.

#### **8.5.5 Evidencing the difference services make**

Our assessment of the management data reported is that service providers have not fully grasped the need to report only that activity that is genuinely supported by the WDC funding. We wish to help them to segregate Council-funded activity so that more accurate reporting properly reflects what can be achieved with the funds. As a consequence, we fully expect output volumes to drop but outcomes to become clearer.

The review of current arrangements has also identified improvements that could be made to management information reporting that will help to simplify output reporting and shift the emphasis on to gathering evidence of the improvements achieved in people's lives. The financial inclusion data set provided by the current provider is robust and does not need to change in SROI terms, although we need to ensure that data provided relates specifically to the WDC contract to ensure that the benefits are not inflated.

To improve understanding around the benefit of social inclusion services, we propose to adopt a nationally-recognised perception recording tool, such as Think Local Act Personal or Warwick Edinburgh Mental Wellbeing scale, with a few amendments, as well as seeking estimates of the proportion of the vulnerable population in each area that have engaged with services. The latter is a means to assess success in expanding the reach of services to all who need them.

#### **8.5.6 Feedback from consultation**

An extensive programme of consultation through multiple events with internal and external stakeholders has taken place to enable interested parties to feed in their views. All the views expressed have been recorded and considered. The development of the service specifications has greatly benefited from this process and we are grateful to everyone for their contributions. The key messages from consultation were:

- Keep the focus on priority wards
- Define eligibility for services as benefit/tax credit recipients, who are resident in the District
- Take on board the implications for the target audience of welfare reform, particularly Universal Credit and ESA changes
- Fund only financial problems via the financial inclusion contract
- Reduce repeat clients by improved financial management and planning skills tuition
- Make the procurement process as easy as possible for small organisations to participate
- Be cautious about expecting expanded service requirements when funding is being reduced
- There are opportunities for better alignment of WDC services, which would be assisted by training for front-line Council and service provider staff.

#### **8.6 Budget allocation and leverage**

The table included in Section 5 above and Appendix One detail the proposals. Appendix One shows the current expenditure on grants and commissioned services, compares that with the planned budgetary changes for the period 2018 – 2021 and indicates the savings to be achieved.

To make these proposals, we have looked carefully at the demographic profiles and individual circumstances of each priority ward and at the activity levels and breakdown of beneficiaries to decide how the necessary reductions can be achieved with least impact on services. Our proposals aim to shift the emphasis so that the benefits of the Council's investment will be clearly evidenced across the range of services and so that service providers understand that the Council funding is specifically linked to outcomes.

The key features of the proposals are:

- Full year savings of more than £50k p.a. have been achieved. The 3-year saving is over £180K.
- Savings are proposed on grants to maximise the proportion of funds that can provide direct service provision to vulnerable residents.
- The integrity of the overall service offer has been preserved.
- The approach to savings has allowed social inclusion values in Years One and Two to be maintained and we have rectified the imbalance in the allocation of funds for social inclusion work so that Sydenham is treated equally.
- Funding for financial inclusion is only reduced in Years Two and Three.
- Infrastructure support has been split into two work streams to direct some funding to tackle rural isolation.
- Service providers have plenty of time to prepare for funding reductions in Year Three.
- Should budget continue to be available, the possibility of contract extensions beyond Year Three, can be built into commissioning subject to strong performance and a continued trend of funding reduction. This would save further procurement costs.

Some partners e.g. Orbit, have given positive indication that they support the proposed approach and plan to commission similar support alongside the Council contracts, which will add substantial value to the Council's investment.

APPENDIX ONE - VCS COMMISSIONING - ALLOCATIONS AND SAVINGS PROPOSALS						Savings required = £50K in Years Two and Three and pro rata for 9 months of Year One = £37,500									
						CONTRACT VALUES									
	ACTIVITY	NOTES	ANNUAL COST	3 YR COST	NATURE OF SAVING	2018/19 Q1*	2018/19 Q2-4	2018/19 total	ANNUAL SAVINGS	2019/20	ANNUAL SAVINGS	2020/21	ANNUAL SAVINGS	3YR COST	3 YR SAVINGS
1	COMMUNITY FORUM GRANTS	£5K x 7 Forums	£35,000	£105,000	Reduce each forum allowance to £3K	0	£21,000	£21,000	£14,000	£21,000	£14,000	£21,000	£14,000	£63,000	£42,000
2	SMALL GRANTS SCHEME		£11,200	£33,600	Cancellation of scheme	0	£0	£0	£11,200	£0	£11,200	£0	£11,200	£0	£33,600
3	CONTRIBUTION TO JOINT HEALTHY WARKS.		£10,000	£30,000	Cancellation of grant	0	£0	£0	£10,000	£0	£10,000	£0	£10,000	£0	£30,000
4	ENERGY ADVICE CONTRACT		£8,375	£25,125	Contract value reduced	£1,375	£4,125	£5,500	£2,875	£5,500	£2,875	£5,500	£2,875	£16,500	£8,625
5	FINANCIAL INCLUSION SUPPORT		£100,000	£300,000	Reduce value from Year T	£25,000	£75,000	£100,000	£0	£90,000	£10,000	£80,000	£20,000	£270,000	£30,000
6	INFRASTRUCTURE SUPPORT: VCS		£55,000	£165,000	Reduce total and move £10K to No.11	£13,750	£30,000	£43,750	£11,250	£40,000	£15,000	£40,000	£15,000	£123,750	£41,250
7	INFRASTRUCTURE SUPPORT: OVERCOMING RURAL ISOLATION PILOT SUPPORT:	NEW	£0	£0	New investment	£0	£12,500	£12,500	-£12,500	£10,000	-£10,000	£10,000	-£10,000	£32,500	-£32,500
8	- BRUNSWICK		£50,000	£150,000	Staged reduction	£12,500	£35,500	£48,000	£2,000	£45,000	£5,000	£40,000	£10,000	£133,000	£17,000
9	- CROWN		£30,000	£90,000	Maintain in Years One and Two	£7,500	£21,500	£29,000	£1,000	£30,000	£0	£25,000	£5,000	£84,000	£6,000
10	- SYDENHAM		£20,000	£60,000	Re-balance compared with other wards	£5,000	£24,000	£29,000	-£9,000	£32,000	-£12,000	£27,000	-£7,000	£88,000	-£28,000
11	- WEST WARWICK		£35,000	£105,000	Maintain in Years One and Two	£8,750	£25,250	£34,000	£1,000	£35,000	£0	£30,000	£5,000	£99,000	£6,000
12	EMPLOYMENT SUPPORT		£40,000	£120,000	Reduce value because of reducing unemployment	£10,000	£22,000	£32,000	£8,000	£30,000	£10,000	£30,000	£10,000	£92,000	£28,000
	<b>Total</b>		<b>£394,575</b>	<b>£1,183,725</b>		<b>£83,875</b>	<b>£270,875</b>	<b>£354,750</b>	<b>£39,825</b>	<b>£338,500</b>	<b>£56,075</b>	<b>£308,500</b>	<b>£86,075</b>	<b>£1,001,750</b>	<b>£181,975</b>
*£83,875 of Yr 1 spend has to pay for 3-month rollover of contracts on 2017/18 values.															

## APPENDIX TWO

### INVESTING IN COMMUNITIES - SERVICE FRAMEWORKS

COMMISSIONING LOT DESCRIPTION:	FINANCIAL INCLUSION
<b>2015 – 2018 SERVICE LEVEL AGREEMENT: KEY POINTS</b>	
<b>VALUE OF 2015 – 2018 SLA:</b>	£100,000 PER ANNUM
<b>BROAD DESCRIPTION OF SERVICE FUNDED BY WDC:</b>	Advice, support and some training to resolve financial and legal problems and improve financial resilience.
<b>TYPICAL TYPE OF SERVICE:</b>	<ul style="list-style-type: none"> <li>• Benefits advice and claims</li> <li>• Debt management including writing off debt</li> <li>• Legal disputes</li> <li>• Housing problems</li> <li>• Energy switching</li> <li>• Immigration issues</li> </ul>
<b>CLIENT TYPES</b> (based on analysis of 6-months management information):	<p>Open to all residents</p> <p>90% WDC residents with strong emphasis on priority wards and a small minority of homeless.</p> <p>10% non-residents.</p>
<b>ACTIVITY LEVELS:</b>	4000+ enquiries handled per annum, of which approx. 1400 relate to residents of priority wards.
<b>PERFORMANCE TARGETS:</b>	Outputs achieved.
<b>OUTCOMES/SOCIAL RETURN ON INVESTMENT:</b>  (Average CA leverage across the country is a £13 benefit for the people helped for every £1 spent on CA services.)	<ul style="list-style-type: none"> <li>• Estimated £2.3m per annum in additional benefits and tax credits, energy savings, grants and other benefits  <b>= £23* BENEFIT for every £1 WDC funding</b></li> <li>• Savings for WDC: Estimated £800k per annum in recouped rent and Council Tax plus savings on legal bills for avoided evictions.  <b>= £8 benefit to WDC for every £1 funding</b></li> <li>• Service is substantially supported by trained volunteers, estimate of value by WDCA  <b>= £300,000 per annum to their service</b></li> </ul>

\* Over-reporting (i.e. reporting activity not funded by the WDC contract) may account for additional benefit over and above expected average.



## FINANCIAL INCLUSION: CONCLUSIONS FROM REVIEW AND CONSULTATION

<b>WHAT DO WE WANT TO KEEP?</b>	<ul style="list-style-type: none"> <li>• Service remains valid to the needs of local residents</li> <li>• Strong emphasis on residents of priority wards</li> <li>• Help for homeless people</li> <li>• Help for ex services personnel</li> <li>• Benefit advice, debt management, reducing household bills</li> <li>• Housing advice, helping reduce WDC-related debts</li> <li>• Excellent SROI return (but note potential over-reporting)</li> <li>• Delivery through outreach (and could expand further)</li> </ul>
<b>WHAT DO WE WANT TO CHANGE?</b>	1. Tighten definition of eligibility for WDC service to: Benefits recipients and/or with tax credits, ex armed forces, homeless, living in WDC area or imminently moving in.
	2. More emphasis on building residents' financial planning skills to increase financial resilience and reduce reliance on public and VCS services and repeat visits to service provider.
	3. Better integration of financial inclusion services with package of social inclusion support rather than piecemeal delivery.
	4. Increase pre-engagement activities to contact those who are hardest to reach.
	5. Improved collaboration between WDC financial inclusion staff and service provider to make best use of resources e.g. reducing duplicated clients.
	6. Increased emphasis on leveraging resources from other partners and sources.

## FINANCIAL INCLUSION: PROPOSED FINANCIALS

2018 – 19			2019 - 2020	2020 - 2021	
Year One Qtr 1*	Year One Qtrs. 2 - 4	Year One total	Year Two	Year Three	Saving over 3 years v. current value
£25,000	£75,000	£100,000	£90,000	£80,000	<b>£30,000</b>

Rationale:

Gradual reduction to reflect tighter eligibility, tighter service definition and potential overlap with support delivered by WDC FI staff and reflects requirement for improved funding leverage from other sources.

\*Reflects 3-month rollover of 2015/18 contract

## APPENDIX TWO continued...

ENDIX TWO continued...

COMMISSIONING LOT DESCRIPTION:		INFRASTRUCTURE SUPPORT				
2015 – 2018 SERVICE LEVEL AGREEMENT: KEY POINTS						
VALUE OF 2015 – 2018 SLA:		£55,000 PER ANNUM				
BROAD DESCRIPTION OF SERVICE FUNDED BY WDC:		Capacity building support to strengthen VCS organisations				
TYPICAL TYPE OF SERVICE:		<ul style="list-style-type: none"><li>Awareness raising, recruiting and matching volunteers to opportunities</li><li>Fundraising support</li><li>Sharing good practice to strengthen organisational resilience</li></ul>				
CLIENT TYPES:		VCS organisations of all types, including other SLA holders.				
INDICATIVE ACTIVITY LEVELS: (based on analysis of 6-months management information)		<ul style="list-style-type: none"><li>63 volunteers matched</li><li>86 organisations supported</li><li>1500 people attended events at which service provider has presented/facilitated.</li></ul>				
PERFORMANCE TARGETS:		Outputs achieved.				
OUTCOMES/SOCIAL RETURN ON INVESTMENT: (6 months)		<ul style="list-style-type: none"><li>63 volunteers placed with organisations</li><li>£36k additional funding brought into VCS organisations</li><li>3 volunteers helped into employment</li></ul>				
INFRASTRUCTURE: CONCLUSIONS FROM REVIEW AND CONSULTATION						
WHAT DO WE WANT TO KEEP?	<ul style="list-style-type: none"><li>Capacity building to strengthen the VC sector remains valid</li><li>Building the volunteer workforce</li><li>Support to strengthen financial resilience in VCS</li></ul>					
WHAT DO WE WANT TO CHANGE?	1. More in-depth work with organisations to fundamentally improve their viability					
	2. Focus on outcomes rather than outputs					
	3. Confidence about VCS client satisfaction					
	4. Increased emphasis on leveraging resources from other partners and sources.					
	5. Prioritise support for contract holders/organisations active in priority wards					
	6. Dedicated resources to trial capacity building in rural areas					
	7. Help rural parish councils to develop their role in overcoming social isolation					
INFRASTRUCTURE SUPPORT: PROPOSED FINANCIALS						
	2018 – 19			2019 – 20	2020 -21	
Service	Year One Qtr 1*	Year One Qtrs. 2 - 4	Year One total	Year Two	Year Three	Saving over 3 years v. current value
Infrastructure	£13,750	£30,000	£43,750	£40,000	£40,000	£41,250
Rural Pilot			£12,500	£10,000	£10,000	-£32,500
				Net saving		£8,750
	<b>Rationale:</b> Small investment in rural areas to drive solutions to isolation and access to services. Gradual reductions to reflect refocused service definition and requirement for improved funding leverage from other sources.					

\*Reflects 3-month rollover of 2015/18 contract

## APPENDIX TWO continued...

COMMISSIONING LOT DESCRIPTION:	SOCIAL INCLUSION (4 lots)
2015 – 2018 SERVICE LEVEL AGREEMENT: KEY POINTS	
VALUE OF 2015 – 2018 SLA:	£135,000 PER ANNUM Brunswick - £50k      Crown - £30k West Warwick - £35k      Sydenham - £20k
BROAD DESCRIPTION OF SERVICE FUNDED BY WDC:	Range of social inclusion activities geared towards improving engagement with public and VCS services, overcoming social isolation, improving physical and mental health, building confidence, independence and personal resilience.
TYPICAL TYPE OF SERVICE:	<ul style="list-style-type: none"> <li>• Information, advice and signposting</li> <li>• Cementing role of community hubs</li> <li>• Engagement with hardest to reach</li> <li>• Development of networks</li> <li>• Development and management of community facilities</li> <li>• Support for other services such as Priority Families programme</li> </ul>
CLIENT TYPES (based on analysis of 6-months management information):	<ul style="list-style-type: none"> <li>• Residents who find it difficult to engage with services</li> <li>• Residents suffering poor mental and physical health</li> <li>• NEETs</li> <li>• Priority families</li> </ul>
INDICATIVE ACTIVITY LEVELS: (6 months resident engagement)	Brunswick: 577      Crown: 148 W. Warwk: 125      Sydenham: 148
PERFORMANCE TARGETS:	<ul style="list-style-type: none"> <li>• Contribute to 8 WDC commissioning objectives - evidence provided.</li> <li>• Client satisfaction</li> </ul>
OUTCOMES/SOCIAL RETURN ON INVESTMENT:	<ul style="list-style-type: none"> <li>• Volunteers recruited</li> <li>• New engagement</li> <li>• Local issues resolved that might otherwise have been referred to WDC</li> </ul>

## SOCIAL INCLUSION: CONCLUSIONS FROM REVIEW AND CONSULTATION

<b>WHAT DO WE WANT TO KEEP?</b>	<ul style="list-style-type: none"> <li>Place-based approach that centres on four priority wards and hubs, where they exist</li> <li>Making use of local knowledge, networks and trust</li> <li>Outreach services from other partners that add value for residents</li> <li>Centres for information, advice and signposting</li> <li>Services tailored to meet local needs</li> </ul>
<b>WHAT DO WE WANT TO CHANGE?</b>	1. Strengthen more intensive, person-centred approach that leads to real outcomes.
	2. Improve 'churn' of residents so same services are not being delivered to same clients year after year.
	3. Investing in services, not paying operating costs
	4. Better integration of social and financial inclusion support rather than piecemeal delivery.
	5. Increase pre-engagement activities to contact those who are hardest to reach.
	6. Improved alignment of mainstream WDC and commissioned services to make best use of resources e.g. clients being referred to leisure centres for physical activity.
	7. Increased emphasis on leveraging resources from other partners and sources.
	8. Explore opportunities for expansion of social prescribing as integral part of support package.

## SOCIAL INCLUSION SUPPORT: PROPOSED FINANCIALS

	2018 – 19			2019 - 2020	2020 - 2021	
Service	Year One Qtr 1*	Year One Qtrs. 2 - 4	Year One total	Year Two	Year Three	Saving over 3 years v. current value
Brunswick	£12,500	£35,500	£48,000	£45,000	£40,000	£17,000
Crown	£7,500	£21,500	£29,000	£30,000	£25,000	£6,000
Sydenham	£5,000	£24,000	£29,000	£32,000	£27,000	£28,000
West Warwick	£8,750	£25,250	£34,000	£35,000	£30,000	£6,000
				<b>Net saving(increase)</b>		<b>£1,000</b>

### Rationale:

More proportionate funding for Sydenham.

Values largely maintained in early years to drive funding to direct service provision but with reduction in year three to reflect need to locate alternative funding, while giving plenty of time for preparation.

\*Reflects 3-month rollover of 2015/18 contract

<b>COMMISSIONING LOT DESCRIPTION:</b>	<b>EMPLOYMENT SUPPORT</b>
<b>2015 – 2018 SERVICE LEVEL AGREEMENT: KEY POINTS</b>	
<b>VALUE OF 2015 – 2018 SLA:</b>	£40,000 PER ANNUM
<b>BROAD DESCRIPTION OF SERVICE FUNDED BY WDC:</b>	3 employment clubs held weekly in priority wards (Brunswick, Lillington and Warwick) plus outreach to assist those seeking employment with job search skills
<b>TYPICAL TYPE OF SERVICE:</b>	<ul style="list-style-type: none"> <li>• General employment advice</li> <li>• CV writing</li> <li>• Interview techniques</li> <li>• Job search</li> </ul>
<b>CLIENT TYPES (based on analysis of 6-months management information):</b>	<ul style="list-style-type: none"> <li>• Open to all residents</li> <li>• Those on Jobseekers Allowance</li> <li>• Those on ESA obliged to transfer to JSA</li> <li>• Those on the employment support aspect of ESA</li> <li>• Those transferring to Universal Credit</li> </ul>
<b>ACTIVITY LEVELS:</b> (6 months)	202 clients
<b>PERFORMANCE TARGETS:</b>	Specific outputs not specified but a range of MI supplied.
<b>OUTCOMES/SOCIAL RETURN ON INVESTMENT:</b>	<p>37 clients moved into employment</p> <p>9 people signposted to skills development providers</p>

EMPLOYMENT SUPPORT: CONCLUSIONS FROM REVIEW AND CONSULTATION	
<b>WHAT DO WE WANT TO KEEP?</b>	<ul style="list-style-type: none"> <li>Generic support provided remains valid because reduction in unemployment is countered by increase in ESA clients obliged to try to find work and potential for those transferring to Universal Credit to gain financially if in work.</li> <li>Focus on priority wards.</li> </ul>
<b>WHAT DO WE WANT TO CHANGE?</b>	1. More employment brokerage to help people with health challenges find work.
	2. Better signposting to enterprise support to help those interested in self-employment and community-based social enterprise
	3. Better integration with financial and social inclusion services rather than piecemeal delivery.
	4. Increased emphasis on leveraging resources from other partners and sources.
	5. Better signposting to help people improve their work situation e.g. those in 'gig' economy, those needing skills training.
	6. Develop relationships with sympathetic employers.

EMPLOYMENT SUPPORT: PROPOSED FINANCIALS					
2018 – 19			2019 - 2020	2020 - 2021	
Year One Qtr 1*	Year One Qtrs. 2 - 4	Year One total	Year Two	Year Three	Saving over 3 years v. current value
£10,000	£22,000	£32,000	£30,000	£30,000	£28,000
<p>Rationale:</p> <p>Gradual reduction to reflect changed service definition and requirement for improved funding leverage from other sources.</p>					

\*Reflects 3-month rollover of 2015/18 contract