

 Executive, 10-JUL-13		Agenda Item No. <h1>11A</h1>
Title	The procurement of services from the Voluntary and Community Sector – summary of year 1.	
For further information about this report please contact	Susie Drummond Head of Corporate and Community Services Susie.drummond@warwickdc.gov.uk Jane Coates Localities and Communities Officer janecoates@warwickshire.gov.uk	
Wards of the District directly affected	All wards	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	Overview and Scrutiny 11-DEC-12 – ‘Learning from the procurement of voluntary sector services’ – minute 72-74	
Background Papers	Executive 14-DEC-11 – ‘Allocation of budget to deliver voluntary sector services in Warwick District, 2012-2015’ – minute 103 Overview and Scrutiny 13-DEC-11 – minute 69 Executive 10-AUG-11 – ‘Procurement of services from the voluntary and community sector, 2012-2015’ – minute 41	
Contrary to the policy framework:		No
Contrary to the budgetary framework:		No
Key Decision?		No
Included within the Forward Plan? (If yes include reference number)		Yes
Equality & Sustainability Impact Assessment Undertaken		Yes
Three separate ESIA's were undertaken during the procurement and award stages of this process.		
Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	20-JUN-13	Chris Elliott
Head of Service	20-JUN-13	Susie Drummond
CMT	20-JUN-13	Bill Hunt
Section 151 Officer		Mike Snow
Monitoring Officer	20-JUN-13	Andrew Jones
Finance		Mike Snow

Portfolio Holder(s)	20-JUN-13	Cllr Mrs Grainger
Consultation & Community Engagement		
Views of the cross-party Elected Member Grant Review Panel involved in the procurement process are incorporated.		
Successful and unsuccessful bidders have been encouraged to provide feedback on their experience of the overall process rather than this report.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. **SUMMARY**

- 1.1 This report provides the Executive with a summary of the first years' service delivery by those voluntary sector groups awarded three-year service level agreements in 2012.
- 1.2 Also included are some issues and challenges being faced by the Voluntary & Community Sector (VCS) as a whole. These are offered to provide some context for any future decisions that may be made by the Council, particularly pertaining to working arrangements with the sector.

2. **RECOMMENDATIONS**

- 2.1 The Executive notes the summary of the services being delivered, and acknowledges the progress made.
- 2.2 The Executive notes the issues and challenges affecting the voluntary and community sector in Warwick district.
- 2.3 The Executive endorses the continued oversight of this work by the cross-party Grant Review Panel of Elected Members, and notes that changes to delegated authority are being requested in a future Executive report to enable faster decision making.

3. **REASONS FOR THE RECOMMENDATION**

- 3.1 The Executive requested an annual summary of the services being delivered by voluntary sector groups under the newly-introduced procurement process, in 2012. The purpose of this update is to both measure and recognise the level of service being delivered to the community, and recognise the difference being made to those in greatest need.
- 3.2 Overall, the voluntary sector providers have reported good performance during year 1. A brief summary of the services being delivered and their main outputs and issues is shown in Appendix 1. All providers have been visited by a member of the Grant Review Panel as part of the monitoring and evaluation agreement. These visits have contributed to the establishment of a meaningful partnership arrangement between the Council and the groups. Panel members will continue to meet the groups at least once a year.
- 3.3 During year 1, the combined providers have delivered services to approximately **22,100** people. A number of the service level agreements target those wards registering with the greatest level of need: Brunswick, Crown, and West Warwick. Approximately **3,752** people living in target wards have accessed these services, equating to **17%** of the total service users.
- 3.4 The voluntary and community sector is experiencing a period of significant change, particularly in relation to access to external sources of funding (grants or otherwise), and the impact of this on their cash flow and sustainability. This Council's decision to support 3-year agreements with groups is recognised by the sector as both supportive and timely: the ability to demonstrate guaranteed income can often open up access to other pots of money. However, funding from non-statutory sources is highly competitive, and there is evidence to suggest that the criteria for accessing such funds are getting tighter. Relatively

affluent areas such as Warwick District cannot safely assume geographical-based eligibility.

- 3.5 The impact of any vacancies within the voluntary sector is disproportionately negative when compared to the ability of larger organisations to cover or subsume shortfalls. Of the 14 voluntary groups delivering services through Council agreements, 10 of these have carried vacancies for key positions for some portion of the first years' service delivery. This has undoubtedly had an impact on the capacity of the services, and it is therefore a reasonable projection that most projects will exceed their first year's footfall in year 2.
- 3.6 Probably the most concerning trend is the impact of budget cuts from statutory partners. The decommissioning of or reduction in some local services is reportedly generating an upsurge in the displacement of service users across community-based universal providers. This redistribution of people seeking service access appears to be creating some pinch points, particularly for public access community centres. The voluntary sector is leading its own research to gather evidence of the real impact of these changes, and what they might mean for some of the services the Council has commissioned.
- 3.7 The Council has asked the sector, for the first time, to:
- identify impact measures for services so that the benefit can be fully described;
 - work in partnerships or consortia to reduce duplication and costs.
- The commissioned groups have approached these requirements with varying levels of confidence and success, and some will require more time to resolve operational issues and apply thought to impact measurement. The Community Partnership Team continues to offer support, and training and development opportunities in these areas form part of the Warwickshire Community and Voluntary Action (WCAVA) service offer through the Council's agreement. Contingencies are in place for handling identified issues.
- 3.8 In at least three cases, officers are aware that cuts or the restructuring of service provision by other agencies will directly impact on the ability of commissioned groups to deliver their agreed service. This situation is being closely monitored, and mitigation pursued where possible.
- 3.9 The cross-party Grant Review Panel has continued to meet throughout the first year of service delivery, and has played a key role in overseeing performance against the service level agreements. 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 the services commissioned match as closely as possible to the needs and strategic direction of the Council and its customers.
- 3.10 It is hoped that the Panel will continue to be closely involved both with the current providers and through the process of developing and tendering against new service specifications in 2015. It will be requested via Amendments to the Scheme of Delegation that Executive make changes to enable faster decision making in the next round of VCS procurement. The amendment to be tabled is to delegate authority to the Head of Corporate & Community Services in consultation with the Portfolio Holder for Corporate & Community Services and the Head of Finance, for all future decisions relating to the operational management of existing agreements and the awarding of service level agreements to voluntary sector groups at subsequent rounds of the procurement process. The move to commissioning via a structured and

transparent procurement process from the previous grant award process enables greater scrutiny of the decision making process. Delegating authority will mean that we will be able to meet the procurement deadlines and ensure that the VCS has enough time to work with us to start new services or de-commission existing services.

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 Delivery of these voluntary and community sector services supports the vision of making Warwick District a great place to live, work and visit as set out in the Sustainable Community Strategy. Full consultation enabled us to design specifications to procure services that our residents want. The 3-year funding commitment made to successful bidders supports effective service delivery and the important work the voluntary and community sector does.

5. **BUDGETARY FRAMEWORK**

5.1 The total revenue budget for the funding of the voluntary and community sector is fixed at £329,669 per year, or £989,007 for the 3-year period (1.4.13 to 31.3.15). This is the same amount as is currently in the Community Partnership team budgets. This is also reflected in the Medium Term Financial Strategy as this assumes a nil inflation increase for the next Financial Year.

5.2 The process for procuring future services from the voluntary and community sector is in accordance with the Council's Code of Contract Practice & the Procurement Strategy. This is being used to ensure best value.

5.2 The budget for VCS funding following the end of the current contracts has yet to be determined. Proposals will be brought to a future Executive.

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

6.1 No alternative options are deemed relevant to be considered at this stage.

7. **BACKGROUND**

7.1 The Members' Grant Review Panel is made up of the following Elected Members:

- Cllr Moira-Ann Grainger (Chair and new panel member since May 2011)
- Cllr Les Caborn (Chair until May 2011)
- Cllr Ann Blacklock
- Cllr Judy Falp
- Cllr Alan Wilkinson (replaced Cllr Misan McFarland in March 2011)
- Cllr Michael Coker

- 7.2 The Panel was brought into being in 2005/06 to consider grants being paid out by The Council, and to develop a 'best value' approach to the procurement of services from the voluntary sector. Subsequent recommendations included aligning the service level agreements to the cross-cutting themes of the Warwick District Sustainable Community Strategy, thus ensuring full alignment of service delivery to the Council's priorities.

Appendix 1 – Summary of voluntary sector services delivered

Name of visiting Councillor	Group/consortium name	Service being delivered	Key outputs and issues
Cllr Grainger	Warwickshire Community and Voluntary Action	Third sector support and volunteering	<ul style="list-style-type: none"> Increased demand on volunteering scheme as unemployed people are seeking work experience – 850 volunteers registered in year 1 Staff turnover has presented challenges 138 groups were supported 1:1 Support programme for groups now includes tender readiness and impact measurement
Cllr Falp	Warwickshire Community and Voluntary Action consortium	Engaging with communities of interest	<ul style="list-style-type: none"> Consortium has taken some time to become established Involvement in large scale consultations such as the Local Plan are being prepared for Fewer than 10 issues raised by groups have been referred back to WDC
Cllr Blacklock	Brunswick Healthy Living Centre	Services for disadvantaged people in Brunswick	<ul style="list-style-type: none"> Impact of changes to funding streams is a live issue Footfall for WDC-funded programmes approached 13,000 in year 1 Emerging needs to support benefit claimants and mental health service users have been noted
Cllr Grainger	Crown Routes consortium	Services for disadvantaged people in Crown	<ul style="list-style-type: none"> Consortium is taking some time to establish modes of operation The community café and associated allotment project reached 796 people in the first 6 months of delivery There is a potential risk of service impacts to the youth centre (youth activity and job club) as a result of statutory cuts 342 people attended the Lillington job club. 28% of attendees secured employment

Cllr Falp	The Gap consortium	Services for disadvantaged people in West Warwick	<ul style="list-style-type: none"> • Staff turnover has been an issue for both consortium partners • Focus for year 1 has been on the Forbes estate • New partnerships have been formed and local pilot sessions run. Most successful was an intergenerational project, attended by 52 young and older people
Cllr Blacklock	Warwickshire Welfare Rights Advice Service	Benefit take-up in hard to reach communities	<ul style="list-style-type: none"> • Changing welfare landscape is influencing service delivery • Higher than anticipated service usage in Willes ward • In the region of £240,000 of benefit gains have been achieved for clients in year 1 • Has been impacted by the ineffective referral system between bidding partners
Cllr Wilkinson	Cooperative Development Agency	Financial capability and school banking	<ul style="list-style-type: none"> • Partnership work with WDC to look at under occupancy issues is underway • Issues with access to primary schools for school banking • Providing job search and budgeting support • Has been impacted by the ineffective referral system between bidding partners
Cllr Caborn	Warwick District Citizens Advice Bureau	Debt advice, and support for families	<ul style="list-style-type: none"> • Almost 4,700 people seen by the 'support for families' service • 550 people seen for individual debt advice • The gateway triage system for distributing referrals to partner agencies has not been effective • Employment issues are now the biggest self-referral subject, overtaking housing