

OUTCOMES FOLLOWING THE COMMISSIONING PROCESS WITH THE THIRD SECTOR

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Portfolio: Finance and Budget Management

Ward(s) affected: All

Purpose of the Report

To report on the outcome of the Council's Third Sector Commissioning Framework's process, June 2012

Recommendation

To inform Cabinet 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 concluded after evaluation by the Commissioning Board, and the contracts for five services awarded. Returns for the sixth service 'Rough Sleepers Outreach Service' were also received in June 2012 having been collaboratively commissioned with the City Council and duly awarded. The contracts commenced from 1 July, 2012 and 1 August 2012 respectively.

1. Background

- 1.1 The Third Sector Commissioning Framework was developed to ensure that the Council receives outcome-led, value-for-money, services from the Third Sector (Voluntary/Community Sectors) that better meet the Council's priorities. A report was provided to Cabinet in June outlining the intent to use the framework in the recent round of commissioning the six services identified in June 2012.
- 1.2 A total of 9 applications were received for the five service outlines and each scored by the Commissioning Board against pre-published criteria and a further 2 applications for the sixth service commissioned collaboratively with the City Council.
- 1.3 The final Service Specification and Performance Management targets were agreed between the successful applicants and officers of the Council before formal contracts issued; this was a collaborative process with both parties able to propose measures for inclusion. The contracts commenced on 1 July and 1 August as stated previously.
- 1.4 Third Sector providers are required to submit quarterly performance reports and payment is dependent upon their satisfactory receipt and analysis; if necessary the funds will be withheld should officers identify shortfalls. 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, the contracts issued indicated the following:

- 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.
- That where funding levels can be sustained by the Council in each subsequent contract period and where the service provider's 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.
- That 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 The Commissioning Board met on 13 June 2012 to consider applications for the five service outlines. The applicants are shown below along with their score and contract value. The applicants in bold are those that have been successful. The results for the commissioning of the sixth service, "Rough Sleepers Outreach", are also detailed in a separate table.

| Service | Provider | Total Score | Average % | Indicative Cost pro-rata in year 1 2012/13 | Total Cost of contract award 2012/15 |
|---|--|-------------|------------|--|---|
| Information and Advice (Debt, Benefits & Consumer Service) | North Staffs Consortium CAB | 426* | 85% | £112,499.24 9 month contract | £412,497.24 2 years & 9 month contract |
| Infrastructure Advice | Newcastle-under-Lyme Community & Voluntary Support (NCVS) | 373* | 75% | £8,557 | £31,375.67 2 years & 9 month contract |
| Homelessness Prevention for Young Persons | Arch | 457* | 91% | £20,591 9 month contract | £76,325 2 years & 9 month contract |
| Homelessness Prevention for Young Persons | Organisation A | 381* | 76% | £7,500 | N/A |
| Homelessness Prevention for Young Persons | Organisation B | 180* | 36% | £15,000 | N/A |
| Homelessness Prevention for Young Persons | Organisation C | 133* | 27% | £7,500 | N/A |
| Furniture Reuse | North Staffordshire Furniture Mine | 442* | 88% | £9,000 9 month contract | £33,000 2 yrs & 9 month |
| ASB Vulnerable Victims Worker Service | Victim Support | 431* | 86% | £7,000 9 month contract | £ 25,667 2 yrs & 9 month |

| Service | Provider | Total Score | Average % | Indicative Cost pro-rata in year 1 2012/13 | Total Cost of contract award 2012/15 |
|---------------------------------------|----------------|-------------|-----------|--|--------------------------------------|
| ASB Vulnerable Victims Worker Service | Organisation D | 286* | 57% | £9,000 | N/A |

Scores marked * are based on the total average of 5 Board Members present for scoring with the % scores also adjusted accordingly

| Service | Provider | Total Score (Out of 1000) | Cost per annum | Total Cost of contract award 2012/15 |
|---|-------------------------|---------------------------|--------------------------|---|
| Rough sleeper's Outreach Service | Brighter Futures | 828.62 | £14,765 per annum | £44,295 3yrs (01.08.12 – 31.07.15) |
| Rough sleeper's Outreach Service | Organisation E | 755 | £14,446 per annum | N/A |

4. **Proposal**

- 4.1 That this information report detailing the awards of the commissions to the successful providers is received.
- 4.2 That it is noted by members that a compliant commissioning process was adhered to in the commissioning of these services utilising the Council's Third Sector 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 contract to the end of March 2015.

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

- 6.1 This commissioning impacts upon all of Council's Corporate Priorities as services will be commissioned to deliver against the corporate priorities.
- 6.2 It also ensures 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 on an ongoing basis.

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. **Key Decision Information**

11.1 This information report is not classed as a key decision document and is submitted with the intention of informing Cabinet of the successful providers following completion of the commissioning process.

12. **Earlier Cabinet/Committee Resolutions**

12.1 There was an earlier Cabinet resolution in June 2012 to allow the awarding of contracts to successful providers using the commissioning process.