

 <b>WDC Executive, 11<sup>th</sup> June 2014</b>		<b>Agenda Item No.</b>  <b>5</b>
<b>Title</b>	<b>Procurement of Services from the Voluntary and Community Sector 2015 - 2018</b>	
<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  Andrew Jones <a href="mailto:Andrew.jones@warwickdc.gov.uk">Andrew.jones@warwickdc.gov.uk</a> 01926	
<b>Wards of the District directly affected</b>	All wards	
<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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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>		
<b>Background Papers</b>	<b>*Executive 10 July 2013 –</b> The Procurement of Services from the Voluntary and Community Sector – summary of year 1	
<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 585	
<b>Equality and Sustainability Impact Assessment Undertaken</b>	Yes	
<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	27.05.14	Andrew Jones
Head of Service	27.05.14	Andrew Jones
CMT	27.05.14	Chris Elliott, Bill Hunt
Section 151 Officer	27.05.14	Mike Snow
Monitoring Officer	27.05.14	Andrew Jones
Finance	27.05.14	Jenny Clayton/Susan Simmonds
Portfolio Holder(s)	21.05.14	Councillor Les Caborn

<b>Consultation &amp; Community Engagement</b>	
<p>There were several strands of consultation work:</p> <ol style="list-style-type: none"> <li>1. With voluntary and community sector groups and organisations via the Community Action Forum event on 10 March 2014</li> <li>2. With the Council's Strategic Welfare Reform Group</li> <li>3. With the relevant service area managers specifically Housing and Bens &amp; Revs</li> <li>4. With the VCS groups and organisations currently delivering services under the 2012-2015 contract</li> <li>5. With the District Financial Inclusion Forum on 27 February 2014</li> </ol>	
<b>Final Decision?</b>	Yes
<b>Suggested next steps (if not final decision please set out below)</b>	

## **1. SUMMARY**

- 1.1 This report summarises the progress made by the cross party Member Grant Review Panel in developing a revised framework and set of commissioning priorities for procuring voluntary and community sector services for the period 2015 – 2018.
- 1.2 The report provides some background and context in respect to the change from allocation of grants on an annual basis to the commissioning of services over a 3 year period and outlines the learning and outcomes two years into the current contract arrangements.
- 1.3 The report explains the rationale behind the development of the proposed priorities and outlines the consultation that has taken place to inform the process. .
- 1.4 The report also explains the requirement for a policy for dealing with emergency one off funding requests from the voluntary and community sector.

## **2. RECOMMENDATIONS**

- 2.1 That Executive approves the revised framework and commissioning priorities for procuring voluntary and community sector services for 2015 – 2018 as depicted in Appendix 2.
- 2.2 That Executive agrees that the funding allocated to the delivery of services by the VCS on behalf of WDC goes to the targeted geographical areas of Crown, Brunswick and West Warwick and to support more district wide activity factoring in some of the top 10 ranked areas highlighted by the new Social Inclusion Index.
- 2.3 That Executive agrees to maintain the same level of funding for the three year duration of the contracts.
- 2.4 That Executive agrees to give delegated authority to the Deputy Chief Executive (AJ) in consultation with the Deputy Leader for all future decisions relating to the operational management of existing contract agreements with the VCS, the approval of service specifications for the new contracts for 2015 - 2018 and the awarding of contracts in subsequent rounds of the procurement process.
- 2.5 That Executive approves the process for dealing with emergency funding requests from the voluntary and community sector as set out in Section 3.14 & 3.15 (Delegation to the DCEX (AJ) and Head of Finance, in consultation with the Deputy Leader) and the application form at Appendix 3.
- 2.6 That Executive notes the Equality Impact Assessment undertaken in relation to developing the proposed commissioning priorities as set out in Appendix 4.

## **3. REASONS FOR THE RECOMMENDATIONS**

- 3.1 In 2010/11 the Member Grant Review Panel, supported by officers in the Community Partnership Team, went through a detailed options appraisal process to consider how the Council would allocate future funding to the voluntary and community sector.

3.2 The decision was made to move away from the allocation of annual grants to voluntary and community sector organisations and to put in place a 3 year contract agreement whereby the sector would be invited to tender for delivery of a range services based on an agreed set of priorities.

3.3 The Panel agreed that the priorities would be based on and around the cross cutting themes of the Districts' Sustainable Community Strategy:

- Engaging and Strengthening Communities
- Narrowing the Gaps/Families at Risk
- Targeting resources to the areas of greatest need

The voluntary and community sector organisations were required to demonstrate how they would deliver against a range of priorities and agreed outcomes.

3.4 The Panel chose to include the super output areas of Brunswick, Crown and West Warwick wards for specific service interventions to tackle the complex problems in the most socially deprived parts of these communities. In addition to these geographic specific elements of the contract specifications were district wide service requirements to address financial inclusion, community cohesion and engagement and third sector support and volunteering. This resulted in a comprehensive package of funding to which the VCS could apply for via clear and transparent processes against a specific set of priorities.

3.5 Having had these recommendations approved by Executive, the Grants Review Panel then embarked on developing detailed arrangements for commissioning of services and the formulation of robust monitoring and review processes. The contracts were awarded in December 2011 and delivery commenced on 1 April 2012. A summary of the existing contracts can be referenced in Appendix 1.

3.6 Two years into the delivery of the current contracts the Grants Review Panel has started planning for the next round of commissioning for 2015 – 2018. This process involves assessing community needs and key issues, reviewing existing service provision i.e. learning from the current contracts and considering requirements of the Council's relevant service areas and then deciding on priorities.

3.7 The Panel has taken a number of information strands into consideration to help in the development of the revised framework and new priorities:

- a) Consultation with the VCS organisations currently delivering the contracts and learning from the procurement process in general (Appendix 1)
- b) Consultation with the wider voluntary and community sector
- c) Factoring in the refreshed Sustainable Community Strategy and the Fit for the Future strategic aims
- d) Consultation with key service areas to ascertain what support the VCS might be able to offer to add value to service delivery or plug gaps in expertise/skills
- e) Consultation with the Council's Strategic Welfare Reform Councillor & officer group
- f) Consultation with the District's new Financial Inclusion Forum
- g) The new Social Inclusion Index

- h) Mapping of issues arising from specific events focusing on mental health, older people, engaging communities, priority families and locality issues from community forums
- i) Initial findings from the WCC VCS Infrastructure review

3.8 The new Warwick Social Inclusion Index, produced by the Warwickshire Observatory, was jointly commissioned by Warwick District and Warwickshire County Councils. The Index has been produced at lower super output level giving a more detailed picture of local need and issues which may have been masked previously when looking at data at a higher level. The Index has been developed using a geographical and thematic approach to social exclusion.

The seven themes representing different aspects of social exclusion are:

- Health and Wellbeing
- Children and Young People
- Income and Labour Market
- Isolation
- Communities of Interest
- Housing and Homes
- Crime and Community Safety

The Index has then ranked the top ten areas where there is a strong correlation and interrelation between the seven themes as follows:

1. Lillington East
2. Brunswick South & Kingsway
3. Sydenham West
4. Sydenham North
5. Old Town West & Railway Bridge
6. Brunswick NW & Foundry
7. Brunswick SE
8. Stoneleigh
9. Brunswick NE
10. Milverton South East

The Social Inclusion Index is a valuable tool in highlighting pockets of need but it should not be used in isolation and community/local intelligence will serve to enrich the statistical data to provide a true and accurate picture.

There are a number of anomalies in that the Index has ranked Packmores West and The Cape 20<sup>th</sup> overall for social exclusion yet it's still the second most deprived area on the national rankings. The Index has however ranked it 5<sup>th</sup> highest for youth unemployment, child poverty, free school meal claimants and unauthorised absences.

The reason for the low overall ranking in terms of social exclusion is because the socio economic and demographic make-up of Chase Meadows has been factored in to the data analysis and has skewed the figures. Stoneleigh is another such example which figures high in terms of communities of interest due to student diversity and worst performing for Housing & Homes because of the number of HIMO's i.e. Warwick university accommodation.

- 3.9 The Panel wishes to continue to target resources to Crown, Brunswick and West Warwick, to factor in pockets identified by the Index and to fund district wide services where appropriate.
- 3.10 Rather than continuing to use the Sustainable Community Strategy (SCS) in isolation as a framework, the Panel is suggesting adopting three of the seven Social Inclusion Index themes which support the themes of the SCS and underpins the Council's outward looking element of the Fit for the Future programme of work.

The three themes are Children and Young people, Income and the Labour Market and Health and Wellbeing and the rationale for prioritising these is as follows:-

Health and Wellbeing is an important theme due to its wider impact on individuals and communities as a whole. The link between health outcomes and measures of deprivation is widely recognised.

Children and Young People and Income and the Labour Market are strongly interrelated and figure highly in terms of social exclusion in Lillington, Brunswick, Kingsway, Sydenham West and Packmores.

There are already robust structures in place to drive the community safety agenda together with strong linkages with other partnerships to ensure a joined up approach to tackling complex social issues. The new WDC Health and Community Protection service area reinforces this approach and in addition community forums continue to have active police involvement in tackling issues raised by local communities.

Communities of Interest is a cross cutting theme which should be built into the service specification for each of the Priority Areas.

Housing & Homes is not an area that the VCS can directly influence or specifically deliver services around. They can of course play a vital role in working with statutory agencies in terms of tackling the causes and impact of homelessness and in general help to mitigate the impact of welfare reform (which will be picked up under the Income theme).

Isolation, social and geographic, will be picked up in all the Priority Areas in particular Mental Health and Older People.

- 3.11 The continuation of Third Sector Support as the fourth commissioning priority theme is considered critical to develop volunteering, support smaller community groups and the higher functioning community hubs e.g. Sydni, The Gap, Healthy Living Centre, building capacity, helping with governance/constitutions, up-skilling people, and supporting the development of larger funding bids .

- 3.12 Therefore the commissioning priority themes and how they link with the refreshed SCS, aligned with FFF, are as follows:

<b>Commissioning Priority Themes &amp; Underpinning Priority Areas</b>	<b>Sustainable Community Strategy &amp; Fit for the Future</b>
<b>Third Sector Support</b> Volunteering Capacity Building	Engaging & Strengthening Communities Sustainability
<b>Health &amp; Wellbeing</b> Mental Health Older People	Health & Wellbeing Rural Isolation Safer Communities
<b>Children &amp; Young People</b> Early Intervention NEETS (Not in Education, Employment or Training)	Working with Families at Risk Prosperity
<b>Income &amp; Labour Market</b> Financial Inclusion Helping People into Work	Prosperity Narrowing the Gaps

- 3.13 The revised framework, priority themes and priority areas are depicted in more detail in the diagram in Appendix 2.
- 3.14 It is being requested by the Grant Review Panel that Executive approves amendments to the Scheme of Delegation to enable faster decision making relating to:-
- Operational management of existing agreements with the voluntary and community sector
  - Agreement on the new service specifications for the tendering of the new contracts
  - Awarding of the new service level agreements for 2015 – 2018
  - Awarding of any emergency funding as referred to in paragraph 3.15.

Delegating authority to the Deputy Chief Executive (AJ), in consultation with the Head of Finance and the Deputy Leader to draw down funds from the Council's contingency budget, will ensure that the strict procurement deadlines are met and allows voluntary and community organisations enough time to work with the Council to start new services or de-commission existing ones.

- 3.15 With cuts being made to some grant pots held by public bodies, it is getting harder for voluntary and community sector groups to secure funding to cover their running costs. In light of this and following a number of requests during 2013/14, the Grant Review Panel felt that WDC should have a formal process in place to deal with any future applications for grants allocated from the Council's contingency budget.

WDC Procurement has drafted a policy (Appendix 3) for Executive's consideration and approval. The policy for managing emergency funding applications from groups includes:

A checklist of funding avenues explored by applicants

Details of the group's reserves

Evidence of alignment to WDC priorities

Requirements to feedback on progress/impact

The acknowledgement that awards will only be considered as the last port of call when all other possible funding options have been exhausted by the applicant

The Grant Review Panel would consider any applications under this agreed process and make their recommendations to the Deputy Chief Executive who, if agreed by this Committee would have the decision making authority following amendments to the Scheme of Delegation as referred to in point 3.14.

3.16 The Equality Impact Assessment (EIA) on the development of commissioning priorities is set out in Appendix 4.

The EIA stipulates that 'The commissioning process is open and transparent to ensure that all groups are treated fairly'.

The current contracts, in accordance with the terms and conditions of the service level agreements, will terminate on 31<sup>st</sup> March 2015. The organisations and consortiums who are delivering services currently will, most likely, apply in the next round however the priority for the Council will be commissioning those organisations who can demonstrate that they can effectively and efficiently deliver the services that have been designed to support the new priorities.

The Council is delivering a programme of training and support in the lead up to the tendering window for all voluntary and community organisations who express an interest in bidding.

#### 4. **POLICY FRAMEWORK**

4.1 **Policy Framework** – There are no anticipated impacts on the policies below:

- Development Plan Documents
- Fit for the Future
- Food Law Enforcement Service Plan
- The plan and strategy which comprise the Housing Investment Programme

4.2 **Fit for the Future**

Executive approved a refreshed Sustainable Community Strategy in December 2013 which reflected changes to national and local policy and the economic environment. The emphasis on Prosperity (replacing Economy, Jobs & Skills), reflects the Council's commitment to deploying its resources where it can have most influence. The prosperity agenda is now at the heart of the SCS and has been brought into close alignment with Fit for the Future and is consistent with the Council's Strategy Statement 'The future and sustainable prosperity of Warwick District' and the aspirations contained within the emerging Local Plan.

The revised framework and proposed commissioning priorities for future procurement of voluntary and community sector services are closely aligned with FFF and will be a key delivery mechanism enabling the Council to deploy



its resources where it can have the most influence and be of maximum benefit to communities.

## **5. BUDGETARY FRAMEWORK**

- 5.1 The total revenue budget for the funding of the voluntary and community sector is £329,700 for 2014/15. This level of funding over a three year period (1.4.15 to 31.3.18) would total £989,100. This is the same amount as is currently in the VCS commissioning budget 2012 – 2015.
- 5.2 As part of agreeing the 2014/15 Budget, the Council agreed that all “discretionary” (non-contractually committed) budgets would be reduced by 2.5% per annum over four years from 2014/15 to 2017/18. As this budget was contractually committed from 2014/15 the 2.5% was not allowed for within the 2014/15 budget referred to paragraph 5.1.
- 5.3 If members wish to retain the same level of funding from 2015/16 and not accommodate the reductions being applied to other budgets, this will mean that an additional £33,000 saving will need to be found from other budgets if there are not to be any further pressures placed on the Council’s Medium Term Financial Strategy.
- 5.4. The process for procuring future services from the voluntary and community sector is in accordance with the Council’s Code of Conduct Practice & the Procurement Practice. This is being used to ensure best value.
- 5.5 Funding for emergency requests (referred to in 3.15) from voluntary and community sector groups who are not under a contract agreement to deliver services on behalf of the Council would be allocated from the Council’s contingency budget which is £200,000 for 2014/15.

## **6. RISKS**

- 6.1 Members should be aware of the potentially negative impact and knock on effect of making changes to firstly how the VCS budget is allocated and secondly where, resources are targeted geographically
- 6.2 Wider geographic distribution of funding could result in a reduction in resources going into the three main areas of Crown, Brunswick and West Warwick and potentially put at risk the sustainability of the community hubs and/or groups delivering services under the current contracts.
- 6.3 The framework comprises a tighter and more specific set of priority areas replacing the broader strategic aims of the SCS around which the current service specifications were designed. As a result of this it may be a challenge for current service deliverers to meet the new service specifications which may require different areas of expertise, accreditation and skills e.g. mental health. It’s essential that organisations are fit for purpose to deliver effectively, as opposed to trying to bend their services to fit a specification.
- 6.4 The value of commissioning infrastructure support is significant given the range of services, information and advice that this provides to voluntary and community groups, large and small, as well as providing a voice and representing the sector’s interests. It plays a vital role in supporting the sector to access funding opportunities and help to build capacity.

7. **ALTERNATIVE OPTION(S) CONSIDERED**

7.1 There are no alternative options to be considered.

8. **BACKGROUND**

8.1 The Member's Grant Review Panel is made up of the following Elected Members:

- Cllr Moira Ann Grainger (Chair)
- Cllr Les Caborn
- Cllr Ann Blacklock
- Cllr Judy Falp
- Cllr Alan Wilkinson
- Cllr Michael Coker

8.2 The Grant Review Panel has continued to meet regularly to oversee the performance monitoring and review of the current contracts.

8.3 The panel members are knowledgeable advocates of the commissioning and procurement process and are able through their other roles to bring together the interests of the Council and ensure services commissioned match as closely as possible to the needs and strategic direction of the Council and its customers.

8.4 The Panel has been closely involved both with the current providers and through the process of developing and tendering against new service specifications in 2015.