

Public Document Pack

Date of meeting Thursday, 14th June, 2012
Time 7.00 pm
Venue Civic Offices, Merrial Street, Newcastle-under-Lyme, Staffs ST5 2AG
Contact Louise Stevenson ext 2250

Active and Cohesive Communities Overview and Scrutiny Committee

AGENDA

PART 1– OPEN AGENDA

- 1** Declarations of Interest
- 2** Apologies
- 3** Minutes From the Previous Meeting (Pages 1 - 4)
- 4** UPDATE REGARDING WORK CARRIED OUT BY THE BATESWOOD LOCAL NATURE RESERVE WORKING GROUP. (Pages 5 - 8)

Attached is:

- A Briefing Note to update the Committee on the Working Group's progress to date.

- 5** Third Sector Commissioning (Pages 9 - 28)
- 6** WORK PLAN (Pages 29 - 30)

To discuss and update the work plans to reflect current scrutiny topics.

7 URGENT BUSINESS

To consider any business which is urgent within the meaning of Section 100B(4) of the Local Government Act 1972.

Members: Councillors R Bailey, J Bannister, G Cairns (Chair), J Cooper, D Cornes, G Heesom, M Holland, T Lawton, S Olszewski, Plant, J Walklate (Vice-Chair), G Williams and Winfield

'Members of the Council: If you identify any personal training / development requirements from the items included in this agenda or through issues raised during the meeting, please bring them to the attention of the Committee Clerk at the close of the meeting'

Officers will be in attendance prior to the meeting for informal discussions on agenda items.

ACTIVE AND COHESIVE COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE

Monday 5 March 2012

Present:- Councillor A Heames – in the Chair

Councillors Cairns, Cooper, Mrs Heesom, Miss Olszewski, Tagg J H,
Taylor K-N, Miss Walklate, Wilkes and Mrs Williams.

1. **APOLOGIES**

An apology for absence was received from Councillor Mrs Cornes.

2. **MINUTES**

Resolved:- That the minutes of the meeting of this Committee held on 31 October 2011 be approved as a correct record.

3. **DECLARATIONS OF INTEREST**

There were none.

4. **PRESENTATION BY HELEN RILEY - DIRECTOR OF STRATEGY AND
TRANSFORMATION AT STAFFORDSHIRE COUNTY COUNCIL. PUBLIC
SECTOR COMMISSIONING PARTNERSHIPS PROJECT**

Helen Riley of Staffordshire County Council gave a verbal presentation advising Members of progress made on the four phases of the programme with approximate timescales.

The Research Stage had been completed and it was indicated that the Design Stage built upon the need to design a range of commissioning options including shared commissioning approaches and a consistent Third Sector Commissioning Framework across the Staffordshire Region. It was at this stage that each public sector organisation decided which approach best fitted their requirements for Debt, Benefits and Consumer Advice Services and Third Sector Infrastructure and Volunteering Services.

The next phase was 'Test' with its starting point to clarify the investment and commissioning requirements/outcomes from each of the participating public sector organisations. The information would help to inform the service specification and participating organisations would be consulted about the final specification prior to commencing the procurement (tender) process.

It was proposed that the Third Sector Infrastructure and Voluntary Services would go out to tender in July 2012 with a contract start date of April 2013. The Debt, Benefits and Consumer Advice Service was proposed to go out to tender in November 2012 with a contract start date of October 2013.

The final stage 'Implementation' would, subject to demonstrable success, include project sign off and partner commitment to the new commissioning approach.

Resolved:- That Helen Riley be thanked for her informative presentation.

5. BATESWOOD LOCAL NATURE RESERVE - PUBLIC CONSULTATION

Consideration was given to a report detailing the findings of the recent consultation exercise carried out in accordance with a request made by Cabinet on 7 September 2011 to ascertain public opinion on requests from the community for additional bridle route provision and use of part of the main pool for fishing in Bateswood Local Nature Reserve.

The extent of the public consultation exercise that included a Public Meeting held on 13 January 2012 was outlined in the officer's report and it was reported that 210 individual responses to the questionnaire had been received together with 10 letters from individual residents. In addition, receipt was also reported of two petitions as follows:-

Petition containing 257 signatories

"We, the undersigned, would like to support the proposal of extending the bridle path in Bateswood Local Nature Reserve and would like Newcastle Borough Council to take into consideration when deciding whether to approach these proposals."

Petition containing 225 signatories

"We, the undersigned, wish Bateswood to remain as a nature reserve. We do not want to have fishing or any activities on the lake nor do we want an extra bridleway on the reserve.

Both of the above petitions had been presented at the Council meeting on 22 February 2012 where it was resolved as follows:-

"(a) That the petitions be received.

(b) That the petitions be referred to Cabinet for consideration in the context of the full consultation exercise which has recently been undertaken in relation to requests for additional recreational facilities in Bateswood Local Nature Reserve.

(c) That the petitioners be informed of resolution (b) above.

It was indicated that the discussion at the public meeting had highlighted many conflicts and tensions between community user groups regarding the use of the site.

Having considered the officer's report, the Committee agreed that a working group should be established consisting of Councillors Cairns, Cooper, K-N Taylor, Wilkes and Mrs Williams to carry out a formal scrutiny of this project. It was agreed that the first meeting of the Group should be held as soon as possible in order to agree a timetable and format for the scrutiny process.

Resolved:- (a) That the information be received.

(b) That a working group as indicated above be established to scrutinise the requests for additional recreational activities at Bateswood Local Nature Reserve Project.

6. DRAFT BRIEFS FOR SCRUTINY AND WORK PROGRAMME

Further to the discussion of the previous meeting, the Committee considered draft briefs prepared by the officers for the scrutiny of the undermentioned topics:-

- Allotments Service
- County Wide Museum Service
- Community Centres Review
- Green Space Strategy

Resolved:- That the draft briefs for scrutiny be agreed and submitted to the Overview and Scrutiny Co-ordinating Committee for final approval.

7. THE FORWARD PLAN - ACTIVE AND COHESIVE COMMUNITIES COMMITTEE - EXTRACTS FOR THE PERIOD COVERING MARCH 2012 TO JUNE 2012

Consideration was given to items contained within the Forward Plan which were relevant to this Committee.

Resolved:- That the information be received.

MRS A HEAMES
Chair

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Briefing Sheet

Bateswood Local Nature Reserve

There was a site visit by the Working Party and officers to Bateswood Local Nature reserve on 11th May. The site visit allowed members to see the current arrangements at the nature reserve, including the existing bridle routes and the current fishing pool (Cloggers Pool).

Following the site visit, the Working Party met on 23rd May to review the results of the consultation exercise and to discuss thoughts/impressions gained from the site visit, with the aim of deciding upon the next steps to be taken. It was agreed to set up a meeting and invite three groups to present their views to the Working Party. The groups are: Halmerend Wildlife Trust, The Equestrian Forum and Kidsgrove and District Anglers. The members felt it prudent to meet with Kidsgrove and District Anglers to ascertain how they manage their angling club at Bathpool Park. Each representative will have a 15 minute slot with the members.

This meeting is currently being arranged for 27th June.

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Consultation / Mapping Results Summary

Horse Petition

- 257 responses from 220 properties
- 27 properties had responses from more than one occupier
- Of the 220 properties 151 were located in the borough, 57 were outside of the borough and 11 had no identifiable address.

Against Fishing / Horse Petition

- 225 responses from 151 properties
- 58 properties had responses from more than one occupier
- Of the 151 properties 134 were located in the borough, 9 were outside of the borough and 8 had no identifiable address.

Fishing Petition

- 186 responses from 157 properties
- 20 properties had responses from more than one occupier
- Of the 157 properties 150 were located in the borough, and 7 had no identifiable address.

The number of addresses plotted is lower to the number who responded, this is explained of for the following reasons:

- We can only plot those properties within the borough
- No address was provided
- Only a partial address was provided
- No locality was provided where street name has duplicates throughout the Borough
- Locality Provided did not match the one we hold - for example someone may class themselves as residing in the Westlands where we may have them down as Poolfields as there are no definitive locality boundaries only ward boundaries

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

REPORT TO ACTIVE and COHESIVE COMMUNITIES OVERVIEW & SCRUTINY

Date: 14 June 2012

HEADING: Public Sector Commissioning in Partnership - Collaborative Commissioning

Submitted by: Simon Sowerby – Business Improvement Manager
Beverley Cleary – Business Improvement Officer (Performance & Procurement)

Portfolio: Resources and Efficiency

Ward(s) affected: All

This is a copy of a report to be submitted for Cabinet approval on 20th June 2012. It is being presented to the members of this committee for review in order to allow any comments to be considered and forwarded to cabinet as part of the process.

Purpose of the Report

- 1. To inform Cabinet of the work and outcomes of the Third Sector Commissioning Framework Project Group.**
- 2. To identify the opportunities (where available) for joining the collaborative approach being adopted as part of the Public Sector Commissioning in Partnership (PSCiP) work, to maximise efficiencies and to jointly commission services with other organisations, ensuring in the process that there is no detrimental effect on the overall service to residents of the Borough in line with service outlines.**

Recommendations

- That Cabinet agree that Newcastle-under-Lyme Borough Council as part of its commissioning process for 'information and advice' and 'infrastructure support' services join the PSCiP programme.**
- That funding approximate to £163,000 of the possible £248,510 commissioning budget in years 2013/14 and 2014/15 be allocated to the PSCiP programme, this sum being paid to Staffordshire County Council who will commission the delivery of the service for the period highlighted.**
- That your officers support PSCiP staff in the drafting of service outlines to reflect the needs of residents of the borough in the delivery of an 'information and advice' and 'infrastructure support' service.**
- That your officers establish and agree as part of the work suitable reporting on outcomes to ensure delivery of a responsive service for residents of the borough.**
- That in delivering the above objectives opportunities, as part of the aggregation of spend and delivery of a collaborative solution delivers savings for the authority.**

Reasons

The Council commissions a range of contracts with 'Third Sector' (voluntary and community) organisations via the established Third Sector Commissioning Framework (TSCF) it has in place.

Existing contracts will end on the 30th June 2012 and whilst a new commissioning process has commenced options (i.e. the award of shorter term contracts) have been included in relative service outlines to offer the Council an opportunity to join the PSCiP programme for the relative services.

Minimum standards established by the Staffordshire Compact - to which Newcastle-under-Lyme Borough Council is a signatory will be delivered as part of the work of the PSCiP team e.g – recommendations of a 12 week commissioning process and stakeholder engagement processes involving commissioners’ providers and end users of the service.

1. **Background**

- 1.1 Newcastle-under-Lyme Borough Council launched its Third Sector Commissioning Framework (TSCF) process in December 2008. At this time, a total of eleven contracts were commissioned with Third Sector (voluntary and community) organisations either based or working in the Borough. The majority of the contracts ran for a period of three years, commencing on the 1st April 2009.
- 1.2 From the original list of eleven contracts, seven remain ‘live’. These seven will end on 31st March 2012. Given the proximity of this date, EMT has approved an extension of these existing contracts for a maximum of three months to in order to comply with Staffordshire Compact requirements relating to the commissioning of services with the Third Sector.
- 1.3 As part of an ongoing member engagement process and as an output from the Scrutiny Brief presented to the Active & Cohesive Communities O & S Committee on 31st October 2011, it was decided (by the Committee) to establish a Member Task and Finish Group to examine the Third Sector Commissioning Framework (TSCF).
- 1.4 At the first meeting of the TSCF Working Group on 12th December 2011, members reviewed the process undertaken so far in relation to the TSCF. The group also met with the Director of Strategy and Transformation - Assistant Chief Executive from Staffordshire County Council who presented an overview of the Public Sector Commissioning in Partnership (PSCiP, formerly TSCiP) work to date. In addition, an update was received on the proposed TSCF budget, stakeholder engagement observations, update on service outlines and the implications of the tight timescales being faced as part of the process.
- 1.5 A number of queries were raised by members of the TSCF Working Group, each being addressed by officers of the PSCiP programme; these are highlighted in appendix 1.
- 1.6 A range of observations were made by the PSCiP team at the start of the project, these are contained in correspondence dated 14th July and 8th September 2011 (attached – see Appendices 2 and 3). The contents of which highlight the main areas covered by the PSCiP programme, including the two relevant commissioning areas for the Borough Council that of - Debt Benefits and Consumer Advice (currently being delivered by both CAB and Age UK) and Infrastructure Support (currently - in Newcastle-under-Lyme Borough Council’s case - being delivered by Newcastle Community & Voluntary Services (NCVS)).
- 1.7 As part of the Council’s internal stakeholder engagement process, members and officers highlighted the ongoing need and service development of:
 - The provision of Debt Benefits and Consumer Information & Advice, and
 - Infrastructure Support services.

- 1.8 Meetings have also taken place with a number of external stakeholders/providers, each indicating a commitment to deliver services from within the Borough, albeit clearly indicating the issues faced in identifying and obtaining supportive funding for any ongoing services.
- 1.9 The Medium Term Financial Strategy (MTFS) currently includes ongoing funding for services from the voluntary and community sector – a total of £248,510p.a. being allocated.
- 1.10 The level of funding in the MTFS mirrors that made available in 2011/12 and it is anticipated that such funding will continue for financial years 2013/14 and 2014/15, with officers reviewing such funding with its internal finance team 3 months prior to the financial year end.
- 1.11 Consideration has been made of ongoing budget shortfalls faced by the authority in reviewing the TSCF and whilst the framework recommends mainly three year contracts, during the new commissioning process this will be conditional on a budgetary review indicated above.

2. **Issues**

2.1 An overview of current contractual issues includes the following: -

- 2.1.1 *Infrastructure support (NCVS)* – a proposal has been put forward previously to Cabinet to offer a one-year contract only for this area of work. This has been proposed in part as a device designed to allow for further consideration of the PSCiP work and the potential opportunity for the Council to be part of the initiative, and also as recognition of the ongoing review of the voluntary sector and support provision throughout Staffordshire. Taking into account these initiatives, a one-year contract would allow further consideration of the role of the CVS and how this might be shaped in the future including consideration of options such as joining with other CVS organisations in the county or reducing the level of service currently provided.
- 2.1.2 *Debt Benefits & Consumer Advice – CAB* – Faced with the impact of the current continuing economic downturn, there remains an ongoing need for the delivery of a Debt, Benefits and Consumer Advice service. CAB throughout the current contract period has dealt with a high level of debt within the borough. Welfare benefits advice remains the largest category of all the current service providers' enquiries. The new service outline for information and advice looks to perspective providers to deliver a collaborative approach as part of the commission inclusive of support relative to age demographic.
- 2.1.3 *Older Peoples Information and Advice Service: AGE UK N. Staffs* - this service has not been without its problems in the past, in that Age UK has asked as part of their previous contract if they could reduce their Newcastle offices opening times to deliver the service. Alternate proposals (e.g. collaborating with partners that deliver similar services within the borough such as CAB), rather than a reduction in opening hours were considered by AGE UK, but this does highlight the issues around supportive funding to deliver the service.
- 2.1.4 *Public Sector Commissioning in Partnership (PSCiP formally TSCiP)* - the first tranche of commissioning as part of the PSCiP will commence with the Third Sector Infrastructure Support project. Timescales indicate initial engagement

with interested parties from the 30th April 2012 with contract award/start by 1st January 2013. The second tranche (Debt Benefits & Consumer Advice) indicates a contract award/commencement by 1st April 2013. If the Borough Council is to join the Programme, it will be required to either enter into provisional shorter term contracts or ensure suitable termination and/or assignment as part of the work undertaken by PSCiP. In examining the Programme and its potential for the Borough Council, consideration will be made of Borough Council service outlines; as well as assessing whether maintenance of some form of budgetary control with a preference to pay quarterly on receipt of performance returns can be retained, as well as seeking to regularly review performance directly with service providers and in general protect the interest of both Newcastle residents and the Borough Council.

3. Options Considered

- 3.1 To commit funding for Third Sector Commissioning from 2012/13 onwards as set out in the MTFs and agree to the provision of existing contracts along the lines established in 2008/9 (this does not allow the Council to examine other delivery options and to introduce an annual review of funding into contractual arrangements).
- 3.2 To commit funding for Third Sector Commissioning from 2012/13 onwards, but to agree to variable contractual arrangements including the provision of ongoing funding reviews three months prior to the year end and different lengths of contract for some areas of commissioning (this option – Recommended, will allow for consideration of other initiatives for Third Sector Commissioning such as PSCiP and will also allow for robust review of funding for these services and potentially hold providers to greater account for delivery than at present).
- 3.3 To not commit funding for Third Sector Commissioning from 2012/13 onwards (this option is – not recommended, as this will have a significant negative impact on the Borough Council and lead to the non-delivery of key Third Sector services).

4. Proposals/Next Steps

- 4.1 That Cabinet agree the recommendations made by officers allowing the Council to review and benefit from the PSCiP programme.
- 4.2 That collaborative procurement/commissioning be considered (where available and as part of the PSCiP) to maximise efficiencies and to jointly commission services with other organisations, where there is no detriment to the overall service to residents of the Borough inclusive of ongoing monitoring and phased payments in line with its service outline.

5. Reasons for this Preferred Solution

Project Benefits in utilising the PSCiP solution – Public Sector:

- 5.1 The programme will identify efficiencies for public sector organisations through the development of shared approaches and backoffice rationalisation including finance, legal, admin, commissioning, procurement and performance management departments. These efficiencies will be significant for larger PSO's in terms of staff resource and may release the equivalent of one or more FTE's.

District Councils and PSO's with smaller investment levels should also see a reduction of staff time currently committed to all elements of the commissioning/grant process although on a smaller scale.

- 5.2 The economies of scale and collective bargaining power of a shared approach will improve value for money e.g. same level of service at a reduced contract value or increased service levels for the same contract value. This will be particularly important in the current climate of budget reductions.
- 5.3 The performance management data will provide evidence to support future strategic planning e.g. identifying groups/areas for differential targeted delivery. It will improve accountability for public sector spend by monitoring providers performance against agreed outputs/outcomes.
- 5.4 Ensures resources follow priorities and that these are allocated in the best possible way to obtain high quality, value for money services.
- 5.5 The commitment to a partnership approach will bring significant benefits including removing duplication of services and sharing expertise and best practice. More than that it will define the commitment to transparency and equity in commissioning and show a readiness to adapt in a changing environment to continue to secure essential services for the people of Staffordshire and Stoke-on-Trent. It will be the first partnership of its kind in the country and consequently is already receiving interest from a number of other authorities.

Project Benefits – Third Sector

- 5.6 The programme will create opportunities for backoffice efficiencies for third sector organisations particularly the larger organisations.
- 5.7 It will offer greater stability for many organisations through three year minimum contracts rather than annual grants and rolling contracts.
- 5.8 Shared processes will make it easier and less resource intensive to identify opportunities, complete the application process and the performance management returns required. It could also offer real opportunities to work collaboratively.
- 5.9 It will offer fairness and transparency in the allocation of funding enabling equal access and opportunity to deliver priority services.

6. **Outcomes Linked to Corporate Priorities**

- 6.1 This proposal impacts upon all of Council's Corporate Priorities as services are commissioned to deliver against the corporate priorities.
- 6.2 It will particularly contribute towards Transforming our Council to Achieve Excellence as it will ensure that resources follow priorities and that the Council works in partnership with the Community and Voluntary Sector to provide essential services to improve the quality of life of the Borough's communities
- 6.3 The proposal also supports central Governments political vision as part of 'Big Society' and the sustainability of such, enabling voluntary and community organisations to support and deliver services to the public.

7. **Legal and Statutory Implications**

7.1 There are a number of acts that call upon local authorities to support the prevention of homelessness: -

- *Homelessness Act 2002* - includes the requirement for local authorities to formulate reviews/strategies to tackle and prevent homelessness
- *Housing Act 1996* - duty of the local authority to provide advisory services/assistance to voluntary organisations in respect of homelessness
- *Local Government Act 2000* - general power of well-being

8. **Equality Impact Assessment**

8.1 An Equality Impact Assessment has been completed on the Commissioning Framework. Equality impact assessments will remain a pre-requisite of any service provision offered by voluntary and community sector organisations, and it is anticipated that the PSCiP will continue to offer guidance and support in the submission of equalities information from prospective service providers.

9. **Financial and Resource Implications**

9.1 The TSCF and PSCiP provides a more comprehensive long term approach to third sector funding allocations and commits the Council to supporting the Third Sector through the application and delivery stages with longer term (three year) contracts.

9.2 Newcastle-under-Lyme Borough Council in committing to the programme will be tied into a minimum two year funding requirement for each service.

9.3 This has financial implications as for the identified services a two year commitment is given, however this is in line with government guidance and there is recourse for the Council if the terms of the contract are not met.

9.4 Staffordshire County Council has agreed to fund the commissioning process for the two services identified. Whilst there is some internal resource implications for Council in supporting the development of Service Outlines this is expected to be minimal/proportional to the exercise being undertaken.

10. **Major Risks**

10.1 There is a risk of reputational damage to the Council if it does not deliver on its TSCF commitments and services to the residents of the borough intrinsically linked to information and advice.

10.2 Risks are reviewed as part of the process, it is anticipated that the PSCiP will continue to offer prospective service providers training as part of the commissioning process and identified risks monitored and controlled throughout the length of the contract period between PSCiP officers and Council representatives with the successful service provider.

11. **Key Decision Information**

11.1 This report can be considered key in the following ways: -

- It results in the Borough Council incurring expenditure of an amount which is significant having regard to the Council's budget for the service or function to which the decision relates and;
- To be significant in terms of its affects on communities living or working in an area comprising two or more electoral wards in the Borough

12. **Earlier Cabinet/Committee Resolutions**

12.1 There was an earlier Cabinet resolution to commence the commissioning process.

13. **List of Appendices**

Appendix 1 - (TSCiP) Correspondence dated 14th July 2011

Appendix 2 - (TSCiP) Correspondence dated 12th August 2011

14. **Background Papers**

14.1 There is no background papers linked to this report.

15. **Management Sign-Off**

15.1 There is no H.R. or ICT implications linked to the delivery of this project/report.

	Signed	Dated
Financial Implications Discussed and Agreed		
Risk Implications Discussed and Agreed		
Legal Implications Discussed and Agreed		
H.R. Implications Discussed and	There are no HR implications	25.05.2012

Agreed	linked to this technical report.	
ICT Implications Discussed and Agreed	There are no ICT implications linked to this technical report.	25.05.2012
Report Agreed by: Executive Director/ Head of Service		

Appendix 1:

Questions and concerns raised by Members of the Task and Finish Overview and Scrutiny Working Group and responses from colleagues from the County Council delivering the Public Sector Commissioning in Partnerships Project (PSCiP):

Members in the main are seeking re-assurances that where possible, if NULBC join the above commissioning process for both 'Infrastructure Support' and 'Information & Advice Services', the Council's requirements are met, in that:

- As part of any service outline the requirements of both the council and residents are met,

The service specification will reflect the service that Newcastle wants to commission. It will be based upon the outcomes/delivery specifics that you determine so therefore should meet your requirements.

- That outcomes and deliverables identified as part of NULBC service outlines are not impaired by overall service expectations of an over-arching specification of the combined partners to the programme,

The specification needs to reflect the requirements of all funding partners. If there are areas where partners requirements do not align we have options available to determine separate schedules that make clear the different delivery requirements so again this will not be an issue.

- Whilst committing monies these are expended on a quarterly basis on receipt of quarterly returns,

The payment model and frequency has yet to be agreed so it is not possible to give a definitive answer to this at the moment however it is the expectation that quarterly performance reports will be required. The payment model will be agreed by all funding partners through the Working Group prior to going out to tender so this information will be available before you need to formally commit to the shared commissioning approach.

It is expected that funding will be transferred to the County Council annually in advance. This is standard procedure where the Staffordshire County Council (SCC) acts as Lead Commissioner. If there are issues with performance/breach of contract and the contract is terminated then unspent monies would be returned to the funder. If this presents a problem please let me know and I will see if there is any scope for flexibility but I can not guarantee this.

- Officers retain the opportunity for continued ongoing (direct) engagement as part of any contract monitoring process with the provider and that should any issues or shortfalls arise in contract delivery, officers have the opportunity to resolve these directly with the provider,

Staffordshire County Council will receive the performance returns at the frequency determined by the working group. These will be reviewed by SCC and circulated to funding partners. If partners have any issues with the reports then they can raise them with SCC to jointly be raised with the provider. It is proposed that there will be six monthly contract/performance review meetings with the Provider. As a funding partner Newcastle will be invited to participate in these reviews where any issues can be addressed. This provides the means for continued direct engagement with the provider, co-ordinated by SCC.

- Members have a concern around the length of time it may take to respond to issues/shortfalls in service provision if (albeit we have not yet decided the performance return frequency). Any issues we currently have with service providers or reports are normally quickly resolved, as there would be a likely impact on the next payment. Will we be looking to put in place some form of procedure linked to responsive timescales in which to resolve issues identified by clients/partners? Members are concerned that queries may get lost in the system, or never responded to. Could NULBC receive a timely electronic copy of the performance return i.e. being included in the email circulation from the service provider at the date of despatch?

SCC would look to resolve any issues with the provider in a timely manner as it impacts on the whole of provision and please be assured that queries will not get lost in the system as they will be picked up by the lead commissioner, who will be the main contact, and addressed according to the contract. The contract will set out the procedure and timescales for responding to issues (Default & Conflict Resolution) and you will have a copy of this. To ensure that NULBC receive a timely copy of the electronic performance returns we can build in an acceptable timescale in which it should be circulated into the SLA between the partners. We are open to your suggestion for what you think is an acceptable timescale. If you feel that it is necessary to be directly mailed by the provider then we can look at this however I think agreeing within the SLA the time period returns should be circulated within would address this concern and as we have access to staff in the Observatory who sometimes manipulate the data further (e.g. Debt/Benefits Advice stats) to produce a report in a more readable format this could also be sent out to you.

- That Member representation (from NULBC) forms part of either a PSCiP 'Commissioning Board' and/or Tender Evaluation & Award Panel.

Each funding partner will be asked to nominate a representative to evaluate the tender submissions. If Newcastle wish to nominate an elected member that is absolutely fine. They will need to complete a Confidentiality Agreement and a Conflict of Interest Declaration.

- Members of the group thought that a Member should form part of the group; I explained that, there would not be a commissioning board, but a tender evaluation and award panel and that training would be given around the role of each participant. Members asked if they could be supported by an officer as part of this work.

If Members would like officer support (presumably from NULBC?) that is absolutely fine. I will have to ask procurement about training for the role of participants as I'm not sure what is in place. Members will need to be made aware that tender evaluation panels can take five or more days, depending upon the response, to work through the different stages and presentations for each service and anyone on the tender evaluation panel must commit to attend every panel meeting.

12th August 2011

Dear Colleague

VCS Consultation

I thought it appropriate as your "Champion" to give you advance notice on the next piece of work relating to the Third Sector Commissioning Partnership (TSCiP).

Over the next 12 weeks or so, my colleagues will be leading a consultation exercise designed to establish the future needs of your organisation from a Voluntary and Community Sector Infrastructure Support & Volunteering Service. As you may be aware, the service is currently provided by Staffordshire & Stoke on Trent Consortia of Infrastructure Organisations (SCIO).

The consultation will give a range of organisations, including other public sector organisations and voluntary and community organisations, the opportunity to identify what their current and future needs are from a VCS Infrastructure Support & Volunteering Service.

The information will be collated and analysed then used in the development of the service specification.

The purpose of the 'heads up' is to enable you to brief your officers and also because I am conscious that your elected members may sit on various boards and committees and consequently may seek further information via yourselves and your teams.

Should you or your colleagues require any further details, I would ask that you contact either:

Denise Smallman tel. 01785 276452
e-mail. Denise.smallman@staffordshire.gov.uk

Or

Emma Salter tel. 01785 277396
e-mail. Emma.slater@staffordshire.gov.uk

Yours sincerely,



Anthony E. Goodwin PhD

**CHIEF EXECUTIVE
Tamworth Borough Council**

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For Chief Executives Group Approval
23rd June 2011

- (i) Note progress on the Programme to date
- (ii) Agree to discuss, within own organisation, taking to own Cabinet where required, a preferred option for shared commissioning of a Debt, Benefits and Consumer Advice Service and a Third Sector Infrastructure and Volunteering Service in advance of Leaders and Chief Executives Group (8th September 2011).
- (iii) Agree to discuss, within own organisation, taking to own Cabinet where required, a consistent approach to third sector commissioning across all organisations through the adoption of a Third Sector Commissioning Framework in advance of Leaders and Chief Executives Group (8th September 2011)
- (iv) Agree to take responsibility, if delegated by Leaders and Chief Executives Group, for decision making at Phase 3 and Phase 4 and to receive reports as required.

Staffordshire Leaders and Chief Executives

8th September 2011

Third Sector Commissioning Partnership (TSCiP) Programme Update

1.0 Recommendations

Leaders and Chief Executives Group Approval

- (i) Note progress on the Programme to date
- (ii) Agree to determine own organisations preferred option for shared commissioning of a Debt, Benefits and Consumer Advice Service and a Third Sector Infrastructure and Volunteering Service, taking to own Cabinet where required, to provide a decision at the Chief Executive Group meeting in November
- (iii) Agree to determine own organisations commitment to implementing a consistent approach to third sector commissioning across all organisations through a Third Sector Commissioning Framework, taking to own Cabinet where required, to provide a decision at the Chief Executive Group meeting in November
- (iv) Delegate responsibility to Chief Executives Group to agree and approve Recommendations for Phase 3 and Phase 4 and receive reports as required.

2. Programme Progress

- 2.1 As outlined in the Holding Report, submitted in April 2011, the programme has expanded to offer options for shared commissioning rather than a single approach and an option to adopt a consistent approach to third sector commissioning through the use of a Third Sector Commissioning Framework.
- 2.2 All fifteen Public Sector Organisation's (PSO's) known contracts/SLAs/grants with CABx, CVS's/VAST and Asist were mapped to identify the level of investment in these services for 2010/11, provide detail about the funding/commissioning process, provide contract and performance management information and identify indicative future commissioning intentions.
- 2.3 The mapping identified that there are 28 separate funding agreements with CABx, 55 with CVS's/VAST and 17 with Asist making a total of 100 known funding arrangements across these third sector providers. A summary of the findings is attached in Appendix A.
- 2.4 A Case Study and the Cashable/Non Cashable Efficiency Savings have been provided to Improvement and Efficiency West Midlands (IEWM) in order to draw down the final tranche of programme funding. The Return on Investment has been calculated using this data.
- 2.5 Staffordshire County and Stoke City Councils and the three PCT's all commission advocacy services. Currently these are delivered by Asist. Asist is one of the three third sector organisations delivering services to be considered in the first phase of this programme. As many of these contracts are rolling or have contract end dates in the next twelve month partners have agreed to commission advocacy services jointly. This will mean that a shared commissioning approach will be implemented earlier than the agreed timescales outlined in the Draft Process Plan (Appendix E). As it falls outside of the project timescales the commissioning and procurement will follow Staffordshire County Council's existing procedures.

- 2.6 The services currently delivered by Mencap were initially going to be considered during the first phase of this programme. Upon meeting with representatives from Mencap (Mid Staffordshire and Royal Mencap) and following discussions with commissioning staff in a number of organisations it has been decided not to continue with scoping these services at this point. This is due to difficulties with the renewal of contracts and because Royal Mencap own most of the properties that they deliver care in. This makes these services complex in nature and therefore inappropriate to test under a shared commissioning approach.
- 2.7 The Draft Process Plan showed the intention to map six additional organisations later in the programme. It has become apparent through the work to date that this is not the best approach to determining the next services for commissioning and so instead it is proposed that two or three service areas will be identified, irrespective of current provider. The Draft Process Plan has been updated to include this amendment.

3. Return on Investment

- 3.1 Staff in each PSO completed a questionnaire regarding the period of time they, and other officers in the organisation, spent on confirming the budget, formulating the idea of the service, developing the service specification, commissioning and procurement, agreeing the contract, performance and contract monitoring and processing payments for each contract/SLA/grant.
- 3.2 This varied greatly between organisations both because of the process of commissioning and because of the varying types of funding arrangements in place. The Return on Investment (ROI) calculation is based on historical data and so it is worth noting that a lot of contracts have been inherited from other organisations, usually from PCTs to local authorities, and/or rolled for a number of years and have never been through an open procurement procedure. Consequently the staff hours are lower than might be expected and are likely to be an underestimation of the time involved. It is not possible to reflect this in the calculations however it could be assumed that the ROI would be greater if more accurate information was available. In additions many PSO's explained that they are now looking at improving their procurement of these services and would need to put more robust, transparent measures in place for services they intend to fund in the future. It is important to note that this will mean in the future the staff resource required to commission services is likely to be much greater than that outlined in this report in Appendix C and again this would have the effect of potentially increasing the ROI for shared commissioning.
- 3.3 The figures relating to third sector investment are annual. All other figures have been calculated over the life of a contract and adjusted, where necessary, to reflect a three year contract. The resource cost under a shared approach and the ROI is based upon the Aligned Budgets option with a lead commissioner.
- 3.4 In accordance with Appendix C a total annual investment of £6 million has been identified across all fifteen public sector organisations, for the three mapped services, pertaining to 100 funding arrangements. The estimated resource cost of administering and managing the funding agreements for these, based on the data received, is £426,937.
- 3.5 Under a shared approach with all fifteen PSO's participating the estimated resource cost of administering and managing the contracts under an aligned budget with a lead commissioner model would be £41,000 per contract although this may vary dependent upon service type. If three contracts were in place for the identified services the cost would be £109,289 a saving of £317,648 (adjusted as advocacy services only funded by 5 PSO's). It should be noted that in reality there may be more than one contract for each service area, not all PSO's fund every service and it is unlikely that all existing contracts will be included in new arrangements.

- 3.6 The mapping identified the annual investment made by Staffordshire County Council, Stoke-on-Trent City Council and the 3 Primary Care Trusts into the three organisations as almost £5 million, with 74 funding arrangements and an estimated staff resource cost of £347,365.
- 3.7 The estimated cost of a shared commissioning approach, with Staffordshire County Council, Stoke-on-Trent City Council and the 3 Primary Care Trusts partnering, to deliver a single contract for each service is £27,289. If three contracts were in place for the identified services the cost would be £81,867 a saving of £265,498. Again it should be noted that in reality there may be more than one contract for each service area, not all PSO's fund every service and it is unlikely that all existing contracts will be included in new arrangements.
- 3.8 The Return on Investment has been calculated to account for the cost of the project and potential savings over 5.5 years to include the project development phase and three year contracts for the first services identified within the timescale. The ROI has been calculated as 55% and 58% for five PSO's and all fifteen PSO's respectively. The savings year by year can be seen in Appendix B.
- 3.9 In addition to cashable savings the project offers the opportunity for a number of non-cashable savings including improved performance management leading to better evidence to support future strategic planning and improved provider accountability; benefits through shared expertise; data sharing should remove duplication and third sector commissioning will be more transparent and equitable.

4.0 Commissioning Options

- 4.1 There are two options for shared commissioning alongside an option to retain the status quo. These are:
- Aligned Budgets with a lead commissioner
 - Stand Alone Partnership Arrangements
 - Do nothing

In both options the individual public sector organisations remain responsible for needs analysis and priority setting to determine the services they wish to commission.

- 4.2 Under the aligned budget option a number of partners would commission services together with a lead commissioner who would procure services on behalf of all partners. The lead commissioner would determine appropriate services and co-ordinate interest in joint commissioning. Budgets would be transferred to the lead commissioner on an annual basis, for the duration of the contract, to be spent against the service commissioned. Financial, contract and performance management would be carried out by the lead commissioner and reports provided to partner organisations.
- 4.3 Under the Stand Alone Partnership Arrangements approach one partner would determine a need to commission/ recommission a service and approach other PSO's to see if they would like to jointly commission. One partner would then take the lead and commission on behalf on the group. Financial, contract and performance management could be performed by the lead partner or remain with individual partners. This option is better suited to arrangements that are new or where there are a small number of funding partners. It is proposed that a consistent approach to commissioning should be used and this could be through an agreed commissioning framework, such as the Third Sector Commissioning Framework. Alternatively the existing procurement processes of the lead partner could be followed.

- 4.4 The use of a shared commissioning model would only be used where more than one partner wishes to commission similar services and only where there are efficiencies to be realised. Consequently this approach would not apply to low value commissions, unless included with other partners higher value requirements, and will therefore not impact on all the third sector funding arrangements in place in each organisation. Further detail on each model with advantages and disadvantages are set out in Appendix D.
- 4.5 The TSCiP Project Team would lead under the aligned budgets model only and therefore this is the model partners will be asked if they wish to participate in for the procurement of a Debt, Benefits and Consumer Advice Service and a Third Sector Infrastructure and Volunteering Service. The team will then work with interested partners to determine their requirements. A decision will be required in November to start the tender process in April 2012 with contract start dates of January 2013 and April 2013. Partners that do not wish to participate under the Aligned Budgets model will be asked to express an interest in the Stand Alone Partnership Arrangements which can be used as required and will be instigated by individual organisations as required.
- 4.6 It is important to have a fair and transparent approach to third sector funding in place that reflects an organisation's priorities. As outlined above a shared commissioning approach will not impact on all third sector funding. It is therefore proposed that, in addition to a shared commissioning model, a consistent approach to all third sector investment over an agreed threshold be developed that all partners can adopt. This would be based upon the Newcastle and Tamworth Third Sector Commissioning Frameworks and would provide a minimum standard across Staffordshire and Stoke on Trent. This may be of particular interest to district councils that don't wish to participate in a shared commissioning approach however, one does not preclude the other as organisations could use the consistent framework for services they choose to commission alone and could partner under a shared commissioning approach where appropriate.
- 4.7 PSO's will be requested to sign up to a consistent approach through the use of Third Sector Commissioning Framework in November and this will then be developed by the Project Team utilising the learning from Newcastle and Tamworth Borough Councils.

5.0 Project Benefits

- 5.1 Shared commissioning would create efficiencies for public sector organisations through backoffice rationalisation including finance, legal, admin, commissioning, procurement and performance management departments. These efficiencies would be significant for larger PSO's in terms of staff resource and may release the equivalent of one or more FTE's. District Councils and PSO's with smaller investment levels should also see a reduction of staff time currently committed to all elements of the commissioning/grant process although on a smaller scale.
- 5.2 The economies of scale and collective bargaining power of a shared approach should improve value for money e.g. same level of service at a reduced contract value or increased service levels for the same contract value. This will be particularly important in the current climate of budget reductions.
- 5.3 Robust performance management will improve accountability ensuring services are delivered that meet organisational priorities and community need and this will also provide evidence to support future strategic planning e.g. identifying groups/areas for differential targeted delivery.
- 5.4 The commitment to a partnership approach will bring significant benefits including removing duplication of services and sharing expertise and best practice. More than that it will define the commitment to transparency and equity in commissioning and show a

readiness to adapt in a changing environment to continue to secure essential services for the people of Staffordshire and Stoke-on-Trent.

- 5.5 Shared commissioning will also create opportunities for backoffice efficiencies for third sector organisations particularly the larger organisations. Shared processes will make it easier and less resource intensive to identify opportunities, complete the application process and the performance management returns required. It could also offer real opportunities to work collaboratively.
- 5.6 Both shared commissioning and the Third Sector Commissioning Framework will offer greater stability for many third sector organisations through three year minimum contracts rather than annual grants and rolling contracts.

6.0 Equality Impact Assessment

- 6.1 The proposed approach does not impact directly on people in Staffordshire as it deals purely with the way in which existing funding to the third sector is managed and monitored, and does not in itself propose any changes to funding for any particular organisations. Clearly, were any future recommendations made to change funding streams for particular third sector bodies this would have a direct impact on local people and these recommendations would need to be impact assessed in their own right.
- 6.2 Implementation of the proposed framework would support equality by ensuring that the each council's key equality objectives are more firmly integrated in joint commissioning protocols and guidance.

7.0 Conclusion

- 7.1 The mapping information identified that there are at least 100 separate funding arrangements with CABx, CVS's and Asist with the majority covering very similar services. There is obviously scope under a shared commissioning approach to rationalise these to reduce transactions and the staff resource required to administer and manage the funding arrangements.
- 7.2 The resource data collected to identify cashable efficiencies and ROI indicates that there are significant back office efficiencies to be made through a shared commissioning approach which could release staff time and/or FTE's. It is acknowledged that the existing number of contracts and the contract values that the data is based on will reduce due to the removal of a number of government funding streams and the need for budget cuts/efficiency savings in organisations. As the number of participating partners, services required and funding allocations is not known at this point it is not possible to give an actual saving or the actual cost to individual partners of a shared approach. These would need to be calculated on a service basis once PSO's have expressed an interest.
- 7.3 It is generally accepted by the larger funders that whether or not partners sign up to a shared commissioning approach the historical/rolling funding arrangements must be addressed and services must be revisited to ensure that they still fit with the corporate priorities, meet needs and deliver value for money. It is evident from the mapping that a large number of services have never or have not for some considerable time gone through an open procurement process and in future arrangements this will need to be done. If this is done separately by PSO's the staff resource required will be significant and there may not be the capacity within organisations to deliver. In addition if organisations are commissioning to similar timescales the responding third sector organisations may not have the capacity to complete a large number of tenders.
- 7.4 Both shared commissioning models enable each participating PSO to retain responsibility for identifying needs, setting priorities and determining the services they wish to

commission along with the outcomes to be achieved. PSO's also retain responsibility for their third sector budgets and agree commitment based upon the duration of the contract. The Aligned Budgets with a lead commissioner model has the potential to offer the greatest efficiencies but it is acknowledged this option may not be suitable for all organisations or all services. Under this model funds are transferred to the lead commissioner annually in advance to cover the commitment to the contract and the lead commissioner would procure on behalf of all partners and will take responsibility for contract and performance management reporting to partners as agreed. The Stand Alone Partnership model may be better suited to the commissioning of new services or where there are a small number of partners.

- 7.5 A consistent approach to third sector commissioning through the use of an agreed Third Sector Commissioning Framework will ensure that services that are not commissioned through a shared approach are commissioned in a way to enable the organisation's resources to be allocated in the best possible way guaranteeing high quality, outcome led, value for money services. It will ensure that Third Sector organisations deliver against the organisation's priorities and that performance management systems are in place improving the accountability in delivering efficient and effective services. It will also establish a fairer and more transparent process to funding allocations that enables equal access and opportunity for the Third Sector to secure longer term support to deliver priority services. A Third Sector Commissioning Framework will also offer a consistent approach across PSO's that could be used when commissioning through the Stand Alone Partnership Arrangements.
- 7.6 Group members are requested to consider their organisation's preferred shared commissioning option for a Debt, Benefits and Consumer Advice Service and a Third Sector Infrastructure and Volunteering Service and the consistent approach to third sector commissioning across all organisations through the adoption of a Third Sector Commissioning Framework in advance of the Septembers Leaders and Chief Executives meeting, taking to their Cabinet where required.
- 7.7 Due to the timescales outlined in the Process Plan, Appendix E, it is requested that responsibility be delegated to Chief Executives Group for the next two phases of the programme. Subject to the decisions made today this responsibility would include endorsing the policy framework and reporting individual PSO decisions to participate in the aligned budget approach thereby giving approval to commission the first two identified services and sign up to adopt a Third Sector Commissioning Framework in November 2011. This will be followed by approval requests to map additional service areas at Phase Three and then reporting individual PSO decisions to participate in the aligned budget approach for additional service areas at Phase Four. A final briefing would be presented to Leaders and Chief Executives Group in November/December 2012 requesting project sign off.

Appendices

- Appendix A Contract Mapping Data and Summary
- Appendix B Cashable and Non Cashable Savings and Return on Investment
- Appendix C Contract Values and Staff Resource Data
- Appendix C Commissioning Options
- Appendix D Draft Process Plan
- Appendix E Draft Risk Assessment

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ACTIVE AND COHESIVE OVERVIEW AND SCRUTINY COMMITTEE

Title	Action	Method of Scrutiny, Way Forward and Progress
Review of Grants and the Third Sector Commissioning Framework	Report of working group to Committee on 5th March.	<p>Review has already been completed, so role of the Active & Cohesive Overview & Scrutiny Committee will be to receive regular updates from Officers regarding the implementation of the recommendations and to scrutinise the outcomes triggered by the changes.</p> <p>Recommendations made by the Committee at its meeting on 22nd August 2011 were included in the Cabinet Report that was considered at its meeting on 7th September 2011.</p> <p>That a Working Group be established to scrutinise the Third Sector Commissioning contracts</p> <p>Working Group hopes to deliver its final report to the next meeting of the Committee.</p>
Bateswood Consultation Process	<p>Draft Report to Scrutiny on 5th March.</p> <p>Working Group e set up to look at consultation results: Cllr Cairns Cllr John Cooper</p>	<p>That the results be brought back to this committee after the consultation period has ended.</p> <p>Closing date for consultation was 27th January 2012. Draft report to go to Cabinet in March based on the results of the consultation.</p> <p>Briefing Note to update Committee on 14th June 2012</p>

	Cllr K-N Taylor Cllr Wilkes Cllr Gill Williams	
Draft Health and Wellbeing Strategy	Liaise with Health Scrutiny Committee to ensure there is no duplication of work Presentation to Health Scrutiny By Rob Foster, Head of Leisure and Cultural Services on the new local public Health agenda.	Project Initiation Document produced. Members requested that the Chair liaise with the Coordinating Committee and Health Scrutiny Chairs to decide upon the best way to approach this item. Options available could be a cross-committee Working Group or a joint meeting of the two committees
Leisure Trust Options	To come to Committee in approx 12 months	
Allotments Service	Scrutiny Brief agreed at meeting on 5th March 2012	Report to Cabinet 30 th November 2011 – Agreed that a review should be carried out.
County Wide Museum Service	Scrutiny Brief agreed at meeting on 5th March 2012	Scrutiny Brief awaited.
Community Centres Review	Scrutiny Brief agreed at meeting on 5th March 2012	Scrutiny Brief awaited – ASAP – TO CABINET IN JUNE