

FUTURE COMMISSIONING FOR THE VOLUNTARY AND COMMUNITY (THIRD) SECTOR

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Portfolio: Resources and Efficiency

Ward(s) affected: All

Purpose of the Report

- To ratify the Council's budget for funding commissioned contracts with the Third (Community and Voluntary) Sector.
- To agree and establish the duration of the above funding (previously, funding was made available for a three year period).
- To agree on the Council's preferred route to market for the commissioning of Third Sector services.

Recommendations

(a) That, as part of the Medium Term Financial Strategy (MTFS), Cabinet ratify available funding for commissioning, and agree to the duration for this funding (£248,510 p.a. has already being allocated in the MTFS for this purpose).

(b) That the three-year availability of these funds be made conditional on a budgetary review 3 months prior to the anniversary date to ensure on going funding can be supported.

(c) That collaborative procurement/commissioning be considered (where available) 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.

Reasons

The Council commissioned a range of contracts with 'Third Sector' (voluntary and community) organisations via the established Third Sector Commissioning Framework (TSCF) in 2008/9. Seven of these contracts were for three years (1st April 2009 until 31st March 2012).

As these existing contracts are coming to an end, Cabinet is requested to clarify the Council's requirements as part of future commissioning with the Third Sector.

Minimum standards established by the Staffordshire Compact - to which Newcastle-under-Lyme Borough Council is a signatory - recommend that a 12 week commissioning process is established to "support the involvement of smaller third sector organisations and/or third sector consortia participating and submitting high quality bids". It is proposed in this report that this aspect of the Compact continues to be adhered to, in order to maintain compliance and to allow for an open process of commissioning under the TSCF.

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 organisations either based or working in the Borough. The contract periods involved ranged from one to three years, with the majority being for three years, commencing on 1 April 2009.

- 1.2 From the original list of eleven contracts, seven remain 'live'. These seven will end on 31 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 engagement process and as an output from the Scrutiny Brief presented to the Active and Cohesive Communities Overview and Scrutiny Committee on 31 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 12 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 finally the impacts of the tight timescales being faced as part of the process.
- 1.5 In relation to the PSCiP initiative mentioned above, the initial intentions of this work are outlined in correspondence dated 14 July and 12 August 2011 (attached – see Appendices A and B). These highlight the main areas covered by the PSCiP programme, including the two relevant commissioning areas for the Borough Council covered by the PSCiP work - 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 Voluntary & Community Services).
- 1.6 In addition to these developments, the Borough Council continues to receive Freedom of Information (FOI) requests in reference to spend on Third Sector organisations and the Council's future intentions regarding this area, given the budgetary constraints currently being experienced by the authority.
- 1.7 Clearly, there remains considerable focus from both central government and other stakeholders regarding the approach to future funding for services from the Third Sector.
- 1.8 Various stakeholders included in the ongoing TSCF internal engagement process have highlighted the ongoing need for a range of services which include: -
 - The provision of Debt Benefits and Consumer Information & Advice,
 - Rough Sleepers Outreach (to be commissioned jointly with Stoke-on-Trent City Council);
 - Domestic Violence Support;
 - Young Persons Homelessness Advice; and
 - Infrastructure Support services.

It is suggested that funding for two services be discontinued; funding levels permitting, and that two new services be established and monies be found for the return of a previously run service.

Stakeholders as part of this process indicated that due to a range of external factors/changes, this is not a good time to go out to the market place to commission albeit they recognised the need for a continuity of service delivery.

- 1.9 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.
- 1.10 The Medium Term Financial Strategy (MTFS) currently includes ongoing funding for services from the voluntary and community sector – a total of £248,510p.a.
- 1.11 The level of funding in the MTFS appears to mirror that made available in 2011/12.

Consideration has been made of ongoing budget shortfalls faced by the authority in reviewing the TSCF and this paper recommends mainly three year contracts, conditional on a budgetary review three months prior to the anniversary date to ensure on going funding can be supported. This paper also recommends that this clause should be written into the contracts agreed with successful providers.

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 a recognition of the ongoing review of the voluntary sector and support provision throughout Staffordshire. Taking into account these initiative, 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** – a number of issues are currently being reviewed in this area, including the potential for increased use of Kildersley Town Hall and the concerns raised by CAB over the request by the local police having a strong presence in the building - the CAB's Chief Officer in the area has indicated a possible reduction in the number of clients using CAB services at this venue due to high profile of police.

Proposals to resolve such concerns have been forwarded to the Council's Property Manager. In addition, CAB has indicated an increased use of the services at Kildersley and is currently looking to utilise additional resources and room hire to cope with the increase in need. 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 and CAB has said that the total level of debt dealt with in the first quarter of the final year of the contract from the Newcastle office being £3,454,177. Welfare benefits advice remains the largest category of all the current service providers' enquiries, £728,480 being raised for clients from the Newcastle office in the first quarter of the final year of the contract.

- 2.1.3 **Older Peoples Information and Advice Service: AGE UK N. Staffs** - this service has not been without its problems, in that Age UK has asked if they could further reduce the service (from an already reduced four days to a two day service per week), due in the main to a reduction in supportive funding. This was challenged by the Borough Council, by asking if this was the only option being considered. A suggestion was made that Age UK should consider alternate proposals (e.g. collaborating with partners that deliver similar services

within the borough such as CAB), rather than presenting the Council with a single option. Whilst this position has been resolved for the 2011/12 financial year it should be noted that although the Council fund the provider £20,000 per annum, the service is reported to be costing Age UK £61,500 to deliver. Supportive funding is being received from various other streams: PCT, County Council, Age UK England Grant & Age UK trading, but the sustainability of this ongoing supportive funding may prove to be an issue in future years, and AgeUK are in the process of developing and delivering a 'shop and clean' service to Newcastle residents (having successfully delivered a similar service within the city). Age UK as part of their quarterly return indicate an annual aggregated sum of £117,392 being secured for clients in previously unclaimed welfare benefits, and a view is ongoing around the requirements for information and advice, with suggestions having been received that the council should not be funding both AgeUK and CAB for an information and advice service (albeit stakeholders did recognise that these organisations address different demographics).

- 2.1.4 **Young Persons Officer & Young Persons Homelessness & Advice Service – Arch North Staffs** - internal stakeholders have identified the need to re-draft the service outline in order to reflect the need for prevention rather than the existing reactive approach to the service. Should sufficient funding be available, stakeholders have identified the need to introduce a 'single persons housing advice service' and examine the potential for the re-introduction of an affordable furniture re-use referral service for low income residents.
- 2.1.5 **Domestic Violence (DV) Support Service & Relationships without Fear (RwF) Service – Arch North Staffs** - internal stakeholders have recognised the need for the continuation of a DV support service, but indicate that funding for RwF should be supported from the County. Enquiries into County Council funding for the continuation of this service are being made with the Children's Commissioner for Newcastle. Internal stakeholders have also identified the need for supportive funding for an 'Independent Domestic Violence Advocate' (IDVA) service previously externally funded in the past year; this again will be dependent on sufficient funding being made available from the commissioning budget.
- 2.1.6 **Commissioning Board** - prior to commencing the commissioning process, a new Commissioning board will need to be established. Following a review of the TSCF it is proposed that the structure of the future board will "have a minimum membership of and include a representative from each political group, inclusive of the Portfolio Holder for Resources and Efficiency and the Chair of the Grants Assessment Panel, two voluntary sector representatives supported by the Commissioning Manager". It is further suggested that Third Sector representatives should be nominated by the Staffordshire Consortium of Infrastructure Organisations (SCIO). Their role will be to represent the service users and to provide an independent perspective.
- 2.1.7 **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 30 April 2012 with contract award/start by 1 January 2013. The second tranche (Debt Benefits & Consumer Advice) indicates a contract award/commencement by 1 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 (Option A – Not Recommended, as this will 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 each contract anniversary and different lengths of contract for some areas of commissioning (Option B – Recommended, as this 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 (Option C – 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 ratify levels of funding that can be released to commence the re-commissioning of services with the Third Sector from 2012/13 onwards, that support delivery of the Council's corporate priorities
- 4.2 That contracts other than those linked to the PSCiP work be awarded for a three year period (with the caveat outlined above that these will be subject to an annual review of the Council budget).
- 4.3 That the Third Sector Commissioning Board is set up and tasked with undertaking this work on behalf of the Borough Council.
- 4.4 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

- 5.1 To ideally deliver specialist solutions from those providers currently engaged and knowledgeable in those services requirements.
- 5.2 To identify and deliver solutions linked to the Council's Corporate Priorities.
- 5.3 To deliver projects in line with requirements and timescales established within the Staffordshire Compact.

6. Outcomes Linked to Sustainable Community Strategy and 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 the Borough Council 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 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 This has financial implications as a three 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.

- 9.3 There are resource implications for Council services which will need to develop Service Plans/Outlines when commissioning services and for the Commissioning Manager referred to in the document who acts as the point of contact for applicants and service providers.

10. **Major Risks**

- 10.1 There is a risk of reputational damage to the Council if it does not deliver on its TSCF commitments.

- 10.2 Risks are reviewed as part of the process, prospective service providers offered training as part of the commissioning process and identified risks monitored and controlled throughout the length of the contract period between the Council and 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**

There were no earlier Cabinet/Committee resolutions

13. **List of Appendices**

Appendix A - (TSCiP) Correspondence dated 14 July 2011

Appendix B - (TSCiP) Correspondence dated 12 August 2011

14. **Background Papers**

There are no background papers linked to this report.