

OUTCOMES FOLLOWING THE COMMISSIONING PROCESS WITH THE THIRD SECTOR

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Portfolio: Resources and Efficiency

Ward(s) affected: All

Purpose of the Report

To report on the Council's Third Sector Commissioning Framework's process, outcomes to date and future contracting.

Recommendations

- (a) To inform Cabinet of the commencement of the Third Sector Commissioning process.**
- (b) To seek approval (due to time constraints) to finalise and award contracts following appraisal and review of submissions by the Commissioning Board**
- (c) That a subsequent information report be submitted to Cabinet informing them of the successful providers following completion of the commissioning process.**

Reasons

The Commissioning process with the voluntary/community (third sector) for 2012/13 has now commenced and officers have received submissions from prospective service providers for 5 of the 6 services identified. Expected returns for the sixth service 'Rough Sleepers Outreach Service' being commissioned with the City Council expected during June 2012.

As the new contracts are due to commence from 1 July 2012 and as Cabinet does not meet again until 18 July 2012 your officer is seeking your approval to complete the evaluation and award process with the support of the newly formed commissioning board and to finalise contracts. Following completion of the process your officer will submit an information paper informing Cabinet of the successful providers.

1. Background

- 1.1 The "Third Sector Commissioning Framework" has been developed to ensure that the Council receives value-for-money, services from the Voluntary/Community (Third) Sector that better meet the Council's priorities. One of the key drivers in establishing the approach was the desire from elected Members to make more transparent/accountable the Council's practices relating to the issuing of Grants to Third Sector organisations.
- 1.2 The Framework was developed in partnership with the Third Sector with three main objectives: to ensure better use of Council resources; to provide a fair and transparent process to grants allocations and to support the delivery of the Council's Corporate priorities and the Sustainable Community Strategy priorities.
- 1.3 The Framework puts in place a robust mechanism for higher value grants and does not apply to small grants and grants issued through the Community Chest. The Framework

applies to all Council funding for Third Sector organisations and was established in April 2009 and applies to commissioning values (thresholds) over at £7,500 and over.

- 1.4 Decisions on applications are made by a Commissioning Board comprising which is established to oversee the commissioning process. The board normally having a minimum membership of and includes a representative from each political group, inclusive of the Portfolio Holder for Resources & Efficiency and the Chair of the Grants Assessment Panel, two voluntary sector representatives are invited to support the Commissioning Manager or their representative. The Third Sector Representatives should be nominated by Staffordshire Consortium of Infrastructure Organisations (SCIO). Their role will be to represent the service users and to provide an independent perspective.
- 1.5 There continues to be considerable interest in the Council's Commissioning Framework locally and the available support from officers in delivering sustainable solutions to service expectations.
- 1.6 There were six service outlines in total all being for specific services that the Council identified a need to commission as detailed in Section 3, with the Rough Sleepers Outreach service being commissioned at a later date. Successful applicants will be chosen based upon the highest overall scores identified through the Criteria Questions that are within the service outlines.
- 1.7 Five Service Outlines were distributed to Third Sector organisations in March with a closing date of 24 May 2012. Applicants had to complete an Application Form, Equality Impact Assessment and Risk Assessment and enclose relevant supportive information where requested.
- 1.8 Officers as part of the process were on hand to offer training and ongoing support in the completion of the application, risk and equalities impact assessment forms, subsequently supporting the Commissioning Board as part of the evaluation and award process.
- 1.9 A total of 9 applications have been received and each will be scored by the Commissioning Board against pre-published criteria which includes the organisation's local knowledge and experience, service delivery model, the organisations' financial and management capabilities and value for money. A minimum score of 65% has been recommended against four criteria to ensure that commissioned services meet the needs identified in the Service Outlines. An overall scoring threshold of 65% is also recommended. The number of applications received for each service is outlined in Section 3.
- 1.10 All applicants will have their accounts, Health and Safety, Risk and Equal Opportunities policies reviewed and any references taken up. Internal Audit will also be asked to carry out a Credit Check on each organisation as per standard practice for Council contractors.
- 1.11 The final Service Specification and Performance Management targets will be agreed between the successful applicants and officers of the Council before formal contracts are issued; this is a collaborative process with both parties able to propose measures for inclusion. It is intended that contracts will commence on 1 July 2012.
- 1.12 A three year contract period will ensure longer term support for third sector organisations enabling them to plan ahead with increased stability. It also reduces the administrative requirements on the Council as Services do not need to be advertised and commissioned on an annual basis. Payment will be issued quarterly in advance. Budgetary issues for the Council have been addressed in section 2 below.

1.13 Third Sector providers are required to submit quarterly performance reports. Payment is dependent upon this and funds will be withheld if necessary. This will ensure that the Council is aware of the service's progress and any issues with delivery can be responded to in a timely manner.

2. **Issues**

2.1 Recognising the current budgetary constraints service outlines indicated that funding would be made available for a three year period, conditional however to budgetary reviews 3 months prior to the anniversary date (financial year end) to ensure on going funding can be supported.

2.2 Where funding levels can be sustained by the Council in each subsequent contract period and where the service providers delivery is deemed to be satisfactory (based on acceptable quarterly feedback), the incumbent service provider will be offered an extension to contract, in line with the intention to contract for the three year period.

2.3 Should funding levels be cut (reduced or no longer sustainable) the Council will consult with the service provider under the contract, prior to indicating the impacts to any ongoing service delivery.

3. **Commissioning Outcomes**

3.1 A provisional date for the Commissioning Board to meet has been diarised for 13 June 2012 to consider applications. The number of applicants is shown below along with the indicative value for each of the services on a pro-rata basis in the first year.

Service	Number of Submissions	Indicative Cost (pro-rata in year 1)
Information and Advice (Debt, Benefits & Consumer) Service	1	£75,000 to £112,500
Infrastructure Advice	1	£6,000 to £9,000
ASB Vulnerable Victims Worker Service	2	£9,000
Homelessness Prevention for Young Persons	4	£18,000 to £22,500
Furniture Reuse Service	1	£6,000 to £9,000
Rough Sleepers Outreach Service	TBA	£15,000

4. **Proposal**

- 4.1 That the report on progress in delivering outcomes to the 2012/13 Commissioning process be received.
- 4.2 That your officer is allowed to finalise the contracting process having completed evaluation process with Commissioning Board members.
- 4.3 That a subsequent information report be submitted to Cabinet informing them of the successful providers following completion of the commissioning process.

5. **Reasons for Solution**

- 5.1 The solution to be delivered offers a compliant commissioning process in line with the Council's Third Sector Commissioning process.
- 5.2 The solution complies with compact regulations.
- 5.3 The solution enables officers to review available (ongoing) funding prior to extending contracts with the successful providers for a further period 12 month period as part of a three year contract.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 6.1 This proposal impacts upon all of Council's Corporate Priorities as services will be 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 Third Sector to provide essential services to improve the quality of life of the Borough's communities.

7. **Legal and Statutory Implications**

- 7.1 The Contracts issued to Third Sector providers are legally binding.

8. **Equality Impact Assessment**

- 8.1 Equality Impact Assessment has been completed on the Framework and identified actions have/will be implemented.
- 8.2 Equality impact assessments have been undertaken by each of the successful service providers and will be reviewed internally by your officers.

9. **Financial and Resource Implications**

- 9.1 The Framework 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 three year contracts. This has financial implications as a three year commitment is given however internal reviews of the ongoing budget will be undertaken prior to offering contract extensions into additional years.
- 9.2 There are resource implications for Council officers within Directorates who will need to develop Service Outlines when commissioning services and for the 'Commissioning

Manager' (or designated assistant) referred to in the document who act as the point of contact for Third Sector applicants and service providers Other departments involved include Business Improvement, Performance, Central Services, Risk and Audit.

10. **Major Risks**

- 10.1 There is a risk of reputational damage to the Council if it does not deliver on its Commissioning Framework commitments.
- 10.2 Risk assessments have been undertaken by each of the successful service providers and will be reviewed internally by your officers.

11. **Sustainability and Climate Change Implications**

- 11.1 Sustainable commissioning intrinsically linked to the Council's procurement methodologies is the process of acquiring services that meet users' needs, deliver long term value for money, maximize social and economic benefits and minimise damage to the environment and health. Sustainable commissioning contributes to our objectives by helping to deliver social, economic and environmental well being.

12. **Key Decision Information**

- 12.1 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

13. **Earlier Cabinet/Committee Resolutions**

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

14. **List of Appendices**

There are none.